



Running a Castle

by the Rt. Hon. Earl of Cromartie, Chief of Clan MacKenzie

To someone who doesn't live in a Castle (i.e. the majority), the concept of actually living, working and endeavouring to run such an establishment is about as familiar as the Martian topography or the interior of a Yurt.

Unlike normal houses that have been built with a degree of ergonomics in mind, castles are truly 'blasts from the past' when the economic and human factors were utterly different.

Rather than the castle suiting the individual, the individual has to fit in with the castle and all its (many) foibles. This "fitting in" normally takes up the entire lifespan of the owner and creates an aura of slight incredulity with normal folk; but an immediate rapport with other castle owners, who can enthuse about the machinations of dry rot, the Inland Revenue (usually in the same breath and with the same depth of feeling as the two are not dissimilar) and crumbling masonry.

The buildings are invariably hedged about with lawyers, architects and experts of one sort or another, all of whom charge fees in direct proportion to the size of the building and the preconception of what the owner might be worth. Even the term

'owner' is misleading as most castles are run by Trusts; and the owner is *restricted* in terms of what they can do, or sell; and are further compounded by terms and conditions imposed by both Inland Revenue and (in Scotland) Historic Scotland (a Government body allied to the Inland Revenue).

Thus every castle of note is surrounded by a shadowy army, whom one hopes are symbiotic rather than parasitic.

Castle Leod is no exception. The money earned by the estate, (sadly shrunk since the 1950's) now just about covers the expenditure provided professional fees are restricted. This year however we are running at a substantial loss, which has proved unavoidable.

Just to clarify the message, I personally take no money from the estate as it cannot afford wages to myself but live off a small income that most would find inadequate.

Money earned directly from the estate goes to pay a handyman's full-time wage, a part-time secretary and overall running costs that if we keep on top of, just about get covered but are prone to price fluctuations in fuel and electricity. It is all



rather ‘seat of the pants’ flying and precarious. However, having inherited a massive debt – which has taken 15 years to clear – I feel cautiously optimistic about the future given a modest life style and no expensive holidays.

The main Trusts, which affect the running of the castle and estate, are the IV or Inter-Vivos Trust, and the Maintenance Fund. The latter is perhaps more important, in that it concerns what happens to the fabric of the building and the immediate policies or grounds.

The castle, the grounds and some of the buildings associated with it are all “Listed.” The listing is a Government control in order to preserve the integrity and historic value of a building or grounds.

The castle itself is Grade A, the top priority, and nothing can be done to the interior or exterior of the building, or its immediate premises, without express permission from Historic Scotland.

The castle is considered of national importance and the most valuable building (in terms of history and construction) in the North of Scotland.

The other trust is the Clan Mackenzie Charitable Trust, set up in the early 1990’s in order to find grant aid to replace the roof built in 1616 on the Old Wing or original tower of the castle.

This is essentially a buildings trust, approved by the Charities Commission of Scotland with the remit of providing educational and historic value.

The trust is run by several Trustees, comprised of Historic Scotland-approved people, including an acclaimed historic buildings architect, a lawyer and myself. Each year, the “Charities Commission,” and Historic Scotland receive a report; and, of course, appropriate accounts.

The roof was replaced in the nick of time. Quite literally, a delay of even a few months would have spelt disaster for the building.

A 40% grant from Historic Scotland was generously given – and by giving the historically valuable Family Papers to Register House in Edinburgh (which I had insisted on remaining in Scotland) – I managed to raise the bulk of the remainder: a little over £20,000 which was raised by generous donations from abroad and Mrs Goldston-Morris in particular.

I put nearly £70,000 of my own money toward the roof, a sum I could ill afford, but what owner would not give the shirt off his back to save a building which had been in Mackenzie family hands for 500 years? This sum I gave as a long-term loan but in truth cannot foresee a time when it might be retrieved.



With the roof replaced, both on time and on budget, no building work was possible for several years due to lack of capital.

However a steady trickle of funds came in over the years in particular from the Clan Mackenzie Society of Canada due to their successful handling by Alan McKenzie of the Lottery.

When this ended, the majority of the funding dried up but to a large extent the steady growth of Private Tours has injected considerable capital into the Charitable Trust, though still relatively small beer in terms of what is needed.

To date roughly £33,000 has been used to restore the upper reaches of the Tower, in particular the decayed stonework on the battlements and chimney heads.



A repaired and restored chimney.

the intention to see if full-time commercial opening of the castle to the public was possible.

The clear answer was, “No,” and it is clear that any future business involving the castle has to be in the direction of small, exclusive and high-class usage.

One of the conditions – imposed by Inland Revenue on a death of the incumbent – is to levy Inheritance Tax or IHT. This currently runs at 40% of the entire value of the estate and castle and would mean an immediate sale of both.

To avoid such a capital tax, known as capital tax exemption, it was necessary to sign a binding agreement both for myself, and any future owners, after my Father died.

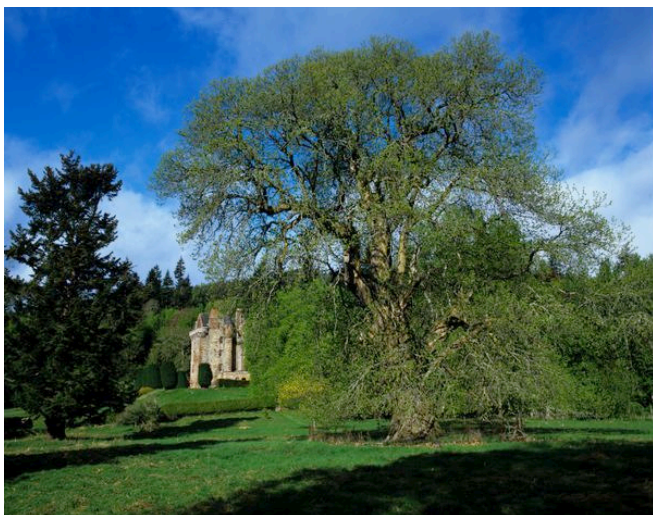
The conditions include opening for 25 days to the public; not selling any property of historical importance (i.e. all the goods and chattels within the castle); and seeking Historic Scotland permission to alter, repair or otherwise do building work, including any plans to repaint the interiors of the main rooms.

The conditions also ask for an ongoing plan of repairs and restoration. Quite a list as I’m sure you’ll agree! The reason behind such measures is partially political and largely social in that numerous important buildings were allowed by their owners to fall into decay and thus robbing the U.K of the built heritage.



The chimney, prior to repairs.

One of the long-term goals of the Charitable Trust is to find ways to fund the restoration and complete refurbishment of the upper three stories of the Tower. This amounts to little less than three million pounds but if successful would enable the resulting apartments to be let out profitably, a use in full accord with Historic Scotland and Inland Revenue. Very recently some ongoing and early talks with a notable Scottish company may help to bring about at least an aspect of this goal but at the moment this is all confidential. In the early 1990’s two major Feasibility Studies were done, both with



If a sale were to be allowed of something valuable and Historic Scotland and the I.R considered it not jeopardising the overall integrity of the property then on top of a 40% IHT, there would be a further tax of Capital Gains whereby the value of an item (as valued by an auctioneer) at the time of death or some other pre-determined time by the I.R would be imposed and this would amount to the difference in value between the original valuation and the point of sale and that amount taxed at 40%.

Thus to lose an initial 40% plus a further unknown percentage based on the (likely) increase in value makes the concept of selling an item fairly pointless.

Today, the generous grants from Historic Scotland are a thing of the past, and “listed buildings” struggle to fulfil their obligations, not helped by the imposition of Value Added Tax or V.A.T on repairs.

Fortunately one of the advantages of the Old Tower being Charitable is that V.A.T can be reclaimed but the same cannot be said of the rest of the castle which has to pay this tax when repair work need to be carried out.

Like many large house owners, I belong to an organisation called the Historic House Association which does a huge amount of positive work on behalf of owners. It helps point out that such houses provide much-needed tourism (as well as local employment), and has the “ear” of government as far as is possible.

This, I hope, gives a fair flavour of what being an “owner” of a castle is like and might dispel a few myths.

Very few estate/castle owners are rich. Those who are, are still beset with responsibilities and cares.

To live in an historic building is an undoubted privilege on one hand and a huge burden on the other. In many ways the true definition of an aristocrat (in the true historical sense) is one who carries the responsibility of the house and estate forever on his back; he is never free and his future, unless he decides to discard inheritance and history, has to be forever in thrall to both.

On a lighter note some wag noted that, “In order to make a small fortune out of a Highland estate, you would have to start with a large one.” But my all-time favourite saying, needless to say by a wonderful Irish peer, was that “Running a large house was like ‘breastfeeding a dinosaur’.”

Needless to say, I love Castle Leod with a passion. It is my home, and my work; and I feel an overarching sense of history and one-ness with the land.

For me, being “absentee” is not an option, ‘though I fully realise that future generations may not be so lucky.

Despite all the problems, the lack of money, the taxes and the sheer bloody-mindedness of it all, there is nowhere else I would care to live. I count myself lucky to be in the Spiritual Home of the clan, the resident guardian, until I can pass on the baton to the next generation.



Cabarfeidh



Hundreds of feet up, and down a path created for horse-drawn carriages, it takes special equipment to reach the parapets of Castle Leod during the process of repairing and restoring.



Left, Castle Leod's West Battlement prior to repairs. The vines and plants weaken joints and introduce unwanted moisture.

Below, following the repairs, the West Battlement looks as it should, and is once more a safe place to venture out upon.

