

# Household bills, council tax and everything else getting more expensive from 1 April

Households and businesses are facing increased costs on a number of items and services today.

Broadband, mobile and water bills are among those being hiked, along with corporation and council tax and energy charges for businesses.

Here, Sky News explains what is affected – and what you can do if you're struggling.

## Wages

The national minimum wage and the national living wage are both increasing. What's the difference? The national minimum wage is a legal requirement – employers must pay you at least this much. The national living wage is higher and workers get it if they're over 23.

The living wage is going up by 92p an hour to £10.42 an hour for workers aged 23 and over and the Resolution Foundation says this will be the biggest annual cash hike in the wage's 24-year history.

Around 1.7 million workers earning up to 5p above the previous minimum wage will be most likely to notice the difference in their pay packets. Another five million low-paid workers will also benefit, as employers look to maintain differentials between pay bands.

The new rates are:

- The national living wage is increasing by 92p to £10.42
- The rate for 21 and 22-year-olds is increasing by £1 to

£10.18 an hour

- The rate for 18-20-year-olds is going up 66p to £7.49
- 16-17-year-olds will get an increase of 47p to £5.28, as will apprentices

The Trades Union Congress, however, says the increase in the minimum wage is not enough to keep up with inflation, which has been at around 10% in recent months.

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But a rise in the minimum wage is not good news for everyone – businesses have to find more money to pay their workers and, as we'll see later, they already have some pretty big price rises of their own to worry about.

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#### Corporation tax

Corporation tax is going up six percentage points today to 25% for business with profits exceeding £250,000.

Chancellor Jeremy Hunt has insisted that this will only affect 10% of businesses.

Tina McKenzie, policy chair at the Federation of Small Businesses (FSB), said: “This week sees the end of meaningful energy support for most small firms, alongside rising employment costs and increases to corporation tax.

“The combined pressures facing firms right now will greatly impact small businesses’ ability to weather the storm, and leaves them facing very tough choices.

“It’s crucial we keep a strong small business economy so there are jobs, competition and a strong offer for consumers.”

Alex Veitch, director of policy at the British Chambers of Commerce (BCC), said: "Changes on corporation tax, water bills and the minimum wage are all extra costs that businesses have known were coming. But when piled on top of energy bills they make it a difficult start to the new financial year.

"Firms knew before the budget that corporation tax would rise, and the super-deduction tax incentive was going, but its replacement does not appear as generous.

"The most recent BCC survey on investment found that only a fifth of firms were increasing investment and a similar number were reducing it.

"The government is unlikely to see the economic growth it desperately needs when so many businesses are still fighting to keep their heads above water."

## **Energy bills**

Businesses will see massive hikes in their energy bills because the government's energy bill relief scheme comes to an end today.

The BCC has said that almost half of firms will be finding it difficult to afford to pay their bills from now on.

Mr Veitch said the organisation had suggested seven ways the government could help businesses get through this difficult time but "not one was acted upon".

These included things such as easing the burden of VAT on energy bills and funding for improved business energy efficiency.

Households are also facing the prospect of paying more for their energy supply.

Most will have received £400 from the government in the form of discounts on energy bills from late last year – so about

£67 a month. Well, your last instalment of that was in March – it's over now.

There is some ongoing support for the most vulnerable, but the support will no longer be given to everyone regardless of circumstance.

The government's energy price guarantee, brought in late last year as a sort of de-facto price cap, [will remain at £2,500 for the typical household](#).

But because most of us have lost the £400 government support, we will effectively be paying more.

Standing charges – the daily rate you pay to have an energy supply (regardless of how much you use) – are also going up from today.

### **Broadband, mobile and water bills**

The average household water bill is going up by £31 a year to £448 – a rise of 7.5% – for customers in England and Wales.

Mobile and broadband prices are expected to rise by between 14% and 17%. Citizens Advice said these could add an average of £90 a year to household bills. This is especially frustrating, as many telecoms suppliers regularly hike bills anyway – even if you're in the middle of a contract.

Matthew Upton, director of policy at Citizens Advice, said: "We called on these firms to support their customers during this uniquely challenging time, but they didn't listen. Instead, they're pushing ahead with these mid-contract price rises.

"Ofcom should be holding these companies to account, but it has kicked the can down the road with a review that won't land until the end of the year.

"When the regulator does act, it must deal with this once and

for all by banning any future mid-contract price hikes.”

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## **Council tax**

Most local authorities are hiking council tax by 5% from April.

This means that a band D home can expect to pay about an extra £100 a year, with the average bill topping £2,000 for the first time, according to government figures released last week.

## **Personal tax**

The rate of personal tax hasn't actually increased, but you're still likely to end up paying more. Let me explain.

The government [announced back in November](#) that personal tax thresholds – the point at which a worker starts paying tax or starts paying tax at a higher rate – will be frozen in England, Wales and Northern Ireland until 2028.

Incomes generally rise – especially when workers are having to cope with high inflation and other living costs. But if the tax thresholds stay the same, more workers get dragged into the next tax band. This is what economists call fiscal drag and it's what newspapers often call a stealth tax.

The Institute of Fiscal Studies says that the freezing of income tax and national insurance allowances and thresholds will cost most basic rate taxpayers an extra £500 and most higher rate taxpayers £1,000.

The Resolution Foundation says the size of the UK's 'stealth tax' threshold freeze over six years has almost trebled to

£25bn, compared to the £9bn forecast when it was originally announced in the 2021 budget, and later extended.

## Anything else?

You mean that's not enough?

Prescription charges are going up in England by 30p from today, taking the fee per item to £9.65.

We already know that the price of food is continuing to rise, and [train fares were increased earlier this year](#). [Mortgage rates have gone up](#) – fine if you're sitting on a fixed rate, but potentially very painful if you're about to re-mortgage.

And renters aren't safe either – if a landlord is having to pay more to own the house, you can bet they're likely to recoup at least some of that from the occupants.

The average prices of unleaded, super unleaded and diesel are expected to fall, however. That's right – fall! You might remember those crazy days of July when a litre of unleaded was averaging 191.43p – well, by 15 March, it was sitting at 147.28p.

And according to RAC Fuel Watch, the prices will fall further. Well, at least that's one thing.

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## **So what can you do if you're struggling?**

The most important thing is not to ignore the bills. They won't get better or go away.

Contact the company you owe money to and they are likely to be able to help – they could arrange an instalment plan with you, reduce your repayments, or pause your repayments in some circumstances.

Contact your council and see if you're eligible for any help from them.

If you're in debt or just looking for some help, contact an organisation like the CAB or a debt advice service such as StepChange. This advice should be free.