The Rt Hon Alistair Carmichael MP
Chair, Environment, Food and Rural Affairs Committee
House of Commons,
London,
SW1A 0AA

9th December 2024

Dear Chair,

Changes to Agricultural Property Relief (APR) and Business Property Relief (BPR)

I am delighted that your committee will be looking into the future of farming in the wake of the changes to Inheritance Tax (Agricultural Property Relief (APR) and Business Property Relief (BPR)) set out in the Budget.

As you may be aware, these changes not only threaten the future of British farming, but family businesses too – many of which operate in and are an essential part of the rural economy. The changes are hugely damaging to Britain's 4.8 million family-owned firms and will mean that for most family businesses, with assets in excess of £1m, the future is now uncertain. The changes family business will need to make to mitigate a future IHT liability will starve businesses of investment, lead to significant job losses and reduce tax revenue to government.

As you know from your Early Day Motion in support of Family Business Week, family businesses are the backbone of our economy and the lifeblood of communities across the country. We welcome the committee's focus on the APR element of these changes, but we would also encourage you and your colleagues on the committee to consider the BPR element too. BPR is used by famers alongside APR to manage succession across their estate. But it is the only Inheritance Tax relief available to family businesses and therefore deserves particular attention.

Family Business UK (formerly the Institute for Family Business) is the largest organisation dedicated to promoting, championing and advocating for family businesses. It is a movement of the largest and best-known family businesses across the country, including a number of household names and global companies as well as small, high-growth SMEs.

We would welcome the opportunity to speak to you and your team on the committee to brief you fully on the implications of the proposed BPR changes for family businesses. In addition, we would be more than happy to put forward any potential witnesses if your committee would be interested in running a more in-depth evidence session on this element of the changes.

We look forward to hearing from you, and please do let us know if you have any questions in the meantime.

Yours sincerely,

Neil Davy
CEO, Family Business UK

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