

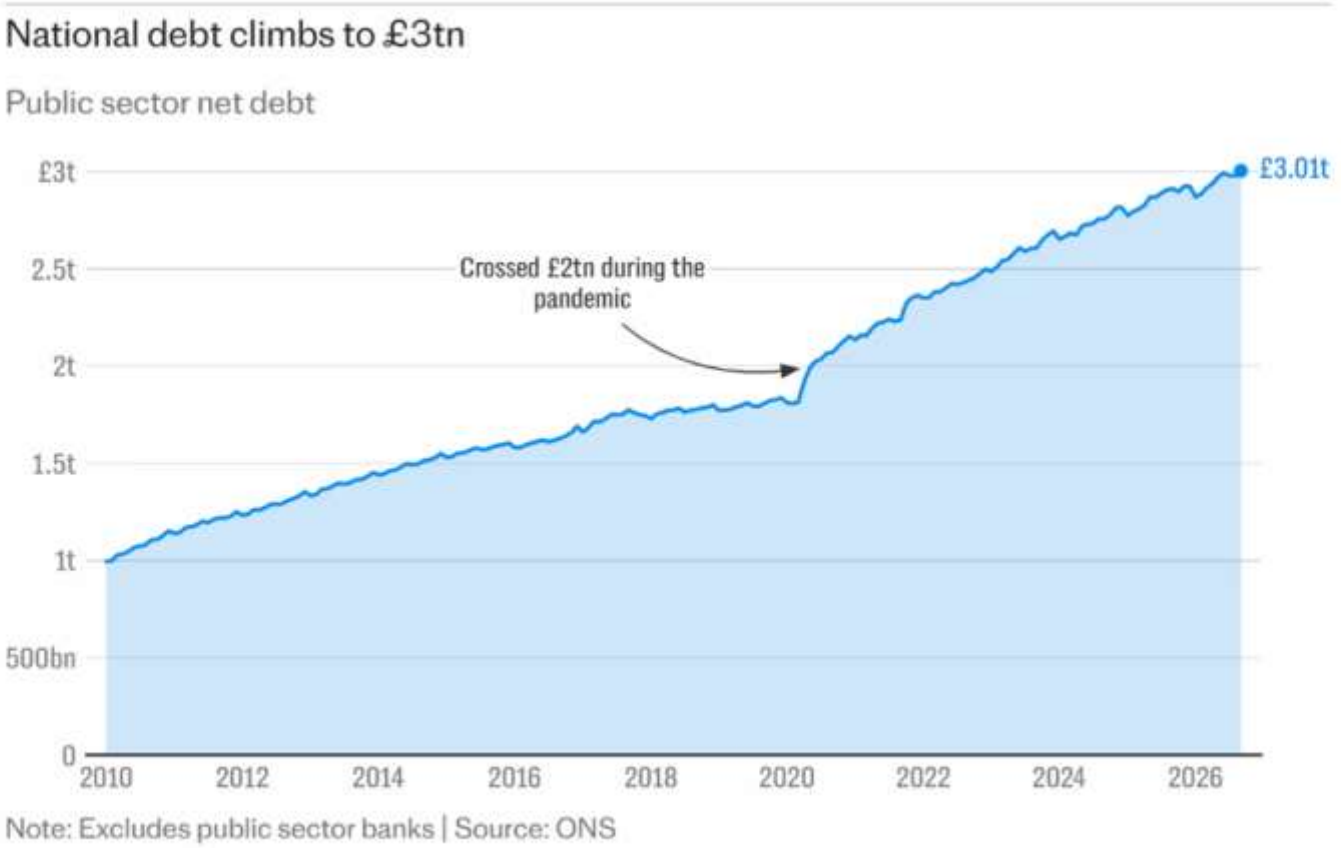
Budget Update 2026

Big Picture

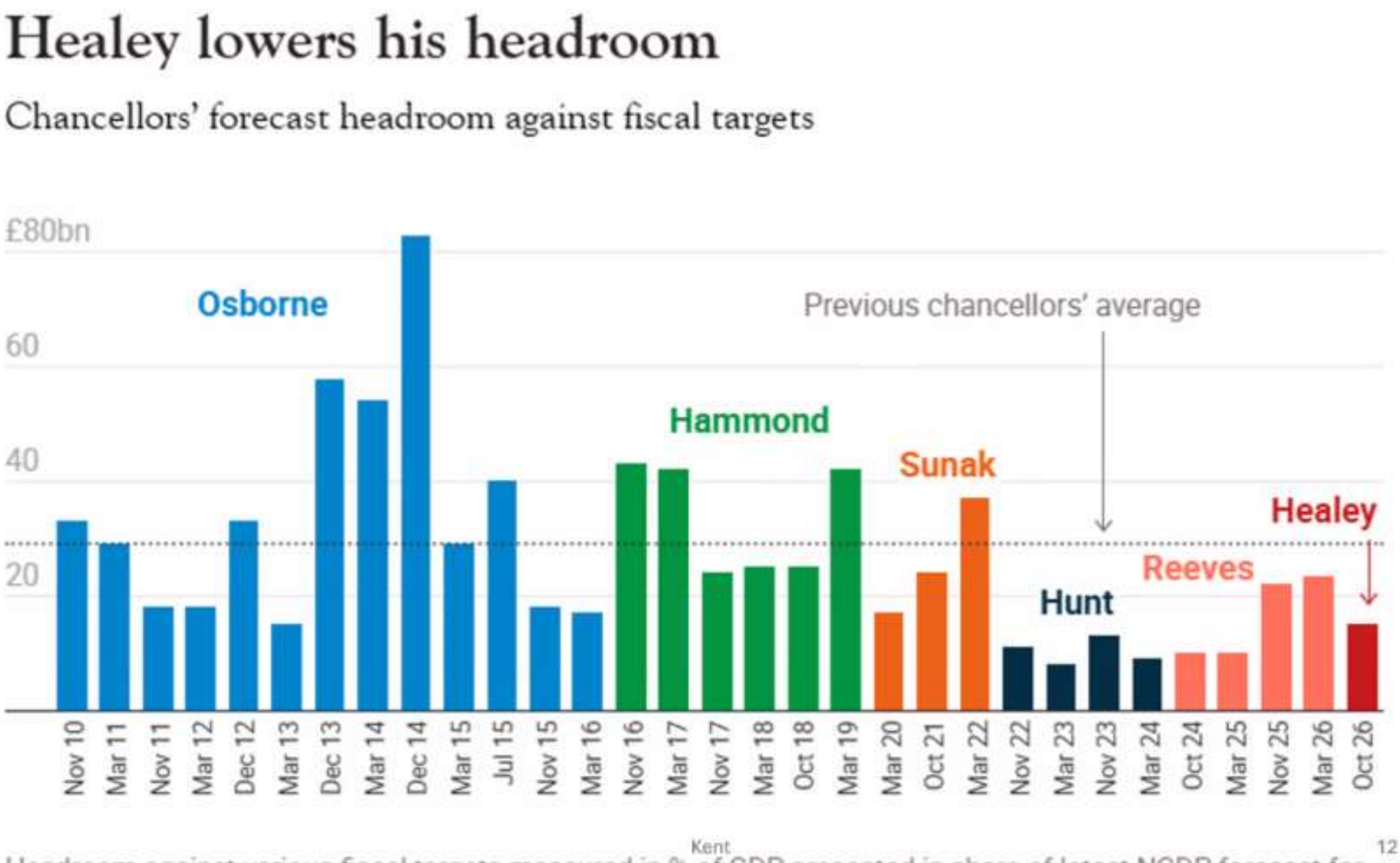


- Giving us “breathing space”
- But slower growth this year – 1.2% (was 1.3%) and next year 1.1%
- National Debt continues to climb - £14bn increase in interest payments
- So headroom sacrificed
- Is that it?

Needing an overdraft facility….



Room for error?



Kicking the can down the road

Spending soon, tax later

Direct effects of government decisions since March on tax and spending

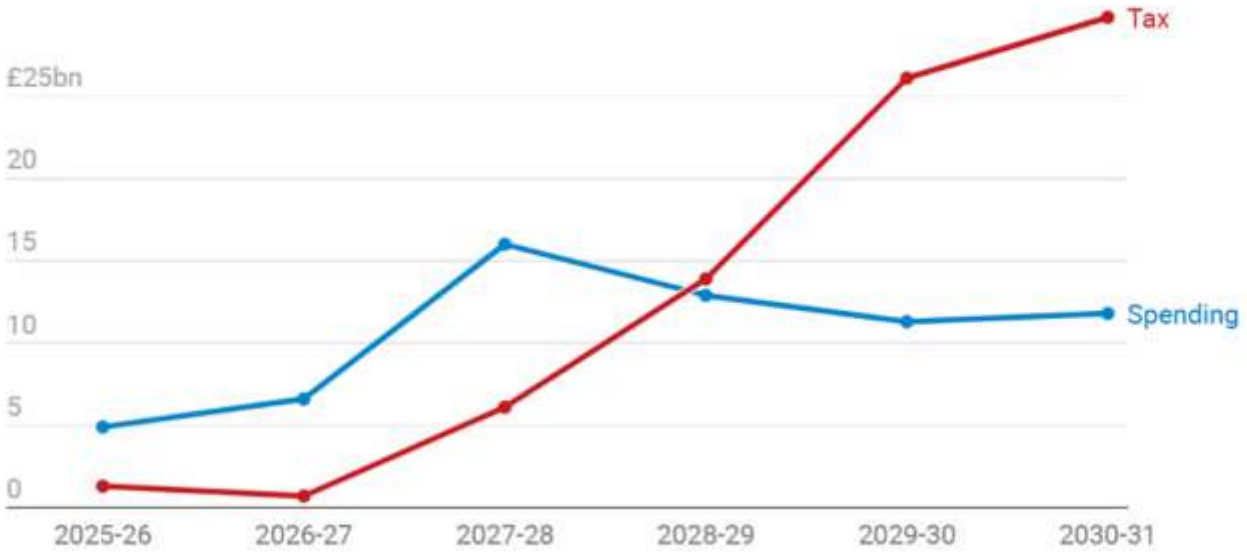


Chart: The Spectator (UmWlt) • Source: OBR EFO Nov '25 table 3.1

What is not changing



Allowances frozen to 30/31

Personal Allowance: £12,570

20% Basic rate for earned income and pensions

40% Tax threshold still £50,270

60% effective rate at £100,000

Top 45% rate from £125,140

HICBC thresholds

Winter Fuel Payments reclaimed

NIC rates & most NIC thresholds

So what is changing?

Dividend tax

- Was 8.75% - 33.75% - 39.35%
- From 05.04.26: 10.75% - 35.75% - 39.35%

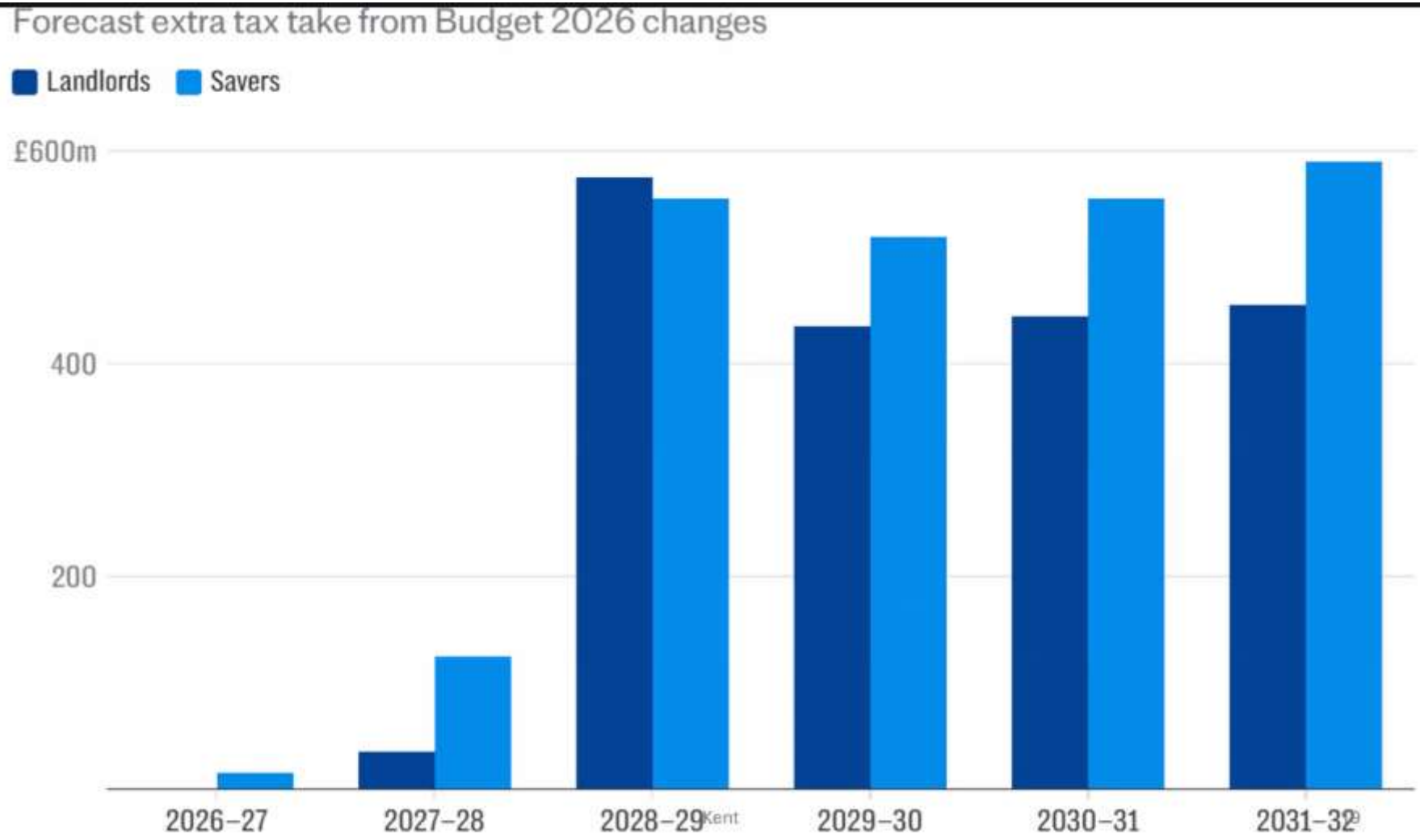
Tax on Interest

- Currently 20% - 40% - 45%
- From 05.04.27: 24% - 44% - 49%

Tax on Property Income

- Same increases as tax on interest
- But: Relief for interest paid will be at 24%

No income tax rises for working people……



Motoring taxes

Increases coming

From 06.04.27

- Extra 1% BIK on all company cars
- Min 10% by 30/31
- Max 40% (was 37%)

5p Fuel duty freeze extended to 01.07.27

New Electric Vehicle Excise Duty from Apr 28 on mileage basis.



Electric Vehicle Excise Duty

- 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 has listened to feedback received through the eVED consultation and will:
- Introduce a mileage estimation tool to support motorists that will be available at launch in April 2028. The government is undertaking proof of concept work to assess how features such as benchmarking could help motorists to estimate their mileage.
- Develop an opt-in system to make use of vehicles' in-built connectivity. 'eVED Connect' will allow motorists to use this connectivity so that they do not have to report their mileage manually. The technology could also support mileage estimation for the coming year.
- Develop an automated refunds model by 2030, making refunds easier and available in more circumstances, such as when a motorist overestimates their mileage or sells their car.
- Work closely with industry and motoring representative groups ahead of implementation, and make available further guidance for fleet operators later this year

Motoring taxes

End of FYA on electric cars on 31.03.27 but still allowed on charge points

From 06.04.26

- 55p per mile – first 10,000 miles
- Still 25p thereafter

From 06.04.27

- 55p per mile – first 10,000 miles
- Then 35p thereafter



Capital Taxes



BADR cut to £500,000

Saves 6% (24% to 18%)

Potential cost of £30k

New Founders Relief

10% tax up to £10m

But vast number of hoops to be jumped through

Unused pension funds subject to IHT from 06.04.27

“Mansion” Tax



Council tax surcharges on £2m+ properties from 06.04.28

£2,500 up to £2.5m

£3,500 up to £3.5m

£5,000 up to £5m

£7,500 over £5m

Cliff edge tax!

Lots of work for valuers!

And other measures…



£100 per household handout for Bands A-D

Pension salary sacrifices capped at £2,000p.a. from 06.04.29

ISAs no longer changing

Business rate reductions for hospitality/retail/leisure sectors reinstated to a degree

Pension Tax allowance – very limited and only for 3 years

Trading allowance to £3,000

National Minimum Wage



NLW: 3.9% increase from £12.71 to £13.21 - Applies to 21yrs & older

NMW: 18-20 +3.9% as well: £10.85 to £11.27

16-17 +3.9%: £8.00 to £8.31

A pause on closing the gap for younger workers

And finally

The government will modernise the existing Payments on Account system for Income Tax Self Assessment (ITSA), following consultation with stakeholders and affected taxpayers. 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. This will help taxpayers budget and plan for their tax obligations, reducing the risk of large, unexpected tax bills and making it less likely that they fall behind on tax due and build up debt.

Who is the winner?!

		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
1	E-invoicing: HMRC will require VAT invoices to be issued in a specified electronic format from 1 April 2029	+0m	+10m	+55m	+140m	+160m	+150m
2	Reforming employment expenses: Remove the £2,500 Income Tax Self Assessment expenses threshold from 6 April 2028	+0m	+0m	-85m	+70m	+25m	+25m
3	More timely payment: Require Income Tax Self Assessment taxpayers to pay more of their liabilities in-year from 2029	+0m	+0m	+0m	+1,355m	+1,605m	+1,815m



Any questions?

Thank you for listening!

David Meredith