Michael Weaver – Written Evidence (DFI0072)

May I thank you for the opportunity to make a submission to this Committee relating to how the changes made by the Chancellor of the Exchequer to APR and BPR regarding farming businesses in her budget on the 30th October 2024 will affect our family farming business.

Synopsis of Farming Business

We farm in the northern fringe of Bristol in South Gloucestershire. The farming partnership is my 85 year old father, Roger, myself, Michael, 64 and my 37 year old son William.

We farm on two holdings at Frampton Cotterell and Thornbury totalling 500 acres. We also rent other ground in the vicinity on a mixture of tenancies, totalling 250 acres.

The main holding of 410 acres with associated house and buildings is owned by my father. He gifted 250 acres of that to me in October 2019. So has one year left to be free of IHT. The second holding of a house and 90 acres is still owned by my father. We have diversified on some of the land that has been gifted to me. So there will be an alternative income stream coming into the family

With our accountant we have looked at our exposure to IHT, both before 5th April 2026 and afterwards. Adding up the value of land, buildings, machinery and livestock, we are looking at an IHT bill post April 2026 of about £1,000,000.

Over the last three years our average profit has been about £10,000 a year. Obviously, when we are looking at an annual bill to HMRC of £100,000 a year for ten years, we wonder how it will be paid.

Relating to your questions.

Implementation & Transition

8. I don't think the Government wishes to see family farms broken up in order to pay the IHT. If the owner of the land is below a certain age, then there is a greater chance of the farm being passed to the next generation using the current 7 year gifting option. When the landowner is above a certain age, the odds on surviving 7 years decreases rapidly.

I would like to see some form of extended transition for landowners over a certain age, so they can get their affairs in order. I have no real opinion if that is 70, 75 or 80. But feel something should be put in place. The farming sector has an extremely high suicide rate already, and there is a great concern there will be more before the April change in legislation.

Impact

11. What do you class as a small farm?

Smallholdings, many owned by lifestyle people will mostly be under the payment threshold, so it doesn't concern them. If they are over the threshold, it's not to difficult to make changes to ensure they are under it.

Large farms and estates already have made provision to mitigate their risk through the use of trusts and business companies.

For farms that are between the two, mainly family owned partnerships, this is where there will be a problem. It is easy to say that the older landowner should have already passed the land ownership on to the next generation. But the best tax advice until the 30th October 2024, was to die still owning the farm, with it being 100% exempt using APR & BPR.

So, either raise the payment threshold, so more smaller family farming partnerships become exempt from the changes, or allow those over a certain age to be exempt, so the farm can be passed on using the gifting option.

12. At the moment we are working with accountants and solicitors to try and lower our IHT liability. But many are fully booked up for several months. So any extension would be well received.

14. It depends how harsh Government wants to be. Any extension to the proposed timetable would help family farms mitigate their IHT liability.

15. In many quarters it is felt that The Treasury has not listening to other viewpoints on alternatives to raising tax revenue from farms and other family businesses. The "Clawback" option when land is sold, or the Centax option, all have merits, but were quickly dismissed by civil servants. Even when those putting forward these views were better placed to know what they were talking about.

6 October 2025