



Great British Summer Savings Scheme

On 21 May 2026, the Chancellor, Rachel Reeves MP, announced the “Great British Summer Savings” package, a series of measures designed to reduce costs for families, particularly those with children.

Two of the measures are especially relevant for businesses:

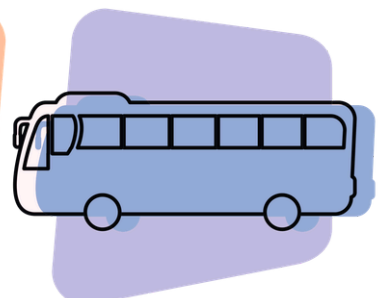
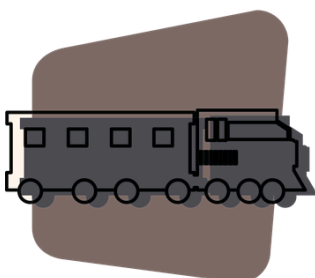
Tax-Free Mileage Rates

A 10p per mile increase to tax-free mileage rates will apply for the 2026/27 tax year and will be backdated to April 2026. The change affects the amount of tax relief available on business mileage for both employees and the self-employed.

HMRC has updated its mileage rates as follows:

Self-Employed

Vehicle	Flat rate per mile for 2026/27	Flat rate per mile before 6 April 2026
Cars and goods vehicles – first 10,000 miles	55p	45p
Cars and goods vehicles – after 10,000 miles	25p	25p
Motorbikes	24p	24p





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For employees:

Vehicle	Flat rate per mile for 2026/27	Flat rate per mile before 6 April 2026
Cars and goods vehicles – first 10,000 miles	55p	45p
Cars and goods vehicles – after 10,000 miles	25p	25p
Motorbikes	24p	24p
Bicycles	20p	20p

Note that only the rate for cars and vans for the first 10,000 miles has increased; other rates are unchanged.

Temporary reduce rate of VAT

From 25 June to 1 September 2026, the 5% reduced rate of VAT will apply to the following eligible activities:

- Children’s meals. To qualify for the reduced rating, the meal:
 - Must be held out for sale as a meal for children
 - Must be a supply of catering by a restaurant, café or similar establishment and consumed on the premises
 - Must not be takeaway food
 - Can include drinks
- Children’s cinema, theatre, show and concert admissions tickets
- Admission to qualifying attractions that are suitable for children. This includes amusement parks, museums, heritage sites, zoos and soft play areas. The reduced rate applies to all admissions, regardless of the customer’s age

If you’d like to know more about these measures please get in touch.