

Cotswold District Council

Artificial Intelligence (AI) Policy

1. Introduction and Purpose

Artificial Intelligence (AI) technologies are reshaping industries globally, offering transformative potential for the public sector. Within the Council, AI can streamline operations, elevate service delivery, enhance decision-making through data analysis, and modernise communication with residents and stakeholders. However, such advancements bring ethical, legal, and operational challenges that demand rigorous governance, oversight, and responsible use.

This policy establishes a robust framework for the ethical adoption, deployment, and management of AI systems, ensuring alignment with the Council's core values, legal obligations, and strategic goals. It defines accountability and transparency measures, mitigates associated risks, and supports continuous innovation to adapt to evolving AI landscapes.

2. Scope

This policy applies to:

- All Council staff, including employees, councillors, consultants, contractors, vendors, and third-party service providers engaged with Council-related activities.
- All AI systems and tools, including but not limited to: Large Language Models (LLMs), generative AI (e.g., ChatGPT, Copilot, Gemini), machine learning algorithms, robotic process automation (RPA), and predictive analytics tools.
- AI use cases involving Council-owned systems, external platforms, or personally managed devices when used for Council business.

The policy extends across the entire AI lifecycle, from procurement, development, and implementation to monitoring, evaluation, and decommissioning. Compliance with this policy is mandatory for all.

3. Defining Artificial Intelligence

AI refers to computational systems and software that perform tasks requiring human-like cognition, including reasoning, prediction, learning, and decision-making. Common AI functionalities include:

- **Machine Learning (ML):** Systems that learn and improve autonomously from data.
- **Generative AI:** Tools that create text, images, code, or media content based on inputs.
- **Natural Language Processing (NLP):** Systems that analyse, generate, or interact using human language.
- **Robotics and Automation:** Technologies that perform repetitive tasks without human intervention.
- **Predictive Analytics:** AI-driven insights that forecast outcomes or trends using historical data.

These AI tools can function independently or integrate into software platforms to enhance operational capabilities, automate tasks, and generate actionable insights.

4. Core Principles for AI Adoption

The Council is committed to the ethical, secure, and transparent deployment of AI. The following principles underpin all AI-related activities:

1. **Ethical Use:** AI must promote the public good, operate within ethical frameworks, and respect human dignity and rights.
2. **Transparency and Explainability:** AI systems must be clearly documented, with processes and decision-making outcomes made understandable to stakeholders.
3. **Accountability:** Human oversight must accompany AI deployment, ensuring that outputs, decisions, and potential impacts are subject to review.
4. **Fairness and Inclusivity:** AI systems must avoid perpetuating bias, discrimination, or exclusion. Measures must be taken to identify and mitigate algorithmic bias.
5. **Data Privacy and Security:** Personal, sensitive, or confidential data must be protected through compliance with UK GDPR and the Data Protection Act 2018.

6. **Accuracy and Reliability:** AI outputs must be evaluated, fact-checked, and validated to avoid errors, inaccuracies, or misinformation.
7. **Environmental Sustainability:** AI deployment must consider energy consumption, resource efficiency, and overall environmental impact.
8. **Continuous Improvement:** AI systems should undergo regular evaluation, updating, and monitoring to align with technological advancements and Council priorities.

5. Roles and Responsibilities

The Council has established clear accountability for AI oversight:

- **Members:** Provide democratic oversight, scrutiny, and strategic direction for the Council's use of AI, ensuring it is lawful, ethical, transparent, and aligned with the public interest. Members approve relevant policies and strategies and hold officers to account for effective and responsible AI governance.
- **Executive/Senior Management Teams:** Ensure AI aligns with Council strategy, regulatory requirements, and ethical principles while achieving organisational objectives.
- **ICT and Data Protection Teams:** Conduct risk assessments, data protection reviews, and ensure system compliance with security and privacy standards.
- **Procurement Team:** Vet AI vendors for ethical practices, data security measures, and legal compliance during acquisition processes.
- **Managers:** Implement AI tools responsibly, ensuring that risks, ethical implications, and performance are managed throughout the lifecycle.
- **All Officers:** Maintain awareness of AI usage policies, adhere to ethical guidelines, and report any issues, misuse, or security concerns promptly.

6. Ethical and Compliant AI Usage

To mitigate risks and ensure responsible AI adoption, the following must be observed:

- **No Unauthorized Data Input:** Do not input personal, confidential, or sensitive data into public AI tools or platforms.

- **Risk Assessments:** Perform Data Protection Impact Assessments (DPIAs) for AI projects involving personal data or decision-making processes.
- **Bias Monitoring:** Regularly evaluate AI systems to detect and address algorithmic bias that could impact fairness.
- **Accuracy Verification:** Outputs from AI tools must be rigorously validated before dissemination or decision-making.
- **Pre-Approval Requirements:** Obtain formal approval from ICT and Data Protection Teams before adopting or implementing new AI systems.
- **Human Oversight:** Ensure human review and governance mechanisms accompany AI-driven decision-making to prevent adverse outcomes.

7. Identified Risks of AI Adoption

The Council recognizes the following key risks associated with AI deployment:

- **Data Breaches:** Unauthorized access, leakage, or misuse of personal or organizational data.
- **Bias and Discrimination:** AI systems unintentionally producing unfair or exclusionary outcomes.
- **Accuracy and Misinformation:** AI-generated content or predictions lacking reliability or factual accuracy (e.g., hallucinations).
- **Legal and Copyright Issues:** Content generation that infringes on intellectual property or regulatory standards.
- **Environmental Impact:** High energy consumption associated with AI tools requiring robust resource management.
- **Cybersecurity Vulnerabilities:** Exposure to malicious attacks or system compromise.

8. Permitted AI Use Cases

The Council encourages AI for tasks that enhance productivity, insight, and service delivery, including:

- Generating draft reports, presentations, and non-confidential correspondence.

- Summarizing large datasets, trends, and documents for research or analysis.
- Improving customer support through AI-enabled chatbots and virtual assistants.
- Automating repetitive, manual tasks to improve operational efficiency.
- Supporting decision-making through predictive analytics and performance insights.

9. Prohibited Uses of AI

AI systems must not be deployed for:

- Automated decisions lacking human oversight or accountability where risks of automated decision making have not been assessed and approved by the AI Board.
- Processing sensitive, personal, or commercially confidential data on unapproved platforms.
- Generating content that infringes intellectual property, violates ethical guidelines, or promotes misinformation.
- Use cases conflicting with Council policies, legal obligations, or community values.

10. Training and Awareness

To foster responsible AI usage, the Council will:

- Provide ongoing training for staff on AI ethics, bias detection, and legal compliance.
- Promote awareness of AI's benefits, limitations, and associated risks.
- Encourage staff to adopt a proactive, transparent approach to AI integration while maintaining vigilance for unintended consequences.
- Educate teams on environmental sustainability considerations and mitigation strategies.

11. Monitoring, Auditing, and Review

- The Council will conduct periodic reviews to assess AI performance, compliance, and risk mitigation strategies.

- Annual audits will ensure continued alignment with legal standards, Council goals, and emerging AI governance frameworks.
- Feedback loops will be established to gather insights from staff and residents to improve AI usage.

12. Related Policies and References

This policy complements the following documents:

- Data Protection Policies
- Information Security Policy
- Equality and Inclusion Policy
- Procurement Policies
- ICT Usage Policies
- Environmental Sustainability Policy

Version 4:

Updates: Changes to terminology.

Council: Cotswold District Council

Date Approved:

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