SUCCESSION PLANNING PODCAST TRANSCRIPT

Will: Hi, I’m Will Evans. Welcome to another episode of Ahead of the Field, from NFU Mutual. It’s one of those subjects that some farming families find difficult, so we’re going to try and help by discussing succession planning, why it’s important to have those tricky conversations and what the benefits are.

We’re talking to Milly Fyfe, who farms in Northamptonshire and has been through the process with her own family, to Heather Wildman from Saviour Associates, who specializes in facilitating succession planning, and Sean McCann, a chartered financial planner from NFU Mutual, who offers technical advice on the subject.

Milly, we start with you. Tell us about your farm.

Milly: Thanks, Will. My husband Andrew and I, we live in rural Northamptonshire. We live on the family farm. We're a mixed (inaudible) herd. We have sheep, and we have arable crops. I also run a pork meat box scheme. The family have been on the farm for 50 odd years now. My husband became a partner about nearly 10 years ago now. When we got together and then got married, there was always the assumption that we would move to the farm and that he would take over the family business.

Four years ago, we made that change. We're now on the family farm, which is fantastic. It's wonderful to have that opportunity from a young age. We are in our mid- 30s, we feel very fortunate that we had those conversations early. Actually, it was when I attended a Worshipful Company of Farmers course, we had a talk about holding difficult conversations.

Not long after I came back from that course, I basically started the conversation because there was always the assumption that we will move up to the farm one day, but it was never actually pinpointed when we'd do that. I'm a very organized person. My husband's quite relaxed compared to me, whereas I like to have a bit of an idea. Are we going to start a family in the bungalow that we lived in down the lane from the farm or actually were we going to invest our time and energy once we got up to the farm? We've overcome that hurdle by having that conversation. Then, like I said, we moved up to the farm four years ago.

Will: You're obviously in the process at the moment then. Was it difficult... You mentioned the Worshipful Company of Farmers course and the conversations. Was it hard to initiate that conversation in the first place about succession?

Milly: Yes and no. I'm quite an open person. Sometimes, I just come out with... I sort of don't bottle things up because actually, I think those conversations do need to be had. But at the same time, it's my husband's family, and although obviously I married into the family, I've got to be equally sensitive to their wishes and wants.

Actually, I think because... Obviously, after we got married, we were talking about having children, that side of the decision making as well, it kind of threw a new element into the conversation. By having that conversation, obviously there was a huge sense of relief. There's not other people involved i.e. there's no other siblings or other family members that are particularly involved. Therefore, it was a pretty straightforward swap in terms of house moving side of things, but we're now at the stage where we need to look at future workforce and who does what basically.

Will: Okay. Heather, let's go to you now. Tell us what you do to try and help farmers in this area?

Heather: Hi, Will. Thank you. I get asked for a number of different occasions. Sometimes, it's families that are already in crisis and wanting to try and mediate and facilitate a conversation through it. And others, it's families that everyone's getting on really well, and they just want to have a more formal conversation. Because there are some families that think they get on brilliantly, they're very open, very relaxed and everyone gets the chance to speak, but then I hear young people say, " That's great, but we don't actually get anything written down. We don't see change." I suppose I try to put a bit more structure, some formality to it, and make sure that we ask the questions that need to asked because just like Milly said, it can be difficult depending where you are in the family, whether you are the dreaded daughter- in- law, or whether you're the young whipper snapper coming in, or whether you're the parent and you're feeling a little bit threatened and unsure what's happening, or whether the children aren't showing any interest and you're thinking you want to retire as well.

For some reason, there's a lot of nervousness and dancing around the difficult conversation. What I tend to do is come in, do some structure. I've got a bit of a formality of questionnaires and different things to try and get people thinking about the future because a lot of people think, " Oh it will be fine." So that's how I do it. That can either be in family meetings, a Zoom, or questionnaires, or whatever.

Will: Is it often... I suppose if people have asked you to come in it's because they want to get something sorted, but is it often quite tense?

Heather: Yes. I have to put the good, big girl pants on sometimes. It can get quite exciting. The temperature around the table can go from hot and stormy to iceberg cold, sometimes just by a look, let alone words said. Sometimes, it's really hard because the way some families treat each other are shocking. That's something I found, that often the in- laws get the blame, but we all have different cultures, the way we're brought up. And what is normal acceptable behaviour in one family, how they talk, how they engage, how they speak, how they pay each other and everything, is really nurturing and caring and open and a lovely feeling.

And others, it's aggressive, it's toxic, it's bullying, it's nasty, it's really caustic language, and it's just seen as normal. They don't see it as anything else until someone else comes in and thinks, " Hang on. Why are you saying that? Why are you behaving like that?" It often is just the environment we've been brought up in. I'm not saying one's right and one's wrong, but one's certainly a lot easier to be involved in than others.

Will: How did you get into this line of work? I guess you've always been good at communication?

Heather: I've had some brilliant jobs. I've always worked with people. I love working with people. My aim personally has always been to make a positive difference. I set up on my own and initially, I was doing staff recruitment, motivation and team building, and leadership programs. Funny enough, succession was very often the skeleton in the room, whether it be in a family business and we're trying to recruit staff, communication and things, respect the rules and responsibilities. Leadership, it tended to be this frustration. How do I communicate with the family? How do I get respect and everything? So it was kind of accidental. I went off to Australia, and looked at loads of different people, loads of different ways of how they were doing it and brought up my own model.

For me, it's really simple when I work with families. What's your vision. Where do you want to be? Where are you now? Where do you want to be? How are you going to get there? How are you going to communicate it? Who do you need to communicate it to? Who do you need on board? Have you got the right people on board? How do you get the right people on board?

Vision, communication, collaboration, and it's... I suppose also, I'm a farming daughter, farmer's sister, and farmer's wife, the daughter- in- law, now the ex- wife, the ex- daughter in law. So I've got quite a bit of experience. Unfortunately, my own family have gone through succession. I've seen too much of friends and family and everything as well. I guess, I've come in the privileged position that I get invited into families. I'm a pretty straight, blunt talking person, but I seem to have a way of reading people and trying to get people to open up.

I know I've had some families that say, " Gosh. We'd never known Dad to speak like that ever." Because one of the normal distraction tactics when you go in a family, and it generally is the male, is they want to know about your pedigree, your family, where you're from, what kind of farm you got, anything to distract from their family. It's a way of building in the rapport, the trust. I'll often even go for a farm work with a couple of people just to sort of, " Tell me about the farm. Tell me about your story," and then we can get in, " So what's your fears," and everything.

So it's kind of happened accidentally, and I'm very grateful and really appreciate the privileged position I'm in. It's great when you can see families work through it. Sometimes, it's not always a positive outcome in that everyone can live happily ever after. Sometimes, the most positive outcome is that there's a shaking of hands and, " We accept that we're all going to be slightly different. We're better walking away."

Will: Sean, what are the practical things that farming families need to think about when they're looking at succession planning?

Sean: I think having listened to Heather now, the financial side is probably the easiest bit. I think there is probably three key things to have a look at. The first thing is tax, because it doesn't really matter when you plan to hand the farm on. The aim should be to do it without paying more tax than you need to. The good news is, there's some really generous tax breaks that help you pass on the farm, whether it's during your lifetime or in death.

There's two reliefs called agricultural and business property relief. If you're successfully getting them, they can basically allow you to hand the farm on free of inheritance tax. But there's quite a few traps to look out for as well. And we see these mainly where farms have diversified into non- farming activities. So if you're letting land or buildings out for non- farming purposes, you could be affected so it's worthwhile taking some advice. But also, where there's any sort of development potential on land or buildings, that's really important to take advice on as well.

Now if you're planning to hand assets on during your lifetime, the other tax you need to think about is capital gains tax, because a lot of people don't realize that you can pay capital gains tax even when you're handing something on, making a gift. So you actually receive none for it, but giving things away can trigger a tax bill. Again, there's some really generous tax breaks available that can help you defer that. But again, getting advice is really important.

The second thing I would say is worthwhile is making sure you've got the right wills and agreements in place. It's really important that all members of the family involved in the farm have family wills. I'm sure we've all heard stories of farmers dying without a will, it often leads to conflicts in the family and that often ends up with the " for sale" board going up outside the farm. And if you farm as a family partnership or as a company, it's really important to have the right agreements in place. And as always, those two things work together to make sure the farm ends up in the right hands at the right time. It's really important to get them right.

And probably the third thing we talk to farming families about as well, is think about the " what ifs" because unexpected events can happen to any family at any time. Obviously making sure the business can continue to function would be the main priority, and part of that is everyone involved in the business having powers- of- attorney in place, because what that allows to happen is if you are not able to play a part in the business through illness or accident, basically someone can step into your shoes and be able to make decisions if you are unable to, so that can help the business going.

And also it's really important that families have the right income protection, life insurance, in place, so if any unexpected illness or tragedy does strike the family that the family and the business are protected. And I think Milly you mentioned it earlier, about planning early. And it's really important on the financial side that you plan early, because the earlier you plan, the more options you've got.

Milly: That's the thing, exactly Sean. For me, I am a planner, and one thing that really concerns me is that there is an expectation that I will take on more on the farm, but we need to have that conversation as to when that will take place. Because at the moment, I take very much a backseat in the family farm, whilst I've taken a career back to have children, and so I'm sort of seen in the background as a supportive role. But actually, if anything was to happen, I'm not 100% sure whether the expectation would be that I would pick up that or whether or not there would be... There needs to be that level of conversation now, because like I said before, we've reached the first stage in terms of getting established on the farm, but we need to take those next steps and have those plans in place so that we are covered and everyone knows what their role is and expectations are.

Because I used to work for RABI and I have personally experienced and first seen people having accidents, illnesses, unexpected deaths in the family, and it tears families apart. I'm sure Heather would say exactly the same. And so for me, that makes me even more anxious because I can see it, again from as if I'm in a helicopter looking overhead and seeing all the different scenarios. And I can see it, but it's striking that conversation at the right time because there is a lot of emotion involved, it's not just a business I think with a farm, especially with family farms as well. It's not so clear cut, and I suppose because I've not been involved in agriculture all my life, I come from a slightly different angle and can see from a different business perspective.

And I equally have my own frustrations in the sense of there's so much potential here that actually we could do a lot more. But again, it's having those plans in place really so that we can go onto the next stage.

Heather: And I think that just sums up so many families out there. And I guess your in- laws are probably thinking, "Well great, we've got it all sorted." Because in their mind, I think they've got Milly bringing up the rear. But a lot of people nowadays, we do want a structure. We want to know, " On the beginning of December, I'm going to have an induction. I'm going to start looking at the books and what needs to be done for the tax returns, where are all the passwords, where are all the access we need." Which a normal corporate company would have, wouldn't they?

If you were going to go and work with a company and you knew when someone was going to come into wind down, looking at retirement, there would be a shadowing process. But in agriculture, for some reason we don't. And also it's a very private thing in families. We tend to be very protective about our books and our accounts. Sometimes we're maybe not always that confident, and it's a culture difference. So opening up about financials and everything is quite a big step, but there's certainly ways of bringing in what Sean has just said about the " what if?" Scenarios.

What if someone didn't come home today or tomorrow, who would do the cattle passports? Who would do the single farm payments? Who has got a mandate and authority? Simple things of getting some governance in place and then having a shadowing experience. And where is the office? Is it in someone's house? Which again can be quite difficult. A lot of people love having an open-door policy in their farm, where everybody comes in, the sales rep, the bank manager. And other people, we're not from that background. We're very private. We like to know when we're finished we can close up, so I think there's an element when the new generation comes in, having a separate office that's away from the house.

And I think it's also good for the active farmers. Men, women, we think we're quite lucky we don't get a commute to work, but therefore we don't switch off either. So having an office that's separate and we designate those hours can be really good. And I think you can't have these conversations soon enough, and giving people roles and responsibilities in businesses and in families is really key. And I think even when can you start? If your children are young Milly, I'm not sure. And I know Will, you've got your own business and things with the girls. Giving people some rules and responsibilities. They've got the chickens, they've got the feed, they've got the budgets, they collect the eggs, they sale them, they market them. How much profit did they get? How many died? Because that's the reality of farming, and giving, delegating.

And I really like when families take a bit of the family out and put it like a business. Any family who has got a young person in school, either coming in, or someone who is finishing college or leaving a job, coming into the business, you should have a job description. And you should know what you have there. Look at the business, where is the skill gaps? What do people enjoy doing? And where are people not needed? Where's the opportunities? And put people in roles that they'll flourish, that they're good at, and that they'll enjoy. Because you're a long- time farming, and that's their department.

And then have family meetings once a week, once a month, once a quarter. Everyone reviews their section. And you should also look at when you contract, what is your pay? What is your hours? Holidays? And what perks do you get with the job? Because as we know with some farming families, cash is often the hardest bit, but we have a great lifestyle and we live in a great part of the world, so it's accounting for that. So if you get the house free, you get your cancel tax, you get your insurance, you get your electric, you get a vehicle, put a figure to that. Because often if there's a couple of siblings and one person is maybe away, we can often thing someone's better over the fence than what they are, so account for it all.

And if we can, pay money. Maybe it can be equivalent in shares into the business or something as well, but for me anyone that's coming into a business, whether it's the daughter- in- law, a son- in- law, a husband, wife, sit down and treat it like a business and have some of these conversations. And again, it surprises me how many families have maybe got a bookkeeper, or got some really skilled people in the family, but we don't let them near the books and we tell them nothing. Why not play to the skills and the passions and the motives in the family? Because it can be a wonderful place to work in the family farm.

Will: Sean, many farmers don't like the idea of handing over the farm and walking away, the older generation of farmers perhaps who have worked all their life for it, they have that attachment to it. What are the other options?

Sean: I mean, handing on the business doesn't have to be giving away the ownership of all the assets on day one. It can be helpful to think about the management of your business and the ownership of the farm are separate issues. So the older generation could choose to hand over more of the day to day management of the business, while retaining the ownership of the assets until a later date. And the pace of hand over of ownership will depend on family circumstances. One option favoured by a lot of farming families is to set up a partnership that gives the younger generation a stake in the business. And you can use the partnerships agreement to set out whether individual assets are to be partnership property or to be retained by the individual partner. And that can be reviewed over time as the situation changes.

So it's really important that... It's a misconception to say, " Move on. Pass the business down. I have to give everything away." That isn't the case. It can be phased over time in certain circumstances.

Will: Milly, is that how it's working in your family's situation?

Milly: Yeah, well my husband was made a partner about 10 years ago, in partnership with his dad and his uncle. And his dad is in his seventies, his uncle is in his eighties, and for them they only know farming. So in terms of retirement, I don't think... That's what they do, and that's what they will always do. And although they're now easing off in terms of the tasks and responsibilities that they can actually manage, the next challenge that we face as a family is bringing somebody else in. Because my boys are only two and one, so they're not going to be doing much in terms of helping on the farm. I think next year, maybe lambing time, they might be up to bottle feeding (cake) lambs, but that's as much as it is.

I worry, my husband works very, very long hours. He's on his own a lot of the time. And actually, our family really suffers for that. I suffer because I'm on my own so much with two very young children. But my husband misses out on so much and we also don't have time to invest in our relationship as well. We're like ships in the night. And really, it's trying to get everyone on the same page in terms of accepting that actually we do need to bring somebody in part- time, whether that be as a partner or whether that means that we just have a farm worker that is there to do the day- to- day jobs like feeding and bedding and things, while at the moment we're trying to get combining done.

And so obviously that's long hours and getting the straw baled and bales stacked up and in. It's long hours and we don't see each other, so everybody suffers really in the sense that there needs to be an extra pair of hands somewhere. But that takes time to find the right person and get them on board, get them to know the machinery that we're using and the way things work. So it's a big thing as well because I'm not entirely sure the family have recruited anybody before, so it's very alien that we'd bring somebody else into it. So at the moment, I just can't see it being sustainable. So it's fine, it works, but if something goes wrong and someone falls ill or there's an accident or whatever it is, or I lose my marbles because I've been with the children far too long... And I've got my own business as well outside of the farm with my marketing business.

So I've got my own enterprise in that respect, so something has got to give somewhere. And Heather's advice and everything she's been saying really rings true. And it just makes perfect sense in my head, but it is just trying to have everyone on the same page because we all want the same things. We all want to go the same way. We want the farm to do well, and we want everyone to be happy and healthy, and we want the farm to turn a profit each year, but how do we achieve that when we haven't got the support that we need in terms of everything?

Heather: I think it's a difficult thing, because growing old... None of us want to admit we're growing old do we? And we can't do the job. And farming, it's in your blood isn't it? And it's in your genes. And farmers, there's nothing worse than a retired farmer because they're dead. Again, you have to follow. And for tax, you never want to say you're retired. I'm sure Sean will have something like that for the... There isn't really the incentive. But there's a great deal of pride in still being an active farmer.

And when I work with a lot of farming families I say, " What's your aspiration?". And a lot of men and women, they just want to be involved. They want to have a purpose. They want to be able to get up in the morning, whether it be going to check on some sheep, check on some calves and cattle, get the dog in the pickup or bike, " go- foring". " Go- foring" is really important, going for this, going for that, going to the market. And when the " go-for" is not there, you realize how much they did.

So it's being respectful of that knowledge, and them mentoring and coaching. And I think you're right Milly, when you're the active farmer, male, female, whichever you are, you're often so busy. The senior member could be a great coach and mentor for a part- time staff, casual member of staff coming in, or even encouraging the grandchildren going forward as well. But some people want to retire and are ready to transition, they've got other interests, they've got other hobbies, and they're really keen to move on. And others though will hang onto it by the skin of their teeth. And I don't think there's a right or wrong, I everyone is individual in that. It's just as long as we know and we talk about that and we respect the needs and desires of everyone going forward.

Because some people, it's tragic. I've got some clients I work with and I keep saying, " Do you want to get killed in those bull beef?". I say, " Why are you in there? Why are you doing that?". And he says, " Well, what would be wrong if it happened?". And I was like, " Oh gosh." That's the way they want to end it, acting, living and breathing, and being a farmer. But it is quite hard if also they're wanting to retire and the next generation aren't coming forward. And that's where I think there's a really good role for a lot of these contract farmers, share farming arrangements, so there's a lot of great initiatives coming forward now that maybe fills that gap a little bit, particularly for you Milly. Until little farmers are ready to be big farmers as well, giving someone a foot in the door going forward.

Will: Sean, I just want to bring you back in now. Often in farming families, only one or maybe two from the younger generation want to take over the reins of the family farm. How can parents be fair to their other children?

Sean: Well I think it's completely natural to want to be fair to all your children. But I think the farming context, fair doesn't always have to mean equal because there could have been very different levels of involvement in the farm over time. But there's a range of options you can use to provide for those children that aren't involved in the business. Obviously the most simple one is passing on non- farming assets, whether that's property or investments you've built up off the farm. We've seen the situation where each of the children were given a part, a share as a free hold of the farm, and those non- farming children receive a rent from the farming child.

There's also some other things you can do. What we do a lot with some of our farming customers, is they set up what are called " whole of life" policies that will pay out when they die, whether they die at 85 or 105, it's going to pay out. And we write those in trusts to non- farming children, and that gives them a lump sum when the parent passes on. We've seen a lot of farmers as well continue to pay money to their pension fund to get some help from the tax (inaudible) . Because only money left in the pension fund when they die can normally left free of inheritance tax for non-farming children as well. So we've got farming customers that keep on paying in, some of them with no intention of ever taking the money out, they're just using it as a tax efficient way to build up a fund for non- farming children.

Obviously the things you want to be conscious of are pensions and any other sort of investments, obviously the tax benefits depend on your circumstances and might change. Obviously the barriers can fluctuate and in some situations you can get that (rest) and invest. But there's plenty of options, and there isn't one right answer. So it's probably sitting down and looking at your options and weighing out what best would work for your family.

Will: Heather, without wanting to focus on negatives and the dire consequences, what are issues that arise if farming families don't plan for their future and communicate with each other properly?

Heather: So I think there's a few. Managing expectations. What is your expectation of what the future is going to look like? Some families can live very, very frugally and it used to be an average farmer could make money and it's now becoming very difficult to generate income. Even really, really good farmers and great land can have difficult years. So I think it's managing expectations of what the farm can deliver, income wise, salary wise, because some people have some pretty offline expectations of what they think they can get. So managing expectations, what income do we want? Can the farm generate that?

Being honest about the debt as well. Is there significant debt within the business? Some people think they're going to inherit the farm, it's all going to be great, but not realizing the reality of what the farm is going to do. The lifestyle as well, that's where it can fall really big in families falling out. Where are we all going to live? How are we going to live? What time off do we get? For some reason, farmers just keep building on top of each other. Building a little cottage in the Ag convert, and another built a shed and everything, and low and behold we've got maybe three or four families all living from window to window, seeing everything that comes in and goes out. And as much as we love each other, we do like a bit of privacy going forward.

For me, separate living and outside of each other is a really key thing as well. Care home costs can be another thing that families can really trip up on as well. And it's great that Sean has mentioned wills and power- of- attorneys. Have you got a will and a power- of- attorney? Are they up to date? Are they signed? Do we know where they are? But also, if someone is ill, what happens if they are a partner in the business and there's care of home costs and everything going forward? And who is going to be responsible to look after them?

The other thing is some families, there's an assumption that it will go to a child, whichever child, and the other kids have never been asked. And I think sitting down and saying, " Well what's your thoughts? What would you like? What's your fears? What's your hopes?". Because some children, they just want a little bit of home. So whether there's a field or a woodland area, or something like that that isn't going to impact or inconvenience the main farming area, that they could develop or grow and do something on as well, or build a house or something like that. What else is?...

The assumption, for some reason, I don't know what it is and there was a real spear maybe three months into COVID of... And I was literally horrified, of families... One child had been working maybe on the farm for 20 odd years, and another child had come in partnership, and then things been sold out underneath them or the farm has been split up. And they worked a partnership, and the work for 20, 30 years, and have got nothing for all that time, and fall outs and everything as well. So I think or me everything written down as well, review it, keep it business-like, have agendas, have minutes. Minutes are really, really important as well.

So say you weren't going to get paid much, you were just going to get pocket money because the farm was going to be yours, make sure it's all written down, because there are cases and everything of this coming to light now. And I think managing expectations of what the business can actually generate and pay for. And just because it's a small business doesn't mean more families can't live off of it. Or just because a big business doesn't mean it can sustain lots. It amazes me how innovative some families can be in diversification, working a farm to give you the income and lifestyle you want, but still living in that beautiful area and having the lifestyle that farming can give.

Will: Okay, in conclusion then, let's start to wrap things up. Milly, what does the future hold for you and your family? If we do another podcast in five years’ time, where are you going to be? How will you keep addressing these difficult issues?

Milly: Well, in five years’ time the children will be at school so I'm going to have all this free time-

Will: My youngest is five, in full time school today. So yeah, we certainly can start having uninterrupted conversation again.

Milly: Absolutely. Well this is the thing, between now and five years really, we need to start getting a lot of the plans in place really. Because as I said, I'm going to have more time to help actively farming with my husband. We will hopefully have somebody that is either part- time or full- time supporting us on the farm. That's the only way I can see it really. And I want to remain positive about things, because we want to have a certain lifestyle where we do spend time with the children, we are able to go away, go and see friends, and have a social life. We don't live to farm, if you know what I mean.

Although, we live and breathe farming, it's not everything, every day, and all encompassing. We do have outside interests as well. And we want to live the dream, we want to be able to enjoy our lives and have a successful farm business as well, and obviously bring the children up on the farm. At the moment, they're absolutely tractor mad. They adore Tractor Ted, they love being around the animals. And that's fantastic, and it's a wonderful, wonderful environment to bring children up because they have so much of a responsibility from such a young age.

And such a confidence as well, so that's great. So if they want to become more involved in the future than that's great, but if they don't that's equally fine. I don't think there's a rite of passage that they have to. But it's having those plans in place so that we can work in harmony as a family and as a family business. Because otherwise I'll probably invest my time more into my own business or like I said before, there's a lot of opportunity on the farm, whether it be diversification. I've got ideas about converting buildings into holiday lets and expanding my pork meat box scheme as well. So there's lots of different avenues that I think for me personally, but equally my husband is really embracing technology and looking at different ways of cultivating and looking at...

He does a lot of AI work on the farm, we don't tend to use a (stock bull) anymore. So it's really exciting, the future is really exciting, and it's just wanting to get everything tied up so that we've not got anything hanging over us really. So everyone knows what's going on, we're on the same page, and we can all sit around the Christmas dinner table and be civil with each other. Because it's definitely always me that cooks now, so everyone bundles around our house. So yeah, it would be nice to be able to continue that trend.

Will: Harmony around the Christmas dinner table is always a thing you need. Sean, what are the key questions then that families should discuss when planning for succession?

Sean: I think Heather mentioned earlier on, I think the most important thing really is the whole family involved in discussion. Because what we see quite often is mom and dad talk this out between themselves, or they assume they know what other family members want to happen. I think everyone, even those not directly involved in the farm, should be part of the discussion. I think it's probably five key questions. First one is, what's a longer-term direction of our business? What role is each family member going to play now and in the future? What development, skills, or experiences, do younger generations need? Also we talked earlier about how the assets are to be (used) , in the short, medium term and the long term. (inaudible) .

And also, what provisions will be made for those not involved in the business? I also think what's equally as important is don't make your plan, put it away in a drawer, and don't think about it again. Because situations in families change, and it's important to revisit the plan, I think at least annually because that's what you do with any other business plan really.

Will: Okay, Heather then, let's finish with you. What are the three key pieces of advice for farming families on the subject of succession planning?

Heather: I think for me COVID has really highlighted what's important and what isn't important in our lives. And I think the importance of taking time off, switching off, getting time away from the business, and really looking at what's important. And I've got a couple of families that once a year, they have a weekend away and they do a strategy. So they go to a nice hotel, and they have a really fun time, but they review what they've done in the year, and what they are going to do going forward.

And to talk as a family, what are we going to achieve this year so we all get progress and move forward, so everything is well. So I think time off, and looking down on your business. Because so many times, we are so busy, so stressed, that we forget what we're doing it all for. And are we working smart, or are we just working really, really hard? Because with farming, there is always something to do. And I think that comes back to that work, life balance, Milly, which is so important. And we can just fry our heads. Some people are happy working, working, working, and other times we do need to get away to rest.

So I think time off is definitely good advice. And what are you doing it all for? One thing I start with a lot in my young farmers and families is saying, " When do you want to retire? What do you want to live on? What's it all for? We're only here once, let's have a good time and let's enjoy what we're doing. And are we enjoying what we're doing and are we getting out of it that feeling of purpose and value and satisfaction at the end of the day? And if not, why are we doing it?". And I do do an end budget. " What do you need to live on when retired?". And some guys say, " Oh Heather, I struggle to spend $ 6, 000 a year." And I'm thinking, " Good god, how much is your council tax." And he's like, " What's council tax?".

And then I've got other families that say, " Well, I'm going to have worked hard, I want to about $ 50,000, $70,000 grand a year." And is what you're doing going to give you the lifestyle that you want? And it's not all about a lot of money, but for some people it is. And if you've got to live independently from the farm, so you haven't got your dog food, you haven't got your vehicles, your insurance, your cancel tax, your heating, your IO. It's surprising actually how much you might need. So the sooner you start, and as Sean says, there's lots of policies, insurances, invest off farm.

And it might mean that some young people go and work away for 10, 15, 20 years, get an income, get a good savings and everything behind them, buy their own property, and then when they come back into the farm they can either buy into the farm, or they've got something for their retirement afterwards as well. So I think it's thinking a bit further than just, " I'm going to be a farmer" as well.

And one thing for me, but if nobody does anything else from this podcast, is the " how to" manual. Because tragically, there's so many... Agriculture is one of the most dangerous industries out there. And we keep so much knowledge in our heads. Whether it be where the passwords are, where the drains are, the stop cocks, where's all that money hidden. So you counter the solicitors, the (liars) , the bank managers, the insurance. Who are they? What are they? What's their names? Passwords for your telephone, passwords for your computer. Some families have got them right on the computer or in the little black book at in the top drawer, but have them somewhere.

And that's one thing, when I've been doing my workshops, someone said, " Heather, that was the one piece of advice we took home and I didn't think we'd needed" but tragically something happened to the mother- in- law, because it's generally someone's head. So thinking of a " how to" manual would be really, really important. Starting writing things down, because you know you can lock your phone if you can't get into that. It's a nightmare. So speak to each other, take time off, enjoy life, because farming it is wonderful but it can become a bit of a drug. Be really, really open with your family members and be honest, even if some people don't want to hear. We can get over it and build around it if we know that resentment.

Because it is awful when families blow up and generally one of the reasons, when I do succession, is " We just want to be able to get on at Christmas and at family meetings." So talk, don't put it off. Start that conversation sooner than later. And even if it does mean locking dad in the pick- up when he's driving to the market so he can't get out.

Will: Well I'm off to pin my dad down now and ask him to tell me where the money is hidden, because I've been looking for it for a while. That was a brilliant discussion guys, thank you very much for taking the time. I've learned a lot. I'm sure the listeners will have to. So thank you very much for joining us.

Heather: Thank you, Will. Cheers, take care everyone.

Milly: Thank you.

Sean: Thanks Will. Cheers.

Milly: Thanks Will.

Will: That’s it from this edition of Ahead of the Field. From me, Will Evans and everyone at NFU Mutual, we wish all our listeners and the farming community all the very best.