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NEWS | CEO BRIEFING

UK: Healey’s first Budget freezes tax thresholds, reverses cash ISA cut

The UK Chancellor kept income tax thresholds frozen and leaned on banks to fund household support. Fiscal headroom is now thinner.

By **Manasee Kurlekar** | October 29, 2026



John Healey’s first Budget had something for everyone, and a bill for the banks.

Income tax thresholds stay frozen, quietly pulling more earners into higher bands. Savers got a win: the planned cut to the cash ISA limit is scrapped, so it stays at £20,000.

Households in council tax bands A–D get £100, funded partly by a temporary rise in the bank surcharge. The minimum wage rises 3.9%, and tariffs on more than 100 food imports are suspended until December 2028.

The catch? Fiscal headroom shrinks to £14.5B, from £21.7B last November, with more borrowing over the next three years. Less buffer means less room for the next shock.

Read online: https://worldbusinesswatch.com/news/9/337/uk-healeys-first-budget-freezes-tax-thresholds-reverses-cash-isa-cut.html

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