LGAi.uk

AI in Local Government

A State of the Sector Report

February 2024

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Outcomes Matter Consulting and Datnexa

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01. WHO ARE WE AND WHAT IS LGAI?

OUTCOMES MATTER **CONSULTING** ----> **LGAi.uk** <---- Datnexa®

About Us: We are a partnership made up of Outcomes Matter Consulting and Datnexa. Lead by Emma & Adam, respectively.

Our Mission: Our mission is to drive impactful change in local services by focusing on improving outcomes through emerging technology.

Our Community: LGAi.uk is the embodiment of our commitment to building a vibrant, informed, and connected community. As the interconnection of AI innovation in local government, we provide a free online platform where local authority professionals, suppliers, and supporting organisations can come together to share knowledge and work together.

Following the landmark LGAi Summit co-hosted by Outcomes Matter and Datnexa, this report encapsulates the sector's journey towards artificial intelligence (AI) integration, reflecting the enthusiasm, challenges, and strategic directions charted by 150+ stakeholders across 84 organisations that came together on Thursday, 18th January 2024.

This report presents insights from the LGAi Summit. It outlines the current state of AI adoption in Local Government. The report also introduces the LGAi framework, a comprehensive approach that Outcomes Matter and Datnexa developed to guide local authorities in successfully integrating AI into their operations.

Combining summit insights and introducing a robust framework, this report aims to empower local authorities to embrace AI responsibly, enhance service delivery, and drive positive community outcomes.

The key objectives of this report are therefore:
- To assess the current understanding, attitudes, and challenges surrounding AI in Local Government.
- To identify areas where targeted support and resources are needed for effective AI implementation.
- To introduce the LGAi framework as a structured approach to navigating the complexities of AI integration.
- To provide actionable recommendations for local authorities to leverage the LGAi framework and maximise the benefits of AI solutions.

This report leverages insights from the landmark LGAi Summit to outline the current state of AI adoption across Local Government in the UK.

While the data reveals high enthusiasm and recognition of AI's transformative potential, it also highlights critical gaps that must be addressed for effective implementation. These include a need for more understanding of practical steps for mobilising AI pilots, limited capacity to prioritise pilot projects and uncertainties regarding data governance and technology requirements.

However, the insights also identify crucial enabling factors, such as senior solid leadership support for AI initiatives and a committed staff base demonstrating a willingness to embrace AI as a solution to long-standing frustrations. This alignment creates a prime opportunity for strategic investments in AI adoption.

The key objectives of this report are to assess the existing AI landscape within Local Government thoroughly, pinpoint the areas where targeted support and resources are most needed, introduce the LGAi framework as a structured, holistic approach for navigating the complexities of AI integration, and provide local authorities with actionable recommendations for leveraging the framework.

Ultimately, by combining these sector insights with the robust LGAi framework, this report aims to empower local authorities to steer their AI journey confidently. The goal is to unlock AI's potential for enhancing service delivery in Local Government, driving positive outcomes, and creating meaningful impact for communities across the UK.

04. A JOURNEY WITH AI IN LOCAL GOVERNMENT

To understand how mature Local Government colleagues are in their understanding of AI, summit attendees were asked to identify where on the "journey with AI" they were:
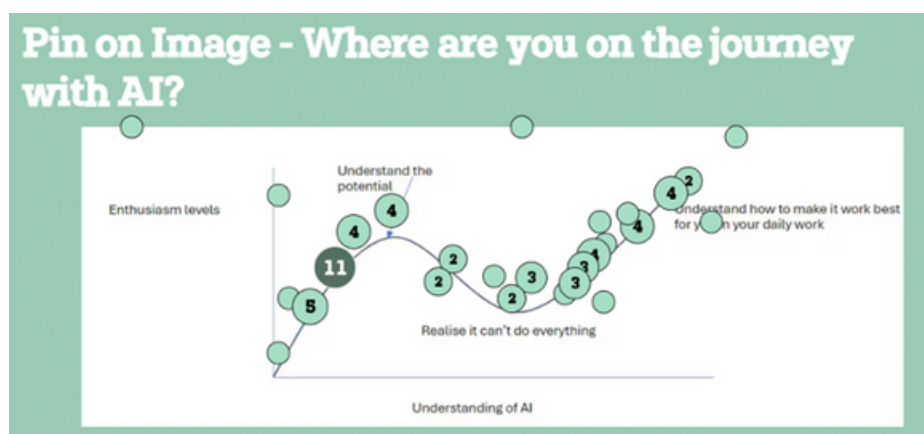
Varied Levels of Understanding and Enthusiasm: There's a broad spread of understanding and enthusiasm for AI. This suggests diverse experiences and levels of comfort with AI across Local Government.

Cluster of Realism: A significant cluster of pins at the intersection of 'Realise it can't do everything' and a moderate understanding of AI suggests a group with practical experience. They are likely past the excitement phase and understand AI's limitations.

Emerging Pragmatism: Several individuals are moving towards a higher understanding of AI while maintaining enthusiasm. These respondents will likely find practical applications for AI in their daily work.

Potential Advocates: The individuals with high enthusiasm levels and a good understanding of AI could be potential advocates or champions for AI within their organisations.

Educational Opportunities: The spread of responses indicates an opportunity for targeted initiatives to help those at the lower end of understanding to move along the spectrum.

05. UNDERSTANDING FEELINGS TOWARDS AI IN LOCAL GOVERNMENT

Attendees were also asked to share one word to describe how AI in Local Government makes them feel – feedback is shown below:

High Levels of Enthusiasm: Words like "excited," "inspired," "interested," and "optimistic" are prominent, indicating that many respondents associate AI with positive change and potential.

Recognition of Potential: The use of words such as "potential," "opportunity," and "transformative" suggests that respondents see AI as a driving force for significant developments.

05. UNDERSTANDING FEELINGS TOWARDS AI IN LOCAL GOVERNMENT

Apprehension: There are also considerable mentions of "cautious," "apprehensive," and "nervous," indicating a sense of wariness about the implications and challenges of integrating AI.

Desire for Improvement and Empowerment: Terms like "improvements," "empowering," and "support" reflect a desire to leverage AI for enhancing services and empowering both employees and citizens.

Awareness of Challenges: Words such as "challenge," "privacy," "governance," and "ill-prepared" highlight an awareness of the obstacles that must be addressed to implement AI successfully.

The varied experiences with AI points to a need for targeted educational initiatives and knowledge sharing. While many recognise AI's promise, there is also underlying apprehension about ethical implications and implementation challenges. This contrast highlights the importance of having a structured, comprehensive approach to AI integration.

05. UNDERSTANDING FEELINGS TOWARDS AI IN LOCAL GOVERNMENT

Colleagues were asked to rate their Local Authority against a series of statements which demonstrate understanding and readiness for AI adoption. The following pages provide insights from the responses.

There is frustration within Local Government & recognition AI can help

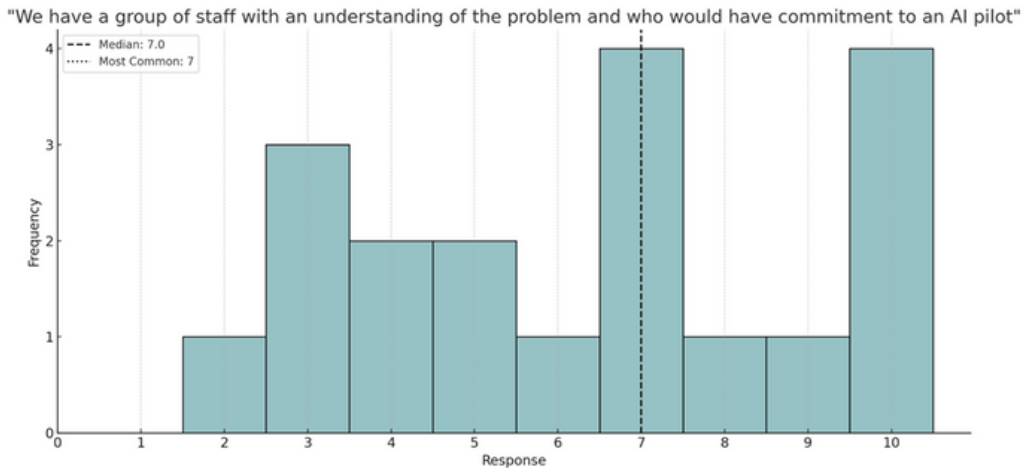"There is frustration across the service about the problem we are looking to address"
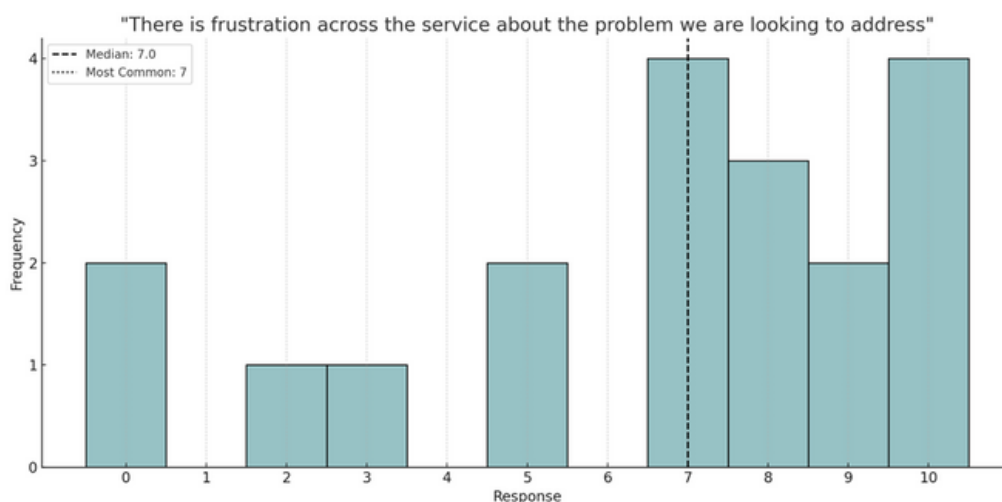
Frustration with Current Problems: The median score suggests a strong level of frustration regarding the current problems within Local Government. The most common responses are on the higher end of the scale highlighting the need for solutions that can address these pain points effectively.
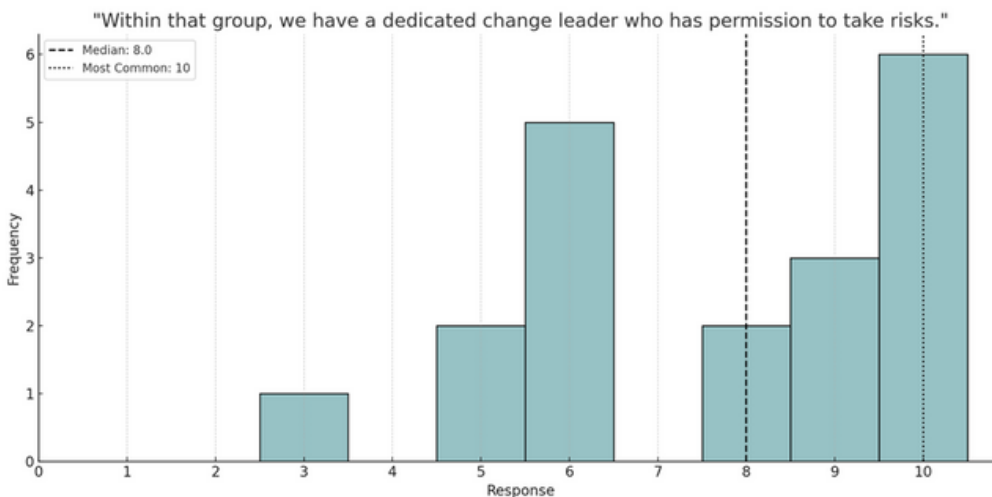

"We have key senior leaders buy-in"
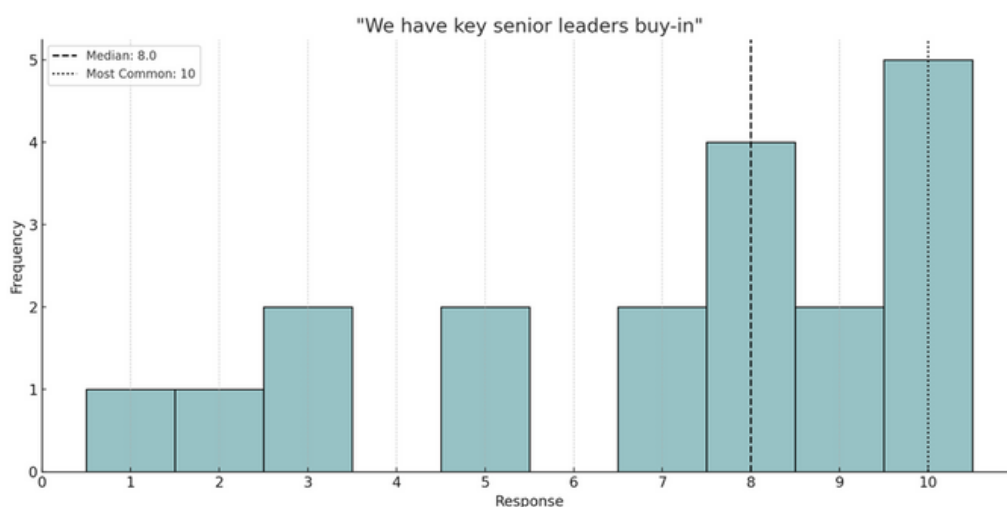
Senior Leaders' Buy-In: There is strong support from senior leadership for AI initiatives. This level of endorsement is critical as it can drive projects forward and help in overcoming bureaucratic and operational hurdles. Moreover, the median score being towards the upper end suggests that, generally, leadership is aligned with the vision for innovation through AI.

05. UNDERSTANDING FEELINGS TOWARDS AI IN LOCAL GOVERNMENT

Staff in Local Government have commitment and the ability to prioritise AI pilot projects
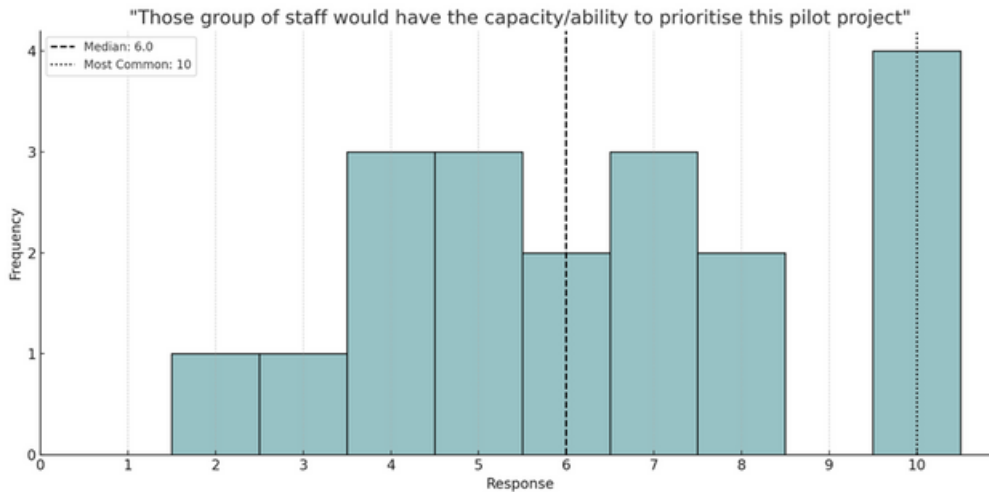
"We have a group of staff with an understanding of the problem and who would have commitment to an AI pilot"

Median: 7.0
Most Common: 7

Staff Understanding and Commitment: The distribution for the staff's understanding of the problem and their commitment to an AI pilot presents a very positive picture. The most common response is at the highest end of the scale, indicating staff are not only aware of the issues but are also ready to commit to an AI solution.

"Within that group, we have a dedicated change leader who has permission to take risks."

Median: 8.0
Most Common: 10

Dedicated Change Leader with Risk Permission: This shows that within the group, there is leadership that has been empowered to make bold decisions and navigate the risks associated with implementing new technologies.

05. UNDERSTANDING FEELINGS TOWARDS AI IN LOCAL GOVERNMENT

However, there is less understanding of the practical steps needed to mobilise AI solutions in Local Government.

"Those group of staff would have the capacity/ability to prioritise this pilot project"
- - - Median: 6.0
...... Most Common: 10

Staff Capacity to Prioritise the Pilot Project: Staff's ability to prioritise the AI pilot project indicates a varied perception. This suggests that while there is a clear willingness to engage with AI pilots, there may be constraints on internal capacity that could impact progress without the right resource.


"We understand what an AI trial/pilot project plan or roadmap may look like"
- - - Median: 6.0
...... Most Common: 5

Understanding of AI Trial/Pilot Project Planning: There is less understanding of what an AI pilot project may look like, and therefore provides an opportunity to provide targeted resources to support staff in this area.

05. UNDERSTANDING FEELINGS TOWARDS AI IN LOCAL GOVERNMENT

There is also lack of understanding of the technology and governance requirements around AI in Local Government

"We understand the technology required to enable us to create an AI pilot"
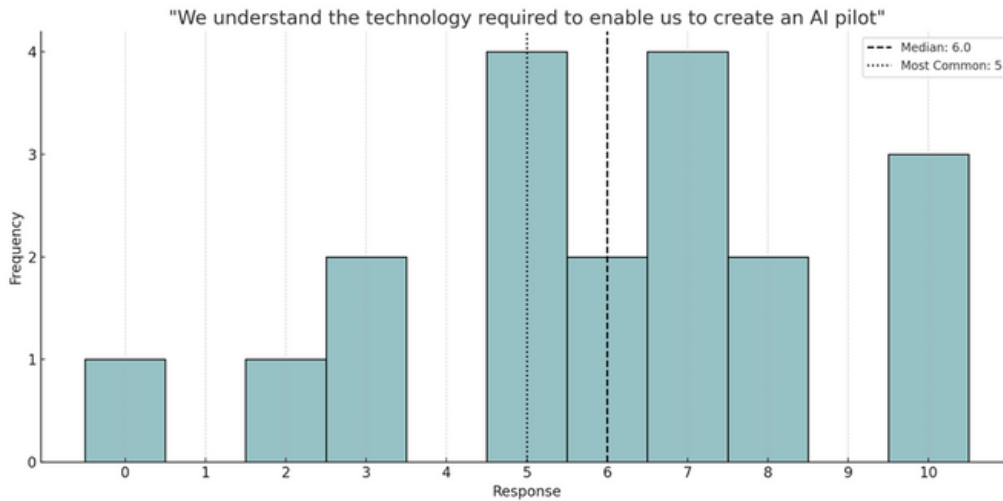
Understanding of Required Technology: In addition, there is less understanding of the technology that should be utilised as part of an AI pilot. There could be an opportunity to support staff to build confidence around this through workshops to elevate the collective understanding.

"We understand the data governance arrangements required"
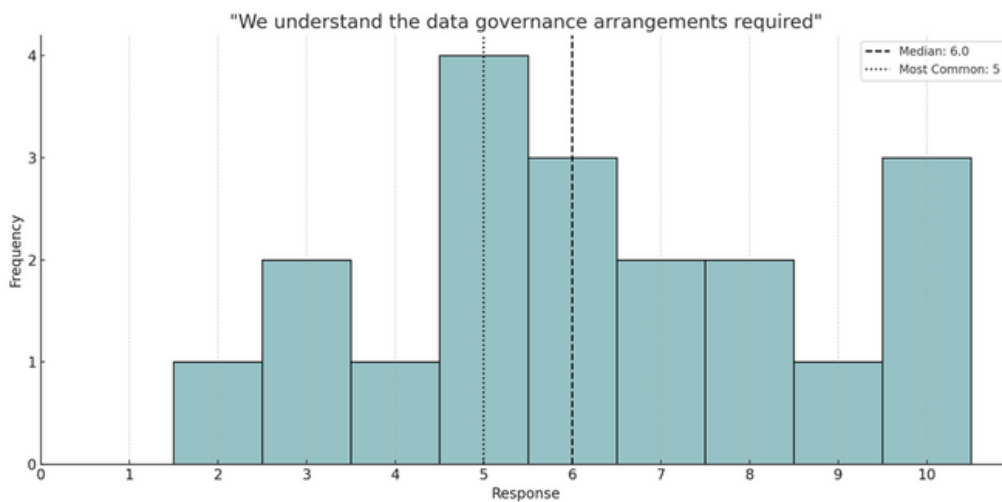
Understanding of Data Governance: While there is a basic understanding of data governance arrangements, there may be a need for further education and standardisation of practices. Data governance is a critical component of any AI initiative, especially in the public sector where data sensitivity and privacy are paramount.

06. WHAT IS THIS TELLING US ABOUT THE CURRENT STATE OF AI IN LOCAL GOVERNMENT?

Recognising the Need for Change: Our findings highlight a widespread understanding of the challenges within Local Authorities, setting the stage for meaningful innovation. This shared recognition is crucial as it shows readiness for adopting new solutions, with AI poised to make a significant difference across Local Government.

Opportunities for Improvement: There are clear areas where targeted interventions could significantly elevate the overall readiness for AI adoption. For instance, enhancing understanding around technology requirements and data governance could empower Local Government officers to navigate AI implementation more effectively.

Strategic Focus on Capacity Building and Education: There is a strategic opportunity to focus on capacity building and educational initiatives. Utilising expert capacity that can also educate and upskill the Local Authority workforce could provide capacity to ensure self sufficiency going forwards.

Leveraging Leadership and Commitment: The presence of senior leader buy-in and a committed group of staff is a real asset for Local Authorities. It's essential to leverage this support to champion broader organisational buy-in and cultivate a shared vision for the impact AI can deliver.

The insights clearly demonstrate Local Government's readiness for change and understanding of the opportunities AI presents to address long-standing frustrations. However, realising AI's full potential requires a strategic focus on capacity building, enhancing technological and governance understanding, and fostering a culture of collaborative innovation.

This is where the LGAi framework becomes instrumental. By providing a holistic roadmap that covers all essential elements – from strategic planning and data governance to workforce development and impact measurement – the framework empowers local authorities to navigate the complexities of AI adoption confidently.

07. INTRODUCING THE LGAI FRAMEWORK FOR AI INTEGRATION

- The **LGAi framework** is a comprehensive and **practical guide** for local authorities **to successfully integrate AI solutions** into their operations. Developed by Outcomes Matter and Datnexa, this framework is **grounded in expertise and experience, ensuring a holistic approach** to AI adoption.

- The LGAi Framework includes **six overarching areas** of practice: User Experience, Information, Technology Solutions, Processes, Adoption and most importantly, People.

- By addressing these critical elements, **the LGAi framework** ensures that AI initiatives within local authorities are well-planned, thoroughly implemented, and closely monitored for impact. It **provides a structured approach** to navigate the complexities of AI integration.
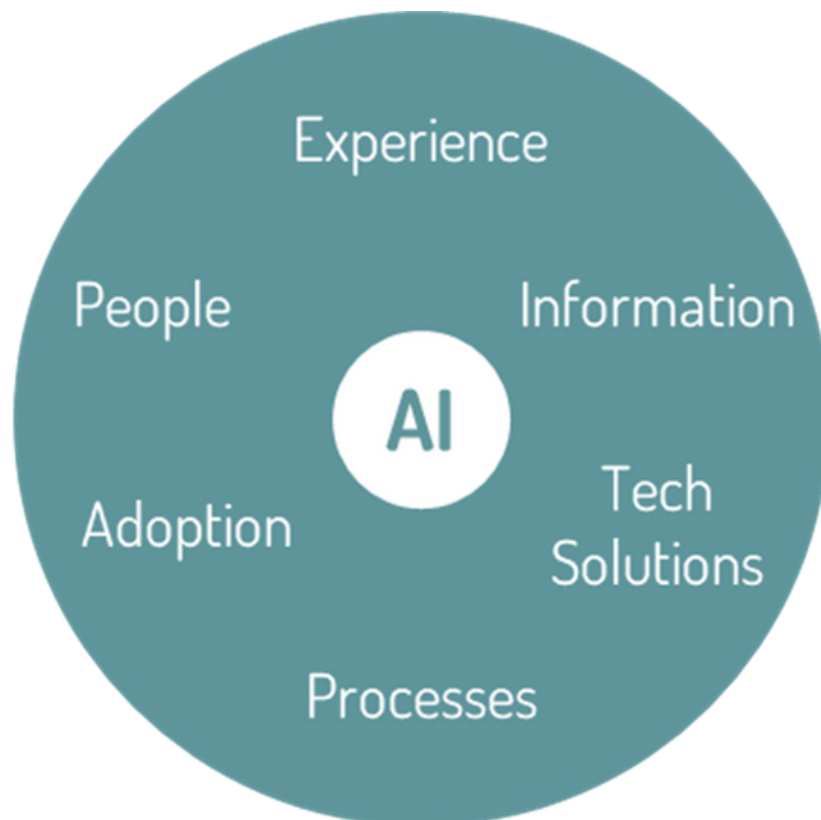
07. INTRODUCING THE LGAI FRAMEWORK FOR AI INTEGRATION

- The framework's comprehensive nature **empowers local authorities to tailor their approach** based on specific needs and desired outcomes within different service areas.

- Whether introducing AI solutions for enhancing citizen services, streamlining internal processes, or driving data-driven decision-making, the LGAi framework **offers a robust foundation for success**.

- **By adopting the LGAi framework,** local authorities can confidently **navigate the AI landscape, mitigate risks,** and **maximise the impact** of AI for communities
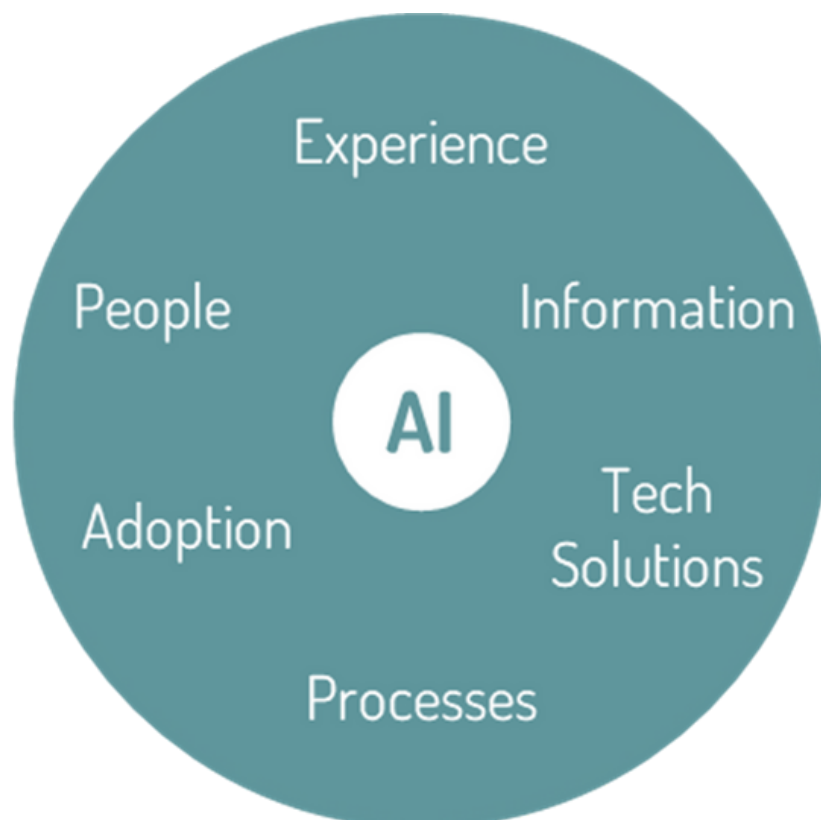
08. WHAT SHOULD LOCAL AUTHORITIES DO NOW?

Finally, to respond to the insights gained in this State of the Sector Report and develop a more robust AI landscape within Local Government, the following key steps are recommended for Local Authorities to consider:

1

Conduct an AI Readiness Assessment

Conduct a comprehensive readiness assessment using the LGAi framework and our **AI Maturity Matrix** before embarking on AI initiatives. This will help identify strengths, gaps, and areas requiring immediate attention, such as data governance, infrastructure, or workforce skills.

2

Develop an AI Strategy and Roadmap

Based on the readiness assessment, create a detailed AI strategy and roadmap aligned with the LGAi framework. This should outline specific AI use cases, timelines, resource allocation, and measurable goals for different service areas.

3

Establish an AI Governance Framework

Leverage the LGAi framework to develop a robust governance structure for AI initiatives. This includes defining ethical principles, risk management protocols, accountability measures, citizen engagement and transparency mechanisms.

4

Invest in Workforce Development

Prioritise workforce development by investing in training programmes and educational resources to enhance employee AI literacy and confidence. This should include hands on support during pilot projects to support sustainability.

5

Foster System-Wide Collaboration

Engage with the broader Local Government and AI systems by joining and attending the free online and in-person events hosted by **LGAi.uk** and collaborating with colleagues on the platform. This will facilitate knowledge sharing, best practice adoption, and the identification of potential partnerships.

09. CONCLUSION

- The insights presented in this report highlight both the pressing need and tremendous opportunity for local government to embrace AI as a catalyst for transformative change.

- While challenges exist, the LGAi framework provides a robust, experience driven approach to addressing them head-on.

- By adopting the LGAi framework, local authorities can confidently navigate their AI journey – enhancing service delivery, empowering their workforce, and driving data driven decision making for the benefit of their communities.

- The time to act is now, and the LGAi Framework stands ready to support and guide Local Government colleagues in this endeavour.

- We invite all local authority colleagues to join the free LGAi.uk online community, to share knowledge, embrace best practices, and foster collaborative innovation in AI adoption.

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