The Northern Powergrid Foundation (the 'Foundation')
Artificial Intelligence ('AI') Policy
September 2025

1. Purpose

This policy outlines the responsible use of AI by the Foundation and those with whom it interacts, including grant applicants. It ensures transparency, ethical standards, and compliance with the United Kingdom General Data Protection Regulation (UK GDPR), while supporting the Foundation's mission to build community resilience, promote net zero innovation, and reduce fuel poverty across the Northern Powergrid region.

2. Scope

This policy applies to:

- All applicants submitting grant applications to the Foundation.
- All Foundation staff, contractors, and partners using AI tools in internal processes.

For the purposes of this policy, 'AI tools' includes, but is not limited to, generative AI platforms (e.g., ChatGPT), predictive analytics tools, and automated decision-making systems.

3. AI in Grant Applications

3.1. Acceptable Use

The Foundation welcomes the use of AI tools (e.g., generative AI, data analysis platforms) in the preparation of grant applications, provided:

- Disclosure: Applicants must clearly state if and how AI tools are used.
- Human Oversight: Final applications must be reviewed and approved by a human applicant or team. This must be confirmed when submitting the application and is required to ensure AI hallucinations are identified should they occur.
- Ethical Use: AI-generated content must not include fabricated data, plagiarised material, or discriminatory language.

3.2. Evaluation Process

- Applications disclosing AI use will be assessed on the same basis as traditional applications.
- Reviewers will focus on the impact, feasibility, and alignment with the Foundation's goals, not the method of preparation.
- The Foundation remains committed to equitable access. Applicants who do not use AI tools will not be placed at an advantage or disadvantage in our evaluation process.

4. AI in the Foundation's Internal Operations

4.1. Productivity and Efficiency

The Foundation encourages the use of AI to enhance internal workflows, including:

- Grant screening and triage;
- Data analysis and reporting;
- Document summarisation; and
- Meeting support and scheduling.

4.2. Governance and Oversight

- All AI tools must be approved by the Foundation's Board of Trustees.
- A Data Protection Impact Assessment ('DPIA') must be conducted before implementation to evaluate risks to individuals' rights and freedoms.
- All decisions, risk assessments, and mitigation strategies must be documented.
- Staff will receive training on responsible AI use, including data privacy, bias mitigation, and prompt engineering.

4.3. Data Privacy and Security

- AI tools must comply with UK GDPR principles, including lawfulness, fairness, transparency, data minimisation, and purpose limitation.
- A lawful basis for processing personal data must be established and documented.
- AI systems must not process special category data unless essential and with appropriate safeguards.
- Sensitive or personally identifiable information must not be input into AI systems without encryption, access controls, and DPIA approval.

For further guidance on how personal data and safeguarding responsibilities are managed, this policy should be read in conjunction with the Foundation's Privacy Policy and Safeguarding Policy.

5. Transparency and Accountability

- The Foundation will maintain a public record of its AI usage policies and practices.
- Feedback mechanisms will be available for applicants and staff to report concerns or suggest improvements.

6. Alignment with Grant-Making Policy

The use of AI within the Foundation and by grant applicants must align with the Foundation's Grant-Making Policy, which prioritises transparency, ethical conduct, and community benefit. AI tools should be used in ways that uphold the integrity of the application process and support the Foundation's mission to fund projects that build resilience, promote sustainability, and reduce fuel poverty.

7. Policy Review

This policy will be reviewed annually by the Board of Trustees and updated as needed to reflect technological, legal, and operational developments.

8. Glossary of Terms

Bias Mitigation: Strategies and practices used to reduce or eliminate unfair bias in AI systems to ensure equitable and ethical outcomes.

DPIA (Data Protection Impact Assessment): A process to help identify and minimize the data protection risks of a project, required under UK GDPR when processing personal data using AI.

Generative AI: Artificial Intelligence systems that can create new content such as text, images, or audio based on patterns learned from training data.

Hallucination: A phenomenon where AI generates false, misleading, or fictional information that appears plausible but is not based on factual data.

Human Oversight: The requirement that AI-generated content or decisions are reviewed and approved by a human to ensure accountability and accuracy.

Prompt Engineering: The practice of crafting effective inputs or queries to guide AI systems in generating accurate and relevant outputs.