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Millions to Face Council Tax Rises to Fund Angela Rayner's Reforms

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Millions of households across England are set to face steep council tax increases as part of reforms approved by Deputy Prime Minister Angela Rayner. The changes are aimed at addressing widespread local government financial instability but will place additional financial pressure on families already coping with high living costs.

Six local authorities, including Birmingham, Bradford, Newham, Windsor and Maidenhead, Somerset, and Trafford, have been granted special permission to raise council tax above the usual 5 per cent limit. In some cases, the increases could reach up to 10 per cent, without the need for a local referendum. These councils had either declared financial distress or were deemed at risk of insolvency.

Angela Rayner defended the decision, stating that the government was forced to act due to a “broken” funding system inherited from previous administrations. She described the move as a “tough but necessary” step to protect public services and restore long-term stability to councils on the brink of collapse.

The Institute for Fiscal Studies has raised further concerns, warning that inner London boroughs and wealthier areas in the South may see central government funding cut by up to 19 per cent. This shortfall is likely to lead to further council tax hikes in those areas, as local authorities scramble to balance their budgets.

Critics argue that the approach places an unfair burden on taxpayers and highlights deeper issues with how local services are funded across the country. With no uniform cap and growing disparities in local wealth, the funding imbalance is expected to deepen, potentially affecting service delivery in both affluent and deprived communities.

As households brace for higher bills in the coming months, opposition to the tax hikes is growing, particularly in areas already struggling with the cost of living.