

Via email –  
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Jeremy Hunt  
Chancellor of the Exchequer  
House of Commons  
London  
SW1A 0AA



South East Nature Partnership  
c/o Kent County Council  
(Secretariate)  
Invicta House  
County Hall  
Maidstone  
Kent  
ME14 1XX

3<sup>rd</sup> February 2023

The Rt Hon Jeremy Hunt MP  
Chancellor of the Exchequer

Dear Chancellor

We represent seven Local Nature Partnerships in the South East of England, whose objective is to help promote nature recovery in our areas and to assist our responsible local authorities develop Local Nature Recovery Strategies as mandated by the 2021 Environment Act.

We are optimistic about our prospects of success, with ever more people and organisations from the private and public sectors keen to play their part. This will not only help nature and all the benefits it brings to local people's health and wellbeing, but it will also help us achieve net zero and underpin local economic growth.

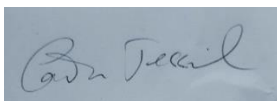
About 70% of England is still farmland, and critical to our nature recovery objectives is building support among the farming community for farming methods that still produce food but in a nature friendly way. This is eminently achievable, many farmers are already doing it, and many more are interested. The new ELMS support system will play a crucial role, and with enhanced private sector support for ecosystem services that farms can provide (such as carbon sequestration, biodiversity net gain, flood alleviation etc), we are seeing unprecedented interest among farmers to embrace nature recovery as well as food production. We are also seeing an encouraging rise in farm "clusters" where farmers are working together to achieve the kind of scale of change that is critical to success.

However, we need your help. One of the key obstacles we are finding “at the farm gate” is tax, particularly inheritance tax rules. As you will be aware, land managed for agriculture is exempt from inheritance tax through agricultural property relief. But the inheritance tax consequences for land managed for nature are less clear. Understandably, farmers are reluctant to leave space for nature on their farms if this could jeopardise their ability to hand their land down to their children inheritance tax free. This uncertainty could be removed by re-defining “agriculture” to include land managed for environmental purposes. There are other tax uncertainties which it would be very helpful to clarify – for example, whether a Biodiversity Net Gain payment requiring a 30 year commitment should be treated as capital or income for tax purposes, and how should management costs over 30 years be treated.

We have written to Therese Coffey about these tax issues, and we recently received a helpful response from Trudy Harrison, the Minister for Natural Environment and Land Use. She said Defra is aware of these concerns and is working with HMRC and Treasury to consider the potential need for changes in the tax system, including where current rules might need to be clarified. She also said that any decision to reform the tax system is, of course, a matter for you to decide.

Making the changes we mention so that there is, at the least, a level playing field for land managed for agriculture and land managed for nature, would be very helpful to our efforts to promote nature recovery. We would be grateful if you could give this matter your attention.

Yours sincerely,



Dr Caroline Jessel

Chair of South East Nature Partnership

***Joining Together for Nature***

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The South East Nature Partnership was formed in 2017. The partnership comprises Local Nature Partnerships (LNPs) for Essex, Hampshire, Kent, Oxfordshire, Surrey and Sussex. The partnership also has representation from Natural England, the Environment Agency, protected landscapes in the southeast, the CLA, the Rivers Trust, Forestry England and the NHS

This letter is also signed by Richard Astle - Chair of Natural Cambridge, Sarah Jane Chimbwandira – Chair of Surrey Nature Partnership, Alison Potts – Chair of Hampshire and Isle of Wight Nature, Kate Rice – Chair of Sussex Nature Partnership, Simon Lyster – Chair of the Essex Local Nature Partnership, Matthew Balfour – Chair of the Kent Local Nature Partnership and Richard Benwell, Chair of the Oxford Local Nature Partnership.

cc - The Rt Hon Therese Coffey MP, Secretary of State for Environment, Food and Rural Affairs

cc - Trudy Harrison MP, Minister for Natural Environment and Land Use

*D. D. Able*

**Natural  
Cambridgeshire**  
putting nature at the heart

*Elhimasandra*



**Surrey Nature Partnership**  
Healthy Environment | Healthy People | Healthy Economy

*Allin Lyfatts*



**HAMPSHIRE &  
ISLE OF WIGHT  
NATURE  
PARTNERSHIP**

*Matthew Barlow*



**Kent  
Nature  
Partnership**

*RAElyfer*



*Wm.*



**sussexnaturepartnership**  
conserve. enhance. expand.

*— — — — —*



**OLNP**  
OXFORDSHIRE LOCAL  
NATURE PARTNERSHIP