Mid Devon
DISTRICT COUNCIL

Report for:	**Cabinet**

Date of Meeting:	1 April 2025
Subject:	**Artificial Intelligence Policy**
Cabinet Member:	Cllr David Wulff, Cabinet Member for Quality of Living, Equalities and Public Health
Responsible Officer:	Head of Digital Transformation & Customer Engagement
Exempt:	n/a
Wards Affected:	n/a
Enclosures:	Appendices 1 & 2

Section 1 – Summary and Recommendation(s)

Mid Devon District Council does not currently have a policy in place to govern and monitor the use of Artificial Intelligence (AI) within the organisation. The Service Delivery & Continuous Improvement PDG reviewed the proposed AI policy on 10 March 2025 and recommended the policy to Cabinet.

Recommendation(s):

1. **That Cabinet recommend to Full Council the approval of the draft AI policy.**

2. **That Cabinet approve the delegation of the AI Policy to the Deputy Chief Executive and Senior Information Risk Owner (SIRO), in consultation with the IT & Information Governance Board, due to the necessity for ongoing review of policy and guidance in response to the rapid advancements in technology.**

Section 2 – Report

1.0   Introduction

1.1 Recently, there has been significant interest in Artificial intelligence (AI), due to the launch of Generative AI (GenAI) tools like ChatGPT, Gemini and Co-pilot. These GenAI tools can instantly respond to questions and prompts. However, given the opportunities and risks that AI can pose, it has become necessary to develop a policy to help staff navigate how to use AI responsibly and ethically.

1.2 In addition there are an increasing number of companies and suppliers enabling automation through the development of applications and cloud-based solutions automating business processes. Attractive as these are it is essential that appropriate governance and risk assessment is applied to the procurement and implementation of such tools.

2.0 Scope

2.1 This policy seeks to:

a) Act as a starting point for MDDC to develop further detailed policy and process guidance on the safe and ethical use of AI. An information poster (see Appendix 1) will be circulated amongst staff and members.

b) Ensure the Council's IT & Information Governance (ITIG) board account for future uses of GenAI, ensuring the necessary infrastructure and safeguards are in place for responsible use.

c) Note that, while there are some ICT protections in place, data entered into a GenAI tool cannot be easily tracked or monitored. Confidential or personal data should not be used within GenAI tools, as information may enter the public domain.

d) Implementation of an AI policy demonstrates the Council's commitment to digitally enabled and accessible services.

e) Commit to the core value of being "Open and accountable," as transparency with residents on how their data is being managed, is addressed within the policy.

f) Acknowledge that GenAI contributes to continuous improvement and efficiency by providing helpful communication suggestions, explaining complex guidance, and assisting with automating routine tasks, thereby enhancing service delivery, and supporting the Council's digital transformation and savings opportunities.

g) Adopting a corporate policy for the use of GenAI links to the Council's need for "Resilience," by establishing a framework that reduces the risk of regulatory breaches.

3.0 Future Actions

3.1 The following activities will be required on the approval of the AI policy:

- Appropriate staff receive training in effective governance and risk management of AI
- A comprehensive risk review on AI is completed and added to the MDDC risk register
- All staff/members are aware of the opportunities and risks around AI via a training and awareness programme
- Acceptable Use guidance is created and maintained for reference for staff/members
- Implement and communicate an effective and safe route to procurement and implementation of AI tools
- Ensure services and staff are aware of their obligations for the safe use and transparency of use of AI
- A high-level Equality Impact Assessment (EQIA) be created considering the use of GenAI by officers.
- Ensure EQIAs are included with any business case for AI applications

Financial Implications: This report does not indicate any financial implications. Future investments in AI applications or licensing for MDDC will be evaluated on a case-by-case basis and decided by the ITIG board in consultation with the relevant budget owners.

Legal Implications:

Inappropriate or unauthorised use of AI may expose MDDC to risks such as data breaches, copyright infringement, or biased decision-making, potentially resulting in legal proceedings. MDDC should ensure compliance with UK GDPR requirements and obligations. The Information Commissioners Office (ICO) guidance on AI should be followed when utilizing GenAI. Failure to report breaches of policy, data or copyright infringements may result in disciplinary action according to MDDC's policies and procedures.

Risk Assessment: On adoption of the AI policy, a comprehensive risk assessment will be carried out and communicated to staff and members via an appropriate training and awareness programme.

Impact on Climate Change: Generative AI significantly impacts the environment by increasing energy consumption. Training and running GenAI models consume large amounts of energy, including cooling processors. As models become more complex and demand for AI services rises, energy demands will grow.

Equalities Impact Assessment:

GenAI may affect different groups due to social biases, stereotypes, or inappropriate cultural values in its training. It can also display sensitive content. For example, GenAI should not decide customer access to Council services without human supervision. Human involvement is crucial for decision-making, and an appeal process should be established for AI-related decisions.

Relationship to Corporate Plan: The AI policy supports the delivery of MDDC's commitment to improve and transform our services and ensure the public have a good understanding of council services and that they are satisfied that the services are efficient and effective.

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett
Agreed by or on behalf of the Section 151
Date: 28/02/2025

Statutory Officer: Maria de Leiburne
Agreed on behalf of the Monitoring Officer
Date: 28/02/2025

Chief Officer: Stephen Walford
Agreed by or on behalf of the Chief Executive/Corporate Director
Date: 28/02/2025

Performance and risk: Steve Carr
Agreed on behalf of the Corporate Performance & Improvement Manager
Date: 25/02/2025

Cabinet member notified: yes

Report: Exclusion of the press and public from this item of business on the published agenda on the grounds that it involves the likely disclosure of exempt information. No

Appendix: Exclusion of the press and public from this item of business on the published agenda on the grounds that it involves the likely disclosure of exempt information. No

Section 4 - Contact Details and Background Papers

Contact: Lisa Lewis, Head of Digital Transformation & Customer Engagement
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Background papers: Appendix 1 – SOCITM AI information poster