

## Overview: Navigating IHT and Succession Planning

### Farm Business Innovation show 2025

The session, chaired by Olivia Midgley (Farmers Guardian) with expert insights from Lisa Millington (HCR Law) and Louise Speke (CLA), explored the critical aspects of inheritance tax (IHT) and succession planning for family farms and rural businesses. Against the backdrop of recent and anticipated tax changes, the discussion highlighted the importance of proactive planning, professional advice, and structured family conversations to safeguard the future of farming businesses.

Lisa Millington emphasised the increased importance of IHT planning since the October 2024 budget, noting that many farmers now need to take stock of assets, ownership, and potential tax liabilities before implementing mitigation strategies. Louise Speke reinforced that succession planning is a long-term process, urging families to analyse assets, clarify ownership, and engage openly about retirement and generational handovers.

The speakers also addressed practical barriers—time constraints, discomfort discussing mortality, and lack of clarity on where to start—while offering solutions such as powers of attorney, partnership agreements, and post-nuptial arrangements. The importance of market valuations, asset protection, and professional collaboration (solicitors, accountants, land agents) was emphasised to ensure both tax efficiency and fair outcomes for farming and non-farming family members.

The session concluded that proactive, well-advised succession planning is an essential investment in a family farm's longevity, mitigating risks from death, incapacity, or unplanned disputes, and enabling families to preserve both the business and relationships across generations.

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### 10 Key Audience Takeaways

1. **Start Early:** The best time to begin succession planning is now—procrastination limits options and flexibility.
2. **Professional Advice is an Investment:** Specialist legal, tax, and financial advice is essential, not optional, for effective succession planning.
3. **Analyse Your Assets:** Understand what assets exist, who owns them, and their current market and agricultural values.
4. **Open Family Conversations:** Transparent discussions about retirement, roles, and intentions help prevent future disputes.

5. **Powers of Attorney are Crucial:** Planning for incapacity is as important as planning for death; early arrangements prevent costly interventions.
6. **Fairness vs Equality:** Equitable outcomes may not mean equal shares—consider financial products for non-farming children to ensure fairness.
7. **Gifting Strategy:** Gifting remains relevant under IHT planning, but must consider capital gains tax and individual family circumstances.
8. **Document Everything:** Up-to-date wills, partnership agreements, and succession plans prevent legal complications and ensure clarity.
9. **Collaboration Among Professionals:** Solicitors, accountants, and land agents should work together to provide a holistic approach to succession and tax planning.
10. **Practical Execution Matters:** Market valuations, timely engagement with professionals, and structured plans are vital to meet IHT obligations and secure the future of the business.