



To: Executive Councillor for Finance and Resources:
Councillor George Owers

Report by: David Kidston, Strategy and Partnerships Manager

Relevant scrutiny committee: Strategy & Resources 14/7/2014
Scrutiny Committee

Wards affected: All

ANTI-POVERTY STRATEGY

Key Decision

1. Executive summary

1.1 The City Council will develop an Anti-Poverty Strategy with the aim of improving the standard of living and daily lives of those residents in Cambridge who are currently experiencing poverty, but also to alleviate issues that can lead households to experience financial pressures. The aim of the Strategy is to bring greater focus and coordination to the Council's existing efforts to address poverty, while identifying areas where the Council can have even greater impact. This report sets out the broad approach for the development of the Strategy and proposes some draft objectives for public consultation.

2. Recommendations

The Executive Councillor is recommended:

- 1) To approve the draft objectives for the Anti-Poverty Strategy, as set out at 4.10
- 2) To approve use of the draft objectives for the Anti-Poverty Strategy, set out at 4.10, as the interim objectives for the Sharing Prosperity Fund until the final Strategy is completed
- 3) To approve the proposed approach and timescales for developing the Anti-Poverty Strategy, as set out at 4.11

3. Background

3.1 Despite the national economic downturn, the Cambridge economy has continued to thrive. The city is a national centre for higher education and research and development, with employment in these sectors

over 10 and 8 times higher than the national shares of employment respectively¹. It also has a globally significant hi-tech and bio-technology economy that provides 19% of employment in the City. In the wider Greater Cambridge sub-region (which includes the districts of Cambridge City and South Cambridgeshire), there are over 1,525 technology companies with more than 54,000 employees and a combined revenue over £12bn². Cambridge also has a substantial tourism industry that generates annual expenditure of £351m³.

3.2 The City Council has played an active role in supporting economic growth in the City, through:

- Developing a new Local Plan, which aims to support the growth of key sectors in the Cambridge economy (such as higher education, research and knowledge-based industries, tourism and retail), but also those businesses which provide essential services for the City.
- Working with Cambridgeshire County Council and South Cambridgeshire District Council to negotiate a City Deal with Government, which could lead to up to £1 billion additional investment in transport infrastructure, affordable housing and skills provision needed to sustain economic growth in the Greater Cambridge area.
- Engaging with the Cambridge and Peterborough Local Enterprise Partnership (LEP), which is working to address skills barriers, support business growth, improve the transport network and increase digital connectivity across the LEP area.

3.3 As a result of the relative strength of the Cambridge economy:

- average earnings for Cambridge residents increased fairly consistently from 2002 to 2012 and are currently higher in the city (£571.7 per week) than the national average (£518.1 per week)⁴. The mean annual income in Cambridge was £37,211 in 2012⁵.
- there are more jobs available per capita (jobs density) within Cambridge (1.08) than there are nationally (0.78)⁶.

¹ Cambridgeshire Insight, Cambridge Economic Assessment, 2013

² Greater Cambridge City Deal Document, 2014

³ Cambridgeshire Insight, Cambridge Economic Assessment, 2013

⁴ NOMIS, Earnings by residence, 2013

⁵ CACI 2012, via Hometrack. Published in Chapter 10, Table 1, Cambridge Sub-Regional Strategic Housing Market Assessment (SHMA)

⁶ NOMIS, Job density, 2012

- the East of England Forecasting Model estimates that Gross Value Added (GVA) per capita (a measure of general prosperity) is significantly higher than the average UK figure, possibly reflecting the high jobs density in the district.
- The level of unemployment in the City in 2013 (5.0%) was also lower than the East of England average (6.1%) and national average (7.5%) for the same period⁷.

3.4 However it is important that the benefits of prosperity are shared by all City residents, including the least well-off. A more thorough review of the evidence base is required, but the evidence available currently shows that despite the success of the Cambridge economy as a whole, a significant proportion of people are experiencing poverty. For example:

- The Indices of Multiple Deprivation (IMD) 2010 show that there are two Lower Super Output Areas (LSOAs)⁸ in Cambridge which fall within the 20% most deprived LSOAs in the country. These two LSOAs are both in Kings Hedges ward⁹. There are a further 18 LSOAs that fall within the 40% most deprived LSOAs in the country
- To illustrate the varying levels of prosperity in the City, there are also 13 LSOAs in Cambridge which are amongst the 20% least deprived LSOAs in the country. These LSOAs are in Castle, Cherry Hinton, Newnham, Queen Edith's, and West Chesterton wards.
- Although average earnings have increased in Cambridge over the past decade, the lower quartile household income in 2012 was £15,700¹⁰ and a significant proportion of households living in wards in the north and east of the City (Market, Abbey, King's Hedges, Arbury and East Chesterton) have an annual income of less than £20,000¹¹.
- A significant proportion of Cambridge residents are in receipt of benefits. For example, Cambridge City Council data shows that in 2013 the number of households claiming Housing Benefit was just over 8,000, out of a total of 46,714 households in the City. Housing

⁷ NOMIS, Employment and unemployment rates, January 2013-December 2013. Figures provided are for those who are aged 16-64 and economically active. This includes students who are working, but not students who are not working or seeking work.

⁸ Lower Super Output Areas (LSOAs) are subsets of wards that are used by the Office for National Statistics for statistical purposes. Each LSOA contains about 1,200 households and there are a total of 68 LSOAs in Cambridge

⁹ The Index of Multiple Deprivation 2010 (IMD) is a single measure of deprivation which brings together seven different domains (individual indices).

¹⁰ CACI 2012, via Hometrack. Published in Chapter 10, Table 1, Cambridge Sub-Regional Strategic Housing Market Assessment (SHMA)

¹¹ CACI Paycheck 2010, via the Cambridge Economic Assessment Report Page No: 3

benefit claimants are concentrated in particular areas within the City, with half of the City's Housing Benefit claimant's living in one fifth of the City's Output Areas¹².

- Some groups of people are more likely to be claiming Housing Benefit. For example, pensioners make up a third of all households claiming Housing Benefit in Cambridge. Nearly one pensioner household in five (18%) in the City is claiming Housing Benefit, while more than one in three (38%) single pensioner households (74%) in the City are claiming Housing Benefit.
- Almost four out of five lone parent households in the City claim housing benefit.
- 13.3% of children are living in poverty in Cambridgeshire¹³, based on the national definition of child poverty in the Child Poverty Act 2010¹⁴. In 2013, 17% of children in Cambridge were living in a household that was claiming housing benefit.
- The Cambridge City Foodbank helped 2,390 people in crisis during the 2012/2013 financial year, which was double the number of people in the previous year.
- Although the average energy efficiency of properties within Cambridge is comparable to the national average, there are 5,800 households in the City living in fuel poverty. Households in the private rented sector are more likely to experience fuel poverty than those living in other tenures.
- There are significant health inequalities within the City. The latest data available from the Indices of Multiple Deprivation shows that life expectancy for men is 8.7 years longer in the highest ranked LSOA than the lowest, and 10.5 years longer for women.

3.5 In addition to those people in the City who are experiencing poverty, a combination of factors mean that an increasing number of people are struggling financially and may be at risk of poverty. These factors include:

- Although there are a large number of job opportunities within Cambridge, this does not necessarily mean that they are all available to Cambridge residents. Just over 20,000 people travel into Cambridge to work, taking up a large proportion of 'high value'

¹² Output Areas are subsets of wards that are used by the Office for National Statistics for statistical purposes. Each LSOA contains about 120 households.

¹³ Cambridgeshire Children's Trust, Cambridgeshire Child Poverty Strategy 2011-2014

¹⁴ The proportion of children (those aged 0-16 or 16-19 who are dependent on their families) who are either receiving means-tested benefits, or tax credits where the family has an income of less than 60% of median income.

occupations. Cambridge is the third largest travel to work (TTWA) area in the East of England, and is one of two TTWAs in the region which are net importers of workers.

- While average earnings in Cambridge have increased in absolute terms in recent years, wages have declined in 'real' terms. A recent report by the Centre for Cities found that average weekly earnings fell by £2 per week in 'real' terms between 2011 and 2012¹⁵.
- The rising cost of living in Cambridge, including energy bills, food prices and transport costs, makes it more difficult for low income households to get by. Housing affordability is a particular issue in Cambridge. In 2013/14 the average private rent in the City was £912 per month, with the average lower quartile rent for the same period was £563 per month¹⁶. The average house price in Cambridge in September 2013 was £361,164, which is 9.3 times average earnings¹⁷. The lower quartile house price was £216,500, which was 14.08 times the lowest quartile of earnings.
- As a result of high rental costs, an increasing number of working households in Cambridge are claiming housing benefit. Between January 2011 and February 2014 the number of working households in Cambridge who are claiming housing benefit rose from 1,020 to 1,439, which represents a 41% increase.¹⁸ Over the same period, the total number of working age housing benefit claimants in the city increased from 5,062 to 5,326.
- The impact of national welfare reforms, including the introduction of the Spare Room Subsidy. 464 households renting from the Council were affected by the Spare Room Subsidy, which represents 6.35% of all City Homes tenants. A further 223 housing association households were similarly affected.

4. Developing an Anti-Poverty Strategy

- 4.1 The City Council will develop an Anti-Poverty Strategy with the aim of improving the standard of living and daily lives of those residents in Cambridge who are currently experiencing poverty, but also for those who are financially vulnerable or at risk of poverty. This is likely to include those who are currently receiving out-of-work benefits, but also the 'working poor' who may be in receipt of tax credits and in-work benefits. The Strategy will also focus on people living in all tenures, including those in the private rented sector as well Council and social housing tenants.

¹⁵ Centre for Cities (2013), Cities Outlook 2013

¹⁶ Valuation Office, Private Rental Market Statistics

¹⁷ Hometrack Automated Valuation Model.

¹⁸ Department of Work and Pension (DWP).

- 4.2 There are a range of different factors which contribute to poverty, many of which the City Council is not able to influence directly or on its own. However, the City Council can have a direct impact on poverty through the types of services it provides, how these services are targeted, and how it spends its capital and revenue budgets.
- 4.3 The City Council already carries out a wide range of activity which supports residents living on low incomes, ranging from existing support for Credit Unions to energy efficiency advice for households, from targeted sport development work to providing affordable and accessible community facilities (see Appendix A for a full list of City Council services and activities which support financially vulnerable residents).
- 4.4 The aim of the Anti-Poverty Strategy is to bring greater focus and coordination to the Council's existing efforts to address poverty, while identifying areas where the Council can have even greater impact. In the future this will include both new initiatives that will improve the lives of residents experiencing poverty, and opportunities to refocus existing services. For example, a number of proposed new initiatives have already been identified for 2014/15:
- Considering becoming a Living Wage employer accredited by the Living Wage Foundation. Since April 2013, the Council has paid all its own employees the Living Wage. A Living Wage is considered the minimum wage needed to provide "adequate income" to ensure social inclusion for an individual or their family, particularly in a City such as Cambridge where the cost of living is high. To become an accredited employer the City Council would also need to adopt a living wage policy in respect of contractor. As set out in a separate report by the Head of Legal Services to this Committee on 14 July 2014, the proposed policy would require contractors to pay the Living Wage to Qualifying Staff unless it would be unlawful or inappropriate to do so.
 - Exploring how the Council can further support and promote the services offered by credit unions in Cambridge. The council has previously provided credit unions with operating space in the Customer Service Centre, promotion in Cambridge Matters and Open Door magazines, and emergency loan grants. It is proposed that an event will be held in November 2014 to bring together the credit unions and other key stakeholders, such as social landlords, Addenbrookes, the Universities and faith groups.

- Extra promotion in Cambridge of the collective County-wide energy-switching scheme, which aims to secure cheaper energy deals for local residents.
 - Reinstating the City Council's free pest control service, which will ensure that residents on low incomes do not have to pay for these services from commercial providers.
- 4.5 New initiatives underpinning the Anti-Poverty Strategy will be funded through the proposed 'Sharing Prosperity Fund', subject to approval of the £500,000 financial contribution to the Fund at full Council on 24 July 2014. The Fund will support one-off fixed term projects which can demonstrate a clear contribution to the interim objectives of the Anti-Poverty Strategy (see 4.10 for a list of the proposed objectives).
- 4.6 In future, proposals to the fund will be made through the budget process by members or officers. A number of new initiatives for 2014/15 have already been identified through proposed amendments to the Council's budget for 2014/15, including:
- Appointing a Living Wage Campaign Officer to promote Living Wage accreditation among businesses and other organisations in Cambridge, such as Colleges and Universities.
 - A Water and Energy Costs Anti-Poverty Scheme, which will promote take-up of water meters and energy and water efficiency measures to residents in low income areas of the City.
 - Additional promotion of energy efficiency measures to residents in low income areas of the City.
 - A Youth Apprenticeship Programme, which will increase the number of apprenticeship opportunities for young people in City Council services.
 - Providing an expanded programme of 'Community Clear-out Days' in the North and South of the city, which will save residents money from disposing of bulky waste.
- 4.7 While the Council can have a direct impact on poverty through the type of initiatives outlined above, much more can be achieved through working in partnership with other organisations. Over the course of the development of the anti-poverty strategy we will need to identify further and more effective partnerships with external organisations from the public, voluntary and private sectors. Examples of the Council's current engagement in partnerships and joint-working arrangements which have an impact on poverty include:

- Working with a wide range of partners to address financial inclusion issues and respond to the effects of national welfare reforms through groups such as Cambridge and Peterborough Financial Capabilities Forum, the DWP Benefit Forum, and the Cambridgeshire Welfare Reform Strategy Group.
- Working with partners on the delivery of the Cambridgeshire Child Poverty Strategy.
- Working with providers of services to young people through the Children and Young People's Area Partnership.
- Providing support for older people in partnership with Cambridgeshire County Council and local housing associations.
- Providing move-on accommodation for adults recovering from mental ill health in conjunction with the County Council and Metropolitan Housing Group.
- Working with GPs and other partners through the Cambridge Local Health Partnership and influencing the Cambridgeshire Health and Wellbeing Board.

4.8 It is proposed that the Anti-Poverty Strategy should cover a three year period from 2014/15 to 2016/17. It will be underpinned by a detailed 1-year action plan, which will be approved by the Executive Councillor each year at Strategy and Resources Committee. Officers will report progress on delivery of the action plan annually to the Committee.

4.9 It will be important to measure the impact of the Strategy on poverty in Cambridge. We will measure the outputs from individual projects (e.g. the number of additional residents opening accounts with local Credit Unions), but we will also need to measure the broader outcomes of the Strategy. Some local authorities have used a single measure of poverty to assess the impact of their anti-poverty strategies, such as the proportion of households whose income is less than 60% of the median household income. However, such measures are likely to be influenced as much by national policy changes (e.g. ongoing welfare reforms) and developments in the UK and international economies as by local interventions. As part of the development of the Strategy, it is likely that we will seek to identify a basket of more specific indicators linked to the key objectives of the Strategy.

4.10 During the development of the Strategy, the Council will consult publically upon the specific objectives for the Strategy. The proposed objectives for consultation are:

1	Helping people on low incomes to maximise their income and minimise their costs
2	Making the move into work easier
3	Helping low income families with the cost of raising a child
4	Breaking the link between poor health and poverty
5	Ensuring that vulnerable older people get the services that they need and reducing the social isolation they can experience
6	Helping people with high housing costs and improving the condition of people's homes
7	Working in partnership to tackle wider barriers to employment and engagement (e.g. transport, learning and skills)

4.11 The proposed timescales for the development of the Strategy are set out in the table below:

Action	Date
Further development of the evidence base for the nature of poverty in Cambridge and wider review of the approach adopted by other local authorities	July-August 2014
Initial exploratory meetings with key partner organisations to identify the evidence base, map existing partnership activity, and identify opportunities for future joint working	July-September 2014
Production of an initial draft Anti-Poverty Strategy to inform the City Council's budget process for 2015/16	September 2014
Consideration of the initial draft Anti-Poverty Strategy by Strategy and Resources Committee and approval for consultation	20 October 2014
Wider public consultation for 12 weeks on the draft objectives and suggested activities in the Strategy.	27 October - 16 January
Final draft Anti-Poverty Strategy produced, taking into account the findings of public consultation	February 2015
Anti-Poverty Strategy approved at Strategy and Resources Committee	23 March 2015

4.12 As part of the development of the Strategy, the City Council will consult widely to ensure that it addresses the most important issues for people in the City who are experiencing poverty. As outlined at 4.11, initial discussions will be held between July and September to develop understanding of the key issues and explore the scope for

joint working. This will be followed by full public consultation on an initial draft of the Strategy between November and January. During this period the Council will consult more formally with partners, but will also actively seek the views of local residents. This could include:

- a questionnaire survey publicised via the Council website and other media;
- focus groups or workshops with local residents; and
- one-to one engagement with vulnerable residents via agencies that they trust.

5. Implications

(a) Financial Implications

As outlined at 4.2, the Strategy will primarily seek to co-ordinate and refocus City Council activity so that it focuses on tackling poverty where possible. However, as outlined at 4.4, some additional one-off, fixed term initiatives which contribute to the objectives of the Anti-Poverty Strategy will be supported by the proposed 'Sharing Prosperity Fund', subject to approval of the £500,000 financial contribution to the Fund at full Council on 24 July 2014.

(b) Staffing Implications (if not covered in Consultations Section)

It is anticipated that much of the work to develop and deliver the Anti-Poverty Strategy will be achieved within existing staff resources. However, some of the initiatives proposed to support the Anti-Poverty Strategy listed at 4.4 and 4.6 (e.g. reinstatement of the pest control service, Living Wage Co-ordinator, and the Youth Apprenticeship Programme) will involve the recruitment of a limited number of extra staff.

(c) Equality and Poverty Implications

An initial Equality Impact Assessment has been carried out and is attached for information at Appendix B. A more detailed EqIA will be carried out in October 2014 once the draft Strategy has been completed and prior to the consultation period.

(d) Environmental Implications

Although the action plan for the Strategy is yet to be developed, some of the activities already identified at 4.6 are likely to have a medium positive environmental impact. For example:

- The proposed Water Meter Anti-Poverty Scheme will promote take-up of water meters and water efficiency measures to residents in low income areas of the City, and reduce water consumption and associated carbon emissions.
- The proposed additional promotion of energy efficiency measures to residents in low income areas of the City will reduce energy consumption and associated carbon emissions.

(e) Procurement

As outlined at 4.4, to become an accredited Living Wage employer the City Council would also need to adopt a Living Wage policy in respect of contractors. As set out in a separate report by the Head of Legal Services to this Committee on 14 July 2014, the proposed policy would require contractors to pay the Living Wage to Qualifying Staff unless it would be unlawful or inappropriate to do so.

(f) Consultation and communication

See 4.12 for an outline of the proposed approach to consultation for the Anti-Poverty Strategy.

(g) Community Safety

There are no specific community safety implications for the Strategy as a whole, but some of the actions identified as the Strategy develops may have a positive impact on community safety.

5. Background papers

There are no background papers for this report.

6. Appendices

Appendix A – List of current Cambridge City Council services and activities that have an impact on poverty

Appendix B – Equality Impact Assessment

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name: David Kidston
Author's Phone Number: 01223 - 457043
Author's Email: david.kidston@cambridge.gov.uk