



# The Impact of The Autumn Budget 2024 on Separating Families

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The Autumn Budget 2024 has the potential to impact separating or divorcing families. While Rachel Reeves ruled out increases to income tax, there could be changes to [capital gains tax](#), [inheritance tax](#), an introduction of [VAT](#) on private school fees and a replacement of the [non-domicile regime](#). Many have been left wondering how these will influence their financial settlements and child arrangements.

## The Impact of VAT on Private School Fees

For parents with children in private schools, they need to consider how the increase in fees will be funded and whether those fees are still affordable. If VAT has now made sending children to private schools unaffordable, the parents must agree on an alternative school. If an agreement cannot be reached, parents may attend mediation to discuss this. Ultimately, if it cannot be agreed, either parent can apply to the court for a specific issue order to change a child's school. A parent cannot unilaterally make major decisions about a child's upbringing, including education, without the other parent's consent.

## Changes to the Non-Domicile Regime and Relocation

With the replacement to the non-domicile regime, some high-net-worth families are considering moving overseas to countries with better tax benefits, such as Switzerland and Italy. If one parent wishes to move out of England or Wales with the children temporarily or permanently, they will require an agreement from the other parent or a court order. There has been some speculation that we may see an increase in relocation cases as a result. When the court are deciding on whether to grant a parent the right to move a child to another jurisdiction, the best interests of the child will be of primary importance and it unlikely that relocating to benefit from a better tax regime will of itself be sufficient.

## Impact on Financial Settlements

During financial settlement in divorce proceedings, we consider available assets and income in the marriage and divide this to allow both parties to rehouse and meet their own needs. Increases to capital gains tax and inheritance tax could mean the net assets available in the matrimonial pot significantly decrease, which should be taken into account if you are currently going through settlement negotiations.

## Get Expert Family Law Advice

If you are facing separation or divorce and need professional guidance on how the Autumn Budget 2024 may affect financial settlements, child arrangements, or any other family law issues, our experienced [Family](#) team is here to help. With offices in [Bournemouth](#), [Southampton](#), and our new Covent Garden location in [Central London](#), we are well-placed to support you through every stage of the process. Contact us on 0344 967 0793 or email [online.enquiries@LA-law.com](mailto:online.enquiries@LA-law.com) to speak to one of our specialist family solicitors.