

Local government is at risk of failing as a result of g...

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As the [Guardian notes](#) this morning:

At least 26 councils in some of Britain's most deprived areas are at risk of effective bankruptcy within the next two years, according to a leading local government group, which says many authorities simply have "nothing left".

Britain's local government network has been shaken by a string of financial collapses in the past two years, [starting with Slough](#) and followed by [Croydon](#), [Thurrock](#) and most recently Woking, which [announced a deficit of £1.2bn](#) in June after a risky investment spree.

However, as they note:

The quartet could be only the tip of the iceberg, according to a survey of 47 councils in northern England, the Midlands and on the south coast, which revealed mounting anxiety that rising costs will blow irreparable holes in budgets that fund crucial local services.

Why is this? As the article adds:

Councils said the most common cause of financial pressures was increased demand for children's social care services after the government said these should be given equal priority with adult social care and funded accordingly.

Other significant factors cited were sky-high inflation costs and related wage rises, the local authorities warning that an imminent increase in the cost of borrowing would add to the financial pressure they face.

So, it is austerity in the form of unfunded spending demands and the failed interest rate rises of the Bank of England, that are bringing local authorities down.

This is imminent government implosion as a consequence of government policy failure.

You could not make this up. Only the Tories could manage this.

Although [Labour appears to have no plan to address the issues.](#)