

## **(7b) Local Government Transparency Code 2015**

### **Introduction**

This Code is issued to meet the Government's desire to place more power into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services.

Transparency is the foundation of local accountability and the key that gives people the tools and information they need to enable them to play a bigger role in society. The availability of data can also open new markets for local business, the voluntary and community sectors and social enterprises to run services or manage public assets.

### **Detecting and preventing fraud (taken from Annex B of the Code)**

Tackling fraud is an integral part of ensuring that tax payers' money is used to protect resources for frontline services. The cost of fraud to local government was estimated within the FFCL strategy in 2013 as £2.1 billion a year although it was thought to be underestimated at the time. In 2017 the Annual Fraud Indicator produced by Crowe Clark Whitehill, in collaboration with Experian and the Centre for Counter Fraud studies at the University of Portsmouth, estimated that the true figure may be as high as £7.8bn from a total of £40.4bn for the public sector as a whole. Every pound lost to fraud is a pound not spent on supporting local communities and is money that can be better used to support the delivery of front line services and make savings for local tax payers.

A culture of transparency should strengthen counter-fraud controls. The Code makes it clear that fraud can thrive where decisions are not open to scrutiny and details of spending, contracts and service provision are hidden from view. Greater transparency, and the provisions in this Code, can help combat fraud.

Local authorities must annually publish the following information about their counter fraud work <sup>1</sup> (as detailed for Gloucestershire County Council (GCC)) in the table below:

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<sup>1</sup> *(The definition of fraud is as set out by the Audit Commission in Protecting the Public Purse).*

**Council wide fraud and irregularity activity relating to 2019/2020 including Internal Audit activity**

Question	GCC Response
Number of occasions they use powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers.	N/A
Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud.	2.6 FTE
Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists.	2.6 FTE plus access to GCC's Legal Services, Blue Badge Fraud Investigation team and access to qualified staff employed by the Counter Fraud Unit (CFU) as part of the shared internal audit service.
Total amount spent by the authority on the investigation and prosecution of fraud.	£75,572
Total number of fraud cases investigated (inc.7 b/fwd. cases from previous years).	19 (including 8 blue badge cases)

In addition to the above, it is recommended that local authorities should go further than the minimum publication requirements set out above (as detailed for GCC) in the table below.

Question	GCC Response
Total number of cases of irregularity investigated (both Internal Audit and other service areas inc.4 b/fwd. cases).	21 (Internal Audit)
Total number of occasions on which a) fraud and b) irregularity was identified (exc. b/f cases from previous years).	a) 12 b) 17
Total monetary value of a) the fraud and b) the irregularity that was detected in 2019/20, including pension overpayments identified through NFI where pensions were paid after death and deaths not notified to the Council.	a) £1340 + unquantified amount from ongoing cases b) £196,087
Total monetary value of a) the fraud and b) the irregularity that was recovered in 2019/20,	a) £840 b) £ 66488

N.B. The Council also identified 53 cases where assets were given away/gifted/transferred to family members by service users (or their representative) requiring care. This is referred to as *deprivation of*

assets. The value of the assets 'given away' in 2019/20 confirmed by the Financial Assessment and Benefits service was ££946,894. However, this is not necessarily the value of the potential loss to the Council as it would depend on the length of time that the care service would be required. In each case the value of the asset has been taken into account when calculating the service user's contribution towards the cost of their care.

Full details about the Local Government Transparency Code and its requirements can be found at: <https://www.gov.uk/government/publications/local-government-transparency-code-2015>