



COTSWOLD

Independent Financial Services Ltd

GUIDE TO THE

Pre-Autumn Budget 2025

What to expect and how to prepare

A pivotal moment for the UK as Chancellor Rachel Reeves
presents her second Budget on **26 November 2025**



Pre-Autumn Budget 2025

What to expect and how to prepare

Welcome to our *Guide to Pre-Autumn Budget 2025*: What to expect and how to prepare

The Autumn Budget 2025 is shaping up to be a pivotal moment for the UK government, as Chancellor of the Exchequer Rachel Reeves prepares to deliver her second budget on **26 November 2025**.

With the nation's public finances under significant strain, this fiscal event is expected to bring about major changes that could impact individuals, businesses, and the wider economy. In this guide, we examine the potential announcements. From wealth taxes to pension reforms, we consider the key areas of speculation.

The information in this guide is for general purposes only and should not be regarded as financial or tax advice. You should seek guidance from a qualified professional regarding your specific circumstances before making any decisions or taking further steps.



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Introduction to the Pre-Autumn Budget 2025

Chancellor Rachel Reeves is set to deliver her second budget on **November 26, 2025**, marking one of the latest fiscal events in recent memory.

This budget arrives at a time when the UK government is facing mounting pressure to address the nation's financial challenges while adhering to its fiscal rules. Reeves has already ruled out increases to **Income Tax, National Insurance, and VAT**, leaving a wide range of other potential revenue-raising measures on the table.

The government's fiscal headroom is extremely limited, with only **£9.9 billion** recorded at the spring statement in March. To comply with her fiscal rules, Reeves may need to find somewhere between **£20 billion and £50 billion**. This guide examines the options the Chancellor may be considering, many of which could have significant implications for personal and business finances. With the **Office for Budget Responsibility (OBR)** given extra time to analyse Labour's plans, including infrastructure spending and partial trade agreements, the importance of this budget cannot be overstated.



2. Wealth and Property Taxes

One of the most debated topics ahead of the Autumn Budget is the potential introduction of new wealth taxes. The Treasury is reportedly exploring ways to target accumulated wealth in the form of property, pensions, and land to generate much-needed revenue.

Progressive Property Tax

Among the proposals under consideration is a progressive property tax that could replace the current council tax and stamp duty systems. This new tax would target both existing homeowners and new buyers, with higher rates for properties valued above £500,000. Such a measure would mark a significant change in how property is taxed in the UK and could substantially affect homeowners, especially those with high-value properties.

Land Ownership and Pension Levies

The government is also believed to be considering additional levies on land ownership and pension savings. These measures aim to access the wealth accumulated in these areas, creating a new revenue stream for the Treasury. While these proposals remain speculative, they highlight the government's focus on wealth as a potential source of funding.

3. Capital Gains Tax

Capital Gains Tax (CGT) has already undergone significant changes under Rachel Reeves, with rates increased in her first budget. Basic-rate taxpayers now face a rate of **18%**, up from **10%**, while higher-rate taxpayers face a rate of **24%**, up from **20%**.

Removal of Primary Residence Exemption

Further changes may be imminent, including what some commentators believe could involve the partial or complete removal of the CGT exemption for primary residences. If implemented, homeowners would need to pay tax on the gains from selling their main residence. Basic-rate taxpayers would pay 18%, while higher-rate taxpayers would pay 24%.

This proposal, often referred to as a “mansion tax”, would likely face considerable political opposition. However, it demonstrates the government's willingness to consider bold measures to increase revenue. The potential impact on the housing market and homeowners could be substantial, making this an important area to watch.

4. Cash ISA Allowance Cap

The government is also considering reforms to Individual Savings Accounts (ISAs) as part of its efforts to encourage more savers to invest in the stock market.

Potential Cap on Allowance

Currently, savers can contribute up to **£20,000 each year** into a Cash ISA in a tax-efficient way. However, a limit on this allowance is being considered, which could significantly change the savings environment.

If a cap is introduced, it could encourage more savers to invest in the stock market, potentially leading to higher long-term returns. However, it would also mean more savers are subject to tax, as basic-rate taxpayers can currently earn up to **£1,000 in interest tax-free**, while higher-rate taxpayers are limited to £500. Additional-rate taxpayers receive no allowance at all.

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Currently, basic-rate taxpayers receive 20% relief on their pension contributions, while higher-rate taxpayers can claim up to 40%, and additional-rate taxpayers can claim up to 45%.

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The introduction of a cap would therefore have significant implications for savers, particularly those who rely on cash ISAs as a secure, tax-efficient way to grow their savings.

5. Pension Tax Relief

Pension tax relief has long been a target for reform, and it remains a key area of speculation ahead of the Autumn Budget.

Flat Rate of Relief

Currently, basic-rate taxpayers receive **20% relief** on their pension contributions, while higher-rate taxpayers can claim up to **40%**, and additional-rate taxpayers can claim up to **45%**. There has been further speculation that the government is reportedly considering a consultation on introducing a **flat-rate pension tax relief**.

Although this notion has been considered repeatedly, it remains unimplemented due to the complexity of managing such a system and its extensive consequences. A flat rate would mark a significant shift from the existing arrangement and could have a substantial impact on retirement planning for millions.

6. Salary Sacrifice

Salary sacrifice schemes, where employees exchange part of their gross salary for tax-free benefits such as pension contributions, childcare vouchers, company cars, and gym memberships, have become increasingly popular, especially following the National Insurance increase for employers in April 2025. However, these arrangements may undergo changes.

The government is reportedly considering measures such as capping the amount employees can sacrifice, which could disproportionately affect higher earners. It might also consider abolishing National Insurance and potentially removing Income Tax exemptions altogether. If enacted, these changes could significantly impact both employees and employers, especially in industries that depend on salary sacrifice schemes for pensions and other benefits.

7. Inheritance Tax Changes

Inheritance Tax (IHT) is another area where changes are being considered.

Extension of the Seven-Year Rule

The current **seven-year rule** allows individuals to transfer money or assets without paying tax if the gift is given at least **seven years** before death. However, there are concerns that this rule could be extended to **ten years** or replaced with a lifetime gift allowance.

Reforming Gift Exemptions

Another potential announcement could be the exemption for gifts made from surplus income. This rule currently allows individuals to give away unlimited sums tax-free, provided the gifts are from income, follow a regular pattern, and do not reduce the donor's standard of living. The government may introduce stricter conditions or limits, making it more challenging for individuals to reduce the value of their estates.

8. Landlord Taxes

Landlords are also under the government's scrutiny, amid speculation that a new tax on rental income might be introduced.

National Insurance for Landlords

This could manifest as a new type of National Insurance, with a basic rate of **20%** and an **extra 8%** on earnings **above £50,270**. Such a measure would considerably raise the tax burden on landlords and might have a ripple effect on the rental market, potentially causing rents for tenants to increase.

9. Stamp Duty Adjustments

Stamp duty is an area currently under review for potential changes.

Increased Surcharge for Landlords

In the **Autumn Budget 2024**, the surcharge for landlords and second-home owners was raised from **3% to 5%**. However, the Chancellor might go further this year, possibly aligning the surcharge with Scotland's equivalent rate of **8%**. Such a move would further raise the cost of buying additional properties and could significantly impact the buy-to-let market. ●

What could the Autumn Budget 2025 mean for you, your family, and your business?

The Autumn Budget 2025 is likely to bring significant changes across various areas, including wealth and property taxes,

pensions, and savings. While the exact details of the Chancellor's announcements remain uncertain, understanding these potential changes can help you prepare and make well-informed decisions.

Whether you're a homeowner, saver, landlord, or business owner, staying informed and seeking professional advice are essential for navigating potential challenges and opportunities ahead. If you would like to discuss how these potential changes could impact your personal or business situation, please do not hesitate to get in touch.

THIS ARTICLE DOES NOT CONSTITUTE TAX, LEGAL OR FINANCIAL ADVICE AND SHOULD NOT BE RELIED UPON AS SUCH. TAX TREATMENT DEPENDS ON THE INDIVIDUAL CIRCUMSTANCES OF EACH CLIENT AND MAY BE SUBJECT TO CHANGE IN THE FUTURE. FOR GUIDANCE, SEEK PROFESSIONAL ADVICE. THE VALUE OF YOUR INVESTMENTS CAN GO DOWN AS WELL AS UP, AND YOU MAY GET BACK LESS THAN YOU INVESTED. THE FINANCIAL CONDUCT AUTHORITY DOES NOT REGULATE ESTATE PLANNING, TAX ADVICE OR TRUSTS. A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028 UNLESS THE PLAN HAS A PROTECTED PENSION AGE). THE VALUE OF YOUR INVESTMENTS (AND ANY INCOME FROM THEM) CAN GO DOWN AS WELL AS UP, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.



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Pre-Autumn Budget 2025: Stay informed, stay prepared

Significant changes may be on the horizon for wealth taxes, pensions, and savings. Whether you're a homeowner, landlord, or business owner, understanding the Autumn Budget 2025 is essential for making informed choices.

**Contact us today to navigate potential challenges
and opportunities.**

This guide is for your general information and use only and is not intended to address your particular requirements. The content should not be relied upon in its entirety and shall not be deemed to be, or constitute, advice. Although endeavours have been made to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough examination of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions taken in respect of the content. Thresholds, percentage rates and tax legislation may change in subsequent Finance Acts. Levels and bases of, and reliefs from, taxation are subject to change, and their value depends on the individual circumstances of the investor. The value of your investments can go down as well as up, and you may get back less than you invested. Unless otherwise stated, all figures relate to the 2025/26 tax year.