

Local government finance - Communications and Political Strategy

How to present an explosive set of council-funding questions truthfully and durably across the political spectrum, in the middle of a live government reform. Companion to the White Paper. Discussion draft.

The first principle: honesty is the strategy

Council finance is the rare Register entry where the failure is already visible on the doorstep - bins emptied less often, libraries shut, roads unrepaired, and councils that have effectively gone bust - yet the *causes* are buried in machinery almost nobody understands. That combination is an opportunity and a trap. The opportunity is that nobody needs persuading there is a problem. The trap is that an angry, frustrated public is exactly the audience a glib answer plays best to - "it's a tax grab on the South" on one side, "the system's broken, tinkering won't fix it" on the other; "academies and outsourcing work, do more" against "bring everything back in-house"; "bail the councils out" against "let the reckless ones fail" - and council finance has *three* flashpoints, each with two answers that each side wants presented as the obvious one, when none of them is.

So this proposal's communications strategy is to **tell the truth, including the inconvenient parts**. The truths are uncomfortable for every camp. Any tax that tracks what homes are really worth today, rather than their 1991 band, means **cheaper homes pay less and more valuable homes pay more** - that direction is structurally certain, and the top band could pay up to **£7,799 a year more**; we never soften it. The precise winners-and-losers magnitudes rest on house values *nobody has re-rated since 1991*, so there is no measured answer to who wins and who loses - and that data gap is the strongest argument for finally fixing the tax, never a reason to duck it. The evidence on hiving services off to academies, private contractors and arm's-length companies is that the move *sometimes worked and often fell short*, and which it did depended very little on whether the body was public or private - which disappoints both the "privatise everything" camp and the "renationalise everything" camp. And **who pays for the councils that have already failed** is a genuine value judgement with no technical answer, surfaced honestly rather than dressed up as an accounting allocation. Saying all of this plainly is not a weakness to manage - it is the source of the proposal's credibility, and the only thing that lets it survive scrutiny from every direction.

This means the strategy below never reaches for the easy overclaim. We do not say revaluation is painless, or that it raises money by magic rather than by making the top bands pay more. We do not invent a precise winners-and-losers forecast off stale 1991 values. We do not say outsourcing always works, or that public ownership is automatically better. We do not present a value choice - what councils are for, who pays, how far to equalise, who carries the cost of past failure - as a technical necessity. A reform that has to hide its price, or dress a fairness choice as an engineering fact, does not deserve to win the argument; one that states the settled facts, routes the genuine choices honestly, and trusts the public to judge, can.

Positioning

This is a **layered** reform of the way England's councils are funded: an **evidence-settled reform core** - the machinery that must hold whoever runs councils and however the value questions are answered - *plus* three genuine value choices routed honestly to the public, and a fourth, sharper question surfaced honestly within the governance regime. It is **non-partisan by construction**: the core is built to survive a fiscal-

conservative, a social-democratic and a libertarian reading, and each contested choice is given its genuine reading from all three. It is born into a **live reform** and **builds on it rather than competing with it**: government is reforming council finance right now - the Fair Funding Review 2.0, the May-2026 capital-risk powers, the Local Audit Office, the English Devolution Bill - and this proposal accepts what is sound and concentrates on what those reforms leave unresolved, above all the tax base frozen since 1991 and the real fiscal-devolution gap the Devolution Bill ducked. It is offered as a worked-through set of options for the country to consider, not a programme to be sold: it **sets out the options and the evidence for them, and does not advocate their adoption**.

Core message

Rebuild the machinery so a council-funding system holds together whoever runs councils - that part the evidence can largely settle - and put the three genuinely contested questions, what councils are for and who runs their services, how we raise the money, and how far we even things out between richer and poorer areas, openly to the public rather than deciding them behind closed doors or, as every government since 1991 has done, ducking them entirely.

Two things said plainly. First, there is a large body of fixes - multi-year settlements on a published formula instead of the annual scramble, a transparent engine that measures each council's need against what it can raise and equalises the gap, a rebuilt audit system, hard limits on the reckless commercial borrowing that sank Woking and Thurrock, a defined route for resolving a failed council's deficit instead of papering over it, and national or ring-fenced funding of the demand-led duties so they stop eating everything else - that are needed **whoever runs councils and however the value choices are answered**, and those we design directly on the evidence. Second, there are **three real choices**, and they are the public's: *what councils are for and who runs their services, how the money is raised* (a costed menu, each option with its honest winners and losers), and *how far to even things out* between richer and poorer areas. A fourth, sharper question - *who should pay for councils that have already failed* - is surfaced honestly inside the governance regime, never dressed up as a technical allocation. We give the honest costs and consequences of each, and recommend none.

Language to use

- Rebuild the machinery so it holds whoever runs councils
- The settled facts first, then the three real choices
- Three honest choices, all yours: what councils are for, how we raise the money, how far we even things out
- A neutral menu of options; we recommend none
- Cheaper homes pay less, more valuable homes pay more - the direction is certain; the point of a fairer tax
- The winners-and-losers magnitudes rest on 1991 values nobody has updated - the gap is the argument for revaluation, not against it
- £4.1 billion hole for the coming year - the gap is structural and grows, it does not close on its own
- Today's average Band D bill is about £2,280 a year (the reference point)
- The top band could pay up to £7,799 a year more under full reform - said plainly, not buried

- Structure is a weak lever; the operator is the strong one - what matters is competence and a clear line of sight, not public-versus-private
- The deferral unlock: nobody is forced to sell the home they live in
- Government is reforming council finance right now - we build on it and fill the gaps (a living proposal)
- Non-partisan; presents options, doesn't advocate

Language to avoid

- **"Revaluation is painless" / hiding that some bills rise.** The whole point of a fairer tax is that more valuable homes pay more; the top band could pay up to £7,799 a year more. Never soften the direction or bury the losers - showing them honestly is the credibility.
- **A precise winners-and-losers forecast presented as measured.** The per-band magnitudes are a stylised, revenue-neutral illustration resting on 1991 values (Grade C, Band H Grade D). Carry the *direction* as certain and the *magnitudes* as illustrative; never present them as a household-level forecast.
- **"Tax grab" / "war on aspiration" / "punishing the South" as our own register** - name them only as attacks to answer. A value-based tax is not a "grab"; whether to raise the total take or merely redistribute it is itself one of the public's choices, and we say so.
- **"Tinkering" as a concession** - the core specifies *binding* commercial-risk limits, an *opinion-bearing* audit standard, and a *defined* deficit route, precisely because "better machinery" failed before. Name "tinkering won't fix it" only as an attack, and answer it with the bindingness of the design.
- **"Privatise everything works" or "renationalise everything"** as if either settles the matter - both are the cardinal error in a slogan: a structural preference dressed as the obvious answer. The evidence says structure is a weak lever; name the two reflexes the design refuses to adopt.
- **"Outsourcing failed, so public ownership is the answer"** (or its mirror) - the failure evidence is the stronger half, but the cure does not follow from it, and the comparators show structure is not a reliable predictor of outcomes. Do not let a true diagnosis smuggle in an unevidenced cure.
- **A measured "academy fraud rate" or "sector-wide outsourcing failure rate"** - there are *named instances* of related-party dealing and fraud (Grade A for the instances), **not** a measured sector-wide rate. Never read the instances as a rate.
- **Adding the two non-comparable council counts together** - the **eight councils that issued twelve bankruptcy notices (2018-2023)** and the **8→19→~30 wave on emergency support** are different sets meaning different things. They are never added and never treated as the same set. This is the one-number guard for this product.
- **"Bail them out" or "let them fail" presented as the obvious answer** - who pays for past failure is a value question with no technical answer (local culprits and residents / national taxpayers / write-off), surfaced honestly, never dressed as an accounting allocation.
- **Treating the forward gap trajectory (~£5.5bn, ~£6.9bn) as an official forecast** - it is illustrative (Grade C), carried only to make the cumulative pressure visible. The robust point is the *direction*: the gap is structural and grows.
- **Quoting the land-value-tax or local-income-tax yields as solid** - the land-tax figure is a Grade D placeholder (no credible UK national estimate exists) and the local-income-tax yield is directional (Grade C). Carry them honestly with their weakness named, never as measured.

- **"Routing the choices to the public is devolving blame"** as a concession - name it only as an attack to answer. It is the opposite of the cardinal error: these are genuine value choices, and we have done the costed homework so the public can decide informed.

How to hold the line on the three flashpoints

These three are where the product will be pulled hardest, because each is a place where a large part of the public - and the political class - has already picked a side. The discipline is the same one the Method exists to enforce - separate the empirical from the value - applied to the three most contested questions in the entry.

Flashpoint 1 - council-tax revaluation (Choice Two)

This is the question every government has ducked since 1991, because the losers are concentrated, identifiable and vocal while the winners are diffuse and quiet.

- **State the direction up front, in both directions, and never soften it.** Under *any* tax that tracks what homes are really worth today, **cheaper homes pay less and more valuable homes pay more** - the cheapest band gains a few hundred pounds a year, the top band could pay up to **£7,799 a year more** under full proportional reform. That is not a side-effect to manage; it *is* the fairness the reform delivers, and saying so plainly is what stops both "tax grab" and "tinkering".
- **Carry the magnitudes as illustrative, and explain why.** Because no home has been re-rated since 1991, there is **no measured answer** to who wins and who loses - the per-band figures are a stylised, revenue-neutral illustration (Grade C, Band H Grade D). Refuse, every time, to present them as a household-level forecast. The honest line: the data gap *is* the argument for revaluation, never a reason to duck the distributional question. No government has published this analysis since 1991 precisely because the values are stale - the honest response is to fix the staleness, not keep ducking.
- **Lead with the deferral unlock against the strongest objection.** The objection that has sunk property-tax reform for decades is the asset-rich, cash-poor owner - typically a pensioner in a now-valuable home on a modest income. The answer is to let such people **defer** the extra charge against the property, settled when the home is sold or passed on, with the state taking an equity stake. *Nobody is forced to sell the home they live in.* This is carried as the enabler that makes a fairer tax workable rather than cruel - not as a revenue line.
- **Make clear what is the public's, and what is not.** *That* the 1991 base is indefensible and the squashed bands are regressive against property value is settled on evidence. *How far to go* (a gentle reband or a full proportional tax), and *whether reform raises the total take or merely redistributes it*, are genuine value questions - shown, routed, recommended by none of us.

Flashpoint 2 - the hive-off / academy / outsourcing debate (Choice One)

This is the question reviewers find most surprising, because the evidence cuts straight across the usual party lines.

- **State the one empirical finding that disciplines both camps, up front.** Assessed even-handedly across the three great examples - academy schools, the Private Finance Initiative, water privatisation - **structure is a weak lever; the operator is the strong one.** A capable, well-governed body delivers well in almost any form; an incapable or poorly-watched one delivers badly in almost any form. This single finding is what stops *both* "academies and outsourcing work, extend them" *and* "bring everything back in-house". Lead with it.

- **Name the genuine successes as plainly as the failures - that is what makes the verdict even-handed.** The early *sponsored* academies that took over failing schools with new leadership and investment made real gains; the best trusts (the Harris Federation the standout) clearly transform disadvantaged outcomes; the Private Finance Initiative (PFI - using private firms to build and run public assets like hospitals, paid back over decades) delivered value for money in most of the Ministry of Defence projects examined and ran late far less often than building it the conventional way; the not-for-profit water model removes dividend leakage structurally. The negative verdict on the rest is only credible *because* these are stated, not buried.
- **Name what reliably goes wrong, and what it is *not*.** What fails is not "privatisation" as such - it is **distance created without matching governance**: an accountability gap opens, information goes dark, and value leaks out (as dividends, dearer borrowing, or executive pay) faster than the saving. The council-owned company failures at Nottingham, Bristol and Croydon prove the failure mode is governance competence, not the public-versus-private question. And on the named fraud and related-party cases: these are *specific instances* (Grade A for the instances), **not** a measured sector-wide fraud rate - never read as one.
- **Hand the public a framework, not a recommendation.** Match the vehicle to the *kind* of service - a natural monopoly best kept not-for-profit or municipal; a specifiable service with genuine competition can be outsourced, but only with a capable client-side team; a rights-bearing service like child protection or adult social care held in-house - against the **three conditions** (surpluses reinvested, a retained line of sight, competent governance). Which way to lean - toward independent or toward in-house - is routed to the public as part of Choice One.

Flashpoint 3 - council bailouts and moral hazard (surfaced within governance)

This is the sharpest disagreement, and it is a value question with no technical answer.

- **Lay out the three honest options without picking one.** A failed council's accumulated deficit can fall on the **local culprits and current residents** (fair to national taxpayers, but it punishes blameless residents and can collapse their services), on **national taxpayers** (a bailout that protects services but rewards failure and tempts the next council to take the same risks), or be **written off** (which clears the deficit but most directly creates moral hazard). State all three, with the cost of each named.
- **Surface it honestly inside the deficit-resolution route - never as a technical allocation.** The reform supplies a *defined* route (recognise, stabilise, resolve, return) on rules set out in advance. The rules are defined on evidence; *who pays* is the value question, surfaced openly within that route, not decided by it and never dressed up as an accounting line.
- **Report the agreement and the disagreement, drop neither.** Where the perspectives agree - writing deficits off freely creates moral hazard, and no allocation is purely technical - is robust and stated as such. Where they genuinely diverge - which risk, moral hazard or service collapse for the blameless, is the worse one to accept - is the live value question, routed to the public.

Engaging the live reform - the B8 angle

Council finance is, like water, an area where government is mid-reform *as the product publishes*, so this is a living proposal (Method B8) from day one - and that shapes the communications as much as the content.

- **Lead with "we build on it", never "we replace it".** The opening move on every channel is that four live reforms are the baseline and this proposal builds on each: the **Fair Funding Review 2.0** (a new needs-and-resources formula redistributing roughly £2 billion toward need across 2026-29), the **May-2026 capital-risk powers** (real-time monitoring of council borrowing and debt), the **Local Audit Office** (rebuilding the collapsed audit system), and the **English Devolution and Community Empowerment Bill** (which devolves *spending flexibility*, not real *tax-raising power*). We accept what is sound and concentrate on the gaps. This is both true and the answer to the "redundant" attack, so it does double duty.
- **Name the gaps precisely, and make them the value-add.** The reforms leave four things untouched: the **tax base frozen since 1991**, the genuine **fiscal-devolution gap** the Devolution Bill ducked (devolving spending flexibility but not tax-raising power), the **allocation-of-functions question** no reform has answered, and a **principled equalisation engine** to sit under the new formula. That is precisely where Pragma's value lies - concentrating on what the live reforms leave unresolved, not duplicating what they do.
- **Sequence around the reform timetable, not against it.** The window to be useful is while the Fair Funding settlement beds in, the capital-risk powers are calibrated, the Local Audit Office is stood up, and the Devolution Bill is debated. Publish to inform that process, not to second-guess it after the fact.
- **Keep the living-updates posture visibly even-handed.** As government moves, the notes report where the reform matches the proposal (and say so) as readily as where it leaves a gap. A living proposal that only ever criticises is an advocacy campaign in disguise; this one credits what is sound - the Fair Funding redistribution toward need, the real-time borrowing monitoring, the new audit office - as readily as it flags the tax base and the fiscal-devolution gap left open.

Audience messaging

Audience	The honest message
The public and bill-payers	Three choices are yours, not ours: what councils are for and who runs their services, how we raise the money, and how far we even things out between richer and poorer areas. We give you the real costs and the honest catches of each - including, plainly, that under any fairer property tax cheaper homes pay less and more valuable homes pay more, and that nobody has measured who exactly wins and loses since 1991. We will never tell you which to pick, and never pretend it is painless.
Councils and the Local Government Association	Delivered through councils, not over their heads: multi-year settlements on a published formula end the annual scramble that hits deprived councils hardest; national or ring-fenced funding of the demand-led duties stops adult social care, SEND and homelessness cannibalising everything else; and a defined deficit-resolution route replaces the improvised emergency-permissions sticking plaster. The audit and commercial-risk regime is built to catch failure early, not to micromanage competent councils.
HM Treasury and the Ministry of Housing, Communities and Local Government	The £4.1 billion gap is structural, not cyclical - the emergency-permissions mechanism papers it over, it does not close it. The revenue options are carried at honest grades (re-rate-and-reband ~£3.9bn Grade B; proportional ~£5bn Grade B; land tax ~£3bn Grade D placeholder; local income tax ~£4bn Grade C). The forward trajectory is illustrative, not a forecast. No new revenue is banked before the public chooses the option; the core is fundable and stands whatever they decide.
Fiscal conservatives	No tax is prescribed, and any reform can be revenue-neutral if the public chooses. The core is basic prudence: multi-year settlements, hard commercial-risk limits and a rebuilt audit are exactly the discipline that should have stopped councils gambling on commercial property; a defined deficit route on stated rules is preferable to open-ended bailout; the deferral unlock protects asset-rich pensioners; and a visible local tax is preserved, not abolished. Its caution - that early-warning must not become central micromanagement and demand-led funding must not become a blank cheque - is carried in the design.
Social democrats	Multi-year, formula-based settlements end the annual scramble that hits deprived councils hardest; national or ring-fenced funding of the demand-led duties protects the services the most vulnerable depend on; transparency finally makes redistribution a visible, contestable choice. Revaluation corrects a tax that lets the most valuable homes pay proportionately less - but better machinery is not enough if the tax base and the redistribution dial are left where they are, which is why Choices Two and Three are pushed hardest here.
Libertarians	No tax and no ownership change is imposed; the choices are routed to the public, not asserted. Clear, rules-based commercial-risk limits known in advance are preferable to discretionary intervention; bringing council-owned companies back inside the accounting line of sight respects the consequences of public risk-taking; a defined insolvency route is more honest than improvised rescue. The centralised formula and the commercial-risk limits are genuine constraints on local autonomy - justified only because the current architecture already concentrates power centrally, and balanced by the option to expand local tax-raising power.

Audience	The honest message
<p>Campaigners (for revaluation / fairer property tax)</p>	<p>The reform you have pushed for is on the menu as a live, costed option - and routed to the public, which no government has dared do since 1991. We carry it honestly: the direction (cheaper homes win, more valuable homes lose) is certain, the magnitudes rest on stale 1991 values, and the deferral unlock answers the asset-rich objection that sank it before. We present the strongest case for it without overclaiming the numbers - which is what lets it be taken seriously.</p>
<p>Campaigners (for keeping services in-house / against outsourcing)</p>	<p>The failure evidence you point to is the <i>stronger</i> half of the evidence base - the National Audit Office, the regulators and Parliament on the Private Finance Initiative, water and the named academy cases. But the cure does not follow automatically: the best academy trusts transform disadvantaged outcomes, and council-owned companies failed at Nottingham, Bristol and Croydon. What matters is competent governance and a retained line of sight, not the public-versus-private label - which is exactly why the allocation choice is routed to the public, not pre-decided either way.</p>
<p>The three political perspectives (for the stress test)</p>	<p>Each is given its genuine reading of all three choices and the bailout question, reporting where they agree (robust) and where they diverge (the live value question), with no perspective allowed to win. The core's load-bearing commitments - multi-year planning, trustworthy accounts caught early, limited commercial borrowing, a resolved deficit on stated rules, demand-led duties ring-fenced - are what all three can sign, which is what makes it robust enough to build first.</p>

Answering the real attacks - with the design, not deflection

The attack	The honest answer
<p>"Revaluation is a tax grab on aspiration / on the South."</p>	<p>A tax that tracks what homes are really worth is not a "grab" - it corrects a tax based on 1991 values that now falls <i>more</i> heavily, as a share of a home's value, on cheaper homes than on expensive ones. The direction (cheaper homes pay less, more valuable homes pay more) is the fairness, not a raid, and we never hide that the top band could pay up to £7,799 a year more. <i>Whether</i> reform raises the total take or merely redistributes it is itself one of the public's choices, not something we impose - and the deferral unlock means no asset-rich, income-poor owner is ever forced to sell. We show the losers honestly precisely so the argument is had on the truth.</p>
<p>"Tinkering won't fix a broken system - you're just promising better machinery, which failed before."</p>	<p>"Better machinery failed before" is true, and it is exactly why the core specifies <i>binding</i> commercial-risk limits (not the monitoring that let Woking and Thurrock run up billions), an <i>opinion-bearing</i> audit standard (not the disclaimers the backstop regime relied on), and a <i>defined</i> deficit-resolution route (not the improvised emergency permissions that defer failure rather than resolve it). This is not tinkering at the edges - it concentrates on what the live reforms leave untouched: the 1991 tax base, the fiscal-devolution gap, the allocation of functions, and a principled equalisation engine. The difference from last time is bindingness, not aspiration.</p>
<p>"Academies and outsourcing work - extend them."</p>	<p>Sometimes they genuinely worked: the early sponsored academies turned failing schools around, the best trusts transform disadvantaged outcomes, the Ministry of Defence got value from most of its PFI projects. But assessed even-handedly across all three great examples, the move <i>often fell short</i> - and which it did depended very little on whether the body was public or private. The finding is that structure is a weak lever; the operator is decisive. "Extend them" mistakes a weak lever for a strong one. The honest rule is to match the vehicle to the service and keep a clear line of sight - not to extend a structure regardless of whether the operator and governance can carry it.</p>
<p>"Bring everything back in-house - outsourcing was a mistake."</p>	<p>The failure evidence is real and is the stronger half of the base - but the mirror error is just as wrong. The best academy trusts outperform; PFI imposed a construction discipline the public sector struggled to self-impose; and council-owned companies failed badly at Nottingham, Bristol and Croydon - <i>in-house is not automatically better</i>. What reliably fails is distance without matching governance, not "private". So the answer is the matching principle and the three conditions, applied service by service and routed to the public - not a blanket return to in-house any more than a blanket extension of outsourcing.</p>
<p>"Bail the failing councils out - you can't let local services collapse."</p>	<p>Protecting blameless residents' services is a real and serious concern - but an open-ended bailout rewards failure and tempts the next council to take the same risks, which is why the current improvised emergency permissions are a sticking plaster, not a solution. The reform supplies a <i>defined</i> route - recognise the deficit, stabilise the council, resolve it on rules set in advance, return it to normal funding with the causes fixed. <i>Who</i> bears the resolved deficit is a genuine value question, surfaced openly, not an accounting decision we make for you.</p>
<p>"Let the reckless ones fail - why should taxpayers rescue gamblers?"</p>	<p>The instinct that decision-makers should bear the consequences of their own risks is reasonable, and the commercial-risk limits are built precisely to prevent the Woking/Thurrock gamble in the first place. But "let them fail" lands hardest on blameless residents whose services collapse for decisions they never made. That is the genuine tension - moral hazard against service collapse for the blameless - and it is a value</p>

The attack	The honest answer
	choice with no technical answer, surfaced honestly inside the deficit route, not settled by us.
<p>"You're just devolving blame by routing the choices to the public."</p>	<p>The opposite. Routing the choices to the public is not an abdication - it is the refusal to commit the cardinal error of presenting a value choice as a technical fact. <i>What councils are for, who pays, how far to equalise, and who carries the cost of past failure</i> are genuine value questions evidence cannot settle, and every government for a generation either ducked them or settled them behind closed doors. We have done the costed homework - the funding gap, the per-option yields, the winners-and-losers map, the equalisation transfer - so the public can decide <i>informed</i>, in plain language, while the technical core is settled on evidence and holds whatever they choose. Doing the homework and then handing over the genuine choice is the responsible move, not the evasive one.</p>
<p>"This is redundant - the government is already reforming council finance."</p>	<p>No - it fills the gaps that reform leaves. We accept what is sound in the Fair Funding Review 2.0, the capital-risk powers, the Local Audit Office and the Devolution Bill, and concentrate precisely on what they leave unresolved: the tax base frozen since 1991, the genuine fiscal-devolution gap the Devolution Bill ducked (spending flexibility, not tax-raising power), the allocation-of-functions question no reform has answered, and a principled equalisation engine to sit under the new formula. Building on a live reform and filling its gaps is the opposite of redundant.</p>
<p>"The £4.1 billion gap is just bad management - councils should cut their cloth."</p>	<p>It is not waste - it is the gap between what councils must <i>by law</i> spend and the money they have, driven by a few compulsory, demand-led duties (adult social care above all, around 42% of council service spending) rising faster than income. The emergency-permissions mechanism papers the gap over by converting it into debt and depleted assets; it does not close it, which is the analytical reason the gap is structural, not cyclical. "Cut your cloth" cannot cut a statutory care bill that outgrows any plausible settlement - which is exactly why the core funds the demand-led duties nationally or via ring-fence.</p>
<p>"Keeping money local rewards success and grows the economy - so equalise less."</p>	<p>This sounds compelling but the evidence is against it. When it was actually tried - letting councils keep more of their local business-rates growth - it did not boost economic growth; it rewarded areas that already had a strong tax base and widened the gap between rich and poor areas. So the "it grows the pie" case for keeping money local is weak; the cost in fairness is real. The honest argument for a lower equalisation dial is local autonomy and accountability, stated plainly - not a false claim that keeping money local makes everyone richer. Where to set the dial is the public's choice, made on the truth.</p>

Non-negotiables for anyone communicating council-finance reform

- Lead with the settled facts, then route the three genuine choices.** The £4.1 billion gap, the failure patterns, the audit collapse and the structural causes are empirical and settled on evidence; *what councils are for, how the money is raised, how far to equalise* (and, surfaced within governance, *who pays for past failure*) belong to the public. We recommend no function allocation, no tax, no dial setting and no bailout answer.

- **Never present a value choice as a technical necessity.** This is the cardinal error, and council finance is where it is most tempting in every direction - revaluation, the hive-off, the equalisation dial and the bailout each have a "this is just the obvious answer" trap on both sides.
- **State the revaluation direction plainly, and carry the magnitudes as illustrative.** Cheaper homes pay less, more valuable homes pay more, the top band up to £7,799 more - the direction is certain; the per-band figures rest on 1991 values and are a Grade C illustration (Band H Grade D), never a household forecast. The data gap is the argument for revaluation, not against it.
- **State the one empirical finding that disciplines the hive-off debate:** structure is a weak lever; the operator is decisive - the comparators prove it. This is what makes the matching principle, not the public-versus-private label, the load-bearing answer.
- **Hold the two-count guard absolutely:** the **eight councils that issued twelve bankruptcy notices (2018-2023)** and the **8→19→~30 wave on emergency support** are different sets meaning different things - never added, never conflated.
- **Keep the figures consistent and honestly graded:** £4.1bn gap; £7,799 top-band; ~£3,510 top-band under the gentler reband; £2,280 average Band D; ~£3.9bn re-rate-and-reband, ~£5bn proportional, ~£3bn land tax (Grade D placeholder), ~£4bn local income tax, ~£7.3bn full equalisation transfer (Grade C). The forward gap trajectory is illustrative, never a forecast.
- **Build on the live reform, don't compete.** Accept what the Fair Funding Review 2.0, the capital-risk powers, the Local Audit Office and the Devolution Bill get right; fill the gaps they leave - above all the 1991 tax base and the fiscal-devolution gap. Keep it a living proposal that credits what is sound as readily as it flags what is missing.
- **Keep it non-partisan.** The core and each contested choice must survive a fiscal-conservative, social-democratic and libertarian reading, or it cannot move through government. Show where the perspectives agree (robust) and where they diverge (the genuine value question), and drop neither.

Companion to the White Paper, the Public Choices, the Delivery Vehicles sub-study, the Evidence Annex and the Delivery Design.