UK GOVERNMENT AUTUMN BUDGET STATEMENT (26 NOVEMBER 2025)

Main headlines for Scottish tourism and hospitality businesses:

- The OBR forecasts inflation will reach 3.5% for this year – slightly higher than the original forecasts in March when it was predicted at 3.2%.
- Next year's inflation forecast has been raised from 2.1% to 2.5%. The OBR maintains its 2% estimate for 2027 and the following two years.
- Real GDP is forecast to grow by 1.5% on average over the forecast, 0.3% slower than OBR projected in March, due to lower underlying productivity growth.
- Barnett Consequentials of £820 million for Scotland over the spending review period – the Scottish Government will receive an additional £510 million resource spending for day-to-day running costs of public services and £310 million capital spending. This is in addition to the Spending Review.
- The Chancellor announced permanently lower business rates for over 750,000 retail, hospitality and leisure properties (RHL) in England – the lowest rate since 1991. The RHL multipliers will be 5p below their national equivalents, making the small business RHL multiplier 38.2p and the standard RHL multiplier 43p in 2026-27. This will be paid for by higher rates on properties over £500,000 (e.g. giant online warehouses). Non-domestic rates if devolved to the Scottish Government to decide on.
- There will also be a £4.3 billion package of support over the next three years for a property of any size in England that experiences a large increase in their business rates bill. This includes a £3.2 billion Transitional Relief scheme providing more generous support to the largest ratepayers, including airports and hospitality; a Supporting Small Business scheme to help the smallest businesses worth over £500 million; and expanding the Supporting Small Business scheme to businesses who were eligible for RHL relief, protecting independent pubs and shops as they transition to permanently lower tax rates.
- The Uk Government's interim report on reform of business rates will be published in September 2026.
- Workers over 21 will see a National Living Wage rise of 4.1% to £12.77, while workers aged 18-20 will get a National Minimum Wage increase of 8.5% rise to £10.85 from April next year.
- Salary-sacrificed pension contributions above an annual £2,000 threshold will no longer be exempt from National Insurance.
- How much you can newly put into your cash ISA per tax year will be cut from £20,000 to £12,000 from April 2027 for those aged under 65 – the first cut to the

cash ISA allowance since 2017. The annual contribution limit to stocks and shares ISAs will remain at £20,000.

- Income tax thresholds in England will be extended for another three years until April 2031 – this is devolved to the Scottish Government to decide on.
- There will be an uprate in alcohol duties in line with inflation.
- The Fuel duty will remain frozen at its current rate until September 2026.
- New tax for electric vehicles – a new mileage-based charge on electric (at 3p per mile) and plug-in hybrid (at 1.5p per mile) cars will commence from April 2028, which remains around half the fuel duty rate paid by drivers of petrol cars.
- All rates of Air Passenger Duty will be uprated in line with RPI from 1 April 2027.
- England's mayors have been given the power to introduce a visitor levy in their areas.
- Through the Growth Mission Fund, Kirkaldy will receive up to £20 million of funding for the redevelopment of its town centre and seafront, subject to final business case.
- Young people and businesses in England will benefit from funding to make training for people under-25 on apprenticeships free for small and medium-sized enterprises. This is devolved to the Scottish Government.

The full Autumn Budget 2025 document can be accessed here: https://www.gov.uk/government/publications/budget-2025-document