



South West Barometer

Issue Four September 2004

South West Observatory

The South West Barometer monitors the region's progress towards a broad range of national and regional policy objectives.

The Barometer reveals mixed performance against the **economic** targets. On a positive front, the pace of economic growth during 2002 was one percentage point clear of the target annualized growth rate for 2002 to 2005. Targets for business expenditure in R&D, business survival and employment are all currently higher than their 2005 targets. Less positively, labour productivity is stubbornly 10% lower than the national average and the targets for investment and business formation were not met for 2003/04 and 2002 respectively. Of the four economic indicators that were updated for this edition the position for economic growth and productivity has improved whilst the position for investment and employment has deteriorated.

The South West performs well on almost all of the **social** indicators. Compared to the England average, South West residents have a longer life expectancy, are more likely to hold qualifications and are less likely to be a victim of crimes or live in a workless household. However, the rate of new house building is slightly behind RPG requirements and the number of robberies has increased by over 50%.

Indicators for housing, crime, poverty and population growth were updated for this edition. All of these showed improvement on their previous level.

The South West making progress towards most of the **environmental** targets included in the Barometer. The indicators for land use, recycling for household waste and woodland bird populations all show an improvement in recent years although the increases in the recycling rate will need to be sustained if the target for 2010 is to be achieved. The target for land use looks reasonably secure and whilst the indicator for river water quality has not changed significantly since 1996, it is higher than the England average. Less positive is the acceleration in road traffic volumes and the decline in the farmland bird population.

Land use, waste and air quality indicators have been updated since the last Barometer; of these only that for air quality shows a deterioration against the previous figures and this is explained at least in part by the unusually hot summer during 2003.

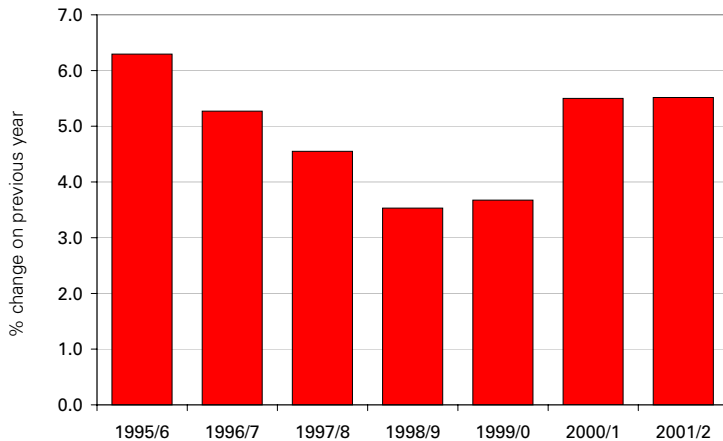
Updates for

- Economic growth
- Productivity
- Investment
- Employment
- Housing
- Crime
- Poverty and social exclusion
- Population growth
- Land use
- Waste
- Air quality



Economy

Economic Growth



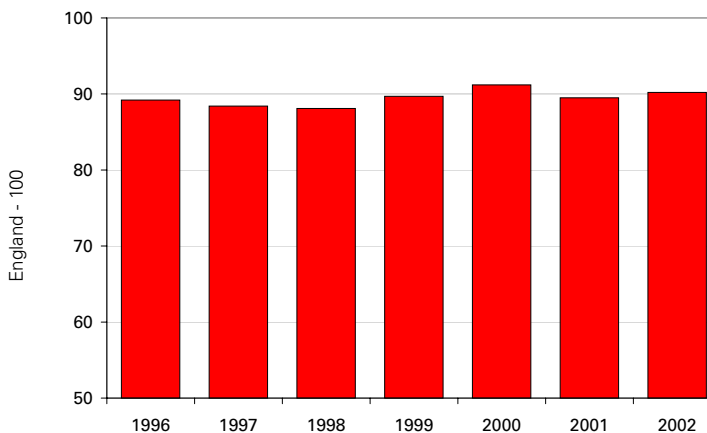
Source: ONS

Annual growth in GVA per head at current prices

Target: 4.5% average annual growth in GDP per head between 2002 and 2005.

Provisional estimates for 2002 put GVA per head in the South West at £13,945; almost 11% lower than the England average. GVA per head in the South West rose by 5.5% between 2001 and 2002, a higher rate than the England average (4.7%).

Productivity



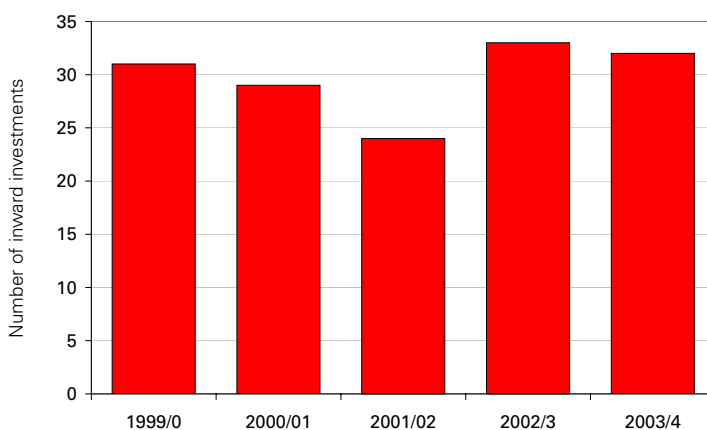
Source: ONS

Gross Value Added per hour worked

Target: Productivity increased by 1.6% per annum in real terms between 2002 and 2005.

Labour productivity in the South West was around 10% lower than the England average in 2002. Changes over time are small and are likely to be within the estimates' margin of error.

Investment



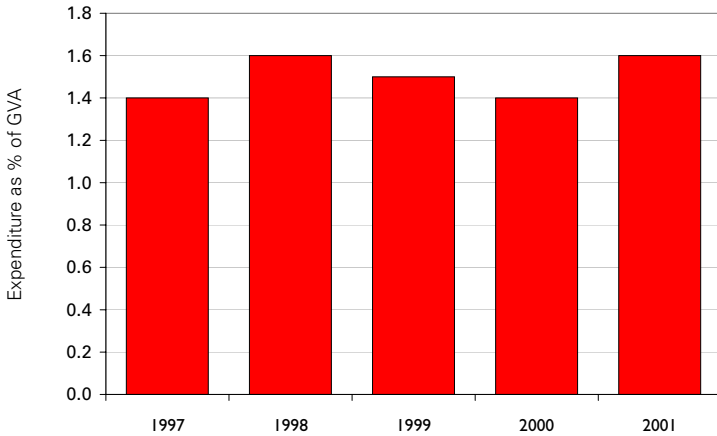
Source: SW Regional Development Agency

Direct inward investment

Target: Achieve 42 RDA and partner supported investments in 2003/04, 48 in 2004/05 and 52 by 2005/06.

The South West attracted 32 foreign investment projects during 2003/04. The number of inward investments has remained reasonably constant since 1999/2000.

Innovation



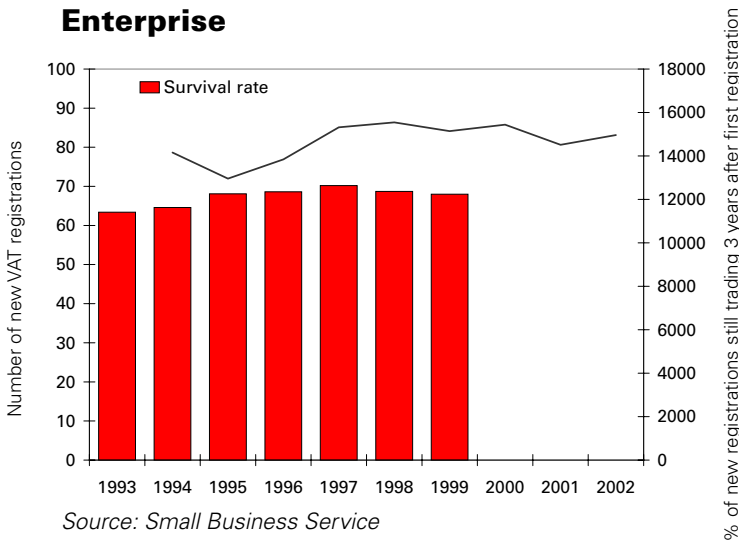
Source: Business Competitiveness Indicators (DTI), May 2004

Business expenditure on research and development as a percentage of GVA

Target: Business expenditure in R&D to reach 1.4% of GVA by 2005.

Businesses in the South West spent over £1bn on R&D during 2001. This is equivalent to 1.6% of regional economic output, the same proportion as for England as a whole.

Enterprise



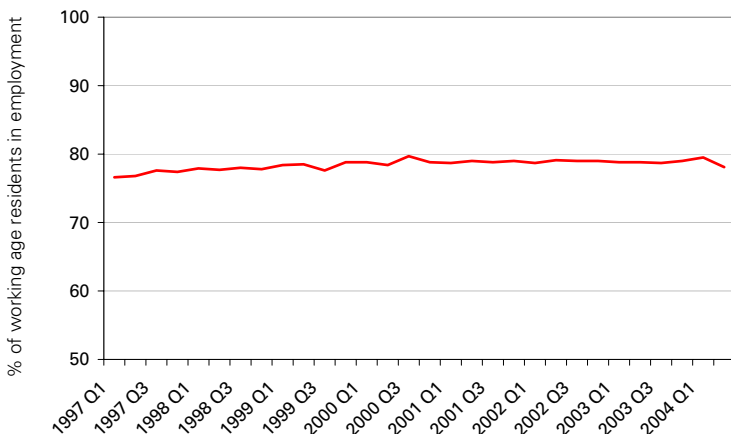
Source: Small Business Service

Business Survival Rate and new VAT registrations

Target: Increase new business registrations from 15,100 in 2002 to 15,500 in 2004, and increase 3 year business survival rate to 66% during 2002-05.

14,960 new businesses registered for VAT in the South West during 2002. 68% of businesses registering for VAT in 1999 were still registered 3 years later, compared to 66% for England as a whole.

Employment



Source: Labour Force Survey

Percentage of people of working age in employment

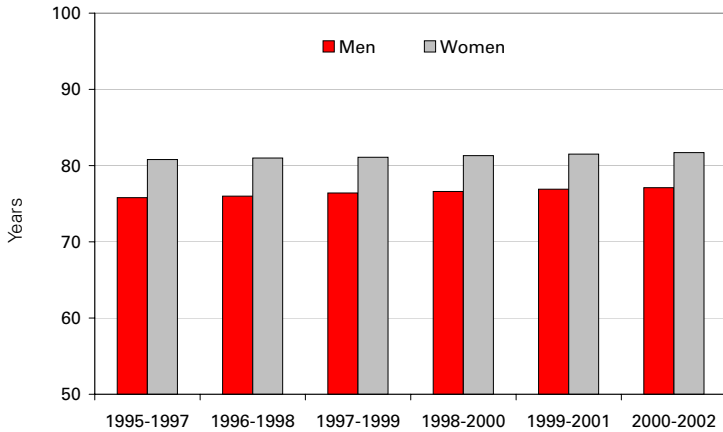
Target: Employment rate at least 75% and 1% higher than the national average by 2005.

78% of South West residents of working age were in employment during April to June 2004, 3 percentage points higher than the England average.



Society

Health



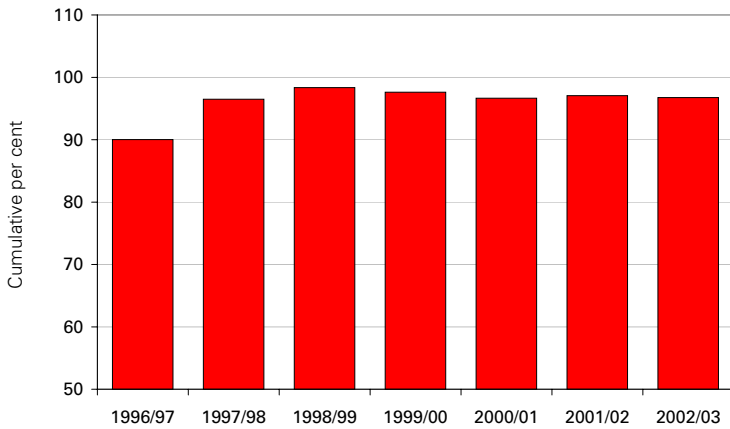
Source: ONS

Life expectancy at birth

Objective: Improve health of population overall.

Life expectancy at birth for the South West was 81.7 years for women and 77.1 years for men in 2000-02. The comparable figures for England are 80.6 years and 76.0 years for women and men respectively.

Housing



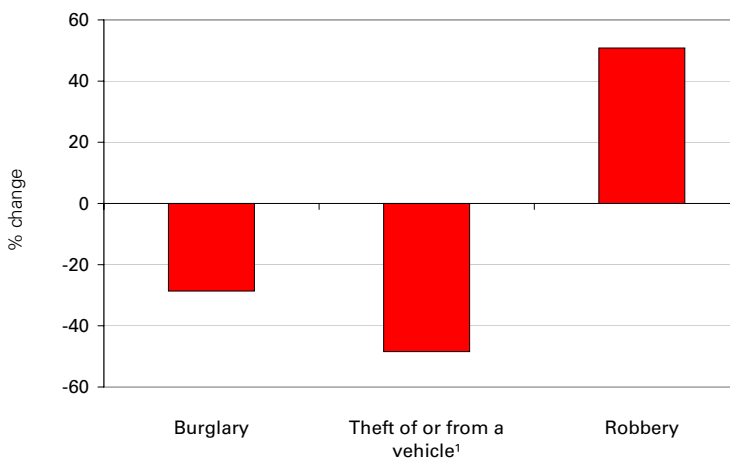
Source: South West Regional Assembly

Housing completions as a proportion of structure plan allocations

Target: 404,000 new homes built in South West between 1996 and 2016.

A net addition of 136,803 dwellings was made to the total housing stock between 1996/97 and 2002/03. Compared to the RPG requirement this represents a shortfall of approximately 3% over the plan period so far (4,600 dwellings).

Crime



Source: Home Office

Robbery, vehicle crime and burglary

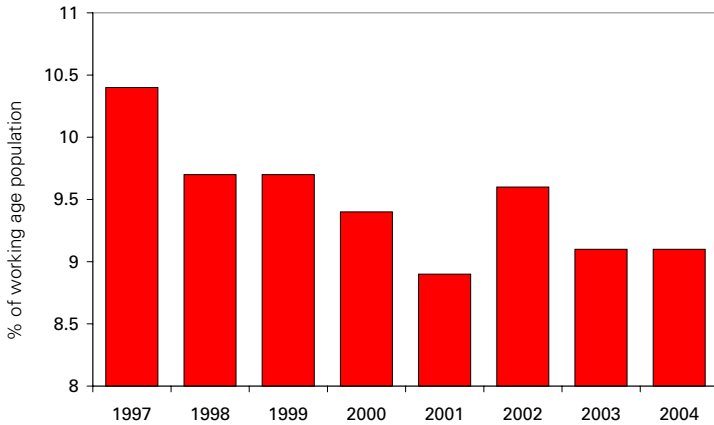
Objective: To reduce vehicle crime by 30% between 1998/98 to 2004 and domestic burglary by 25% from 1998/99 to 2004.

The number of burglaries and thefts of or from a vehicle in the South West fell by 29% and 48% respectively between 1998/99 and 2003/04. In contrast the number of robberies went up by 51% between 1999 and 2003/04.

¹ 1998/99 includes 'associated attempts'.

These are not included in 2003/04.

Poverty and Social Exclusion

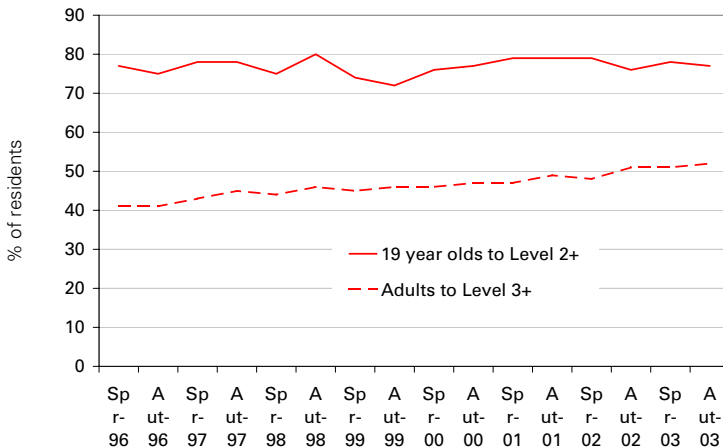


Source: Labour Force Survey

Proportion of working age people in workless households

Objective: Tackle poverty and social exclusion. 9% of the South West's working age population lived in households with no adults in employment during Spring 2004. This compares to 11% for England as a whole.

Skills and Learning

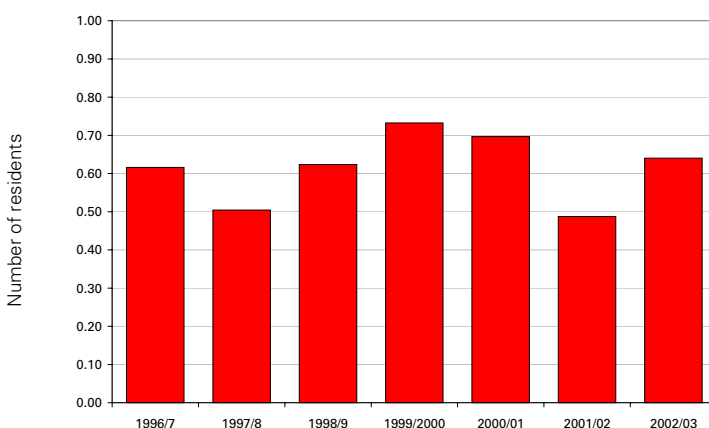


Source: Labour Force Survey

L2 qualifications at 19 and L3 adult qualifications

Target: By 2005, 76% of 19 year olds to achieve at least L2 qualifications and 50% of economically active residents of working age to achieve a L3 qualification or above. 77% of 19-21 year olds in the South West were qualified to at least Level 2 during Autumn 2003, compared to 76% in England as a whole. 52% of economically active adults in the region were qualified to at least Level 3 compared to 50% for England.

Population Growth



Source: ONS

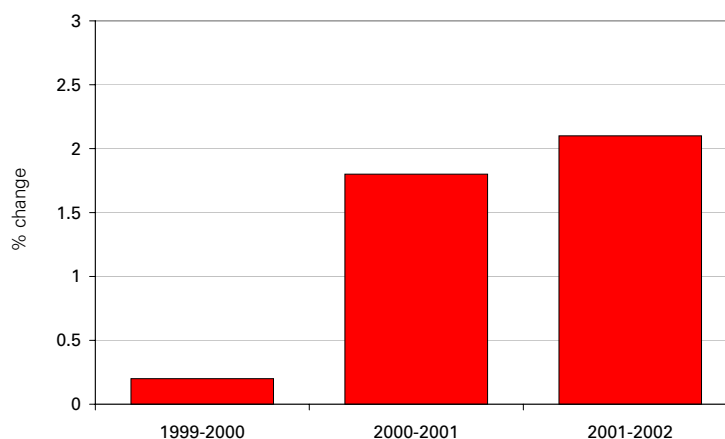
Number of residents

No target: Contextual Indicator

The South West had an estimated resident population of 4,999,300 in mid-2003. This is 10% of the total population of England. The region's population increased by 4.4% between 1996 and 2003, compared to 3% for England as a whole.

Environment

Road Traffic



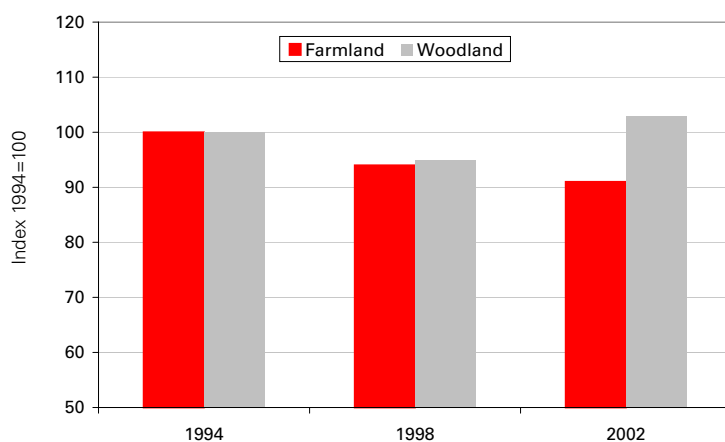
Source: Department for Transport

Annual percentage change in road traffic volumes

Objective: Reduce rates of road traffic growth, with an absolute reduction where environmental damage is greatest.

Just under 46 billion vehicle kilometres were travelled on South West roads during 2002. Road traffic volumes in the South West increased by 2% between 2001 and 2002, below the England average of 3.3% but higher than the previous two years.

Biodiversity



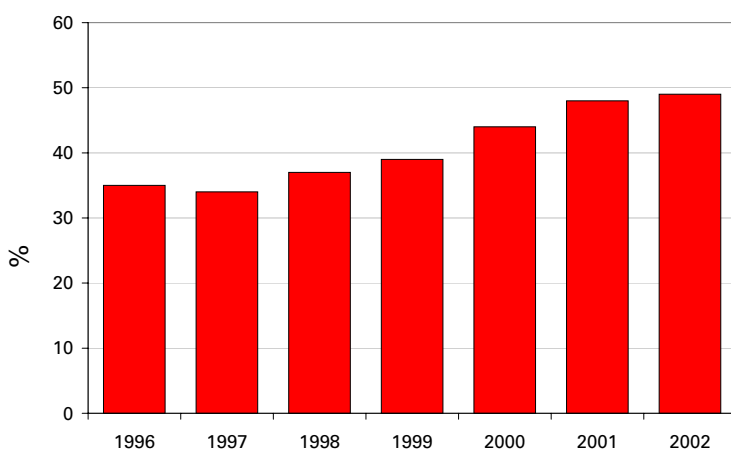
Source: RSPB, BTO, Defra

Populations of wild birds

Objective: To reverse the long-term decline in population of farmland and woodland birds.

The index of farmland bird populations in the South West declined by 9% between 1994 and 2002, slightly higher than the decline across England as a whole (5%). In contrast, the index for woodland bird populations increased by 3% in the South West (over the same period) compared to a decline of 6% for England.

Land Use



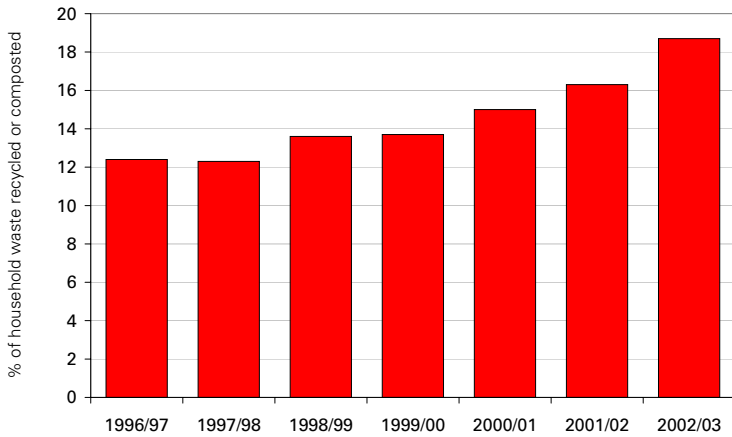
Source: Office for the Deputy Prime Minister

Proportion of new homes to be built on previously developed land

Target: 50% of new homes to be built on previously developed land.

49% of new housing in the South West was built on previously developed land in 2002, a lower percentage than England as a whole (63%).

Waste



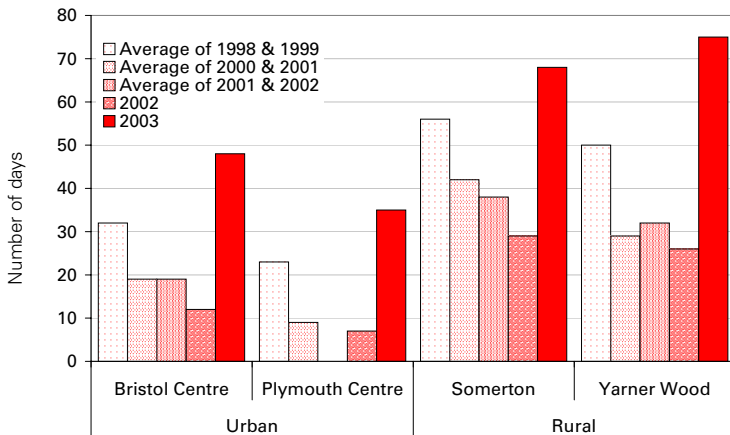
Source: Municipal Waste Survey, Defra

Recycling of household waste

Target: To recycle 30% of household waste by 2010.

Over 2.6 million tonnes of household waste was generated in the South West during 2002/03; 19% higher than in 1996/97. The percentage of household waste that is recycled or composted in the region has increased since 1996/97 and at 19% is higher than the England average (15%).

Air Quality

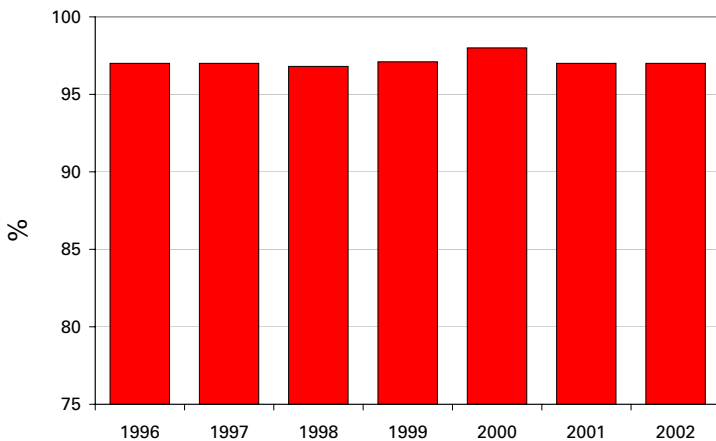


Source: Defra

Days when air pollution is moderate or higher

Objective: Reduce air pollution and ensure air quality continues to improve through the longer term. Urban areas generally perform better than the ozone-affected rural areas on this measure. A hot summer contributed to the unusually high number of pollution days in 2003. Bristol (48 days) and Plymouth (35 days) had a lower number of pollution days than the England average for urban monitoring stations (51 days) in 2003. However, the figures for Somerton (68 days) and Yarner Wood (75 days) were at least as high as the England average for rural areas (68 days).

River Water Quality



Source: Environment Agency

Rivers and canals of good or fair chemical quality

Target: To improve river water quality.

97% of the South West's river lengths were rated as good or fair chemical quality in 2002. This is higher than the England average of 93%.



Overall, the picture for the South West is very encouraging although a number of regional economic and environmental targets may prove challenging.

In particular:

- the regional economic growth target is dependent on sustained improvements in the UK and global economy;
- it is difficult to measure real improvements in regional productivity although the proxy measure used in the Barometer suggests that the South West is not improving vis-à-vis the England average;
- reversing the long-run decline in the population of farmland and woodland birds;
- reducing the rate of growth in road traffic volumes;
- increasing inward investment.

Assessment of Progress

	in direction of target	since last update
economic growth	✓	✓
productivity	~	~
investment	✓	✗
innovation	✓	...
enterprise:		
- vat registrations	✓	...
- business survival rate	✓	...
employment	✓	✗
health	✓	...
housing	✓	✓
crime:		
- robbery	✗	✓
- burglary	✓	✓
- theft of or from a vehicle	✓	✓
poverty and social exclusion	✓	~
skills and learning:		
- 19 year olds	~	...
- adults	✓	...
population growth	✓	
road traffic	✗	...
biodiversity:		
- farmland birds	✗	✗
- woodland birds	✓	✓
land use	✓	✓
waste	✓	✓
air quality	✓	✗
river water quality	✓	...

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Key

- ✓ Change in direction of meeting objective
- ~ No significant change
- ✗ Change in direction away from meeting objective
- ... Not updated