Local Government and Artificial Intelligence

Purpose of Report

For direction.

Is this report confidential? Yes

Summary

This report provides an overview of Artificial Intelligence (AI) systems and discusses their potential use by councils in improving public service delivery and leadership of place.

LGA Plan Theme: Stronger local economies, thriving local democracy

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Recommendation(s)

That the Board provide an overview of their priorities relating to Artificial Intelligence and a steer to officers on the direction of future policy work in this space.

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Local Government and Artificial Intelligence

Background

1. Artificial Intelligence (AI) is a term used to describe a [contested](#) concept that has recently risen to prominence through the creation and popular adoption of 'free-to-use' software that allows for the rapid generation of [text](#), [images](#), [audio](#) and [video](#).

2. The UK Government [defines AI](#) as: the use of digital technology to create systems capable of performing tasks commonly thought to require intelligence… generally it:

    2.1. Involves machines using statistics to find patterns in large amounts of data

    2.2. Is the ability to perform repetitive tasks with data without the need for constant human guidance

3. This broad definition can be further divided into [two types of artificial intelligence](#): weak or 'narrow' artificial intelligence, which is a system used to perform specific tasks, and strong artificial intelligence, which is a theoretical form of artificial intelligence possessing self-awareness and the ability to solve problems in a manner like a human.

4. Sitting somewhere between the two extremes of weak and strong artificial intelligence are general purpose artificial intelligence programs, such as [Bard](#), [ChatGPT](#) and [Microsoft Copilot](#). These systems can provide responses to general queries, based on their access to and learning from very large data sets. An example response from ChatGPT when prompted with the question: *'Can you give me an overview of English local government?'* is attached at **Appendix 1**.

5. These systems are [not perfect](#) and can produce false information, so called '[hallucinations](#).' There are also [concerns](#) about the [use of artificial intelligence](#) and [some debate](#) about the extent to which the recent hype around these systems will translate into radically different or profitable business models.

6. An [estimate for the UK Government](#) published in 2021 stated that: around 7 per cent of existing UK jobs could face a high probability of automation over the next 5 years, rising to 18 per cent after 10 years. This report also highlighted research suggesting AI could boost UK GDP by 10 per cent by 2030. However, it has been [claimed](#) that while AI offers the potential for long term transformation, addressing the immediate challenges of capital investment, skills challenges and human resources are likely to provide greater benefits in the short to medium term.

7. For its part, the UK Government's [National AI Strategy](#) and recently published white paper titled [A pro-innovation approach to AI regulation](#) outlines the commitment to make the UK the best place in the world to be a business developing and using AI. Whatever the next few years will hold, it seems reasonable to assume that the application and impact of artificial intelligence will continue to grow.

8. As set out in the [Digital Update](#) provided to the People and Places Board in September 2023 the use of artificial intelligence is also of interest to local government. Work around AI is already taking place at the LGA and in councils up and down the country. To date, work at the LGA has been led by the Innovation and Improvement Board and delivered by the Cyber, Digital and Technology (CDT) Team, drawing on input from the across the LGA's Improvement Directorate, Partners in Care and Health and, to a lesser extent, the Policy Directorate.

9. This work has included: the establishment of a Local Government AI Network; [drafting responses to the Government's AI white paper](#), [a Parliamentary Inquiry into Large Language Models](#) and a consultation on the use of [Predictive Analytics](#); and, the creation of a cross-organisational working group on artificial intelligence. A significant amount of support and advice is also available on the [Advanced and Predictive Analytics Network Knowledge Hub](#), including links to a short briefing on [Generative AI Guidance for Local Authority Leaders](#).

10. A Local Government AI Stocktake Survey is due to be launched imminently and is intended to provide a comprehensive overview of the use of artificial intelligence across councils and shape the LGA's support offer in this area.

11. Anecdotal evidence gathered from the Local Government AI Network suggests a wide range of applications and usage frameworks, including: the use of predictive analytics to detect illegal houses of multiple occupation; optimising customer contact centres; supporting work to detect and reduce fraud. Minutes from network meetings held in October and December are attached at **Appendix 2 and Appendix 3** and provide a wider sense of the kinds of discussion taking place by officers in councils.

Proposal

12. As set out above there is clearly a lot going on in this space. The underlying technology of Artificial Intelligence, its application and the regulatory and policy framework that sits around it is likely to continue to evolve at different speeds within different contexts.

13. The People and Places Board has played a leading role in shaping policy relating to digital connectivity and has begun to take steps towards a broader digital agenda, such as last year's work focused on strengthening [digital inclusion](#) and previous work [forecasting the digital skills pipeline](#).

14. Lead members of the Board have expressed significant interest in developing policy recommendations related to Artificial Intelligence and Councillor Jordan Meade has been selected to act as the Boards' Digital Champion, working alongside the LGA's Digital Champion Councillor Mark Hawthorne. While the Improvement and Innovation Board currently leads on issues related to the application of this technology across local government, there remains an opportunity to develop policy and advocacy lines through the People and Places Board.

15. Given this is a rapidly emerging technology and policy agenda it is suggested that members of the Board provide officers with a general sense of their familiarity with the technology, its use in their home council and their overall concerns. Officers will then use this information to map out a programme of work.

16. Some of the questions members might like to consider during this discussion, include:

   16.1. To what extent do they feel there is sufficient guidance or clarity from national government about the use of artificial intelligence in the delivery of public services?

   16.2. Is there an appetite for establishing some overarching principles around the use of artificial intelligence at a local level?

   16.3. Are there any areas, such as a national evaluation of council performance or decisions relating to future growth funding that members believe are not suitable for artificial intelligence?

   16.4. How comfortable do members feel in leading conversations with residents and businesses about the impact of artificial intelligence, particularly on vulnerable or marginalised communities?

   16.5. What commitments or ambitions would members like to see a new or returning government offer councils in this space?

   16.6. How can the People and Places Board leverage its role in shaping the LGA's work in leadership of place to brigade the LGA's other policy boards who might also be considering service-specific work in this area?

   16.7. Do members feel sufficiently knowledgeable and train to scrutinise the use of artificial intelligence locally?

17. Subject to members' steer, in the first instance it may be useful to receive a presentation at a future board meeting from a council or officer from the LGA with a perspective on how AI has been adopted locally. Building on this it is suggested that the Board might like to commission a 'gap analysis' on the use or artificial intelligence by local government with a view to making the case to a new or returning government that councils must not be 'left behind' in this space. On the basis that members are likely to support this proposal a session on Artificial Intelligence has been suggested for inclusion at the LGA's Annual Conference in Harrogate.

Implications for Wales

18. Given the emerging nature of this debate, it is currently not known whether there are specific implications for Wales arising from the use of Artificial Intelligence. As this work develops, officers will engage with colleagues from the Welsh LGA to understand whether there are any potential issues.

Financial Implications

19. There are no direct financial implications arising from this report.

Equalities implications

20. The use of artificial intelligence and machine learning systems raise significant questions relating to equalities. Several of these areas are highlighted above and councils will already be engaged in their own discussions around these issues.

21. The use of artificial intelligence by third-party suppliers of council services and software presents a risk that any bias, such as in a decision-making algorithm, may not be immediately apparent. The LGA has worked with the [Information Commissioner Office](#) to understand some of these issues. [Guidance](#) is also emerging from several other sources.

22. As this work progresses it will be important to continually refresh the Board's understanding of the implications arising from the adoption of this technology. Of relevance will be the need to understand whether the underlying infrastructure needs of less connected areas presents the risk of a capability gap, for example in rural communities.

Next steps

23. Subject to a steer from Members it is proposed that the next meeting of the People and Places Board focuses on a presentation either from a council or a member of the LGA's Cyber, Digital and Technology Team providing a real world example of the issues and opportunities facing local government in the adoption of artificial intelligence. Following this discussion it is suggested that the Board

may wish to commission research setting out the details of the wider scope to engage government in this area, reflecting the Board's remit around place-based leadership and public service reform.