

News from the Farm Advisory Service:



Video - Understanding changes to Inheritance Tax: Autumn budget update

Unsure about the important changes to Inheritance Tax? In this video, we speak to Andy Ritchie, a Partner at Azets in Perth, who discusses all you need to know about Inheritance Tax following the autumn budget.

Watch our video by using the QR code or find our YouTube channel using the link below www.youtube.com/FASScot



Preparing for Sustainable Farming (PSF) Deadline

All claims must be submitted
by end of February 2025

Get funding to achieve high nutrient use efficiency

You may have heard that the Scottish Government's Climate Change Plan Update sets a commitment to develop "a SMART (Specific, Measurable, Achievable, Relevant and Timebound) target for reducing Scotland's emissions from nitrogen (N) fertiliser." Better nutrient use efficiency is a win-win, resulting in financial savings for your croft or farm and better protection for the environment.

The agricultural sector is dependent on N inputs, both organic and inorganic. Inefficient use of these inputs is expensive and creates N wastage, which impacts air and water quality.

The Farm Advisory Service's (FAS) soil and

nutrient management specialist advice option enables you to bring in an expert to prepare a nutrient management plan for your business. They can help you to match inputs with nutrient uptake by crops, calculate the requirements for maximum crop yield, and improve nutrient use efficiency. This can help mitigate the effects of high fertiliser costs and improve soil health.

Up to £3,200 of funding is available for two specialist advice options through FAS. To find out more and apply for funding, visit www.fas.scot/specialist-advice/. For support choosing the best grant options and help finding an advisor contact FAS at advice@fas.scot or 0300 323 0161.

Autumn budget implications for Inheritance Tax

Two of the changes announced will have a central effect on your succession planning decisions. What follows is a summary of a longer article available on the FAS website, with a link to the original article below.

The key terms and figures when looking at Inheritance Tax (IHT) are:

Agricultural Property Relief (APR)

Applied to eligible **farmland** when it is passed to the next generation - generally speaking, if farmland is being farmed then **APR** should apply.

Business Property Relief (BPR)

Applied to **business assets** (in the case of farming - tractors, machinery, livestock etc) when it is passed to the next generation.

Nil Rate Band - £325,000

The total amount of any type of assets (e.g. property, money, cars etc) that can be passed to the next generation without incurring any taxes. This is available to everyone. In a marriage/civil partnership if one person dies and only uses a portion of their Nil rate band the used amount can be transferred to their spouse.

Residence Nil Rate Band (RNRB)- £175,000

This is available when a person has owned their property, it has been their primary residence and they are leaving it to a direct descendant e.g. Children, spouse, grandchildren. A couple who are married or in a civil partnership can only have one primary residence between them.

If a person's estate is worth more than £2m (before reliefs), the relief is reduced by £1 for every £2 that the value exceeds £2 million.

More information can be found at:

www.fas.scot/article/inheritance-tax-and-reliefs/

Becka Henderson, SAC Consulting



Free Events

At the Farm Advisory Service we run a range of events both online and in-person.

Visit www.fas.scot/events to sign up or contact the advice line and we'll help you get booked on.

Common Grazings Finances and Procedures – Helmsdale Part 2

Helmsdale, 4th February, 7:00pm - 9:30pm

NVZ & Nutrient Management Workshop – Edinburgh

Haddington, 5th February, 11:00am - 2:00pm

New Entrant Finance Course - Introduction to Finance – Huntly

Huntly, 5th February, 7:00pm - 9:00pm

Borders WiA - Cedar Hus and Organic Farming

Melrose, 6th February, 10:00am - 12:00pm

River Eden Water Catchment River Bank Maintenance

Cupar, 12th February, 12:00pm - 3:30pm

New Entrant Finance Course Webinar 1 – Bookkeeping & VAT

Online, 12th February, 7:00pm - 8:00pm

Navigating peatland restoration

Currently, there is up to 100% funding available for peatland restoration projects through the Scottish Government, who have pledged £250 million to restore 250,000 hectares of peatlands across Scotland by 2030. Additional public and private funding is available, potentially offering long-term income to landowners.

Restoring peatlands can provide new grazing opportunities, reduce black loss, improve water quality and water flow for hydro schemes and fisheries. It can mitigate droughts as well as flooding, create new, greener jobs, enhance biodiversity on farms and contribute toward national efforts of greenhouse gas emissions reduction.

Peatland eligible for restoration will, in general, be 50 cm or deeper across the site and will have been altered through land management such as drainage, intensive grazing or muirburn. This can be detected in peatlands by visible surface erosion (bare peat) and water courses turning brown with washed-out peat.

Peatlands in good condition add value to a farm. They support biodiversity, act as water storage, protect settlements and infrastructure from flooding and wildfires, and they maintain good water quality. Restored peatlands can also be safer for livestock to track across, and increased vegetation cover can enhance grazing.

Peatland ACTION manages the Scottish Government's fund for peatland restoration and provides support to farmers and crofters with their projects from planning, through delivery to ongoing management and monitoring, while ensuring current and intended land uses are considered in every project. Contact your local Peatland ACTION Officer to discuss the feasibility of peatland restoration on your farm free of charge.

Sarah Erbanova, SAC Consulting

For more information and to contact your local Peatland ACTION officer, visit:

www.nature.scot/climate-change/nature-based-solutions/peatland-action

Visit our article on the most frequently asked questions on peatland here:

www.fas.scot/article/peatland-restoration-your-most-pressing-questions-answered/

Scotland's Farm Advisory Service is funded by the Scottish Government. It is delivered by SAC Consulting, part of Scotland's Rural College, and Ricardo Energy and Environment.

National Advice Hub

T: 0300 323 0161

E: advice@fas.scot

W: www.fas.scot

If you need more advice on any topic, the Farm Advisory Service has a range of support and help available:

Advice line

For free telephone advice on a wide variety of topics including cross compliance, water framework directive requirements, climate change and other technical issues call us on 0300 323 0161 or email advice@fas.scot. The advice line operates between 9am and 5pm Monday to Friday.

Bespoke Advice and Grants

FAS can also help you to increase the profitability and sustainability of your farming business through Scottish Government grants including Integrated Land Management Plans (ILMPs) – worth up to £2,000.

The ILMP will identify opportunities and cost savings for your business, based on an independent and confidential assessment of your business by an experienced farm business adviser of your choosing. As part of your plan you can choose to benefit from up to two further specialist advice plans.

Online

Our website contains articles, videos and much more at www.fas.scot