



South West Barometer

Issue Six March 2006

South West Observatory

The South West Barometer monitors the region's progress towards a broad selection of **economic, social and environmental** policy objectives. This edition contains a mixture of good and bad news. Positively, 15 indicators show movement in the direction of long term associated targets. In this Barometer, 12 indicators were updated: In the short term, 6 show an improvement, 1 no significant change, whilst 6 have seen a reduction in performance.

Most recent provisional data for the **economy** suggest it is slowing, with annual growth of GVA per head falling between 2003 and 2004. However, compared to the England average, growth in the South West declined more slowly. The number of direct inward investments has fallen slightly and the gap between the regions's most and least deprived areas' business formation rates increased in 2004 after a decrease in 2003. The employment rate remains high at 79%, well above the England average. Productivity and Innovation indicators have not been updated.

Many **social** indicators show a positive performance. Life Expectancy continues to rise, remaining above the England average. Additions to the regional housing stock from 1996/97 to 2004/05 (182,200 in total) have exceeded the target. The number of domestic burglaries and thefts of or from a vehicle has fallen significantly since 2001/02, both at rates higher than for England and Wales as a whole. The region also saw a 1% drop in the proportion of

working age people in workless households in 2005, the largest reduction in the last 3 years. Population growth of the Principal Urban Areas averaged 0.43% per annum, exceeding the target of 0.4%. Exeter, in particular, has grown during 2003/04 at its highest rate since 1996, whilst Bournemouth has experienced a decline in growth rate since 1999/2000, indeed registering actual decline in the last year. Skills and Learning indicators for 19 year olds and adults have not been updated.

Overall, the region is making good progress towards **environmental** targets, although key indicators such as recycling rates, population of farmland and woodland birds and air quality have not been updated. Other indicators have seen a slight fall in performance, but overall trends show movement towards or exceeding targets. The proportion of homes being built on brownfield sites decreased slightly during 2004 but still exceeds the regional target of 50%. Chemical quality of rivers and canals has been sustained at a high level, with 96.8% rated as 'fair' or 'good', although slightly worse than last year. Road traffic volumes showed an increase for 2003/04 at a rate higher than the previous year.

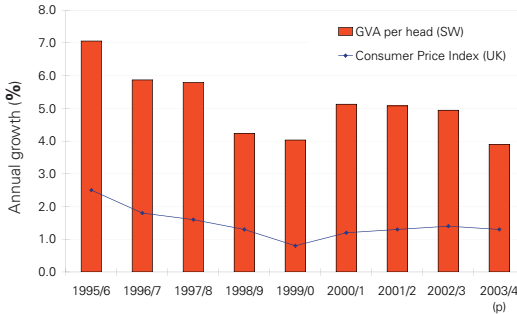
Updates for

- Economic growth
- Investment
- Enterprise
- Employment
- Health
- Housing
- Crime
- Poverty & social exclusion
- Population growth
- Road traffic
- Land use
- River water quality



Economy

Economic Growth



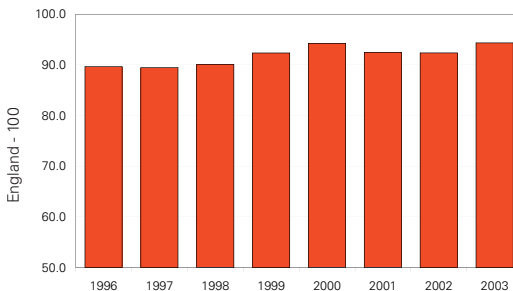
Source: ONS

(p) = provisional

Annual growth in Gross Value Added (GVA) per head
Target: 1.75% average annual growth in GVA per head, 2002 to 2005.

It is not possible to measure real growth as regional estimates are not adjusted for inflation. GVA per head growth fell by 1.0 percentage point to 3.9% between 2003 and 2004. Average annual growth in GVA since 2002 is 4.65% compared to 4.79% for England as a whole. In comparison, the UK Consumer Price Index fell by 0.1 percentage points from 2003 to 2004; latest figures suggest an increase in 2005 of 0.8 p.p. to 2.1% (not shown in graph).

Productivity



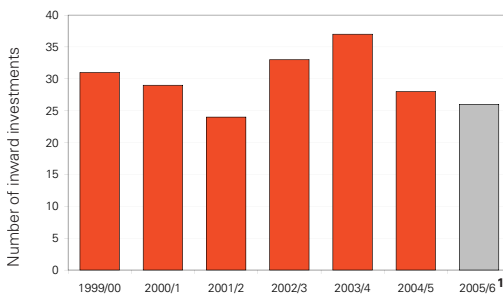
Source: ONS

Growth in Gross Value Added (GVA)
 per hour worked

Target: Increase current rate of growth to 1.6% by 2005-06.

Only relative measures of productivity are available at the regional level. Whilst productivity in the South West improved vis-à-vis England as a whole between 1996 and 2003, the improvement has not closed the gap completely. Productivity in the South West was 6% lower than England as a whole in 2003.

Investment



Source: SW Regional Development Agency

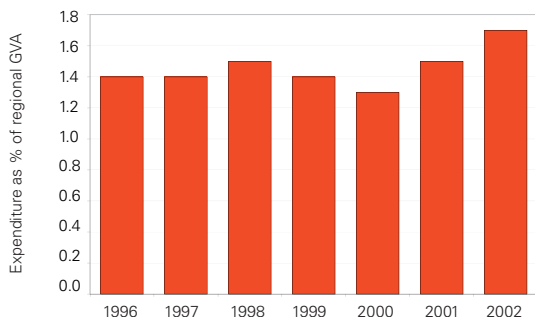
Direct inward investment

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

In 2004/05 the South West attracted 28 direct investments, below target for the year. The total number of investments for the first three quarters of the year 2005/06 was 26 in the South West, short of the year target of 52.

¹Data for first three quarters of year only

Innovation



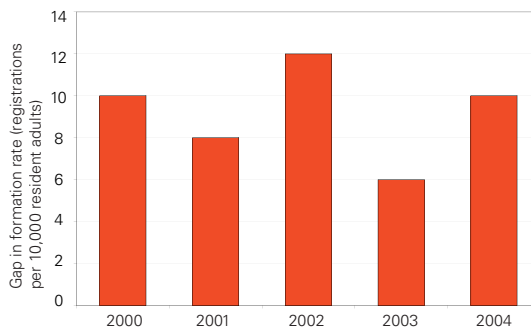
Source: Business Competitiveness Indicators (DTI)

Business expenditure on research and development as a percentage of regional GVA

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

Business investment in R&D has increased as a proportion of regional GVA since 1996 and was higher than the England average (1.5%) in 2002.

Enterprise



Source: Small Business Service Statistics Team

Business formation

Target: Reduce the shortfall in business formation between the most and least disadvantaged wards by 1% per annum.

35 businesses per 10,000 resident adults were registered in the 20% least deprived South West wards in 2004, compared to 31 businesses per 10,000 resident adults in the 20% most deprived wards. The gap in business formation decreased in 2003 but has increased in 2004.

Employment



March to February each year

Source: Labour Force Survey

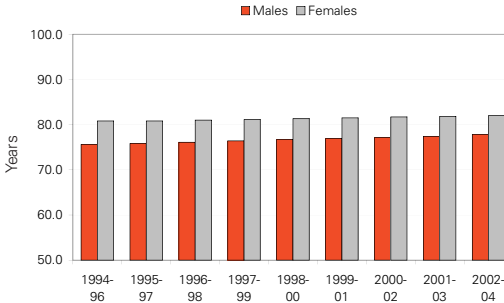
Percentage of people of working age in employment

Target: Maintain the region's employment rate 1% above the national rate.

79% of South West residents of working age were in employment during June 2004 to May 2005, a rate unchanged from the previous year. This was 4% above the England average of 75%.

Society

Health



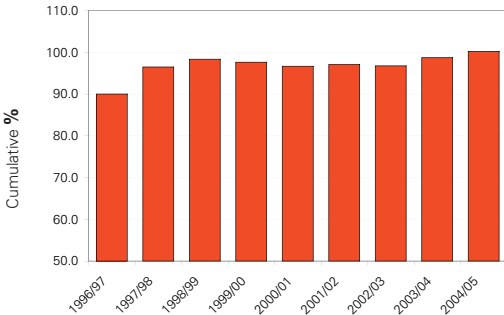
Source: ONS

Life expectancy at birth

Objective: Improve health of population overall.

Life expectancy at birth for males and females in the South West (77.8 years and 82.2 years, respectively) is higher than the England average (76.5 years and 80.9 years respectively). Life expectancy in the South West has increased consistently for males and females since 1994.

Housing



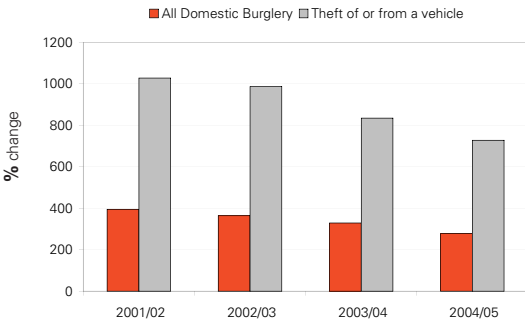
Source: South West Regional Assembly

Housing completions as a proportion of structure plan allocations

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

In 2004/05, 22,700 new dwellings were completed within the South West, which equates to 100.4% of the structure plan allocation for the year. An addition of 182,200 dwellings was made to the total housing stock between 1996/97 and 2004/05, an average of 20,246 dwellings per annum which exceeds the target average for the first time over the target period.

Crime



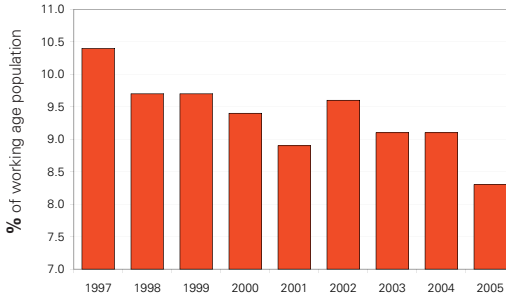
Source: Home Office

Vehicle crime and burglary

Objective: To reduce vehicle crime by 30% between 1998/99 to 2004 and domestic burglary by 25% from 1998/99 to 2005.

The number of burglaries and thefts of or from a vehicle in the South West fell by 29.6% and 29.2% respectively between 2001/02 and 2004/05 as recorded by the British Crime Survey. These reductions exceed the average percentage change for England and Wales of 25.1% and 28.6% over the same period.

Poverty and Social Exclusion

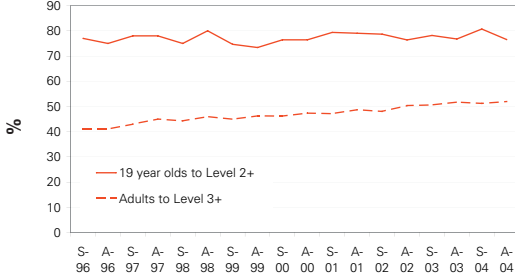


Source: Labour Force Survey

Proportion of working age people in workless households

Objective: Tackle poverty and social exclusion. 8% of the South West's working age population lived in households with no adults in employment during Spring 2005. This compares to 12% for England as a whole. The proportion of working age people in workless households in the South West has fallen consistently since 2002.

Skills and Learning



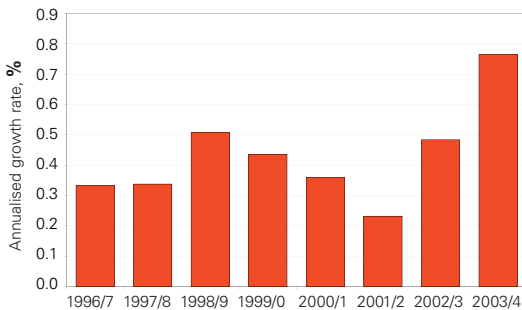
Spring and Autumn quarters

Source: Labour Force Survey

Qualifications held by 19 year olds and adults

Target: 86% to achieve level 2 by age 19 and 54% of adults to achieve level 3. 76.5% of 19-21 year olds in the South West were qualified to at least level 2 in Autumn 2004, (compared to 74.4% in England). There was little change in the regional position between 1996 and 2004. In contrast, the percentage of adults holding a qualification to at least level 3 increased steadily, reaching 52% in Autumn 2004 (compared to 50.8% in England).

Population Growth



Source: ONS, mid-year population estimates

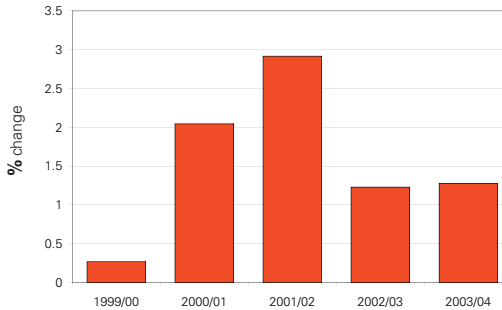
Resident population

Target: Average rate of population growth of the region's PUs of 0.4% per annum. The population of the Principal Urban Areas¹ increased by 0.43% on average per annum between 1996 and 2004. The rate of growth varied considerably with Bournemouth declining overall over the period; Exeter and Taunton Deane had the highest rates of growth.

¹ Data is published for local authority districts which are not continuous with urban areas. Estimates are therefore only an approximation of population growth within urban areas.

Environment

Road Traffic



Source: Department for Transport

Annual percentage change in road traffic volumes

Objective: Reduce rate of growth in road traffic volumes.

Road traffic volumes in the South West increased by 1.3% between 2003 and 2004. This rate of increase is slightly higher than the previous year but still significantly lower than that recorded across England as a whole (1.6%).

Biodiversity



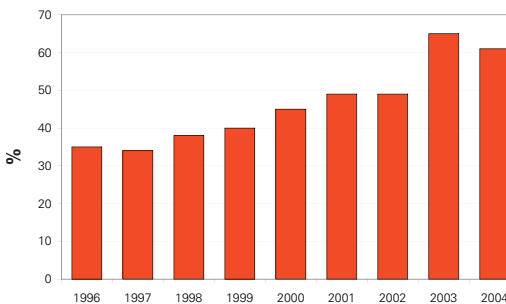
Source: RSPB, BTO, Defra

Populations of wild birds

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

The population indexes for farmland and woodland birds were lower in the South West in 2003 than they were in 1996. The regional index was slightly higher than the England average for woodland birds in 2003, but was slightly lower than average for farmland birds.

Land Use



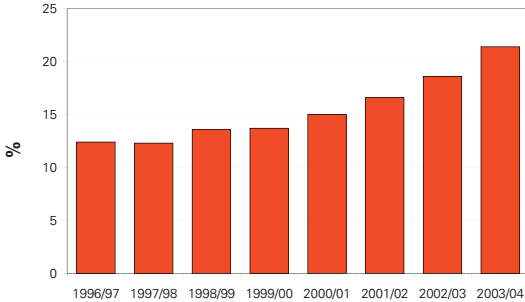
Source: Office for the Deputy Prime Minister

Percentage of new homes built on previously developed land

Target: 50% of South West new homes built on previously developed land.

The proportion of new homes built on previously developed land dropped slightly in 2004 to 62% (from 65% in 2003). Although this figure exceeds the 50% target, it is, however, significantly lower than the proportion for England as a whole (70%).

Waste



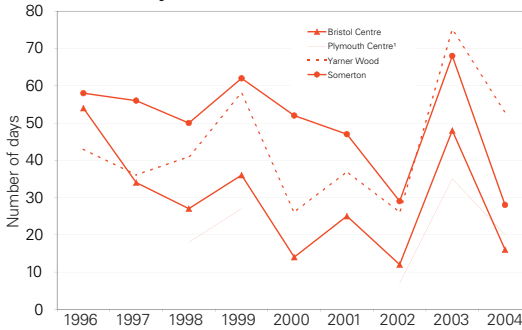
Source: Municipal Waste Survey, Defra

Recycling of household waste

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

The proportion of household waste that is recycled or composted in the South West has increased steadily since 1996/97. In 2003/4, 21.4% of the region's household waste was recycled or composted (compared to 17.7% in England).

Air Quality



Source: Defra

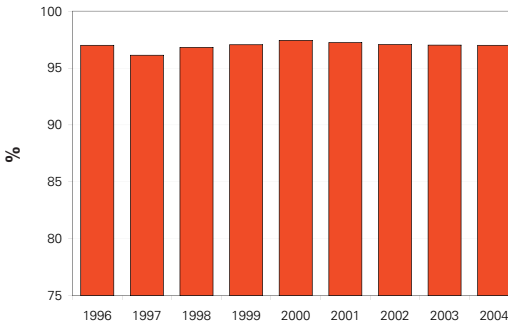
Days when air pollution is moderate or higher

Objective: Reduce air pollution and ensure air quality improves.

Urban areas (Bristol and Plymouth) generally perform better than rural areas (Somerton and Yarnor Wood) on this measure due to the higher levels of ozone usually found in rural areas. Whilst the number of 'pollution days' varies from year to year the trend is generally downwards although a particularly hot summer contributed towards the unusually high number of pollution days in 2003.

*Estimates for Plymouth Centre not available for '96/'97/2000/'01

River Water Quality



Source: Environment Agency

Rivers and canals of good or fair chemical quality

Target: To improve chemical river water quality.

96.7% of the South West's river lengths were rated as having good or fair chemical water quality in 2004, a minor decrease since 2003. This is higher than the England average of 92.8%.

Overall, the picture is encouraging but some targets may prove challenging:

- improving (and measuring improvement) in productivity in real terms
- attracting more direct inward investment
- maintaining business investment in R&D, which varies significantly from year to year
- stimulating business formation in deprived wards and supporting those in prosperous areas
- raising the proportion of 19 year olds achieving at least Level 2 qualification
- encouraging population growth in some Principal Urban Areas
- slowing the increase in road traffic
- increasing the proportion of homes built on brownfield sites
- reversing long-term decline in wild bird population
- increasing household waste recycling rates
- reducing the number of 'air pollution' days

Assessment of Progress

	In direction of target	Since previous update
economic growth	✓	✗
productivity	✓	...
investment	✗	✗
innovation	✓	...
enterprise: new	✗	✗
employment	✓	~
health	✓	✓
housing	✓	✓
crime:		
- 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