

AUTUMN BUDGET: 28 OCTOBER 2026
SUMMARY OF KEY POLICY ANNOUNCEMENTS

Top issues for the BCC

Short term

Issue	Our ask	Our likely response
Address labour costs and the NEET challenge	Cut ENICs for all under 25's – or work towards this with a cut for those recently employed	<p><i>Top line: Jury's out...</i></p> <ul style="list-style-type: none"> • Welcome maintaining wage differential for NMW rates for younger people, and a rise in line with inflation • Welcome any move to reduce NICs – but speculation suggests Budget will fall short of our ask • Claim changes to triple lock as a win • BUT – see longer term skills issue below...
Cut costs on business	<ul style="list-style-type: none"> • Energy: Govt to fund 75% of the Renewables Obligation • Business rates: Lower the multiplier by 1 percentage point 	<p><i>Top line: Not gone far enough, fast enough?</i></p> <ul style="list-style-type: none"> • Energy: Welcome maintaining the fuel duty and electricity VAT cut for some businesses – but others also struggling... Nothing new announced • Business rates: Good to see more high st firms supported. Welcome moves under devolution for retaining biz rates locally and change to threshold for small business – but what about the rest? • Firmly against introduction of new taxes on businesses
Trade	<ul style="list-style-type: none"> • Invest in export support across England 	<p><i>Top line: A missed opportunity</i></p> <ul style="list-style-type: none"> • Welcome tariff duty suspension and direction of travel on UK-EU reset talks

AUTUMN BUDGET: 28 OCTOBER 2026
SUMMARY OF KEY POLICY ANNOUNCEMENTS

Mid to long term

Issue	Our ask	Our likely response
Invest in people	<ul style="list-style-type: none"> • Long term funding for LSIPs • A skills tax credit for SMEs • Make the full apprenticeship levy available to employers 	<p><i>Top line: Negative</i></p> <ul style="list-style-type: none"> • Moves to curtail usage of the app levy and employer engagement in skills is a retrograde step, and will not address the NEET crisis.
Improve public sector delivery	<ul style="list-style-type: none"> • Deliver Nat Infrastructure Plan • Increase recruitment of planners • Allow local areas to borrow against future revenue streams 	<p><i>Top line: Positive signals, delivery now essential</i></p> <ul style="list-style-type: none"> • Welcome focus on devolution, local planning and SME engagement in public procurement – but have heard similar before. Time to get on and deliver.
Tax for growth	<ul style="list-style-type: none"> • NO NEW TAX ON BUSINESS THIS PARLIAMENT • Develop a tax reduction roadmap • Reform business rates • Remove VAT cliff edge • Incentivise investment 	<p><i>Top line: TBC...</i></p> <ul style="list-style-type: none"> • They have failed the first test and likely will introduce new taxes on some businesses – cost stack calculator shows why this is a false economy. • <i>But – is there a chance to rectify this by focusing on the 10 Year Plan / next year fiscal events for this?</i>

AUTUMN BUDGET: 28 OCTOBER 2026
SUMMARY OF KEY POLICY ANNOUNCEMENTS

Economy, Investment & Devolution					
Measure (incl. any detail)	BCC view	Announced or speculation?	BCC win?	Devolved (incl English devolved)?	Team member responsible
Business Rates Increase Small Business Rate Relief for RHL properties from £12k to £18k for 100% relief and from £15k to £21k for tapered relief from April 27 Introduce a transitional support package, including two year bill freeze for RHL businesses	<ul style="list-style-type: none"> Welcome in as far as it goes – but impact too limited. Win for businesses that qualify Continue to call for fundamental reform of the business rates system. 	Announced – Budget	Partial – addresses cost of doing business for a narrow range of businesses; savings not yet quantified	Devolved	JOH
British Business Bank: Finance for innovative start-ups and scale-ups through a £5bn uplift to the BBB's financial capacity, including £1.4bn to invest in equity funds backing high-growth businesses and £450m for a new venture debt product. Expected to support 40k jobs in total over lifetime of scheme	<ul style="list-style-type: none"> Welcome - assuming it gets deployed in an appropriate and most useful way. 	Announced - Budget	Partial...	BBB operate UK-wide	JOH

AUTUMN BUDGET: 28 OCTOBER 2026
SUMMARY OF KEY POLICY ANNOUNCEMENTS

National Wealth Fund: Increased Capitalisation The government will provide the National Wealth Fund with an additional £15.4bn of capital to continue investing in UK businesses and projects, including a £2bn down payment for the Energy Wealth Fund.	<ul style="list-style-type: none"> • Welcome. Can turn plans into investable pipelines and crowd in private capital. 	Announced - Budget	Not a BCC ask	UK Wide	JOH
Public procurement and innovation Government will use public procurement “as a strategic tool” to back British firms, and publish a new definition for a ‘UK supplier’ in public procurement by Jan 27	<ul style="list-style-type: none"> • BCC welcomes the pledge to use procurement to back British capability, and remain in discussion with government regarding our GB Supply Chain work 	Budget	Supportive	Largely UK-wide	JOH
Capital Allowances <ul style="list-style-type: none"> • Founders’ Relief: new CGT for qualifying founders from April 27 – 10% on up to £10m • Business Asset Disposal Relief (BADR) reduction from £1m to £500k • First Year Allowance (FYA) main rate raising from 40% to 50% 	<ul style="list-style-type: none"> • Mixed bag. In theory, welcome the new Founders’ Relief but it will have limited reach/scope and simply mirrors the old Entrepreneurs’ Relief • BADR reduction is bad. 	Budget	Mixed	Largely UK-wide	JOH
Cash ISAs Maintain the cash ISA limit at £20k from April 27	<ul style="list-style-type: none"> • BCC understands the rationale for doing this but believe there is a strong need to get capital into UK markets and the previous announcement was a method to do so 	Budget	Partial	UK-wide	JOH
Fiscal devolution: <ul style="list-style-type: none"> • Good Growth Funds • 100% Business Rates Retention share from April 27 • Fund priority investments and local growth and regeneration 	<ul style="list-style-type: none"> • Largely welcome – government’s Fiscal Devolution Roadmap largely echoes BCC’s in places • BCC will outline full response to the fiscal devolution measures separately. 	Budget/Rewiring the State	Yes	Yes – largely English devolution	JOH

AUTUMN BUDGET: 28 OCTOBER 2026
SUMMARY OF KEY POLICY ANNOUNCEMENTS

<ul style="list-style-type: none"> Increase capacity for Strategic Authorities to deliver new powers and investment responsibilities 					
VAT online marketplace liability (OMPL) From Oct 27, VAT OMPL rules will be extended to UK businesses. Online marketplaces will be responsible for collecting VAT on sales by UK VAT-registered businesses.	<ul style="list-style-type: none"> Welcome – have previously called for this 	Budget	Yes	UK wide	JOH
Bank Corporation Surcharge Will temporarily increase the surcharge rate to 6% for 15 months, from January 27 to March 28, returning to 3% from April 28.	<ul style="list-style-type: none"> This measure will need to be assessed against how it impacts access to finance for SMEs Welcome the fact it's temporary and limited as a percentage 	Budget	No	UK wide	JOH
Building Regulations The government will not make major changes to building regulations for the remainder of this Parliament – except to continue improving building safety	<ul style="list-style-type: none"> Welcome 	Budget	Yes		ES
Employment & Skills					
Measure (incl. any detail)	BCC view	Announced or speculation?	BCC win?	Devolved (incl English devolved)?	Team member responsible
National Living Wage rate announcement. Expect 3.9% rise to £13.20. Youth rate will also rise 3.9% to £11.27	<ul style="list-style-type: none"> BCC recommended NLW only rises in line with CPI inflation, which would be around £13.00. Large increases to cost of employment are damaging to growth, especially to youth employment. We welcome that the youth rate will rise no faster than the adult rate. BCC called for 	Widely reported	Maintaining youth rate differential is a win.	UK-wide	HL

AUTUMN BUDGET: 28 OCTOBER 2026
SUMMARY OF KEY POLICY ANNOUNCEMENTS

	this in our evidence to the Low Pay Commission.				
Changes to the Growth and Skills Levy – there have been rumours that the G&SL may be restricted to under 25s with over 25th requiring co-investment from firms	<ul style="list-style-type: none"> BCC opposes such measures which will not lead to firms training more staff, but to less investment into existing staff (therefore reducing pipeline opportunities for younger people) 	Speculation, albeit may come as part of Milburn review post-budget			HL
Changes to non-compete clauses to be announced	<ul style="list-style-type: none"> "non-compete clauses are no longer a barrier to hiring for promising start-ups and scaling firms" suggests that they are looking at a size based distinction for enforceability. This could be quite complex to assess depending on how they do this, and could create some weird thresholds for the rules that leave companies on the boundary of whatever system at a disadvantage. 	Announced but detail TBC			PM
Energy					
Measure (incl. any detail)	BCC view	Announced or speculation?	BCC win?	Devolved (incl English devolved)?	Team member responsible
Jackdaw and Rosebank: Jackdaw has been approved, Rosebank approval remains outstanding (SoS indicated that it may be unlikely)	<ul style="list-style-type: none"> BCC wants to see approval of both schemes and has welcomed approval of Jackdaw 	Jackdaw approved, Rosebank speculation of no approval	X – partly		Ben
Trade					

AUTUMN BUDGET: 28 OCTOBER 2026
SUMMARY OF KEY POLICY ANNOUNCEMENTS

Measure (incl. any detail)	BCC view	Announced or speculation?	BCC win?	Devolved (incl English devolved)?	Team member responsible
Tariff duty suspensions: savings in duty suspensions for importing businesses as part of UK Global (MFN) Tariff scheme	<ul style="list-style-type: none"> Welcome. Supported by BCC in submission to May 2026 Call for Input by HMT. Key in offering relief from cost pressures for manufacturers (principally chemicals/food and drink) and consumers. Budget Policy Costings document specifies savings for importing businesses of £215m in 2027-8, £155m in 2028-9. 	Announced (23 October)	Yes	UK-wide	William
Consultation on fuel imports inclusion (including oil) in scope of UK CBAM: to level the playing field compared with domestically sourced or produced fuels	<ul style="list-style-type: none"> Risks of adding to cost pressures for larger scale importers of oil and other fuels in key sectors like chemicals or manufacturing. De minimis threshold exempts importers with £50,000 or under of CBAM goods imports per annum. HMT now consulting with businesses until 20 January 2027. Level of any free allowances for initial 9 year period will be key part of the CBAM rate setting formula if fuels are included. 	Announced (in Budget documents)	N/A (await consultation outcomes)	UK-wide	William
UK de minimis threshold abolition: commitment to legislate via Finance Bill	<ul style="list-style-type: none"> BCC opposed removal of threshold. UK de minimis threshold on customs duties on low value consignments to be abolished from October 2028. HMRC confirmed Government's intent to use Finance Bill 2026-27 to legislate for this. No indication yet of whether charges per item or per commodity code within a package or parcel. 	Announced (in Budget documents)	N/A (await outcomes on charges)	UK-wide	William

AUTUMN BUDGET: 28 OCTOBER 2026

SUMMARY OF KEY POLICY ANNOUNCEMENTS

Certificates of Origin: validation of issuance fees via Finance Bill	<ul style="list-style-type: none"> HMRC confirmed Government's plan to use Finance Bill 2026-27 to introduce new legal provisions validating past and current charging of fees for issuance of Certificates of Origin by Chambers and others prior to 30 March 2027 and in the future. Want to engage with HMRC on the Finance Bill clauses as soon as available. 	Announced (in Budget documents)	N/A	UK-wide	William

OBR ECONOMIC & FISCAL OUTLOOK SUMMARY

The OBR expects growth to slow next year as higher energy prices and interest rates take effect. It expects inflation staying above target until 2028 and debt peaking at around 97% of GDP. Headroom is thinner at £14.5bn, which leaves the public finances exposed to further shocks.

- GDP:** The OBR now expects 1.2% GDP growth this year, slightly up from 1.1% in March. The upgrade was driven by stronger-than-expected growth in the first quarter of 2026. Growth is then forecast to slow to 1.0% in 2027, around half a percentage point lower than in March, as higher energy prices and interest rates weigh on activity. Growth then picks up to 1.6% in 2028 and 1.8% in 2029 as energy prices are expected to fall back.
- Inflation:** The OBR expects 3.1% inflation this year, up from 2.3% in March, rising to 3.4% in 2027. This is mainly driven by higher energy prices, both directly through fuel and utility bills and indirectly through other costs, plus some knock-on effects on wages. Inflation is expected to return to the 2% target in mid-2028, about a year later than expected in March.
- Exports:** Expected to grow by 1.1% this year, up from 0.0% in March, and by 1.4% in 2027, up from 0.3%. Exports growth then stays at around 1% a year for the rest of the forecast.

AUTUMN BUDGET: 28 OCTOBER 2026

SUMMARY OF KEY POLICY ANNOUNCEMENTS

- **Business investment:** Expected to be flat (0.0%) this year, an upgrade from -0.9% in March, after strong growth in the first half of 2026. It is then expected to fall by 0.5% in 2027, compared with growth of 0.4% in March, as higher energy prices weigh on business activity.
- **Unemployment:** Expected to be 5.0% this year, down from 5.3% in March. It is then forecast to peak at just above 5% in mid-2027, a year later than in March, as demand for hiring stays weak. It then falls gradually to around 4.1% by the end of the forecast.
- **Public sector net debt:** Debt excluding the Bank of England is forecast to rise from 92.4% of GDP in 2026-27 to a peak of 94.7% in 2028-29, then ease to 94.0% in 2031-32. On the headline measure, debt peaks at around 97% of GDP.
- **Fiscal rules:** The Government still meets its main fiscal rules, but with less room to spare. It meets the main rule by £14.5bn, down from £21.7bn a year ago, and misses the welfare cap by £2.8bn
- **Budget decisions:** The Government's new tax and spending decisions raise borrowing over the next three years, by £7.6bn in 2026-27. From 2029-30, borrowing falls, mainly because of tax rises and a lower spending assumption in 2031-32

<u>OBR (October 2026)</u>	2026	2027	2028	2029	2030	2031	<u>BCC Q3 forecast</u> (no Budget measures included)
GDP growth	1.2%	1.0%	1.6%	1.8%	1.7%	1.6%	UK GDP is expected to grow by 1.0% in 2026, 1.0% in 2027 and 1.3% in 2028.
Inflation	3.1%	3.4%	2.1%	2.1%	2.0%	2.0%	CPI inflation is expected to peak at 3.6% in Q4 2026, before easing to 2.3% and 2.0% by the end of 2027 and 2028.
Exports	1.1%	1.4%	1.0%	1.0%	1.1%	1.1%	Exports are set to rise by 0.4% in 2026, then 1.3% and 2.4% in 2027 and 2028.

AUTUMN BUDGET: 28 OCTOBER 2026
SUMMARY OF KEY POLICY ANNOUNCEMENTS

Business investment	0.0%	-0.5%	1.0%	1.2%	1.2%	1.3%	Business investment is expected to fall by 0.2% in 2026, before growing by 0.4% in 2027 and 1.2% in 2028.
Unemployment	5.0%	5.1%	4.9%	4.5%	4.3%	4.1%	Unemployment is expected to rise to 5.0% this year, reach 5.4% in 2027, then ease to 5.2% in 2028.
Public sector net debt (excl. BoE, % of GDP)	92.4%	93.8%	94.7%	94.3%	94.2%	94.0%	