

# AI in Local Government: A State of the Sector Report – One Year On



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# Who Are We and What Is LGAi.uk?

## About Us

Outcomes Matter Consulting and Datnexa are a partnership dedicated to driving impactful change in local services through the innovative use of emerging technology. Together, we aim to empower local government professionals by bridging gaps in knowledge, resources, and readiness to adopt AI solutions.



## Our Mission

To support local authorities in enhancing outcomes for their communities by embedding responsible, ethical AI practices into everyday operations.

## Our Community

LGAi.uk provides a dynamic online platform connecting over 300 members, including local authority colleagues, suppliers, and professionals. This shared space facilitates the exchange of knowledge, the development of partnerships, and collaborative problem-solving to accelerate AI adoption.

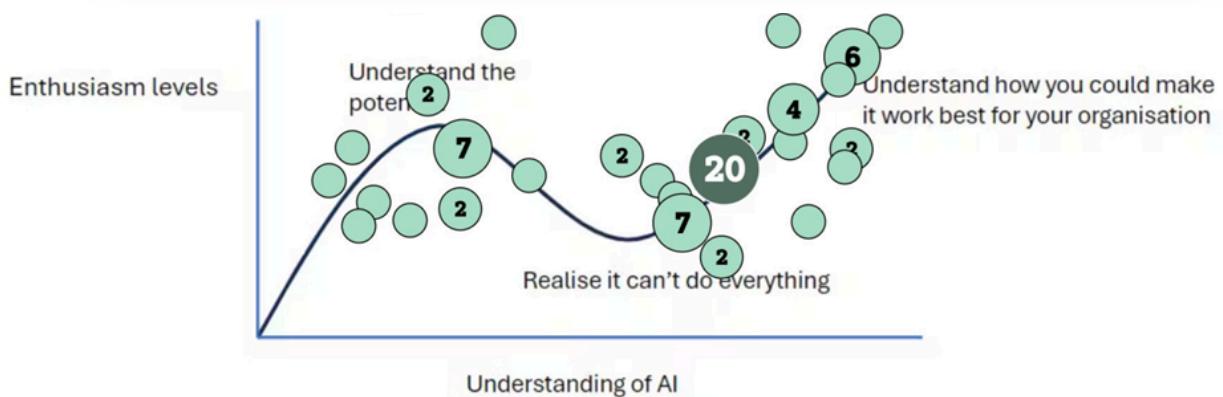


# Forward: A Year On - Reflections and Insights



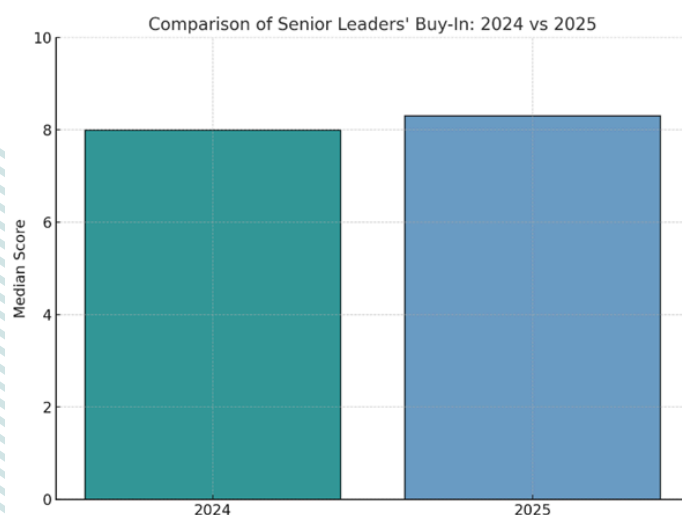
This report marks a year of significant progress in AI adoption within local government. Since the publication of our 2024 insights, councils have made measurable strides in AI readiness, leadership support, and ethical practices. At the same time, the challenges of scaling AI projects, addressing data governance, and building workforce skills remain prominent.

In 2024, the sector showed enthusiasm for AI but was often hindered by gaps in practical understanding and infrastructure. Over the past year, however, there has been a noticeable shift. Confidence in leveraging AI to drive organisational impact increased significantly, with 20 participants reporting an understanding of how to make AI work best for their organisation in 2025, compared to just 4 in 2024. This shift highlights a growing maturity in AI adoption, moving beyond recognising its potential to implementing it strategically and effectively.



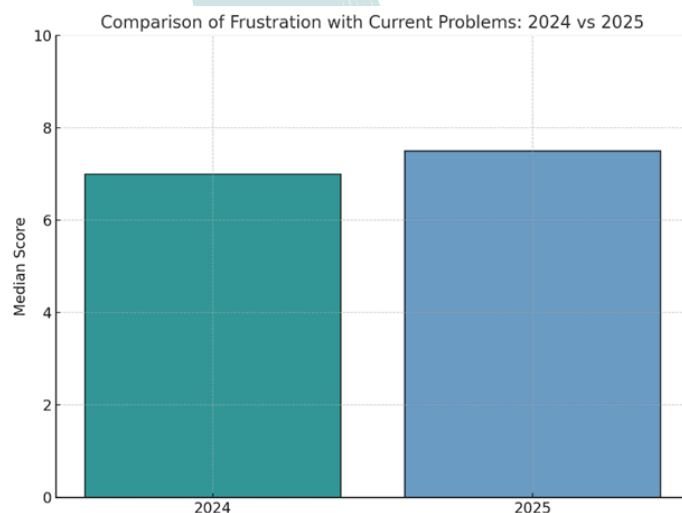
Graph showing LGAi.uk Summit 2025 attendees views on where they are on their AI journey





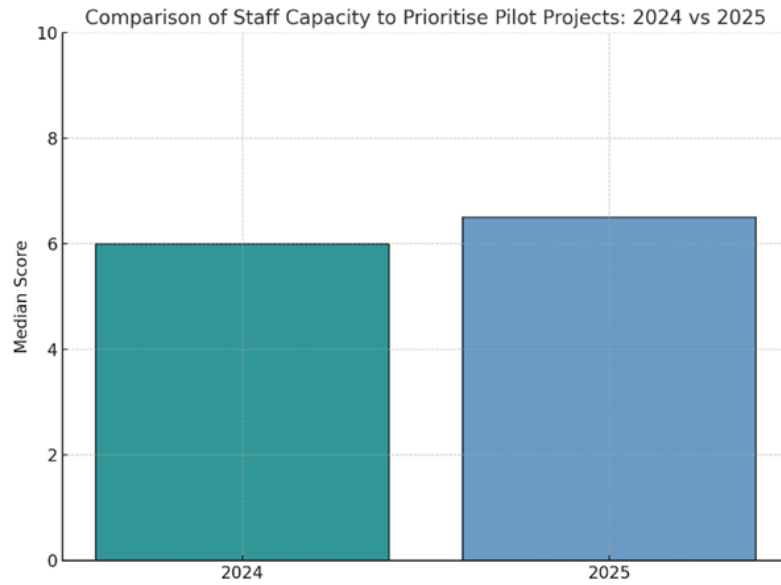
Graph showing greater Senior Leader buy in to AI projects in 2025

However, the path has not been without obstacles. Frustration with current problems also saw an increase (from 7.0 to 7.5), reflecting a deeper awareness of the challenges AI is being tasked to address, and the potential difference it can make. This shift is not negative—it shows councils are developing a sharper understanding of pain points and the need for targeted AI interventions.



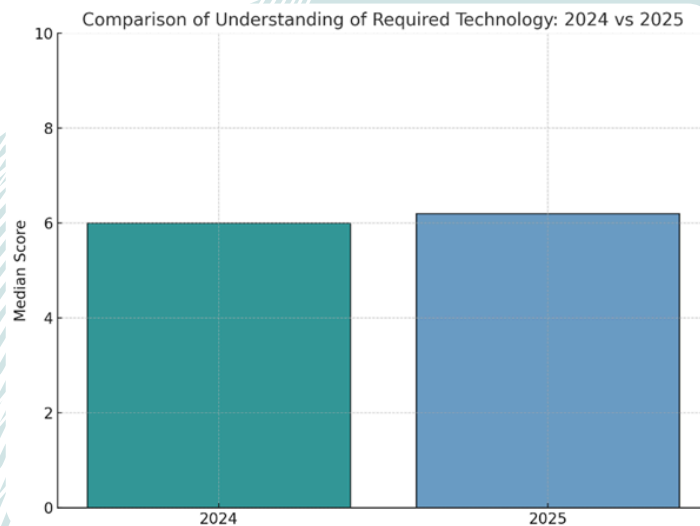
Graph showing increased frustration with current problems in 2025

At the heart of this progress lies the workforce. Staff understanding and commitment to AI solutions rose from 7.0 to 7.4, showcasing growing enthusiasm and capability. Whilst, the modest rise in staff capacity to prioritise AI pilots (from 6.0 to 6.5) highlights an ability to engage due to an awareness of the benefits AI pilot projects will bring.



Graph showing an increased ability to prioritise AI pilot projects

Progress in understanding AI trial planning (up from 6.0 to 6.3) and technology requirements (from 6.0 to 6.2) has been minimal, showing that while councils are learning, more support is needed.



Graph showing a minimal increase in understanding of the technology required for pilots

These shifts point to a sector in transition—one that is building momentum but still facing critical challenges. As this report explores, collaboration, leadership, and targeted investments will be key to sustaining progress in the year ahead. We also consider these learnings in the context of the UK Government's AI Opportunities Action Plan, this report serves as both a reflection on progress and a roadmap for continued transformation.

# Insights from the Summit

20  
25

## Success in Pilot Projects:



EHCP Plus reduced administrative workloads, saving 6 hours per plan for caseworkers, allowing more time for direct engagement with children and families.



Magic Notes automated administrative tasks, providing an average of 8 hours back to frontline staff per week, which they used to enhance care delivery.



Hey Geraldine delivered real-time support to practitioners, saving the OT Team 15 minutes per conversation, and boosting TEC engagement.

Image showing attendees views when asked to share one word about how AI makes them feel





## Challenges Identified During Workshops:

67%

Data Governance: 67% of attendees acknowledged ongoing concerns about data management, privacy, and the lack of clear frameworks.

▼ 45%

Scaling Initiatives: Only 45% of pilot projects transitioned to scalable solutions, highlighting the need for more dedicated resources and leadership buy-in.

▲ 61%

Upskilling Needs: Confidence in AI tools rose from 38% in 2024 to 61% in 2025, but gaps remain in specialised training for advanced use cases.

## Collaborative Opportunities

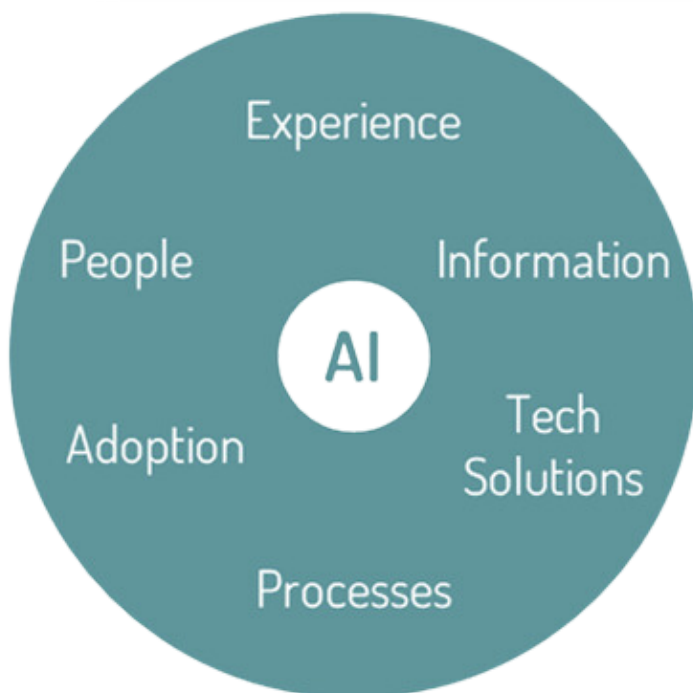
■ Membership in the LGAi.uk online community grew to over 300 members fostering connections between councils and suppliers to share best practices and innovative solutions.

■ Partnerships with technology providers enabled more tailored and impactful solutions, addressing specific needs such as SEND and adult social care.

The summit served as a key touchpoint for evaluating progress and identifying strategic priorities for the coming year, further cementing the role of collaboration in driving effective AI adoption in Local Government.

# The LGAi Framework: Building on a Year of Learning

Over the past year, the LGAi framework has reaffirmed its position as a cornerstone for local government AI adoption.



Following the summit and a year of active engagement with councils, we still believe the framework remains uniquely positioned to support local authorities in aligning with the UK Government's AI Opportunities Action Plan.

The LGAi Framework – a tool to ensure inclusion of all crucial elements in a successful AI project.



# Key achievements include:

## Assessing Readiness:

The framework has helped councils evaluate their preparedness and identify specific areas requiring targeted support, such as workforce skills and data governance.

## Pilot Planning and Execution:

By providing tailored roadmaps and hands-on guidance, the framework has enabled councils to design and implement effective pilot projects.

## Ethical and Inclusive AI:

Emphasis on fairness, transparency, and accountability has supported councils in embedding ethical principles into their AI initiatives, fostering trust and compliance.

The framework ensures councils are well-equipped to transition from exploratory pilots to sustainable, scalable AI solutions. By aligning with the AI Opportunities Action Plan, it empowers local authorities to act confidently and effectively in embedding AI within their operations.



# What Should Local Authorities Do Next?



## Strengthen Collaboration:

- Join platforms like LGAi.uk to access resources and forge partnerships.
- Engage with technology providers to collaboratively co-design solutions that address local challenges.

## Focus on Workforce Development:

- Allocate time and resources for training, ensuring staff are equipped to use AI tools effectively.
- Build champion networks to foster a culture of innovation and peer learning.

## Adopt the LGAi Framework:

- Conduct readiness assessments to identify gaps and tailor AI strategies accordingly.
- Incorporate ethical principles into AI initiatives to build trust and ensure compliance.

## Plan for Scalability:

- Prioritise projects with clear ROI and community impact.
- Use phased approaches to scale successful pilots while managing risks.



# Conclusion: A Vision for the Future

The LGAi.uk framework has demonstrated its value over the past year as a foundational tool for AI integration in local government. By fostering collaboration, addressing readiness gaps, and embedding ethical principles, it equips councils to navigate the challenges of AI adoption while delivering on the ambitions outlined in the UK Government's AI Opportunities Action Plan.

## Supporting the National AI Agenda

The Government's Action Plan identifies AI as a critical driver for improving public services, economic growth, and operational efficiency. The LGAi framework aligns with these priorities by providing councils with the tools and strategies they need to:

- Develop robust AI governance frameworks to ensure fairness, accountability, and transparency.
- Enhance workforce skills through targeted training, enabling staff to harness AI technologies effectively.
- Scale AI initiatives that demonstrate clear benefits for residents, such as cost savings, improved service delivery, and better outcomes.

## AI OPPORTUNITIES ACTION PLAN

Ramping up AI adoption across the UK to boost economic growth, provide jobs for the future and improve people's everyday lives

## DRIVING LOCAL IMPACT:

The framework has proven successful in enabling councils to transition from exploratory pilots to scalable solutions that address local challenges. By tailoring AI projects to the unique needs of communities, councils can:

- Improve resource allocation and efficiency.
- Reduce administrative burdens, freeing up time for frontline engagement.
- Build trust with residents by ensuring ethical use of AI in decision-making.

## LOOKING AHEAD:

The journey of AI adoption is ongoing, and sustained leadership, collaboration, and innovation will be key to realising its full potential. The LGAi.uk community remains committed to supporting local authorities by:

- Facilitating shared learning and best practices.
- Partnering with technology providers to co-produce impactful solutions.
- Advocating for the ethical and responsible use of AI across all levels of government.

By embedding the principles of the LGAi framework into their strategies, local authorities can confidently lead the way in transforming public services, ensuring AI serves as a catalyst for meaningful and equitable change across the UK.



# With Special Thanks To...

The LGAi.uk Summit 2025 speakers for sharing their expertise and insight:

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- Adam Hindhaugh – Halton Borough Council
  - Andrew Orme – Beebot AI
  - Andrew Smith – ICS.AI
  - Andy Brammall – Derby City Council
  - Anthony Fawkes – Actually Data Ltd
  - Carolyn Muir – Genie Connect, Service Robotics Ltd
  - Henry Eames – WAM
  - Henry Stratford – EHCP Plus, Outcomes Matter Consulting
  - Jake Godding – Confurr
  - James Bowes – Confurr
  - Cllr Jim Robbins – Swindon Borough Council
  - Jon Bamgboye – WAM
  - Margherita Sica – EHCP Plus, Agilisys Transform
  - Rachel Astall – Magic Notes, Beam
  - Sarah Peña – Wokingham Borough Council
  - William Flint – Pairly
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