

## SOUTH CAMBRIDGESHIRE LOCAL STRATEGIC PARTNERSHIP

**REPORT TO:** South Cambridgeshire Local Strategic Partnership Board

17<sup>th</sup> July 2009

**AUTHOR/S:** Adam Speed, Cambridgeshire County Council  
Kathryn Hawkes, South Cambridgeshire District Council  
Nicole Kritzinger, South Cambridgeshire District Council

### ECONOMIC DOWNTURN

#### Purpose

1. The purpose of this report is to provide an overview to the South Cambridgeshire Local Strategic Partnership (LSP) of the impact of the economic downturn on South Cambridgeshire communities, in the context of the national picture and the countywide approach. An increased understanding of the impact of the downturn on communities (residents and organisations etc) and improved information sharing will inform district-wide decision-making and action.

#### Background

2. At a county level, the Local Area Agreement Reference group (LAARG) has taken the lead on co-ordinating information and actions relating to the economic downturn. The contents of this report are largely based in intelligence gathered by members of the LAARG and is informed by district-level intelligence. The report is set out by Cambridgeshire Vision themes.

#### Managing Growth

3. The latest data (June 2009) from the Land Registry's House Price Index shows the average price of a property in Cambridgeshire is continuing to fall and now stands at £163,618. This is still above the national average of £152, 898 and the average for the East of England of £160,068.
4. The latest data for South Cambridgeshire (Jan-March 2009) show the average price of a property to be £224,021. Table 1 below shows the status of house prices during this period by district within Cambridgeshire and the percentage changes in the last quarter and year.

**Table 1: House Prices by Cambridgeshire District Jan-March 2009**

District	Average Price (£)	Quarter	Annual
Cambridge City	263,199	0.2%	-9.4%
South Cambs	224,021	-9.6%	-21.4%
East Cambs	203,565	7.2%	-5.7%
Hunts	185,100	-3.5%	-15.9%
Fenland	130,457	-11.5%	-15.0%

Source: Land Registry of England & Wales

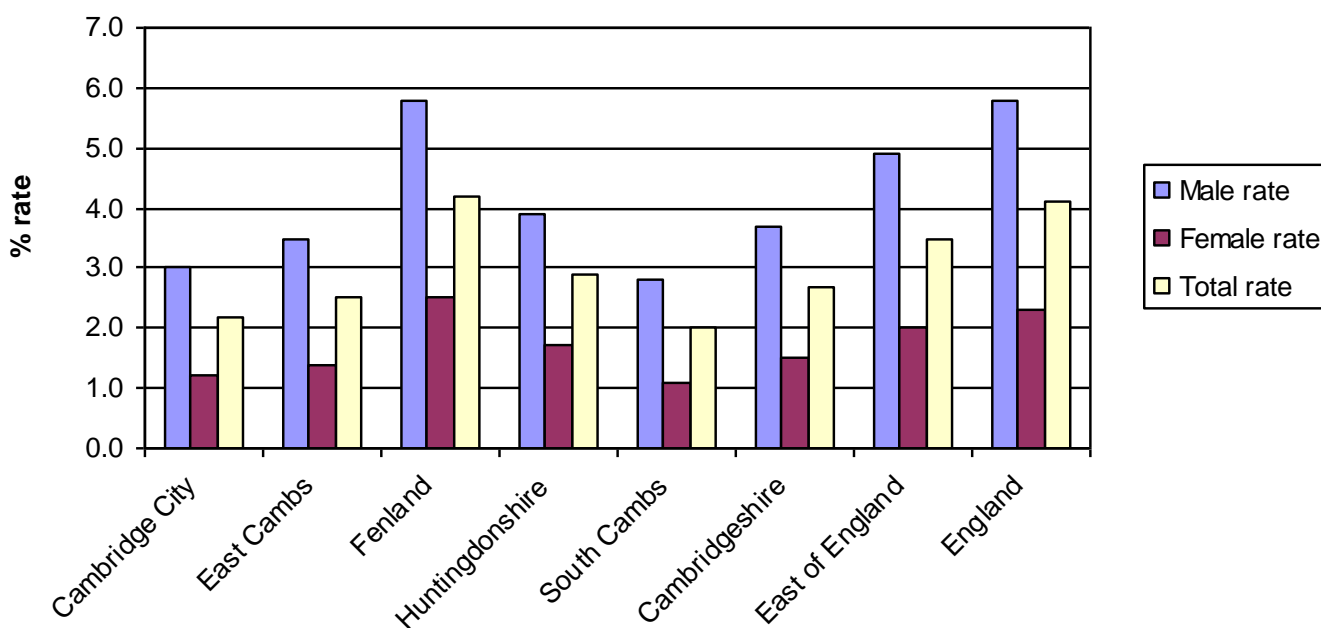
5. Although the economic downturn has caused house prices in the county to fall, there are still issues of affordability due to the relatively high cost of homes, a decrease in the

availability of mortgages and increasing unemployment causing problems in paying existing mortgages.

### Economic Prosperity

6. Latest figures (April 2009) show that there were 10,059 Cambridgeshire residents claiming Jobseeker's Allowance. This is a total of 251 more claimants across the County than in March 2009. The unemployment rate was at 2.7%, up 0.1% on the previous month, up 1.5% on April 2008 and now at its highest since February 1997. However, although unemployment is increasing across all five Cambridgeshire Districts, the second consecutive lowest monthly increase since October 2008 suggests that the marked growth in unemployment in recent months is abating.
7. Table 2 below shows the male, female and total unemployment rates across Cambridgeshire for April 2009 by District, as well as those for the East of England and England. South Cambridgeshire unemployment rates are the lowest in the County and are lower than the East of England and England rates.

**Table 2: Unemployment rates in Cambridgeshire by District – April 2009**



Source: <http://www.cambridgeshire.gov.uk/business/research/labour/unemployment.htm>

8. Table 3 below gives the total numbers unemployed by district and the associated unemployment rates and makes comparisons over the year. Figures for the county and the East of England are also included. Unemployment rates rose in South Cambridgeshire by 1.3% representing 1,026 people.

**Table 3: Unemployment figures for April 2008 and April 2009**

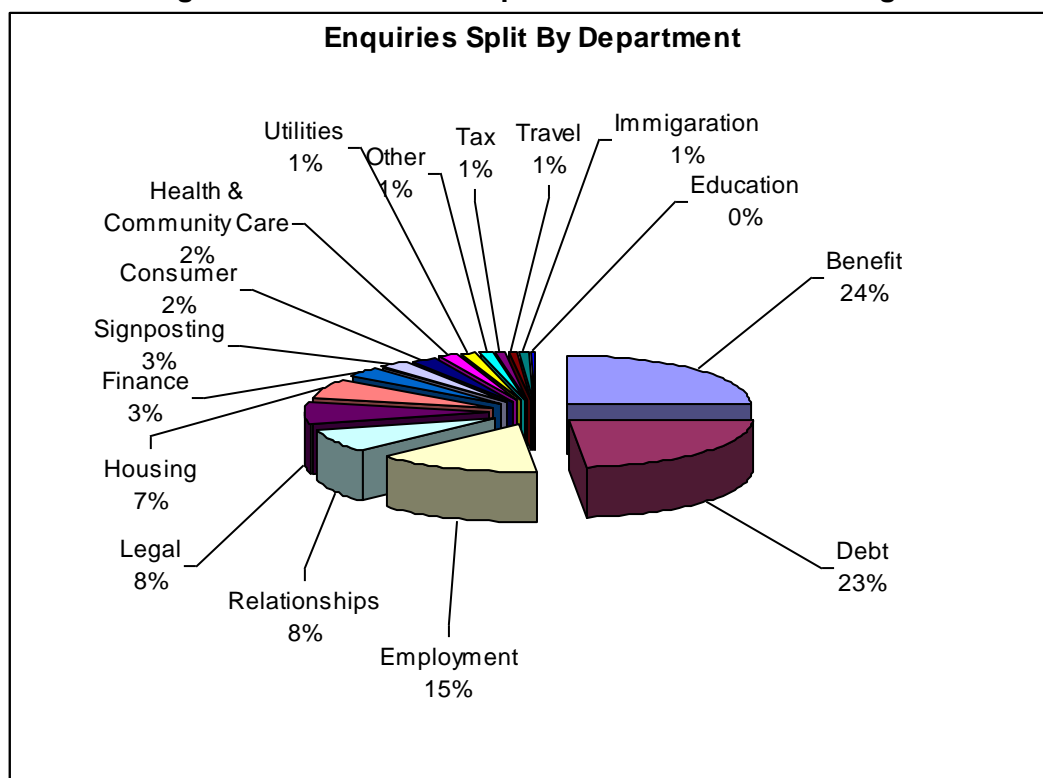
	April 2008		April 2009		Apr08 – Apr09	
	Number	Rate %	Number	Rate %	Change in number	Change in rate %
Cambridge City	1,166	1.3	1,891	2.2	725	0.9

East Cambridgeshire	506	1.0	1,234	2.5	728	1.5
Fenland	1,171	2.2	2,252	4.2	1,081	2.0
Huntingdonshire	1,197	1.1	3,025	2.9	1,828	1.8
<b>South Cambridgeshire</b>	<b>631</b>	<b>0.7</b>	<b>1,657</b>	<b>2.0</b>	<b>1,026</b>	<b>1.3</b>
Cambridgeshire	4,671	1.2	10,059	2.7	5,388	1.5
East of England	58,670	1.7	121,355	3.5	62,685	1.8
England	695,260	2.2	1,304,456	4.1	609,196	1.9

Source: <http://www.cambridgeshire.gov.uk/business/research/labour/unemployment.htm>

9. The current economic climate continues to lead to higher volumes of benefit claims being received as more residents ask for help in paying their rent and council tax.
10. South Cambridgeshire District Council provides grant funding towards four Citizens Advice Bureaux (CAB) serving South Cambridgeshire residents. Anecdotally, all 4 Bureaux report significant increases in enquiries from all clients, including South Cambridgeshire residents, relating to debt, benefits, housing and employment. Table 4 below shows the Cambridge & District figures for the year 2008-09. Nearly half the enquiries they had from South Cambridgeshire residents related to debt and benefits.

**Table 4: Cambridge & District CAB's Enquiries from South Cambridgeshire Residents**



Source: Cambridge & District CAB, CASE monitoring report, 2008-09

11. In the first half of 2006-07, debt enquiries amounted to 14% of Cambridge & District CAB's work with South Cambridgeshire residents. In the first half of 2007-08 this rose to 16.6% and by the first half of 2008-09 the figure had risen to the 22.6%. It is anticipated that figures for the first half of 2009-10 will continue this trend.

## **Environmental Sustainability**

12. The economic downturn has presented a number of opportunities and challenges within the theme of Environmental Sustainability. For example, it provides an opportunity to promote pro-environmental behaviours that save households and businesses money but also the challenge of making sure the focus on climate change and environmental sustainability is not lost during the recession.
13. Reduced consumption could mean less waste, fewer greenhouse gas emissions and less pressure on resources. Household waste in Cambridgeshire peaked between May and September 2007 and has been going down since. Whilst the Economic Downturn may have had an impact subsequently, the trend of waste reduction was already established.
14. It is essential that during the economic downturn we do not lose focus on climate change and environmental sustainability and that we seek to maintain those effects that are beneficial as the recession eases. With this in mind the Recycling in Cambridgeshire and Peterborough (RECAP) Partnership is focusing its campaigns around positive recycling messages, the header is "Let's keep a good thing going" and also around waste prevention, especially food, with their "Love food hate waste" campaign (details are available at <http://www.recap.co.uk/>).

## **Equality & Inclusion**

15. As mentioned previously there has been a significant rise in the number of people claiming Job Seekers Allowance causing increased demand for services at Job Centre Plus. Recognising the impact of the Economic Downturn, the government has pledged to give the Department for Work and Pensions an extra £2.8 billion over the next two years. Some of this money has meant Job Centre Plus has been able to recruit additional staff. In April 2008 there were 240 members of staff at Job Centres in Cambridgeshire and there are now 294.
16. Job Centre Plus has also been offering additional help for customers by working in partnership with recruitment agencies to offer customers specialist jobs and providing a rapid response service to provide help to people facing redundancy before they leave their job.
17. Newly unemployed people have also been given extra help through new group sessions, one-day seminars and immediate access to programme centres for job search and skills development.
18. Employers have also been offered additional help, for example, since April, employers who recruit and retain staff for over six months have been able to get a recruitment subsidy of £1,000 and may also be able to get help with training.
19. At the last Cambridgeshire Together Board members tasked the relevant strategic partnerships with developing a bid to the "Future Jobs Fund". The fund makes available around £1 billion to support the creation of 150,000 jobs for long term unemployed young people and others who face significant disadvantage in the labour market. This will support the guarantee that from 2010 everyone in this age group who has been looking for work for a year will get a job or training lasting 6 months. 50,000 jobs will be created in unemployment hotspots and around 10,000 of the 150,000 jobs will be green jobs.
20. There will be a strong preference for partnership bids and as requested by Cambridgeshire Together partners have been working on the development of a cross-

county bid with a strong focus on Huntingdonshire and Fenland. The bid is being developed by a steering group comprising of District and County Officers as well as representatives from Job Centre Plus and the voluntary and community sector. The steering group is supported by the Innovation in External Grants team at the County Council.

21. The steering group met on 15<sup>th</sup> June and agreed that in order to attract more “job placement” offers and bring more organisations into the joint application, it would be necessary to develop a model for how the Future Jobs Fund would work in Cambridgeshire. A key element of the model is trying to make sure that the Fund is accessible to both large and small organisations, enabling a wider range and number of job placements to be offered through the programme. The model aims to build firmly on the expertise and support that already exists in Cambridgeshire.
22. Once the model is finalised the “offer to employers” will be widely distributed. Job offers will be collected and evaluated by the steering group to ensure they adequately target the unemployment hotspots in Fenland and Huntingdonshire. It is intended that the final application will be submitted on 12 August 2009 and the first jobs will begin in November 2009.

### **Safer and Stronger Communities**

#### Volunteering and Support Services

23. The Economic Downturn may lead to a rise in the numbers of people seeking to volunteer, an increase has already been noted in Huntingdonshire, and whilst this is positive, it could mean extra strain on volunteering services due to the need to provide training which may require additional resources.
24. The Big Lottery Fund (BIG) has announced that an additional £43 million is to be invested across the UK to tackle the longer term effects of the recession on the UK’s communities. BIG is working closely with stakeholders to determine what form the support will take, but it is thought it could include targeted funding for specific services such as debt advice and support to help train increasing numbers of volunteers.

#### Crime Levels

25. At present there is no direct link that can be made between the economic downturn and levels of crime committed in the County. No increase has been noted in the number of people committing offences.

### **Key Activity by the District Council to Support Businesses, 1 April – 30 June**

26. A financial well-being event provided advice to South Cambridgeshire District Council (SCDC) employees in April.
27. The volume of invoices paid within 10 days improved to 52.2% in May, and increase of 4% over the same month last year.
28. A ‘How to Win Contracts’ event was held on 4 June. The event was organised by SCDC with the Cambridgeshire Chambers of commerce and Business Link. The event was attended by 110 company delegates and feedback was very positive. Presentations were given by local and regional organisations:
  - South Cambridgeshire District Council
  - Cambridge City Council
  - Cambridgeshire County Council

- Fenland District Council
- Cambridgeshire Police
- Cambridge Housing Society
- London 2012 Olympics
- Eastern Shires Purchasing Organisation
- East of England Regional Development Agency

29. The changes to the Hardship Rate Relief Scheme have resulted in four requests for assistance. One application has been returned so far and would cost £12,000 if awarded in full. Further applications are anticipated.

30. A business seminar 'Ride the Recession' was planned for 1 July.

### **Recommendations**

31. The LSP Board is recommended to note the evidence and analysis of the impact of the economic downturn in South Cambridgeshire and the actions being taken by partners to mitigate the impact.

32. The LSP Board is requested to highlight areas for further investigation and/or action.