

**AUTUMN BUDGET: 26 NOVEMBER 2025**  
**SUMMARY OF KEY POLICY ANNOUNCEMENTS**

Economy, Growth & Devolution				
Measure	Detail	BCC win?	Devolved?	Regional
<b>Business Rates</b>	<ul style="list-style-type: none"> <li>Permanently lower multiplier for RHL properties. Higher for businesses over £500k <ul style="list-style-type: none"> <li>Small Business RHL: 38.2p</li> <li>Standard RHL: 43p</li> <li>National Small Business: 43.2p</li> <li>National Standard: 48p</li> <li>Higher (over £500k): 50.8p</li> </ul> </li> <li>Transitional relief changes (details in the Red Book)</li> <li>Rates Retention Schemes</li> </ul>	Partial – we've been calling for lower permanent multipliers. With the caveat that they've gone down because RVs have gone up. Welcome continued use of rate retention schemes	Yes	/
<b>Salary Sacrifice</b>	<ul style="list-style-type: none"> <li>£2000 cap – bad discourages saving, increases business costs from April 2029</li> </ul>	no	No	/
<b>Income Tax</b>	<ul style="list-style-type: none"> <li>Freeze income tax thresholds for two more years until 2030</li> </ul>	n/a	Partially yes. Personal tax allowance applies across the UK.	/
<b>Gambling Tax</b>	<ul style="list-style-type: none"> <li>Increasing taxes on online gambling, slot machines and other duties. Increase in tax bad but generally expected for a while</li> </ul>	n/a	No	/
<b>Cash ISAs</b>	<ul style="list-style-type: none"> <li>Cut to tax-free cash ISA allowance from £20,000 to £12,000 to encourage investment in stocks and shares ISAs. Overall allowance remains at £20k. Not applicable to over 65s</li> </ul>	Partial – we've been calling for a British Growth ISA that allocated more investment in UK investments.	No	/
<b>Fuel Duty</b>	<ul style="list-style-type: none"> <li>Extending 'temporary' 5p cut for a further five months to end of August 26</li> </ul>	For drivers	No	/
<b>Capital Allowances</b>	<ul style="list-style-type: none"> <li>Permanent 40% First Year Allowance for main rate assets</li> </ul>	Welcome	No	/

**AUTUMN BUDGET: 26 NOVEMBER 2025**  
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	<ul style="list-style-type: none"> <li>Maintaining £1m Annual Investment Allowance</li> </ul>			
<b>Inheritance Tax</b>	<ul style="list-style-type: none"> <li>Any unused £1m allowance for the 100% rate of APR/BPR will be transferable between spouses and civil partners</li> </ul>	Welcome	No	/
<b>Scale Up &amp; Investment</b>	<ul style="list-style-type: none"> <li>Increasing eligibility limits for the Enterprise Management incentives scheme (EMI)</li> <li>Increase in Venture Capital Trust (VCT) and Enterprise Investment Scheme (EIS)</li> <li>UK Listing Relief – relief from 0.5% Stamp Duty Reserve Tax</li> </ul>	Positive for start up and scale up	No	/
<b>Dividend Income</b>	<ul style="list-style-type: none"> <li>From 26-27, ordinary rate will be increased by 2% to 10.75% and upper rate up 2% to 35.75%. Additional rate unchanged at 39.35%</li> </ul>	No – additional tax on business owners.	No	/
<b>Local Growth and Devolution</b>	<ul style="list-style-type: none"> <li>Kernow Industrial Growth Fund (£30m)</li> <li>Mayoral Revolving Growth Fund (£500m)</li> <li>Local Growth Fund (MCAs)</li> <li>Growth Mission Fund</li> <li>Industrial Strategy Zones</li> </ul>	Mixed – good for certain areas but not winners and losers	Yes	Yes
<b>Visitor Levy (Tourism Tax)</b>	<ul style="list-style-type: none"> <li>Consultation on powers to Local Authorities to introduce a local tourist tax</li> </ul>	No – the chosen method is bad for business and creates additional cost on business	Yes	Yes
<b>Planning Capacity</b>	<ul style="list-style-type: none"> <li>£48m of additional funding. Plans to recruit an extra 350 planners in England by expanding the Pathways to Planning Graduate Scheme and creating a new Planning Careers Hub to retain and retrain mid-career professionals</li> <li>Extra resources for priority projects and delivery of the Nature Restoration Fund's Environmental Delivery Plans. Will take the total number of recruitments across the planning system to 1,400 by the end of this Parliament</li> </ul>	Win	No	Yes

## AUTUMN BUDGET: 26 NOVEMBER 2025

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	<ul style="list-style-type: none"> <li>Provide MHCLG, DSIT and Defra £48 million over the next three years to boost capacity and capability in the planning system</li> </ul>			
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>Investing £900m to complete the publicly funded works for the Lower Thames Crossing</li> <li>Additional £100m in EV Charging Infrastructure, alongside £100m of resource funding for local authorities and public bodies to support the training and deployment of specialist staff (to install the chargers)</li> </ul>	Win	Partial	Yes

#### **Analysis:**

Overall welcome the approach taken to taxation and feel the Chancellor has listened to us no major new taxes. This is especially true with regard to Business Rates and no main headline rate changes. Likewise, we very much welcome the Chancellor name-checking us with regard to our asks on planning. However, disappointing to see the announcement on salary sacrifice and the impact it will have on businesses. Most critically, the lack of cross-country business support is a massive loss for the business community and will have a significant impact across the economy.

#### Future of Work

Measure	Detail	BCC win?	Devolved?	Regional
<b>Welfare</b>	<ul style="list-style-type: none"> <li>Scrap 2 child benefit cap</li> <li>Crackdown on benefit fraud, error and waste</li> </ul>	N/a. Welcome measures which support people to find and stay in work while supporting their families.	No. UK-wide, but Scottish Parliament/NI Assembly also have significant powers on welfare	
<b>National Living Wage and National Minimum Wage</b>	<ul style="list-style-type: none"> <li>The NLW hourly rate for over-21s will rise by 50p to £12.71</li> <li>For workers aged 18-20, an 85p rise to £10.85</li> <li>For under-18s and apprentices, 45p rise to £8 an hour.</li> <li>Increased focus on enforcement</li> </ul>	Additional cost for business is not welcome, but the rise is within expected range.	No	
<b>Apprenticeships and Apprenticeship Levy</b>	<ul style="list-style-type: none"> <li>Apprenticeships for under 25s free for SMEs (no 5% co-investment)</li> </ul>	SME funding is a win.	Yes	

**AUTUMN BUDGET: 26 NOVEMBER 2025**  
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	<ul style="list-style-type: none"> <li>Removal of 10% government top up to levy payer accounts, levy funds expire after 12 months down from 24, levy payers must contribute 25% of training cost once they have exhausted their funds.</li> <li>'Working with employers to streamline the suite of apprenticeship standards available'.</li> </ul>	Simplification and clarity around levy accounts is a win. However, concern that there may be further defunding of some apprenticeship standards.		
<b>LSIPs</b>	<ul style="list-style-type: none"> <li>No confirmation of funding beyond April 2026.</li> </ul>	No	Yes	
<b>Youth Jobs Guarantee</b>	<ul style="list-style-type: none"> <li>A place in college, apprenticeship or personalised job support for every 18–21-year-old. After 18 months, young people will be offered paid work, not benefits. £820m of funding for this.</li> <li>Jobs Guarantee to cover 100% of employment costs for 25 hours a week at the relevant minimum wage, and additional wraparound support.</li> </ul>	Win	No	
<b>Skills investment</b>	<ul style="list-style-type: none"> <li>Investing in planning system capacity – 'as called for by the British Chambers of Commerce'</li> <li>Additional skills funding devolved to mayoral combined authorities</li> </ul>	Win	Yes	Mayoral investment only for 8 areas.
<b>Schools</b>	<ul style="list-style-type: none"> <li>£5m for libraries in secondary schools, £18m for playgrounds</li> </ul>	n/a	Yes	
<b>International Student Levy</b>	<ul style="list-style-type: none"> <li>Universities to pay £925 levy on international students per year of study, with exemption for first 220 students per provider</li> </ul>	BCC raised concerns about the original proposal of a 6% levy on all international students – further analysis needed to assess impact	No	
<b>Analysis:</b>				

## AUTUMN BUDGET: 26 NOVEMBER 2025

### SUMMARY OF KEY POLICY ANNOUNCEMENTS

This package is a welcome recognition of the need to support businesses to invest in skills and grow their talent pipeline, particularly addressing the high number of young people not in education, employment or training. The key barrier to businesses is cost – funding apprenticeships for under 25s and the Jobs Guarantee goes some way to address this, but this may be offset by the rising National Living Wage.

However, there is still a lack of clarity on aspects such as what flexibilities will come under the Growth and Skills Levy. This uncertainty means businesses will continue to hold back investment.

Lack of confirmed funding for LSIPs beyond March 2026 is very disappointing. BCC will continue to stress to government the importance of funding certainty to the effective delivery of LSIPs.

<b>Energy and Net Zero</b>				
<b>Measure</b>	<b>Detail</b>	<b>BCC win?</b>	<b>Devolved?</b>	<b>Regional</b>
<b>Energy Profits Levy</b>	<ul style="list-style-type: none"> <li>Energy Profits Levy (EPL) to remain in place until 2030.</li> <li>A new Oil and Gas Price Mechanism to replace EPL in 2030, which would only operate in times of high prices.</li> <li>DESNZ has also published a North Sea Future Plan, setting out future approach to North Sea energy transition.</li> </ul>	No – BCC has warned of severe negative impact of EPL remaining in place on jobs, businesses, investment, and success of the energy transition.	No	
<b>Electric Vehicles</b>	<ul style="list-style-type: none"> <li>Electric Vehicle Excise Duty (eVED) introduced – a new mileage charge for electric and plug-in hybrid cars from 2028.</li> <li>Electric cars to pay half the equivalent fuel duty rate for petrol and diesel cars.</li> <li>Government consultation on how eVED will work.</li> <li>Support charging infrastructure through £100m to local authorities and public bodies, as well as an extra £100m to support installation of home and workplace charge points.</li> </ul>	No – BCC had not called for an Electric Vehicle Excise Duty. Additional support for charging infrastructure is welcome.	No	
<b>Energy Bills</b>	<ul style="list-style-type: none"> <li>Government support for energy bills is focused on domestic properties through the Warm Homes Discount.</li> </ul>	No – energy bills continue to affect businesses,	No	

**AUTUMN BUDGET: 26 NOVEMBER 2025**  
**SUMMARY OF KEY POLICY ANNOUNCEMENTS**

	<ul style="list-style-type: none"> <li>• Government committed to securing the necessary infrastructure investment to build a resilient energy system.</li> <li>• Government committed to ensuring enhanced scrutiny under a new framework to ensure they do not impose unnecessary costs on households and businesses.</li> </ul>	regardless of size or sector.		
<b>Nuclear Power</b>	<ul style="list-style-type: none"> <li>• Commitment to strengthen UK's nuclear capacities to increase energy security.</li> <li>• Government commitment to identifying potential sites for large-scale nuclear power (following on from announcement that Wylfa would host the UK's first small modular reactor project.</li> </ul>	Yes – nuclear power is key to supporting energy security, and driving economic growth through job creation and investment.	No	Partially.
<b>Grid Connections</b>	<ul style="list-style-type: none"> <li>• Remove speculative demand in the grid connection queue.</li> <li>• Explore enhanced entry and membership requirements to ensure viable projects progress in demand queue.</li> <li>• Reduce time to power by exploring self-build for high voltage grid infrastructure and more flexible connections where possible.</li> <li>• New powers in the Planning and Infrastructure Bill to create mechanisms to reallocate released capacity and reserve future capacity for strategically important demand projects.</li> </ul>	Partial – Government recognises the urgency on delivering on connections reform. BCC also called for a roadmap to set out how the Government would meet future demand on the grid.	No	

**Analysis:**

The Government has set out a clear focus towards decarbonisation through its support for nuclear power and enhancing charging infrastructure to support Electric Vehicles. While there was some support announced around energy bills for households, it is disappointing that this support does not apply to businesses, who are struggling with their energy bills. Confirmation that the Energy Profits Levy will remain until 2030 is extremely disappointing for businesses and workers operating in the North Sea. Retention of the Energy Profits Levy will have a damaging impact on the UK's energy transition, resulting in reduced investment and job losses.

**Trade and Investment**

Measure	Detail	BCC win?	Devolved?	Regional

## AUTUMN BUDGET: 26 NOVEMBER 2025

### SUMMARY OF KEY POLICY ANNOUNCEMENTS

<b>Customs – Low Value Imports</b>	<ul style="list-style-type: none"> <li>Confirms announcement last weekend of end to de minimis threshold on low value imports (LVIs) under £135 in GB from 2029. 14 week consultation launched on detail of implementing the policy including potential charges on imports, and fiscal representative requirements.</li> </ul>	Partial – we called for wider customs reforms	GB-only. Windsor Framework applies to goods movements in and out of NI	
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#### **Analysis:**

Removal of de minimis threshold on low value imports (LVIs) in GB appeared inevitable after EU and US policy shifts and HMT estimates of over £5bn in LVIs in 2024. Policy intended to take effect from 2029, with 14 week consultation launched on detailed implementation. Document floats a £2 or £5 per item import charge, or no charge at all, to pay for the increased costs of customs operations required to administer the new arrangements. Will level the playing field for UK based online or bricks and mortar retailers, but raise some goods imports prices for consumers, and affect the recent growth in air freight to UK regional airports. Position on wider customs reforms (including Single Trade Window) still to be determined by HMG and can be followed up in post-Budget BCC outputs and campaigns.

OBR forecast UK exports to grow by 3.3% in 2025 as frontloading of activity occurred ahead of US tariffs being raised, but forecasts that average UK exports growth will fall to an average of 0.6% between 2026-2030, necessitating in the BCC's view further measures including trade accelerators, lower trade barriers with key markets, and more extensive implementation of trade deals. OBR did not score outcomes of Common Understandings negotiations with the EU in its November 2025 forecasts, but will return to this as and when agreements are reached. They did provide indicative estimates with the SPS/ETS linkage agreements yielding an estimated 0.24% long term uplift in GDP growth, one-sixteenth of the long-term loss in GDP growth since 2021 according to the OBR.

Digital				
Measure	Detail	BCC win?	Devolved?	Regional
<b>Connectivity</b>	<ul style="list-style-type: none"> <li>Government commitment to removing barriers to gigabit-capable broadband.</li> <li>Government to consult on measures to create a new right for leaseholders to request a gigabit broadband connection and a duty for freeholders not to unreasonably refuse the request.</li> <li>Government to work with Ofcom to support availability and adoption of gigabit broadband solutions by business.</li> </ul>	Partial – BCC welcomes that the Government wants to address barriers to gigabit-capable broadband, but funding remains unclear, and disappointing lack of	No	

**AUTUMN BUDGET: 26 NOVEMBER 2025**  
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		information on mobile connectivity.		
<b>Digital Adoption</b>	<ul style="list-style-type: none"> <li>Expansion of InnovateUK's BRIDGE AI programme.</li> <li>AI Champions to drive adoption of AI across the IS-8.</li> </ul>	Partial – BCC supportive of boosting AI adoption among businesses. AI Champions are welcome. BCC had called for an AI Champion for SMEs specifically.	No	
<b>AI Infrastructure</b>	<ul style="list-style-type: none"> <li>Support for UK supercomputers to build modern public compute ecosystem.</li> <li>AI Growth Zone Programme to help crowd in tens of billions of private investment to deliver computing power.</li> <li>Three more AI Growth Zones confirmed in the UK (North East, North Wales, and South Wales).</li> </ul>	Yes – BCC supportive of AI Growth Zones in accelerating UK AI infrastructure and supporting economic growth.	No	Yes
<b>Cyber</b>	<ul style="list-style-type: none"> <li>No mention of cyber.</li> </ul>	No – BCC had called on the Government to work with businesses in supporting cyber security for businesses.	No	
<b>Analysis:</b>				
<p>While it is welcome that the Government recognises that AI can drive economic growth and innovation, the BCC would like to see the Government delivering on the recommendations from the SME Digital Adoption Taskforce, which called on the Government to drive digital adoption through a targeted awareness programme, as well as other areas. The Government's commitment to AI infrastructure is welcome, and AI Growth Zones can help facilitate this, as well as drive economic growth. On connectivity, businesses want to see progress in removing barriers to connectivity, as well as long-term funding for Project Gigabit through to 2032 and the Government's target of having gigabit-capable broadband in 99% of premises by 2032. It is disappointing that there was no mention of cyber in the Budget, in any form.</p>				

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### OBR ECONOMIC & FISCAL OUTLOOK SUMMARY

**The OBR forecasts sluggish growth, debt hovering around 96-97% of GDP for the rest of the decade, and only wafer-thin fiscal headroom - leaving the public finances exposed and the economy largely flat.**

- **GDP:** The OBR now expects 1.5% for GDP growth this year, this is an upgrade from their March forecast of 1.0%. The up revision was driven by higher-than-expected growth in the first quarter of 2025. The OBR then expects growth of 1.4% in 2026, and 1.5% throughout the forecast period.
- **Inflation:** The OBR expects 3.5% for inflation this year, up from their March forecast of 3.2%. From 2026 onwards, inflation is expected to fall rapidly to around 2% target as energy prices and food price inflation fall and wage growth eases back.
- **Exports:** Expected to increase by 3.3% this year which is a significant upgrade from their last forecast of -0.1%. This mainly reflects activity brought forward in anticipation of tariff increases. The OBR then expects weak exports growth throughout the forecast period due to ongoing EU trade frictions.
- **Business investment:** expected to pick up significantly this year by 2.8% from OBR's March forecast of -0.2%. Growth in business investment is expected to be weaker over the forecast compared to March due to continued weakness in business sentiment, lower profit growth, and higher long-term interest rates.
- **Unemployment:** expected to remain close to its current rate of around 5% until 2027. This is driven by entrants into the labour force struggling to find work amid subdued demand for hiring. Unemployment then falls back to its estimated equilibrium rate of around 4 per cent over the forecast.
- **Public sector net debt:** forecast to rise from 91.3% of GDP in 2025-26 to 95.3% of GDP in 2030-31.
- The Government's new tax and spending decisions are raising borrowing in the next three years. However, from 2029-30 onward the borrowing is reduced, largely as a result of tax measures.

**AUTUMN BUDGET: 26 NOVEMBER 2025**  
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<b><u>OBR (November 2025)</u></b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b><u>BCC Q3 forecast</u></b> (no Budget measures had been included)
<b>GDP growth</b>	1.5%	1.4%	1.5%	1.5%	1.5%	1.5%	UK GDP is expected to grow by 1.3% in 2025, 1.2% in 2026, and 1.5% in 2027.
<b>Inflation</b>	3.5%	2.5%	2.0%	2.0%	2.0%	2.0%	CPI inflation is expected to be 3.7% in Q4 2025, and 2.5% and 2.1% in 2026 and 2027.
<b>Exports</b>	3.3%	0.4%	0.3%	0.5%	0.8%	0.9%	Exports are set to rise by 3.1% in 2025, and 3.3% and 3.2% in 2026 and 2027.
<b>Business Investment</b>	2.8%	-0.4%	0.6%	0.9%	1.2%	1.4%	Business investment is expected to grow by 1.6% in 2025, 1.9% in 2026 and 3.0% in 2027.
<b>Unemployment</b>	4.8%	4.9%	4.6%	4.3%	4.2%	4.1%	Unemployment is expected to hold steady at 4.7% this year. The rate is forecast to remain at 4.7% through end-2026. Unemployment is then expected to fall to 4.5% in 2027.
<b>Fiscal Outlook</b> Public sector net debt (excluding the Bank of England) as a percentage of GDP		91.3%	92.8%	94.2%	95.2%	95.3%	

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#### **Links to Government Documents**

**Autumn Budget 2025:** <https://www.gov.uk/government/collections/budget-2025>

**Chancellor's Speech (in full):** <https://www.gov.uk/government/speeches/budget-2025-speech>

**Factsheet: Supporting Business:** <https://www.gov.uk/government/news/budget-2025-fact-sheet-tax-support-for-businesses>

**Factsheet: Supporting Growth:** <https://www.gov.uk/government/news/budget-2025-factsheet-driving-economic-growth>

**Factsheet: Supporting Cost of Living:** <https://www.gov.uk/government/news/budget-2025-fact-sheet-cutting-the-cost-of-living>

**YouTube Link to Chancellor's Speech:** <https://www.youtube.com/live/dYvLue-CE1Q>

**BCC LinkedIn Post:** [https://www.linkedin.com/posts/british-chambers-of-commerce\\_relief-on-tax-but-no-blueprint-for-growth-activity-7399471657167454209-\\_WP3?utm\\_source=share&utm\\_medium=member\\_desktop&rcm=ACoAACpN3lgBz5HyX9iUYM7Bm8t48IN8iGE0TMI](https://www.linkedin.com/posts/british-chambers-of-commerce_relief-on-tax-but-no-blueprint-for-growth-activity-7399471657167454209-_WP3?utm_source=share&utm_medium=member_desktop&rcm=ACoAACpN3lgBz5HyX9iUYM7Bm8t48IN8iGE0TMI)