

A SUMMARY OF THE

Autumn Budget

26TH | NOVEMBER | 2025

Aristotle Financial Planning

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Summary of the Chancellor's Spring statement.

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Overview

The Chancellor, Mrs Reeves, delivered a Budget focused on stability, long-term investment, welfare reform and cost-of-living support.

The Budget confirms that both fiscal rules are met:

- A current budget surplus by 2028/29, and
- Falling public debt as a share of GDP by 2029/30.

Fiscal headroom stands at £21.7 billion, more than double that forecast earlier in the year.

Public investment is maintained, with major infrastructure and regional programmes continuing.

Economic & Fiscal Outlook

OBR growth forecast for 2025 upgraded from 1% → 1.5%.

Productivity forecast reduced to 1%, lowering future tax receipts by £16bn by 2030.

Borrowing falls each year, reaching £67.2bn by 2030/31.

Public sector debt expected to peak at 83.7% in 2028/29, falling to 82.2% by 2030/31.

Tax Measures

Income tax & NIC thresholds frozen until 2031, increasing revenue through fiscal drag.

Pension salary-sacrifice reform (from 2029)

- Only the first £2,000 of annual salary-sacrifice pension contributions will receive employer NI relief.
- Contributions above this level lose NI advantages.

Savings, dividend & property income taxes rise by 2p across basic, higher and additional rates.

Capital Gains Tax: Employee Ownership Trust relief reduced from 100% → 50%.

Inheritance Tax: agricultural and business property relief becomes transferable between spouses.

ISA reform (from April 2027):

- Allowance remains £20,000, but £8,000 must be invested (flexibility retained for over-65s).

High-value property surcharge (from 2028):

- £2,500 annually for homes over £2m
- £7,500 annually for homes over £5m

Business, Growth & Investment

Enterprise Management Incentive scheme expanded.

Reforms to Enterprise Investment Scheme and Venture Capital Trusts to support scaling businesses.

Introduction of UK Listings Relief: 3-year stamp duty exemption for newly listed UK companies.

Major infrastructure commitments reaffirmed, including:

- Lower Thames Crossing
- Midlands Rail Hub
- TransPennine Route Upgrade
- Northern Powerhouse Rail

Significant regional packages for:

- **Wales:** AI growth zones, SMR at Wylfa, semiconductor investment
- **Scotland:** Grangemouth low-carbon funding, Inverclyde infrastructure, Kirkcaldy redevelopment
- **Northern Ireland:** skills and manufacturing support

England's metro mayors receive £13bn in devolved funding.

Transport & Motoring

Electric Vehicle Duty (from 2028):

- **3p per mile** for EVs
- **1.5p per mile** for plug-in hybrids

£2bn EV grant extended to 2030; **£200m** for charging infrastructure.

Fuel duty **5p cut extended to September 2026**.

New **fuel-price transparency system** ("Fuel Finder") to reduce average bills.

Welfare & Families

Two-child limit on child benefit abolished from April, restoring support for all eligible children; expected to lift ~450,000 children out of poverty.

Youth Guarantee (backed by £820m): every 18–21-year-old offered:

- A college place,
- An apprenticeship, or
- Personalised employment support.
- Paid work offered after 18 months of unemployment.

Disability benefit reforms: return to face-to-face assessments.

Motability scheme updated to remove luxury vehicles.

Class 2 voluntary NI for UK nationals abroad restricted to those with 10 years of UK work/residence.

NHS, Education & Public Services

All NHS efficiency savings reinvested into frontline services.

£300m for NHS digital improvements.

250 Neighbourhood Health Centres, with 100 open by 2030.

Schools:

- **£5m** for secondary school libraries
- **£18m** for playground upgrades
- Continued support for school rebuilding programme

It was also announced all payments from the infected blood scandal scheme are exempt from inheritance tax (IHT).

Cost-of-Living Measures

Annual household energy bills will fall by **£150 from April 2026** through removal of legacy policy costs (including the ECO scheme in its current form).

Rail fares frozen for the first time in 30 years.

Bus fare cap extended.

Prescription charges frozen.

State pension rises 4.8% under the triple lock.



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