

## **SOUTH CAMBRIDGESHIRE LOCAL STRATEGIC PARTNERSHIP**

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**REPORT TO:** South Cambridgeshire Local Strategic Partnership      17<sup>th</sup> February 2010

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### **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.

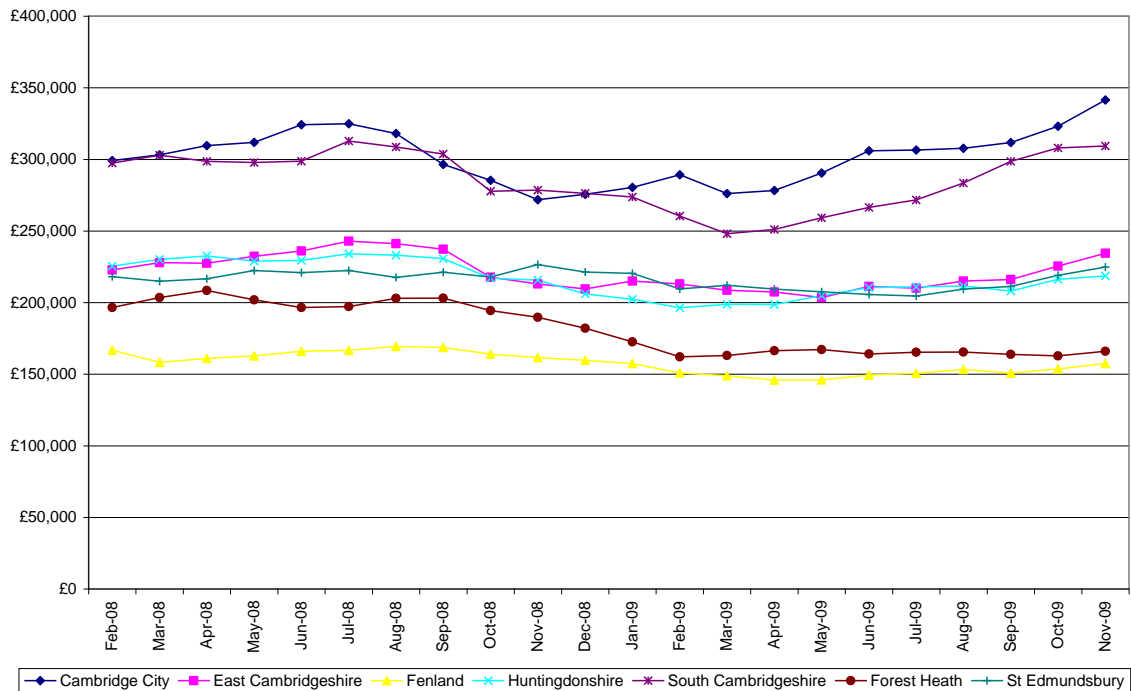
#### **Background**

2. At a county level, Cambridgeshire Together has been receiving regular reports and relating to the economic downturn. The content of this report are largely based upon the report that was circulated to the Cambridgeshire Together Board in January 2010 and is informed by regional, county and district-level intelligence. The report is set out by Cambridgeshire Vision themes.

#### **Managing Growth**

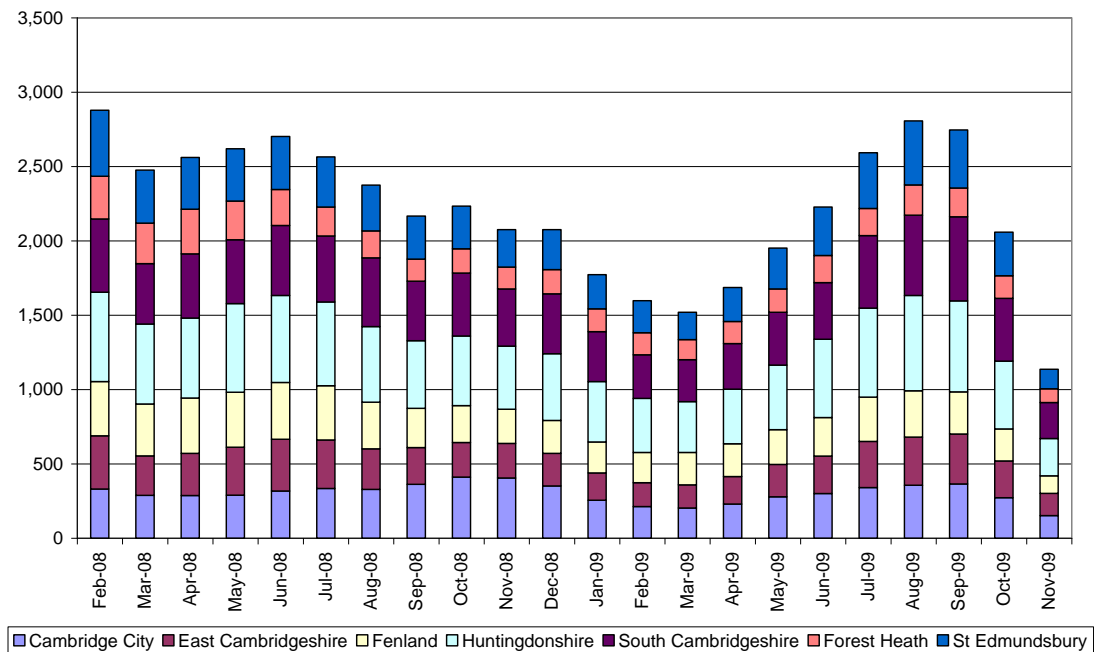
3. The information at Graph 1, provided by Cambridgeshire Horizons from their Hometrack System, shows the change in average house prices by district between February 2008 and November 2009. Average prices have started to increase in most districts since the low point around January / February 2009. The information is based on actual sales achieved (taken from the Land Registry) and valuation data based on Hometrack's automated valuation model.

**Graph 1 – Average Price by district**



- The overall number of sales drives the average house prices given for the districts and as the following graph shows, the number of sales started to increase from April to August 2009 but has fallen again since. This may be due to seasonal factors as more people buy houses over the summer.

**Graph 2 – Number of properties sold per district**

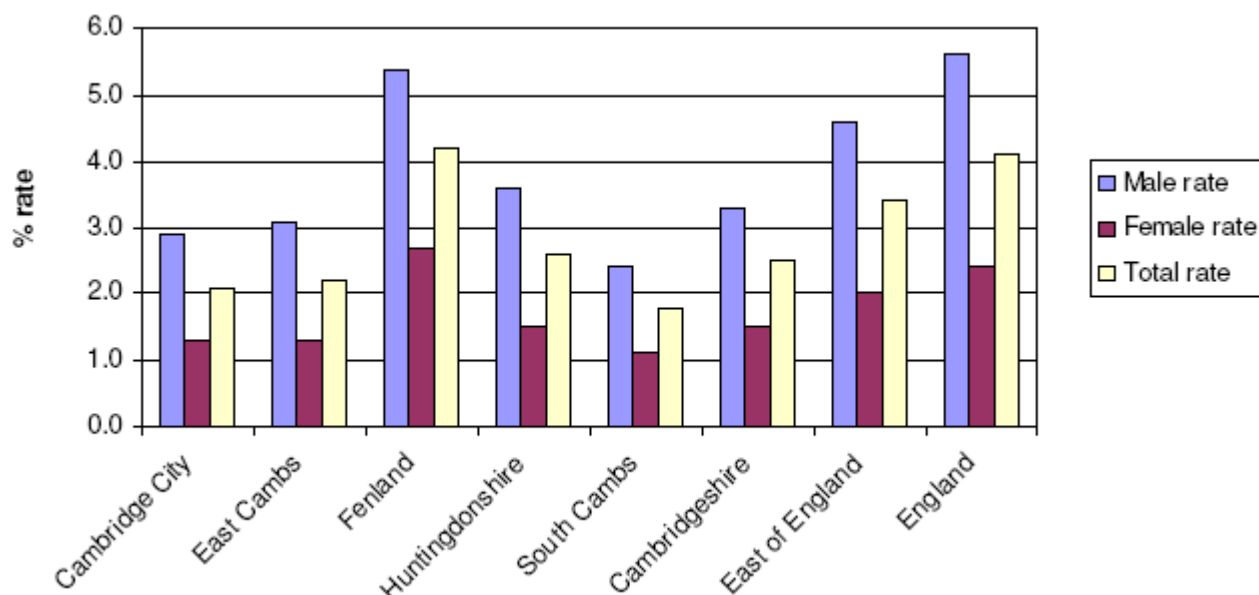


- Although the economic downturn has caused house prices in the county to fall, there are still issues of affordability due to the relatively high cost of homes, a decrease in the availability of mortgages and increasing unemployment causing problems in paying existing mortgages.

## Economic Prosperity

- In November 2009 there were 9,520 Cambridgeshire residents claiming Jobseeker's Allowance. This is a total of 190 fewer claimants across the county than in October 2009 following a decrease of 135 claimants from September to October. The claimant count unemployment rate remained at 2.5%, down less than 0.1% on the previous month, up 0.9% on November 2008. This is the third consecutive monthly decrease, which suggests that unemployment has stabilised across all districts and is falling in some areas. This is also in line with recent national trends that show the number of people unemployed nationally fell between September and November for the first time in 18 months.
- Graph 3 shows the male, female and total claimant count unemployment rates across Cambridgeshire for November 2009 as well as those for the East of England and England. The male unemployment rate is consistently higher than the female rate. South Cambridgeshire has the lowest rates across the county.

**Graph 3: Unemployment rates in Cambridgeshire by District – November 2009**



- Table 1 gives the total number unemployed by district and the associated unemployment rates and makes comparisons over the year. Figures for the County, East of England and England are also included.
- Unemployment rates rose in all five districts over the year to November 2009. South Cambridgeshire had a rate rise of 0.7% (the same percentage as both Cambridge and East Cambridgeshire) representing 549 more claimants across the district.
- According to a recent report from the "Centre for Cities" the recession has widened the gap between UK city economies. The "Cities Outlook 2010" states that cities that were already suffering before the recession have been hit hardest. Over the past two years, the difference between the two cities with the highest and lowest shares of residents claiming Jobseeker's Allowance<sup>1</sup> - Hull and Cambridge - has nearly doubled.

<sup>1</sup> It should be noted that job seekers allowance data does not capture everyone being made redundant because not everyone is eligible to claim.

11. The report notes that Cambridge has the right ingredients to succeed after the recession has passed due to its strong private sector, high levels of entrepreneurship, highly educated workforce and large share of knowledge-intensive jobs. The report is available at: <http://www.centreforcities.org/> It should be noted that whilst this is the case the recent announcement of a large numbers of job losses (c.350) at Bourn and public spending cuts are yet to impact or be seen in the figures.

**Table 1: Unemployment figures for November 2008 and November 2009**

	November 2008		November 2009		November 2008 – November 2009	
	Number	Rate %	Number	Rate %	Change in number	Change in rate %
Cambridge City	1,266	1.4	1,920	2.1	654	0.7
East Cambridgeshire	747	1.5	1,111	2.2	364	0.7
Fenland	1,426	2.7	2,214	4.2	788	1.5
Huntingdonshire	1,756	1.7	2,757	2.6	1,001	0.9
South Cambridgeshire	969	1.1	1,518	1.8	549	0.7
Cambridgeshire	6,164	1.6	9,520	2.5	3,356	0.9
East of England	75,252	2.2	116,854	3.4	41,602	1.2
England	878,047	2.7	1,307,139	4.1	429,092	1.4

12. The South Cambridgeshire District Council Hardship Rate Relief Scheme has resulted in a marked increase of applications for assistance. The cost of awarded hardship rate relief to 31<sup>st</sup> December 2009 was approximately £12,100, which should rise further as more funding is awarded.
13. The Business Support Fund in South Cambridgeshire, with a total value of £50,000, aimed at supporting companies most at risk from the slowing economy was launched in partnership with Business Link. To November 2009, eleven businesses were directly assisted. Businesses were also been given further Business Link support, giving added value. The scheme also referred three new companies to Business Link East.
14. Additional funding, agreed by South Cambridgeshire District Council's Cabinet in October 2009, is enabling two local volunteer centres to increase skills through volunteering. This supports the objective of maintaining the skill-base and employability of residents.
15. Further District Council actions agreed over the period to 31<sup>st</sup> March 2010 (as set out in report to Cabinet on 14<sup>th</sup> January 2010) are:
- Improving the volume of invoices paid;
  - Continued communication of hardship rate relief;
  - A business competition to support businesses, working with the Chamber of Commerce, Business Link to stimulate innovation and business start-up.

### **Environmental Sustainability**

16. 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.

17. It is essential that during the economic downturn partners and residents do not lose focus on climate change and environmental sustainability and that they 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/>).
18. In Cambridgeshire's Area Assessment the Audit Commission recognised that RECAP was key in reducing waste in Cambridgeshire and Peterborough and awarded a "Green Flag" recognising exceptional performance or innovation that others can learn from.
19. There may be greater challenges to securing climate resilience, lower carbon and environmental benefits through new development because of increasing pressures on Section 106 funds and developers seeking to reduce obligations where possible. South Cambridgeshire District Council is currently working with Cambridgeshire Horizons to put together a bid for Northstowe to become an eco-town, which would provide a limited amount of additional funding for studies and demonstration projects to bring the scheme inline with the eco-town standards.

### **Equality & Inclusion**

20. The Future Jobs Fund made available around £1 billion across the country to support the creation of 150,000 jobs for long term unemployed young people and others who face significant disadvantage in the labour market.
21. The Cambridgeshire bid was successful and means Cambridgeshire will receive a total of £1,528,322 to create 237 temporary jobs. The spread of jobs across Cambridgeshire is:
  - 80 jobs in Cambridge City
  - 15 jobs in East Cambridgeshire
  - 54 jobs in Fenland
  - 71 jobs in Huntingdonshire
  - **15 jobs in South Cambridgeshire**
  - 2 countywide jobs
22. The jobs created include roles in tourism and leisure, community development, health and administration, with posts including finance and education, sports and fitness and the media.
23. Those qualifying for the scheme will need to apply through Jobcentre Plus, with successful applicants receiving at least the minimum wage as an hourly rate. Each position will last six months. The first jobs will be available from February 2010. The job vacancies will be advertised via Jobcentre Plus over the coming months.

### **Safer and Stronger Communities**

24. During a recession it is expected that the voluntary sector will see an increased demand for services. Figures show that the four Citizens Advice Bureaux in Cambridgeshire

(excluding Peterborough) saw nearly 24,500 clients during 2008-09, more than 1 in 25 people in the county.

25. According to statistics recorded for the four Cambridgeshire Bureaux<sup>2</sup>, key areas of advice between Q1 2008 and Q2 2009 show the following increases:

<b>Number of issues raised by Cambridgeshire CAB Clients from April 08 – June 09</b>						
	<b>Q1 2008/ 2009</b>	<b>Q2 2008/ 2009</b>	<b>Q3 2008/ 2009</b>	<b>Q4 2008/ 2009</b>	<b>Q1 2009/ 2010</b>	<b>% Increase between Q1 2008 and Q1 2009</b>
<b>Job Seekers Allowance</b>	217	318	440	613	617	184%
<b>Redundancy</b>	240	293	449	471	365	52%
<b>Mortgage and Secured Loan Arrears</b>	236	285	219	366	320	36%
<b>Fuel Debts</b>	210	269	259	372	373	78%
<b>Total Benefits Issues</b>	5404	5672	5522	6942	7348	36%
<b>Total Debt Issues</b>	5972	5996	6160	7557	7638	28%

26. In money terms the Cambridge and District CAB alone recorded £878,811 total client debt in Q1 08 against a total of £3,012,824 in Q1 09. The full report from Advicehub is available at: <http://www.advicehub.org/ADVICEHUBREPORT P4P.pdf>.

### **Recommendations**

27. 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.
28. The LSP Board is requested to highlight areas for further investigation and/or action.

<sup>2</sup> South Cambridgeshire residents also benefit from out of county bureaux such as North Hertfordshire and District, Haverhill and District, and Uttlesford.