**EMAIL RESPONSES RECEIVED FROM NE RURAL MPs FOLLOWING MY EMAIL ON APR.**

**Thank you for your email about Agricultural Property Relief and the Government’s approach to farming in the recent budget. Prior to the budget I was engaging with North Northumberland farmers on a range of issues, including; sheep farming, access to land, energy costs, trade deals, mental health, the SFI and Basic Payments Scheme, and the total envelope for farm subsidy, and I will continue to do so.

I was very pleased that the Government has committed £5 billion to the agricultural budget over the 2024-25 and 2025-26 financial years, which represents an increase on the £2.4 billion in 2023-24 set by the last government. I know that there was some concern that the budget would be reduced, given the failure of the last government to spend the budget, and so I am happy to see the full agriculture budget maintained.

However I also appreciate that the announcements this week on APR have caused concerns for some farmers. The announcement of a change in a thirty year-old tax regime from April 2026 has clearly led to a significant number of questions, some confusion, and some frustration for the farming community in Northumberland. I recognise that North Northumberland contains a number of large farms that surpass the new £1m 100% relief rate.

As you may know, the standard nil-rate band, residence nil-rate band, and exemptions for transfers between spouses still apply, which means some farm owners, including those who are married, will receive the 100% relief rate until over the £2 million threshold (this also does not account for Business Property Relief, which will further benefit a number of farms). Transfers to individuals more than 7 years before death will also continue to be untaxed. And any Inheritance Tax due can be repaid over ten years.

Given these variables, I would strongly encourage you to take advice from a tax expert with regard to your own circumstances before drawing your conclusions; much of the media and some of the political commentary on this announcement has in my view been alarmist, and has limited value in shedding light on how the vast majority of family farms will be impacted in the long-term, let alone the short-term.

We know that some of those using APR are not family farms, but wealthy landowners or city residents seeking to buy up land in order to take advantage of a system designed to support farming. It’s tough to see how the current system could have continued, especially with the country so short of money for crucial public services, including our local doctors and schools. The budget has increased obligations on businesses across the board.

Yet I also appreciate that farmers juggle a number of pressures and this is an unexpected one that has raised a degree of uncertainty for some larger family farms. While we must ensure that taxation is fair, no-one wishes for our national food security to be threatened, or for a way of life to be undermined in any way.

With this in mind I am planning to speak as soon as possible with local farmers to listen to constructive suggestions that I can take forward to the Government, and I’d be keen to receive any further update from you on how the changes to APR may affect you and your farm.**

**Kindest Regards

David Smith MP**

**Dear Angus Collingwood-Cameron

Thank you very much for getting in touch about the Autumn Budget.  I recognise the issues you have raised regarding the future of the farming industry.

From the outset, I want to reassure you that the Labour Government, and myself, is firmly committed to supporting farmers and rural communities, including helping families to pass their land on to the next generation.

Following the Autumn Budget, the new Government has allocated the largest amount in Britain’s history to support sustainable food production. This amounts to £5 billion allocated to the agricultural budget for the next two years. £208 million is being directed towards protecting the farming industry from potential disease outbreak that could jeopardise food production. An additional £60 million is being directed to support farmers threatened by severe flooding as part of the Farming Recovery Fund. I welcome the Labour Government’s firm commitment to understanding, and representing, the issues of the farming community.

While these are welcome developments, the economic circumstances inherited by the previous Conservative government cannot be overlooked. The £22 billion inherited black hole in Britain’s finances paired with the previous Government’s failure to understand the real concerns of rural constituencies, was devastating for the farming community. To fix the foundations and deliver real change, the Labour Government has had to make some tough decisions on tax and spending.

I recognise the concerns that you raise about the Agricultural Property Relief (APR) and Business Property Relief (BPR). I want to reassure you that while APR is capped at £1 million, when combined with other forms of Inheritance Tax (IHT) relief, an average couple can pass on up to £3 million free of IHT. Additionally, landowners will pay inheritance tax at a reduced rate of 20%, rather than the standard 40%. This inheritance tax can be paid in instalments over 10 years interest free.

More broadly, I want to reassure you that I, and the new Government, am firmly committed to protecting rural constituents, as reflected in the budget. Following the Autumn Budget, the £500 million directed to fixing over 1 million potholes, the £1 billion for SEND Education, £30 million for breakfast clubs and over £600 million increase in social care, is a welcome contribution for rural communities.

Since the Budget announcement, I have met with a number of local farmers to hear about the concerns. I want to reassure individuals on my firm commitment to representing the farming community in Parliament. If you are interested in arranging a meeting, please contact my office and I will be happy to arrange this.

Thank you very much for getting in touch. I welcome constituents getting in touch about any issues or concerns they have. I will continue to monitor this closely.

Best wishes,**

**Joe Morris MP**