



Autumn Budget 2025

HTA webinar

01/12/25

Agenda

- Introduction and competition statement
- HTA Budget submission: key asks
- Budget 2025: key announcements
- View from the experts:
 - Peter Marshall, Partner, Turner Morum – Business Rates and Reliefs
 - Nicola Sargeant, Senior Tax Manager, Johnston Carmichael – Inheritance and other tax changes
- Further information and contact details

HTA Budget submission: key asks

- No further tax rises that make the cost of doing business higher.
- No increase or removal of the lowest Landfill Tax band.
- Pause and consult on proposed changes to APR and BPR.
- Ensure garden centres are included in lower business rates multipliers for 'high street' retail, hospitality, and leisure properties.
- Extend the current Business Rates Improvement Relief from 12 months to three years.
- Increase the Annual Investment Allowance threshold for capital allowances and help businesses invest in automation.
- Ensure Environmental Horticulture businesses can access the benefits of the Growth and Skills Levy.
- Reduce planning barriers and improve access to grants to incentivise onsite water storage.

Budget 2025: key announcements - Taxation

- Income Tax and National Insurance thresholds frozen until April 2031.
- A single rate for Landfill Tax will **NOT** be introduced.
- £1 million allowance for APR and BPR will be transferable between spouses and civil partners. More on this later!
- Writing down allowance for main pool will be reduced from 18% to 14% from April 2026. A new 40% first-year allowance for main pool additions introduced from January 2026.
- Capital gains tax relief on business sales made to employee ownership trusts reduced from 100% to 50%.
- Income tax rate on dividends will increase by 2% for basic and higher rate from April 2026.
- From April 2029 only the first £2,000 of pension contributions made through salary sacrifice will be exempt from NICs.
- Fuel duty freeze continues until September 2026, when it will be reversed through a staggered approach.

Budget 2025: key announcements – business rates

- Permanently lower rates for retail, hospitality and leisure 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.
- From 1 April 2026, business rates bills in England will be updated to reflect changes in property values since the last revaluation in 2023. Following this revaluation, the small business multiplier falling to 43.2p and the standard multiplier 48p.
- Small Business Rates Relief grace period will be extended from one to three years.
- Government will introduce a one-year extension of the 2023 Supporting Small Business scheme in 2026-27 and has expanded the 2026 Supporting Small Business scheme to ratepayers losing their RHL relief. This will apply for three years from 1 April 2026.
- Government will end the low value import relief, closing the customs arrangements that have previously allowed some online retailers to import their goods duty free.

Budget 2025: key announcements – other

- From 1 April 2026, the National Living and Minimum Wages both increase. More in the table below.

	NMW rate from April 2026	Increase (£)	Increase (%)
National Living Wage (21 and over)	£12.71	50p	4.1
18–20-Year-Old rate	£10.85	85p	8.5
16–17-Year-Old rate	£8.00	45p	6.0
Apprentice rate	£8.00	45p	6.0
Accommodation offset	£11.10	44p	4.1

- £725 million for the Growth and Skills Levy to help support apprenticeships, including a change to fully fund SME apprenticeships for eligible people under 25.
- Mandate the use of electronic invoicing for all VAT invoices for business-to-business and business-to-government transactions from 2029.
- £16.6 million of new funding over the next three years to help businesses navigate the Windsor Framework and take full advantage of access to UK and EU markets.
- Government will legislate in Finance Bill 2025-26 to introduce the CBAM from 1 January 2027. The inclusion of indirect emissions within scope of the CBAM will be delayed until 2029 at the earliest.

BUSINESS RATES
HORTICULTURAL TRADES ASSOCIATION

CV



PETER MARSHALL PARTNER

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PROFESSIONAL AFFILIATIONS

MEMBER OF ROYAL INSTITUTION OF CHARTERED SURVEYORS
HOLDS RICS DIPLOMA IN RATING
MEMBER OF RATING SURVEYORS' ASSOCIATION.

PROFESSIONAL EXPERTISE

Peter joined Turner Morum in late 2019 with responsibility for business rates matters concerning commercial properties through the UK and Ireland. He deals with a variety of property classes but currently has a particular focus on retail, leisure and hospitality property types.

He has experience of inspecting and valuing properties more specialist in nature using the Receipts & Expenditure (R&E) and Contractor methods of valuation.

Over the past 15 years peter has valued a wide range of property classes for rating purposes. This includes valuations for landmark corporate headquarter buildings and major distribution centres. He has also valued properties more specialist in nature notably hotels, public houses, garden centres, car showrooms and data centres.

He has previously been the Account Manager for builders merchants rates instructions which encompassed over 1,500 rates assessments. He currently manages a number of large retail portfolio instructions with sites across the UK and Ireland.

Alongside the traditional appeal work Peter has saved clients significant monies through alternative workstreams including relief applications for partially occupied premises and challenging Completion Notices. Most recently Peter has assisted clients in the retail, leisure and hospitality sectors in obtaining grant monies through the local restriction support schemes.

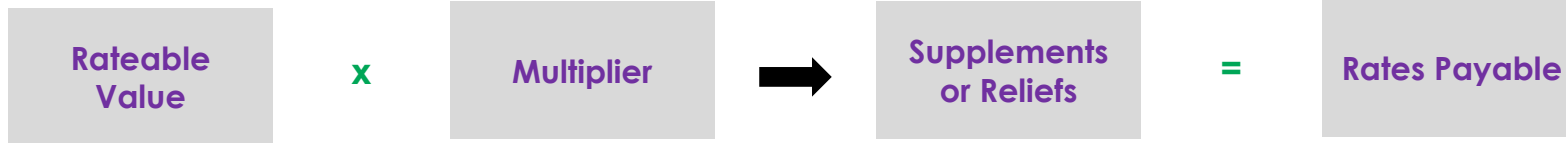
He advises clients on rates budgets and anticipated refunds. Peter also prepares responses to Government consultation papers on behalf of clients. This includes the fundamental review of business rates.

BUSINESS RATES

BACKGROUND TO RATES

BACKGROUND

Rateable Value and Liability



Rateable Value

Rental value of the property as at fixed date (Antecedent Valuation Date)

Multiplier

Typically 40-50 pence in £
Annual increase limited to CPI between Revaluations

2020/21	0.499p	(0.512p)
2021/22	0.499p	(0.512p)
2022/23	0.499p	(0.512p)
2023/24	0.499p	(0.512p)
2024/25	0.499p	(0.546p)
2025/26	0.499p	(0.555p)

Large = £51,000 RV or greater

Wales

Multiplier

2020/21	0.535p
2021/22	0.535p
2022/23	0.535p
2023/24	0.535p
2024/25	0.562p
2025/26	0.568p

Supplements

City of London (£0.02/22p), Crossrail (£0.02p)*

*More than £75,000 RV

Reliefs / Exemptions

- Retail
- Charitable 80-100%
- Mandatory void
- Discretionary void
- Transition
- Agricultural

Scotland

Multiplier

Year	Small	Medium	Large
2020/21	0.490	0.503	0.516
2021/22	0.490	0.503	0.516
2022/23	0.498	0.511	0.524
2023/24	0.498	0.511	0.524
2024/25	0.498	0.545	0.559
2025/26	0.498	0.554	0.568

Medium = £51,001 - £100,000 RV
Large = Over £100,000 RV

BACKGROUND

Rating Lists

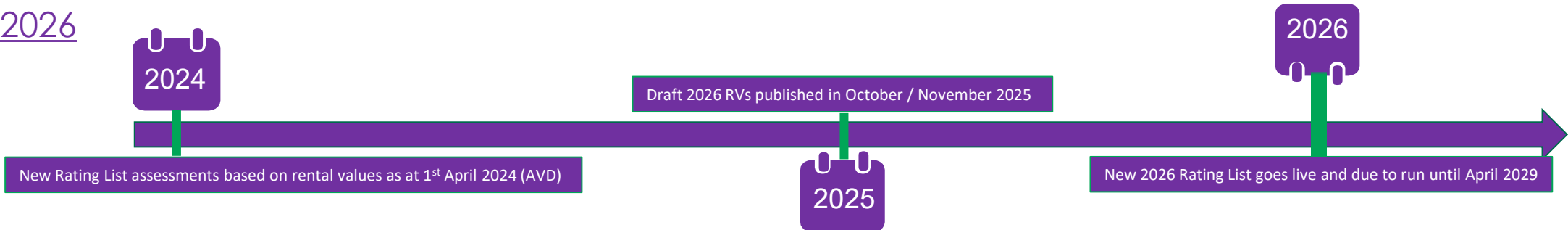
2017



2023



2026



BACKGROUND

Methods of Valuation

Comparable

- Used for bulk class properties such as offices, shops, warehouses & garden centres
- Based on rental evidence around AVD
- Analysed as a rate per sq. m.

Receipts

- Used for trading properties such as theatres, pubs, hotels, cinemas
- Based on receipts and expenditure at the AVD
- Arrive at divisible balance and split between landlord and tenant
- Calculated in different ways either looking at % of tenants capital, % of gross receipts, spot figure, % divisible balance and Fair Maintainable Trade.

Contractors

- Used for properties where there is no rental evidence and no receipts to consider
- Typically includes local authority premises (schools, libraries, sports centres), hospitals and large industrial properties
- Based on cost to rebuild the property at the AVD taking into account age & obsolescence and the land cost. Then decapitalising.

APPEALS

2023 Rating List – Appeal Process

CHECK	<ul style="list-style-type: none"> • Commence at any time • Declaration facts are correct or missing • Fine for error or non-compliance 	12 months max
4 month time limit to lodge challenge		
CHALLENGE	<ul style="list-style-type: none"> • Comprehensive proposal – no opportunity to introduce new evidence • Exchange of evidence • Negotiation • VOA notice of decision 	18 months max
4 month time limit to submit appeal		
APPEAL	<ul style="list-style-type: none"> • Appeal pack submitted • Matter considered by Valuation Tribunal • Fee of £150 or £300 – refunded if successful* • Partial refund if case dealt with on the papers <p>*No charge in Wales</p>	Timetable in control of tribunal Potential 3+ years

Scotland – Proposal submitted to Assessor. Proposal Determination Date set. Discuss case with Assessor. Decision issued.

Appeal within 28 days to First-Tier Tribunal Scotland

BUSINESS RATES **RELIEFS**

RELIEFS

Retail Discount - Retail Hospitality & Leisure

21/22

01.04.2021. – 30.06.2021. = 100% relief

01.07.2021. – 31.03.2022. = 66% relief (capped at either £2m if mandated to close and £105K if not)

Wales = 100% for full year

22/23

01.04.2022. – 31.03.2023. = 50% relief capped at £110,000

23/24

01.04.2023. – 31.03.2024. = 75% relief capped at £110,000

24/25

01.04.2024. – 31.03.2025. = 75% relief capped at £110,000

Wales = 40% relief capped at £110,000

25/26

01.04.2025. – 31.03.2026. = 40% relief capped at £110,000

Wales = 40% relief capped at £110,000

*Caps are cumulative across portfolio

RELIEFS

Small Business Rates

Rateable Value	Relief	Comments
Under £12,000	100%	
Between £12,001 and £14,999	Tapered	100% minus 1% for every £240 of RV above £12,000
Between £15,000 and £50,999	Small Business Multiplier	

Example -If your rateable value is £13,500, you'll get 50% off your bill

Multiple Properties:

Existing relief remains on your main property for 12 months or for longer if:

- none of your other properties have a rateable value above £2,899 and
- the total rateable value of all your properties is less than £20,000 (£28,000 in London)

Wales

Rateable Value	Relief	Comments
Up to £6,000	100%	
Between £6,001 and £12,000	Tapered	100% to zero

Multiple Properties:

Limited to two properties per business in each local authority

RELIEFS

Voids

Mandatory

Awarded on completely vacant accommodation

Property Type	Relief (months)
Industrial	6
Commercial	3

Minimum of 13 weeks occupation required to retrigger void period (26 weeks Wales)

Discretionary

Awarded on partially vacant accommodation

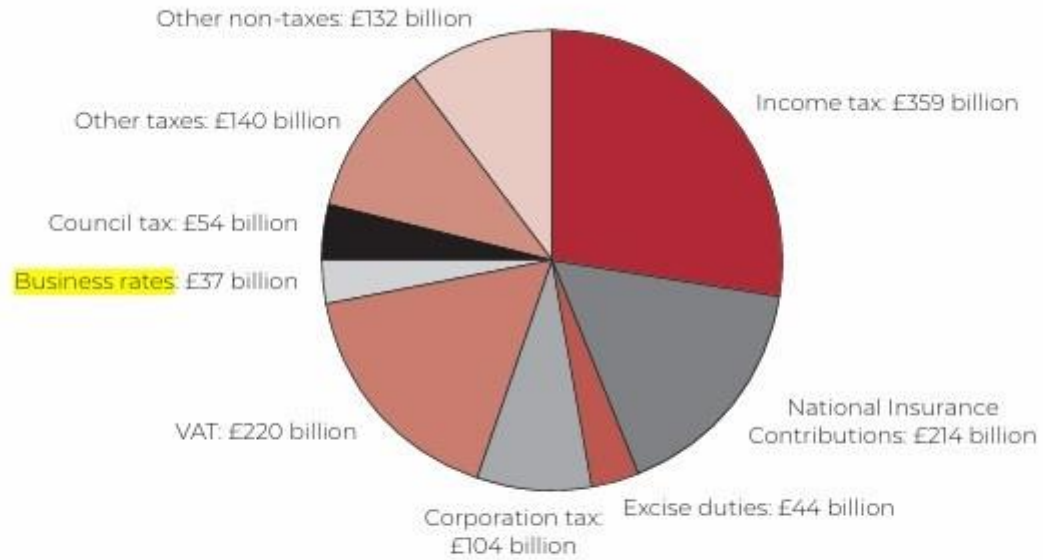
Property Type	Relief (months)
Industrial	6
Commercial	3

BUSINESS RATES **AUTUMN BUDGET**

AUTUMN BUDGET

Summary

Chart D.1: Public sector current receipts 2026-27



Figures may not sum due to rounding.
Other taxes includes capital taxes, stamp duties, vehicle excise duties, customs duties and other smaller tax receipts.
Other non-taxes includes interest and dividends, gross operating surplus and other smaller non-tax receipts.

Source: Office for Budget Responsibility.

Source – 2025 Budget Report - HMT

AUTUMN BUDGET

Summary

Rates Multipliers:

Size	RV	Predicted Multiplier	Actual Multiplier
Small	Under £51,000	0.435	0.432
	RHL		0.382
Medium	£51,000 - £499,999	0.485	0.480
	RHL		0.430
Large	£500K or above	0.585	0.508

Legislation allows for RHL multiplier to be set at up to 20p below small business multiplier & large multiplier to be fixed 10p above the standard multiplier

AUTUMN BUDGET

Summary

Transitional Relief Scheme: Phases in increases in liability over next 3 years

	2026/27	2027/28	2028/29
Small	105	110	125
Medium	115	125	140
Large	130	125	140

Transitional Relief Supplement: 1p supplement to those not receiving Transitional Relief

AUTUMN BUDGET

Summary

Small Business Rates Relief (SBRR) – Extension to the SBRR grace period from one year to three years. Therefore, remain eligible for SBRR on first property for 3 years after expanding into a second property. Effective from the 27th November 2025.

2026 Supporting Small Business Scheme - Bill increases for the smallest businesses losing some or all of their small business rates relief or rural rate relief will be capped at the higher of £800 or the relevant transitional relief caps from 1 April 2026. Also includes ratepayers losing their RHL relief. Note, support is applied before changes in other reliefs and local supplements. The 2023 has been extended by 1 year from 1 April 2026.

Call for Evidence – Seeking views and opinions in relation to the role that business rates play in investment and impact on the receipts & expenditure method of valuation

Draft 2026 RVs – published by VOA at same time as Budget. Opportunity to check the draft figures and raise any clear and obvious errors before new List goes live on 01.04.2026.

Impact on sector? – Garden centres we have seen remain fairly static in terms of RV however leisure attractions (e.g. stately gardens) have seen increases.

2023 List Closure – Last change to appeal (submit Check under CCA) is **31.03.2026**.

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**TURNER
MORUM**

APR/BPR Summary and Budget 2025 Debrief

1 December 2025

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Edinburgh
Elgin
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Glasgow
Inverness
Inverurie
London
Newcastle
Stirling

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APR and BPR Summary



APR and BPR – recap of the basics

Agricultural Property Relief (APR)

- Applies to the agricultural value of land and buildings, farmhouses, farmworker cottage, etc
- **Ownership/occupation requirement**
 - After 2 years of occupation if land farmed by the owner
 - After 7 years of ownership if land farmed by someone else
- **Rate of relief**
 - **100%** rate applies to owner occupied land or land subject to a tenancy that began on or after 1 September 1995
 - **50%** rate applies in other cases



APR and BPR – recap of the basics

Business Property Relief (BPR)

- **Ownership requirement – 2 years**
- **100% relief**
 - A sole trade or an interest in a business partnership
 - Shares in unquoted trading companies
- **50% relief**
 - Land, buildings, machinery or plant used by the owner's company or partnership
 - Land, buildings, machinery or plant in which a person has a Qualifying Interest in Possession Trust and which is used in that person's business
 - Shares in quoted trading companies that the owner controls



What's changing?

New IHT rules will limit the value of assets eligible for 100% APR/BPR on:

- **Deaths after 6 April 2026**
 - Lifetime gifts on or after 30 October 2024
 - Assets owned on death and Qualifying Interest in Possession Trusts
- **Chargeable Lifetime Transfers made on or after 6 April 2026,**
e.g. gift into trust
- **Relevant Property (e.g. Discretionary Trust) events on or after 6 April 2026,** subject to timing of next ten year anniversary and timing of when the Trust was created



What's changing?

- **APR/BPR – from 6 April 2026**

- The 100% rate of relief will continue for the first £1m of combined APR/BPR eligible property, with a 50% rate of relief thereafter
- Property currently eligible for 50% relief continues to be eligible for 50% relief
- Shares in unquoted trading companies traded on AIM will be eligible for 50% relief only

- **Pensions**

- Subject to IHT from 6 April 2027



Lifetime Gifts

- **Gift with Reservation of Benefit (GWROB)**
 - Still part of estate on death of GWROB applies
 - Pay market value rent
 - Reduce income in line with assets given away
- **Capital Gains Tax Holdover Relief**
 - Potential double tax charge if low base cost and subsequently sold
 - Restrictions can apply to Holdover Relief for non-trading use/consideration
- **Land Taxes**
 - Property investment partnerships/LLPs
 - Consideration/assumed debt

Budget Debrief



Inheritance Tax – Budget 2025 Change

- £1million allowance - **transferable between spouses/civil partners – announced in Budget on 26 November 2025**
 - Transfer unused £1m allowance
 - If first death before 6 April 2026, will be assumed **entirety** of £1m allowance will be available for transfer to surviving spouse/civil partner
- Nil Rate Band (NRB), Residence Nil Rate Band (RNRB) and £1m allowance frozen until April 2031
 - NRB £325,000
 - RNRB £175,000
 - APR/BPR qualifying assets £1m allowance
 - RNRB taper threshold £2m

Capital Gains Tax

- CGT relief for disposals to Employee Ownership Trusts (EOTs) reduced from 100% to 50% with immediate effect (26 November 2025)
 - Remainder of gain deferred until future disposal by trustees
 - EOTs remain a viable route for owner exits and employee succession
 - Reduced relief may make alternate exit structures more attractive in certain cases
- No other major changes to CGT – Budget 2024 already:
 - Increased CGT rate and reduced Business Asset Disposal Relief (BADR) rate

Minimum Wage Increases: Impact on Payroll and Staffing

Age	Rate	Increase	Annual Salary (37.5 HRS/WK)	Extra Employer Cost
Over 21s	£12.71	50p (4.1%)	£24,784.50	£1,121.25
18-20	£10.85	85p (8.5%)	£21,157.50	£1,906.13
16-17/Apprentice	£8.00	45p (6.0%)	£15,600	£1,009.13

Pension Contributions

- Salary-sacrificed pension payments – from April 2029
 - Only first £2,000 of employee pension contributions through salary sacrifice will be exempt from NICs
 - Contributions above £2,000 will be subject to employer and employee NICs
- May see employers reducing amount they pay in
- Salary sacrifice still viable option as will get some NIC relief and full income tax relief

Capital Allowances

- Applies to limited companies and unincorporated businesses
- 1 January 2026, new 40% First Year Allowance (FYA)
 - Qualifying main-rate expenditure
 - Extends FYA to assets purchased for leasing
 - Exclusion for overseas leasing
 - Excludes cars and second-hand assets
- Reduction to writing-down allowance (WDA) from 18% to 14% from April 2026
- Extension to 100% FYA on qualifying zero-emission cars and electric vehicle charge points to 2027

Electric/Hybrid Vehicle Excise Duty

- Mileage-based charge on electric/plug-in hybrid cars from April 2028 (3p per mile electric vehicle; 1.5p per mile hybrid vehicle)
- Per Consultation Document issued on Budget Day:
 - [eVED Consultation.pdf](#) - runs to 18 March 2026
 - Drivers of petrol and diesel vehicles pay tax on how much the drive through fuel duty at the pumps
 - All cars cause congestion and wear and tear – not fair outcome
 - Do nothing, by 2030 one in five drivers expected to pay no fuel duty
 - Will not require trackers
 - Pay alongside VED, provide estimate at start of year then actual figures at end of year – vouched with MOT/Service

VAT e-invoicing

HMRC will require businesses to be “e-invoice” compliant from 2029, consultation ends 7 May 2025
Promoting electronic invoicing across UK businesses and the public sector — consultation response
- GOV.UK

- Brings UK in line with many EU and worldwide nations that have similar remits or are planning to implement them
- Changes also inline with recent Making Tax Digital (MTD) requirements
- An “e-invoice” is required to:
 - Be generated automatically;
 - Transmitted in a specified data formatting; and
 - Automatically processed once received

Problems with E-invoicing

- Costly software
- Requirement for training
- Low uptake



Rate Increases: Dividends/Savings/Property

- Dividend income – from 6 April 2026
 - 2% increase to ordinary rate 10.75%, upper rate 35.75%
 - No change to additional rate
- Savings income – from 6 April 2027
 - 2% increase across all bands
 - Basic rate 22%, higher rate 42%, additional rate 47%
- Property income – from 6 April 2027 (not Scotland)
 - 2% increase across all bands
 - Basic rate 22%, higher rate 42%, additional rate 47%

Property Income (Scotland)

- Non-savings rates in Scotland set by Scottish Government
- Will Scottish Government follow suit?
 - Basic rate equivalent in Scotland for property income currently 21% and top rate is 48%
 - 2% increase would mean a top rate of 50% income tax for property income
 - **Scottish Budget 13 January 2026** will set income tax rates and thresholds for non-savings income



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Further information and contact details

- We want to hear from you – policy@hta.org.uk
- Read our Budget submission and our briefing – <https://hta.org.uk/policy/member-briefings>
- Write to your MPs – we can support with this and there's also an MP template letter on the briefings page (above)
- HMT Budget documents – <https://www.gov.uk/government/publications/budget-2025-document>
- HTA advice lines - <https://hta.org.uk/develop-your-business/business-support-services/advice-lines>
- Peter Marshall, Turner Morum – pm@tmllp.co.uk
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The background is a solid teal color with a faint, repeating pattern of large, stylized leaves or fern fronds. The leaves are oriented diagonally, with some pointing towards the top-left and others towards the bottom-right. The pattern is subtle and serves as a decorative backdrop for the text.

Thank you