Agenda Item	12
Report No	RES/10/26

The Highland Council

Committee: **Corporate Resources**

Date: **19 March 2026**

Report Title: **Artificial Intelligence (AI) Policy**

Report By: **Assistant Chief Executive – Corporate**

1. Purpose/Executive Summary

1.1 This report introduces a new policy for the Council covering the responsible use of Artificial Intelligence (AI) tools for Council business. The introduction of such a policy at this time reflects the rapidly growing access to AI tools, the potential benefits and the potential risks. Adoption of a policy at this time will enable the adoption of AI in order to obtain benefits and also mitigate the risks of irresponsible use of the technology.

1.2 To date, the use of AI has been relatively limited and has focussed mainly around the "generative AI" products Microsoft Copilot and Google Gemini. This use has been informed by general guidance provided to staff. As usage grows, a formal policy to enforce the guidance is deemed necessary.

1.3 The AI policy aims to ensure that the use of AI is ethical, transparent and in compliance with legislation and Scottish public sector standards. The intention is to support innovation while safeguarding public trust, privacy and fairness.

2. Recommendations

2.1 Members are asked to:

i. **Approve** the Artificial Intelligence Policy; and
ii. **Note** the supporting Guidance and Templates provided.

3. Implications

3.1 **Resource:** There are no immediate resource implications arising from this policy. There is potential for the responsible use of AI to result in efficiencies and financial savings.

3.2 **Legal:** Although there are no immediate legal implications arising from this policy, the use of AI can have implications for meeting legal obligations around data protection. One purpose of the policy and guidance is to ensure compliance with this legislation.

3.3 **Risk:** Uncontrolled use of AI does increase the Council's risk profile. At a high level, the potential risks are:

- Data protection breaches.
- Cybersecurity vulnerabilities.
- Bias, discrimination and inequitable decision making.
- Loss of public trust and reputational damage.
- Lack of human oversight and accountability.
- Uncontrolled procurement and use of unapproved tools.
- Failure to meet legal and ethical obligations.

Adoption of a policy, with associated guidance and steps to ensure compliance, will help to mitigate these risks.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people):** AI does represent a significant shift in how ICT could be used in future and can be seen as a potential threat by staff. AI can also be seen as a technology that can enhance staff roles by removing the more mundane tasks and enabling smarter working. It is critical that the introduction and use of AI tools takes into account the role of staff and retains a "human in the loop".

3.5 **Gaelic:** No direct Gaelic implications of this policy. However, standard AI tools currently are not optimised for every language, and this could have Gaelic implications for the use of tools in certain circumstances. This should be taken into account when assessing the suitability of AI in those circumstances where use of Gaelic is required.

4. Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken. For the AI Policy, an initial screening was undertaken and this identified that a full impact assessment was not needed.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3

Impact Assessment Area	**Screening Assessment**
Equality	Positive impact
Vulnerable groups	Positive impact
Human Rights	Positive impact
Children's Rights and Well-being	Positive impact
Island and Mainland Rural	No impact
Climate Change	No impact
Data Protection	No impact

4.4 This impact assessment screening is in relation to the AI Policy itself and the potential impact of agreeing the policy. It is not an impact assessment of any individual AI tools or technologies.

Another way to consider this is to assess what the impact would be of **not** having an AI Policy in place. Allowing the introduction of AI technologies **without** a policy and **without** suitable controls could result in potential **negative** impacts across most of these categories.

Although the potential direct negative impacts to people of uncontrolled AI are generally well understood, one particular lesser-known risk area to highlight is the potential climate change impact. The impact assessment states:

Highland Council's use of AI tools has no direct local environmental impact as they use existing cloud services and do not change our transport, procurement, land use or energy consumption. AI in general does have a wider climate footprint due to the significant energy demands of global data centres that power AI models. These emissions are managed by cloud providers with strong renewable energy and carbon reduction commitments, so any local effect is indirect. However, it is noted that we must highlight the use of AI and its environmental impact. As such the current guidance will be amended to make users aware of their digital footprint and provide alternatives, such as using stock images in place of asking AI to create images. Also educating users in the energy used to create such items. The AI policy states that net zero impacts must be assessed through the procurement process for any new AI tool.

4.5 An initial screening has been undertaken for this policy. This identified potential positive impacts for:

- Equality
- Vulnerable groups
- Human rights.
- Children's rights and wellbeing.

4.6 No potential negative impacts were identified.

4.7 With regards to data protection, the screening recognised that the policy itself will not lead to any changes to current data processing. The policy states that individual data protection impact assessments must be carried out for any new AI tools.

4.8 The decision following the screening is that the impacts are positive or neutral and that a full impact assessment is not required.

5. Introduction

5.1 The availability and use of Artificial Intelligence (AI) is rapidly increasing and is becoming embedded in standard computer software such as web browsers. Within the Highland Council environment, Copilot chat is available within the Microsoft 365 environment and use is being made of Magic Notes AI within Health and Social Care for collating notes of meetings with clients. The use of Google Gemini in schools is also permitted. It is recognised that there is great potential to make further use of AI to create efficiencies.

5.2 In that context, it is considered essential that the Council adopts an AI policy to ensure that any use of AI is lawful, responsible, ethical and transparent. Another key factor in the use of AI is the significant energy usage in the data centres running the technology. The benefits resulting from AI use must therefore be considered in the context of any wider impact on net zero commitments.

6. Policy Details

6.1 The policy sites within the Council's framework of information governance policies and supplements the ICT Acceptable Use Policy. As per those policies, it therefore applies to all users of ICT including staff, Members, partners and others working on behalf of the Council.

The scope covers all forms of AI; whether processing text, images, video, audio or other data; whether created internally or provided by an external vendor; and whether embedded within a Council system of accessed externally.

6.2 A set of **guiding principles** inform the policy:

- Accountability: Clear ownership and oversight for every AI system.
- Transparency: Citizens, members and staff must be informed when AI is used.
- Fairness and Inclusion: AI must not discriminate or disadvantage protected groups.
- Human Oversight: AI must support—not replace—human decision-making.
- Privacy and Data Protection: Personal data must be handled lawfully and securely.
- Security and Robustness: AI systems must be tested and resilient.
- Public Benefit: AI must serve legitimate public purposes and improve services.
- Sustainability & Net Zero: any adoption and use of AI must support and not undermine the Council's net zero commitments.

6.3 Officer **governance and oversight** of the AI Policy will sit with the Information Governance Board. This established, cross-Service board is chaired by the Assistant Chief Executive (Corporate), who is also the nominated Senior Information Risk Owner (SIRO) for the Council. Section 6 of the policy provides details of the responsibilities of the Board with respect to the AI Policy.

Section 7 of the AI Policy outlines the wider responsibilities across Service managers, project leads and all ICT users. The responsibilities tie back to the guiding principles listed above.

6.4 Regarding **risk mitigation**, the AI Policy lists a number of actions that must be taken:

- AI-related risks must be formally recorded according to the Council's risk management process.

- All uses of AI must have a Data Protection Impact Assessment.

- An Ethical Impact Assessment is required for AI use relating to people – and a template is provided as an appendix to the policy.

- Bias testing must be conducted for any AI used to support decision making or to automate processes – and a template is provided as an appendix to the policy.

- Human oversight and override must be in place – all decisions must be verified by a human.

- Standard information management guidelines apply to AI and the Information Management policy framework must be adhered to.

- Proportionate piloting and validation must take place prior to full deployment of a new AI tool.

The policy also provides a reminder that all users of Council ICT must complete the mandatory Information Management training.

6.5 Understandably, there are concerns about the use of AI whether based on real risks or an individual's perception of the risks. To ensure **transparency and to maintain public trust**, the AI Policy commits the Council to maintaining an accessible register of AI tools being used for Council business. There will also be a clear process for dealing with queries and complaints about the use of AI.

6.6 In addition to the Council's Contract Standing Orders, specific **procurement guidance** will be provided on specific standards and requirements to be included when procuring new AI tools. Suppliers will be asked to demonstrate how their products meet the principles of the AI Policy. When procuring AI tools, particular emphasis should be given to obtaining reassurance about and details of:

- Data handling and data protection.

- Mitigation of bias and security risks.

- Decision-making algorithms and how to ensure "human in the loop".

7. Training and Guidance

7.1 The AI Policy is supported by appendices providing a template to assist with the completion of a Data Privacy Impact Assessment (DPIA) and a checklist for considering ethical impact as part of the DPIA. These documents are provided as a starting point for any Services looking to introduce AI tools and are aimed at making the AI Policy as easy to follow as possible. They should be adapted as appropriate depending on the scale and risk profile of the particular situation.

7.2 Guidance on the responsible use of AI has been published on the Council's Intranet. It will be regularly updated to take into account new technology developments, new use cases and lessons learned from AI implementations. **Appendix 2** to this report shows the current guidance.

7.3 All users of ICT in the Council must complete online training covering information management and cybersecurity awareness. This training is relevant for the use of AI. Through the introduction of any new AI tools, consideration will be given to whether specific additional training is required for targeted groups of staff or whether new general training materials should be developed for all users.

8. Monitoring and Review

8.1 As per paragraph 6.3 of this report, responsibility for monitoring and review of the AI Policy sits with the IGB. Management information will be provided to the IGB covering proposals for new use of AI, take-up of training, access to guidance materials and lessons learnt from AI implementations. The form of this management information will be developed as and when usage of AI increases.

8.2 Although the IGB has this responsibility, the operational application of this policy will be managed by the Business Solutions team. Requests for use of existing AI or procurement of new tools will be managed by Business Solutions, with decisions made as per the existing processes for requesting new ICT.

Designation:	Assistant Chief Executive - Corporate
Date:	23 February 2026
Authors:	Jon Shepherd, Chief Officer (Business Solutions) Lynsey Ross, Digital Business Partner
Appendices:	Appendix 1 – Draft AI Policy

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Highland Council

Artificial Intelligence (AI) Policy

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1. Document Control

1.1 Version History

Version	Date	Author	Change
V1 DRAFT	13/11/2025	Lynsey Ross	Highland Council Artificial Intelligence (AI) Policy

1.2 Document Approval

Name	Title	Role
	Corporate Resources Committee	

2. Introduction

The Artificial Intelligence (AI) Policy underpins Highland Council's commitment to the lawful, responsible, ethical, and transparent use of AI across all services. It forms part of the Council's wider governance framework, applying to all individuals and organisations. It applies to any use of AI regardless of format, origin or whether it is integrated into Council systems. This will ensure that innovation is balanced with public trust, privacy and compliance with UK and Scottish standards and aligned with the Council's values and legal obligations.

3. Purpose and Scope

This policy sets out Highland Council's approach to the responsible use of AI across all services. It ensures AI is used ethically, transparently, and in compliance with UK and Scottish public sector standards. The policy supports innovation while safeguarding public trust, privacy, and fairness and provides clear principles and governance for how AI should be adopted, managed, and monitored by staff, members, contractors, and partners.

This policy applies to all AI systems used or procured by Highland Council, including internal tools, public-facing services, and partnerships involving AI. It applies to **any individual who uses, develops, manages, or interacts with Artificial Intelligence (AI) systems or tools on behalf of Highland Council**. This includes:

- Council Officers
- Elected Members
- Partners and affiliates (e.g. High Life Highland)
- Contractors and agency staff
- Third parties working on behalf of the Council

The policy covers all AI-related activities, systems and outputs, regardless of:

- Format: Whether the AI processes text, images, audio, video, or other data types.
- Origin: Whether the AI tool or dataset was created internally or provided by an external vendor.
- Integration: Whether AI is embedded within Council systems or accessed via third-party platforms.

Any use of AI that interacts with Council Information Assets or influences Council decisions, services, or operations falls under this policy. This includes AI systems that process, analyse or generate information derived from Council records, data or other assets.

4. Definitions

- **AI Register**: A structured record of all AI systems used by the Council.
- **Artificial Intelligence (AI)**: Systems that perform tasks typically requiring human intelligence, such as prediction, summarisation, or conversation.
- **Automated Decision-Making**: Automated decision-making is the process of making a decision by automated means without any human involvement
- **Data Protection Impact Assessment** (DPIA): A legal requirement for high-risk data processing.
- **Ethical Impact Assessment**: Review of societal and ethical risks of AI use.
- **Generative AI**: AI that creates new content (e.g. text, images, summaries).
- **Special Category Data (UK GDPR)**: Personal data that reveals or relates to racial/ethnic origin, political opinions, religious/philosophical beliefs, trade union membership, genetics, biometrics, health, sex life or sexual orientation.

5. We will follow our Guiding Principles

The Council adopts the following principles for all AI use:

- Accountability: Clear ownership and oversight for every AI system.
- Transparency: Citizens, members and staff must be informed when AI is used.
- Fairness and Inclusion: AI must not discriminate or disadvantage protected groups.
- Human Oversight: AI must support—not replace—human decision-making.
- Privacy and Data Protection: Personal data must be handled lawfully and securely.
- Security and Robustness: AI systems must be tested and resilient.
- Public Benefit: AI must serve legitimate public purposes and improve services.

- Sustainability & Net Zero: Any adoption and use of AI must support and not undermine the Council's net zero commitments.

6. Governance and Oversight

6.1 Information Governance Board

The Information Governance Board (IGB) will oversee all AI initiatives. The cross-functional IGB will oversee all AI initiatives, ensuring they align with Council objectives, comply with legal and ethical standards, and follow strong information governance principles. Membership includes senior management representatives from each Service Directorate and is chaired by Senior Information Risk Owner (SIRO) for the Council.

By applying its core responsibilities of strategic oversight, compliance, risk management and performance monitoring, the IGB will provide transparent and accountable governance for AI adoption as follows:

6.1.1 Strategic Oversight

Ensure the AI Policy aligns with Council objectives and ethical standards.

Set priorities for responsible AI adoption and usage across services.

6.1.2 Compliance and Assurance

Monitor adherence to the AI Policy, including data protection and ethical use requirements.

Confirm compliance with relevant legislation (e.g., UK GDPR, Equality Act) and internal standards.

6.1.3 Risk Management

Identify risks associated with AI deployment (e.g., bias, data security, transparency).

Recommend mitigation strategies and escalation processes for high-risk AI projects.

6.1.4 Policy and Standards

Approve and periodically review the AI Policy and associated guidance.

Establish standards for AI procurement, implementation, and monitoring.

6.1.5 Performance Monitoring

Oversee implementation of AI initiatives and ensure they meet policy objectives.

Review reports on AI usage, ethical assessments, and compliance audits.

Oversee reports on compliance with compulsory training relating to information management and AI.

Oversee reports on user experience and the monitoring of benefits of AI.

6.1.6 Membership and Reporting

SIRO chairs discussions on AI governance within the IGB.

Information Management Leads ensure AI projects in their services comply with policy.

Report AI governance outcomes to senior leadership and relevant committees.

6.1.7 Meeting Structure

Include AI governance as a standing agenda item in quarterly IGB meetings.

Maintain records of AI-related decisions and actions for transparency and accountability.

7.0 Responsibilities

7.1. Information Governance Board (IGB)

- Provide strategic oversight for all AI initiatives.
- Regular review and approval of this policy and related documents, including referral to Corporate Resources Committee as appropriate.
- Monitor compliance and ethical use of AI across services.
- Assess and mitigate risks associated with AI deployment.

7.2. Business Solutions Service

- Process and assess requests for new uses of AI.
- Escalate such requests to IGB where they are determined to be high risk, potentially not aligned with the policy or introducing a significant change in the type of technology or use case.
- Provide input to the procurement process for new AI tools, including being part of the procurement approval process.
- Maintain an AI Register.
- Provide advice and guidance on the use of AI.
- Work with Services to identify opportunities for the use of AI.

7.3. Information Asset Owners

- Accountable for information assets used by AI systems.
- Ensure there is clear ownership and oversight for data processed, analysed, or generated by AI tools.
- Ensure AI use involving their information assets complies with information governance requirements.
- Confirm that appropriate risk assessments are completed for AI use involving their information assets.
- Ensure AI-related risks linked to their information assets are identified and recorded.
- Assure data quality, accuracy, and appropriateness of information assets used by AI systems, recognising that poor-quality data increases the risk of bias, error, or unfair outcomes.
- Support transparency requirements by ensuring that the use of AI involving their information assets can be clearly explained to officers, members, and the public where appropriate.
- Work with service managers, project leads, and ICT to ensure AI systems using their information assets are subject to proportionate piloting, validation, and ongoing review before and after deployment
- Confirm that access controls and security arrangements are appropriate for AI tools handling their information assets, ensuring data is processed lawfully, securely, and only for approved purposes

7.4. Service Managers

- Ensure AI projects within their service comply with the AI Policy.
- Nominate responsible officers for AI governance and reporting.
- Maintain transparency and accountability for AI use in their areas.

7.5. Project Leads

- Conduct AI ethical assessment and risk assessments before implementation.
- Ensure AI systems are tested for fairness, accuracy, and security.
- Maintain documentation for AI models, data sources, and decision logic.

7.6. All Users (Officers, Members, Partners, Contractors)

- Use AI tools responsibly and in line with Council policy and guidance.
- Report any issues, risks or misuse of AI systems promptly.
- Where applicable, complete mandatory training on ethical and compliant AI use.

7.7. Senior Information Risk Owner (SIRO)

- Act as the ultimate accountable officer for AI governance.
- Escalate significant risks or compliance breaches to senior leadership.

8.0 Risk Management

Highland Council treats information as a vital corporate asset and manages it throughout its lifecycle to ensure confidentiality, integrity and availability. The potential risks that could result from the use of AI include:

- Data protection breaches.
- Cybersecurity vulnerabilities.
- Bias, discrimination and inequitable decision making.
- Loss of public trust and reputational damage.
- Lack of human oversight and accountability.
- Uncontrolled procurement and use of unapproved tools.
- Failure to meet legal and ethical obligations.

To ensure appropriate management of risks, the following steps should be taken.

- All AI-related risks must be formally recorded in the Council's Corporate Risk Register, alongside generic security risks to maintain robust governance and accountability. This ensures that emerging technologies are assessed consistently with existing information security standards, safeguarding data accuracy, accessibility and compliance across all services.
- All AI projects must complete a DPIA (Appendix A) before deployment.
- An Ethical Impact Assessment (Appendix B) is required for systems affecting individuals.

- Bias testing of any AI tools must be conducted, especially is used for decision support or automated systems.
- Human oversight and override must be available for all AI decisions.
- AI systems must be piloted (proportionate) and validated before full deployment.
- All users of ICT must complete mandatory Information Management training which directly supports the AI Policy by ensuring that data used in AI systems is accurate, secure, and compliant with UK GDPR. Training equips staff to handle information responsibly and understand governance. This reduces risks, bias or misuse in AI outputs. Information Governance underpins ethical, lawful and trustworthy AI use across the Council.
- All users must follow the guidance issued regarding the responsible use of approved AI tools at The Highland Council. This guidance will be regularly updated as the technology and its use develops.

9. Transparency and Public Trust

An AI Register detailing approved AI tools for Council business will be maintained and available upon request. This is the responsibility of the Chief Officer for Business Solutions.

Highland Council is committed to ensuring transparency when artificial intelligence (AI) technologies are used. Only those tools listed on the AI Register may be used, and stakeholders will be informed as appropriate. Where AI plays a role in supporting processes, relevant individuals, groups or organisations will be informed of the use of AI. The level and method of communication will depend on the context, the nature of the technology and the impact on stakeholders.

A feedback and complaints process is available via the Information Governance team. This provides a clear process for providing feedback or raising complaints about the use of AI This ensures that concerns are addressed promptly and transparently.

10. Automated Decision Making

Under Article 22 of the UK GDPR, individuals have the right not to be subject to a decision based solely on automated processing, including profiling, where that decision produces legal effects or similarly significant effects on them.

Such decisions are generally prohibited unless one of three specific conditions applies:

- The decision is necessary for entering into or performing a contract
- Authorised by UK law, or
- Based on the individual's explicit consent.

Even where an exception applies, appropriate safeguards must put in place, including the right for the individual to obtain meaningful human intervention, express their point of view, and challenge the decision. Decisions cannot normally be based on special category personal data unless additional legal conditions and safeguards are met.

Transparency and fairness are essential whenever automated decision-making is used and meaningful human intervention is required to ensure this.

11. Approved Tools and Usage Rules

Only approved AI tools may be used for Council business. These are as per the register. Requests to use new AI tools should be submitted to Business Solutions through the standard process for requesting a new operational requirement and they will be assessed.

12. Training & Staff Awareness

All staff must complete mandatory Information Management training which directly supports the AI Policy by ensuring that data used in AI systems is accurate, secure, and compliant with UK GDPR. Training equips staff to handle information responsibly and understand governance. This reduces risks, bias or misuse in AI outputs. Information Governance underpins ethical, lawful and trustworthy AI use across the Council.

Specific training may be required for certain uses of AI, particularly for AI tools used as a core aspect of service delivery. The requirements around such training must be defined before introducing such tools.

Guidance documents and FAQs will be provided via standard online communication channels. (Appendix C).

13. Procurement and Vendor Standards

As with any procurement of ICT tools or products, the Council's Contract Standing Orders must be followed when procuring AI tools. Any procurement of ICT must be approved by the Chief Officer Business Solutions. In addition, for AI tools, the following points must be followed:

- AI procurement must consider ethical requirements.
- Vendors must provide transparency on algorithms, data handling and the steps where human intervention is required.
- Contracts must include provisions for explainability, bias mitigation and security.
- Noting that AI technologies can use significant amounts of energy, there must be consideration given to low carbon, energy- -efficient solutions that support the Council's Net Zero commitments.

14. Monitoring and Review

This policy will be reviewed on a regular basis and adapted appropriately to ensure that it continues to meet the business and service delivery requirements of the Highland Council. Lessons learned from the implementation of AI projects will inform updates of the policy, training materials and guidance.

The Council will also engage with national bodies (e.g. Scottish AI Alliance, Local Government groups) to stay aligned with evolving standards.

Routine checks will be made to ascertain the number of staff accessing guidance and training, with reports provided to the Information Governance Board.

Any substantial amendments will be referred back to the Corporate Resources Committee for approval.

15. Appendices

Appendix A: Data Protection Impact Assessment (DPIA) for AI Projects

Appendix B: Ethical Impact Checklist

Appendix C: Bias checking guidance

Appendix D: Artificial Intelligence (AI) Guidance for Highland Council Members and Officers

Appendix A: Data Protection Impact Assessment (DPIA) for AI Projects

Data Protection Impact Assessment (DPIA) for AI Projects

Document Control

1.1 Version History

Version	Date	Author	Change
V1 DRAFT	13/11/2025	Lynsey Ross	

1.2 Document Approval

Name	Title	Role

1. Project Overview

Project Name:

Project Owner:

Date:

Purpose of AI System: *Briefly describe what the AI system will do and why it is being implemented. Provide the purpose for which any personal data is processed regardless of AI use and which primary legislation covers this. This will provide the information needed to state the condition for processing which applies.*

2. Description of Processing

2.1 Data Types:

List all personal and sensitive data processed by the AI system.

2.2 Data Sources:

Identify where the data originates (internal systems, third-party, public datasets).

2.3 Processing Activities:

Explain how data will be collected, stored, analysed, and shared.

3. Consultation

3.1 Stakeholders Consulted:

Include Data Protection Officer, Information Governance, and relevant teams.

3.2 Public Engagement:

If applicable, describe how citizens will be informed about AI use.

4. Necessity and Proportionality

4.1 Justification:

Why is AI necessary for this project?

4.2 Alternatives Considered:

Document any non-AI options and why they were rejected.

5. Risk Assessment

5.1 Privacy Risks:

Identify risks such as bias, discrimination, data breaches, or lack of transparency.

5.2 Impact on Individuals:

Explain potential harm to data subjects.

5.3 Likelihood and Severity:

Rate each risk.

6. Mitigation Measures

6.1 Technical Controls:

Encryption, access controls, bias testing.

6.2 Organizational Controls:

Staff training, fallback processes, vendor compliance clauses.

6.3 Monitoring:

How will ongoing compliance be ensured?

7. Ethical Considerations

7.1 Fairness and Bias:

Steps to prevent discriminatory outcomes.

7.2 Explainability:

How decisions will be explained to users. What alternative processes are in place where automated decision making is used.

7.3 Human Oversight:

Describe human-in-the-loop processes.

8. Sign-Off (Name and date)

DPO Approval

Information Governance Board Approval:

Project Owner Signature:

Appendix B: Ethical Impact Checklist

Area	Needs Major Improvement	Some Concerns	Acceptable	Good Practice	Best Practice
Purpose & Justification	No clear reason for using AI.	Vague or weak justification.	Reasonable explanation.	Strong, well thought out reason.	Clear, compelling public benefit.
Example	AI is implemented without any clear problem statement or expected benefit.	AI is implemented with a general goal but lacks specific objectives.	AI is implemented with a clear goal and expected outcomes.	AI is implemented with a well-defined purpose and clear benefits.	AI is implemented with a clear, compelling benefit and measurable outcomes.
Transparency	People won't know AI is being used or how it works.	Limited explanation, hard to understand.	Some transparency, but could be clearer.	Easy to understand and well explained.	Fully open and understandable to all.
Example	AI decisions are made without informing users, and there is no documentation available.	Basic information about AI usage is provided, but it is not easily understandable.	General information about AI usage is available, but detailed explanations are lacking.	Detailed and understandable explanations of AI usage are provided.	AI usage is fully transparent, with detailed explanations accessible to all users.
Data Ethics	Data is biased or collected unfairly.	Some issues with data quality or fairness.	Mostly fair and accurate data.	Data is reliable and ethically sourced.	Data is top-quality, fair, and inclusive.
Example	Data used is outdated and not representative of the population.	Data has some gaps or biases that could affect AI performance.	Data is mostly accurate and fair, with some minor issues.	Data is carefully sourced and regularly updated to ensure fairness.	Data is high quality, regularly audited for fairness and inclusivity.
Fairness	AI treats some groups unfairly.	Some bias or unequal outcomes.	Mostly fair, with some checks in place.	Strong fairness checks and low risk of bias.	No bias, with excellent fairness safeguards.
Example	AI system consistently shows bias against certain ethnic groups.	AI system shows occasional bias in decision-making.	AI system is generally fair, with occasional checks for bias.	Regular checks are conducted to ensure AI decisions are fair.	AI system has comprehensive fairness safeguards, ensuring no bias.
Accountability	No one is clearly responsible.	Some roles unclear.	Roles and responsibilities mostly clear.	Clear accountability and oversight.	Strong governance and clear responsibility.
Example	No designated officer or team is responsible for the AI system.	Responsibility for the AI system is shared among multiple teams without clear roles.	Most roles and responsibilities for the AI system are defined.	Clear governance structure with designated responsible officers.	Strong governance with clear accountability and regular oversight.
Privacy	Doesn't meet data protection rules.	Some privacy risks.	Meets basic legal requirements.	Strong privacy protections in place.	Exceeds legal standards and best practice.
Example	AI system collects and stores personal data without user consent.	AI system has some privacy protections, but there are still risks.	AI system complies with basic data protection laws.	AI system has robust privacy protections and user consent mechanisms.	AI system exceeds legal privacy standards and follows best practices.
Human Oversight	AI makes decisions with no human input.	Minimal human involvement.	Humans involved in key decisions.	Good balance of human and AI input.	Humans stay fully in control of decisions.
Example	AI system operates autonomously without any human checks.	Humans are involved in AI decisions only in critical cases.	Humans review AI decisions in key areas.	Humans and AI work together effectively, with clear roles.	Humans have full control over AI decisions, with clear guidelines.
Security	System is open to abuse or hacking.	Some security risks.	Basic protections in place.	Strong security measures.	Very secure, with regular testing.
Example	No security measures in place, making the system vulnerable to attacks.	Basic security measures are in place, but some vulnerabilities exist.	Standard security measures are implemented.	Advanced security measures are in place to protect the system.	AI system is highly secure, with regular security audits and updates.
Environmental Impact	High energy use, no mitigation.	Some effort to reduce impact.	Reasonable energy use.	Low impact with good mitigation.	Very low impact, using green tech.
Example	AI system requires excessive computational power with no efforts to reduce energy consumption.	Some initiatives to reduce energy consumption, but not comprehensive.	AI system has reasonable energy consumption.	Efforts are made to minimize energy consumption and environmental impact.	AI system has minimal environmental impact, using the latest green technologies.
Public Engagement	No public input or awareness.	Limited engagement.	Some consultation done.	Good level of public involvement.	Excellent engagement and transparency.
Example	AI system is deployed without any consultation with the public or stakeholders.	Public consultation is limited to a small group of stakeholders.	Public consultation is conducted, but not widely publicised.	Public consultation is thorough and includes diverse groups.	Public engagement is extensive, with transparent communication and feedback

Appendix C: Bias checking guidance

1. Purpose

AI systems are to be tested for fairness, inclusivity and non-discrimination, in line with Scotland's national values led, human rights focused AI governance approach. This guidance outlines the key considerations, checks and principles which The Highland Council (THC) Officers must follow as part of bias testing.

2. Core Principles to consider when testing for Bias

Bias testing must align with THC's overarching AI principles:

- AI systems must respect human rights, equality, diversity and democratic values.
- AI must be trustworthy, ethical and inclusive throughout its lifecycle.
- Users remain accountable for ensuring fairness, transparency and non-discrimination.

3. Key Considerations for Bias Testing

3.1 Fairness, Human Rights and Non-Discrimination

All AI systems must be tested to ensure they do not create or reinforce discrimination.
This includes:

- Assessing whether any protected or vulnerable groups experience unequal outcomes.
- Reviewing both performance and data for signs of bias.

3.2 Dataset Evaluation and Representation

Data used for AI Bias checks should be:

- Representative of the populations affected.
- Checked for historical or structural bias.
- Reviewed for gaps, skewed sampling or under representation of communities.

3.3 Statistical Fairness Testing

Users should consider:

- Error rate and accuracy parity between demographic groups.
- Measures such as equal opportunity difference, false-positive/false-negative parity or other fairness metrics appropriate to the context.

3.4 Qualitative Scenario and Stress Testing

Bias testing must include qualitative assessment, such as:

- Considering diverse real-world scenarios.
- Testing cases involving marginalised or underrepresented groups.
- Identifying systemic patterns of unfair behaviour.

3.5 Transparency and Explainability

Reviews should ensure that:

- System logic, assumptions and limitations can be explained.
- Users understand how decisions are made.
- Decisions can be challenged or escalated.

3.6 Accessibility and Equity

Bias testing must consider whether AI systems:

- Are accessible to users with disabilities.
- Work alongside assistive technologies.
- Avoid digital exclusion and do not disadvantage those with varied abilities, literacy or access levels.

3.7 Lifecycle Monitoring and Ongoing Accountability

Bias mitigation is not one off.

Maintain clear lines of accountability and human oversight.

4. Required Documentation

The following records must be maintained:

Summary of fairness and bias testing.

Description of data reviewed.

Equity and accessibility assessments.

Stakeholder engagement activities.

Identified risks, mitigations and limitations.

Monitoring plans and accountability structures.

5. Responsibilities

AI Suppliers- Complete fairness testing and provide supporting documentation.

New Operational Request Owner- Ensure bias testing is completed and results are understood and acted upon.

Information Governance Board- Provide assurance, support and oversight.

Appendix D: Artificial Intelligence (AI) Guidance for Highland Council Members and Officers

This is the guidance currently (February 2026) published on the Council's intranet and is provided for illustrative purposes. Guidance will be updated regularly to reflect changes in technology and usage.

Since the initial Highland Council AI Guidance was published in January 2025, colleagues from across the Council have been using Copilot and Gemini, with the feedback being overwhelmingly positive.

This is your updated guide to the responsible use of approved AI tools at The Highland Council.

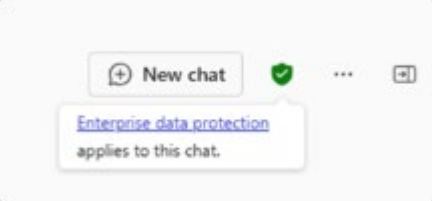
Use only approved AI tools for Council business

If it is appropriate to do so and you wish to use an AI tool for Council related work, use only an approved option.

These are Copilot (when logged in with your Highland Council Microsoft account), Gemini (within a Google Education account) or Magic Notes.

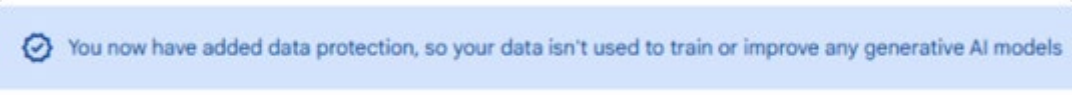
How do I know I've logged into my Highland Council Microsoft account?

A green shield will be visible within Copilot when you are logged in



And for Gemini within a Google Education Account?

When you click the app, this will be visible



Your Highland Council account, is designed for secure use, keeping your data safe and providing helpful tools and context

to support your work. In contrast, public AI tools such as ChatGPT use what you type/upload to improve their models,

which means they are unsecure and not suitable for handling Council data or tasks.

Magic Notes is currently approved for use within Health and Social Care by specific individuals.

Colleagues in Health and Social Care who wish to use Magic Notes must have line manager approval, submit an account request and complete the mandatory training. Guidance on using Magic Notes is included within the training package, which is available on Traineasy.

There is potential for Magic Notes to be developed further and introduced into other areas over time.

This guidance refers to Copilot (when logged into your Highland Council Microsoft account) and Gemini (within a Google Education account).

AI- Your Digital Sidekick

✨ Blank Screen Moments?

Staring at your screen wondering how to- Start that report? Write that email? Merge those data tables?

🤖 Enter your Digital Sidekick

Your helpful assistant who never takes lunch breaks, doesn't judge, has a clever way to phrase things.

💡 What Can It Do?

Summarise meeting notes, draft a policy in plain English, spot trends in a data set and so much more…

🤹 Digital All Rounder

Think of them as your librarian, translator or brainstorming buddy

🔐 Safe and Secure

When logged into your Highland Council account and using Copilot or Gemini your prompts and documents are kept private.

They are not used to train the AI or added to any global model.

You can upload personal information, relevant to your role, knowing it's protected.

Use it

We encourage the use of approved Digital Sidekicks to support your work but always with caution and responsibility.

Please be mindful of the following key principles, including dos and don'ts, limitations, ethical considerations, and steps to take when your Digital Sidekick may be incorrect, to help you use these tools wisely and transparently.

Dos and Don’ts	
✅ **Do**	❌ **Don’t**
Use AI to help with admin tasks such as summarising notes and drafting emails.	Don't use it to make decisions.
Check outputs for accuracy and bias.	Don't assume it is right.
Keep humans in the loop.	Don't use AI tools other than those THC have approved.

Limitations	
❌ **Your Digital Sidekick Is Not…**	✅ **Your Digital Sidekick Is**
A crystal ball, it can't predict the future	A clever tool, but one that might guess and make errors if not checked
A human, it doesn’t grasp nuance or context	A pattern-spotter, it learns from existing data
A decision-maker	A decision-support tool, but it relies on your knowledge and judgement

What to do if you think AI has got it wrong	
⚠️ **Step**	📝 **Action**
Pause & Review	Take a moment to assess the output before using it.
Check the Source	Look at the data and assumptions behind the response.
Ask a Colleague	Get a second opinion to confirm accuracy or spot issues.

Ethics and Transparency	
🔍 **Principle**	✅ **What to do**
Fairness	Ensure your outputs treat everyone fairly and avoid bias.
Privacy & Data Protection	Follow all relevant Privacy Notices and adhere to the ICT Acceptable Use Policy.
Accountability	You are responsible for any decisions made using your Digital Sidekick.

Use your Digital Sidekick wisely		
🔍 **1.** **Check the Source**	👥 **2.** **Stay in the Loop**	⚠️ **3.** **Be Cautious**
Ask yourself; *Where did this come from?* If the input source is unreliable, then the output will be too. Mince in, will not give you a fillet steak out.	AI supports your decisions it doesn't make them for you. Think of it like Satnav, it gives you route options to your destination, but it is up to you to select which one you take and to do the driving.	AI might sound confident even when it's wrong. Always challenge and double check before you copy, paste, or act.

🧐 **Curious about your Digital Sidekick?**
🚀 **Why not give it a go and see how it can help you today!**