



# Co-operative Councils

## Innovation Network

### FINANCE



New models of  
meeting priority  
needs



Innovation



Learning

## ICS.AI working with Derby City Council

### Derby City Council's AI Transformation Project planned to provide £12.25m annual financial savings

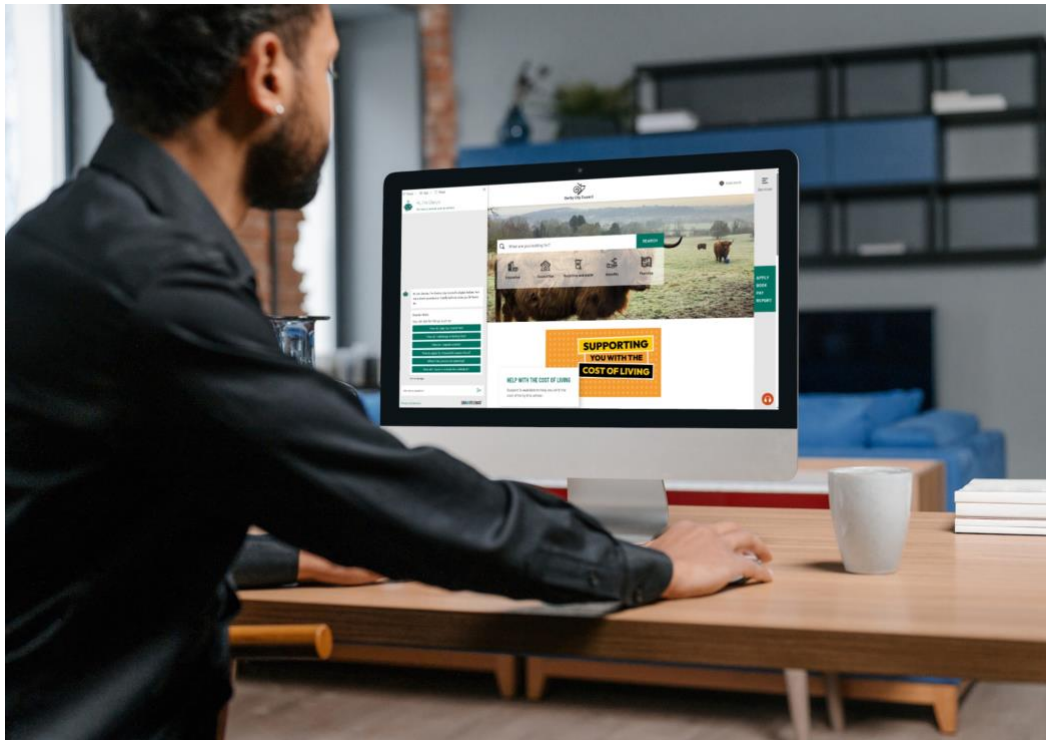
Derby City Council, in collaboration with ICS.AI, a leader in public sector AI transformation, has introduced an innovative approach to enhancing resident engagement through the use of Artificial Intelligence (AI). The council implemented two AI digital assistants, Darcie and Ali, aimed at streamlining customer service operations efficiently. Darcie assists with general council services, while Ali focuses on housing queries for Derby Homes customers. These AI assistants leverage a sophisticated local government language model, which is pre-trained with over 1,000 intents covering a broad spectrum of council and housing services. They provide round-the-clock service and handle enquiries in a human-like manner, becoming the primary contact point on the council's telephone switchboards as well as via the website channel.

The implementation of these digital assistants is part of a broader AI-driven transformation aimed at addressing a significant funding gap and increasing demand for services. By automating routine enquiries, Darcie and Ali aim to enhance operational efficiency, freeing up council staff to address more complex issues that require human interaction. To date, they have managed over 750,000 queries, effectively doubling the initial target deflection rate from 21% to 43% and generating over £200,000 in savings.

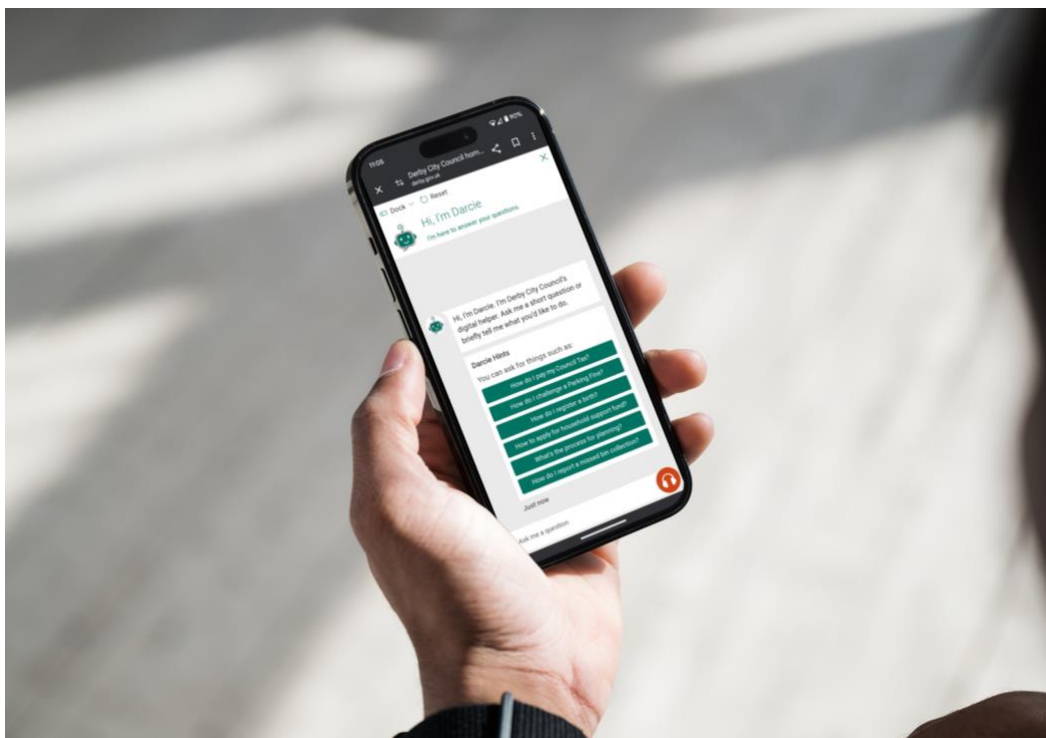


People-centred councils  
driving social innovation  
putting people first

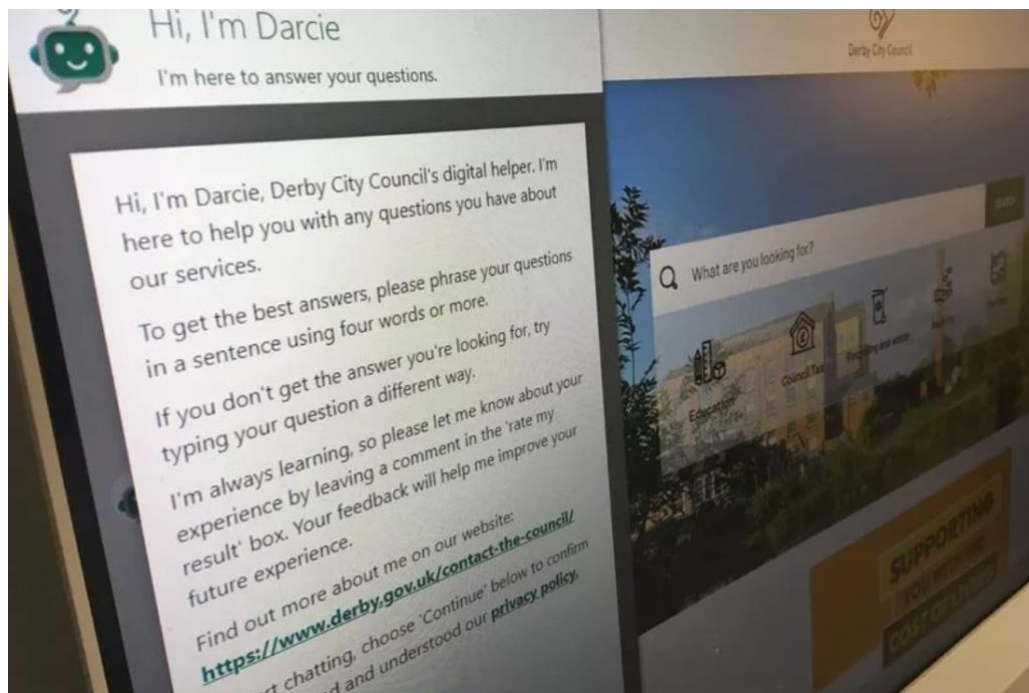
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Building on this success, the Council is now expanding its use of AI with the introduction of Generative AI technology – set to further enhance council services by automating complex tasks and expanding AI capabilities into new areas such as Adult Social Care, Children’s Services and Debt Management. The Council’s proactive approach includes a comprehensive plan to deploy AI across various departments, with the potential to achieve an estimated £12.25 million in annual savings.



This transformation is supported by rigorous business cases and an AI ethics and compliance framework to ensure responsible implementation. As AI technology continues to evolve, Derby City Council remains committed to balancing innovation with the need to maintain personal interaction, ensuring that all residents have access to traditional communication methods if preferred. This strategic integration of AI not only positions Derby City Council as a leader in digital transformation but also demonstrates the significant potential of AI to enhance public service delivery in the face of financial constraints and rising demands.



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