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News in Review

4 November 2026

"I know that people are under pressure"



John Healey's first Budget took place on 28 October, when he set out the government's tax and spending plans. Referencing the impact of *"global economic storms,"* the Chancellor went on to announce a series of cost-of-living measures.

These included plans to eliminate standing charges on household gas bills, extending the VAT cut on electricity and the freeze on Fuel Duty, plus a £100 energy payment for up to 20 million households in Council Tax bands A to D in England, with funding for similar support provided to the rest of the UK.

Additionally, both the National Minimum Wage and the National Living Wage will increase by 3.9% in April**.** The Chancellor announced a doubling of the bank profit surcharge from 3% to 6% for 15 months from 1 January 2027, to help shoulder the cost of creating *"breathing space"* for households.

Healey added, *"Despite the resilience of our economy, I know that people are under pressure, too many people feel this country isn't working for them... what matters is how we respond as a government."*

The latest economic forecasts from the Office for Budget Responsibility (OBR) outline growth of 1.2% this year, followed by 1% in 2027, before ticking higher to 1.6% in 2028 and 1.8% in 2029. Against a backdrop of continued economic uncertainty, OBR expect Consumer Prices Index (CPI) inflation to reach 3.1% in 2026, before rising further to 3.4% next year, remaining well above the Bank of England's 2% target.

Key personal finance announcements included:

- The annual Cash ISA limit is to be retained at £20,000 - this was due to reduce to £12,000 for under-65s from April
- The government is exploring a new ISA Incentive for people investing in a stocks and shares ISA for the first time
- A new First Time Buyer ISA will be introduced from April 2029 - to help people save for a deposit for their first home
- From April 2027, tax rates on savings and property income will rise by a further two percentage points across all bands - adding to a 2-percentage point increase previously scheduled in the 2025 Budget
- A new Pension Tax Allowance (PTA), will ensure pensioners with total income up to and including the value of the new State Pension will not pay Income Tax from April
- The State Pension will rise in line with the Triple Lock by 3.9% from April
- Existing Lifetime ISA (LISA) holders will be able to continue contributing to and using their accounts under the current rules - from midnight 29 October 2026 the withdrawal charge for purchases of properties above the LISA property price cap was reduced to 20%. The charge for unauthorised withdrawals remains at 25%.

Business measures

For businesses, announcements included a reduction in the Business Asset Disposal Relief lifetime limit from £1m to £500,000 from April. The Small Business Rate Relief threshold for eligible retail, hospitality and leisure properties in England rises from £12,000 to £18,000, with a two-year real-terms freeze applying to other eligible properties in these sectors. A Young Entrepreneurs Allowance pilot is also proposed for England.

Jonathan Geldart, Director General of the Institute of Directors, said, *"Business leaders will be relieved that the Chancellor's Budget included no nasty surprises... We very much welcome the numerous measures intended to support British start-ups and scale-ups."*

Other Budget reaction

Chief Economist at The Institute of Chartered Accountants in England and Wales, Suren Thiru said, *"While the Budget contained several short-term fixes, the lack of significant measures to tackle the structural barriers holding back economic growth leaves the UK vulnerable to external shocks."*

The Resolution Foundation think tank's Chief Executive, Ruth Curtice, said, *"Faced with a tough backdrop amid global economic turmoil, the Chancellor delivered a scattergun budget that did little to address the sharp challenges facing Britain."*

In other news...

Last week, the Federal Reserve held interest rates in a range between 3.75%-4%, with two of 12 Federal Open Market Committee voters dissenting in favour of a 0.25 percentage-point increase. Voting in the midterm elections took place on 3 November. Trump suffered a crushing defeat; we'll cover the outcome in full next week.

Here to help

Financial advice is key, so please do not hesitate to get in contact with any questions or concerns you may have.

The value of investments can go down as well as up and you may not get back the full amount you invested.
The past is not a guide to future performance and past performance may not necessarily be repeated.
All details are correct at time of writing (4 November 2026)