

Starmer Refuses to Rule Out Tax Rises in Autumn Budget

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Prime Minister Keir Starmer has declined to rule out the possibility of tax increases ahead of the government's autumn budget, as speculation grows over how ministers will address a projected deficit in public finances. Speaking during a visit to Northumberland, Starmer stated that decisions would be guided by up-to-date economic forecasts and insisted the priority remains improving living standards.

His remarks follow reports from the National Institute of Economic and Social Research (NIESR), which warned of a potential £40 billion shortfall in the Treasury's finances. While Starmer questioned the accuracy of the forecast, he stopped short of making a firm commitment to avoid raising taxes. He pointed to positive indicators such as wage growth and falling interest rates as signs of improving economic stability.

The NIESR also warned that inequality is likely to widen over the next year, with low-income households expected to face declining living standards while wealthier families benefit from current fiscal conditions. The institute called for tax reform, including consideration of a land value tax to replace council tax, to ensure the burden is shared more fairly.

Meanwhile, Starmer is facing pressure from his backbenchers over his party's housing rhetoric. Labour MPs representing rural constituencies have urged him to avoid using the term "NIMBY" when referring to residents who oppose new developments. They argue the label unfairly generalises communities that are not against housing but are concerned about the scale and suitability of projects.

Polling shows that a majority of rural voters do not identify as being against new housing but instead support development that aligns with local character and infrastructure capacity. Labour's pledge to build 1.5 million new homes will likely require more engagement with such communities to avoid backlash.

With the autumn budget drawing closer, Starmer's government faces increasing scrutiny over its economic and environmental strategies, as it seeks to reassure both urban and rural constituencies.