

Tenant Farmers Association

The Autumn Budget

Caroline Squire BSc (Hons) MProf MRICS FAAV

Rural Chartered Surveyor & Agricultural Valuer

TFA Adviser

The Tenant Farmers Association

- The only organisation dedicated to supporting all farmers who do not own the land that they farm
- Lobbying Government for policies and legislation which assist those who do not own the land they farm
- Give expert advice to members
- Support and enhance the landlord tenant system in agriculture

And a bit about me...

- Worked at the TFA specialising in landlord-tenant for 4 years
- Six years in private practice prior to this
- Agricultural Valuer and Chartered Surveyor
- Tenant farmer's daughter

Budget Headlines - IHT

- From April 2026 APR and BPR restricted to first £1 million of combined agricultural and business assets
- And 50% relief on amounts over £1 million
- Nil Rate Band - £325,000
- Residence Nil Rate Band - £175,000 (when passing to direct descendant)
- Individual £1.5 million tax free, or a couple £3 million tax free
- IHT bill spread over 10 years, interest free

Impact on owner occupiers

- IHT bill where there wouldn't have been one before
- Important to take advice and plan ahead
 - Ensuring £1 million relief is not lost
 - Considering lifetime transfers
- Discuss succession

Impact on the tenanted sector

- Cap will hit large let estates the hardest, as they will massively breach the relief limits
- Breaking up of estates and sale of farms to mitigate tax liability or to foot the IHT bill
- Those with short term FBTs / FBTs where the fixed term has ended most at risk of being served notice so farms can be sold with vacant possession
- De-incentivise landlords from investing in their farms

What changes are the TFA lobbying for?

- Increase the combined APR/BPR threshold from £1 million to £2 million
- Allow the combined APR/BPR threshold to be transferable between spouses and civil partners
- 100% relief to be available to landowners on the value of land/farms which are let on secure tenancies – being either AHA tenancies or FBTs with fixed terms of 10 years+ and no scheduled or unconditional break clauses

Whilst the Government are willing to engage and discuss the changes to IHT, there is hope

Some other, less well reported budget impacts to be aware of...

- Delinked payments being capped at £7200 next year
- Increase in employers National Insurance contributions - will make it more expensive for farmers to hire and retain workers.

Do come and find me if anyone has any questions on this, or if there are any tenants in the room with issues the TFA may be able to help with