



# South West Barometer

Issue Seven October 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 Barometer delivers a positive picture of the region with 17 of the 22 indicators moving in the right direction towards their long term target. In this edition, 14 indicators were updated or revised: In the short term, eight of these show an improvement, two reveal no significant change, whilst four have seen a reduction.

In terms of the regional **economy**, new data (using smoothed regional GVA accounts) indicate productivity for the region fell by 1.9 index points in 2004 to 95.1, after an increase in the previous year and this continues to be lower than for England (101.3). The number of direct inward investments attracted to the region increased in 2005/06 whilst the business investment expenditure in Research and Development has stayed at the same level in 2003 and 2004 at 1.8% of regional GVA. There have been no updates for Economic Growth, Enterprise and Employment.

Many of the **social** indicators signify a positive performance for the region. British Crime Survey results show a reduction in all the 3 main crime areas of domestic burglary, vehicle crime and violent crime in line with the reductions seen for England and Wales. The proportion of working age population living in households without any adults in employment has increased significantly in 2005 rising by 1.5 percentage points to 9.8%,

in direct contrast to England which saw a drop in its rate by 0.4 percentage points to 11.2%. Revised targets have been set for skills and learning and the new datasets show an increase in the level of 19 year olds attaining level 2+ qualifications and a continuous reduction in the number of Adults without NVQ2 or equivalent qualifications since 2001. The average rate of population growth across the region's PUAs was 0.48% in 2004/05 with all recording increases over the same period. Updates were unavailable for Health and Housing.

Progress towards headline **environmental** targets has varied across indicators. Recent biodiversity data shows the rate of decline of woodland bird species is slowing but increasing for farmland species between 2003 and 2004. The proportion of new homes being built on brownfield sites decreased slightly during 2004 and while this rate is lower than that for England, the regional rate still exceeds the target figure of 50%. Waste recycling rates have seen significant improvement with the provisional regional recycling rate up to an all time high of 26.6%, the 2nd highest rate of all the English regions. There are no available updated statistics for the Road Traffic, Air Quality and River Water Quality indicators.

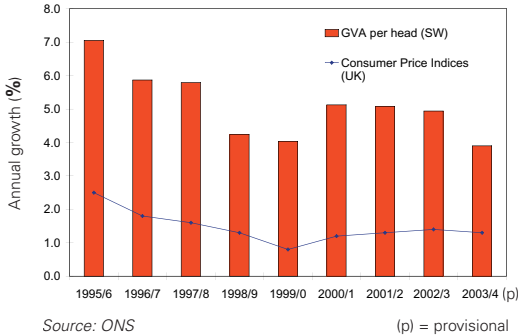
#### Updates for

- Productivity
- Investment
- Innovation
- Crime
- Poverty & Social Exclusion
- Skills & Learning
- Population Growth
- Biodiversity
- Land Use
- Waste



# Economy

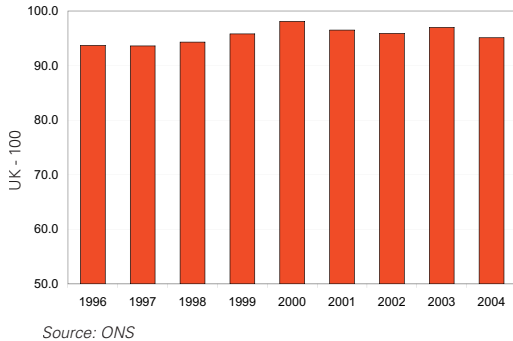
## Economic Growth



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

It is not possible to measure 'real growth' as regional estimates are not adjusted for inflation. Provisional 2004 data suggests annual growth of GVA per head fell by 1.0% 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% from 2003 to 2004; latest figures suggest an increase in 2005 of 0.8% to 2.1% (not shown).

## Productivity

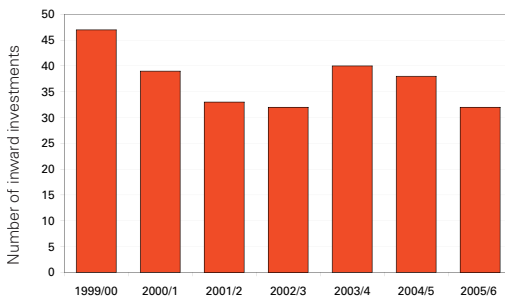


## Growth in GVA per hour worked

**Target: Increase rate of growth to 1.6% by 2005-06.**  
Only relative measures of productivity are available at the regional level. Between 2003 and 2004 the rate of productivity fell by 1.9 index points to 95.1. From 1997, productivity climbed steadily reaching its peak in 2000 of 98.1. However, the regional rate has fluctuated in recent years compared to England which has shown a small but steady increase from 100.6 in 1997 to 101.3 in 2004<sup>1</sup> in comparison to the UK.

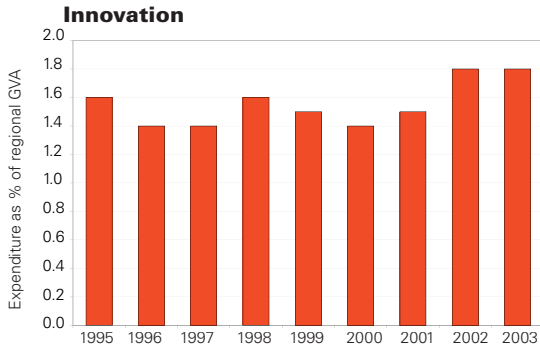
<sup>1</sup>For the first time the regional productivity tables GVA per filled job and GVA per hour worked have been calculated using the smoothed regional GVA figures as published in the Regional Accounts

## Investment

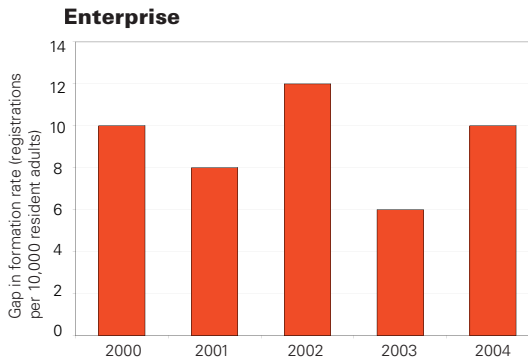


## Direct inward investment

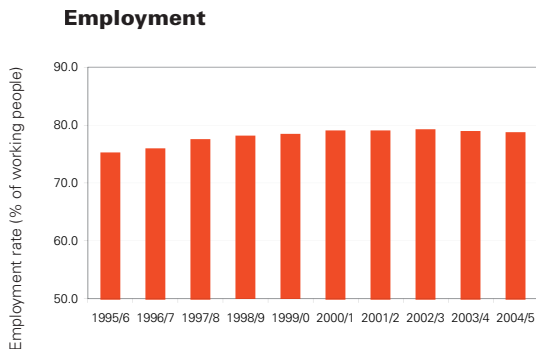
**Objective: Increase RDA and partner supported investments to 35 in 2005/06.**  
In 2005/06 the South West attracted 32 direct investments through the RDA and partners, slightly below target for the year. In addition, 772 new jobs were brought to the region and 2599 existing jobs safeguarded.



Source: Business Enterprise R&D Survey and Regional Accounts, ONS



Source: Small Business Service Statistics Team



Source: Labour Force Survey March to February each year

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 been increasing since 2000, with a sharp increase in 2002 to 1.8% where it has remained in 2003. This is higher than the rate for England of 1.6% which has remained at this level since 2000.

Business formation

**Target: Reduce the gap 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.

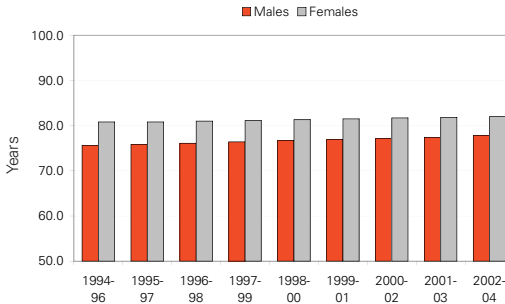
Percentage of people of working age in employment

**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



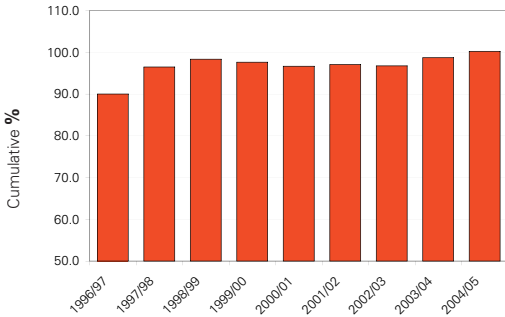
Source: ONS

### 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



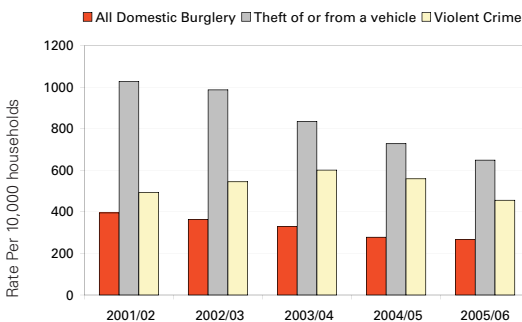
Source: South West Regional Assembly

### 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



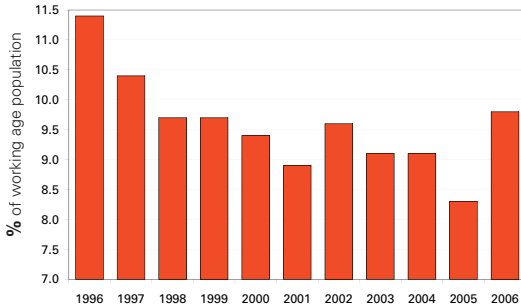
Source: BCS, Home Office

### Vehicle crime, burglary and violent crime

**Objective: To reduce crime by 15% between 2002/03 and 2007/08.**

The number of burglaries and thefts of or from a vehicle and violent crimes fell by 4%, 11% and 18% respectively in the last year as recorded by the British Crime Survey. In pursuit of the target set, between 2002/03 and 2005/06 the number of domestic burglaries fell by 26.6%, vehicle crime fell by 34.2% and violent crime by 16.3% indicating a positive movement toward the national objective.

## Poverty and Social Exclusion



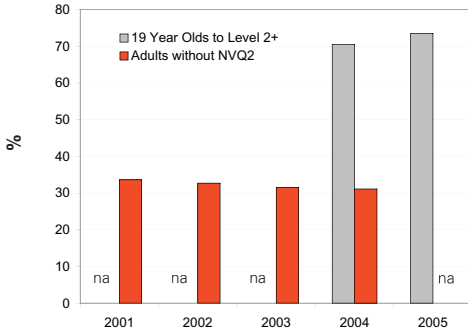
Source: Labour Force Survey

## Proportion of working age people in workless households

### Objective: Tackle poverty and social exclusion.

The South West saw an increase in working age people living in workless households of 1.5 percentage points to 9.8% between 2005 and 2006. This is in direct contrast to the rate for England as a whole which dropped from 11.6% to 11.2%. This is the first increase in the rate for the South West since 2002.

## Skills and Learning



Source: LFS and (2005) matched administrative data

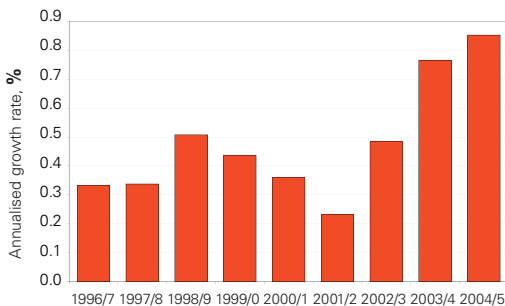
## Qualifications held by 19 year olds and adults

**Target:** Raise proportion of 19 year olds who achieve Level 2 by 3 percentage points from 2004 to 2006, and a further 2pp from 2006 to 2008.

**Reduce by at least 40% number of workforce adults lacking NVQ2 or equivalent qualifications by 2010.**

73.5% of 19 year olds were qualified to level 2 in 2005, an increase of 3pp since 2004, on target for 2006. The proportion for England rose from 2004 to 2005 by 3pp to 69.8%. The proportion of adults without NVQ2 has decreased since 2001 by 2.5pp to 33.1% in 2004, a move toward the national target.

## Population Growth



Source: ONS, mid-year population estimates

## Resident population

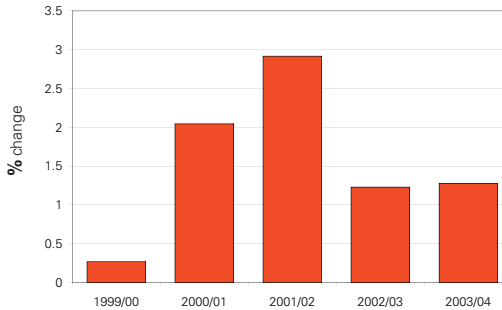
**Target:** Average rate of population growth of the region's PUAs of 0.4% per annum.

Overall the population of the PUAs<sup>1</sup> increased by 0.48% on average per annum between 1996 and 2005. The rate of growth varied considerably by PUA with Bournemouth and Torbay recording the lowest rates of growth over the period. Exeter and Taunton Deane continue to have the highest rates of growth.

<sup>1</sup> Data is published for local authority districts which are not coterminous 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



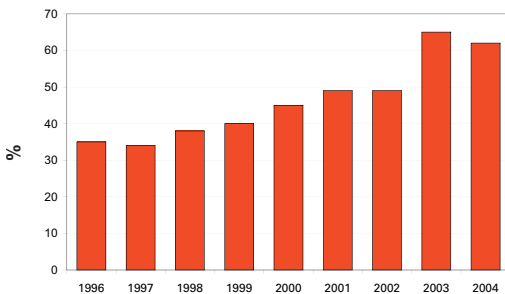
Source: RSPB, BTO, Defra

## Populations of wild birds

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

The regional indices for both farmland and woodland birds were below that for England as a whole and continue to fluctuate over time. Woodland species have seen an increase over the last few years to an index of 92.1 in 2004. The farmland birds' index declined slightly by 1.2 index points to 92.4 in 2004, following a rise in 2003.

## Land Use



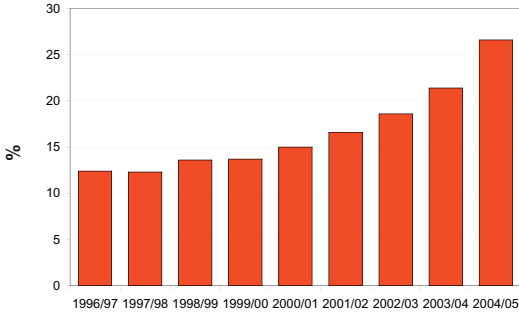
Source: DCLG

## Percentage of new homes built on previously developed land

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

In the South West 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



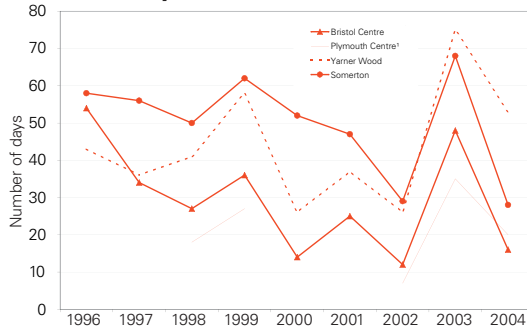
Source: Municipal Waste Survey, Defra

## 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 continued to increase steadily since 1996/97 and in 2004/05 reached 26.6%. This is above the average rate for England as a whole which increased sharply from 17.8% in 2003 to 22.5 in 2004.

## Air Quality



Source: Defra

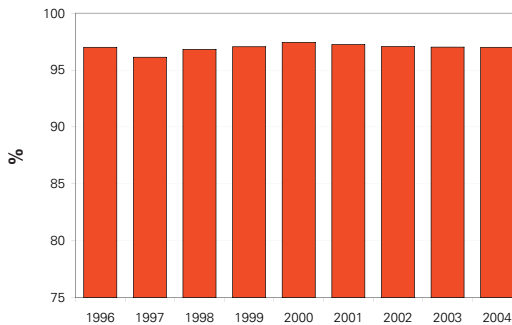
## Days when air pollution is moderate or higher

**Objective: Reduce air pollution and ensure air quality improves.**

Urban areas (Bristol and Plymouth<sup>1</sup>) generally perform better than rural areas (Somerton and Yarnier 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.

<sup>1</sup>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 still encouraging although a number of targets continue to prove challenging. In particular:

- addressing a potential drop in annual economic growth
- improving (and measuring improvement) in regional productivity in real terms
- attracting further direct inward investments
- stimulating business formation in the most deprived wards & supporting those already established in more prosperous areas
- ensuring the recent fall in the rate of violent crime continues following increases between 2001/02 and 2003/04
- addressing the significant increase in the proportion of working age population living in households with no adults in employment
- reducing the proportion of adults without an NVQ2 qualification or equivalent
- encouraging population growth in some Principal Urban Areas
- halting the recent increase in rates of road traffic growth
- increasing the proportion of new homes built on brownfield sites
- reversing long-term decline in population of wild birds and farmland species in particular
- reducing the number of 'air pollution' days

### Assessment of Progress

	In direction of target	Since previous update
economic growth	✓	...
productivity	✗	✗
investment	✓	✓
innovation	✓	~
enterprise	✗	...
employment	✓	~
health	✓	...
housing	✓	...
crime:		
- burglary	✓	✓
- theft of or from a vehicle	✓	✓
- violent crime	✓	✓
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