SUBJECT:	**Building the foundations for a Data and AI Enabled Council**
MEETING:	**Cabinet**
DATE:	**10th June 2026**
DIVISION/WARDS AFFECTED:	**Countywide**

1. PURPOSE:

1.1 To seek Cabinet approval for the Council's participation in, and contribution towards, a phased programme of foundational investment in Artificial Intelligence (AI) and Data Modernisation through the Shared Resource Service (SRS) partnership.

1.2 The proposals look to enhance the Council's ability to deliver better outcomes for residents, improve productivity and service resilience, support staff, and enable more informed and timely decision-making across the Council.

1.3 The report brings together two linked investment proposals:

- a three-year partnership-wide AI programme to create a secure, governed shared AI foundation, including an AI Management Hub, staff productivity tools and a Digital Front Door capability; and
- Phase 1 of the Data Modernisation Programme, including completion of the core data platform and delivery of the Single View of Child (SVoC) as the first operational use case for joined-up insight and predictive analytics.

1.4 The purpose of the report is not to introduce technology for its own sake. It is to ensure that the Council has the right foundations, safeguards, skills and partnership arrangements in place so that the Council can use AI and data analytics in a proportionate, ethical and practical way that reflects public service values and maintains public trust.

1.5 The report sets out why investment is required now, the benefits expected for residents, staff and councillors, the safeguards and governance arrangements that will apply, the options considered, the financial and workforce implications, and how success will be evaluated.

2. RECOMMENDATIONS:

2.1 To approve Monmouthshire County Council's participation in the three-year SRS partnership AI programme, based on the preferred delivery route outlined in the report.

2.2 That Cabinet approves the Council's share of the investment, funded by a one-off contribution from earmarked revenue reserves (specifically the Invest to Redesign Reserve), as set out in this report and summarised as follows:

a) A combined three-year contribution arising from the AI programme and Data Modernisation Phase 1 of £596,654, profiled as £462,654 in Year 1, £66,000 in Year 2 and £68,000 in Year 3;

b) A contribution of £20,500 in year 1 for Microsoft Fabric, with the cost for subsequent years incorporated into the MTFP from 2027/28.

c) A contribution of £34,000 in year 1 for transactional AI usage costs for the Digital Front Door, with the cost for subsequent years incorporated into the MTFP from 2027/28.

d) An initial budget provision of £200,000 to support services to implement AI and Data projects to the extent that existing capacity and capability does not allow.

The total one-off contribution from earmarked reserves will be £851,154.

2.3 To approve Monmouthshire County Council's participation in Phase 1 of the SRS Data Modernisation Programme, including delivery of the Single View of Child and completion of the key components of the unified data platform.

2.4 To endorse a phased, gated approach to implementation, including formal stage gates for AI use cases and investment progression; and a pause-and-review point for the Data Modernisation Programme before any Phase 2 proposals are brought forward.

2.5 To endorse the principle that AI and predictive analytics will be used to support professional judgement and service improvement, and not to replace human accountability for decision-making.

2.6 To delegate authority to the Deputy Chief Executive and Chief Officer Resources, in consultation with the Leader and Cabinet Member for Resources, to finalise implementation arrangements and release funding in line with the approved profile, subject to the governance arrangements and decision gateways set out in this report.

3. KEY ISSUES:

3.1 The Council has a clear purpose to become a zero-carbon county that supports well-being, health, and dignity for everyone at every stage of life. Digital and data are recognised as key enablers that will help us achieve these outcomes.

3.2 Cabinet approved in May 2025 for the Council to transition a shared service model for digital and data in collaboration with Torfaen County Borough Council and Blaenau Gwent County Borough, as part of an expanded role for the Shared Resource Service (SRS).

3.3 All three organisations, along with Newport City Council, are partners in the Shared Resource Service (SRS) which has successfully supplied our technology services since 2011. The SRS has developed its capability over many years, from network resilience through to cloud migration.

3.4 Through the extended collaboration, the authorities are now able to capitalise on economies of scale to take us to the next level in meeting the Council's digital and data ambitions, as set out in the Council's digital and data strategy.

3.5 The Digital and Data Strategies of the partner authorities have common themes that made collaboration feasible. These themes centre around:

- Digital Skills Development
- Customer-Centred Services
- Collaboration and Innovation
- Data and Evidence-Based Decision Making
- Technology and Infrastructure
- Automation and Efficiency
- Sustainability and Inclusivity

3.6 Collaboration also increases the ability of partners to tackle inequalities through better use of digital and data in line with the Marmot principles endorsed by the Gwent Public Services Board. This includes preventing issues from occurring or worsening and contributing to better health outcomes.

3.7 Stemming from the strengthened collaboration this report looks to secure Cabinet approval for the Council's participation in, and contribution towards, a phased programme of foundational investment in Artificial Intelligence (AI) and Data Modernisation through the SRS partnership.

3.8 The SRS Strategic Board considered these proposals at its meeting on 21st April and recommended them for approval through partner authorities' own individual decision making. Newport City Council, Torfaen County Borough Council and Blaenau Gwent County Borough Council have already secured the necessary approval and funding to proceed. The investment in total across the local authority partners amounts to £2.47m. Monmouthshire, like other local authority partners, is looking to move forward at pace and not get left behind.

3.9 These proposals are not simply an investment in technology. They are a targeted investment intended to secure a return through higher productivity, reduced avoidable administrative and process cost, earlier intervention, better targeting of resources and more efficient service delivery. By creating the right shared foundations for AI and data modernisation, the Council will be better placed to release staff time for higher-value work, manage demand more effectively, reduce duplication and improve outcomes for residents, while also creating the conditions for future financial efficiencies and better long-term value for money.

3.10 These proposals have been developed over a period of time and have included specialist support and advice, as well as extensive senior officer and Cabinet member consultation through both SRS and Council governance arrangements.

Background and case for change

3.11 Services across the Council and wider SRS partnership are experiencing sustained pressure from rising demand, increasing complexity of need, workforce constraints and growing expectations for accessible digital services. Across partner councils, many core processes remain sub-optimal or dependent on siloed systems and workarounds. New capabilities with AI and data that were unimaginable a few years ago are now withing our grasp, enabling us to do more with the same, or even reducing budgets. This will help increase workforce productivity, freeing up our colleagues to focus on tasks requiring a more empathetic and human-centred approach.

3.12 The current position also creates risk. In the absence of a coordinated approach to the use of AI, partner councils can end up trialling separate tools, duplicating effort, missing economies of scale and allowing the use of unapproved or "free" AI tools that do not offer the governance, integration or security expected in a public service setting. These proposals look to introduce a shared and governed platform intended to replace this patchwork of ungoverned use.

3.13 In relation to data, key information about residents, families and service demand can sit in separate systems across organisations, making it harder to build a full picture quickly, coordinate support, identify risk early or plan resources effectively. Fragmented data is a limitation to earlier intervention, more efficient use of professional time and better outcomes.

3.14 This report therefore presents two connected investment proposals designed to address these issues in a practical, phased and controlled way:

- a shared AI foundation to provide a secure, governed platform for staff productivity, citizen contact and future service redesign; and

- a shared data modernisation capability that can securely bring together information from multiple systems, improve data quality, and provide more timely and holistic data which will improve the speed and quality of decision-making by professionals and enable predictive analytics which can improve and accelerate our work on prevention. This will begin with the Single View of Child and other data use cases that will be identified, prioritised and progressed alongside.

3.15 These are ‘enabling’ investments. They are intended to improve the Council's ability to respond to pressure, use public money more effectively, support and enhance staff capabilities, act earlier where possible and improve the quality of decisions and services over time.

What is being proposed - AI foundation

3.16 The AI proposal is a three-year, partnership-wide programme designed to establish a secure, governed shared AI foundation across the four SRS partners. It replaces fragmented, ungoverned and inconsistent use with one shared AI Management Hub and associated delivery capability.

3.17 The AI programme has two stages:

- a Foundation stage, which creates a shared AI Management Hub integrated with systems and data, and provides approved AI capabilities for staff such as summarisation, translation, redaction and approved bots, alongside initial Digital Front Door capability for citizen enquiries; and
- a Scaling Innovation stage, which is intended to support end-to-end automation, more advanced AI use cases, council-wide chatbots, 24/7 digital services, and broader service transformation where value is evidenced.

3.18 The preferred delivery route is to use AWS (Amazon Web Services) Professional Services for the AI Management Hub and a professional services partner for the Digital Front Door, together with a preferred option for temporary staffing investment within the SRS Automation Team. Refer to the options appraisal section for more information on options that were considered.

3.19 The proposal is designed to deliver value through a single, shared approach rather than through each partner authority procuring separate solutions. This is intended to reduce duplication, strengthen governance, build internal capability and create economies of scale.

What is being proposed - Data Modernisation and predictive analytics

3.20 The Data Modernisation proposal seeks approval for Phase 1, focussed on single view technology, of a wider, phased programme to modernise how partners use data. This will complete the core data capability and deliver the Single View of Child (SVoC) as the first operational use case.

3.21 This will utilise two products that will enhance the council's data capabilities. ClearCore cleans, matches, and fixes messy and unstructured data from different sources to create one accurate, trusted record. This cleaned data is then fed into Microsoft Fabric, which analyses it and turns it into actionable information, opening-up greater access to data to our staff and councillors alike, significantly improving efficiency and transparency.

3.22 Phase 1 will:

- complete the shared data capability using Microsoft Fabric and ClearCore as the core components of the unified data platform;
- deliver operational SVoC dashboards across all four councils and at a regional level;
- provide additional project management capacity to support delivery at pace; and
- establish a repeatable, outcome-led delivery model for future use cases.

An expectation is set that other future user cases will be developed in parallel. That work is already well progressed across partner councils and an appetite exists within Monmouthshire to bring forward use cases that have the potential to deliver quick and demonstrable outcomes and results.

3.23 The Single View of Child is being used as the first use case because it addresses an area of high demand, high risk and high cost. It is intended to help professionals build a more joined-up view of need, identify issues earlier, improve decision-making and make better use of professional time.

3.24 Importantly, the benefit does not come from presenting a single view alone. The benefit comes from how the insight is used to support earlier intervention, targeted support, improved management of demand and better practice. The potential this provides for predictive analytics is intended to support professional judgement, not replace it.

Why the proposals matter for Monmouthshire County Council

3.25 The data modernisation papers specifically note that, for Monmouthshire, the wider programme supports the Council's well-being objectives by breaking down data silos, improving insight for decision-makers and helping the Council identify need and target resources accordingly across service areas.

3.26 More broadly, both business cases are built around challenges that are directly relevant to Monmouthshire: rising demand, increasingly complex need, workforce pressure, the need to use public money well, and the importance of giving staff better tools and access to timely and reliable information at the push of a button so they can focus on high-value work rather than trawling multiple systems to build a picture.

3.27 For residents, the proposals are intended to support quicker and more accessible digital services, more proactive support, and better coordinated responses where multiple services are involved. For staff, they are intended to reduce administrative burden, improve access to trusted information and create more time for professional work. For Members, they are intended to improve insight, planning and assurance.

The story of change and opportunity

3.28 These proposals need to be understood as service improvements that will enhance staff productivity and effectiveness by creating more time to spend on the things that only our talented workforce can do, not as an uncontrolled adoption of technology. The Council is investing in the foundations required to use AI and data safely, ethically and effectively, in order to improve services and make better use of its scarce resources.

3.29 It is important to be clear and explicit that:

- this is <u>not</u> a programme to remove human accountability from local authority services;
- this is <u>not</u> a proposal for uncontrolled or ungoverned automation;
- this is <u>not</u> a substitute for professional judgement; and
- this is <u>not</u> a one-off technology purchase, but a phased and governed programme combining people, process, governance, data and digital capability.

3.30 It is also important to acknowledge openly that residents, staff, trade unions, councillors, auditors and regulators may have legitimate concerns about privacy, fairness, security, job impact, transparency and bias. Confidence will come not from dismissing those concerns, but from showing that the Council is approaching them openly and putting strong safeguards in place from the outset.

3.31 For this very reason programme and project delivery will be phased, gated, reviewed at defined checkpoints, and only scaled where value, control and readiness are demonstrated.

Governance, safeguards and accountability

3.32 Strong governance is central to both proposals. The AI programme is explicitly designed around a secure shared foundation with common standards for governance, data protection and service resilience, and progression through formal stage gates.

3.33 The Data Modernisation proposal is similarly structured around a phased and gated approach, with a formal pause-and-review point at the end of Phase 1 to assess evidence of impact, data quality, adoption, governance and scalability before any Phase 2 proposal is considered.

3.34 Further safeguards contained in the proposals include:

- secure, governed platforms rather than ad hoc tools;
- clear governance and decision points before scaling use cases;
- controlled access, audit and security arrangements for sensitive data;
- data quality management through the unified data platform and ClearCore;
- service owner, benefits owner and subject matter expert involvement through the service team model; and
- success criteria and evaluation reports before further investment decisions are made.

3.35 For MCC, all use cases will be reviewed through appropriate existing internal governance before any operational deployment.

Workforce implications and staff confidence

3.36 One of the primary purposes of the investment is to support staff with tools that reduce repetitive work, improve consistency, strengthen decision support and free capacity for higher-value frontline work.

3.37 The Data Modernisation proposal aims to give professionals a clearer, joined-up picture so that they spend less time gathering information and more time applying judgement and supporting citizens. Our approach to meeting the needs of residents and communities is dependent on the empathy, compassion and humanity that can only come from interactions with a real person. AI and Data Modernisation can speed up processes, assist with analysis and data gathering and reduce the administrative burden on already busy colleagues. It cannot and will not replace professional judgement.

3.38 This again emphasises these proposals as being enabling and supportive. They will affect how some tasks are undertaken and may, over time, create opportunities to redesign processes and use capacity differently. However, the report should give confidence that the Council's intention is to equip staff better, not to remove the importance of professional expertise or to bypass normal workforce processes.

3.39 Successful implementation will depend on staff involvement, training, service ownership and change support. We do not want to build a model that leaves us forever dependent on external experts. It is important that this is an opportunity to upskill our own staff with the skills and capabilities they need to succeed and thrive in the workplace of the future.

For both proposals a structured service team model involving service owners, benefits owners, subject matter experts, data owners and practitioners, with explicit and proportionate time commitments will need to be secured and engaged from project and use case initiation.

3.40 For MCC, implementation should therefore include:

- early staff engagement and clear communication;
- appropriate engagement with trade unions;
- practical guidance and training;
- clear ownership within services; and
- ongoing feedback and review.

Environmental Considerations

3.41 The proposed investment in AI and data capability has both positive and negative environmental implications which need to be recognised and actively managed.

3.42 On the one hand, the programme has the potential to contribute positively to the Council's environmental objectives. Improved use of data, automation and digital services can reduce duplication, streamline processes and minimise reliance on paper-based and travel-dependent activities. Over time, this can reduce emissions associated with service delivery, support more efficient use of resources, and enable better targeting of interventions that contribute to wider environmental and sustainability outcomes.

3.43 However, it is also important to recognise that the increased use of AI and data analytics has an environmental cost. AI systems rely on large-scale cloud computing infrastructure, including data centres, which require significant amounts of energy and, in some cases, water for cooling. As the use of AI expands, so too does the demand placed on this infrastructure.

3.44 The Council can take direct action to manage environmental impact through its own governance arrangements. As part of the programme, the Council will develop and adopt an AI policy that promotes the responsible and sustainable use of AI. This will include expectations around proportionate use, avoiding unnecessary processing, designing efficient solutions, and considering environmental impact as part of use case approval and governance. This ensures that AI is deployed only where it delivers clear public value and is used in a way that is efficient and sustainable.

3.45 The underlying data and digital infrastructure for the SRS partnership has already been migrated to a shared cloud environment using Amazon Web Services (AWS). As a result, these proposals do not introduce a new infrastructure footprint, but instead build on an existing, consolidated platform that is already designed to operate at scale and with greater efficiency than traditional, locally hosted systems. This migration has reduced duplication across partner authorities and enabled more efficient use of computing resources. Notwithstanding an increased use of AI and data will draw on more compute power from its cloud environment.

3.46 The use of AWS also provides an element of mitigation at provider level. AWS has committed to reaching net-zero carbon by 2040 and continues to invest in renewable energy, energy efficiency and water stewardship across its global data centre operations. By utilising a hyperscale cloud platform, the Council and its partners benefit from these efficiencies and from infrastructure that is typically more energy-efficient than equivalent on-premise provision.

3.47 The overall environmental impact is therefore considered to be manageable and proportionate. The proposals support a more efficient and sustainable operating model for the Council, while recognising and mitigating the environmental costs associated with increased digital and AI capability through a combination of shared infrastructure, supplier commitments and local governance controls.

Risks of inaction

3.48 Inaction is not cost neutral. Without developing the use of AI and data technology, demand pressure would increasingly need to be absorbed through higher staffing levels, manual processes and fragmented solutions, with avoidable risk from ungoverned AI use.

3.49 Without the Data Modernisation investment, partners would remain dependent on fragmented data, slower and more reactive ways of working, duplicated reporting approaches and reduced ability to identify risk, manage demand and intervene early. This in turn increases medium-term cost exposure and reduces the ability to manage demand proactively within existing resources.

3.50 In practical terms, the risk of not proceeding is that MCC would continue to experience avoidable inefficiency, slower modernisation, weaker insight, greater duplication and missed opportunities to improve services and make better use of public money.

Principal risks and mitigations

3.51 It is important that the principal risks associated with proceeding are understood and suitably mitigated. These can be summarised as follows:

- Delivery capacity risk – the current automation and data delivery teams do not have sufficient capacity to deliver the programmes at pace without temporary staffing and specialist support. This is why the preferred AI option includes temporary Automation Team posts and the Data Modernisation proposal includes project management capacity.
- Service capacity, capability, skills and change risk – progress depends on service leads and practitioners being available to shape, test and adopt use cases. It also depends on services having the capability and skills to implement and maintain the tools. The service team model and the staged approach are intended to make that commitment explicit and proportionate.
- Data quality and integration risk – benefits depend on the quality of source data and the ability to integrate systems reliably. The Data Modernisation proposal specifically relies on Microsoft Fabric and ClearCore to improve matching, standardisation and data quality. This will require service ownership to address and improve data quality.
- Security, privacy and governance risk – both programmes rely on careful control of sensitive information, secure platforms and proper access controls. A rigorous DPIA

and governance approach will be implemented and user access will be role-based and audited.

- User adoption risk – benefits will not be realised if staff do not trust or use the tools. The proposals therefore emphasise early design involvement, training, implementation support and benefits tracking. The phasing and scaling of adoption aids staff and services being adopted the change in incremental manner.
- Financial risk – the programmes involve up-front investment and, in the case of AI, transactional usage costs that are not yet fully modelled. The mitigating control is staged delivery, formal review points and cost management and benefit realisation as the programmes progress.

3.52 The key point here is that these risks are real, but they are being addressed through a deliberate, phased and governed approach. That is preferable to fragmented or unmanaged adoption.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

4.1 The proposals have significant potential positive impacts. They are intended to support earlier intervention, more joined-up services, more effective safeguarding, better use of professional time, improved access to services, and better targeting of resources. The Single View of Child is intended to improve the ability of professionals to identify concerns earlier and coordinate support more effectively, supporting professional judgement and decision-making.

4.2 The proposals also support the Council's long-term resilience and prevention agenda. The Data Modernisation programme aims to bean enabling investment that supports a more preventative, sustainable and evidence-led model of service delivery, including improved understanding and management of demand over time, aligned with wider well-being and Marmot-related ambitions across the partnership.

4.3 There are also potential negative impacts and risks if implementation is not well governed. AI and predictive analytics can create concerns about bias, fairness, transparency, privacy, digital exclusion and workforce anxiety. There is also a risk that AI outputs could be over-relied upon or misinterpreted, and that poorly interpreted insight could increase reactive or risk-averse practice rather than support proportionate early intervention. These risks have been assessed in the impact assessment, are acknowledged and will be actively managed.

4.4 The Council will therefore ensure that equality, Welsh language, accessibility, safeguarding, privacy and social justice considerations are built into both programmes and into each individual use case, supported by appropriate impact assessment where required, clear governance arrangements, and ongoing human oversight and review.

4.5 The proposals support longer-term sustainability by improving the Council's ability to understand and manage demand, intervene earlier, share learning across partners and build enduring capability rather than rely on short-term fixes, supporting long-term service sustainability and resilience.

4.6 The full integrated impact assessment is shown in **appendix 1**.

5. OPTIONS APPRAISAL:

5.1 Two stages of options appraisal were undertaken in considering these investment proposals:

1. AI and Data Approach

Option 1 – Do nothing / continue with current arrangements

5.2 Under this option, the Council would not make a dedicated foundational investment and would continue to use existing systems, skills and reporting arrangements.

5.3 This option has the advantage of avoiding immediate cost and organisational disruption. However, it does not address existing limitations to deliver the Councils digital and data strategy aims, does not reduce the risk of inconsistent or unmanaged use of AI tools, and does not position the Council to realise service, productivity and prevention benefits. It is therefore not recommended.

Option 2 – Introduce isolated AI tools without wider foundational investment

5.4 Under this option, the Council would procure selected AI-enabled tools for immediate service or productivity use without making broader investment in governance, data foundations, skills and programme management.

5.5 While this may appear quicker, it carries significant risks. Benefits may be short-lived or uneven, governance may be insufficient, data quality issues may be unresolved, and the Council may create fragmented practice across services. This option is therefore not recommended.

Option 3 – Approve phased foundational investment in AI and Data Modernisation

5.6 Under this option, the Council would establish the required foundations first, prioritise use cases carefully, and implement in phases with governance and assurance built in from the outset.

5.7 This option provides the best balance between ambition and control. It enables the Council to modernise responsibly, realise measurable benefits over time, support staff, and maintain public confidence. This is the preferred option.

2. Delivery method options

AI Programme

5.8 Option 1 – AWS Professional Services for all phases – This option would use AWS Professional Services across the full AI programme. It offers broad and flexible opportunities for AI development, but the preferred papers conclude that a mixed model using a specialist partner for the Digital Front Door offers faster delivery in that area.

5.9 Option 2 – AWS Professional Services plus a Pro Services Partner for the Digital Front Door – This is the preferred option in the AI business case. It uses AWS for the shared AI hub and a specialist Pro Services Partner for the Digital Front Door, drawing on proven local government experience and enabling faster deployment while retaining a shared platform and knowledge transfer approach.

5.10 Option 3 – Third-party single vendor platform – This option offers a more packaged and rapid route but at significantly higher cost, with annual software licensing and increased vendor lock-in.

Staffing option for AI delivery

5.11 Option 1 – temporary staffing uplift within the SRS Automation Team – This is the preferred option because it provides the delivery capacity required while maximising knowledge transfer and protecting other critical digital and compliance work.

5.12 Option 2 – reallocate resource from the Applications, Management and Development (AMD) team – This option is not preferred because it introduces significant risk to other critical projects, compliance work and service levels at the SRS.

Data Modernisation

5.13 Option 1 – Do not proceed / continue with current arrangements – This would avoid immediate expenditure but would leave the Council dependent on fragmented data, manual workarounds, slower insight, under-utilisation of existing investment and weaker ability to intervene early. It is not recommended.

5.14 Option 2 – Approve Phase 1 only, with a formal gateway before Phase 2 – This is the recommended option. It enables Monmouthshire to complete the shared data foundation, deliver the Single View of Child and assess evidence of benefit, adoption and scalability before considering further phases.

5.15 Option 3 – Commit now to wider Phase 2 scaling – This is not recommended at this stage because the Data Modernisation papers are clear that further investment should only be brought forward where Phase 1 evidence supports it and where delivery capacity and partner readiness are understood.

Preferred option

5.16 The preferred overall approach is therefore to approve phased foundational investment in AI and Data Modernisation achieved by:

- AI Option 2 plus Staffing Option 1; and
- Data Modernisation Phase 1, with a formal gateway before any Phase 2 commitment.

6. EVALUATION CRITERIA:

6.1 There are already robust governance arrangements in place in both the SRS and the Council to maintain appropriate oversight of strategic and operational delivery of digital and data programmes and projects.

6.2 The SRS Strategic Board, supported by the SRS Finance & Governance Board and the SRS Business & Collaboration Board, will maintain oversight of the wider delivery of partnership priorities.

6.3 The Council has a Digital & Data Steering Group to maintain oversight on programme and project governance and delivery. Separate strategic briefings are maintained with the Leader as Cabinet portfolio holder for digital and data. Appropriate senior representation from the Council and SRS sits on the FPOP Programme Assurance Board to ensure there is appropriate scrutiny and challenge from the perspective of the Council's overall change programme.

6.4 All governance structures have been involved in the development of these investment proposals. Each will maintain its own specific interest to ensure that the stated objectives, outcomes and benefits are delivered on time and to budget.

6.5 A benefits and value framework has already been established against which outcomes will be monitored through programme governance and normal performance reporting arrangements. Success will be measured through:

- delivery of agreed capabilities, outcomes and efficiencies;
- uptake by staff and services;
- improvements in service performance and satisfaction; and
- evidence of better decision-making and earlier intervention.
- assessment of impact on service outcomes

AI Programme

6.6 Success measures for the AI programme will include:

- delivery of the AI Management Hub and Digital Front Door capability within agreed timescales;
- adoption of governed AI tools by partners;
- completion of structured discovery and prioritisation for priority use cases;
- evidence of staff upskilling and knowledge transfer into the SRS Automation Team; and
- evidence of measurable service or productivity and outcome benefits in implemented use cases.

Data Modernisation

6.7 The success criteria for Single View of the Child to be used for Phase 1 evaluation include:

- dashboards live and operational across all four councils and a regional view;
- agreed data sources integrated and refreshed at a frequency that meets service needs;
- strong data quality and matching performance;
- evidence of user adoption and confidence;
- evidence of early improvement in decision-making, practice or earlier intervention; and
- no major governance, privacy or security concerns.

6.8 Formal review points will be built into overall programme delivery, including:

- ongoing programme monitoring;
- an end of Q3 / Q4 FY2026 pause-and-review point for Data Modernisation; and
- stage gates for progression of AI use cases.

6.9 A formal review will take place for data modernisation / single view of the child at the end of Year 1 / Phase 1 before any further investment consideration is taken around wider rollout.

7. REASONS:

7.1 As outlined in the key issues section of the report and the strategic case for change these proposals wholly align with the key aims and objectives of the Council's digital and data strategy. This 'enabling' investment supports both the delivery of the Community and Corporate Plan and the Council's FPOP (*For Purpose On Purpose*) change programme.

7.2 These investment proposals are required because the Council needs to improve its ability to use data, digital tools and insight in order to respond to rising demand, financial pressure and increasing service complexity.

7.3 The proposed investment will help the Council move from fragmented and largely retrospective use of data towards a more joined-up, proactive and preventative model.

7.4 The decision is also required to ensure that any use of AI and predictive analytics develops within an appropriate framework of governance, legal compliance, ethical safeguards, accountability and workforce engagement.

7.5 In summary, the decision is needed to improve service effectiveness, strengthen organisational resilience, support staff, make better use of Council resources, and modernise in a way that is controlled and consistent with the Council's values.

8. RESOURCE IMPLICATIONS:

8.1 Subject to Cabinet approval, expenditure will be phased and linked to implementation milestones and decision gateways. The investment will support:

- programme leadership and delivery capacity;
- technical and data capability;
- governance and assurance activity;
- workforce training and change management;
- early priority use cases capable of demonstrating practical value.

8.2 The combined direct one-off investment commitment for Monmouthshire arising from the two proposals and to be met from the Invest to Redesign reserve, is £596,654 profiled as:

Year 1: £462,654
Year 2: £66,000
Year 3: £68,000

8.3 Of which the AI programme requires a three-year contribution of £516,000 per partner, profiled as:

Year 1: £382,000
Year 2: £66,000
Year 3: £68,000

8.4 This covers the preferred delivery route via AWS and a temporary staffing model within the SRS Automation Team. The proposed temporary roles required are:

Lead Automation Engineer;
Senior Automation Engineer;
2 x Automation Engineer; and
Project Manager,

with a total annual staffing cost of £253,400 across the partnership, equivalent to approximately £64,000 per partner, subject to annual review.

8.5 The AI totals above do not include recurring transactional AI usage costs for the Digital Front Door. This will be met via a contribution from the Invest to Redesign reserve of £34,000 in year 1 (2026/27), with the cost for subsequent years incorporated into the MTFP from 2027/28.

8.6 The Data Modernisation Phase 1 proposal requires:

- a one-off cost of £80,654 per partner in Year 1; and
- a recurring Microsoft Fabric licence cost of £20,500 per partner per annum. This will be met via a contribution from the Invest to Redesign reserve of £20,500 in year 1 (2026/27), with the cost for subsequent years incorporated into the MTFP from 2027/28.

8.7 The proposal also has wider resource implications beyond finance and that may need to be separately considered to the extent they cannot be accommodated within the Council's existing revenue and capital budgets. These will be considered separately on a case-by-case basis and include:

- staff time and leadership capacity;
- digital, data and information governance capability;
- organisational development and communications support.

8.8 In recognising these wider potential resource implications a contribution of £200,000 is proposed to be drawn from the Invest to Redesign reserve to act as initial budget provision to support services to implement AI and Data projects.

8.9 Services will be expected in the first instance to accommodate the necessary investment of staff time from within existing resources and budget. To the extent that this is not possible and backfill arrangements or further capability is required then evidence based requests will need to be made to the Digital & Data Steering Group for consideration.

8.10 The total contribution requested from the Invest to Redesign reserve will therefore be £851,154.

8.11 It should also be noted that ClearCore costs of £27,500 per annum are already included within existing partner contributions and are not part of the new funding request.

8.12 The investment proposal outlines where financial benefit and return on investment can be secured, particularly where the Council can translate improved productivity and insight into service redesign, demand management and more efficient deployment of resources. This is expected to be most visible through:

- productivity gains that release staff time for higher-value frontline and resident-facing work;
- avoidance of unnecessary process cost, duplication and manual administration;
- improved targeting of resources so support is directed sooner and more effectively where need is greatest;
- earlier intervention and reduced downstream demand, particularly in high-cost and high-risk service areas; and
- better decision support and service planning, enabling councillors and residents to see that investment is being converted into more timely, effective and efficient services.

8.13 For AI, these include productivity gains, improved digital access, demand reduction and service redesign, with benefits to be validated through discovery and use-case development. The strongest return on investment case will come where those gains are deliberately converted into measurable improvements such as faster response times, reduced avoidable contact, lower process cost, and capacity released for frontline delivery. Benefits will therefore need to be validated, quantified where possible, and owned through structured discovery and benefits realisation processes.

8.14 For Data Modernisation, total Children's Services net spend across the four partners is approximately £162m per annum, and with even modest improvements in demand management and deployment of resources could have a material impact. While stressing that these are not savings targets but illustrations of scale, a 0.1% improvement equates to approximately £162,000 per annum, 0.5% equates to approximately £810,000 per annum, and 1% equates to approximately £1.62m per annum. The opportunity to derive benefit lies in using this improved insight not simply to report demand, but to intervene earlier, redesign pathways, reduce avoidable escalation, and improve allocation of staff and resources in ways that can generate both better outcomes for residents and stronger medium-term financial value.

8.15 While these benefits are material, it is important that they are presented realistically. Not all benefits will be seen to cash-release immediately. In many cases, value will be realised through improved capacity, demand management, reduced administrative burden, avoided

cost growth and stronger service outcomes. However, this is also the means by which the Council can build a credible narrative around return on investment. Showing that the investment is allowing Council priorities to be met, helping staff spend more time where need is greatest, helping services respond earlier and better, and creating the conditions for future efficiencies and better use of public money.

8.16 This investment should therefore be seen as capable of benefiting the MTFP through cashable efficiencies being realised over time through resultant budget proposals, service redesign and tighter management of demand and capacity. The opportunity to realise savings will depend on services actively using the new capability to change processes, reduce avoidable activity, and manage vacancies, turnover and resource deployment more strategically. Any workforce reduction will need to be carefully managed through natural turnover and vacancies arising.

8.17 Financial risks include implementation cost pressure, slower-than-expected benefits realisation, and the risk of underestimating change and capacity requirements, especially from within services. These risks will be managed through phased delivery, milestone-based approvals, programme oversight, and regular financial and benefits review.

8.18 This programme should be viewed as a corporate change programme rather than a stand-alone technology purchase, and thus why it is embedded as a core theme of the Council's FPOP change programme.

9. CONSULTEES:

Cabinet
Strategic Leadership Team
Digital & Data Steering Group
F-POP Programme Assurance Board
Performance & Overview Scrutiny Committee

Performance & Overview Scrutiny Committee will consider this report at its meeting on 9th June. Feedback from the scrutiny committee, including Chair's comments will be provided via verbal and/or written representations at the Cabinet meeting itself.

10. BACKGROUND PAPERS:

Appendix 1 – Integrated Impact Assessment

SRS Strategic Board papers – meeting dated 21st April 2026 (background papers)

11. AUTHOR:

Peter Davies, Deputy Chief Executive & Strategic Director for Resources

12. CONTACT DETAILS:

Tel: 07398 954828
E-mail: peterdavies@monmouthshire.gov.uk