


AI Opportunities Action Plan: How local authorities can lead the way

28 February 2025  Anja Beriro

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The AI Opportunities Action Plan published by government earlier this month doesn't mention local government once - but Anja Beriro says there is plenty within its contents that should give local authorities food for thought.

Artificial intelligence will have a transformative effect on just about every facet of the economy, so it wasn't before long that the government set out its own framework for how it aims to harness digital technology within the public sector.

It described the AI Opportunities Action Plan as "game-changing" when announcing it earlier this month, saying AI can speed up everything from planning and pothole maintenance to teacher admin and disease diagnosis.

There are no explicit references to local government but the first section, titled 'Lay the foundations to enable AI', includes multiple asks that councils are arguably best placed to deliver.

Local authorities can get ahead by examining the action plan and considering where they might be able to seize their own opportunities.

Integrating new data centres within local plans

The action plan sets out an intention to "build sufficient, secure and sustainable AI infrastructure".

Here, we are talking about data centres – physical facilities that store, process and distribute data that is the bedrock of AI applications.

With their [planning](#) powers, local authorities can decide on proposals for where to locate data centres. Many are updating their local plans at the moment, but is the AI revolution mentioned in them? Perhaps it should be.

Linking AI with freeports

There may be an opportunity to link the location of data centres to some of the UK's 12 freeports,

Most of these are located in coastal areas, which are regarded as ripe for housing data hubs because of their easy access to renewable energy, such as offshore wind.

There is also the desire in the action plan to establish 'AI growth zones' to facilitate the accelerated build-out of AI data centres.

Again, there may be an opportunity to link these to freeports, which have a focus on large-scale regeneration and skills development in emerging sectors of the economy.

Developing and using AI requires new skills. Particularly with English devolution, and skills budgets being transferred to combined authorities, local government can identify, sometimes in partnership with a local freeport, which skills are going to be required and who is best placed to deliver them.

Energy generation projects

While the huge energy demands of data centres makes them an environmental concern, the excess heat this generates can be harnessed as a clean energy source for other uses.

Council-run buildings, such as leisure centres, offices and houses, could benefit if linked up to strategically located data centres to cut their own carbon emissions.

There have already been some pioneering examples of this concept, with data centre operator Deep Green using a washing machine-sized centre to heat the swimming pool at Exmouth Leisure Centre, in Devon.

Identifying data sets

Local government has a lot of data, particularly in relation to social care and wider socio-economic issues – for example, concerning housing, family and benefits.

There is huge untapped potential for this data – whether it's identifying vulnerable individuals, predicting service demand, allocating resources efficiently, targeting preventative interventions, monitoring service quality or tailoring care plans to individual needs.

A word of caution in handling data sensitively, however. It may require work to convert records into a usable format, information that can identify individuals should be anonymised for data protection compliance, and there may be inherent data bias that requires challenging by skilled users.

Commercialising data

An additional consideration regarding data is whether local authorities can commercialise an opportunity here.

It is becoming almost a category of 'natural resource' and councils developing rich streams of data will be best placed to use it, both within their regions and as an exportable product.

In the AI strategy context, there is perhaps the need to ensure clarity on how those local authorities delivering the best data can work on relationships in which they share the benefits.

Examples of how businesses may use public datasets include deep population analytics when rolling out new products and services, geospatial analytics to optimise services like waste collection routes, and developing 'smart city' infrastructure that communicates with a public network of sensors.

Take advantage of AI opportunity

Our encouragement to local government is to lean into the opportunities of AI, in allowing better services to be delivered.

Efficiencies don't always mean loss of jobs, it can mean delivering more with the resources available, tailoring services and having a workforce better set up for the future.

With the powers that local authorities have, they're well placed to be a key player.

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