Briefing Note: Who knew! AI, more human than we thought

Michelle O'Neill August 2026

Here's your 1 min summary

I've spent the last few years talking with councils about AI. Like many people, I started by focusing on the technology. What it could do. How it might save time. Where it could improve productivity. What I'm increasingly convinced about, however, is that the technology was never really the hard part.

The bigger challenge is organisational.

AI is already changing how work gets done across local government. The question has moved on from whether councils will use AI, given most already are, to are we genuinely preparing our organisations for it.

All evidence points to the organisations realising the greatest value are unlikely to be those with the most licences, the most pilots or the most tools. They are likely to be those prepared to rethink how work is designed, how decisions are made, how leaders lead and where uniquely human judgement adds most value.

The full briefing explores a handful of provocations I've found myself returning to repeatedly:

→ Successful AI adoption could increase organisational costs rather than reduce them

→ The biggest risk isn't resistance to AI, but people creating unofficial workarounds that leave us running two organisations instead of one

→ AI could turn out to be better at exposing organisational problems than solving them

→ The capacity we create is never actually released, but simply absorbed by growing demand

→ The first service that needs redesigning is our own

→ AI isn't really the story. It's simply forcing us to have conversations about work, leadership and organisational design that we needed to have anyway

If you read nothing else, when talking AI with colleagues, discuss these questions:

1. What work actually needs to be done to deliver our priorities?

2. Which parts of that work rely on uniquely human judgement, empathy and relationships?

3. Which parts should and could be enhanced, delegated or redesigned with tech in mind?

4. What new capabilities will our workforce need?

5. How do HR, IT, Transformation and Services design this future together rather than in parallel?

We now have growing evidence that AI can create significant efficiencies. In our first public sector Ultimate Copilot programme, officers reported activities reducing from hours to minutes, reporting cycles shrinking from days to hours, and many projects demonstrating reductions in manual effort of between 50-90%, with measurable projects indicating average time reductions of around 79%. All of this 'ultimately' saving valuable time for people to do the most people related things.

The rest of this paper is really just me exploring those questions and why AI adoption often feels messy, why productivity is only part of the story, and why the future of work may require us to think differently about leadership, organisational design and the role of people services.

Read on…….

Exec Teams in Transition *Supporting Teams in Difficulty* *Organisational Design with legs*

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Picking up where we left off

In the last note, I spent some time reflecting on organisational design, or more specifically, why it often feels like something we circle around without quite landing. I ended with a slightly throwaway line (that probably wasn't that throwaway): that organisational design might be one of the best ways to bring AI properly into the people conversation. This note is really just me following that thread a bit further.

If you've heard me speak over the last couple of years, you'll know I've become slightly obsessed with AI. I've probably mentioned it in more meetings than people would have liked. I've used it every day, encouraged others to experiment, challenged myths, celebrated successes and spent countless hours helping councils explore what it could mean for their organisations. In fact, its become part of the team and I'm still as excited today as I was when I first started exploring it. But I'm also becoming more pragmatic. The more organisations I work alongside, the more convinced I become that AI was never really the hard part. Deploying technology itself can be relatively straightforward. Creating lasting organisational value from it is something entirely different.

Councils quite rightly need to find efficiencies, release capacity and make better use of increasingly stretched resources. AI absolutely has a role to play in that. Yet technology alone won't deliver those outcomes. Business value only appears when people change how they work.

That means curiosity rather than compliance. Confidence rather than fear. Leaders asking different questions. Managers creating space for experimentation. HR, IT and transformation designing together rather than separately. Most importantly, it means being intentional about where humans sit in what many describe as "the human in the loop". Not simply checking what AI has produced, but applying judgement, experience, ethics, empathy and accountability in ways technology never can. That's a different expectation, maybe even a different skills set for some.

Look, in all honesty, AI could probably contribute to almost everything we do. But that doesn't mean it should. I believe its potential is so significant that we need to think far more deeply about how we redesign work, leadership and organisations around it, rather than simply finding more places to use it.

The conversation is getting… interesting

Over the past year, I've found myself in a growing number of conversations - some are still at the "where do we even start?" stage often sensibly focused on things like Copilot, governance, safety and building confidence. Others have moved quite quickly into bigger questions about service redesign, different operating models, or what leadership might look like when roles naturally turn over.

What's interesting isn't the variation. It's that all of this is happening at the same time.

You can sit in one meeting where people are quietly experimenting and quite excited…and then the next where people are understandably cautious (or slightly sceptical). Even in the same council. IT are rightly focused on risk and infrastructure. HR are thinking about capability, culture and impact. Senior leaders are looking for productivity. Managers are wondering how to make this real for their teams. And most employees are somewhere between *"I'm loving this"* and *"is this going to replace me?".* It may feel a bit messy…..which is probably what it's meant to be right now.

We may have already done the easy bit

If organisational design has taught us anything, it's this. Changing structures is rarely the hardest part. Changing how people actually work is.

AI is starting to feel very similar. We can buy licences. We can write policies. We can run training sessions that everyone attends. But that's not where the value sits. The value only really starts to appear when people begin to do things differently, consistently, confidently and for the right reasons. And that, if done right, is much slower. Messier. And much more human.

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I've never seen the AI conversation as a tech programme. But I'm now accepting it's not a workforce one either. It's organisational. And when I say that, I don't mean every service needs an AI strategy or that every employee needs to become a prompt engineer. I mean that AI inevitably prompts wider organisational questions.

→ What work actually needs to be done to deliver our priorities?
→ What does this mean for leadership?
→ Which parts of that work rely on uniquely human judgement, empathy and relationships?
→ Which parts could be enhanced, accelerated or informed by technology?
→ How might roles evolve?
→ Do our management practices still make sense?
→ Should our processes, governance or decision-making change?
→ What new capabilities will our workforce need?
→ How do HR, IT, transformation and services design this future together rather than in parallel?

Perhaps these are questions we should already have been or are asking ourselves. With everything facing local government, even without AI, councils would still need to ask whether the way work is designed today is the best way to deliver tomorrow's priorities.

We cannot expect to solve tomorrow's challenges simply by working harder within yesterday's operating models, however successful those models have been. AI simply gives us new possibilities and the drive to question long-held assumptions about roles, processes, leadership and organisational design.

Two ways in

One of the more reassuring things I've noticed is that there isn't a single 'right' starting point.

Some councils are beginning with the technology : Introducing AI, encouraging people to explore, finding quick wins - writing, summarising, reducing administration and improving everyday work. It builds confidence and, perhaps most importantly, it sparks curiosity.

Others are beginning with organisational change : They're already asking bigger questions about future operating models, financial sustainability, Local Government Reorganisation, service redesign or leadership succession. Rather than seeing AI as a separate programme, they're exploring how it might shape the way those future organisations are designed from the outset.



Same destination. Different entry point.

Both are trying to deliver better outcomes, make better use of increasingly stretched resources and create more capacity for the work that only people can do.

But the foundations of both remain remarkably similar.

The success of both relies on people who are curious enough to explore, confident enough to experiment, capable enough to apply good judgement and supported enough to transition into new ways of working. That's why I've come to think of AI less as a change programme and more as a transition. Ideally, you'd start building the confidence, habits and culture long before

people get access to the tools. In reality, ambition and timelines need to be honest about the fact that this transition takes time.

Productivity is useful… but not the whole story

Much of today's AI conversation quite understandably centres on productivity.

Can AI save time? Can it help us write faster? Can it reduce administration? Can it improve the quality of our work? Yes. But I wonder if we're asking enough questions about what happens next.

→ What changes once those efficiencies become normal?
→ How might citizen expectations evolve if services become faster?
→ How might managers lead differently when routine work is increasingly supported by technology?
→ What new skills become more valuable?
→ Will the capacity we create genuinely be released, or simply absorbed by growing demand?
→ Could successful adoption actually increase technology costs as usage grows?
→ What new risks, dependencies or opportunities emerge that we hadn't anticipated?

In other words, are we thinking beyond productivity to organisational impact?

Saving time is valuable. But on its own it isn't transformation. The real opportunity lies in understanding the wider ripple effects and being intentional about how organisations adapt alongside them. One risk I've been reflecting on is that, in our enthusiasm to automate and redesign processes, we unintentionally create two ways of working instead of one.

We can build excellent AI-enabled workflows. We can introduce agents, automate approvals and redesign end-to-end processes. But if people don't understand them, don't trust them, or simply don't see the benefit, they'll naturally find another way. The unintended consequence is that organisations begin operating two parallel systems: the intended AI-enabled process and the unofficial human workaround. Rather than reducing effort, this can duplicate activity, create inconsistencies, introduce new risks and make it harder to realise the benefits the technology promised in the first place.

For me, this reinforces why successful AI adoption isn't just about designing better processes. It's about designing processes that people genuinely want to use because they understand the purpose, trust the technology and can see how it helps them deliver better outcomes.

A few things I keep noticing

There is genuine interest (not always in the place you'd expect) and in some places, real excitement. Confidence is a bit all over the place and for some an unknown entity (often in the same service than between organisations). The people who are exploring tend to get further, regardless of starting point. Governance is necessary, wanted by everyone, in fact, but it's not what shifts behaviour.

The one that's been rumbling for me, and I suspect we'll understand it much better over the next few years, is cost. Much of today's discussion understandably focuses on the efficiencies AI might create. Yet, as councils begin to embed agents, automate workflows and make AI part of everyday delivery, we may find that the financial picture becomes more nuanced.

The more value organisations gain from AI, the more they may rely on it. Increased use of agents, automation and AI-supported workflows is likely to increase technology consumption and, in some cases, ongoing operating costs.

The productivity story gets more complicated. If AI makes it easier for residents, parents, journalists or campaign groups to produce longer, sharper and more legally framed complaints or FOI requests, then the demand coming into councils may increase as well as the capacity inside them. The BBC has already reported councils and schools experiencing a significant rise in AI-assisted complaints, with some submissions growing from a single page to

dozens of pages and taking more time to interpret, check and respond to. The ICO has also published guidance for public authorities dealing with AI-generated FOI requests, recognising that they can be longer, broader, more complex and sometimes include inaccurate references to legislation. So yes, AI may help officers work faster. But it may also change the volume, complexity and character of the work they are being asked to deal with. In some areas, the organisational question may not be "how many posts can we remove?" but "what new capacity will we need to manage a world where everyone else has AI too?"

Success may not always mean spending less. It may mean spending differently.

It also prompts another question. As AI becomes more embedded in the way we work, how do we balance the organisational value it creates with wider commitments around the green agenda and environmental impact? Another reminder that AI decisions are rarely just technology decisions!

What are the 'big players' saying?

It's interesting to step back and look at how some of the larger consultancies and academics are framing all of this. Deloitte, Bain, BCG, Mckinsey and others are all publishing regularly on AI adoption, the future of work and what this might mean for organisations. If I'm honest… it doesn't feel wildly different from the conversations happening across local government in the West Midlands.

There's a shared recognition that whilst the technology is moving quickly, organisations may not be transforming at the same pace. That early gains tend to sit around productivity and task-level improvements, but the more meaningful value comes when workflow, roles and ways of working are properly rethought.

There's also a fairly consistent message that the real barriers are not technical. They are cultural, behavioural and organisational. Sound familiar? Exactly. None of that feels particularly far removed from what you are already grappling with. If anything, it should give a bit of confidence.

These aren't problems unique to local government. Nor are we trailing behind a completely different conversation happening elsewhere. We're asking very similar questions just within a more complex and constrained operating environment.

Local government isn't exactly short of change right now.

One of the reasons AI can still feel overwhelming is because everything seems to depend on everything else.

→ Leaders want to understand AI before redesigning services.
→ HR wants clarity on future roles before redesigning workforce plans.
→ Managers want confident teams before changing the way work happens.
→ Employees want confidence before trying new approaches.

Each dependency is understandable. Collectively, they can create organisational paralysis. The best thing we can do is create opportunities for conversations to happen together. Then….. Confidence grows. Possibilities emerge. The organisation starts moving.

Financial pressure, workforce challenges, service redesign, system working and in some places, Local Government Reorganisation. That's the reality of what AI is arriving in to. It's not going to save us from that. AI won't remove organisational problems. In fact, it has the potential to shine a brighter light on them. It won't fix fragmented processes, poor data, unclear decision-making or cultures where people don't trust new ways of working. In fact, layering AI on top of those foundations can simply make the cracks appear faster and in different places.

You can see why the more time I spend working with councils, the less I think AI is the story. The story is local government's willingness to rethink work, leadership and organisations for a very different future. AI simply happens to be arriving at exactly the moment we need to have those conversations anyway.

Perhaps the first service to redesign is our own

One final reflection for those of us working in HR and OD.

Much has been written about how AI is likely to reshape the People Services profession. Increasingly, commentators are suggesting that many traditional HR activities will become more automated, more data-driven and more personalised, leaving HR with an even greater strategic role.

If that's true, perhaps some of these questions are worth asking of ourselves before we ask them of everyone else.

→ What work will genuinely need to be done by our own HR and OD teams in 2-5 years' time?
→ Which activities should remain deeply human because relationships, judgement and trust matter most?
→ Which activities could be redesigned, simplified or automated by technology?
→ Do we understand AI well enough to imagine different possibilities for our own operating model?
→ And if we're asking managers and services to rethink the future of work, are we equally ready to rethink our own?

Perhaps the credibility of HR and OD won't come from having all the answers. It will come from being willing to explore these questions ourselves, learning for everyone else?

Final thought

A technology enabled future still seems to indicate, counterintuitively, that work will be even more human.

It won't be about technology replacing people. Nor about people resisting technology. It has to be about how deliberately we redesign work so that people and technology each do what they do best. Which brings me back to where I started. Perhaps this isn't really an AI conversation at all. Perhaps it's an organisational one.

If this paper has prompted more questions than answers, then it's probably achieved what I hoped. I'd be genuinely interested to hear how you are approaching things. The more we share our thinking and learn from one another, the less likely we are to spend precious time reinventing wheels that others are already beginning to turn.

- ENDS -