

2026 Autumn Budget Impact Analysis

Essential tax, rate, and payroll adjustments for Hair & Beauty Salons, Gyms, Spas, and Aesthetic Clinics.

01 INTRODUCTION

Welcome to Cultura

Building Fundamental Financial Foundations

At **Cultura**, we believe that extraordinary talent in the hair, beauty, health, and wellness sectors deserves an equally powerful financial foundation.

Behind every thriving salon, clinic, spa, and wellness studio is a business owner balancing passion with the daily realities of operational costs, payment processing, cash flow, and commercial growth. Our mission is simple:

To deliver affordable, robust financial infrastructure and high-impact guidance that transform hard work into lasting profitability.

Built on Sector-Specific Financial Expertise

We aren't generalist financial providers. We live and breathe the economics of the hair, beauty, and wellness industries. From negotiating ultra-competitive merchant card processing fees and tailoring equipment lease finance to providing flexible revolving credit facilities and commercial real estate solutions, our financial strategies are engineered specifically around your operational model. We understand your revenue cycles, margin challenges, and growth bottlenecks, and we know how to unlock the hidden value in your business.

Dedicated, Outstanding Customer Support

Finance should never feel distant or complex. When you work with **Cultura**, you gain a committed team of specialists dedicated to your ongoing commercial success. We pride ourselves on proactive, transparent, and approachable service, ensuring you have immediate access to clear advice, quick approvals, and seamless implementation at every step. Your goals are our priorities, and we stand beside you as an active partner in your business journey.

Accessible Infrastructure for Profitable Growth

True independence comes from predictable profit and protected margins. By providing fair, transparent rates on essential infrastructure, including merchant services, EPOS hardware, asset funding, and business protection, we strip away unnecessary overheads and put control back into the hands of business owners.

Whether you are looking to modernise your front desk, invest in cutting-edge aesthetics technology, or scale across multiple locations, **Cultura** provides the stability, capability, and financial clarity you need to build a stronger, more profitable enterprise.

BusinessFinance

BusinessEnergy

BusinessFunding

AssetFinance

PaymentSolutions

CommercialMortgages

FacilitiesManagement

BookingSoftware

WebServices

Q2 SUMMARY

2026 Budget Snapshot

New

Regional Mayoral apprenticeship funds, digital VAT e-invoicing roadmaps, and online marketplace tax rules.

Negative

+3.9% minimum wage increase, writing-down allowance drops to 12%, and BADR exit relief halved to £500k.

Positive

100% business rates threshold raised to £18k, trading allowance triples to £3k, mileage rate up to 55p.

Unchanged

Headline VAT rate remains capped at 20% (£90k threshold) and Corporation Tax stays locked at 25%.

03
NEW

New Regulatory & Regional Frameworks

2027 – 2029

Mayoral Apprenticeships

£100m allocated across 14 Mayoral Authorities to fund SME recruitment brokerage for local salons, gyms, and spas.

October 2027

Marketplace VAT Collection

Platforms will directly collect VAT on UK retail sales over £90k for skincare, haircare, and aesthetic product vendors.

April 2029

Mandatory E-Invoicing

Structured electronic invoicing becomes compulsory across all VAT-registered personal care and wellness businesses.

04
NEGATIVE

NEGATIVE IMPACT

National Minimum Wage Escalation (+3.9%)

New Baseline (Age 21+)

£13.21

Per Hour Effective 1 April 2027

+£910 per full-time employee annually

Ages 18–20 Rate

Affects junior stylists, front-of-house, and gym attendants.

£11.27/hr

Apprentice & Under 18 Rate

Direct impact on entry-level salon trainees and spa assistants.

£8.31/hr

Sector Payroll Overhead

Payroll remains the largest single expense for service businesses.

+3.9% Avg

NEGATIVE IMPACT

Tax Relief Restrictions & Exit Friction

Writing-Down Allowance Cut

Main rate drops from **18% to 12%** from April 2027.
Slower multi-year tax write-offs on high-value machinery.

Key Impact:

Slower depreciation write-offs on aesthetic lasers, gym fitness machines, and spa hydrotherapy gear.

BADR Exit Cap Halved

Business Asset Disposal Relief lifetime limit cut from **£1,000,000 to £500,000** starting April 2027.

Key Impact:

Higher Capital Gains Tax liabilities for clinic and salon owners exiting above £500k valuation.

O5
POSITIVE

Business Rates Relief Expansion (April 2027)

100% Relief Threshold

£18,000

Up from £12,000 rateable value

Tapered Relief Limit

£21,000

Extended from £15,000 RV

Salons Paying Zero Rates

+1,700

Plus thousands of Gyms & Clinics



Two-Year Real-Terms Rate Freeze

Qualifying high-street RHL premises above SBRR threshold capped at CPI inflation through 2027-28 and 2028-29.

Freelance Allowances & Travel Deductions

£3,000 Trading Allowance

Tripled from £1,000 from April 2027. Directly benefits chair/room renters, freelance therapists, and personal trainers.

55p/Mile Mileage Rate

Tax-free business travel rate permanently raised from 45p. Supports mobile therapists, visiting aesthetic doctors, and regional managers.

0% Domestic Energy VAT

Extended to July 2027. Reduces overheads for micro-clinics, solo practitioners, and home setups operating under domestic supply.

06
UNCHANGED

Baseline Stability Factors

Headline Vat Structure

20%

Registration Threshold: £90,000

No specialised VAT reduction granted for personal care or hairdressing. Baseline threshold remains static.

Corporation Tax Cap

25%

Corporate Tax Roadmap Commit

Main rate locked at 25% cap for limited company profits, providing multi-year planning stability for incorporated businesses..

Step Action Plan for Business Owners

- 1 Audit Staffing & Pricing Structures**
Model payroll overhead against the April 2027 £13.21/hr minimum wage. Adjust service pricing ahead of deadline.
- 2 Review Business Rates Eligibility**
Verify if your premises falls below the new £18,000 rateable value threshold to apply for 100% SBRR exemption.
- 3 Optimize Capital Investment Timing**
Plan device, equipment, and fit-out financing around the writing-down allowance shift from 18% to 12%.
- 4 Update Contractor Agreements**
Structure self-employed chair/room rental contracts to leverage the expanded £3,000 trading allowance.

Useful Links



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Internal Business Review ([Complete IBR](#))

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