

Local digital leaders must connect devolution and deliver reorganisation benefits, Localis study advises

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- New Localis report suggests that new English unitary councils, created from the Local Government Reorganisation programme, must prioritise digital systems integration to ensure residents receive better quality public services.
- Successful transformation means treating the integration process as a combined social and technical challenge – with a focus on standardising processes and data across organisational boundaries rather than a mere IT system replacement or contract renewal.
- We are at a critical moment and well managed integration which combines empowered digital leadership, disciplined commercial strategy and realistic multi-year timelines can help achieve promised efficiencies – but failure to do so will derail public service reform and frustrate the devolution agenda.

Local digital leaders must connect devolution and deliver reorganisation benefits, Localis study advises

Newly-created English unitary councils should give digital leaders a seat at the top table for council decision-making to deliver the dividends of local government reorganisation – or risk derailing the agenda for devolution and public service reform, a study published today by the think-tank Localis has argued.

Commissioned by global Software as a Service (SaaS) company TechnologyOne, the new Localis report entitled “**Connected devolution: - digital systems for successful, holistic reorganisation**” makes a series of policy recommendations to central government, strategic combined authorities as well as existing and new local unitary councils, on how to deliver a digital devolution dividend from the overhaul of local government structures.

According to Localis, the policy goal of creating fewer and larger councils is a social as well as structural challenge for local government in seeking to secure a safe and legally compliant ‘day one’ for the councils forged from local government reorganisation.

Among the key findings uncovered in the ‘Connected Devolution’ study, Localis found:

- **Sub-optimal digital readiness at the local level.** The aggregate digital readiness of English local government is held back by pervasive legacy dependency, fragmentation, supplier lock-in, and constrained finances. While national digital ‘rails’ provide useful precedents, they are fundamentally incomplete for the comprehensive integration demands of LGR.
- **Capacity as the binding constraint.** The overarching limiting factor is organisational capacity, with only approximately two percent of local authority headcount in digital/data-adjacent roles, significantly frustrating LGR systems integration. This necessitates ring-fenced skills funding and professionalisation against frameworks like the Government Digital and Data Profession Capability Framework.
- **The central role of governance and leadership.** LGR outcomes hinge on the new operating model and how decision-making powers are allocated across the merging entities. Leaders must align political and executive sponsors behind an interface-first vision and adopt a ‘rails-first, interface-led’ strategy to guide convergence. Effective governance must embed cyber and data ethics from the outset.
- **The potential of data integration for prevention.** Integrated services become deliverable when data from multiple independent organisations is consolidated into a single, jointly governed analytics “spine”. This is necessary to enable truly preventative services and complex cross-agency care planning.
- **The importance of commercial strategy and risk mitigation.** New strategic authorities can leverage their aggregated demand to overcome legacy supplier lock-in and fragmented purchasing. Commercial strategy must actively reduce legacy risk by mandating exit plans, ensuring data portability in open formats, and requiring open, documented API access without prohibitive fees.
- **Collaboration as the operating context.** Regional collaboration is no longer optional but must be the fundamental operating context for LGR success, utilizing archetypes like networked administrative organisations or community product consortia to pool expertise and standardise

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assets across local boundaries.

Report author and Localis senior researcher, Callin McLinden, said: “LGR and the wider push towards a new map of devolution represents a critical moment: if digital systems integration is approached correctly, with realistic multi-year timelines, empowered digital leadership, and disciplined commercial strategy, new local and strategic authorities can solidify their resilience and achieve the promised efficiencies.

Otherwise, the fragmentation and cost of legacy systems will simply be rearranged, leading to the under-cooked delivery of public service reform, with the negative potential to undermine and frustrate the devolution agenda and the future of local government thereafter.”

Emma Foy, Local Government Lead, TechonologyOne said: “This report underlines what we see every day working with councils across the country: digital foundations determine the success or failure of reorganisation. The authorities that standardise on modern, interoperable cloud platforms, rather than trying to stitch together legacy systems, are the ones best placed to deliver real savings, resilience and better services.

“TechnologyOne has supported many councils through this kind of transformation, and we know that with the right digital leadership and the right technology choices, new unitaries can move quickly, reduce risk and build services that are truly future-proof.”

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Notes to Editors:

1. 1. **An advance copy of the report is available for [download](#)**

1. 2. **About Localis**

Localis is an independent think-tank dedicated to issues related to politics, public service reform and localism. We carry out innovative research, hold events and facilitate an ever-growing network of members to stimulate and challenge the current orthodoxy of the governance of the UK.

www.localis.org.uk

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1. 3. **Recommendations**

To realise the promised gains from LGR in the productivity, resilience, and public value generation of local authorities, digital systems integration must be approached as 'socio-technical' reform, focusing on standardising processes and data across organisational boundaries rather than isolated technology replacement. New authorities must adopt a staged convergence strategy that sets enterprise guardrails immediately and focuses on stabilising and converging the corporate core. Concurrently, authorities must seek to combat the fundamental capacity constraints by upskilling staff across the organisation and creating boundary-spanning roles to overcome siloed working.

Commercially, authorities must leverage their increased aggregate demand to actively reduce legacy risk by applying spending controls to enforce an approach of 'configuration over customisation', mandating open standards and hardwiring portability into contracts. Ultimately, programmes must be underpinned by a disciplined benefits framework that measures outcomes across transactional productivity, allocative efficiency, and public value, ensuring that integration establishes high-quality digital routes that deliver parity of outcomes for citizens who cannot or will not engage online.

Central government

Central government's role in facilitating successful integration can be broken down into its function as the ultimate arbiter of LGR bids, its fundamental role in supporting local capacity and its broad influencing power in setting standards and influencing the market for public service provision.

Appraising and evaluating LGR plans

- In coming waves of LGR, government should embed 'rails-first', interface-led governance requirements for LGR into its guidance for and appraisal of options.
- This should involve mandating cybersecurity and data ethics governance policies as core components of bids.
- It is also important to make multi-dimensional public value (not just cash savings) the formal test for LGR digital integration.
- Digital inclusion and affordability should be treated as structural conditions of public value, not bolt-on social policy.
- Government should also support the inclusion of digital leadership at the executive tier in emerging new unitary authorities.
- To shore up resilience in new authorities, government should mandate **resolution planning, supplier health monitoring, and continuity provisions** as standard for local authorities across LGR footprints.

Investing in capacity

- Government should provide revenue support for councils to invest in onboarding capacity, not just platforms themselves.
- As part of the local government reorganisation process, government should **underwrite multi-year convergence funding tied to staged milestones**.
- Following on from the policy commitment to develop regional data centres, government should look to **establish regional centres for the development of training and capacity at local authority level**.

Standard setting and market shaping

- Government should formalise the use of the Government Digital and Data Profession Capability Framework as a mandatory requirement of local governance.
- Building on this, government should publish and maintain a national reference architecture for local government core systems.
- Government should make use of procurement policy notes to set a national commercial baseline for new local authority digital procurement that hardwires portability, open standards and exit rights into contracts.
- It would also be constructive to issue sector-wide AI procurement and assurance expectations.
- To help drive preventative public services, government should incentivise the use of shared intelligence infrastructure across the local state.

Strategic authorities

For strategic authorities, both newly minted and well-established, there is an opportunity to increase the coherence, capacity and overall buying power of local government by providing a locus for scaled-up subregional activity.

- Strategic authorities can help to address the capacity gap by acting at the subregional level to professionalise roles, create boundary-spanning posts, and work with suppliers and training providers to develop skills pathways.
- Strategic authorities should seek to coordinate collective bargaining and leverage to attempt to reset market dynamics around openness and portability.
- As democratically-mandated bodies, strategic authorities can also **broker inter-organisational federation beyond local government boundaries**, including NHS partners, housing bodies and other arms of the local state.

Councils & partnerships

As the primary institutional actors, local authorities can do much to contribute to socio-technical transformation, even in a context of severely restricted capacity. The following recommendations cover best practice for new unitary authorities and general recommendations for councils across the country drawn from the research presented in this report.

First principles for new unitary authorities

- Newly-vested authorities should embed cybersecurity and data ethics assurance in core governance from day zero.
- As part of this, new unitaries should publish, maintain and enforce a one-page decision rights matrix for digital integration.
- New unitaries should ensure that digital leaders within councils are made part of cabinet-level and chief executive-level decision-making for LGR.
- This is crucial for ensuring that digital leadership is seen as whole-systems stewardship, not individual heroics, with senior digital leaders given a commensurate mandate.
- Councils should also produce a single, shared contract map before vesting, and use it to plan novation and exits.
- Unitarisation also presents an opportunity to drive early consolidation of corporate core systems through a disciplined principle of 'adopt-not-adapt', then iterate.

Procurement

- For local authorities, the overarching principle of digital transformation should be to **treat procurement as portfolio stewardship beyond contract-to-contract decision-making**.
- Practically speaking, this means councils should bake portability, security, continuous improvement and transparency into every major contract, using standard schedules by default.
- It is also crucial that councils implement supplier health and resolution planning up front
- In a rapidly changing landscape, councils should **govern AI and advanced analytics as part of mainstream commercial assurance**, rather than in the manner of experimental side projects.
- Councils must **own the benefits management of digital procurement**, and ensure they tell the story in a way that is meaningful to residents.

Inclusion and accessibility

- Across the piece of digital transformation, inclusion and assisted access must be core principles of a safe service.
- Local authorities should seek to treat digital integration as a public-facing reform, not just an internal technical migration.
- Building on this, councils should seek to embed ethical transparency and resident legitimacy into programme governance.

Creating sector-wide efficiency

- Across the local government sector, it is important that councils follow the **adopt-not-adapt principle for core ERP and line-of-business platforms**.
- Councils should plug into national/regional registers and services wherever they exist, instead of rebuilding core reference data locally.
- Looking ahead to future LGR, councils should also collaborate horizontally with neighbouring authorities to standardise interfaces and workflows.

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