

TITLE OF REPORT: NOTICE OF MOTIONS

The following Motion has been submitted, due notice of which has been given in accordance with Standing Order 4.8.12. **This motion was deferred from the meeting of Council on Thursday 28 November 2024.**

To be moved by Councillor Ralph Muncer and seconded by Councillor David Barnard.

Impact of Family Farm Tax on Rural Communities in North Hertfordshire

In the Autumn Budget, the Chancellor of the Exchequer announced reforms to Agricultural Property Relief (APR) and Business Property Relief (BPR) from inheritance tax.

Currently, APR and BPR are available at a rate of 100% or 50% (based on eligibility criteria) with no cap to the total amount of relief. However, from April 2026 as a result of the Labour Government's policy, inheritance tax relief for business and for agricultural assets will be capped at £1 million, with a tax rate of 20% being charged above that.

HM Treasury has said that 73% of APR claims are below £1 million and so would be unaffected by this policy however, the National Farmers Union have highlighted figures from the Department for Environment, Food and Rural Affairs indicating that the true percentage of farms affected by the APR changes will be 66%.

North Hertfordshire is a rural district with 76% of land classed as agricultural, and with farming providing jobs for more than 2,500 people in Hertfordshire and contributing more than £160m to the economy of Hertfordshire and Bedfordshire, this policy will undoubtedly have a significant negative impact on the economy of rural communities across the district.

Not only does this policy present an existential threat to the families who have farmed the land in our communities for generations, and who had hoped to pass on their farm to the next generation, but with about 54% of food on the plates of people in North Hertfordshire being produced in the UK, this decision will significantly increase the cost of producing food, leading to higher food prices, as well as reduce British Food Security.

Therefore, Council resolves:

- 1. That the Leader of the Council writes to the Secretary of State for Environment, Food and Rural Affairs to outline the Council's dismay at this decision and calls on the Government to stop the Family Farm Tax.**
- 2. That the Leader of the Council writes to the Member of Parliament for Hitchin, the Member of Parliament for North East Hertfordshire and the Member of Parliament for Stevenage, urging them support farmers and rural communities in North Hertfordshire by calling on the Government to reverse the Family Farm Tax.**

- 3. That the Executive Member for Community and Partnerships engages with local farmers and representatives from rural communities on what Council can do to support them.**
- 4. To instruct Officers who are writing the North Hertfordshire Economic Development Strategy to work to identify potential opportunities to strengthen and grow the economies of rural communities in North Hertfordshire.**

Proposed by: Cllr Ralph Muncer

Seconded by: Cllr David Barnard