



|                            |   |
|----------------------------|---|
| Council name               | <b>COTSWOLD DISTRICT COUNCIL</b>  |
| Name and date of Committee | <b>CABINET – 16 APRIL 2026</b>  |
| Subject                    | <b>ARTIFICIAL INTELLIGENCE POLICY &amp; ADOPTION STRATEGY</b>   |
| Wards affected             | All   |
| Accountable member         | Mike McKeown - Cabinet Member for Climate Change and Digital<br>Email: <a href="mailto:Mike.McKeown@cotswold.gov.uk">Mike.McKeown@cotswold.gov.uk</a>   |
| Accountable officer        | John Chorlton – Chief Technology Officer, Publica<br>Email: <a href="mailto:Democratic@Cotswold.gov.uk">Democratic@Cotswold.gov.uk</a>  |
| Report author              | John Chorlton - Chief Technology Officer, Publica<br>Email: <a href="mailto:Democratic@Cotswold.gov.uk">Democratic@Cotswold.gov.uk</a>  |
| Summary/Purpose            | The purpose of the report is to consider a strategy for the adoption of Artificial Intelligence (AI) across council services that protects residents and service users whilst enabling them to access the benefits that AI can offer. The report also recommends the adoption of a policy to guide use of AI for employees and councillors. |
| Annexes                    | Annex A – AI Usage Policy<br>Annex B – AI Adoption Strategy   |
| Recommendation(s)          | That Cabinet resolves to:<br><ol style="list-style-type: none"><li>1. Approve the AI Usage Policy at Annex A</li><li>2. Approve the AI Adoption Strategy and Roadmap at Annex B</li></ol>   |
| Corporate priorities       | <ul style="list-style-type: none"><li>• Preparing for the Future</li><li>• Delivering Good Services</li></ul>   |
| Key Decision               | YES   |
| Exempt                     | NO  |



**COTSWOLD**

District Council

|                             |                           |
|-----------------------------|---------------------------|
| Consultees/<br>Consultation | Corporate Management Team |
|-----------------------------|---------------------------|



## 1. **EXECUTIVE SUMMARY**

- 1.1. This report sets out a strategy to manage the adoption of Artificial Intelligence (AI) across Cotswold District Council and its key delivery partners.
- 1.2. The strategy will ensure that appropriate safeguards are built into all AI development activity so that the interests of residents and businesses are safeguarded whilst benefiting from the advantages AI can bring.
- 1.3. The strategy sets out the strategic objectives for the adoption of AI in the council's workflows and provides an action plan that will ensure that appropriate governance mechanisms are developed and adhered to.
- 1.4. Appropriate human oversight is a key element of the responsible implementation of AI and the strategy sets out the principles for how this will be applied.
- 1.5. Recommendations are made to adopt the strategy, action plan and policy document to enable the council to make appropriate safe, business led decisions that will enhance service delivery and improve value for money.

## 2. **BACKGROUND**

- 2.1. Artificial intelligence (AI) is becoming a core part of how modern councils operate. Used well, it can help deliver clearer communication, faster responses, better access to information and improved consistency across services. It can also reduce pressure on staff by automating repetitive tasks, supporting complex case work, and enabling officers to focus on the human elements of public service that matter most.
- 2.2. However, like any change, AI also brings challenges and concerns – in this case for residents, businesses and employees. Strong governance is essential to ensure that artificial intelligence is used safely, transparently and responsibly across the council's activities. Governance provides clarity for officers and councillors, builds public trust, and ensures that AI adoption aligns with both the council's ambitions and legal duties.



- 2.3. It is clear from the wider economy that the implementation of AI in business processes can be an expensive and time-consuming enterprise. Evaluating the benefits of artificial intelligence is essential, therefore, for ensuring responsible adoption, maintaining public trust and supporting continuous improvement. The council will measure value in ways that reflect the needs of residents, the experience of officers and the strategic priorities of the organisation, including preparation for Local Government Reorganisation (LGR).
- 2.4. This adoption of a strategy and associated policy will enable the council to safely, confidently and proactively adopt artificial intelligence to improve services for residents and local businesses, support our workforce, and strengthen the council's long-term resilience ahead of Local Government Reorganisation (LGR) in 2028.
- 2.5. The AI Strategy sets out **how the council will adopt and apply AI** to improve services, increase productivity, support officers and deliver better outcomes for residents, businesses and community organisations.
- 2.6. The AI Policy sets out the **rules, boundaries and mandatory requirements** for the council's use of artificial intelligence.
- 2.7. It is critical that we make it clear when AI is being used to generate information responses and also that where decisions are made that these will be made via human intervention.

### 3. **DEVELOPING AN APPROACH TO AI DEPLOYMENT**

- 3.1. Uncontrolled roll out or 'maverick' use of AI could create risk for residents, businesses and employees of the council by providing inaccurate or unproven information to support decision making. Uncontrolled adoption could also cause significant financial burden through unexpected licence fees and risks of legal challenge where inaccurate information is provided.



- 3.2. To support the safe deployment of AI within Cotswold District Council a carefully constructed strategy is required to ensure all appropriate stakeholders views are taken into consideration.
- 3.3. The key objectives of the strategy are to: -
- Improve access to information and make services easier to use.
  - Reduce administrative workload for officers and councillors.
  - Support financial sustainability through efficiency gains.
  - Strengthen consistency and quality in decision-support processes.
  - Ensure the council is ready to transfer tools and processes to the new unitary authority.
- 3.4. The strategy seeks to build on the ICT infrastructure we have where possible to avoid unnecessary budget impacts. This may involve procurement of additional tools or rolling out the use of standardised mainstream tools available to users. All investments must be supported by business cases.
- 3.5. Given the key objectives set out in 3.3 above, and the timetable with regard to LGR, it is sensible to focus the deployment on key services where it can have the greatest impact. The strategy, therefore, focuses on the following 'early adopter' services: -
- Customer Services – the first point of interaction for most residents
  - Planning Services – large service area with significant volume of customer contact and large document requirements
  - Democratic Services – high level of administrative work and document search requirements including support for Councillor AI use
- 3.6. These areas of early adoption do not prevent other users coming forward with appropriate business cases or indeed adopting standard AI tools embedded within core systems such as Copilot.
- 3.7. The strategy sets out the way the safeguards will be built into adoption through the establishment of an AI Oversight Board which will examine the business cases and implementation requirements. These governance arrangements will include the requirements for transparency of AI use and the human oversight principles for decision making.



3.8. Attached to the strategy is a Roadmap which will support the adoption of AI, the underlying guidance (guardrails), and business case development.

#### **4. ALTERNATIVE OPTIONS**

- 4.1. The council could choose not to approve the AI Adoption Strategy and AI Usage Policy but this could create risks with regard to unconstrained AI adoption within the council creating risks to the council, residents and service users.
- 4.2. By failing to utilise the benefits available from AI the council may not meet residents and service users expectations and may fail to deliver additional service efficiencies.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1. Use of AI in service provision can offer many benefits to service users and provide the opportunity to enhance efficiency of service provision and support the achievement of savings targets embedded within the Medium-Term Financial Strategy (MTFS). However, unconstrained adoption of AI can bring high-cost implementation and unanticipated licence fee impacts which could challenge business case assumptions.
- 5.2. The establishment of an AI Oversight Board with appropriate representation to include s 151 officer and monitoring officer will enable decisions to be taken on AI adoption that are safe from both a financial viewpoint and an information transparency viewpoint.
- 5.3. Any financial implications that require additional funding will be brought forward on an individual basis for approval.

#### **6. LEGAL IMPLICATIONS**

- 6.1 AI is not, currently, directly regulated in the UK, although a private member's bill (The Artificial Intelligence (Regulation) Bill) has been reintroduced to parliament for debate. The safeguards lie within other legislation.



- 6.2 As mentioned elsewhere in the report, use of AI needs to be closely monitored in relation to leaking of council confidential data and information as well as copyrights. To make sure decisions are robust and less likely to be challenged, AI can help gather the information and suggest an answer but a final decision from a person expert in the area will help avoid challenges.
- 6.3 The key point to avoid challenges will be the training of staff, so that they are able to spot issues and raise them with the relevant person.

## **7. RISK ASSESSMENT**

- 7.1. New technologies inevitably bring new risks, and the adoption of AI is no exception. It is therefore important that the Council takes a careful and proportionate approach when introducing AI, ensuring that risks are properly considered before any new system is used. This strategy is intended to ensure that potential risks are assessed in advance and that appropriate controls and governance arrangements are in place.
- 7.2. A key risk associated with the uncontrolled use of AI in council services is the reliability, accuracy and fairness of information used to support decisions made by officers, councillors and residents. Experience from other organisations shows that automated or algorithmic approaches can sometimes produce biased or misleading outcomes. Such bias can affect service quality, decision-making consistency and public confidence, and may also contribute to unfair treatment across a range of service users and communities if not properly managed.
- 7.3. The use of AI also raises wider issues around accountability, transparency and public trust. Decisions influenced by AI must remain lawful, explainable and open to challenge. The Council will always retain responsibility for decisions taken, even where technology or external suppliers are involved. There are also inherent cyber security and supplier-dependency risks associated with AI systems, which require effective oversight and ongoing management.
- 7.4. Financial considerations are equally important. There is a risk that the cost of implementing and maintaining AI systems may outweigh the benefits if not carefully controlled, limiting value for money and placing pressure on the Council's MTFS. At the same time, failing to adopt AI where it is appropriate may result in missed opportunities to improve efficiency or service quality. A balanced approach, supported by clear business cases and evidence of benefits, is therefore essential.



## **8. EQUALITIES IMPACT**

8.1. This strategy sets out a framework within which we will make decisions. Any such decisions will need to have due regard to the equalities impact of any such decisions.

## **9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

9.1. This strategy sets out a framework within which we will make decisions. Any such decisions will need to have due regard to the climate change and ecological implications of any such decisions.

9.2. The strategy very specifically cites these matters as key issues for any investments given the energy impact that data centre development is known to have on energy infrastructures.

## **10. BACKGROUND PAPERS**

The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

None

(END)