

Local Government Reorganisation: Cyber, Digital, Data and Technology Considerations

Research Report, May 2025



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Foreword

The proposed reforms outlined in the [English Devolution Whitepaper](#) – particularly those concerning Local Government Reorganisation (LGR) – will profoundly reshape local government. Diverse views on the matter exist and should be respected equally. Nonetheless, where change is to occur, it is important that it leads to success.

Change is, by nature, disruptive. LGR *is* change. However, it is not unprecedented. Organisations have come together as ‘new’ before. Existing organisations have shared and unshared, merged and separated their services. The past offers us significant learning opportunities, if we can only harness that knowledge.

Recognising the acknowledged need for effective, modern working approaches, this period of broader change offers a unique moment in time to consider how to maximise the opportunities of digital, data and technology. By establishing clear foundations, the sector can deliver effective digital, data and technology solutions, empowering the workforce and the communities it serves. Collaborative, cross-boundary work is essential for the future, regardless of LGR, and councils must capitalise on these opportunities to support citizens.

LGR offers councils becoming a unitary organisation an opportunity to enhance digital maturity, establish firmer foundations, create smarter organisations, and increase productivity and efficiency longer term, as referred to in [the Blueprint for Modern Digital Government](#).

This report is essential reading for digital and technology leaders in local government and senior leaders interested in building agile digital organisations. The report is informed by real-life experiences of LGR. It acknowledges the challenges and the opportunities of the process and offers suggestions for fostering successful change. It also highlights the support needs deemed critical by participants for enabling digital transformation through LGR.

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Executive Summary

Between January and March 2025, the Local Government Association (LGA) carried out research on the cyber, digital, data and technology considerations at Local Government Reorganisation (LGR) to understand the opportunities for digital transformation.

This report outlines the findings of our research; predominately that effective cyber, digital, data and technology functions are vital in periods of organisational shift. Such functions help ensure the safe and reliable transition of services and help to embrace digital transformation opportunities to better place organisations to deliver in new and different ways, yielding long-term benefits.

The research is based on interviews with officers in 17 councils, including eight of the nine unitary authorities newly created since 2019. Our findings highlight how councils can take advantage of necessitated change to remain 'safe and legal' and position the new council for continuous change and transformation during and beyond LGR.

Key findings

Scaling transformation

- A 'safe and legal' transition is vital to LGR and should be a key requirement for 'Day 1' (vesting day). However, it is important to maintain a long-term vision during the LGR process to position the new council for ongoing change and transformation.
- For the councils in our study, reorganisation presented a unique opportunity to rethink and redesign services. Councils can emerge from reorganisation more digitally mature, but this required effective governance and a long-term perspective.
- Digital leaders who were empowered were able to accelerate progress towards 'Day 1' and ensure that technology, skills and capabilities were leveraged effectively to improve services and outcomes in the longer term.

- LGR presented the councils in our study with an opportunity to put in place firmer foundations, create smarter organisations, and increase productivity and efficiency longer term.

Taking people through change

- There is an urgent need for local government to invest in digital skills and leadership to effectively navigate the challenges and opportunities of the digital age. By building internal capacity, sharing knowledge, and embracing a culture of digital transformation, councils can improve their services, empower their communities, and drive innovation across the sector.
- The emotional impact of reorganisation on staff has the potential to be significant and should not be overlooked. Staff may have concerns about job security, changes in roles and responsibilities, and the overall impact on their working lives, while at the same time delivering significant change to create the new council.
- Clear communication, support, and empathy are crucial throughout the LGR process.
- Leaders should act to ensure that the culture of their organisation(s) is one geared to change.

Planning and delivery

- We found that merging councils often had different levels of digital maturity, creating challenges for alignment, integration and cost. LGR can disrupt existing plans and priorities, impacting on investments and savings plans. Effective governance processes need to be in place to help the ultimate organisation determine what it needs to know to inform decisions, plan effectively and iteratively.
- Often, the councils in our research had a limited understanding of their existing technology assets, applications and contracts. Knowledge of these must be obtained as early as possible to inform planning.

- Proactive contract and supplier management, tailored to specific needs and circumstances, is crucial for local authorities to effectively leverage technology during reorganisation. This will enable modernisation, improved efficiency, enhanced services, and drive digital transformation across the new organisation. Converging and diverging systems and infrastructure present unique considerations and challenges, especially when shared services, third parties and/or partners are involved.
- Savings around technology and software rationalisation should be understood at the initial business case stage and can prove difficult, though not impossible, to realise. While the councils we spoke to had implemented some cost-saving measures, unexpected costs and challenges often arose in projects.
- LGR can surface multiple opportunities. This includes the ability to adopt a single enterprise architecture to move to common platforms across the new council; the use of standards to bring greater data management, interoperability, and consistency to customer experience; and increased resilience of the technology infrastructure.

Recommendations

We propose ten recommendations to support the effective use of digital technology in establishing a new unitary council. These focus on strategic digital leadership, realistic and informed planning, people-centric change management, disciplined delivery and governance, and building a secure and resilient digital environment. Our recommendations are:

- Foster strong digital leadership.
- Ensure informed leadership.
- Build realistic expectations.
- Know what you have, and what you've agreed.
- Support people and change.
- Execute project and programme management.

- Practice effective governance.
- Safeguard necessary capacity.
- Value skills and capabilities.
- Don't overlook security.

Sector support needs

A full list of suggestions for supporting the local government sector is included in Annex 1: Sector Support Needs. In summary, we suggest:

- **Shared resource space:** A place online to provide easy access to guidance, templates, case studies, and other support materials.
- **Peer-to-peer support:** The 'Shared Resource Space' owner should foster peer-to-peer support networks and communities of practice on to enable knowledge sharing and mutual assistance.
- **Capability and capacity support:** There are a range of professional areas where councils lack capability and capacity, where access to the right skills and knowledge at the right time could really help, such as programme management, procurement and contract management, and enterprise architecture.
- **Tailored support:** Tailored support based on the specific needs and circumstances of individual councils, recognising that each restructuring process is unique.

Key activities

Table 1 displays the phases of LGR with the key activities for cyber, digital, data and technology.

Table 1. The phases of local government reorganisation.

<p>Phase 1: Up to Submission of Business Cases</p>	<ul style="list-style-type: none"> • Understand tech assets and shared service implications. • Understand significant local investment decisions that have been made. • Understand level of system divergence and /or convergence that will be required for an option.
<p>Phase 2: Submission of Business Case to Secretary of State</p>	<ul style="list-style-type: none"> • Baseline applications and contracts. • Agree technology principles and standards. • Assess good work that should continue and be protected and what should stop. • Understand skills and capabilities available. • Baseline digital maturity and cyber resilience.
<p>Phase 3: Statutory Change Order made to Shadow Elections</p>	<ul style="list-style-type: none"> • Develop ambition and/or narrative for new council. • Establish senior tech/digital/change lead. • Communicate expectation management. • Establish programme/workstreams/delivery teams. • Establish governance to manage work and decisions in led up to Day 1 digital/tech offer. • Define Day 1 tech offer using collaborative approaches to ensure visibility and understanding with the organisation.
<p>Phase 4: Shadow Authority Elected to Vesting Day</p>	<ul style="list-style-type: none"> • Establish a brand/identity and unifying narrative. • Adopt a change approach/people support. • Provide councillor inductions on digital. • Draft an Operating Model. • Design an Enterprise Architecture model. • Create policies and procedures.
<p>Phase 5: Vesting Day and Beyond (next 5 years)</p>	<ul style="list-style-type: none"> • Establish change approach to build the right culture. • Develop tech strategy, data strategy, customer strategy – roadmaps/plans – build on Day 1. • Manage contracts and align to strategic direction. • Establish effective governance to align service decision making to organisation operating model. To prioritise digital/tech impacts of convergence and transformation. To oversee buying decisions to align to target enterprise architecture. • Build skills and capability. • Design a comprehensive CDDAT structure.

Introduction

Background

Local government in England constitutes a substantial sector, evidenced by an annual expenditure of [£123bn](#). A significant component of this financial activity is the investment in technology and digital services, which accounted for [approximately £3.2bn](#) in spending during 2023/24. Furthermore, the sector is a major employer, supporting a considerable workforce of [1.2m](#) individuals.

The landscape of English local government is currently undergoing a period of significant transformation, driven by the publication of the [English Devolution Whitepaper](#). These shifts will reshape the structures and operational environments within which local authorities will function.

The Blueprint for Modern Digital Government sets out a long-term ambition for digital public services with a plan that advocates for an organisation operating model that leverages digital technology to enable a fundamental shift in service delivery, whilst ensuring those digitally excluded are supported.

This evolving context has significant implications for the adoption and implementation of digital and technology services within the sector.

Our research

Between January and March 2025, the LGA undertook research into the digital and technology considerations at Local Government Reorganisation (LGR) to understand the opportunities for digital transformation. Interviews were conducted with officers in digital, technology or programme roles who had experienced LGR since 2019 or who had been involved in the delivery of shared services. We wanted to:

- Identify the wide range of challenges and opportunities experienced in relation to mergers or separations of digital and technology services.
- Understand the implications of existing arrangements, such as shared services, within the LGR context.
- Discover beneficial approaches to reorganisation, together with challenges through the whole lifecycle and the support needs of councils.

- Determine what might position a council better for long-term digital transformation and change, beyond just meeting ‘Day 1’ vesting day requirements.

Methodology

Desk research identified a strong appetite for digital transformation at business case stage for LGR, but a lack of collective published learning for the sector on the process and outcomes.

We held semi-structured interviews with 18 officers in senior digital, technology or programme roles, and one Chief Executive Officer, who were involved in delivering LGR since 2019 across eight councils (see Annex 2). Officials involved in delivering three shared services provided insights into the questions councils new to LGR were beginning to ask (see Annex 3: Questions Councils Are Asking).

Our research deliberately focused on the day-to-day operational implementation of LGR which could be used to give professional advice to councillors when required, rather than the political processes. We did not consider digital communities/places, the impact on Town Councils or local working with the NHS.

For the purposes of this report, a digital leader is a digital, technology and change expert who can help to shape organisation strategy, policy and plans to integrate digital thinking and approaches. Digital leadership is the requirement of any manager and leader to think, behave and act in a way that enables teams to navigate continuous change and exploit the opportunities a digital world provides.

A unified definition of digital transformation is provided by [Gong and Ribièrè](#) (2021) who describe the term as a fundamental change process, enabled by the innovative use of digital technologies accompanied by the strategic leverage of key resources and capabilities. Digital transformation, they observe, aims to radically improve an entity (for example, an organisation, business, or society) and redefine its value proposition for its stakeholders.

Recommendations

Our recommendations

We propose ten recommendations to support the effective use of digital technology in establishing a new unitary council.

- 1. Foster strong digital leadership:** Organisations benefit when the Chief Executive and senior leaders work with their digital leads to incorporate a guiding and unifying narrative on the role of digital in proposals for change. This should contribute to developing a digital-aware/digital first operating model for the new organisation.
- 2. Ensure informed leadership:** The programme lead must have the knowledge and experience to advocate for digital, technology and its role in change at a senior level. The role of the lead is likely to persist into the new organisation, interacting organisationally to build a 'digitally aware' culture.
- 3. Build realistic expectations:** Digital maturity, skills, capabilities and complexity vary significantly between councils. It is vital to set considered and realistic expectations at the business stage case to determine how quickly progress will be made and the level of savings achievable. New organisations should be prepared for convergence to take at least five years.
- 4. Know what you have, and what you've agreed:** Early planning and engagement with stakeholders to understand existing technology assets, applications and contracts is fundamental to success. The need for proactive and strategic supplier and contract management through reorganisation were perennial themes in our conversations.
- 5. Support people and change:** Organisations need strategic, well-communicated change management approaches to ensure smooth transitions for their staff. Councils should think strategically about the retention of key staff, and how to provide opportunities for skills development to ensure adequate expertise and capacity is available for transition and beyond. Ongoing communication, conversation and support are vital, successes needed to be celebrated, and efforts recognised.
- 6. Execute project and programme management:** Capabilities in these disciplines should be enhanced with experienced input to facilitate

collaboration to reach 'Day 1', and to manage convergence and transformation of services, policies and procedures after vesting day.

Application convergence is dependent on factors including service and policy convergence, contractual commitments, resource availability and technology strategy.

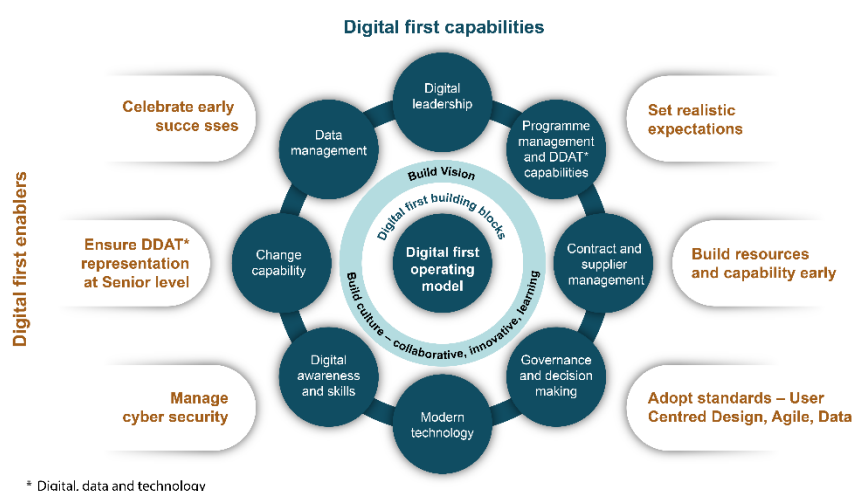
- 7. Practice effective governance:** Good decisions need to be made about prioritisation across the whole council/s. Decision making is sped up by having early principles and roadmaps laid out for a 'Day 1' view of technology, digital and data, while ensuring that decisions for 'Day 2' and beyond are prioritised and aligned to the desired strategic direction.
- 8. Safeguard necessary capacity:** Migrating to a new structure implies operating 'business as usual', while undertaking transformation and convergence activities. While requirements will morph during different stages of activity, there is a need to beware of reducing or losing resources when they are most required. As an example, a new organisation may find itself managing delivery contracts coming to an end, alongside convergence and transformation activity which requires a strategic approach.
- 9. Value skills and capabilities:** Understanding and leveraging the existing capabilities of the workforce and modern technology where available and factoring these into planning and decision making can help to make faster improvements and encourage the adoption of standards and digital change.
- 10. Don't overlook security:** The need to evaluate options will result in increased sharing of data, while changes to processes and the digital landscape can introduce risks. It is vital to maintain a focus on security and data governance to protect sensitive information and ensure compliance. When systems are brought together, or datasets taken apart, care is needed to ensure that data protection considerations are managed, especially when partners are involved.

Success Factors

Drivers of success

Our research sought to identify lessons learned from councils formed after reorganisation within the last six years. Our findings highlight the need for a multifaceted approach to position a new unitary council for ongoing change and transformation, as shown in Figure 1. The findings are complimentary to [a recent SOLACE guide](#), while providing additional valuable learning for digital.

Figure 1. Summary of success factors at LGR to enable digital transformation



Principles and enablers

We found no new insights into digital transformation itself. While we feature good examples in the following sections, we do not provide any new guidance or good practice on performing digital transformation effectively. But what is new is our mapping of success factors against the principles and enablers of the [LGA's digitalisation framework](#) as shown in Table 2.

The principles and enablers of the LGA digitalisation framework support councils in maximising their digital efforts for the benefit of local people and communities. The success factors of LGR align to the framework to position a council for digital transformation.

Table 2: LGR success factors mapped to the LGA's Digitalisation Framework

Principles and Enablers	Opportunity at LGR
Principle 1 Cyber resilient	<ul style="list-style-type: none"> - To increase resilience in infrastructure and software applications.
Principle 2 Democratic	<ul style="list-style-type: none"> - To design inclusive new digital platforms. - To strengthen accountability processes. - To create digital feedback mechanisms.
Principle 3 Ethical	<ul style="list-style-type: none"> - To embed ethical principles and values into the fabric of how digital technology and data are used. - To prioritise data privacy and security. - To foster a dialogue in the organisation about the evolving ethical landscape of digital technology.
Principle 4 Inclusive	<ul style="list-style-type: none"> - To build digital inclusion from the ground up, to improve accessibility and usability of services.
Principle 5 Sustainable	<ul style="list-style-type: none"> - To establish decision making frameworks and processes for informed investments in new systems and infrastructure, considering long-term needs and impact.
Principle 6 User centric	<ul style="list-style-type: none"> - To re-design services to meet the needs of residents, businesses and visitors. - To adopt standards.
Enabler 1 Capability	<ul style="list-style-type: none"> - To build a digitally aware culture. - To establish senior-level leadership to champion digital and technology, and its role in change. - To build digital skills and capability across the workforce to drive adoption of modern technology (see the LGA's skills and capability framework).
Enabler 2 Collaboration	<ul style="list-style-type: none"> - To foster collaboration and knowledge-sharing among various stakeholders. - To prompt a culture of continuous improvement and innovation. - To prioritise interoperability between digital systems and data platforms.
Enabler 3 Connectivity	<ul style="list-style-type: none"> - To address digital infrastructure gaps and ensure sustainable and equitable access for residents and businesses.
Enabler 4 Data	<ul style="list-style-type: none"> - To understand technology assets, applications and contract data to enable strategic decision making.
Enabler 5 Leadership	<ul style="list-style-type: none"> - To establish effective governance to deliver technology strategy and digital ambition. - To set vision for a digital first way of working and provide digital leadership.
Enabler 6 Value	<ul style="list-style-type: none"> - To establish new frameworks that ensure digital initiatives and investments deliver tangible benefits and value for money. - To adopt agile methodologies to ensure that digital initiatives are delivered quickly and efficiently.

Leadership and Organisation

What were the biggest challenges?

- Uncertainty – on how unitary boundaries might be drawn, and on job stability, particularly at leadership level. Such ambiguity can lead to challenging working relationships which impact on decision making, delivery pressures and the overall governance of change. Higher levels of agreement and understanding of those pressures can lead to a more collegiate approach.
- Difficulties in establishing a unified team culture in the new council that can enable digital transformation, agility and innovation.
- A lack of strong digital leadership at senior leadership level in the organisation can hinder digital transformation efforts.
- It is challenging to maintain the momentum of change to enable transformation and new ways of working while ensuring organisation basics are put in place, particularly when responding to significant external events.
- A lack of a Target Operating Model (TOM) for the organisation and agreed-upon ways of working can hinder progress with convergence and transformation activity.
- The absence of key leadership roles at a senior level (e.g., a lead with good understanding of digital, IT and change) during critical periods in the lead up and early days of the new council can lead to delayed or short-term decision making in the context of cyber, digital, data and technology.
- Focusing solely on ‘safe and legal’ can stifle innovation and long-term thinking.

What went well, the successes?

- The presence of a senior role who can champion digital transformation initiatives at a senior level proved crucial.
- Leadership development initiatives, such as executive coaching and strategic workshops, fostered collaboration and strategic decision making.

- LGR provided an opportunity to create a new identity and culture, the ability to do things differently, with digital transformation a key part of that.
- The 'early days' narrative emphasised a one-team approach, innovation, and a commitment to learning.
- Positive LGA peer reviews reinforced the credibility of the digital transformation efforts and assisted with developing a learning culture.

What advice would you give to other councils?

- Identify and appoint critical leadership positions for the new unitary, such as a lead with good understanding of digital, IT and change, as soon as possible to ensure smooth transitions.
- Establish a shared vision for the future and communicate it clearly to all stakeholders to manage expectations and foster alignment.
- Integrating disparate organisations and cultures requires a structured and collaborative approach. Encourage a culture of adaptability and innovation to navigate the challenges and opportunities of restructuring.
- Balance the need for stability and compliance with the desire for transformation and improvement. Embed digital transformation principles into the organisational to enable ongoing change and improvement.
- Leadership understanding and support are vital for successful digital transformation.

People and Change

What were the biggest challenges?

- Prolonged restructuring processes led to staff uncertainty and potential departures, based on our interviews. Restructures were difficult change processes to manage, with tribalism and emotional strain resulting across the staff base.
- Addressing the frustration of losing prior improvement and innovation efforts amidst the focus on the new council's vesting day.
- Dealing with a lack of clarity concerning role responsibilities and future positions and the impact of this on effective decision-making.
- Maintaining business as usual while simultaneously implementing significant changes in the lead-up to the new unitary. Insufficient resources to manage convergence, transformation, and business as usual post-'Day 1' created difficulties in managing organisational expectations for the new council.
- Integrating staff from different councils with varying skills and expectations can be complex. The ideal cyber, digital, data and technology structure may not always be affordable, requiring compromises and adjustments.
- Restructuring based solely on convergence rather than future needs leading to misaligned structures and challenges in effectively delivering digital transformation. While there is a strong appetite for digital transformation in many councils, there is often a lack of capacity, capability and skills to deliver on ambition.
- Backfilling digital, data and technology roles to release capacity for desired changes, due to knowledge being held within individuals, making it difficult to release them from everyday work.
- Challenges in recruiting and retaining skilled staff due to competition from the private sector and neighbouring councils.
- Resistance to changes to familiar systems and processes, requiring careful change management. Lack of capacity for change management, and inadequate change communication and engagement strategies.

- Insufficient focus on educating the organisation about the importance of digital transformation.

What went well, the successes?

- Establishing a cohesive narrative and open communication channels.
- Focusing on user-centred design and collaborative approaches leading to improved service delivery.
- Restructuring enabled the formalisation of digital roles such as content and service design.
- Development of digital awareness and skills, use of digital champions across the council.

What advice would you give to other councils?

- Keep staff informed about the progress, challenges, and implications of the process to minimise uncertainty and anxiety.
- Recognise the emotional and psychological toll that restructuring can take on staff and provide adequate support, and ensure they feel valued and included in the process.
- Acknowledge and celebrate the achievements and contributions of staff throughout the process.
- Effective communication and stakeholder engagement are crucial for driving change.
- Implement effective change management strategies to address resistance and ensure smooth transitions to new solutions and ways of working for staff and users.
- Addressing the cultural, mindset and digital skills gaps is crucial for digital transformation.
- Separating digital and IT functions or customer service and transformation teams can be inefficient.

- The cyber, digital, data and technology (CDDaT) structure should be considered an ongoing evolution, adapting to changing needs and priorities.

Governance and Decision Making

What were the biggest challenges?

- Ensuring clear governance structures for business/service decisions impacting IT to facilitate decision making and reduce confusion about roles and responsibilities in the lead up and post 'Day 1'.
- Maintaining a consistent decision making pace to avoid implementation delays for vesting day. Slowdowns created additional pressures in delivering 'to time'. Balancing day-to-day operations with long-term transformation goals was a constant challenge requiring whole council governance and prioritisation effort.
- Documenting decision making relating to IT to enable positive discussion and challenge in the lead up to vesting day. A lack of documentation hindered understanding when considering future change.
- Challenges in managing application portfolios and consolidating software if the budgets and decision making were not centralised.

What went well, the successes?

- Bringing management teams together through in-person meetings and shared online platforms fostered a sense of unity and improved communication in the lead up to 'Day 1'.
- Including a discovery 'gate' in invest to save/funding initiatives can help to embed digital ways of working into the organisation.

What advice would you give to other councils?

- Effective governance structures are essential for managing complex projects and ensuring alignment with strategic goals.
- Establish clear lines of authority and decision making processes to avoid delays and conflicts.
- Maintain documentation of systems, processes, and dependencies to facilitate understanding and troubleshooting post vesting day.

- Governance for 'Day 2' is essential to maintain momentum.
- There is a need to upskill councillors, particularly with new administrations coming together, to ensure they have the digital literacy needed for effective governance in the digital age.

Planning and Implementation

What are the biggest challenges?

- A lack of advanced programme management capabilities in councils for large, complex change projects.
- Gathering a clear understanding of the technology/software assets in a council area, and any recent significant investments and savings plans related to technology use, to inform onward technology, service and financial planning.
- Inconsistencies in data management and operational processes across the different councils makes technology adoption harder. Increasing trends to 'adopt' pre-defined working processes in new systems make this a challenge across all organisations – though we observed that making multiple adaptations to solutions may increase the challenge.
- A lack of continuity between the drive of programme management to reach 'Day 1' versus achieving and prioritising ongoing convergence and transformation activity across the new council.
- Converging teams, policies and processes or establishing alternative data approaches, ahead of application decision making.
- Managing procurement and contract challenges and business as usual expiries as part of managing change.

What went well, the successes?

- The engagement of a delivery partner/s to work alongside to provide support, impartiality, and governance. However, it was highlighted that this support can come in many forms, and it is still for the council to 'own' and run the process.
- Existing shared service arrangements covering the same scope(s) as the new organisation facilitated a smoother transition. This was evidenced for central IT departments.

- Leveraging existing digital and technology skills, capabilities and modern systems in an area that can be expanded upon can facilitate quicker progress.
- Reviewing and harmonising contracts to align with procurement of new platforms and organise extensions where required.
- Using collaborative approaches (e.g., business canvas, user story ranking, MOSCOW, what good looks like and critical technology change impact assessment) to involve the organisation in the work that needs to be done and be clear about deliverables for 'Day 1'.

What advice would you give to other councils?

- Treat your plans as an 'asset' to be shared and discussed within the council – showing what will, and won't be ready by vesting day, maintaining clear records of intent for the core workstreams of the council, including overall governance.
- Establish guidelines for application decision making, options appraisals, and procurement to build trust and ensure consistency.
- Make informed decisions about investments in new systems and infrastructure, considering long-term needs, the cost of change and potential cost savings.
- Ensure that key data, such as active directory and HR information, is accurate and aligned to facilitate a smooth transition.

Cyber, Digital, Data and Technology

What are the biggest challenges?

Infrastructure and device

- Existing investments in on-premises data centres and legacy systems can hinder the adoption of cloud technologies and create integration challenges.
- Integrating disparate systems and infrastructure can be technically complex and require significant planning and coordination.
- Consolidating data centres in the cloud is a significant undertaking.
- Maintaining a consistent brand identity and user experience across different systems and platforms can be challenging, especially during the transition period.
- Managing multiple tenancies and migrating to a unified tenancy can be complex. The initial learning required to do so may take time.
- Ensuring staff have access to appropriate devices and standardised operating environments can be challenging, especially with varying levels of digital maturity and differing arrangements across merging councils (incl. Bring Your Own Device usage).

Software applications

- Divergence can lead to increased costs due to the need for duplicate systems, licenses, and support structures.
- Choosing which systems to retain or replace can be contentious, potentially leading to conflict between teams and departments. Deciding which applications to retain, replace, or converge can be complex and require careful consideration of user needs, costs, integration capabilities, contracts and technology strategy.
- Dealing with legacy systems, particularly those with limited integration capabilities, can be a major obstacle to digital transformation.

- Migrating data from multiple legacy systems can be complex, time-consuming, and prone to errors, particularly if data quality is poor. The greater the number of suppliers for an application across merging councils to converge (e.g., planning, revenues and benefits, housing) the more challenging.
- Misalignment of contract terms and lengths can pose challenges.
- Supplier capacity may be limited due to simultaneous LGR projects and existing market constraints.

Customer experience

- Integrating or migrating legacy websites and online services can be complex and time-consuming, requiring significant expertise and resources.
- Varying levels of digital maturity across merging councils can create challenges in harmonising online services and customer journeys.
- Prioritising 'getting things done' over strict adherence to service standards.

People and skills

- Siloed knowledge on existing systems, their technology and council information architecture.
- Limited resources and capacity hindering the pace and effectiveness of convergence and transformation efforts.
- Ensuring a smooth transfer of knowledge and expertise between diverging entities to maintain operational continuity.
- Insufficient procurement skills and capabilities limiting the organisation's ability to effectively evaluate and negotiate with suppliers.

What went well, key successes and benefits?

Infrastructure and device

- Shared infrastructure enabled the implementation of resilience and failover mechanisms in the network that weren't previously affordable by smaller councils.
- Device standardisation and modernisation were key opportunities.
- Enabling the existing technology infrastructure and digital capabilities of previous councils to be brought up to the same level of maturity, but LGR can detract from the innovation and digital progress being made.

Software applications

- The implementation and convergence onto a single content management system for the website for 'Day 1'.
- Rationalising existing Revenues and Benefits, Planning (including Building Control and Land Charges) and Housing systems into single systems for each service. This involved agreeing common processes, data migration, and either buying a new system or consolidating into one already existing.
- Taking a strategic approach to investing in cross-cutting platforms (ERP, CRM, data platform etc.), adopting and not adapting systems to the council's bespoke (legacy) business processes, and standardising and simplifying the IT infrastructure and platform estate. This enabled a more connected/less-siloed organisation in line with the desired Target Operating Model.

Customer experience

- Early wins, such as the implementation of a consolidated web front end for a seamless online experience, and the adoption of new digital solutions, built momentum.
- Successful implementation of a single customer service telephone number through collaboration between customer service leads and the digital team.

- Having an agreed digital vision and unifying purpose – such as a sector led and updated version of the [Service Standard](#) and the [Local Digital Declaration](#).
- There was the opportunity to use online services, Artificial Intelligence, automation and other technologies to improve customer service efficiency.

What advice would you give to other councils?

- Develop a clear ‘Day 1’ technology offer to present a consistent front end (as opposed to a totally integrated back end) to the public and staff for the council, encompassing email, website, finance, HR, intranet, electoral systems and telephony. Some councils noted this had been done within nine to 12 months.
- Develop a comprehensive plan for migrating, consolidating, or replacing IT systems to ensure compatibility and efficiency. Recognise that disaggregating services and systems is often more challenging than merging them, requiring careful planning and execution. Initiate planning for both convergence and divergence as early as possible to allow sufficient time for assessment, evaluation, and implementation.
- Explore opportunities for sharing systems, aligning data and technology standards and blueprints for implementation before the formal process begins.
- Recognise existing capabilities and systems that can be leveraged or expanded upon to facilitate convergence and enhance efficiency. Prioritise investments in core infrastructure and shared platforms, to facilitate collaboration and streamline operations.
- Managing contracts and avoiding long-term commitments during LGR is crucial. A dedicated resource for supplier, procurement and contract management is beneficial, especially when there are opportunities to aggregate requirements and optimise costs. Foster open communication and collaboration between stakeholders, IT teams, and suppliers to ensure alignment and minimise conflicts.

- Maintaining robust security and data governance across different platforms and systems is crucial, especially with the increasing use of cloud technologies and Artificial Intelligence.
- Clearly define ownership and control of assets and data to avoid conflicts and ensure smooth transitions.
- Learn from other 'lead service' and 'shared service' arrangements.
- Establish clear governance structures and communication channels to manage the divergence process and ensure ongoing collaboration between separated entities.

Infrastructure and device

- Existing product roadmaps are key considerations for decision making.
- Moving to a single tenancy can be complex and may be less flexible than federation. Evaluate the need for separate network infrastructure and tenancies, considering the potential benefits, costs and challenges associated with each approach.
- Establish robust identity management processes for starters, leavers and movers in the new council for a smooth transition.

Software applications

- Contract timelines are key considerations for decision making. Thoroughly assess current contracts and supplier relationships to identify potential challenges and opportunities for alignment, consolidation or renegotiation. Understand the implications of contract terms, novation, and waivers.
- Explore opportunities to use the LGR process to modernise legacy infrastructure or adopt new technologies such as cloud computing to reduce reliance on physical infrastructure.
- Establish a clear and objective process for evaluating and selecting the most effective technical solutions, in line with technical principles/strategy.

- Resource may be required to address data quality issues. Integrating and migrating data from multiple systems is a significant challenge and can take time, there is a need for archiving solutions to retain legacy data for performance reporting purposes.
- There is a need to agree common processes, policies, and working before moving to a single system. A pragmatic approach could be taken concentrating on cleansing the data in existing systems first and using Business Intelligence (BI) tools to bring data together while converging later.
- Use data sharing agreements to manage data boundary issues where data cannot easily be disaggregated to provide the legal basis for data being held about historic clients. Ensure the right people are making decisions about data e.g., business owners not IT.

Customer experience

- Branding and user experience are important for staff and resident buy-in. Prioritising the customer front door experience is essential as merging councils often have multiple websites, phone numbers, and customer service points, leading to a confusing and disjointed experience for residents.
- Legacy websites and systems are often initially hidden behind a new 'vener' website. This website and a telephone number were established as the primary point of contact providing a unified front door.
- Ensure a 'safe and legal' vesting day is enabled but verify and validate any assumptions that suggest this must imply minimal change and consolidation up to that point. Highly converged online offers provided greater flexibility and agility to support service convergence and transformation efforts.
- Ensuring uninterrupted online service delivery during the transition is crucial, requiring careful planning and execution.
- Implementing service standards can lead to more consistent service delivery across the new organisation, regardless of previous variations between merging councils. Achieving stable content foundations first is crucial.

- Recording decisions made outside of standards can provide valuable insights into constraints and reasoning and help to increase awareness of standards.

People and skills

- Document existing IT systems, contracts, and dependencies before staff turnover to avoid knowledge gaps and delays.
- Consider leveraging existing internal expertise and resources rather than relying solely on external consultants for work.
- Staffing and resourcing are key considerations for website development and maintenance.

Cost Considerations

Unexpected costs

- Increases in licensing costs were reported, due to adopting more scalable software and latest versions to offer greater resilience, security and the opportunity to modernise.
- Splitting existing larger systems can incur substantial costs, all options should be explored including the use of information sharing agreements.
- Unexpected costs arose from the need to fill resourcing gaps and bring in external consultants for programme management support.
- Unbudgeted IT costs emerged due to the need to remediate differences in IT solutions across councils and the loss of previous cost-saving strategies.
- Splitting or merging contracts often resulted in higher costs than anticipated.
- The need to archive old systems to retain access to data for reporting purposes and migrating data incurred expenses.

Anticipated costs

- The transformation budget for the new council was often insufficient with transformation funding identified in the business case being utilised to bring consistency to infrastructure and devices and all councils to the same level of infrastructure maturity.

Savings opportunities

- The extent to which application rationalisation will generate savings remains uncertain due to external factors.
- If there are multiple data centres and networks in an area migrating to the cloud, and opportunities to rationalise commodity software this could result in savings.
- Shared services can provide savings through the opportunity to purchase commodity items in volume to receive bulk discount (e.g., devices, monitors,

cables). Services such as Security Operating Centre and cyber security training can be more affordable at scale.

- Where councils retain separate systems in a shared service arrangement, savings are unlikely to be realised on licencing and support costs.

Risk Considerations

Articulating the significance of technology and cyber risks to senior stakeholders and the LGR delivery programme is essential.

Leadership and organisation

- There is a risk of becoming bogged down in the reorganisation and devolution process, leading to a loss of focus on long-term transformation goals. This can result in missed opportunities for innovation and improvement.

Technology and cyber risks

- Lack of proper documentation for existing IT systems and infrastructure can hinder understanding, integration, and troubleshooting efforts.
- Outdated hardware and software can pose risks to security, performance, and reliability.
- Complex interdependencies between systems can create challenges during migration and consolidation, potentially leading to disruptions or data loss.
- Neglecting cybersecurity during the transition when systems and networks are being integrated can leave both new and old organisations vulnerable to attacks and data breaches.
- Existing contracts may contain unfavourable terms or limitations that complicate the transition or incur unexpected costs.
- Migrating data from legacy systems to new platforms can be complex and take longer than anticipated.
- Integrating disparate systems and processes can be challenging, potentially leading to compatibility issues, data inconsistencies, or workflow disruptions

People and change

- The departure of experienced staff can lead to a loss of institutional knowledge and expertise, hindering the transition process and future operations.
- Even with staff retention, there may be gaps in understanding the reasons behind certain processes or configurations, leading to potential errors or inefficiencies.
- Resistance to change, both from staff and elected members, can slow down transformation and prevent the adoption of new technologies and ways of working.

Financial risks

- Unforeseen costs, such as those associated with licensing, system splitting, or data migration, can strain budgets and impact financial planning.

Data risks

- Protecting sensitive data and complying with the laws around it – particularly information sharing – are paramount throughout the LGR process.

Further Reading

[Briefing paper on local government reorganisation | CIPFA](#)

[Institute for Government and Grant Thornton Dual Delivery](#)

[The devolution and LG reorganisation hub | Local Government Association](#)

[SOLACE guidance on standing up an LGR implementation team](#)

Annex 1: Sector Support Needs

Local government restructuring is a complex and challenging process with opportunities to provide appropriate support and resources to help councils navigate the transition. The ideas below draw on the experiences and suggestions of individuals who contributed to our research.

Guidance and best practice

- A comprehensive framework outlining the key elements of transformation in the context of local government restructuring, including organisational design, strategy, and capability building.
- A checklist for the top layer of management to consider the success factors to deliver 'Day 1' and position an organisation for digital transformation during LGR.
- Real-world examples of successful district and county service integration, demonstrating the benefits and challenges of different approaches.
- Clear frameworks and guidelines for making critical decisions, particularly regarding technology selection and implementation.
- Support and resources to navigate the complexities of procurement, including requirements, options appraisals, soft market testing, templates, checklists, and best practices. Guidance to understand the implications of contract terms, novation, and waivers.
- Guidance on developing and implementing data sharing agreements between converging or diverging authorities, including templates and considerations for data security and privacy.
- Examples of realistic timelines and roadmaps used by other councils to provide a benchmark for planning and managing the transition.
- A comprehensive checklist of essential tasks and considerations to ensure systems and services are ready for launch on 'Day 1'.
- Templates and guidance for capturing technology assets, software, and contract information.

- Guidance for establishing effective governance.

Knowledge sharing and collaboration

- A network or forum for digital practitioners to connect, share experiences, and provide peer support during the restructuring process.
- Facilitated communities of interest, potentially hosted by organisations like the LGA, to enable knowledge sharing and collaboration on specific topics or challenges.
- Opportunities to connect with and learn from experienced individuals who have successfully navigated local government restructuring.

Decision making and facilitation

- Support for decision making to avoid conflict and maintain pace, particularly in areas like IT convergence. Access to skilled facilitators and mediators to help resolve disagreements and build consensus among stakeholders and suppliers.

Other support needs

- Facilitated sharing of IT policies/templates or establish a template library to use the opportunity to bring sector policies up to date.
- Tailored support for managing the cultural and organisational changes associated with restructuring – change capabilities and approaches.
- Help to create a unifying narrative for digital and change.
- Resources and training to enhance the digital skills and capabilities of staff and leaders.
- Workforce planning, talent retention, CDDaT structure design.
- Defining the skills and knowledge required of a digital, technology and change senior lead.
- High level of capability in enterprise architecture, programme management and procurement.

- Baseline digital and cyber maturity.

Annex 2: Our Approach

There were three parts to our research: desk research; a round table event; and a series of semi-structured interviews with council officers who had been involved in LGR from a cyber, digital, data and technology perspective. These activities ran between January and March 2025.

Our desk research

The desk research reviewed a total of 37 items including case studies of councils which had gone through LGR; interviews with senior officers, including at Chief Executive level, as well as blogs and other articles, reflecting on their experiences of the LGR process; business cases for reorganisation; and the reports of corporate peer challenges for councils after they had been through LGR.

Our questions

The interviews explored:

1. What were the biggest challenges?
2. What went well, any key benefits?
3. Cost considerations, impact on revenue?
4. What advice would you give to other councils?
5. What were the main risks that had to be actively managed?
6. Are there different considerations converging to diverging systems and infrastructure?
7. What type of support would have been helpful?
8. Did council governance, ambition, operating model help guide the IT/digital work?
9. How might we ensure our future systems/suppliers enable digital transformation?
10. Has it been an opportunity to implement standards: service standard, integration etc.
11. Is there potential for LGR to create a step change in digital maturity?

Considering these topics:

- Strategy and governance
- Infrastructure/device/identity management/data centre
- Legacy systems/systems integration/application convergence
- Data
- Website/online services/customer experience
- Compliance/risk
- Supplier management/contract management
- CDDT teams/structure
- Digital skills and capability

Our participants

We spoke with 18 officers in senior digital, technology or programme roles, and one Chief Executive Officer, who were involved in delivering LGR since 2019 across eight councils. We spoke with officers involved in the delivery of three shared services, as well as technology suppliers.

Out of scope

- Digital place
- Town councils
- Combined authorities
- Integrated working with Health

Annex 3: Questions Councils Are Asking

We interviewed officers and a Chief Executive without prior reorganisation experience to understand their initial questions. These are outlined below:

Leadership and organisation

- How does LGR impact existing council plans and priorities?
- What existing projects should be stopped or continued?
- What new initiatives should be prioritised, and work protected?
- How will LGR affect existing service delivery models?
- Should councils continue with planned operating model changes or wait for the new unitary authority?
- What are the implications for community engagement and co-design of services?

Digital transformation

- How will LGR impact existing digital transformation initiatives?
- What are the implications for planned savings and budgets?
- How can councils with varying levels of digital maturity align their strategies?
- Should investment in digital roles and capacity building continue during the transition?
- How can case studies and success stories be used to inform decision making?

People and change

- What are the implications of LGR for staffing levels and structures?
- What are the potential challenges with staff morale and retention during the transition?
- How can skills gaps be addressed, and knowledge transfer facilitated?

- How can councils collaborate effectively during the LGR process?

Planning and implementation

- What does 'being ready' for LGR entail?
- How can councils effectively manage the transition to a new unitary authority?
- What is the expected timeline for completing the LGR process?
- How can councils ensure continuity of service during the transition?



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