ECONOMY AND RESOURCES SCRUTINY COMMITTEE
3 April 2025

ARTIFICIAL INTELLIGENCE

SUMMARY REPORT

Purpose of the Report

1. To provide scrutiny with an overview of the progress being made by the Council for the assessment and adoption of artificial intelligence.

Summary

2. The development of artificial intelligence (AI) started in the 1950's, and it is only during recent years that is has become integrated in society and industry more broadly, initially through technologies such as Alexa and Siri, but more recently through Chat GPT and Microsoft Co-Pilot, which themselves continue to evolve.

3. Adoption of AI by organisations is growing as the technology continues to rapidly develop, but for many including councils the application of it is still in its infancy. It has the potential to offer opportunities for improved productivity and efficiencies but in many cases the benefits are currently unproven. For local authorities there has been much focus on using AI for advanced task automation, content generation, and predictive modelling. The cost of AI technology can be high, and implementation can require significant work to create the required ICT environment. The assessment and application of AI within Darlington Borough Council is a work stream within the Digital Darlington Strategy, with the aim of establishing an Artificial Intelligence Strategy.

4. There is currently no specific UK legislation governing the use of AI, instead there is a reliance on existing laws and regulations relating to things like data protection, intellectual property, and the Equality Act.

Recommendation

5. It is recommended that :-

    (a) It is recommended the members note the content of the report and offer feedback that could help inform the content of the council's Artificial Intelligence Strategy.

Neil Bowerbank
Head of Strategy, Performance and Communications

Background Papers

1. Digital Darlington Strategy

Neil Bowerbank : Extension 6052

Council Plan	Has the potential to support the principle of effective and efficient use of resources.
Addressing inequalities	Potential use for data analysis and predictive modelling.
Tackling Climate Change	Potential use for data analysis and predictive modelling.
Efficient and effective use of resources	Has the potential to support the principle of effective and efficient use of resources.
Health and Wellbeing	Potential use for data analysis and predictive modelling.
S17 Crime and Disorder	Potential use for data analysis and predictive modelling.
Wards Affected	N/A
Groups Affected	N/A
Budget and Policy Framework	N/A
Key Decision	No
Urgent Decision	No
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

MAIN REPORT

Information and Analysis

6. Our aim is to establish an Artificial Intelligence Strategy for Darlington Borough Council by Autumn 2025. Work is ongoing and four main themes are starting to emerge.
    (a) Establishing clear governance
    (b) Building the infrastructure to enable use of artificial intelligence
    (c) Identifying opportunities to integrate AI into services
    (d) Developing staff skills to get the most from AI.

7. To inform the development of the strategy we are gathering information from a broad range of sources. We are members of the LGA Artificial Intelligence Practitioners Group which involves sharing knowledge and learning from work being done by other local authorities. We are working closely with our main ICT system suppliers to understand their development roadmaps and where AI might play a role. Webinars discussing AI and how it can be used are now commonplace and are providing useful insights from across a range of sectors. We are engaged with Microsoft to learn how to make the most of our Co-Pilot licenses. In March 2025 we were selected to be part of a pilot program for an AI tool called MINUTE that has been developed by a government department.

8. In October 2024, three officers embarked on an 18 month Level 4 Business Analyst apprenticeship which focuses on the application of AI within local government. As they develop their skills and knowledge the officers will help with the creation of the Artificial Intelligence Strategy, and will identify opportunities for the application of AI within the council.

9. At the time of writing this report, there was no specific UK legislation governing the use of AI. The focus proposed by the previous government was to rely on existing laws and regulations relating to things like data protection, intellectual property, and the Equality Act. This position requires the council to interpret existing legislation and determine how best to apply it. The Government has defined ten common principes to guide the safe, responsible and effective use of generative AI in government organisations and these may form the basis of our approach.

(a) You know what generative AI is and what its limitations
(b) You use generative AI lawfully, ethically and responsibly
(c) You know how to keep generative AI tools secure
(d) You have meaningful human control at the right stage
(e) You understand how to manage the full generative AI lifecycle
(f) You use the right tool for the job
(g) You are open and collaborative
(h) You work with commercial colleagues from the start
(i) You have the skills and expertise needed to build and use generative AI
(j) You use these principles alongside your organisation's policies and have the right assurance in place

10. It is very important we get the right governance arrangements in place as we have a legal responsibility for the data we hold and how it is used. We need to know how the AI application is using / processing the data, who has access to it, where it is being stored, and how long for.

11. Co-Pilot is an AI tool provided by Microsoft, and the council has licenses to use it. The capabilities offered by this application are growing particularly in relation to data analysis and document creation. To maximise the benefits it offers, information held by the council needs to be in a structured and clean format, and stored in a location where Co-Pilot can access it. An 18 month project commenced in September 2024 that involves a systematic approach to support services in migrating their documents, and to support staff in understanding the new ways of working.

12. Opportunities to use AI and help the council be more efficient and productive are starting to emerge. Once clear governance arrangements have been established the council is seeking to maximise the benefits AI can offer where there is a clear business case. The Co-Pilot licenses already held by the council offer an increasing suite of opportunities. A working group has been established and is testing Co-Pilot across a range of activities such as minute taking, data analysis and content creation. Over time we anticipate it will be used for many other activities such as translations and predictive modelling. Learning is being shared across the council and is already helping to inform programmes and work streams within several transformation programmes.

13. The council has over 17 corporate ICT systems that offer functionality to support services ranging from waste collection through to children's social care. Many system suppliers are already developing AI modules and as they are released, we will consider if the opportunities they offer are worth the investment. Due to the competitive environment in which the suppliers operate, timeframes for product releases are usually shared at short notice making it difficult for us to plan when new opportunities will emerge. Where AI modules have already been developed, suppliers are pushing hard to sell them. Our

approach for now is not to be an early adopter of the technology unless there is a low risk and low cost opportunity to explore. This is because of the high level of uncertainty around the risks and benefits it will bring, especially within early releases. We are also mindful that AI is continuing to evolve and over time there may be solutions that integrate with multiple systems, reducing the need to buy so many modules and providing opportunities for much richer AI content. Our Artificial Intelligence Strategy will aim to establish a framework to help consider the options when they emerge.

14. It is likely that AI will become a tool commonly used by staff in future years. To maximise the benefits AI offers and to ensure it is used correctly, staff training is likely to be needed. As AI continues to evolve so will its ease of use. It is likely the challenges people currently face with some AI applications, in particular the writing of prompts will become easier to do. The fourth theme emerging within the draft Artificial Intelligence Strategy will focus on helping staff to develop the skills needed to use AI.

Neil Bowerbank
Head of Strategy, Performance and Communications