



# Local Government Reorganisation:

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Key Challenges and Solutions | March 2026

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# Introduction

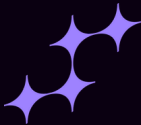
Local Government Reorganisation (LGR) is reshaping local authorities across England, and for most councils it's a mix of real opportunity and real pressure. Bringing together several district and county councils into a single unitary authority is a big deal, it's not just a structural change on paper. It touches how services get delivered, how data is handled, how teams collaborate, and how well the technology holds up through it all.

This is a large-scale transformation. Expect significant IT consolidation, complex operational change, and the kind of rigorous scrutiny you'd see in a merger or acquisition.

At the heart of all of it is citizen experience. People rely on their local council for an enormous range of services, from vital social care and education through to something as routine as bin collection. Unlike a corporate merger where disruption might frustrate customers, a poorly managed LGR can have a real impact on people's lives. Continuity isn't just a technical requirement, it's a public duty.

We've helped organisations navigate similar transitions in heavily regulated sectors, particularly across the insurance market, where keeping operations running, protecting sensitive data, meeting regulatory expectations, and merging complex systems is just part of the job. LGR brings many of the same headaches, just in a public sector context where the stakes for the people you serve are that much higher.

This paper covers what to expect, what usually goes well, where the risks tend to hide, and how councils can get through LGR with confidence



# The Biggest LGR Barriers, and How to Get Past Them

LGR throws a lot at you all at once. Getting ahead of the biggest challenges early, and having a clear plan to address them, makes a real difference.

## 1 Identity & Access: Making Sure People Can Actually Work from Day One

**The challenge:** Multiple directories, duplicate or mismatched accounts, legacy trust relationships, and inconsistent permissions. It slows everyone down and creates unnecessary security risk.

**What good looks like:**

- A single, reliable identity backbone (Azure AD / Microsoft Entra) with a sensible coexistence period
- Clear role-based access controls with solid join, move, leave processes
- MFA and conditional access locked in from Day 1

**Practical tip:** Pin down your Day 1 essentials, email, collaboration tools, payroll, social care systems, and make sure access to those works first. Then tackle the wider consolidation in phases.

## 2 Data: Bringing Information Together Without Creating a Mess

**The challenge:** Data is scattered everywhere, case management, finance, HR, line-of-business systems, shared drives, MGSS, archives, paper records. And GDPR, FOI and safeguarding obligations don't pause for reorganisation.

**What good looks like:**

- Early data discovery and profiling so you know what you're dealing with
- A unified retention schedule agreed across all the former councils
- Migration runbooks with proper verification checkpoints and rollback options

**Practical tip:** Don't migrate data just because it exists. LGR is a genuine chance to clean house on information governance across the new council.

## 3 Applications: Cutting Down Without Cutting Services

**The challenge:** Most councils end up with overlapping systems, housing, revenues & benefits, social care, waste, planning, CRM, finance, HR, often from different suppliers with different contracts.

**What good looks like:**

- A business capability map focused on outcomes, not just which system does what
- Early calls on what to consolidate, keep in parallel, or procure
- A clear supplier strategy that covers novation and licence rationalisation

**Practical tip:** Use lightweight integration layers (APIs, data exchange hubs) to keep services stable while you work through the bigger decisions, without locking yourself into long-term technical debt.

## 4 Cybersecurity: Locking Down the New Perimeter Quickly

**The challenge:** LGR expands your attack surface. Patch levels vary between councils, admin rights are inconsistent, and some legacy infrastructure simply isn't fit for purpose anymore.

**What good looks like:**

- A shared cyber baseline aligned to NCSC and CIG standards
- Zero Trust principles applied across identity, devices and data
- Consistent logging, monitoring and incident response from the start

**Practical tip:** Focus on identity and endpoint hardening first, it gives you the biggest security gains for the effort involved.

## 5 People & Ways of Working: Helping Staff Through the Change

**The challenge:** Different cultures, different processes, different expectations across former councils. This is often where integration slows down most.

**What good looks like:**

- Clear, honest communication about what's changing and when
- Day 1 playbooks that frontline teams can actually use
- Hands-on support for MGSS and line-of-business systems adoption

**Practical tip:** Track how staff are adapting just as closely as you track technical milestones. Both matter, and in local authority programmes, the people side is often what makes or breaks it.



# What You Can Start Doing Now

Some activities drawn from our experience of complex integrations across public and regulated sectors:



## Governance & Pace

- Get a single programme board in place with clear decision rights
- Define your Day 1, Stabilise and Optimise phases
- Prioritise identity, core apps and critical data first, using a risk-based backlog



## Commercial & Vendors

- Get your vendor rationalisation plan in motion early
- Track licence usage to avoid surprise costs
- Set consistent security requirements across all suppliers



## Data & Records

- One retention schedule, one policy set, one RACI
- Named information asset owners
- DPIAs embedded early, not bolted on afterwards



## Outover & Continuity

- Build and rehearse runbooks, don't just write them
- Run a 24/7 war room for major change events
- Put structured hyper care in place with clear service level metrics



## Architecture & Delivery

- Build a practical target operating model with clear architecture guardrails
- Plan a coexistence architecture that'll hold for 6 to 18 months
- Keep design, build, assurance and cutover separate

## Common Pitfalls



- Trying to consolidate everything at the same time
- Migrating poor quality or low-value data
- Letting vendors drive your roadmap
- Underestimating how much adoption effort is actually needed
- Losing sight of licence and cost changes as things shift

# Our Experience Delivering Complex Change

Our background in highly regulated markets gives us a solid foundation for local government transformation, council mergers, and large-scale digital and IT consolidation programmes.

- ◆ **Experience under heavy regulation.** Our M&A and post-merger integration work in the UK insurance market involves the same kind of assurance you need in LGR: service continuity, customer protection and full auditability.
- ◆ **We understand the scale and the nuance.** Public sector services come with statutory duties and real operational constraints. We design for the real world.
- ◆ **Proven, reusable frameworks.** Integration playbooks, migration frameworks, identity cutover methods and supplier rationalisation patterns, all tested at scale.
- ◆ **Outcomes first, tech agnostic.** Microsoft, AWS, SAP, Oracle, Salesforce, Civica, NEC, Unifi, Northgate, we work with whatever you've already got.

We work hard to make sure the operating models and architecture we develop with councils aren't just technically sound, they're aligned with the direction of travel nationally. Stellarmann has been actively engaging with GDS Local and the Local Government Association to understand the specific risks that LGR presents and what good looks like across the country. That means the frameworks and approaches we bring to your programme reflect current best practice thinking, and give your new authority the strongest possible foundation from day one.



# Ready to Talk About Your LGR Programme?

If your council is gearing up for LGR, or already in the early stages, Stellarmann can help you reduce risk, keep services running, and build something that actually lasts across the new authority.

As an SME, we work differently to the large consultancies. We're a flexible, collaborative partner who takes the time to understand your specific situation rather than applying a one-size-fits-all approach. You'll work directly with experienced people throughout, not a senior team who hand things over to juniors once the contract is signed. We structure our engagements around clear milestones, so delivery stays on track, progress is visible, and you're always clear on what's been achieved and what comes next. No runaway timelines, no scope creep, just steady progress towards outcomes that matter.

If you'd like to talk through where you are and how we can help, contact:



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