



South West Barometer

Issue Three March 2004

South West Observatory

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

Five of the six **economic** indicators have been updated since the October 2003 Barometer. Latest data reveal:

- an increase in the number of direct inward investments, although the South West continues to attract a relatively small share of all foreign investments into England
- an increase in the proportion of regional GVA invested by businesses in R&D
- an increase in both the number of new businesses being formed and the proportion surviving 3 years or more
- a slight deterioration in the South West's productivity index against England
- ½ percentage point fall in the region's employment rate compared to same time 12 months ago.

The region continues to perform well on most social indicators. Key findings emerging from the updated **social** data are:

- continued improvements in life expectancy and the educational attainment of adults
- marginal increase in the percentage of working age people living in workless households, although this is unlikely to be statistically significant

- slight fall in the proportion of 19 year olds achieving at least a Level 2 qualification, but again this change is unlikely to be statistically significant
- persistent shortfall in the number of net new dwellings being built
- Upward revision to the mid-2002 population estimate for the South West.

The bio-diversity indicator (wild bird population) was the only **environmental** indicator to be updated since the last Barometer. However, the statistics were not produced in a format consistent with previous editions of the Barometer. The new results suggest that the region's population of farmland birds decreased by 9% between 1994 and 2002, whilst the population of woodland birds increased by 3%. This compares to a decline of 5% and 6% respectively for England as a whole.

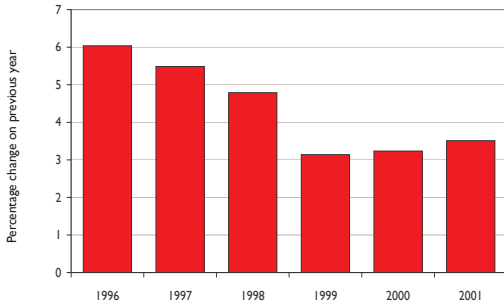
New data published for

- Productivity
- Investment
- Innovation
- Enterprise
- Employment
- Health
- Housing
- Poverty and social exclusion
- Skills and learning
- Population



Economy

Economic Output



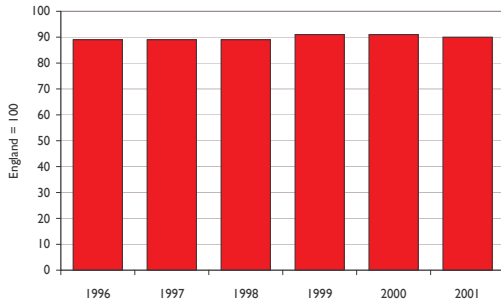
Source: ONS

Annual growth in GDP per head at current prices

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

Provisional estimates of GVA for 2001 value the South West's economy at £63.6 billion, equivalent to £12,880 per head compared to £14,844 per head for England. The annual growth rate of GVA per head has increased slightly since 1999, although at 3.5% (for 2001) it is one percentage point lower than the 2002-05 target.

Productivity



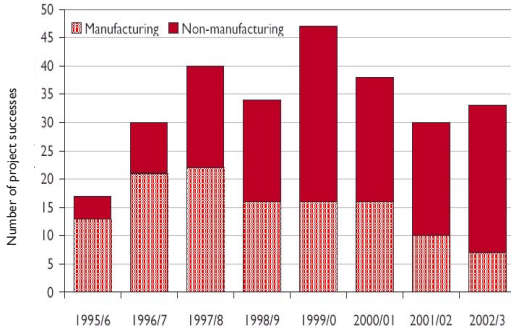
Source: Regional Competitiveness Indicators (DTI, October 2003)

Gross Value Added per hour worked

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

Productivity in the South West is 90% of the England average. Changes over time tend to be small, and are likely to be within the estimates' margins of error.

Investment



Source: Regional Trends 38, ONS

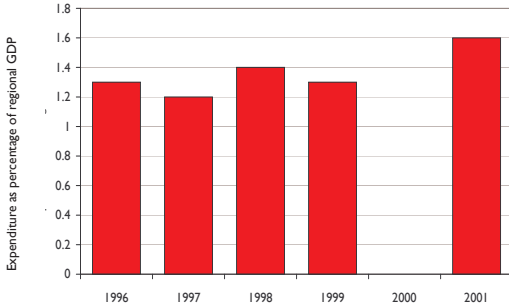
Direct inward investment project successes*

Target: Secure 65 investments per annum by 2005.

The South West attracted 33 foreign investment projects during 2002/03. The number of inward investments has risen since 2001/02 after falling for two consecutive years.

*A project is defined as a case where an overseas company specifies an interest and successfully completes an investment in the UK.

Innovation



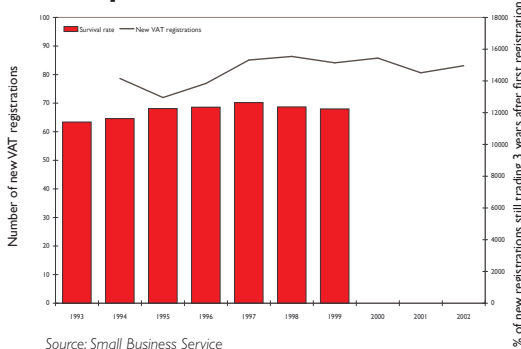
Source: Research and Experimental Development Statistics, ONS

Business expenditure on research and development as proportion of GVA

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

During 2001, businesses invested 1.6% of the South West's GVA in R&D. This was equivalent to the proportion invested in England as a whole and is higher than that recorded in 1999. Information for 2000 is not available.

Enterprise



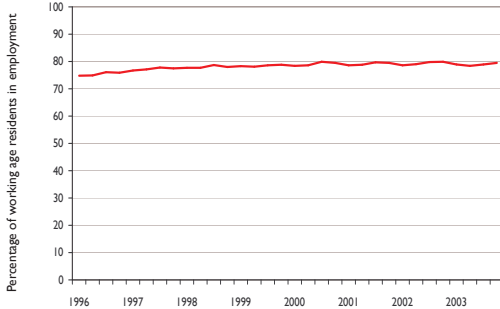
Source: Small Business Service

Business Survival Rate (3 years)/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 from current 65% to 66% during 2002-05. 14,960 new businesses registered for VAT in the South West during 2002, 3% higher than the previous year: 68% of businesses registering for VAT in the South West in 1999 were still registered in the region 3 years later. This is higher than the England figure of 66%.

* VAT registrations do not capture all new business formations since many are under the VAT threshold of £56k turnover.

Employment



Source: NOMIS

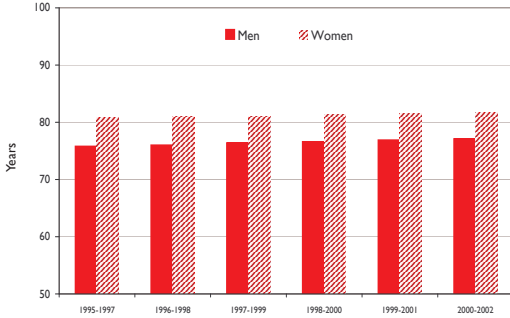
Percentage of people of working age in work

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

During autumn 2003, 79½% of South West residents of working age were in employment. Whilst this is over 4 percentage points higher than the England average it is slightly lower than that recorded at the same time last year.

Society

Health



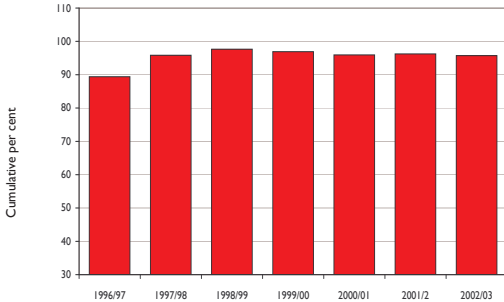
Source: Government Actuary's Department

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 for 2000-02. Life expectancy is higher for the South West than England as a whole and has increased steadily for both men and women since 1995-97.

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 135,382 dwellings was made to the total housing stock between 1996/97 and 2002/03. When compared to the RPG requirement of 20,200 dwellings net per annum, this figure represents a shortfall of approximately 5% over the plan period so far.

Crime



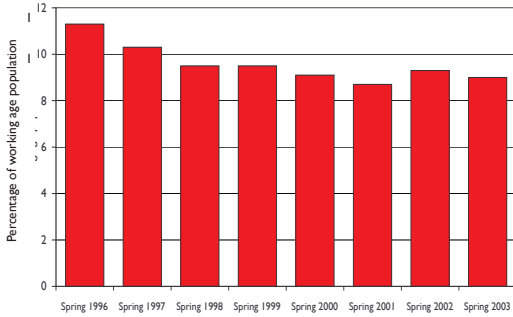
Source: Home Office

Recorded crime rates for robbery/vehicle crime/burglary

Objective: Reduce crime and fear of crime and reduce vehicle crime by 30% from 1998-99 to 2004 and domestic burglary by 25% 1998-99 to 2004.

Recorded crime rates per 100,000 population for 2002/3 are: robbery, 112; theft off/from a vehicle, 1,588; and burglary in a dwelling, 624. Recorded crime rates for all 3 offences are lower in the South West than the national average. Crime rates fell between 1998/99 and 2002/03 for burglary in a dwelling and theft off/from a vehicle (-8%, -14%, respectively) but have risen substantially for robbery (+84%).

Poverty and Social Exclusion



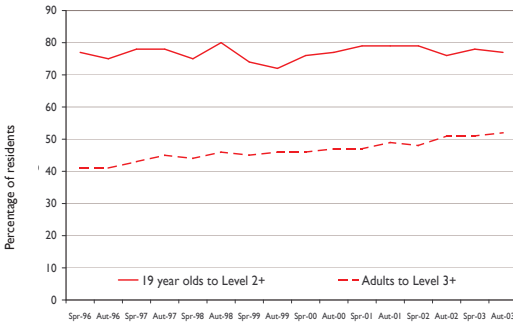
Source: Department for Work and Pensions, ONS

Proportion of working age people in workless households

Objective: Tackle poverty and social exclusion.

During Spring 2003, 9% of the South West's working age population lived in a household where none of the adults were in work. The comparable figure for Great Britain was 11½%.

Skills and Learning



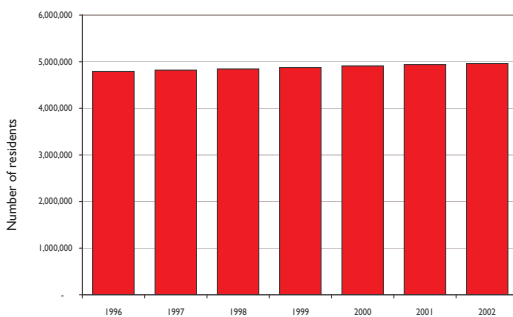
Source: DfES

L2 qualifications at 19 and Adult L2 qualifications

Target: By 2005, 76% of 19 year olds to achieve L2 qualifications and 50% of working age population to achieve L3 qualifications.

The percentage of 19-21 year olds in the South West with at least a Level 2 qualification was 77% in Autumn 2003, slightly higher than the England figure of 76%. Similarly, the qualification attainment of adults was also higher in the South West than England as a whole; 52% of economically active residents of working age had qualifications at Level 3 compared to 50% in England.

Population



Source: ONS

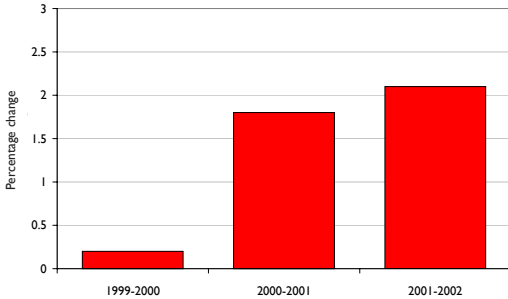
Percentage change in number of residents

No target - Contextual Indicator

The Office for National Statistics revised the 2002 mid-year population estimate for the South West upwards by 1,700 on 27 January 2004, to take into account previously unaccounted personnel in the armed forces. The latest estimate of the South West's population for mid-2002 is 4,961,300.

Environment

Road Traffic



Source: Regional Trends 26, ONS

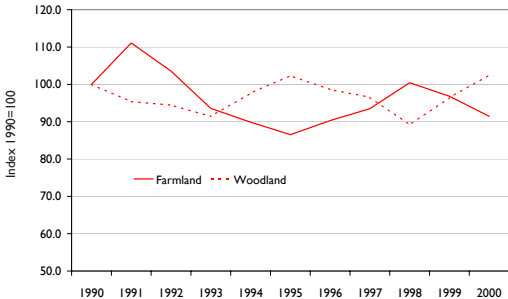
Annual percentage change in road traffic volumes

Objective: Rates of road traffic growth should be reduced, with an absolute reduction where environmental damage is greatest.

Just under 46 billion vehicle kilometres were travelled on the South West's roads during 2002. Road traffic volumes rose by 4% between 1999 and 2002 - slightly below the England average of 5%. The annual rate of increase in road traffic volumes has risen in the South West and England each year since 1999.

* Figures for '99 to '01 have been produced on a new basis and are not directly comparable with earlier figures.

Biodiversity



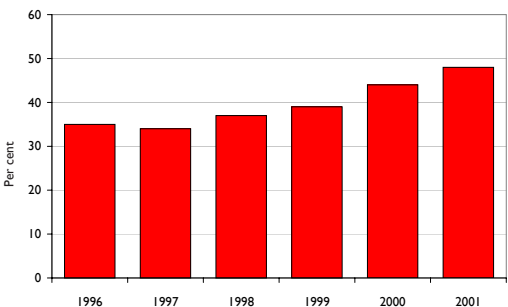
Source: RSPB, BTO, DEFRA

Populations of wild birds

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

It is difficult to identify firm trends over the last decade as the indices fluctuate considerably from year to year. However, the farmland bird population index appears to be continuing a long term trend of decline (falling by 9% between 1990 and 2000), whilst the woodland bird population index has been reasonably stable over the last 10 years (3% higher in 2000 than 1990).

Land Use



Source: Land Use Change in England 18 (ODPM)

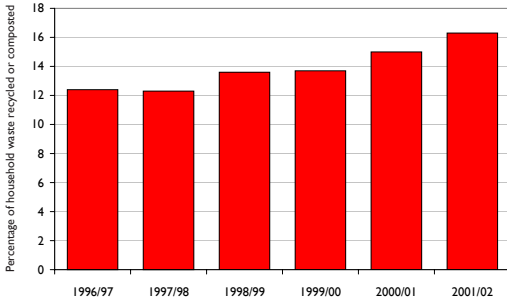
Proportion of new homes built on previously developed land*

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

In 2001, 48% of new housing in the South West was provided on previously developed land - a lower proportion than the England average (60%) but up from 44% in 2000 and 35% in 1996. This suggests that the region is on target to achieve the target of 50% by 2010.

* Figures exclude conversions. Targets include the conversion of existing buildings.

Waste



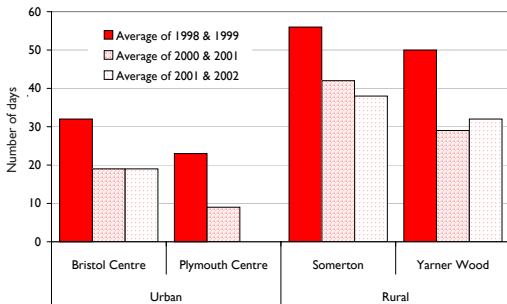
Source: Municipal Waste Survey, DEFRA

Total household waste and recycling

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

Whilst the proportion of household waste that is recycled has increased steadily since 1996/97, the current rate (16%) is just over half that required to achieve the 2010 target.

Air Quality



Source: Regional Quality of Life Counts 2001, 2002 (DEFRA)

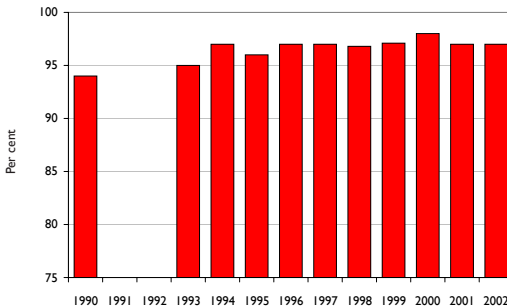
Days when air pollution is moderate or higher

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.

The number of days of moderate or higher air pollution in the region's monitored urban and rural areas has fallen between 1998/99 and 2001/02.

River Water Quality



Source: Environment Agency

Rivers and canals of good or fair chemical quality

Target: Improve river water quality.

By 2002, 97% of the South West's rivers were of good or fair chemical quality, up from 94% in 1990. Rivers in the region are of better chemical quality than average for England.

Summary

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;
- doubling the proportion of household waste that is recycled or composted by 2010;
- 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, although the Barometer only monitors projects registered by Invest UK.

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Headline indicators - assessment of progress

	since baseline	since last update
economic output	✘	✓
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	✓	✓
road traffic	✘	✘
biodiversity:		
- farmland birds	✓	✘
- woodland birds	✓	✓
land use	✓	✓
waste	✓	✓
air quality	✓	~
river water quality	✓	~

Key

- ✓ Change in direction of meeting objective
- ~ No change
- ✘ Change in direction away from meeting objective
- ... Insufficient or no comparable data