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FARNER

The Autumn Budget

November 2025



— What to expect at *the Autumn Budget*

Last night (24th November), the Chancellor urged Labour MPs to unite behind her Budget as she vowed to remain in post in the years ahead. She dismissed suggestions that her Budget was a “pick and mix” collection of measures, insisting instead that it was a coherent “package” contributing to her three priorities: cutting the cost of living, cutting NHS waiting lists, and cutting the cost of debt.

Whilst the Treasury may now have the reluctant backing of most Labour MPs, industry outrage at its plans has continued to be vociferous. One of the most high-profile recent criticisms came from the Chair of the Confederation of British Industry (CBI), who lambasted the Government for promising to cut regulatory burdens while pressing ahead with its Employment Rights Bill.

Even more worrying for the Treasury is the fact that traders have bet against sterling en masse ahead of the Budget amid concerns that it will drive the pound lower against the dollar. There was even this week an admission from the Government’s own Business Secretary that Labour’s taxes are partly to blame for the wealth exodus from the UK. When questioned on the issue at the CBI’s annual conference, Peter Kyle conceded that it was not only billionaires but also entrepreneurs who have gone to America “in their droves.”

That being said, the banking sector’s intense lobbying efforts ahead of the Treasury’s proposed increase in the banking surcharge have proved successful. In a last-minute U-turn, the Chancellor has reportedly dropped her tax hikes for the sector in exchange for the banks making a prominent and public endorsement of the Budget as the Treasury seeks to win over the wider financial services industry and others.

The Chancellor has also reportedly scaled back her plans for savers after sources revealed that the Treasury’s proposal to slash the cash ISA ceiling would stop at £12,000 in a bid to encourage greater investment in stocks. This followed earlier indications that the allowance could have been cut to as low as £10,000.

Additionally, following intense pressure from Labour MPs, particularly those in London and the Southeast, the Chancellor has reportedly pared back plans for a “mansion tax”, raising the threshold from £1.5 million to £2 million to ensure that only the most expensive properties are affected. Even so, the property market has already taken a hit, with homes being down-valued by as much as 10%, according to experts.

One industry now expected to bear the brunt of the Budget is the retail sector. Leading UK supermarkets are braced for a multimillion-pound tax hit after being told they will not receive a reprieve from higher business rates following another Treasury U-turn. This is anticipated to have a significant knock-on effect for consumers, with the British Retail Consortium warning of shop closures and rising prices.

In terms of the Government’s spending plans, the past few days have brought more positive news for pensioners. The Chancellor is expected to announce a rise worth more than £550 a year for 13 million pensioners, higher than inflation. The Treasury has also confirmed an additional £1.3 billion in funding for the EV Grant Scheme as it seeks to accelerate electric vehicle rollout despite separate proposals for an EV tax.

With a day to go, the Prime Minister and the Chancellor remain on precarious political ground. With the risk of alienating both industry and their own Labour MPs, tomorrow’s tax and spend measures will be crucial. If the Government fails to shift the dial on economic growth, the Prime Minister is likely to face louder and more credible calls for his resignation, especially if Labour suffers heavy defeats in the local and devolved elections in May 2026.

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— Personal Taxation

1 *Income tax*

Speculation

- Speaking to the BBC in September, the Chancellor refused to rule out extending the current freeze on income tax thresholds, which is due to end in 2028. Freezing the thresholds means that, as salaries rise over time, more people reach an income level at which they start paying tax or qualify for higher rates.
 - *BBC News*, 07.10.25 ([link](#))
- Sky News has reported that the Chancellor is unlikely to raise the basic rates of income tax and national insurance to avoid breaking her promise to protect “working people” in the Budget. The Treasury also confirmed that those earning £45,000 or less qualify as “working people.”
 - *Sky News*, 28.10.25 ([link](#))
- The Chancellor has reportedly been warned by fellow Cabinet Ministers that increasing income tax would spell electoral disaster for the party.
 - *The Times*, 09.11.25 ([link](#))
- The Chancellor has reportedly decided against raising income tax rates at the Budget after receiving better-than-expected economic forecasts, according to Government sources. Instead of raising rates, the Chancellor is expected to freeze or lower income tax thresholds. The number of people paying the top rate of income tax is expected to rise by 500,000.
 - *BBC News*, 14.11.25 ([link](#))

2 *VAT*

Speculation

- Though the Chancellor has claimed that she will keep to her manifesto promise not to raise VAT, Chief Secretary to the Prime Minister, Darren Jones, refused to rule out a VAT rise at Labour Party Conference. Speaking to Sky News, he noted that the pledge stands “today” but that tax decisions made in the Budget have yet to be made.
 - *Sky News*, 29.09.25 ([link](#))
- There has been speculation that the Chancellor will scrap the low-value import VAT relief that lets goods under £135 enter the UK duty-free.
 - *CityAM*, 21.10.25 ([link](#))

3 *National Insurance*

Speculation

- The Resolution Foundation think tank has recommended cutting 2p from the employee NI rate, while adding the same amount to income tax.
 - *BBC*, 11.09.25 ([link](#))
- According to the Guardian, the Treasury is reportedly considering expanding national insurance to rental income, which is currently exempt from the levy. Labour insiders said property income was a “significant potential extra source of funds.”
 - *The Guardian*, 28.08.25 ([link](#))

— Personal Taxation

4

Property tax

Speculation

- Several property tax reforms have been speculated, including replacing Stamp Duty with a proportional national tax and replacing Council Tax with a proportional local tax. Other potential measures include removing the Capital Gains Tax exemption on primary residences above £1.5m and applying National Insurance to rental income for landlords.
 - *Financial Times*, 18.08.25 ([link](#))
- The Chancellor is considering introducing higher bands of council tax to hit the owners of expensive homes, according to the *Financial Times*. The idea of creating new council tax bands for the most expensive homes in England has been on the table in the Treasury since it was considered by Conservative Chancellor George Osborne in 2012.
 - *Financial Times*, 31.10.25 ([link](#))
- The Chancellor is expected to push ahead with plans to introduce a council tax surcharge on expensive homes. The new so-called 'mansion tax' charge will see the Treasury use the existing council tax system to revalue 2.4 million of the most valuable properties across bands F, G and H over the next few years – representing one in 10 English homes.
 - *CityAM*, 15.11.25 ([link](#))

- The Chancellor is facing last-minute pressure from Labour MPs in London and the south-east to scale back the scope of a “mansion tax” amid warnings that a possible £1.5mn threshold for the levy would be too low. Labour MPs have warned the Chancellor that a council tax surcharge on the most expensive homes could hit the party’s support, especially in the capital. They want the threshold to be set at a higher level, potentially at up to £2mn.
 - *The Financial Times*, 20.11.25 ([link](#))
- The Chancellor has reportedly pared back plans for the property tax, increasing the threshold at which it applies from £1.5 million to £2 million to ensure that the most expensive properties are affected..
 - *The Times*, 24.11.25 ([link](#))

5

Salary Sacrifice Pension Schemes

Speculation

- The Treasury could restrict salary sacrifice pension schemes. These allow for a significant tax saving by allowing the employer to make extra contributions to the employees' pensions scheme. The Chancellor is hoping to restrict the use of these schemes which will indirectly raise the amount of revenue received from taxes.
- It has been reported that the Chancellor’s planned clampdown on salary sacrifice schemes would cap the amount workers can pay into pensions through the scheme at £2000. Any further pensions contributions would be capped at standard NI rates.
 - *CityAM*, 08.11.25 ([link](#))

— Personal Taxation

- Business and pension experts have warned against the Chancellor's proposed cap on salary sacrifice benefits, branding it a 'short term' choice.
 - *The Financial Times*, 10.11.25 ([link](#))
- While the Chancellor is expected to reaffirm the government's commitment to the triple lock, she is believed to be considering limiting how much workers can put in their pension pots under sacrifice schemes before paying national insurance.
 - *Sky News*, 24.11.25 ([link](#))

6

Inheritance tax

Speculation

- It is unlikely that the Chancellor will increase inheritance tax significantly, but smaller scale options include a 1% increase, reducing the threshold at which the tax begins to be paid, and bringing more gifts made during people's lifetimes into the scope of the tax.
 - *Institute for Fiscal Studies*, 13.10.25 ([link](#))
- According to *The Times*, the Chancellor is under pressure to reverse the inheritance tax introduced on family farms last year. It is understood that options have been discussed with the Department for Environment and Rural Affairs to alleviate the impact on small farmers, including proposals to increase the £1 million threshold.
 - *The Times*, 11.10.25 ([link](#))

7

Wealth tax

Speculation

- The Chancellor has alluded that higher taxes on the UK's wealthy will form part of this month's Budget. Asked by reporters in Washington DC whether higher taxes on the wealthy would feature, the Chancellor replied: "that will be part of the story."
 - *The Guardian*, 15.10.25 ([link](#))
- Pressure group Taxpayers Against Poverty have urged the Chancellor to introduce a 2% tax on assets above £10m after the Treasury dropped plans for a hike to income tax. The proposed measure has received backing from more than 50 MPs but is unlikely to receive the support of the Treasury.
 - *The Guardian*, 17.11.25 ([link](#))

8

Capital Gains Tax

Speculation

- Think tanks have urged the Chancellor to introduce an 'investor allowance' for capital gains. They argue that investors currently face the same tax on capital gains whether the cost of borrowing to invest is high or low, meaning that otherwise profitable (pre-tax) investments can become unprofitable post-tax when interest rates are high.
 - *CenTax*, 05.11.25 ([link](#))

Business and Investment

1 *Business rates reform*

Confirmed

- The Chancellor will announce reforms to the Business Rates system, following the publication of the Interim Business Rates Report in September. Calls to abolish business rates entirely have come from across industry, while the British Chambers of Commerce have called for lowering the multiplier to at least 45p by the end of this Parliament.
 - *GOV.UK*, 17.09.25 ([link](#))
- Leading supermarkets in the UK are braced for a multimillion-pound tax hit after being told they will not secure a reprieve from higher business rates in the Budget following a Treasury U-turn.
 - *Financial Times*, 25.11.25 ([link](#))

2 *Tax on LLPs*

Speculation

- The Treasury was reportedly planning a £2 billion tax raid on lawyers, family doctors and accountants as the Chancellor was expected to use the Budget to impose a new charge on people who use limited liability partnerships.
 - *City AM*, 22.10.25 ([link](#))
- The Chancellor has reportedly scrapped plans to make partners at law and accountancy firms pay more tax through national insurance contributions in the Budget, according to people briefed on preparations for the fiscal event. The Chancellor ditched the plan after Treasury modelling suggested the policy could cost more than it raised because of tax avoidance.
 - *City AM*, 14.11.25 ([link](#))

3 *SME Tax Support*

Speculation

- The Chancellor is considering steps to shield small businesses and the self-employed from the sharpest tax rises in her Budget after Whitehall was accused of a “cultural dislike” of entrepreneurs. Insiders believe the Budget will again include some targeted protection for small firms, with measures expected on business rates and potentially the employment allowance.
 - *The Times*, 18.11.25 ([link](#))

4 *Enterprise Management Incentives*

Speculation

- According to Sky News, Treasury officials have drawn up proposals to lift the cap on Enterprise Management Incentives (EMI), allowing smaller companies to offer share options to employees with no income tax or national insurance liabilities.
 - *Sky News*, 15.10.25 ([link](#))

5 *Deregulatory measures*

Confirmed

- The Government have laid out a series of measures which aim to deregulate and cut red tap for businesses returning £6 billion in savings. Measures are specifically targeted at the Government’s eight “priority sectors” and include the establishment of a cross-economy AI sandbox, launching commercial drone operations and reform to panels reviewing company mergers.
 - *Official Government announcement*, 21.10.25 ([link](#))

Business and Investment

6 *Innovator tax breaks*

Speculation

- As part of efforts to boost productivity, the Treasury is exploring tax breaks for innovators. Rumoured options include reducing the amount that companies pay for patents and expanding incentives for early-stage startups who give share options to employees.

- *The Times*, 12.10.25 ([link](#))

7 *Exit Tax*

Speculation

- The Chancellor is reported to be considering applying a 20% “settling-up charge” on business assets left in the UK for those who decide to leave the country. It is thought the policy would raise around £2 billion.

- *CityAM*, 03.11.25 ([link](#))

8 *Corporation Tax*

Speculation

- A bipartisan coalition of think tanks has argued that the Chancellor should reform corporation tax, giving upfront tax relief for all business expenditure and end the capital/income distinction. In addition, it has called for ending the bias towards debt over equity investment and removing limits on loss deductions, with appropriate safeguards against abuse.

- *CenTax*, 05.11.25 ([link](#))

9 *Female Enterprise Investment Scheme*

Speculation

- The House of Commons’ Women and Equalities Committee has called on the Government to invest in a new marquee scheme, which would sit alongside existing tax reliefs but with higher incentives, to drive funding into female-led businesses. MPs identified access to finance for female-founders as a crucial issue given the ‘tiny fraction’ of venture capital investment going to supporting women-led businesses.

- *Women and Equalities Committee*, 22.10.25 ([link](#))

10 *Sugar Tax*

Speculation

- The UK’s sugar tax will be extended to more soft drinks as well as milkshakes under plans to fight obesity. The Health Secretary will set out plans to lower the threshold to 4.5g of sugar per 100ml, catching drinks such as Pepsi. Many well-known brands such as Fanta and Irn-Bru sit at 4.5g and it is unclear if they will be caught by the tax.

- *The Financial Times*, 25.11.25 ([link](#))

Financial Services

1

Cash ISAs

Speculation

- The Chancellor has reportedly revived plans to overhaul tax-free ISAs, including the option of halving the tax-free limit for cash ISAs from £20,000 to £10,000 a year. It is hoped it will help divert tens of billions of pounds of savings into domestic stocks, as there is currently an estimated £300bn deposited in cash ISAs.
 - *Financial Times*, 14.10.25 ([link](#))
- The Chancellor has been urged by the Treasury Select Committee to avoid slashing the cash ISA limit in the Budget. The Committee warned that such a move would have “negative knock-on effects for consumers” and that it was “not the right time” for the measure.
 - *CityAM*, 25.10.25 ([link](#))
- The Chancellor is considering a less dramatic cut to the annual cash ISA allowance following backlash from building societies. The Treasury have floated a level of £12,000 a year. Another proposal under consideration is a type of “default” or pre-packaged ISA that allocates about 25% to UK equities and the remainder available to international stocks.
 - *The Financial Times*, 06.11.25 ([link](#))
- People close to preparations for the Budget said the Chancellor had decided to reduce the limit from £20,000, but slightly higher than the £10,000 cap that had initially been floated. The annual cash ISA ceiling is expected to be £12,000.
 - *The Financial Times*, 25.11.25 ([link](#))

2

Banking surcharge

Speculation

- The Chancellor is set to spare Britain’s banks from a punitive Budget tax raid; after making it clear to colleagues that she wants the sector to remain competitive and able to support the country’s growth.
 - *Financial Times*, 05.11.25 ([link](#))
- The Chancellor is considering launching a last-minute raid on banking profits although changes to the banking levy remain ruled out. The Chancellor is strongly considering increasing the surcharge on profits to at least 5% with the possibility of a rise to as high as 8% which would generate £1.5bn a year.
 - *The Telegraph*, 17.11.25 ([link](#))
- The boss of Britain’s trade association for financial services has warned the Chancellor against hiking taxes on banks in the Budget. David Postings, Chief Executive of UK Finance, said London’s banking sector risked becoming less competitive with European peers if it were to face additional taxes.
 - *The Telegraph*, 17.11.25 ([link](#))
- The Treasury has asked banks to make public and prominent endorsements of the Budget this week, as the Chancellor prepares to spare the sector from a tax raid. Banks had warned the Treasury they would curtail lending if The Chancellor hits them with higher taxes. The effort appears to have been successful, according to people familiar with the planning for the Budget.
 - *The Financial Times*, 25.11.25 ([link](#))

Financial Services

3 *Pensions tax*

Speculation

- The IFS argues that the Chancellor might be tempted to restrict income tax relief on pension contributions, as capping relief at the basic rate of 20% could raise as much as £22 billion by 2029–30. It also notes that the Chancellor could introduce some National Insurance Contributions on employer pension contributions, or replace the tax-free 25% offered on all pension withdrawals with a cash top-up.
 - *Institute for Fiscal Studies*, 13.10.25 ([link](#))
- According to Rathbones, UK pension funds could suffer a £50 billion loss over the next five years if the Treasury decides to slash pension tax reliefs. Measures being considered by the Chancellor include slashing the additional rate of tax relief from 40% for higher rate taxpayers to a flat rate of 25%.
 - *CityAM*, 04.11.25 ([link](#))
- According to Rathbones, UK pension funds could suffer a £50 billion loss over the next five years if the Treasury decides to slash pension tax reliefs. Measures being considered by the Chancellor include slashing the additional rate of tax relief from 40% for higher rate taxpayers to a flat rate of 25%.
 - *CityAM*, 04.11.25 ([link](#))
- The Government has confirmed the state pension will rise by more than £550 a year at a rate of 4.8%, above the rate of inflation.
 - *FT Adviser*, 24.11.25 ([link](#))

4 *Financial Transactions*

Confirmed

- According to the Spending Review, the Chancellor will confirm the spending envelope for Financial Transactions (FTs) at the Autumn Budget. FTs allow the government to invest alongside the private sector, through equity investments, loans, and guarantees.
 - *Spending Review 2025*, 11.06.25 ([link](#))

Public Spending

1 *Planning reform*

Confirmed

- The Government has set out a package of amendments to the Planning & Infrastructure Bill, to be voted on by the House of Lords, ultimately designed to convince the OBR to revise its growth estimates ahead of the Budget. It is hoped the reforms will generate economic growth and extra tax revenues in the coming years.
 - *Financial Times*, 13.10.25 ([link](#))

2 *Public Private Partnerships*

Confirmed

- The Government's Infrastructure Strategy states that HM Treasury will use the Autumn Budget to decide whether to use Public Private Partnerships for certain infrastructure projects, particularly in the health and clean energy sectors.
 - *UK Infrastructure Strategy*, 19.06.25 ([link](#))

3 *Fiscal Headroom*

Confirmed

- The Chancellor confirmed that she wanted to ensure the UK had "sufficient headroom" to provide resilience against future shocks. The implication is that the £9.9 billion buffer she allowed herself in last year's Budget is not sufficient to provide resilience against changing circumstances. This means tax rises and spending cuts remain as options
 - *Financial Times*, 04.11.25 ([link](#))

4 *Welfare spending*

Speculation

- The IFS have urged the Chancellor to consider announcing billions of pounds in welfare cuts to help placate jittery financial markets. The IFS said that she could be forced to look again at welfare savings alongside tax rises.
 - *The Guardian*, 16.10.25 ([link](#))
- The Motability scheme under which disabled people are exempt from VAT and insurance premium tax on cars subsidised by the government is an area being targeted in the Government's welfare reforms. Sources in Whitehall have said that the ending of tax exemptions on the Motability scheme was under consideration.
 - *The Guardian*, 17.10.25 ([link](#))
- The Chancellor has given a very strong indication she will lift the two-child benefit cap saying it's not right a child "is penalised because they are in a bigger family."
 - *Sky News*, 11.06.25 ([link](#))
- Meanwhile, think tanks have urged the Chancellor to reduce the marginal rate that applies to the removal of childcare subsidies, and to ensure that marginal rates on the low-paid or those coming off benefits are as low as possible.
 - *CenTax*, 05.11.25 ([link](#))

Public Spending

5

Rise in National Living Wage

Speculation

- The Chancellor is set to confirm a rise in the National Living Wage by 4% at the Budget. Despite warnings from businesses, the Chancellor will likely increase the minimum wage from £12.21 to at least £12.70 an hour and confirm its extension to people aged between 18 and 21.
 - *CityAM, 29.10.25* ([link](#))

6

NHS Spending

Speculation

- The Chancellor has reportedly rebuffed the Health Secretary's plea for £1 bn to cover NHS redundancy payouts. The Treasury has instead allowed the Department for Health and Social Care to overspend by £1 bn this financial year with an understanding it will have no new cash next year.
 - *The Guardian, 12.11.25* ([link](#))

7

EV Grant Scheme

Speculation

- The Chancellor is expected to announce an extra £1.3bn in funding for a scheme encouraging the use of electric vehicles (EVs) at the Budget. Transport Secretary, Heidi Alexander, told the BBC that subsidising EV sales would support economic growth.
 - *The BBC, 24.11.25* ([link](#))

8

Defence Spending

Speculation

- Despite consistently referring to the Defence Investment Plan for any funding plans, Defence Secretary John Healey has since stated that the Budget was going to “protect” the choices made at the Strategic Defence Review. Healey stressed that the Budget would be “part of making Britain safer, stronger and more successful.”
 - *Defence Secretary Speech, 19.11.25* ([link](#))

9

Student Maintenance Grants

Confirmed

- The government is set to introduce maintenance grants for low-income students on priority courses. These will be funded by a tax on international student fees, which will only apply to higher education providers in England. It is yet to be decided what these ‘priority courses’ will be.
 - *Financial Times, 24.11.25* ([link](#))

10

Youth Guarantee Scheme

Confirmed

- The Chancellor will introduce a youth guarantee scheme, enabling any young person out of work or education to have access to guaranteed paid work. Exact details regarding eligibility and the structure of the placements will be announced tomorrow.
 - *Gov.UK, 29.09.25* ([link](#))

Environment, Energy & Transport

1 *Landfill Tax*

Speculation

- The cost of building a home is set to rise by up to £50,000 under Treasury plans for a £1 billion environmental stealth tax on the construction industry. Ministers are preparing to impose a dramatic increase in the tax paid by builders to remove unwanted soil from sites. The plan is expected to add millions of pounds to the price of major infrastructure projects, with experts saying it will have a significant inflationary impact on costs.

- *The Times*, 19.10.25 ([link](#))

2 *Carbon tax*

Speculation

- The IFS suggests that the Chancellor could introduce a levy on all emissions from UK consumption at a uniform rate. However, it admits that, given the regressive nature of such a tax, it is likely that a large portion of the revenue would have to be used to compensate poorer households.

- *Institute for Fiscal Studies*, 13.10.25 ([link](#))

3 *Fuel Duty*

Speculation

- According to the Guardian, the Treasury could reintroduce the link between fuel duty and inflation, raising almost £5bn a year by 2029–30. However, No 10 officials are reportedly concerned about the impact of raising fuel duty, which right-leaning newspapers would likely portray as an attack on the “white-van man”.

- *The Guardian*, 04.10.25 ([link](#))

4 *Electric Vehicle Tax*

Speculation

- The Chancellor is considering proposals to charge EV drivers 3p per mile on top of other road taxes in a move to make up for lost revenue from the transition to EVs.

- *The BBC*, 06.11.25 ([link](#))

5 *Road Pricing*

Speculation

- According to The Times, the Chancellor could introduce dynamic road pricing, charging drivers more to use busy roads at busy times. Prices would be set to balance supply (road space) and demand (traffic), rising to whatever level is needed to keep traffic flowing smoothly.

- *The Times*, 12.11.25 ([link](#))

6 *Aviation Taxes*

Speculation

- Environmental campaign group, Possible, is urging the Chancellor to close tax breaks for private jet users, saying fairer aviation taxes could raise hundreds of millions for public services. While the government plans a 50% rise in higher-rate Air Passenger Duty (APD) for private jets in 2026–27, Possible is calling for: a higher APD rate on private jets, closure of APD exemptions that let most private jets avoid it, a new super-high APD band for the most polluting aircraft, and a high kerosene tax specifically on private jet fuel.

- *Air Quality News*, 22.10.25 ([link](#))

Environment, Energy & Transport

7

Taxi Tax

Speculation

- The Chancellor is expected to push ahead with plans to impose VAT on Uber and other private hire taxi services in her Budget despite warnings that it could increase fares for poorer workers who rely on them for late and early shifts. The Chancellor will likely impose a blanket rate of 20% VAT on all journeys, raising about £1 billion a year.
 - *The Times*, 20.11.25 ([link](#))

8

Rail Fares

Confirmed

- The Chancellor will freeze rail fares for the first time in 30 years. The government said the changes are part of its plans to rebuild a publicly owned Great British Railways that will deliver value for money through bringing rail tickets into the 21st century with tap in tap out and digital ticketing, alongside investing in superfast Wi-Fi.
 - *CityAM*, 23.11.25 ([link](#))

9

Cycle to Work Scheme

Speculation

- The Chancellor is expected to introduce a new cap on how much people can spend on a bicycle through the Cycle to Work scheme. The original threshold of £1,000 was scrapped in 2019, allowing the purchase of even the most expensive bikes. Now ministers do not believe subsidies of several thousand pounds are the best use of taxpayer money.
 - *Financial Times* 24.11.25 ([link](#))

10

Energy Profits Levy

Speculation

- The Chancellor is considering scrapping the windfall profits levy on the oil and gas industry as soon as March 2029, reversing a decision in last October's Budget to extend it by a year to March 2030. However, the Chancellor is seeking assurances from oil and gas companies that the move would result in new investment and jobs, and ultimately more tax revenues for the exchequer.
 - *Financial Times*, 30.10.25 ([link](#))

11

Reducing Costs of Energy Bills

Speculation

- The Government is reportedly considering scrapping the current 5% VAT rate on domestic energy bills. This is estimated to cost the Treasury roughly £1.75bn a year, based on the current energy price cap, which is seen by some as unaffordable.
 - *The Times*, 13.09.25 ([link](#))
- The Chancellor is considering slashing funding for more energy efficient homes to pay for a reduction in energy bills as she looks for ways to ease the cost of living. The Chancellor is looking to save as much as £170 from the average bill as part of a relief package that is likely to cost about £3 billion a year.
 - *The Guardian*, 04.10.25 ([link](#))

— Other Taxes

1 **Gambling tax**

Speculation

- The Chancellor is reportedly planning a two-tier system for betting on sports other than horseracing. People familiar with the situation said the Chancellor would maintain the 15% tax rate for wagers on sports, such as football, boxing, tennis, darts and golf, when they were placed in bricks-and-mortar bookmakers. Online sports betting is set to face a “slight” increase in tax in this month’s Budget. The only exception to this will be horseracing.
 - *Financial Times*, 18.11.25 ([link](#))

2 **Alcohol Duty**

Speculation

- The Chancellor has not ruled out further rises in spirits duty. A coalition of drinks, tourism and farming bodies has urged the Chancellor to protect the Scottish whisky industry from a steeper sales slump by freezing spirits duty in the Budget.
 - *The Guardian*, 19.10.25 ([link](#))

3

International Student Levy

Speculation

- The Treasury have proposed a 6% levy on the fee income from overseas students at English universities to help fund domestic skills programmes.
 - *The Financial Times*, 08.08.25 ([link](#))

4

Tourist Tax

Speculation

- The Chancellor will announce that regional mayors will be given powers to introduce a levy on overnight stays at hotels, holiday lets and B&Bs. It will apply equally to UK citizens and foreign travellers on trips around Britain. It is understood ministers are looking at around £2 per night.
 - *The Sun*, 25.11.25 ([link](#))



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