LOXLEY

ADVISORY

INSIGHT NOTES

Five Moves Before *6 April 2027*

Budget 2026 held every headline rate. What it did instead, and what it means
for cross-border estates, property and business succession.

SERIES

Insight Notes

DATE

October 2026

Published for general information only · Not formal advice · Distribution permitted with attribution to Loxley Advisory

Five Moves Before 6 April 2027

OCTOBER 2026

“Breathing space for today, fresh hope for the future” is the title the Chancellor gave Budget 2026. It is worth remembering while reading the small print, because the small print takes additional-rate property and savings income tax to 49% from April 2027, with every band rising 2 percentage points alongside it. That is not breathing space for a landlord, and it is not the whole story of this Budget.

To be fair to the Treasury, the headline rates genuinely held. Income tax, National Insurance, VAT and the inheritance tax nil-rate bands were all left untouched, and broad-based tax rises were explicitly ruled out. The revenue still had to come from somewhere, and it has come from a series of targeted measures landing on property income, savings income, business-exit value and high-value residential property, almost all effective from a single date: 6 April 2027.

49%

PROPERTY & SAVINGS INCOME · FROM 6 APRIL 2027

The new additional rate on property and savings income, up 2 percentage points across every band, applying to England, Wales and Northern Ireland (property) and UK-wide (savings).

£500k

BADR LIFETIME LIMIT · FROM 6 APRIL 2027

Business Asset Disposal Relief's lifetime limit is cut from £1 million, halving the gains eligible for the reduced 18% capital gains rate on a business exit.

Why This Matters Now

Nearly every measure above lands on 6 April 2027, which gives clients a planning window of a little under five months from this Budget, not the twelve or eighteen months a Budget sometimes allows. Five months sounds like time. It is not, once a structure needs restructuring, a valuation needs commissioning, or a family conversation about succession needs to happen before the paperwork can follow.

For clients with cross-border asset footprints and structured wealth, this is where the planning conversation needs to start, not with the rates that stayed the same.

The Five Areas

i.

TRUST AND ESTATE ARCHITECTURE

Inheritance tax rules on liabilities attached to trust property were tightened from 28 October 2026, already in effect, while the capital gains exit charge for trusts leaving UK residence was eased from the same date, to help mobile individuals relocate structures to the UK.

ii.

PROPERTY AND SAVINGS INCOME

All bands rise 2 percentage points from 6 April 2027. The gap between personally held and company-held property widens further, strengthening the case for incorporation where it has not already been made.

iii.

BUSINESS EXIT AND SUCCESSION

BADR's lifetime limit halves to £500,000 from 6 April 2027, alongside a new Founders' Relief at 10% on up to £10 million of lifetime gains. Separately, the distributions framework is being reformed specifically to protect capital treatment for families passing down a business, from April 2028.

iv.

HIGH-VALUE RESIDENTIAL PROPERTY

The High Value Council Tax Surcharge is confirmed for England, with a deferral scheme and exemptions, alongside a 100% premium on properties left empty for 12 months or more.

v.

THE WINDOW

A little under five months separates this Budget from 6 April 2027. Structures that need restructuring, valuations that need commissioning, and family conversations about succession all take longer than the calendar suggests.

This note summarises the headline mechanics of each measure as published in Budget 2026 (HC 726, October 2026). Several, including the reformed distributions framework and the new Founders' Relief, depend on qualifying conditions not yet finalised in legislation. Figures should be treated as the government's stated intent pending Finance Bill 2026-27 and subsequent draft legislation.

A Personal Note from Oscar

Nothing changed on inheritance tax in this Budget, and I do not think that is an accident. Where the Chancellor has reached for revenue is property income, savings income and the value locked up in businesses built over a lifetime; passive and accumulated wealth, rather than earned income. That is consistent with where this government's instincts have pointed since the manifesto, and I would be surprised if it is the last Budget to move in that direction rather than the first.

What I notice in the room with clients is that this lands at exactly the moment a good number of you are starting to think seriously about retirement, and about what happens to the business and the family wealth once you step back. The direction of travel on tax and the timing of your own plans are not separate conversations. They are the same conversation, and it is better had early than late.

"If retirement, succession, or passing wealth to the next generation is on your mind, even in outline, I would genuinely like to talk it through with you."

> *This note is published for general information purposes only and does not constitute formal tax or legal advice. Individual circumstances vary significantly, and the analysis above depends on the specific composition, history and structure of each client's holdings. Any action in reliance on this material should be taken only on the basis of advice specific to your position.*



Oscar Ip

FCA · CPA · JP

MANAGING PARTNER, LOXLEY ADVISORY

Request a Private Briefing

CONTACT

info@loxleyadvisory.co.uk loxleyadvisory.co.uk

IMPORTANT NOTICE — Loxley Advisory is a trading name of Loxley Advisory Ltd, a member of the Oscar Ip & Co Group. This publication is provided for general information only and does not constitute legal, tax, investment, or financial advice. Tax rules are subject to change and individual circumstances vary. No reliance should be placed on the contents of this note without first obtaining advice specific to your position. Loxley Advisory accepts no liability for any loss arising from reliance on this material. © Loxley Advisory 2026. All rights reserved.