

County Councillors Letter for January 2017.

In February 2015 Ofsted conducted an inspection of Children's Services provision of the Somerset County Council (SCC). The inspection team rated the services as "inadequate", the lowest grading that it could award and it was a repeat grading of a previous inspection. These reports triggered the Minister for Vulnerable Children and Families to commission a diagnostic report from Essex County Council, who had achieved the rare distinction of having received a Good rating for this role. Essex reported that Somerset had the capacity and capability to improve services, and therefore the Minister gave us a year to demonstrate significant improvement subject to quarterly reviews of progress. Failure in this regard would have entailed the services being removed from the County control and replaced by an external Government appointed administration with overriding powers of management and budget without any reference to other aspects of the responsibilities of the SCC. The monitoring of the current children Services by Essex is still in force, four reviews have been completed and the Executive Director of People's Services in Essex has reported to the Minister that there has been a significant improvement in children's services, more manageable case-loads,, a more stable work force and better partnership working. These improvements have achieved a tangible improvement in social work practice and a considerably better service for those families and children in need of help. At the beginning of November last year two Inspectors of Ofsted carried out a two day first full monitoring inspection since February 2015, and their findings indicate that the SCC is making adequate progress. The inspectors report is long and in the vast majority of the very detailed evidence of records, practice and performance the major improvements are recognised and acknowledged. There are a few areas that still need some attention to reach a higher standard and these observations of the inspectors are being implemented. The overall comments covering this monitoring visit, which did not qualify as a full inspection and therefore did not award a full grading, were that the pace of change has been appropriate and managed safely by the senior leadership team, recommendations from the last inspection have been incorporated into action plans, the overall quality of practice has improved and a number of improvements in service delivery have been achieved. It is therefore disappointing that the Ministerial letter acknowledging the receipt of the inspectors report is somewhat less than fulsome and though acknowledging the hard work that has been done to achieve the current progress, the last line reiterates the overt threat of Government intervention.

I am being constantly pestered on the telephone by spurious calls telling me that if I am on benefits I am entitled to claim money, The phone goes down as soon as I hear the word "Hallo" but these scam calls "Phishing" for valuable personal or financial information and targeted on the elderly and vulnerable in the majority of cases made from unregistered phone numbers will inevitably meet with some success with elderly and perhaps financially struggling recipients. That this can be tolerated is a disgrace but it represents an indicator of the universal industry that fraud of all kinds has become. I think the current estimate of the cost of the Nuclear Power Station at Hinckley at £18 to £22 billion (b) is well known. The cost of HS2 the high speed track to Birmingham from London is apparently in the vague region of £60 to £80 billion (b). The estimate for 4 new Trident type nuclear submarines to defend this Country is around £40b. One has to remember the days when a billion was an indescribable figure i.e.one thousand million (£1000000000) so it may be of interest to know that the annual losses in this Country to fraud are estimated to be currently £73 billion and it is increasing year on year.

This huge total can be broken down into three main distinct groups; a. the Public Sector, b. Individuals and c. the Private Sector. £20.3 billion arises in the public sector from; Tax evasion £14b, Central Government £2.5b, Local government £2.3b, Benefits and tax credits £1.6b. Fraud perpetrated on Individuals is estimated at £6.1b from; Mass marketing £3.5b, Identity fraud £1.2b, Other £1.4b. The private sector losses amount to £45.5b from; Wholesale and retail trades, repair of motor vehicles and motorcycles £16.1b, Manufacturing £7.4b, Financial and insurance activities £3.5b, Construction £3.0b, Professional, scientific and technical activities £2.8b, Others £12.7b. There is a marked variance in the number of frauds detected across the regions, with incidents in London being three times the whole of the South West combined. In Somerset the estimated value of housing fraud detected is £207.9 million(m), Housing benefit £40.5m, Council Tax £24.1m, other types of fraud £40.7 m, Business Rates £8.2m, and Blue badge £3.0m. All this adds up to 324.4m which is more than the core spending power available in the annual budget for the SCC in this forthcoming year and equal to the sum available in 2018/19! Fraud is on the increase and quite obviously it is a major drain on the central Governmental coffers and conjointly on the diminishing sources of local administration funding that are available and it must be counteracted. The SCC, along with 97% of all other Councils, have signed up to the new four year plan of the Department of Communities Local Government (DCLG) called the Local Government Finance Settlement (LGFS) and therefore the current annually reducing Government Revenue Support Grants(RSGs) will cease completely under the terms of the (LGFS) in 2020. It is expected to be replaced theoretically by full retention of the local business rates, most of which are currently sent to central Government. Thus any fraud leading to a reduction in income from this stream will be highly critical. It is therefore now imperative that all these avenues for defrauding sections of local government are reappraised and as far as possible closed down. SCC is a participant in the National Fraud Initiative (NFI). This scheme is a cross- authority exchange of information between public bodies with its own highly secured website. Participating authorities provide information from their primary systems to the NFI for analysis including Payrolls, Pensions, Creditors, Blue Badge holders, Insurance claims, Concessionary travel passes and personal care budgets etc. All these are then correlated with other data streams to find any discrepancies indicating possible frauds which will then be investigated and followed up with fines and prosecutions etc. The SCC receives feed- back from the NFI and responds to cases where there is doubt by investigation and has for example recently recovered over £34,200 from innocent over payment errors alone. The information from the NFI has also highlighted other more serious cases some of which have or will result in criminal prosecution, so life will get more dangerous for fraudsters day by day. As District Councils are responsible for the collection of Council and Business taxes and the oversight, administration and issue of all types and levels of the personal and housing benefit payments their processes to protect against fraud must be of primary and paramount importance These payments are subject to intensive checking both by internal staff and external auditors to minimise both opportunities and the occurrence of fraud. It is therefore all the more important that they too belong to the NFI and are involved in the information exchanges, so South Somerset District Council (SSDC) is embedded in this system and actively checking on all avenues where fraud can be achieved, its detection, and where and whenever found ensuring that it is speedily eliminated.

Finally it is now very clear that the whole past working ethos and methods of working and operational tasking of the County Council are under fundamental review and change. Under the proposed Technology and People Programme (TAP) whose aim is to contribute to savings by reducing staff to achieve better organisation productivity and process efficiency by the use of technology as a key tool. The three major streams of consideration are a. Leadership and behaviours-b. Strategy and business processes, c. Core systems and data. All Directors will be required to deliver the scale and pace for the required savings to materialise, because the scope of the work will impact on the end to end process from front line to back office. The final required outcome is that these changes are targeted on the essential care services that are so expensive and thus vulnerable to cuts in available funding in order to mitigate adverse impacts. You are unlikely to avoid more specific detail in the next letter I fear, but the changes will be permanent and difficult to achieve so it is important to know what is planned.

Yours

Derek Yeomans
County Councillor for Curry Rivel and Langport.
District Councillor for Burrow Hill