

Successful succession

Succession planning is crucial to family farms, but psychologically some see it as the beginning of the end. However, mediation can enable what would otherwise be difficult conversations

Louise Taylor

There is little primary data on how many UK farming families have developed a considered and robust succession plan, but anecdotal evidence suggests that there remain a large number of businesses yet to discuss this challenging subject. The question is why, when so much is at stake?

There are many inhibitors to succession planning but the primary reason is fear. This might be fear of falling out, of upsetting relatives, of retiring, of letting someone down or of agreeing a plan that suits nobody. Common to all of these fears is emotion, because situations can be highly explosive when handled inappropriately.

Mediation can enable potentially emotive conversations to proceed, however, while allowing the mediator to ask searching questions and get to the heart of the issues. A good mediator will unpick the narrative to develop as broad a picture of the situation as possible while remaining impartial. Neutrality is essential, and working with a family gives mediators a unique perspective into the group dynamics

that other professional advisers, who have already dealt with one or more of the protagonists, may not have.

The key to success in supporting effective familial conversations lies in the mediator's skill in extracting all the salient information about the background and issues in both private and joint sessions. Mediators need to listen actively and observe details such as body language and silent interaction between the participants. Successful mediators reframe information and summarise what they have learned, allowing participants to hear their own story back. Mediators also need to be prepared to offer a reality check, particularly where participants have become entrenched. Emotions can run high, and mediators need to show empathy while staying in control.

Mediation is often successful because of the process itself – parties who feel that they have been heard and that the process is fair are more likely to be satisfied with the outcome. Participants are encouraged to be actively involved in, and take responsibility

for, making decisions. Mediation can enable productive, healthy discourse in a safe environment, particularly where initial attempts have resulted in dispute.

There are numerous reasons why farming families are not discussing succession. The character of the key decision-maker is important: the founders of family farming businesses are often accused of being the main obstacle to succession planning, being reluctant to seek external advice and potentially creating deadlock.

But research shows that any protagonist can inhibit succession planning, and while appearing to engage with the process they may be quietly sabotaging it. The issue of non-farming siblings also causes concern, and the emotional attachment children have to a family farm, regardless of whether they live or work on it, can deter decisions.

Another issue is families who are engaged in the process but need professional technical advice, for example about inheritance tax planning, leases and agreements or financial planning. Closed or lineal questions to professionals often attract closed answers that can confuse rather than clarify matters. In an ideal world, farming families need a succession team to advise them, but including a solicitor, accountant, rural surveyor, farm consultant and mediator in a family meeting can often be prohibitively costly.

With the government setting targets for a significant increase in UK agricultural productivity before 2035, we need to ensure that land gets into the hands of appropriately trained professionals to maximise production and protect the future of our sector. There is no doubt that effective succession is key, but perhaps we should call it something else – all that matters is that farming families make sustainable, workable plans.

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