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Chartered Accountants

2026 Autumn Budget

Your guide to the Budget



Your guide to the 2026 Autumn Budget

How will the changes affect you?

Introduction

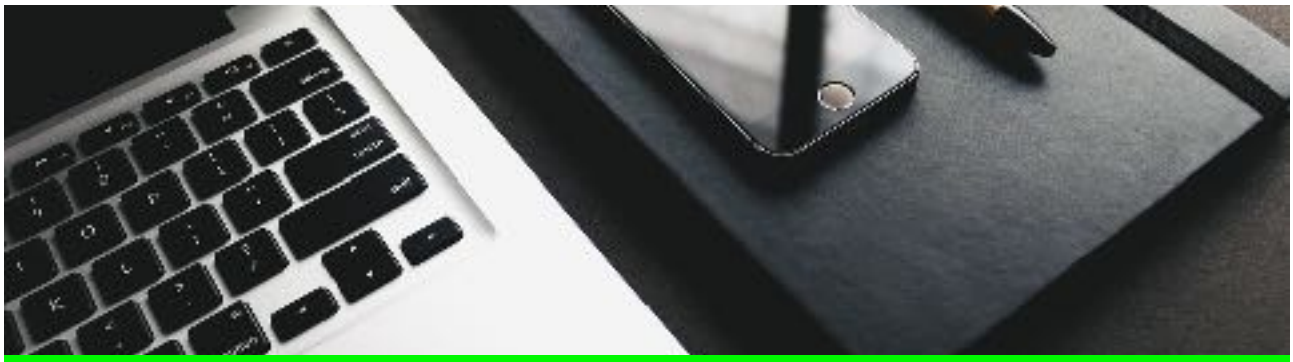
The Chancellor of the Exchequer, John Healey came to Parliament to deliver his first and much anticipated Budget with the new Prime Minster, Andy Burnham looking on.

The Chancellor's stated aim with this Budget was to provide breathing space today and hope for the future.

Here are some of the main announcements which have come out of this Budget and changes already announced.



Red box image on cover provided by HM Treasury



Personal Tax

The Chancellor confirmed the freeze extension for income limits and personal allowances until April 2031. Personal allowances will still be reduced by £1 for every £2 a person's income exceeds £100,000. A new pensioner tax allowance of £13,037 is to be introduced from April 2027 for pensioners.

The tax rates for property income and savings income (not dividends) will increase by 4% from April 2027.

Taxable income	2026/27	2027/28	2027/28 Property	2027/28 Savings
£0 to £12,570	0%	0%	0%	0%
£12,571 to £50,270	20%	20%	24%	24%
£50,271 to £125,140	40%	40%	44%	44%
Over £125,140	45%	45%	49%	49%

UK Income Tax Rates (except Scotland)

The Scottish Parliament has the power to vary the tax rates and thresholds of Non-Savings, Non-Dividend income for Scottish taxpayers. The differential between Scotland and the rest of the UK in this respect has grown quite significantly. The Scottish Budget is set for 3rd December 2026.

The National Assembly of Wales has a similar power. However, to date they have continued to set income tax rates in line with those announced by the UK Government. The Welsh Government will publish their draft budget on 17th November 2026.

Scottish Tax Rate Bands

The Scottish Parliament have previously announced the tax rates and thresholds for Scottish Taxpayers for the tax year starting 6 April 2026.

Band	Taxable income	2026/27
Allowance	£0 to £12,570	0%
Starter rate	£12,571 to £16,537	19%
Basic rate	£16,538 to £29,526	20%
Intermediate rate	£29,527 to £43,662	21%
Higher rate	£43,663 to £75,000	42%
Advanced rate	£75,001 to £125,140	45%
Top rate	Over £125,140	48%

Scottish tax rates 2026/27 for non-savings, non dividend income

Tax tip

It may be possible to reduce your annual tax bill by undertaking a full review of your circumstances and future plans in light of the budget announcements.

Please do contact us if you are interested in us undertaking a review to identify possible action which could reduce your annual tax bills.



National Insurance

The Chancellor retained the current rates of National Insurance paid by employees, as well as rates for the self-employed.

The National Insurance thresholds remain frozen until April 2031.

The employers National Insurance contributions on earnings will remain at 15% from April 2027 as will the Employers Secondary Threshold trigger point at £5,000.

The Employment Allowance (EA) is a Government initiative that allows eligible employers to reduce their National Insurance liability. From April 2027 the EA will remain at £10,500.

Tax tip

If you have a child under the age of 12 and register for child benefit you will automatically receive a parent's state pension credit for each year. If you have a family member who helps you with childcare support whilst you are at work and has a gap in their own national insurance records, you may be able to elect to transfer your state pension credit to them. You can claim from 2011/12 tax year onwards.

Tax tip

Consider making voluntary national insurance contributions to fill gap years in your state pension history for the prior 6 years. For the two previous tax years you pay the original voluntary Class 3 national insurance rate for those tax years. For the four years prior to that you pay the current Class 3 rate. Each additional year could result in an extra £372 state pension (based upon 2027/28 figures) on an annual basis.

National Insurance (NI)	2026/27	2027/28
Class 1 NI employees – earnings between £12,570 - £50,270	8%	8%
Class 1 NI employees – earnings in excess of £50,270	2%	2%
Class 1 NI employers – earnings in excess of £5,000	15%	15%
Class 1A Benefits in kind	15%	15%
Class 1B NI PAYE settlement agreements	15%	15%
Class 4 NI self-employed – Profits between £12,570 - £50,270	6%	6%
Class 4 NI self-employed earnings in excess of £50,270	2%	2%
Class 2 voluntary weekly contribution	£3.65	£3.80
Class 3 voluntary weekly contribution	£18.40	£19.05



Dividend Rate Bands

The dividend allowance will remain at £500 from 6th April 2027. There will also be no change to the dividend tax rates.

Dividend tax rates

Band	2026/27	2027/28
Dividend ordinary rate	10.75%	10.75%
Dividend upper rate	35.75%	35.75%
Dividend additional rate	39.35%	39.35%

Tax tip

With the dividend zero rate threshold at only £500 (2026/27), is it worthwhile transferring some shares to a spouse/civil partner to maximise it. Do you have control over when a dividend can be paid out? If so have you made use of the £500 zero rate threshold for this tax year?

Tax tip

Charitable gift aid payments might not always be appropriate, especially for those people who are asset rich but taxable income poor. A person can gift assets to charity, such as shares, land and property, capital gains tax free plus, if they have some taxable income, obtain tax relief based upon the value of that gift.

Tax tip

If you are an employer carry out a regular review to ensure that you are adhering to the National Minimum Wage Regulations. Failure to comply, can result in a penalty of up to 200% of the liability due and any underpayment of wages can go back up to 6 years using the current NMW rates. Please contact us if you require assistance.

National Minimum Wage

The National Minimum Wage (NMW) and the National Living Wage (NLW) rates will increase from 1 April 2027, 3.9% for workers over 21, 3.9% for workers aged 18-20 and 3.9% for those under 18 and apprentices under 19 or in first year of apprenticeship.

National Minimum Wage rates from 1 April

	currently	From 1 Apr 27
Worker 21 years+	£12.71	£13.21
Worker 18 - 20	£10.85	£11.27
Worker under 18	£8.00	£8.31
Apprentice	£8.00	£8.31



Pensions

The annual pension allowance, which impacts on how much individuals can contribute to their pension schemes will remain at £60,000 for 2027/28.

The Tapered Annual Allowance will remain at £10,000 from 6 April 2027 for individuals whose income for the year is £260,000 or more.

Tax tip

It is worth having an annual pension review, to ensure you maximise the use of all the pension allowances which may be available to you and to do so in the most tax efficient way. We are happy to carry out this review for you.

The pension tax free lump sum percentage which can be withdrawn on retirement will remain at 25% of the pension value up to a maximum of £268,275.

From 6 April 2027 the government will bring unused pension funds and death benefits payable from a pension into a person's estate for Inheritance Tax purposes.

Tax tip

One option to consider when wanting to help your children/grandchildren for the future is to contribute up to £2,880 into a stakeholder pension scheme each year. The government will top that up to £3,600. It could help with your inheritance tax position as well.

State Pension

Under the triple lock, the State Pension will rise in line with the highest of average earnings, inflation or 2.5%. The triple lock will remain in place for the rest of this Parliament. From April 2030 the state pension will rise by inflation or 2.5% whichever is higher.

Tax tip

If you are a parent or carer who has been eligible to claim Child Benefit (but did not claim it), for a child under 12 from 7th January 2013, you may be able to enhance your state pension provision through the National insurance replacement credits service which opens in April 2027. If you have a doubt please contact us.

The Government has announced an increase to the State Pension of 3.9%. The full new State Pension increases from £241.30 to £250.70 per week from April 2027.

The basic state pension will rise from £184.90 a week to £192.10 a week.

Pensioners on low-incomes are to be shielded from income tax through a new pension tax allowance (PTA) from April 2027. The eligibility threshold below which the full PTA will apply is £13,037. The PTA will be withdrawn at a rate of £1 for every £3 of income above the eligibility threshold of £13,037. The threshold at which the full PTA is removed will be £13,319.



Capital Gains Tax

Capital Gains Tax rates will remain the same for 2027/28. The lifetime limit for business asset disposal relief will reduce to £500,000 from 6 April 2027.

UK Capital Gains Tax rates

Gains for	From 6 Apr 26	From 6 Apr 27
Individuals up to basic rate limit	18%	18%
Individuals above basic rate	24%	24%
Trusts and personal representatives	24%	24%
Business Asset Disposal relief*	18%	18%
Investors relief*	18%	18%
Founders relief*	N/A	10%*

A new relief will available from 6 April 2027 called Founders Relief reducing capital gains tax to 10% on the first £10 million of gains providing certain conditions are met, including holding the shares for at least 5 years before the disposal and the company generating turnover of at least £10 million in the accounting period prior to disposal of shares.

** Lifetime limits for reliefs*

Gains for	From 6 Apr 26	From 6 Apr 27
Business Asset Disposal relief	£1M	£0.5M
Investors relief	£1M	£1M
Founders relief	N/A	£10M

There is no change to the Capital Gains Tax annual exempt amount available. This is the tax free allowance available against taxable gains.

UK Capital Gains Tax Annual Exemption

Tax year	Individuals	Trustees
2026/27	£3,000	£1,500
2027/28	£3,000	£1,500

Tax tip

Before you sell an asset, such as shares or property for example, come and speak to us, as there may be planning that can be carried out prior to the sale to mitigate the capital gains tax hit?

Eligible stablecoins will be treated like money for capital gains tax purposes from April 2027. Stablecoins are a type of crypto asset designed to maintain a stable value, usually by reference to a flat currency such as the US dollar.

Tax tip

If you are thinking of exiting your business within the next five years there are a number of options open to you. Planning of this ilk should start early. Please do not hesitate to contact us if you want to look at the various options and the impact of each one.

Inheritance Tax

The Chancellor has retained the £325,000 Nil Rate Band, the £175,000 Residence Nil Rate Band (RNRB) and the tapering limit for RNRB at £2 million until 5 April 2031. The tax rates for Inheritance Tax remain unchanged, with the main rate staying at 40%.

	From 6 Apr 26	From 6 Apr 27
Nil rate band	£325,000	£325,000
Residence nil rate band	£175,000	£175,000
Business property relief (BPR) & Agricultural property relief (APR)*	£2.5M	£2.5M

**100% relief available up to limit for both BPR & APR, 50% thereafter.*

Tax tip

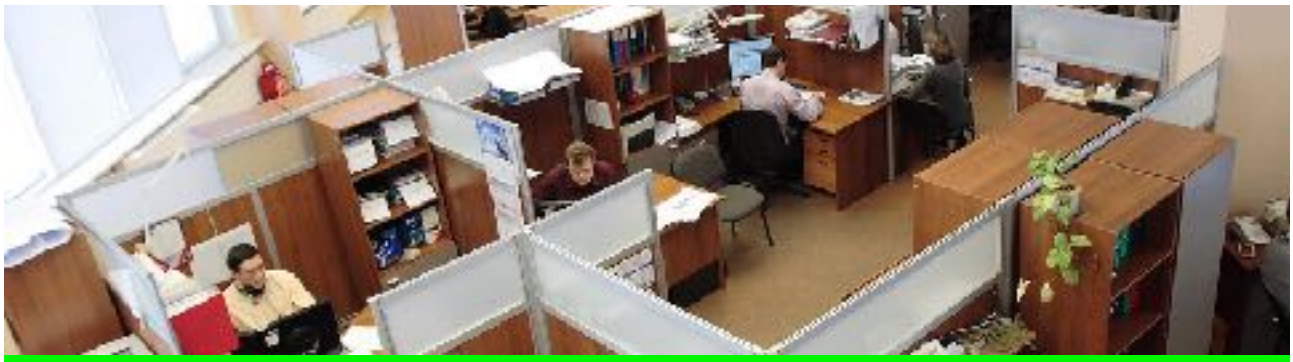
Quick succession relief may reduce the inheritance tax (IHT) on a death estate where the person who died had, within the previous 5 years, received something from an earlier transfer that had already suffered IHT. The earlier transfer could be a death, a lifetime gift that incurred IHT when made, a gift that became liable to IHT because the giver died within seven years or settled property.

Most unused pension funds and pension death benefits will be brought within the value of a person's estate for IHT purposes from 6 April 2027.

Tax tip

Did the deceased gift an asset away within 7 years prior to death but the value of it was lower at the time of death? Normally the market value at the date of the gift comes back into the deceased's estate for inheritance tax purposes. However if the value was less at the time of death you can make a loss relief claim and use that value instead to mitigate the inheritance tax burden.





Company Taxation

There were no new announcements for corporation tax. From 1st April 2027, the Corporation Tax main rate for non-ring fenced profits will remain at 25% for profits over £250,000.

Company tax rates for non-ring fenced profits

	Profits	From 1-4-26	From 1-4-27
Main rate	over £250,000	25%	25%
Small profit rate	£50,000 or less	19%	19%
Marginal rate*	Between £50,000 & £250,000	26.5%	26.5%

**Profits below £50K effectively taxed at small profits rate*

The small profits rate (SPR) will continue at 19% for companies with profits of £50,000 or less. The small profits rate will not apply to close investment-holding companies.

Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.

Tax tip

Does your company have cash reserves which are not required for working capital? Consider paying your corporation tax early as the interest return on early payments is competitive.

Quick tip

Is your business, your employees and your payroll set up ready for mandatory payrolling of benefits which comes into effect from April 2027? From that date benefits such as cars, car fuel and private medical cover, for example, will need to be calculated and taxed through payroll in real time. Class 1A national insurance, relating to those benefits, will also have to be calculated and paid over in real time too. Contact us if you need any help.

If the total profits are below £250,000, the effective rate for profits between these limits is called 'Marginal Rate' and shown above.

The government launched consultations looking to improve the administration and operation of corporation tax.

The outcome from a consultation on reform of Advance Corporation Tax was published, including confirmation that any remaining unrelieved surplus Advance Corporation Tax balances will be extinguished from 1 April 2031 when the regime ends.



Capital Allowances

There is no change for companies looking to claim a 100% first year allowance (FYA) for main rate expenditure (known as Full Expensing) and 50% FYA for special rate expenditure. These allowances are only available to companies.

The 40% main rate first year allowance in respect of expenditure incurred regarding assets bought to lease increase to 50% for qualifying expenditure incurred on or after 1 January 2027..

The 100% Annual Investment Allowance deduction for expenditure incurred of up to £1 million in purchasing plant & machinery has not been changed.

The main rate of Capital Allowances will fall from 14% to 12% from 1 April 2027 for companies and 6 April 2027 for sole traders and partnerships.

Tax tip

If you are coming to the UK or you are an ex-pat returning to the UK and have been non-UK resident for at least 10 consecutive tax years, you may be able to benefit from full UK tax relief on foreign income and gains (FIG) that arise during your first 4 tax years in the country under the FIG regime which has been in force since April 2025 onwards.

Research & Development

There are no changes to the R&D rules following the merger of the R&D tax relief scheme for small and medium-sized companies and the R&D expenditure credit (RDEC) used by large companies for accounting periods beginning on or after 1st April 2024.

Companies making R&D claims on or after 1 April 2027 will no longer be required to submit a claim notification form.

The information required in the additional information form (AIF) for companies that claim R&D tax relief will also be simplified and rationalised in Autumn 2027.

Trading Allowance (TA)

The TA provides relief for trading and miscellaneous income and simplifies the system for those individuals who choose to use the relief, where the allowances cover all their relevant income before expenses, as they will no longer have to declare or pay tax on this income. This will be increased from £1,000 to £3,000 from April 2027.

The trading income reporting threshold for Self-Assessment will also be increased to £3,000.



Company car and fuel

Appropriate percentages for zero emission and electric vehicles will increase by 2% per tax year in 2028/29 and 2029/30, rising to an appropriate percentage of 9% in tax year 2029/30 and 10% in 2030/31.

Appropriate percentages for all cars with emissions of 1 to 50g of CO2 per kilometre, including hybrid vehicles, will rise to 18% in tax year 2028/29 and 19% in tax year 2029/30.

Appropriate percentages for all other vehicle bands will increase by 1% percentage point per year in tax years 2028/29 and 2029/30. This will be to a maximum appropriate percentage of 38% for tax year 2028/29 and 39% for tax year 2029/30 and 40% in 2030/31.

Tax tip

Before considering whether to buy or lease a car through the company or do so personally, why not have a review of the tax and national insurance impact on both you and the company before reaching a decision.

Electric and Plug-in Hybrid

An electric Vehicle Excise Duty (eVED) will come into effect from April 2028 for electric and plug-in hybrid cars.

The rate of tax will be 3 pence per mile for fully electric cars and 1.5p per mile for plug-in hybrid cars.

Approved Mileage Allowance Payments

The tax-free mileage rate for individuals who drive for work using their own vehicle is to increase to 35p per mile for business mileage in excess of 10,000 miles. The rate for the first 10,000 business mile will remain at 55p per mile.

Fuel Duty

There is a further extension of the 5p fuel duty cut until July 2027.



VAT

The taxable turnover threshold for determining whether a business must register for VAT remains at £90,000 and the point at which a business can apply to deregister will also remain at £88,000.

Online marketplaces such as Amazon, eBay and Temu for example, will be responsible for collecting VAT owed by retailers selling on their platforms. The policy is primarily aimed at cracking down on foreign sellers who have abused the rules to avoid paying VAT. This will be implemented from October 2027.

The private hire vehicle market has grown and changed rapidly in recent years, highlighting inconsistencies in tax treatment between larger operators. This Budget ends this inconsistency by making larger operators liable for VAT on their full fare, in line with other goods and services, while protecting smaller operators.

Tax tip

If you are a partially exempt business for VAT purpose, you normally cannot claim the VAT input tax on costs attributable to any VAT exempt supplies that you make. However, if the total value of your exempt input tax is not more than £625 per month on average and it represents no more than 50% of your total VAT input tax then this can be recovered.

Tax tip

When first registering for VAT, you may be able to claim input VAT on goods purchased in the 4 year period before registration where those goods have been used in the business and are still owned on the first date of registration. This includes both stock and assets.

When first registering for VAT, you may be able to claim input VAT on services purchased in the previous 6 months for business purposes, unless already recharged to a customer prior to registration.

Customs Import Duty

Import tariffs on more than 100 products will be removed, helping lower import costs on family favourites including baked beans, chocolate and gherkins, while also supporting farmers facing higher fertiliser bills and households that rely on kerosene heating oil.

Annual Tax on Enveloped Dwellings (ATED)

The ATED charge for those property companies liable to pay it will rise by 3.5% for the 2027/28 year.

Property value	2026/27	2027/28
£500,001 to £1M	£4,600	£4,750
£1,000,001 to £2M	£9,450	£9,750
£2,000,001 to £5M	£32,000	£33,300
£5,000,001 to £10M	£75,450	£78,050
£10,000,001 to £20M	£151,450	£156,750
Over £20M	£303,450	£314,050

High Value Council Tax Surcharge (HVCTS)

The HVCTS is a new charge on owners of residential property in England worth £2 million or more in 2026, and takes effect from April 2028. No changes to the thresholds were announced in the budget.

Property value	Rate (£)
£2 to £2.5 million	£2,500
£2.5 to £3.5 million	£3,500
£3.5 to £5 million	£5,000
Over £5 million	£7,500

Tax tip

Remember, if you are a UK resident taxpayer and sell a UK residential property, which could trigger off a gain liable to capital gains tax (CGT), to avoid penalties from arising, you need to complete a CGT Return within 60 days of completion and pay the tax over within the same time frame.





Stamp Duty Land Tax (SDLT)

A non-UK resident person will continue to pay an additional 2% SDLT on a UK property purchase.

The SDLT surcharge on acquiring an interest, in excess of £40,000, in a second residential property remains at 5%.

England & Northern Ireland SDLT residential rate

Property/Lease premium/ Transfer value	from 1-4-26	from 1-4-27
Up to £125,000	Zero	Zero
£125,001 to £250,000	2%	2%
£250,001 to £925,000	5%	5%
£925,001 to £1,500,000	10%	10%
Above £1,500,000	12%	12%

**First time buyers relief no SDLT up to £300,000 then 5% between £300,000 and £500,000.*

Corporate bodies purchasing residential property valued at more than £500,000 will continue to be charged SDLT at 17%, unless an applicable relief applies.

Tax tip

Don't forget that if you have incurred the 5% SDLT Surcharge (England and Northern Ireland) or the Welsh 5% Land Transaction Tax Higher Rate charge or the Scottish 8% Additional Dwellings Supplement, upon acquiring a new main residence but before having disposed of your previous one, then you may be able to claim a refund if you sell your old property within 36 months of purchasing the new one.

Tax tip

If you are buying 6 or more residential properties in a single transaction, you could apply the commercial rate of land taxes against the purchase price, rather than the residential rate. This may avoid the additional higher rate residential land taxes.

The Devolved Parliaments of Scotland and Wales will set their own land transaction tax rates on 3 December 2026 and 17 November 2026 respectively. The current rates are;

Scotland residential Land & Building Transaction Tax (LBTT) rate

Property purchase value	LBTT rate
Up to £145,000*	Zero
£145,001 to £250,000	2%
£250,001 to £325,000	5%
£325,001 to £750,000	10%
Above £750,000	12%

**For first time buyers the zero rate band increases to £175,000*

Wales residential Land Transaction Tax (LTT) rates

Property (freehold/leasehold) value	LTT rate
Up to £225,000	Zero
£225,001 to £400,000	6%
£400,001 to £750,000	7.5%
£750,001 to £1,500,000	10%
Above £1,500,000	12%



Your First Home (England)

This is a new equity loan scheme to support more first time buyers into homeownership.

Only 2.5% deposits will be required, supported by 20% government-backed equity loans, for prospective first-time buyers purchasing a new-build property from a developer signed up to the scheme. The loans will have an initial interest free period.

Households will need to earn less than £110,000 to qualify for the government's new loan scheme for first-time buyers, or £140,000 for homes bought in London.

Developers will be expected to make a contribution when signing up to the scheme to help cover costs.

Visitor Levy (England)

Mayors across England will be able to introduce a tourist tax in their area.

This will be a charge on visitors staying overnight in hotels, B&Bs, guest houses and holiday lets.

The visitor levy will bring England in line with Scotland and Wales who are already introducing a tourist tax.

Individual Savings Account (ISA)

The intention announced in the 2025 Autumn Budget to reduce the Cash ISA limit to £12,000 from April 2027 for people under the age of 65 has been reversed. The £20,000 cash ISA contribution limit will continue to be available to all people.

Stocks and shares ISA limit will remain at £20,000.

Junior ISAs will remain unchanged at £9,000 until April 2030.

Lifetime ISAs will remain unchanged at £4,000 until April 2030.

Child Trust Funds will remain unchanged at £9,000 until April 2030.

The Chancellor will also work with the sector on a new "Starter ISA" to help make investment more accessible.

The ISA Regulations will be amended to create a distinct category of withdrawal where funds are used for an otherwise eligible residential purchase, but the purchase price exceeds the LISA property price cap of £450,000. The regulations will provide that a 20% charge applies to that category. All other unauthorised withdrawals will continue to be charged at 25%.



Business Rates (England)

Pubs, social clubs and many live music venues are to receive a 20% cut to their business rates from April 2027. It will sit on top of the 15% relief introduced for pubs and music venues earlier in 2026, rather than replacing that support.

Threshold at which High Street shops start paying business rates in England to be increased from £12,000 to £18,000, meaning businesses would pay no rates on properties with a rateable value below this level.

Adult games centres and vape shops will not qualify for business rates relief.

From next year, 20% of business rates revenue will go to mayors. All of the business rates will be retained locally by the end of the decade.

Tax tip

There are a number of approved tax efficient share option schemes, as well as the non-tax advantages share scheme arrangements, which could be considered when looking at incentivising employees. There are different issues, benefits and problems for each type of incentive arrangement, both for the employer and the employee.

Tax Advantaged Share Schemes (TAS)

TAS allow eligible companies to give employees the option to buy shares in the future at an agreed price when the option is granted.The Enterprise Management Incentive scheme (EMI) is designed to help eligible small high-growth businesses recruit and retain employees.

The Company Share Option Plan (CSOP) is available to companies of all sizes and in all sectors, so it supports a broader employee population than EMI. Companies can use it alongside EMI.

From 28 October 2026, the Company Share Option Plan (CSOP) will be known as Enterprise Management Incentive 2 (EMI2).

From April 2027:

- the individual EMI2 limit will double from £60,000 to £120,000
- the interaction between EMI and EMI2 will also be removed, allowing the schemes to operate independently of each other
- the maximum period for exercising EMI2 options whilst retaining tax advantages will increase from 10 years to 15 years.

The exception for Employee Ownership Trusts (EOTs) in the EMI rules will be extended to companies arranging to become controlled by an EOT.

From April 2027 the EMI exercise window following disqualifying events will be extended to 180 days.



Tax Avoidance

Close companies will need to provide HMRC with details of transactions between the company and its participators (for example shareholders or director shareholders) including cash withdrawals, loans, debts, dividends, other distributions and transfers of assets to and from the company.

Under the 'naming and shaming' regime HMRC will be able to publish a description of the deliberate tax non-compliance together with details of the tax and penalties involved. It will also be able to publish details relating to personal liability notices issued to company officers.

The 'naming and shaming' publication threshold will increase from £25,000 to £50,000 of potential lost revenue.

The Notification of Uncertain Tax Treatment by Large Businesses (UTT) regime is to be extended. From 1st April 2027 individuals and Trusts who take a contrary view to that of HMRC of the tax legislation will be required to notify them of such, where the tax advantage exceeds £5 million.

The UTT regime will also be extended to include stamp duty land tax, national insurance, capital gains tax, inheritance tax and construction industry scheme obligations.

Gambling Duty

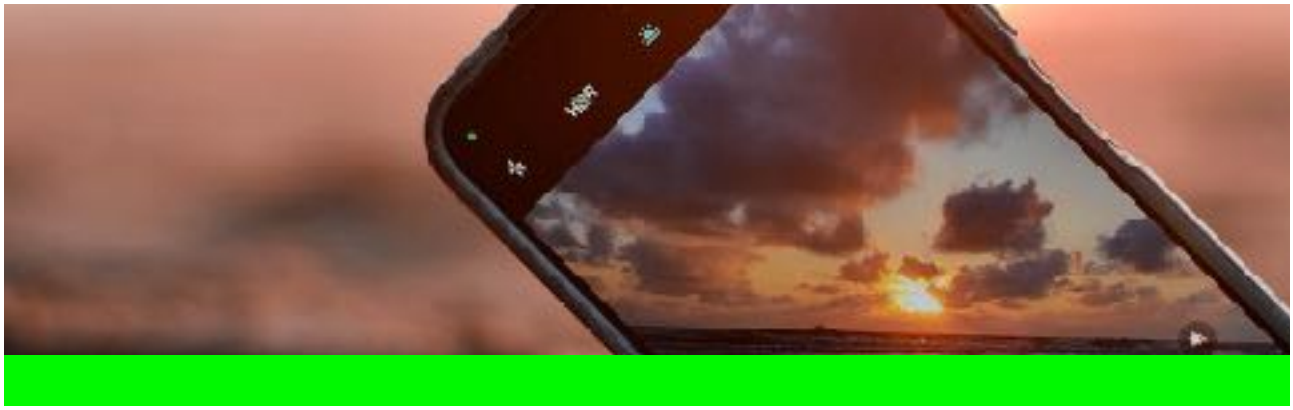
The rate of Machine Games Duty will increase from 20% to 25% on machine games with stakes over £1 from April 2027.

Image Rights

Image rights payments related to an employment are to be treated as taxable employment income.

These payments will be subject to Income Tax and National Insurance Contributions (NICs).

The changes will take effect from 6 April 2028 rather than 6 April 2027 as previously announced.



Further Announcements

The government will modernise the existing Payments on Account system for Income Tax Self-Assessment. From April 2029, taxpayers who already make Payments on Account will make smaller, more regular contributions towards their tax bill throughout the year, bringing payment closer to when income is earned.

Standing charges will be removed from household gas bills. Instead, fixed costs will be paid on the unit rate, with the government estimating that 60% of households will save an average of £45 per year.

A new £2billion Energy Wealth Fund will be established using tax revenues from North Sea oil and gas production to finance renewable energy projects and support Britain's transition to low-carbon power.

The 'temporary' VAT cut on electricity will be extended until July 2027.

Twenty million households in council tax bands A-D will receive a £100 'household energy payment' this winter - paid directly into bank accounts for help with rising energy bills.

The Scottish, Welsh and Northern Ireland governments will receive a share of this funding.

10,000 energy-intensive manufacturing firms will get a 20-25% electricity discount, starting in April 2027, including a back payment for 2026-27 through the British Industrial Competitiveness Scheme.

Extending parental pay to more than 150,000 additional parents per year, including self-employed dads and partners who have previously missed out, giving eligible parents two weeks of support currently worth up to £194 a week so they can spend more time with their child.

Ending the Carer's Allowance cliff edge, so unpaid carers no longer lose their entire allowance for earning a penny over the Weekly Earnings Limit, equivalent to 16 hours of the National Living Wage. Instead, only £1 of support will taper away for every additional £1 earned. This will come in from 2030.

An employer's payment of a fee for a certificate of sponsorship or an immigration skills charge, which employers are required to pay when sponsoring a worker under the Skilled Worker route will be income tax exempt. The changes will apply to payments made on or after 28 October 2026.

On and after the date of Royal Assent to Finance Bill 2026-27 HMRC will be required to deduct income tax at the additional rate from rewards paid to informants under the Strengthened Reward Scheme.



Further Announcements - continued

Rolling out hundreds more Post Office drop boxes, bringing the total to 1,000, making it easier and more convenient for people to send and return parcels without having to queue at a Post Office counter.

The government plans to slash "form-filling and pointless paperwork" to save UK businesses up to £800m. The aim of the proposed changes in regulations is to reduce unnecessary bureaucracy for businesses.

Small companies and micro-entities will not have to file profit and loss (P&L) accounts with Companies House from April 2028 as originally planned.

A further £1 billion is to be added to the already allocated £39 billion planned spend on social and affordable housing in England over the next decade.

Regional bodies and mayors in England will be given greater powers over spending, starting with £285m next year for things like housing, transport and High Streets. In future the regions will be able to borrow to spend more on local priorities. From 2028 a share of income tax receipts will also go to mayors.

The chancellor is also launching a new young entrepreneurs allowance, which will cover a year of living costs for young founders "while they turn their ideas into businesses".

He's also announcing a new scale-up programme for female founders, adding that the British Business Bank will double its commitments to women-led businesses with funding of £200m.

An extra £1bn for social and affordable housing in England will be provided, taking total funding for the 10-year programme to more than £40bn.

The Government will set out how they will meet the UK's NATO commitment to spend 3.5% of GDP on defence by 2035 in next year's spending review.

The Scottish Government will no longer be obliged to deduct sums representing income tax from interest payments on certain Scottish Government bonds.

From 1 April 2029, the government will require that VAT invoices are issued as e-invoices.



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Note: The contents of this communication contain general information only – it does not constitute advice. Before making any decision or taking any action that may impact you or your business, you should seek appropriate professional advice tailored to your specific circumstances and needs. This publication has been prepared from the Chancellor's Budget Announcement and Official Government press releases. Budget proposals are subject to amendment during the course of the Finance Bill through parliament. All tax law is complex. In seeking to summarise the rules and rates in this publication, it has been necessary to omit some of these complexities.