

Huw Irranca-Davies AS/MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet
dros Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for
Climate Change and Rural Affairs



Llywodraeth Cymru
Welsh Government

Your ref AS
Our ref HIDCC/02148/25

Councillor Ioan Thomas
AnnesSion@gwynedd.llyw.cymru

19 December 2025

Dear Councillor Thomas,

Thank you for your letter dated 21 November regarding the UK Government's proposed changes to Inheritance Tax.

While Inheritance Tax is a reserve tax administered by the UK Government, and it is their responsibility to assess the implications of any proposed changes, it is vital that the interests of Wales are properly represented.

I have repeatedly conveyed the grave concerns of Welsh farmers to the UK Government, stressing that their views must be heard and fully considered in these and future decisions affecting the sector. I have also consistently urged the UK Government to meaningfully engage with Welsh farming unions and to consider their evidence, as well as practical alternatives that could mitigate the impact on family farms and safeguard sustainable farming in Wales.

Having listened to feedback from across the industry, the UK Government announced in its Autumn Budget on 26 November that, from 6 April 2026, the £1 million Agricultural and Business Property Relief allowance can be transferred between spouses and civil partners, even if the individual died prior to that date.

The Welsh Government is committed to supporting farming, and recognises its vital role in sustaining rural communities, safeguarding our environment, and strengthening the Welsh economy. Through our policies and funding, we help farmers plan for the future, remain resilient, and thrive as we transition to the Sustainable Farming Scheme. In 2026, I have committed up to £238m for Universal Payments and the Inheritance Basic Payment Scheme, with a further £102.2m for Optional and Collaborative Actions.

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I have clearly stated that the £102.2m for Elective and Co-operative is the minimum budget available. Should additional funding become available as farmers move away from BPS, I am committed to channelling that funding to our Selective and Collaborative layers.

In addition, Farming Connect offers facilitated family succession meetings, succession reviews to understand the inheritance tax implications, and discounted business and legal advice to develop succession plans.

Thank you again for writing to me about these important issues. I hope this information will be helpful to you.

Yours,



Huw Irranca-Davies AS/MS

Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

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