LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Policy and Oversight Board

Date: 24/11/2025

Subject: Update on AI Governance and Adoption

Report author: Cinar Altun, Strategy Lead – Digital Services

Responsible Director: Sukvinder Kalsi, Executive Director for Finance and Corporate Services

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SUMMARY

This paper provides an update on the London Borough of Hammersmith & Fulham's (H&F) governance and adoption of Artificial Intelligence (AI) solutions. Building on a strong foundation of digital innovation, the Council is in the early stages of exploring how service ambitions might be translated into practical outcomes. Current work continues to focus on experimentation and learning to inform future improvements in efficiency, service delivery and insight.

AI capability is evolving at pace, and H&F is ensuring that its approach to adoption keeps the Council at the forefront of the public sector by driving innovation while maintaining the highest standards of safety, transparency and ethical oversight.

Our strengthened governance framework underpins this progress and ensures that each AI initiative delivers measurable value to residents, communities and our staff.

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RECOMMENDATIONS

1. To note the substantial progress made in strengthening AI governance and broadening responsible adoption across council services.

2. To improve feedback on the proposed next steps, with a view to supporting the continued scaling of AI solutions that improve outcomes and operational excellence.

WARDS AFFECTED: None

Our Values	Summary of how this report aligns to our values
Building shared prosperity	Using AI to improve service delivery and reduce administrative burdens can free up staff for valuable resident facing work – thereby driving efficiency while contributing to wider social wellbeing and economic opportunities across the borough
Creating a compassionate council	AI adoption is guided by strong ethical oversight through the Ethics board, ensuring innovation is used responsibly and with compassion, thereby improving residents' lives while protecting trust and fairness.
Doing things with local residents, not to them	Resident-facing digital and information products, including those employing AI, are co-produced with residents via the Digital Accessibility Group (DAG). Additionally, the coproduction of the Digital Inclusion Strategy and the Digital Strategy with residents and our voluntary and community sector ensures that any AI adoption reflects resident needs.
Being ruthlessly financially efficient	AI is embedded within H&F's wider business improvement agenda, driving smarter, leaner operations. Each AI initiative is underpinned by a clear business case and return on investment (ROI) ensuring measurable value with financial principles.
Taking pride in H&F	Advancing our AI capability positions H&F as a confident, modern council, ready to lead through the rapid societal and technological changes shaping the public sector.
Rising to the challenge of the climate and ecological emergency	The report acknowledges the environmental impact of AI

technologies, and we are taking proactive steps to minimise this impact by ensuring that future innovation aligns with H&F's strong climate and sustainability commitments.

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Background papers used in the preparation of this report

Link to briefing papers on Generative AI:

POB Paper 29 April 2024 - Generative AI Opportunities, Challenges and Risks
POB Paper 25 November 2024 – Update on AI Adoption and Governance
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1. INTRODUCTION

H&F has shifted from isolated AI pilots and initiatives to strategic alignment and a business case driven approach to AI. Since November 2024, the Council has sought to expand its AI use cases. Innovations in technology, not least AI and automation, present an opportunity to deliver efficiencies within high demand service areas and can help the Council remain ruthlessly financially efficient. The Council has also embedded a comprehensive governance framework consisting of AI policies for staff, an enhanced AI Risk Assessment, a Generative AI Working Group and a newly established Ethics Board. Together this framework combines with our existing robust project management processes to ensure effective oversight and due diligence in all AI related procurement, projects and initiatives.

Across UK local government, AI adoption continues to accelerate, though maturity remains uneven. The LGA's June 2025 report notes that more than 70% of councils are now trialling or deploying AI tools, particularly in adult social care and customer services, yet large-scale success is still limited. This report highlights that councils with cross-functional AI working groups and strong leadership engagement are more likely to report successful outcomes. Gartner research supports this, emphasising the importance of bringing staff along on the journey and investing in robust support for AI adoption.

The sector is shifting from experimentation to disciplined, outcome-driven adoption. H&F is already leading in this space, ensuring that AI capability is aligned with business objectives rather than technology-led ambition.

Effective transformation through AI depends on a solid foundation; user-centred service design, high quality and accessible data, scalable use cases, robust business cases, and the right skills and digital infrastructure. Ethical considerations, such as transparency, bias and accountability remain integral to sustainable adoption.

AI and automation are not only operational tools but key enablers of the H&F strategy, supporting the redesign of high-demand services, embedding data-led decision-making, and driving proactive and personalised resident interactions.

The H&F approach embodies best practice, by combining cross-functional leadership, strong staff engagement, and governance that prioritises innovation and seeks new opportunities. The Council's Ethics Board and Generative AI working group ensure alignment with national guidance such as the [UK Government's AI Playbook](#). H&F actively engage with the [Local Digital team](#) at MHCLG , the Government Digital Service (GDS), and participate in initiatives led by the [Incubator for AI](#).

MHCLG also leads the Digital Planning Programme and H&F planning colleagues are engaging and learning from resources such as:

- **[PlanX](#)** – for planning guidance with AI potential
- **[AI Screening Toolkit](#)** – to help validate AI-generated outputs
- **[Digital Planning Register](#)** – a marketplace for AI planning solutions

Meanwhile, GDS and i.AI are developing purpose-built AI tools such as:

- **[Minute.ai](#)** – automates meeting summaries
- **[Extract](#)** – converts legacy planning documents into geospatial data
- **[Consult](#)** – analyses public consultation feedback

H&F continues to engage with national AI developments, exploring the adoption of tools such as Minute.ai and other innovative solutions. The Council ensures that local strategy remains informed by national guidance and emerging best practice, strengthening its capacity to deploy AI responsibly, effectively, and in alignment with broader public sector learning.

Recognising the need for resilience, H&F is reviewing the feasibility of further developing its internal AI capabilities to prepare for potential changes in product roadmaps, functionalities, or pricing structures. The Council will explore in-house AI development where feasible, maintain close oversight of evolving technologies, and implement digital strategies that enhance organisational agility and long-term flexibility.

2. PRODUCTIVITY TOOLS

Microsoft Copilot – Licenced (internally known as Licensed/Full Copilot)

Licensed Microsoft Copilot is a paid-for generative AI assistant embedded within Microsoft 365 applications, such as Word, Excel, Outlook and Teams. It enables users to draft high-quality content, summarise meetings, analyse data, and automate repetitive tasks using natural language prompts.

At H&F, Licensed Copilot is being deployed through a structured pilot of up to 50 licenses across directorates. This initiative aims to enhance productivity, accessibility and innovation in day-to-day operations while exploring how AI can transform business processes at scale.

A robust governance and evaluation framework underpins the pilot, ensuring that investment in targeted, outcomes are measurable, and value is demonstrable.

1. Initial Engagement (Triage of request): Staff begin by consulting with their Digital services Strategic Relationship Manager (SRMs) or the Tech Adoption team. This early engagement ensures requests are well-defined, aligned to service objectives, and assessed against existing technology options to maximise value and avoid duplication.

2. Business Case Submission: A clear business case is required to access a trial licence, outlining the intended use, anticipated benefits (e.g. measurable time savings, enhanced service quality), and a valid cost code. This step ensures resources are focused where AI can deliver meaningful organisational impact.

3. Online Request Form: Approved requests are submitted through a central online form, creating a consistent and auditable process. This enables transparency, data-driven decision making, and insight into emerging use-case trends.

4. Licence Issue and Support: Once approved, licences are provisioned, and users receive targeted training and support to maximise their productivity gains and confidently integrate AI into their workflow. This approach fosters digital confidence and innovation across teams.

5. Ongoing Oversight: Active monitoring ensures each licence delivers tangible results. Licence holders regularly do show and tell presentations to the Generative AI Working Group to evidence the benefits and

opportunities the tool provides. Where outcomes fall short or benefits plateau, licences are reallocated to new, higher-value pilots, ensuring every investment contributes to organisational learning and optimisation.

Digital Services are currently assessing the performance and value realisation of pilot use cases approved to-date (Appendix 1). Early findings indicate that while licensed Copilot offers advanced functionality, many emerging benefits are achievable through Copilot Chat, Microsoft's free version. Staff are therefore being supported to maximise these existing tools before seeking paid licences.

Within the UK local government landscape, the combination of piloting Microsoft licences, the formal AI governance framework and testing of structured AI use cases puts H&F in a good position. According to [LGA and SOCITM data](#) (as of mid-2025), most councils in the UK are still in discovery or experimentation stages, while only a handful of digitally mature boroughs are running structured pilots with governance and evaluation in place.

Microsoft Copilot Chat (internally known as Universal Copilot)

Microsoft Copilot Chat, included within H&F's existing Microsoft 365 suite, provides all staff with secure, AI-powered assistance through the Microsoft Edge browser and M365 Office environment. The tool supports a wide range of day-to-day activities from drafting reports and summarising documents or emails, to analysing data, preparing presentations and generating text from images.

Between April and September 2025, over 1200 staff made regular use of Copilot Chat, completing approximately 150,000 operations. Adoption has been strong and evenly distributed across all three directorates, demonstrating council-wide engagement with generative AI in daily workflows.

While Copilot Chat offers broad functionality, it is designed with robust data safeguards. It does not access internal systems or files unless users explicitly upload content, and all activity remains within the council's secure Microsoft tenancy.

Staff feedback indicates that Copilot Chat is already improving productivity and reducing administrative overhead. The Council is therefore actively promoting Copilot Chat as a safe, accessible and high-impact AI capability available to all staff, thus underpinning digital confidence to support innovation across our services.

Copilot Studio Agents (Agentic AI)

Copilot Agents represent a fast-evolving capability within the Microsoft Copilot suite. These agents can autonomously initiate actions based on defined goals, adapt to changing conditions, and coordinate across multiple systems to complete complex, multi-step tasks. They can also be configured to securely access restricted datasets, offering significant potential to streamline operations and enhance service delivery. This is a capability that we are exploring actively with our strategic partners.

Two use cases are currently being scoped, a Planning Research Agent and Tech-enabled Care Agent for Social Care, alongside a live trial in the Housing Customer Service Centre to test operational value and governance readiness.

Access to Copilot Agents remains controlled while data protection, cost modelling and ethical considerations are assessed. This measured approach ensures that innovation proceeds responsibly, fully aligned with H&F's AI governance framework. The Council's participation at this early stage reflects the commitment to shaping and safely deploying next-generation AI within the public sector.

Generative AI Note Taking Tools

H&F has undertaken structured pilots of AI-powered transcription and note-taking tools to ease administrative burden, enhance meeting quality and free up staff for more value-adding work

A Microsoft Teams Premium pilot with 60 staff from Adult Social Care (ASC) and Children's Services (CHS) concluded in May 2025. The evaluation identified tangible benefits including:

- Time savings of 1–5 hours per week depending on job role and meeting complexity
- Improved meeting quality: Managers reported better chairing and more focused conversations due to reduced distraction from manual notetaking
- Better supervision and 1:1s: Described by some as a "administrative assistant," Teams Premium helped streamline documentation and follow-up
- Cost efficiencies compared with both licenced Copilot and external commercial tools

Some challenges were observed in multi-agency settings where overlapping dialogue affected transcription accuracy, and these are being reviewed as part of the evaluation.

Magic Notes, (Beam), The tool was evaluated but found to be cost-prohibitive versus Microsoft's built-in capabilities.

I.AI Minute Tool (DSIT) Piloted nationally with LOTI councils, will soon share evaluation findings. H&F will assess results for local adoption potential, building on lessons from the Teams Premium trial.

3. LINE OF BUSINESS APPLICATIONS AND DEDICATED AI TOOLS

AI capabilities are now being embedded across H&F through both new supplier partnerships and enhancements to existing line-of-business-systems (LOBs). The council's robust AI Governance Framework and Risk Assessment process underpin every deployment, ensuring innovation is matched with strong ethical, legal and operational assurance.

Collectively, these initiatives demonstrate H&F's strategic and structured approach to AI adoption, embedding technology across services while maintaining strong governance, ethical oversight and measurable outcomes. The Council is actively translating emerging AI capabilities into practical improvements for staff and residents, positioning itself as a learning organisation at the forefront of responsible AI implementation.

- **The Resident Experience and Access Programme (REAP Accelerate)**: Implementation of an AI enhanced contact centre to improve resident service and operational efficiency. The Contract Variation with the current supplier Netcall has been completed and the Council is in the process of implementing the Liberty CX and Liberty Create platforms. These platforms will enable conversational AI Assisted human agents, online AI agents to support self-service, advanced reporting tools and robotic process automation.
- **Fraud, Error and Recovery Data hub (FRED)**: Detects and prevents fraud, automates manual processes and improves data accuracy and service delivery. £1.01m in identified efficiency benefits through automation and fraud prevention in 2024/25.
- **VoiceScape**: Deploys AI-driven analytics tools to assist in managing tenant rent payments and arrears.
- **Housing Complaints AI Automation**: An in-house prototype that categorises and analyses complaints using machine learning, with sentiment analysis and summarisation features.
- **CCTV Network Upgrade**: A £3.2 million investment over three years to upgrade the CCTV network with AI capabilities, including both live and

retrospective facial recognition, object and behavioural analytics capabilities. The upgrade aims to improve the speed, accuracy, and evidence collection of recordings and improve public safety and enforcement.

- **Amazon Web Services (AWS) Translation and EasyRead:** The tool is currently being implemented. This will reduce the time and cost of translating council documents, saving thousands on the costs of creating translations, and creating Easy read documents.
- **SmartBox AI (Freedom of Information and Subject Access Requests):** Scheduled to go live in December 2025, this tool will automate translation and simplify content creation, cutting costs and making council communications more inclusive and accessible.
- **Tussell Procurement Analytics**: Uses AI to analyse publicly available procurement data, enabling the Council to identify easily which suppliers are on which frameworks, track local authority spending patterns and benchmark supplier performance and procurement trends.
- **ANPR vehicle recognition and moving traffic enforcement**: Deploys automated vehicle detection and verification systems to streamline enforcement of parking and traffic management with parking permit validation systems.

Additional areas the Council is exploring:

- **AI for legal Services**: Document creation, review and negotiation. The Council is exploring AI-powered legal solutions designed to help organisations draft, review, and manage legal documents more efficiently. There are potentially benefits for Legal, Planning applications and Section 106 agreements.
- **Road Condition Monitoring**: Specifically for early detection of cracks and defects using laser imaging and computer vision. This could lead to significant cost savings, extended infrastructure lifespan, and reduced emissions. A pilot is being planned.
- **Adult Social Care**: The Council is also exploring the possibility of automating and enhancing the Care Act assessment process using AI.
- **Smart City Monitoring**:

  - **Digital Parking and Enforcement**: The Council has migrated to a digital parking permit system with automated document validation and a new Penalty Charge Notice system is being progressed with AI in scope.

- o **Road user object classification for surveys**: The Council is piloting AI-driven object detection in CCTV for monitoring compliance and supporting surveys in smart city initiatives
- o **Traffic and Footfall Analytics**: There is a proposal being explored for AI-based traffic and footfall analytics to optimise highway usage, lighting conditions and prediction of infrastructure maintenance needs.
- o **Traffic modelling and Fleet Optimisation**: Predictive routing for more efficient transport planning and congestion reduction.
- o **Air quality**: Piloting how to align air quality sensor data and AI models for forecasting air quality impact on vulnerable populations such as children during school runs.

4. GOVERNANCE

Challenges, Risks and Mitigations

AI readiness is a strategic priority for H&F, with activities focused on ensuring technology drives smarter, faster, and more personalised services, while embedding robust oversight. The Council's AI adoption strategy emphasises:

- **Strategic Vision**: Positioning AI as a catalyst for operational efficiency, improved resident outcomes and measurable value across the borough
- **Governance structures**: Safeguarding ethics and accountability while fostering a culture that allows experimentation and scaling of AI responsibly
- **Data Quality**: High quality, accessible, and well-prepared data underpins effective AI deployments
- **Technology Infrastructure**: Investments ensure AI systems are scalable, interoperable, and integrated across platforms
- **Workforce Capability**: A digitally skilled workforce, supported by dedicated technical teams, drives safe and effective AI adoption

To harness AI effectively H&F has identified risks and implemented targeted mitigations.

- **Data readiness**: Most AI deployments depend on clean, tagged and reliable data. Data requirements are incorporated into project planning and business cases, ensuring consistency and quality.

- **Siloed Adoption**: To avoid fragmented deployments, AI adoption is aligned with the AI governance framework and broader digital

transformation programmes, such as REAP Accelerate, which will enable channel shift, service consolidation, and operational efficiencies.

- **Vendor-Driven AI Features:** Commercial off-the-shelf systems can bypass internal oversight. Governance now includes supplier verification, procurement questionnaires, and Contract Assurance Board (CAB) scrutiny, with carbon footprint considerations embedded in product evaluations.

- **Workforce Upskilling**: Training is available to staff on prompt engineering and workshops are being delivered to ensure effective use of Copilot Chat across the Council. A council wide training programme is being planned. Apprenticeships in AI and data literacy are also being planned to ensure that council staff can use manage council data and use AI tools confidently, safely, and in compliance with council safeguards.

- **Return on investment (ROI) and effective cost control**: All AI solutions require strong business cases, clear cost analysis, and benefits realisation monitoring, even for existing suppliers.

- **Reputational Damage**: All AI tools are embedded with human oversight and reviewed by the Ethics board to ensure responsible decision-making.

- **Service Strategy Alignment:** Emerging AI opportunities will be fully supported and aligned to the H&F Digital strategy (recently approved). The Strategy is being co-produced with internal stakeholders, residents, and voluntary sector partners to identify high-value use cases.

AI Governance Framework:

Following POB recommendations (Nov 2024), H&F has embedded AI governance into Digital Services' Project Management Office (PMO) processes, introducing an enhanced AI Risk Assessment, mandatory for all AI functionalities. New and existing AI tools are reviewed under the framework, with the Generative AI working group providing oversight, evaluating business cases, and ensuring risks and mitigations are addressed prior to deployment.

Enhancements to the Generative AI Working Group

Following POB in November 2024, the membership of the Generative AI Working Group was further expanded to ensure all services were represented, including

our Caldicott Guardians. This working group acts as a forum for cross-directorate collaboration and knowledge sharing. Its aim is to explore the Art of the Possible in the context of emerging AI tools and support business cases that demonstrate productivity gains, cost savings, and service improvement. The group:

- Evaluates and provides oversight for AI Productivity tools, including Microsoft Copilot, Teams Premium, Magic Notes and EHCP+
- Provides peer challenge, including monitoring performance against business cases, enabling measurable productivity gains, costs savings, and service improvements
- Explores forward-looking opportunities, including Smart Cities and Agentic AI, ensuring H&F stays at the forefront of responsible AI experimentation and innovation

New Ethics Board

A senior officer-led Ethics Board provides independent oversight for AI adoption, particularly where there is resident impact. Board members have expertise in Law, IT, Information Governance, Public Health, Social Care and HR, ensuring that all large-scale AI deployments are evaluated ethically and risk assessed before implementation.

Conclusion & Next Steps

Hammersmith & Fulham has already entered the next phase of its digital and AI journey with confidence, purpose, and a clear vision for the future. Having established robust governance, ethical assurance, and strong organisational foundations, the Council continues to explore ways to integrate AI, automation, and data across all service areas, laying the groundwork for future opportunities.

The focus is shifting from exploration to transformation, continuing to embed and evolve AI as a core enabler of how the Council operates, makes decisions and serves our residents. This next stage will required targeted investment in the appropriate digital solutions, discovery-led service analysis, and workforce capability to ensure that staff can make full use of the new technologies safely and effectively.

Over the next 3-5 years, our ambition is to deliver a cohesive roadmap that combines quick wins with long-term transformation.   This will unlock opportunities for proactive, data-led services, deeper system integration, and a more agile and empowered workforce. By aligning our AI and technology enablers with our wider digital strategy, H&F will continue to set the standard for

how councils use technology to deliver better outcomes for residents, improve efficiency and remain financially resilient.

While there is much to do, H&F's direction is clear; to become a data-driven, digitally confident organisation that harnesses technology to shape the future of public service delivery, not simply adapt to it.

List of Appendices

None