Artificial Intelligence (AI) Policy

To govern the use of Generative Artificial Intelligence Large Language Models (GenAI).

Contents

Generative AI Policy

Summary

"GenAI" is a type of artificial intelligence that creates new content like text, images, and videos. It learns from existing data and uses this knowledge to generate new content based on user prompts.

This policy applies to all CEC users with access to authorised GenAI, through council-owned devices or BYOD (bring your own device) in pursuit of council activities.

The only GenAI applications currently authorised are Microsoft CoPilot chat and Microsoft CoPilot for Microsoft 365.

Further explanations and guides for use can be found in the policy detail.

SECTION 1. PURPOSE

1.1 The purpose of this policy document is to provide a framework for the use of market and approved Generative Artificial Intelligence Large Language Models (GenAI for use by council officers, members, contractors, developers, consultants or other third parties.

1.2 The term 'Users' is intended to apply to those users of authorised GenAI tools (referenced in section 8) or have been developed through the Digital Workstream. Authorisation of the use of AI is a key principle of this policy and must be adhered to. Users are officers, members, contractors, developers, or consultants.

1.3 The use of any other personal GenAI application is unauthorised for CEC business and shall not be used. Use of unauthorised GenAI could result in data loss, incorrect information and misappropriate decisions.

1.4 This policy is designed to ensure that the use of GenAI is ethical, complies with all applicable laws, regulations, and council policies, and sits alongside the council's existing information and security policies.

1.5 The pace of development and application of GenAI is such that this policy will be regularly reviewed and updated (every twelve months and approved through the Strategic Information Governance Group (SIGG) and the Digital Workstream. As new challenges in AI arise, these will be addressed and reflected in this policy. A balanced approach will be adopted, taking into consideration ethics and risks, benefits, and the possibilities of AI. Feedback, suggestions, and experiences to enable us to improve the policy and to ensure that it continues to meet the needs of the council will be addressed by the Strategic Information Governance Group (SIGG) and the Digital Workstream.

SECTION 2. USE OF GENAI

2.1 This policy applies to all CEC users with access to authorised GenAI, whether using the tools or developing solutions by that through council-owned devices or BYOD (bring your own device) in pursuit of council activities.

2.2 Use of GenAI must be considered and compliant with processes that promote transparency, security, fairness and which avoids bias to prevent discrimination and promote equal treatment. Inclusive of those principles, the overriding objective of AI is to contribute positively to the council's goals and values.

2.3 Users may use authorised GenAI for work-related purposes only and subject to adherence to the principles and procedures set out in this policy. The term 'Users' is deemed to mean that any user is authorised.

2.4 Particular attention should be given to governance, vendor practices, copyright, accuracy, confidentiality, disclosure, ethical use, and integration with other tools. Each of those aspects are considered within this section 2.

2.5 GenAI can be used for the following purposes:

2.5.1 To analyse vast amounts of data to improve decision-making and optimising processes.

2.5.2 To search public documents such as wider internet resources for the purposes of research, national and central government statistics, policies, and strategies etc.

Vendors and the supply chain

2.6 Any use of GenAI technology in pursuit of council activities should be done with full authorisation and acknowledgement of the policies, practices, terms, and conditions of developer and third-party vendors. Contract Managers should note that a written acknowledgement of that must be incorporated within all new procurement contracts.

Copyright

2.7 Users must adhere to copyright laws when utilising GenAI. It is prohibited to use GenAI to generate content that infringes upon the intellectual property rights of others, including but not limited to copyrighted material. If reference is made to a website, article or publication it is important to cite the author's name, publication title, date and/or website url.

Note: If a user is unsure whether a particular use of GenAI constitutes copyright infringement, they should contact the Information Governance Collaboration Group before using GenAI.

Accuracy

2.8 Line Managers are responsible for ensuring all information generated by GenAI must be reviewed and edited as necessary to ensure accuracy prior to use. Users of GenAI are responsible for fact checking output and are accountable for ensuring the accuracy of GenAI generated output before use and/or release. Senior Managers are accountable for published reports containing AI generated material.

Note: If a user has any doubt about the accuracy of information generated by GenAI, they should not use GenAI.

Confidentiality

2.9 Confidential and personal information must not be entered into a GenAI tool, as information may enter the public domain. Users must follow all applicable data privacy laws and organisational policies when using GenAI.

Note: If a user has any doubt about the confidentiality of information, they should not use GenAI.

Ethical Use

2.10 GenAI must be used ethically and in compliance with all applicable legislation, regulations, and Council policies. Users must not use GenAI to generate content that is discriminatory, offensive, or inappropriate.

Note: If there are any doubts about the appropriateness of using GenAI in a particular situation, users should consult with their line manager, supervisor, or Information Governance Collaboration Group.

Disclosure

2.11 Content produced via GenAI, or any other AI model, must be identified and disclosed as containing GenAI-generated information.

Footnote example: ***Note:*** *This document may contain information that has been generated by Artificial Intelligence (AI). The Council takes responsibility for this content.*

Integration with other tools and systems

2.12 API and plugin tools enable access to GenAI and extended functionality for other services to improve automation and productivity outputs.

Note: Assessments are made through the Information Assurance Questionnaire for all technical and security aspects as part of the procurement process. Developers of GenAI will also be instructed to follow OpenAI's Safety Best Practices:

- Adversarial testing
- Human in the loop (HITL)
- Prompt engineering
- "Know your customer" (KYC)
- Constrain user input and limit output tokens.
- Allow users to report issues.
- Understand and communicate limitations.
- End-user IDs.
- Risk assessment
- Authorisation

2.13 API and plugin tools must be rigorously tested for:

- Moderation – to ensure the model properly handles hate, discriminatory, threatening, etc. inputs appropriately.
- Factual responses – provide a ground of truth for the API and review responses accordingly.

SECTION 3. RISKS

3.1 Artificial Intelligence (AI) creates opportunities for innovation, growth and prosperity but also creates a range of new risks. These risks include damage to physical and mental health, bias and discrimination, and infringements on privacy and individual rights. These risks must be proportionately addressed to benefit from the opportunities that AI provides. Senior Managers in the Council have a responsibility to internally regulate risks through departmental service plans and the Council is regulated by legislation.

3.2 When developing GenAI or adopting other AI tools, it is essential to undertake a full Data Protection Impact Assessment (DPIA) *before* proceeding.
Complete a Data Protection or Privacy Impact Assessment (cheshireeast.gov.uk)

Legal compliance

3.4 Data entered into non approved GenAI may enter the public domain. This can release non-public information and breach regulatory requirements, customer, or vendor contracts, or compromise intellectual property. Any release of private or personal information without the authorisation of the Council will result in a breach of relevant data protection laws. Any new use of an technology will require a sperate or amended DPIA to be created. Use of GenAI to compile content may also infringe on regulations for the protection of intellectual property rights.

Note: Users should ensure that their use of any GenAI complies with all applicable laws and regulations and with council policies and if any breach or potential breach of the Council's data protection obligations has arisen it must be reported to the Data Protection Officer

Bias and discrimination

3.5 GenAI may make use of and generate biased, discriminatory, or offensive content.

Note: Users should use GenAI responsibly and ethically, in compliance with council policies and applicable laws and regulations. If bias and discriminatory matters or references are evident in AI generated content, it must be corrected or removed before use or distribution.

Security

3.6 GenAI may store sensitive data and information, which could be at risk of being breached or hacked. The council must assess through the procurement process and technical assessments the protections and security certification of any GenAI not approved within this policy before use.

Note: **If a user has any doubt about the security of information input into GenAI, they should not use GenAI.**

Data sovereignty and protection

3.7 While a GenAI platform may be hosted internationally, under data sovereignty rules information created or collected in the originating country will remain under jurisdiction of that country's laws. The reverse also applies. If information is sourced from GenAI hosted overseas, the laws of the source country regarding its use and access may apply.

Note: GenAI service providers must be assessed for data sovereignty practice prior to use by CEC.

SECTION 4. BENEFITS AND CHALLENGES

The use of AI has the potential to reduce costs, increase productivity and creativity, and offer tech compatibility with current systems.

4.1 Benefits

AI can offer numerous benefits, these include increased efficiency, automation of repetitive tasks along with:

4.1.1 Productivity

AI can significantly enhance internal staff productivity by automating tasks and providing summaries, leading to time savings and increased efficiency.

4.1.2 Data analysis and decision making

AI aids in data analysis, improving decision-making processes by providing insights and recommendations.

4.1.3 Tech-enabled care

AI-powered sensors and technology can enhance care for vulnerable people, detecting emergencies and ensuring timely interventions.

4.1.4 Cost management

AI-driven systems, such as temperature control, can help manage costs and optimize building environments, providing cost-effective solutions.

4.1.5 Positive community impact

Emphasising the community impact of AI initiatives can help garner support and alleviate concerns among staff and residents.

4.1.6 Outcome-oriented approach

Focusing on the positive outcomes and aligning AI initiatives with the fundamental purpose of local authorities can create a more favourable narrative.

4.2 Challenges

4.2.1 Transparency

Emphasise the importance of understanding AI systems' decision-making processes and addressing bias through plain and simple language.

4.2.2 AI updates

Be aware of AI updates and their potential impact, especially in internal settings. Assess the need for updates and their compatibility with existing AI models.

4.2.3 Software bill of materials

It is important to manage and understand the technical details and components of AI so that software risks and benefits can effectively be assessed.

4.2.4 Ethical considerations/Bias and fairness

Using AI can present unfair or prejudiced outcomes in decision making processes. Carefully consider ethical implications and ensure use cases are well thought out and thoroughly managed.

4.2.5 Regular monitoring of AI for bias and adjust to mitigate the risk of unintentional bias.

4.2.6 Data quality – Whilst sophisticated, AI may still produce results which contain errors due to misunderstanding, lack of understanding, or misinterpretation. Please ensure that any AI produced material, or decisions are fact-checked and monitored.
4.2.7 Reliability - We should conduct testing across the AI systems to assess how the AI performs in practical scenarios before deployment.
4.2.8 Security – Keep the AI system up to date with software updates, improvements, and changes as necessary.

SECTION 5. COMPLIANCE AND GOVERNANCE

5.1 Any non-adherence of this policy should be reported to Head of Service and then escalated through the Digital Workstream and/or Information Governance Collaboration Group. Failure to comply with this policy may result in disciplinary action, in accordance with the Council's Human Resources policies and procedures.

If this policy is breached, then the relevant Human Resource Business Partner will be contacted and will handle any matters of breaches.

5.2 Before accessing GenAI technology, which is not approved by this policy, users must first notify the Council's Digital Workstream and/or their ICT Account Manager of their requirements and intention to use, the reason for use, and the expected information to be input as well as the generated output and distribution of content.

5.2.1 For requests which will involve a new technology or process, these should be presented to the Council's Digital Workstream and/or their ICT Account Manager in the form of a business case.

5.2.2 For requests which relate to routine questions involving GenAI, then these should be emailed to the Council's Information Governance Collaboration Group. Information Governance Collaboration Group.

5.3 If a breach of data occurs then the individual must report the breach using the incident report form on the incident reporting Centranet page. The responsibility for raising awareness of the data breaches lies with the Council's Information Governance Group.

5.4 If information is regularly processed using GenAI, then the individual has a responsibility to update the Councils Information Asset Register by contacting the Records Management team with the relevant information.

SECTION 6. EDUCATION AND TRAINING

6.1 Whilst formal training has not been deemed necessary for this policy, it is important that Senior Managers and Line Managers must ensure that all CEC staff are made aware of its existence and contents. All users of GenAI must be aware of their obligations under this policy. Further information in the form of informative emails, Centranet announcements, content within the ICT Lighthouse hub, through Bright Sparks, team meetings, and newsletters will be shared as necessary. Specific training on AI interactions and prompts will be contained withing training guides for the solution where AI is in use.

SECTION 7. RESPONSIBILITIES

7.1 All Users have a responsibility to ensure that they abide by the rules and conditions set out in the policy.

7.1.1 Users should fact check all GenAI outputs and ensure that information is correct and accurate,

7.1.2 Users should be responsible with their use of GenAI data and consider ethical considerations as stated earlier in the policy, and

7.1.3 Users should not use personal or sensitive Council owned data on unauthorised GenAI platforms.

7.2. Overall responsibility for this policy and GenAI lies with the Senior Responsible Officer for the Director of Digital.

7.3 Individuals who have concerns and suggestion relating to GenAI should report these to the Bright Sparks group who will in turn then report them to the Council's Digital Workstream and/or the Information Governance Collaboration Group who will review and escalate if required.

SECTION 8. APPROVED/BANNED AI TOOLS

8.1 The only GenAI applications currently authorised are Microsoft CoPilot chat and Microsoft CoPilot for Microsoft 365 (access is limited and controlled through a governance process). User and business data are protected and will not leak outside the Council. Chat data is not saved, and it is not used to train other AI models.

8.2 The use of any other AI application or system is not approved and therefore unauthorised. Updates to this policy will include approved applications which will be published periodically, and it is incumbent on the User to check the current version of the policy.

SECTION 9. ACKNOWLEDGMENT

9.1 By using GenAI, Users acknowledge that they have read and understood this policy, including the risks associated with the use of GenAI and agree to be bound by them.

SECTION 10. REVIEW

10.1 This policy will be reviewed periodically and updated as necessary to ensure continued compliance with all applicable legislation, regulations, organisational policies, ethical considerations and benefits and challenges of AI.

Date	Owner	version Issued	Revision/Change
5h March 2025	CLT Review	2.2	G. Pawlett
20th March 2025	Corporate Policy Committee	3.0	