

Why Every Local Authority Needs a Data Strategy Before Buying AI

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Introduction

Artificial Intelligence has become one of the biggest priorities for UK public sector organisations. Government strategy encourages responsible adoption, vendors promise efficiency gains, and councils are under real pressure to deliver more with fewer resources. Yet many local authorities are approaching AI in the wrong order — buying a solution first and working out how to use it later.

Unfortunately, this approach rarely succeeds. The reality is that **AI is only as good as the data that powers it.** Without accurate, trusted, governed and integrated data, even the most sophisticated AI platform becomes little more than an expensive reporting tool.

Before investing thousands — or even millions — of pounds in AI technologies, every local authority should first develop a comprehensive data strategy. In 2025, UK Government guidance, the AI Playbook for Government, the Local Government Association (LGA) and the London Office of Technology and Innovation (LOTI) all pointed in the same direction: responsible AI begins with strong governance, high-quality data and clearly defined organisational objectives — not technology procurement.

SECTION 02

The AI buying frenzy

Across the UK, councils are exploring AI for customer service chatbots, adult social care planning, housing allocation, planning applications, environmental monitoring, waste management, highways inspections, financial forecasting, fraud detection, document summarisation and HR automation.

Technology vendors often demonstrate impressive pilots that appear capable of solving long-standing operational challenges. However, the demonstration usually assumes something most councils do not yet possess: **clean, integrated and governed data**.

SECTION 03

The hidden problem: poor data

Most local authorities manage hundreds of separate datasets — Council Tax, Housing, Electoral Register, Planning, Highways, GIS, Social Care, Finance, Procurement, Environmental Health, CRM, Waste Collection and Licensing among them. These systems often don't communicate with one another, contain duplicated information, use inconsistent identifiers, have incomplete records, and lack clear ownership.

When AI is introduced into this environment, it simply learns from poor-quality information. The result is predictable: **poor data produces poor AI**.

AI does not fix data problems

A common misconception is that AI can automatically solve data quality issues. It cannot. AI may identify anomalies or suggest corrections, but it cannot determine which dataset is authoritative, whether a missing record is genuine, whether two citizens are the same individual, or whether outdated records should be archived. These are governance questions — not AI problems.

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Why data strategy comes first

A modern data strategy answers fundamental organisational questions before any AI procurement begins.

What data do we own? Many councils cannot produce a complete inventory of their own data assets. Without that, AI implementation becomes guesswork.

Who owns each dataset? Every critical dataset needs a data owner, steward, business lead and technical custodian. Without accountability, quality gradually deteriorates.

How good is our data? Completeness, accuracy, consistency, timeliness, uniqueness and validity should be measured as ongoing organisational KPIs, not checked only during audits.

Can systems share information? An AI assistant can't generate meaningful insight if planning data can't talk to finance, GIS or environmental services. Interoperability is essential.

Are we legally compliant? Local authorities process highly sensitive personal information, so a data strategy needs to cover UK GDPR, the Data Protection Act 2018, retention schedules, security classifications, access controls, audit trails and the ethical use of AI. The LGA's 2025 guidance — co-developed with LOTI, the ICO and the EHRC — recommends building equality, transparency and data protection into AI procurement from the outset.

SECTION 06

AI needs trusted data

Modern AI models perform best on information that is structured, labelled, standardised, regularly updated, governed and secure. Without those characteristics, AI becomes inconsistent — and instead of supporting decisions, it creates uncertainty.

SECTION 07

The financial risk of buying AI too early

AI platforms are expensive once licences, implementation, cloud hosting, integrations, consultancy, training and ongoing maintenance are all counted. If data quality issues surface after procurement, councils typically end up spending additional budget on data cleansing, system integration, migration and governance programmes — in effect, paying twice. A robust data strategy reduces this risk by making sure the investment sits on reliable foundations from the start.

SECTION 08

Better decisions require better data

AI doesn't create knowledge — it identifies patterns within existing information. If environmental inspection records are incomplete, predictive AI can't reliably forecast pollution risk. If housing records contain duplicate residents, AI can't accurately predict demand. If procurement data is inconsistent, AI can't spot genuine value-for-money opportunities. The intelligence is only ever as reliable as the data behind it.

SECTION 09

Public trust depends on good governance

Local authorities make decisions that directly affect citizens — housing eligibility, benefits, safeguarding, environmental enforcement, planning and licensing among them. If AI recommendations can't be explained or audited, public trust can be undermined. The UK Government's AI Playbook is explicit that AI adoption should include governance, transparency, human oversight and accountability from the beginning.

SECTION 10

Data strategy supports better procurement

A good data strategy changes the questions councils ask suppliers — moving from "can your AI platform do predictive analytics?" toward questions about data-architecture fit, supported standards, transparency, audit logging and independent verification of outputs. These questions lead to more informed purchasing decisions and reduce the risk of vendor lock-in; the specific set of questions worth asking depends on the use case, and is something we typically help clients work through directly.

SECTION 11

Preparing for the future

The future of local government isn't simply AI — it's **data-driven decision intelligence**, spanning digital twins, predictive analytics, machine learning, generative AI, environmental intelligence, real-time dashboards and scenario modelling. Every one of these depends on the same foundation: high-quality data. The LGA's 2025 State of the Sector survey found data availability and quality to be one of the top barriers councils report to AI deployment — reinforcing that this is where the real work needs to happen first.

A practical roadmap for local authorities

Before purchasing AI, councils should work through a clear sequence: build an enterprise-wide data strategy aligned to organisational priorities, assess current data quality and governance maturity, establish clear ownership and stewardship, improve interoperability through common standards, and only then procure AI once the data foundation is demonstrably ready. The detailed shape of that roadmap — what to prioritise first and how to sequence it — depends heavily on an individual council's starting point, systems and objectives.

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Conclusion

Artificial Intelligence offers significant opportunities for local government. It can streamline administrative work, improve citizen services, support evidence-based policy, and help councils respond to increasing financial pressures.

However, AI is not a shortcut around poor data management. Councils that invest first in data governance, quality, integration and strategy will be better positioned to deploy AI responsibly, achieve sustainable returns on investment and maintain public trust.

The question for local authority leaders is therefore not **"Which AI platform should we buy?"** It is **"Is our data ready for AI?"** For most councils, answering that question honestly is the first and most important step towards successful digital transformation.

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