

# AUTUMN BUDGET NEWSLETTER

November 2025



**NORTHFIELD GROUP**

1 Northfield Farm Lane | Witney | OX28 1UA

Chartered Accountants and  
Business advisors in Witney



## **Autumn Budget 2025:**

### **All the headlines from today's budget announcement by Chancellor Rachel Reeves**

Chancellor Rachel Reeves today delivered her second Budget. Before she began speaking in the Commons, the details of her Budget had already been mistakenly released by the OBR, the UK's budgetary watchdog.

While MPs read through her prematurely released plans on their phones, the chancellor put her Budget into words - including the scrapping of the two-child benefit cap and a range of tax increases.

In all, the measures announced today are expected to raise £26bn in additional tax revenues by 2029/30.

In this newsletter we provide the key details of the measures announced.

## **IN THIS EDITION**

### **Autumn Budget Edition**

A break down of the main measures in The Chancellors Autumn budget announced on 26th November 2025

A run down of the main measures affecting individuals, incl. dividend and landlord tax rates, Income Tax and ISAs

New taxes on homes worth more than £2m in England; a pay-per-mile charge for electric vehicles; tax on pension contributions above £2,000

Reaction to The Autumn Statement from the CBI and The TaxPayers' Alliance

Summary of the OBR statement

# UK Growth, inflation and debt

- Office for Budget Responsibility (OBR) predicts the UK economy will grow by 1.5% this year, upgraded from a 1% forecast in March. But the economy is now forecast to grow by 1.5% on average between 2026 and 2029, down from the previous estimate of 1.8%.
- Inflation predicted to average 3.5% this year, before falling to 2.5% next year, and returning to the government's 2% target in 2027.

## Personal Taxation

- National Insurance (NI) and income tax thresholds frozen for extra three years beyond 2028, dragging more people into higher bands over time
- Amount under-65s can put into cash Isas (Individual Savings Accounts) capped at £12,000 a year from April 2027, with the rest of the £20,000 annual allowance reserved for investments
- 2 percentage point rise to the ordinary and upper tax rates on dividend income from April, and all rates on savings income from April 2027
- Unincorporated landlords will have their own separate tax rates for property income from April 2027. Property income will be subject to rates of 22% (basic rate), 42% (higher rate) and 47% (additional rate).

## Wages, benefits and pensions

- Cap limiting households on universal or child tax credit from receiving payments for a third or subsequent child to be scrapped from April
- Legal minimum wage for over-21s to rise 4.1% in April, from £12.21 to £12.71 per hour, with the wage for 18 to 20-year-olds rising from £10 to £10.85
- Basic and new state pension payments to go up by 4.8% from April, more than the current rate of inflation, under the "triple lock" policy
- Amount people can "sacrifice" from their salary - thereby avoiding NI on pension contributions - capped at £2,000 a year from 2029

## BUSINESS TAXES

- Thresholds for NI paid by employers also frozen until 2031, increasing costs as wages rise over time
- Tax exemption for small packages from overseas retailers worth under £135 scrapped from 2029, following complaints it hinders UK businesses
- Remote gaming duty, paid on online casino betting, to rise from 21 to 40% from April 2026
- General betting duty, paid on sports betting, to rise from 15 to 25% online from April 2027, with an exemption for horse racing

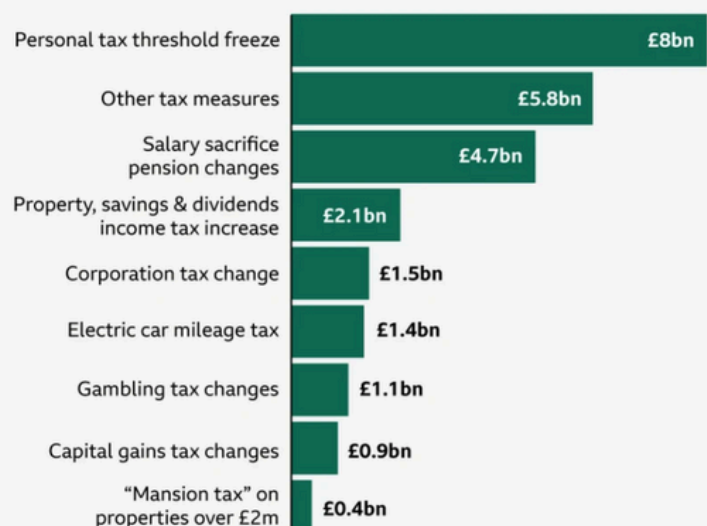
## OTHER MEASURES

- Properties in England worth more than £2m to face a council tax surcharge of £2,500 to £7,500, following a revaluation of homes in bands F, G and H
- 5p "temporary" cut in fuel duty on petrol and diesel extended again, until September 2026, before it rises again over six month period
- A new mileage-based tax for electric vehicles and plug-in hybrid cars to be introduced from 2028
- Regulated rail fares for journeys in England frozen next year for the first time since 1996 (there have been periods when prices rose by less than inflation)
- Premium cars to be excluded from Motability scheme, which allows people on certain disability benefits to lease vehicles more cheaply
- Green levies taken off energy bills and paid through general taxation, in a move the Treasury says will save households £88 a year

“By taxing hard to double the amount of breathing space or headroom to £22bn a year around her borrowing targets, Reeves gets space from the uncomfortable glare of the markets.”

Faisal Islam, BBC Political Editor

### How Budget will raise taxes by £26bn by 2029-30



Source: HM Treasury and OBR

BBC

# INITIAL EXPERT REACTIONS

**Phil Smith, managing director of Business West**, said: "This is a tax-raising budget from a Chancellor under pressure.

Businesses will once again feel squeezed with rising costs across a range of areas, which are likely to dampen business sentiment, job creation and investment. Many are still coming to terms with the 2024 budget, the increased tax burden and raised cost of doing business.

However, we do welcome the Growth and Skills Levy and Youth Guarantee, which will help attract fresh talent into the labour market."

**Rain Newton-Smith, Confederation of British Industry (CBI) Chief Executive, said:**

"The government's growth mission is currently stalled. While the Chancellor has succeeded in creating the fiscal headroom she needed, a scattergun approach to tax risks leaving the economy stuck in neutral.

"Adding national insurance to salary sacrifice pension contributions curtails savings and pushes up the cost of employment. Coming on top of the rise to the National Living Wage, increased employment costs make it even more expensive for employers to offer jobs to young people and jobseekers.

"The government should be commended for protecting capital spending, boosting innovation, sticking with the corporate tax roadmap, and hiring the planning officers business asked for. But business will still rue a missed opportunity to be bold and press on with much needed tax reform, simplification and alignment of incentives to catalyse business investment and job creation.

**Responding to the 2025 budget, John O'Connell, chief executive of the TaxPayers' Alliance, said:**

"The chancellor's budget benefits bonanza will be paid for by hard working taxpayers through their incomes, pensions, property, savings and beyond.

"The pettiness of this government and its unquenchable thirst for cash even extends to milkshakes. And the catastrophic content of this budget is only matched by the utter shambles that has been the process, capped off by the extraordinary leak from the OBR.


"Rachel Reeves needs to urgently change course, by drastically reducing the benefits bill, bringing in targeted, growth generating tax cuts and deregulating the economy. We are now dangerously close to the cliff edge."



# Office for Budget Responsibility Summary

The latest update of the OBRs forecasts was accidentally published ahead of the Chancellor's budget announcement this morning. Within their latest outlook, the following key metrics were presented:

- We now forecast real GDP growth of 1.5 per cent in 2025, 0.5 percentage points faster than in our March Economic and fiscal outlook
- We have reduced our central forecast for the underlying rate of productivity growth in the medium term to 1.0 per cent, 0.3 percentage points slower than in our March forecast
- The downward revision to productivity is not the only material change to our economy forecast since March – we have also revised up our near-term forecast for earnings growth and inflation. Greater domestically generated inflation, alongside higher food prices, mean we also expect inflation to stay higher for longer than in March
- The unemployment rate has been on a gradual upward trend since a post-pandemic trough of 3.8 per cent in 2022, and we expect it to remain close to its current rate of around 5 per cent until 2027
- Business profits are projected to fall in 2025 before picking up across the forecast, but by less than expected in March
- The economy changes described above boost overall tax receipts relative to our March forecast by £16 billion in 2029-30, before accounting for Budget policies
- Before accounting for Budget policies, these forecast changes left borrowing £17 billion higher this year and £6 billion higher in 2029-30



For further detail on any of the updates contained in this newsletter, or to find out more about any of the services we offer, please contact us any time.

**Northfield Accountancy & Tax Services**  
Chartered Accountants & Business Advisors

**1 Northfield Farm Lane**  
**Witney, Oxfordshire**  
**Ox28 1UA**

**Tel: 01993 252 339**

**E: [enquiries@northfieldaccountants.co.uk](mailto:enquiries@northfieldaccountants.co.uk)**