Williams Ward

AUTUMN BUDGET 2026 COVERAGE

At a Glance
Autumn Budget 2026

The Chancellor delivered the Autumn Budget on 28 October 2026, setting out the Government's latest tax and spending plans. For businesses and individuals, the important question is not simply what has been announced, but how the measures could affect their finances, future plans and the decisions they may need to make.

Some changes will have a more immediate impact, while others will take effect over the coming years. They also sit alongside measures announced in previous Budgets, so it is worth considering their combined effect rather than each announcement in isolation.

This guide brings together the key announcements across personal tax, employment, capital taxes, business and other matters. It is a starting point: the implications will depend on your circumstances, and the detail and implementation dates matter.

The Budget at a glance

Personal Tax

A further two percentage point increase was announced to the Income Tax rates for property and savings income from April 2027. The rates applicable to property and savings income from 2027/28 will be 24% in the basic rate band, 44% in the higher rate band and 49% in the additional rate band.

No changes were announced to other Income Tax rates. The freeze of the Income Tax Personal Allowance, higher rate threshold and additional rate threshold will remain until 5 April 2031.
The annual cash Individual Savings Account (ISA) subscription limit will be retained at £20,000 from 6 April 2027.

The government will introduce a new First Time Buyer ISA from April 2029. Individuals will be able to contribute up to £4,000 a year with a 25% government bonus which may be withdrawn for a qualifying first home purchase. From 29 October 2026 the Lifetime ISA withdrawal charge for purchases of properties above the property price cap will be reduced to 20%.

The government will also introduce the Pension Tax Allowance from April 2027 to ensure that pensioners with incomes at or under the value of the full new State Pension will not be brought into paying tax because of State Pension uprating in this Parliament.

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.
Employment.

The Primary Threshold, Secondary Threshold, Lower Profits Limit, Upper Earnings Limit (UEL) and Upper Profits Limit for National Insurance contributions (NICs) will be maintained at their current levels until 5 April 2031, as well as other employer NICs relief thresholds aligned with the UEL. The Lower Earnings Limit, Small Profits Threshold and the rates of voluntary Class 2 and Class 3 contributions will be increased for 2027/28.

From 1 April 2027, the National Living Wage will increase by 3.9% to £13.21 per hour. The National Minimum Wage for 18-20 year olds will also increase by 3.9% to £11.27 per hour and to £8.31 per hour for 16 to 17-year-olds and eligible apprentices.

In May 2026, the government announced a temporary 55p per mile rate for the first 10,000 business miles in a private vehicle which applied retrospectively from 6 April 2026. This has now been made permanent. In addition, the government is also increasing the rate above 10,000 business miles from 25p to 35p from 6 April 2027. Simplified mileage rates for self-employed individuals will be set at the same level.

Capital Taxes

The government is reducing the lifetime limit for capital gains eligible for Business Asset Disposal Relief (BADR) from £1 million to £500,000 for disposals made from 6 April 2027.

A new Founders' Relief will be introduced from 6 April 2027, offering a reduced 10% Capital Gains Tax rate on up to £10 million of lifetime gains for qualifying founders of high-growth, innovative companies.

No changes were announced to Inheritance Tax rates and thresholds. Nil rate bands will stay fixed at current levels until 5 April 2031.

Business

The government confirmed its commitment to the Corporate Tax Roadmap, capping the headline rate at 25% and maintaining the UK's Full Expensing regime.

The main rate of Writing Down Allowances will be reduced by two percentage points from 14% to 12% from April 2027. The main rate First Year Allowance (FYA) will be increased from 40% to 50% for expenditure incurred on or after 1 January 2027.

The government will launch an expanded Enterprise Management Incentive 2 (EMI2, formerly Company Share Option Plan). EMI2 will double the value of tax-advantaged options employees can hold from £60,000 to £120,000 from 6 April 2027 and the exercise period will be extended from 10 to 15 years.

For the self-employed, the Trading Allowance will be tripled from £1,000 to £3,000 from 6 April 2027.

For young entrepreneurs, the government will shortly pilot a Young Entrepreneurs Allowance, providing successful applicants with support towards their living costs during the first year of their business.

Funding was confirmed at Budget for the British Industrial Competitiveness Scheme (BICS) to cut electricity bills by up to 25% for over 10,000 energy-intensive businesses from April 2027.

The government has announced an increase of the Small Business Rates Relief thresholds to £18,000 for 100% relief (from £12,000) and £21,000 for tapered relief (from £15,000) for qualifying retail, hospitality and leisure properties in England from April 2027. In addition a real-terms freeze of business rates bills in 2027/28 and 2028/29 for qualifying retail, hospitality and leisure properties will deliver benefits to further businesses.

The rate of the Bank Corporation Tax Surcharge will temporarily increase from 3% to 6%, from 1 January 2027 until 31 March 2028.

Other matters

- No changes were announced to VAT rates and thresholds
- From October 2027, online marketplaces will be responsible for collecting VAT on sales by UK VAT-registered businesses and any other UK business with a minimum annual sales threshold per platform of £90,000.
- This Budget extended the temporary 0% rate of VAT on qualifying domestic electricity supplies in Great Britain for another three months, until July 2027.
- A further £2.6 billion of support will be provided through the Household Energy Payment, with up to 20 million households in England receiving a direct £100 payment from January 2027 delivered through the council tax system.
- As announced at Budget 2025, the government will introduce Electric Vehicle Excise Duty (eVED), a new mileage-based charge for electric and plug-in hybrid cars, from April 2028.
- The government will extend the 5p cut on fuel duty for a further six months to 1 July 2027.

Looking beyond the headlines

The Budget is part of a wider picture of tax changes already announced or scheduled for future years. For some clients, the combined effect may be more significant than any single measure. Before making decisions about investment, remuneration, property or longer-term plans, it is worth reviewing the dates and how the rules apply to your circumstances.

If you would like to discuss how an announcement may affect you or your business, please speak to your usual Ward Williams adviser.

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Important information

This document provides a general overview as at 29 October 2026 and is not a substitute for advice on individual circumstances. Measures may be subject to legislation, consultation or further guidance. No action should be taken without checking the relevant rules and obtaining professional advice.