# Government plans new council tax bands to target high-value homes amid outcry over fairness



Tens of thousands of homeowners across England, especially in affluent boroughs like Kensington and Chelsea and regions of the South East, could soon face new council tax bands designed to hit the most expensive properties—a move pushed by the current government to squeeze more revenue out of the wealthy. This proposal, reported by The Mail on Sunday, signals a shift towards targeting high-value homes without committing to a full-scale revaluation of all properties—a tactic that critics argue will unfairly penalise homeowners in areas where property prices have skyrocketed since the last valuation over three decades ago.

Currently, council tax bands are based on property values from 1991, meaning that a modest home today could be classified alongside multimillion-pound mansions simply because of outdated valuations. Industry experts have long highlighted the injustice of this system; a property valued at £424,000 in 1991 could today be worth over £2.1 million nationally, and more than £3 million in London’s overheated market. The government’s reluctance to update these bands means the wealthy remain under-taxed relative to their property’s true worth, a situation this government seems intent on changing to shore up revenue ahead of a difficult economic period.

Adding new, higher council tax bands would be a step towards a more “fair” system in the government’s view, though what they see as fairness is often spin. Critics within the opposition and against the political establishment argue that these measures are merely a way to extract more money from those who have already benefited from inflated property markets—those who can’t afford to see their tax bills increase but find their homes increasingly unaffordable. In Kensington and Chelsea, where the average home exceeds £1.8 million, these reforms could place an even heavier burden on homeowners already feeling the squeeze.

This shift aligns with the government’s broader rhetoric about taxing “those with broad shoulders”—a phrase that masks a deeper agenda of redistribution from the productive middle class and wealthy elites to a state desperate for cash. Despite denying plans for a standalone wealth tax, officials are quick to suggest reforms that target wealth through property, which remains the biggest asset class for the rich. Recent reports confirm that measures aimed at the wealthy will feature prominently in the upcoming budget, further emphasizing this government’s focus on revenue extraction rather than genuine reform.

Local authorities stand to benefit from these increased council tax bands, which could help reduce their reliance on central government grants—a welcome change at a time when taxpayer-funded handouts are under scrutiny. Yet, this may come at a cost: the assumption that higher taxes on luxury properties won’t dampen the market or slow investment in high-end real estate, a dangerously optimistic notion. Data already shows sales of properties over £5 million in London have plummeted by 40 percent year-on-year, a clear sign that potential buyers are wary of the government’s fiscal squeeze.

The current system’s reliance on decades-old valuations highlights how out of touch this tax regime is with today’s property market. The government continues to stick with a valuation methodology that no longer reflects real property values, allowing the wealthy to largely escape fair taxation. Introducing updated, more accurate bands would not only bring more fairness but also help protect the integrity of the tax system—something critics argue is long overdue.

As the government prepares to unveil further measures, including £5 billion investment in housing supply and tweaks to stamp duty, it’s clear that revenue-raising remains its primary focus. The proposed new council tax bands for high-value homes are just one tool in a broader strategy aimed at balancing spending commitments with an increasingly strained economy. But for homeowners in London’s elite areas, these measures threaten to deepen the inequality and discontent that fester under a government more interested in taxing success than fostering genuine opportunity.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.dailymail.co.uk/news/article-15205165/Tens-thousands-homeowners-hit-new-council-tax-bands-Rachel-Reeves-sets-sights-higher-value-homes.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.gov.uk/government/publications/council-tax-banding-of-houses-in-multi-occupation> - This official UK government publication explains how domestic properties are valued for Council Tax bands. It details the valuation process, including the use of property values from 1 April 1991 in England and 1 April 2003 in Wales. The document also covers the banding of Houses in Multiple Occupation (HMOs) and provides guidance on how properties are measured for Council Tax purposes. It is a comprehensive resource for understanding the assessment and banding of properties for Council Tax in England and Wales.
3. <https://www.gov.uk/government/statistics/council-tax-stock-of-properties-2025/background-information> - This UK government statistics release provides background information on the stock of properties for Council Tax in 2025. It outlines the responsibilities of the Valuation Office Agency (VOA) in assigning Council Tax bands to properties in England and Wales. The document includes tables showing the breakdown of Council Tax bands for both England and Wales, based on property values as of 1 April 1991 and 1 April 2003, respectively. It also discusses the VOA's role in ensuring properties are correctly assessed and placed in the appropriate band.
4. <https://www.standard.co.uk/homesandproperty/property-news/budget-2024-housing-and-property-announcements-b1190958.html> - This article from The Standard discusses the housing and property announcements made in the 2024 UK budget. It highlights changes to stamp duty, including the removal of first-time buyer relief on properties priced up to £625,000, with savings applying only to properties up to £500,000. The article also mentions the government's commitment to building 1.5 million homes over the course of the Parliament and a £5 billion investment in housing, including a £500 million boost to the Affordable Homes Programme to build up to 5,000 extra homes.
5. <https://gocleanerslondon.co.uk/blog/understanding-council-tax-bands-in-the-uk-a-breakdown/> - This blog post provides a breakdown of Council Tax bands in the UK, explaining the property value ranges for each band. It details Bands A through F, describing the typical properties that fall into each category and the corresponding tax rates. The article aims to help readers understand how Council Tax bands are determined and what types of properties are included in each band, offering practical examples to illustrate the distinctions between bands.
6. <https://www.reuters.com/world/uk/uks-reeves-says-taxes-wealthy-will-be-part-story-next-budget-guardian-reports-2025-10-15/> - This Reuters article reports on UK Finance Minister Rachel Reeves' indication that higher taxes on the wealthy will be included in the upcoming November 26 budget. The move comes as economic forecasters predict she must raise around £30 billion due to rising government borrowing costs and expected downward revisions in growth forecasts. While Reeves did not provide details of specific budget measures, she reaffirmed her stance against a standalone wealth tax and addressed prior criticism over levies targeting private schools and wealthy individuals.
7. <https://www.reuters.com/world/uk/uks-reeves-announces-budget-plans-parliament-2024-10-30/> - This Reuters article covers UK Finance Minister Rachel Reeves' presentation of the 2024 budget to Parliament. The budget emphasizes investments in public services and growth, including significant increases in health and education budgets. It also announces funding for green hydrogen projects, a revised debt metric, and a shift from austerity. Initiatives include a £5 billion boost for housebuilding, abolishing the non-dom tax regime, and increasing stamp duty for second homes. The article provides an overview of the key highlights and proposed changes in the budget.