The Premier Partnership Limited
Your Family Office

AUTUMN BUDGET 2026

The Review



The announcements that matter for your savings, investments and long-term plans.

Snoozefest?

Possibly the most inconsequential Budget I have ever reported on. Apart from a few updates on the state of Britain's finances, none of it is great, and with yet another promise to increase defence spending, there is precious little to report for the 'real world'.

Context

This was not just a fiscal event, but a wider view of Andy Burnam's view of the future, his thoughts and how he intends to deliver. The small changes announced at household level follows his 'quick wins' style, as he avoids the bigger problems. This was a big pressure Budget for Burnham as he seeks to establish trust, and showing that the Prime Minister and The Chancellor are working together, in attempting to anchor credibility. But this was definitely a 'Labour' Budget.

Fiscal rules and economic health

The Government is on track to meet its 'stability rule', the requirement for day-to-day spending to be covered by tax revenues by 2029/30. This will lead to £15 billion of fiscal headroom by the end of the period, although this is down from £23.6 billion as forecast in March's Spring Statement.

The Office for Budget Responsibility (OBR) also forecast that Government borrowing will fall to 1.8% of GDP by 2030/31, down from 4.2 in 2026/27 to 3.4 in 2027/28.

Net financial debt as a percentage of GDP is now forecast to reach 83.2% in 2026/27 and 83.8% in 2027/28, before falling to 83.1% in 2029/30. This is higher than the forecast in March. This would meet the Governments' 'investment rule'.

OBR has lowered its forecast for GDP growth for 2027 to 1%, down from 1.6% previously. The new forecast, which is a little below the IMF's recent numbers, reflects the higher energy prices being caused by the war in the Middle East.

The OBR has lifted its GDP forecast further out, however, tipping growth to reach 1.6% in 2028, 1.8% in 2029, 1.7% in 2030 and 1.6% in 2031.

Let's have a look at the relevant details from a financial planning perspective.

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ISAs



The headline grabber is the reversal of Rachel Reeves' decision to change the cash ISA allowance. This now reverts to the original £20,000 contribution limit for all ages.

Two new ISA types could potentially be introduced over the next few years.

The First Time Buyer will replace the lifetime ISA from April 2029. The maximum payment in will be set at £4,000, and ISA account holders will be awarded a bonus when they exchange to buy the property. A bonus of 25% will be paid on the amount used to buy the property, up to a maximum of £20,000.

The maximum property price will disappointingly remain at £450,000, the current level for the lifetime ISA. Unlike the lifetime ISA, which must be opened before age 40 with contributions allowed until 50, the new ISA will have no upper age limit.

From 29 October, the lifetime ISA withdrawal penalty for buying a home above £450,000 will fall from 25% to 20%, removing the Government bonus without eating into savers' contributions. Withdrawals for other purposes will still face the 25% penalty.

The Treasury also wants to explore with the industry a new incentive for those taking their first dive into investing through a new 'Starter ISA'.

The Bank of Mum and Dad

From Spring 2027 a new equity loan scheme will become available, aimed at first time buyers who do not have 'the bank of mum and dad' behind them.



Savings / tax

With the good comes some bad. Healey kept the threshold on the forthcoming 'mansion tax' at £2 Million – not reducing to £1.5 Million as widely forecast.

Tax rates on income from property and savings (rental income and deposit annual interest) will increase by a further 2% from April 2027, making the relevant rates 24-44% and 49%.

Tax rates in income from dividends and capital gains are unchanged.

Extra tax on £50,000 cash savings earning 4%			
	Basic rate	**Higher Rate**	**Additional rate**
5 Years	£44	£110	£203
10 years	£437	£603	£796

Source: AJ Bell. Based on 4% savings interest, using the full Personal Savings Allowance each year.

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What does this mean for you?

The impact

This is another serious blow for the rental property landlord or anyone with substantial cash savings. The impact is compounded by the way the reliefs and allowances are applied. Reliefs and allowances are allocated to other sources of income first which attract lower rates, before being applied to property savings and dividend income. This effectively pushes more of your savings and property income into the higher tax bands.

Actions

ISA's and Investment Bonds offer tax shelters and should be utilised. Landlords, if you want to continue in the buy to let market you should consider incorporation if you own two or more properties.

Consider ownership of interest bearing accounts so that full spousal allowances can be utilised.

Holding Government bonds (Gilts) and corporate debt (qualifying corporate bonds) in your personal name – not an ISA – provide returns free from capital gains tax, but are still subject to income tax, but can be an alternative to holding cash.

Fully evaluate short and long term cash requirements to ensure the correct structure can be used.



Business Asset Disposal Relief

As a further attack on business sales, the Budget reduced the relief allowance available from a value of £1 Million to £500,000. This is business asset disposal relief.

Example | £1 million qualifying gain

Before 6 April 2027: £180,000 CGT at 18%.
From 6 April 2027: £210,000 CGT (£500,000 at 18% plus £500,000 at 24%).

Illustrative only: assumes the whole £1 million gain qualifies and no other reliefs, exemptions or prior use of the limit.

Cost of living and energy prices

Healey unveiled several measures to alleviate the cost of living crisis, caused by the higher energy and food prices following disrupted supply chains and conflict in the Middle East and Ukraine.

The VAT cut on electricity from 5% to zero will be extended through the winter and spring to July, which the chancellor said will take £50 off the annual price cap. This was expected to end in March 2027.

It was also revealed that standing charges will be removed from household gas bills and replaced with fixed costs paid on the unit rate. This will mean 60% of households will save an average of £45 per year.

Similar reforms for electricity bills will follow.

The Budget also includes a £100 'household energy payment' for 20 million households in council tax bands A-D this winter. This rebate will be paid directly into bank accounts, at a cost of £2.6 billion to the Treasury.

Your next steps

A Budget is a useful prompt to review your plans, but it rarely calls for immediate action. If any of these announcements may affect your situation, please contact your adviser to discuss the options before making changes.

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