



South West Barometer

Issue Five May 2005

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 of the Barometer contains plenty of good news for the region. Fifteen indicators were updated or revised: ten show an improvement, three show no significant change and only two show movement away from target.

The good news starts with provisional data from the ONS which suggests that the region's **economy** continued to grow strongly with the 'real' rate of growth in GVA per head in 2002-03 both comfortably exceeding the England average and its long-run trend¹. The region's 'productivity gap' with England as whole has narrowed and business investment in R&D has increased as a proportion of regional GVA. The region's employment rate is high but appears to have reached a plateau at 79% having remained at that level since 2000/01. Less positively, the number of inward investments fell shy of the RDA target for 2004/5 and the gap in business formation rates for the most and least disadvantaged wards in the South West increased between 2000 and 2003.

The region continues to perform well on most **social** indicators with results for life expectancy and adult skills showing further improvements. The new population indicator - which monitors population growth in the region's Principal Urban Areas - shows that these areas collectively, grew at 0.4% per annum between 1996 and 2002.

However, increases between 2000 and 2002 in Cheltenham, Bournemouth, Plymouth, Gloucester, Bristol and Swindon were below trend. As changes to the proportion of 19 year olds attaining at least level 2 qualifications are well within the confidence interval for those estimates² it is impossible to comment on whether this indicator has shown any improvement since 1996. The housing, crime and poverty indicators were not updated for this Barometer.

The region is making sound progress towards headline **environmental** targets. Recycling rates for brownfield land and household waste, for example, have continued to improve and the rate of increase in road traffic volumes has slowed. The chemical water quality of the region's rivers and canals has been sustained at a very high level - 97% are rated as 'fair' or 'good'. Trends are less easily discernable for air pollution and wild bird populations although in most cases the results for 2003 were better than those for 2002.

¹ The DTI estimates that the South West's trend rate of growth in GVA per head was 1.4% per annum between 1989 and 1999.

² around $\pm 4.4\%$.

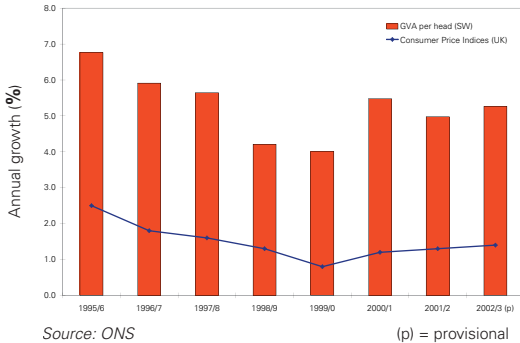
Updates for

- Economic growth
- Productivity
- Investment
- Innovation
- Enterprise - new
- Employment
- Health
- Skills and learning
- Population growth - new
- Road traffic
- Biodiversity
- Land use
- Waste
- Air quality
- River water quality



Economy

Economic Growth

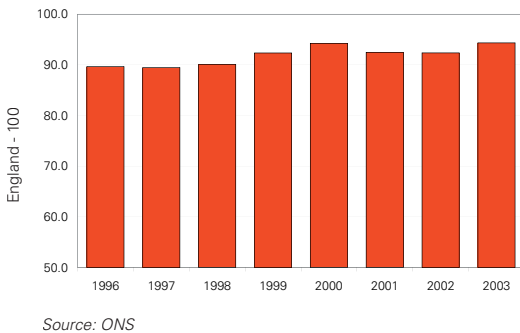


Annual growth in Gross Value Added (GVA) per head

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. GVA per head grew by 5.3% (at current prices) in the South West between 2002 and 2003. This translates to current price growth of around 3.75% given inflation at the Bank of England target level of 2%.

Productivity

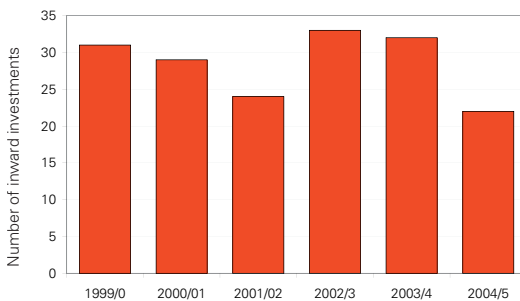


Growth in Gross Value Added (GVA) per hour worked

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

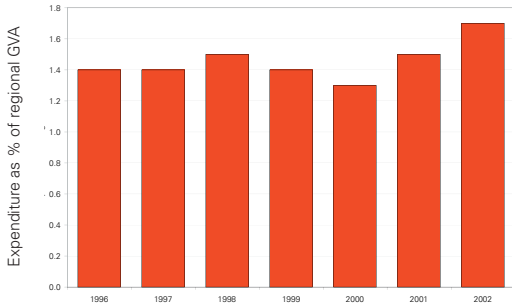


Direct inward investment

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

The South West attracted 22 direct investments during 2004/05, below target for that year.

Innovation



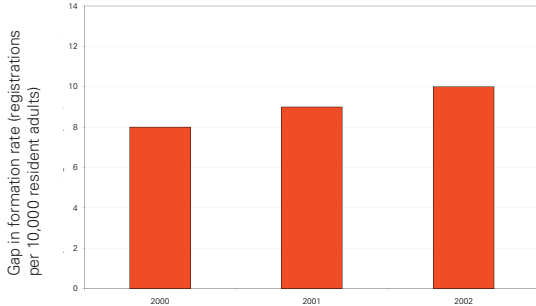
Source: Business Competitiveness Indicators (DTI)

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.

Businesses 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



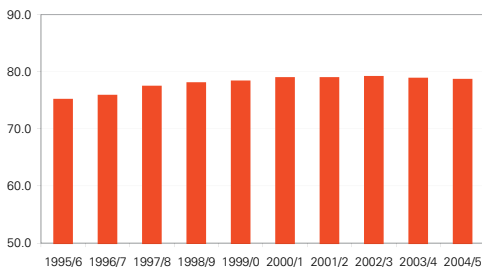
Source: Small Business Service Statistics Team

Business formation

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

42 businesses per 10,000 resident adults were registered in the 20% least deprived South West wards in 2002, compared to 32 businesses per 10,000 resident adults in the 20% most deprived wards. The difference between business formation in the most and least disadvantaged wards in the South West increased each year between 2000 and 2002.

Employment



March to February each year

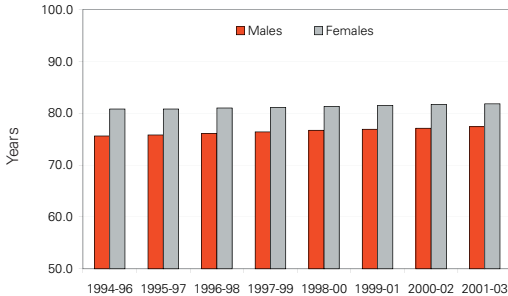
Source: Labour Force Survey

Percentage of people of working age in employment

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

77% of South West residents of working age were in employment during March 2004 to February 2005. This was 3½ percentage points higher than the England average.

Health



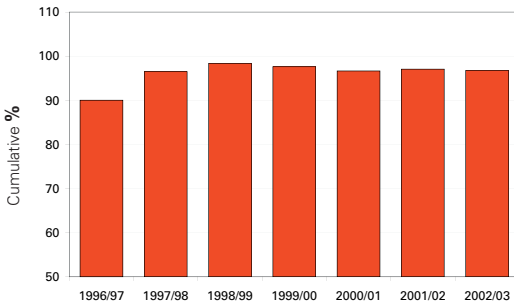
Source: ONS

Life expectancy at birth

Objective: Improve health of population overall.

Life expectancy at birth for males and females in the South West (77.4 years and 81.8 years, respectively) is higher than the England average (76.2 years and 80.7 years). Life expectancy increased consistently for males and females between 1994-96 and 2001-03.

Housing



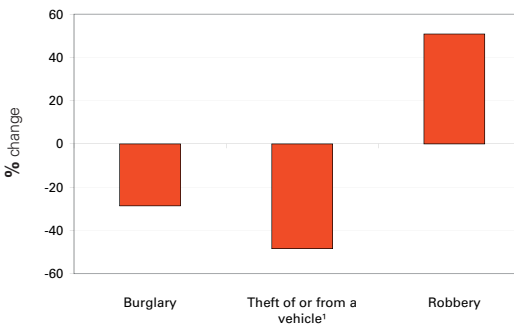
Source: South West Regional Assembly

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

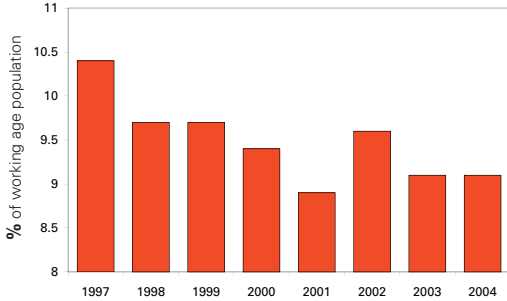
Robbery, vehicle crime and burglary

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

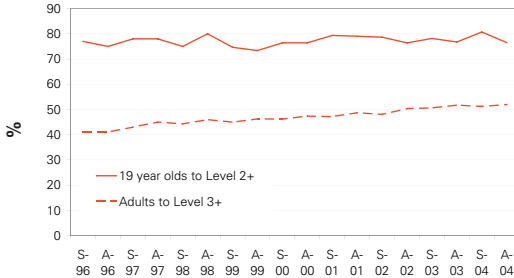


Source: Labour Force Survey

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



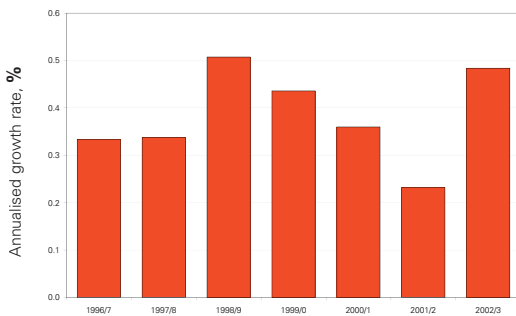
Spring and Autumn quarters

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



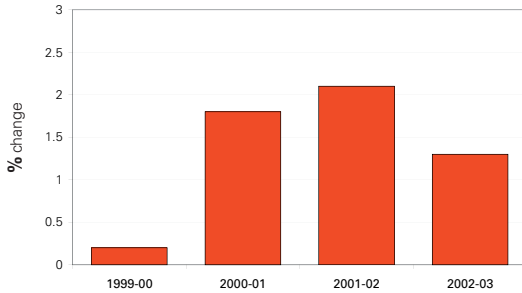
Source: ONS, mid-year population estimates

Resident population

Target: Average rate of population growth of the region's PUAs of 0.4% per annum. Overall, the population of the region's Principal Urban Areas¹ increased by 0.38% on average per annum between 1996 and 2003. The rate of population growth varied considerably however by PUA with Plymouth declining overall over the period and Bristol and Cheltenham growing at a lower rate than average for all PUAs.
¹ 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



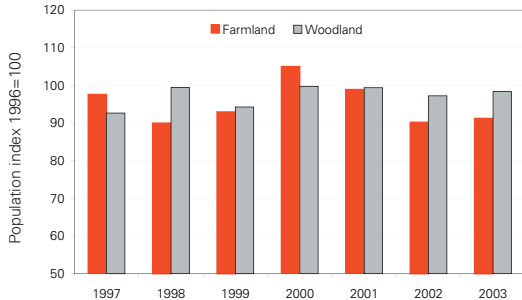
Source: Department for Transport

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 2002 and 2003. Whilst this rate of increase was lower than that recorded over the previous two years it was higher than that recorded across England as a whole (0.8%).

Biodiversity



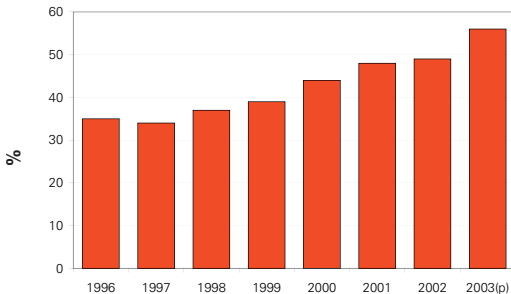
Source: RSPB, BTO, Defra

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

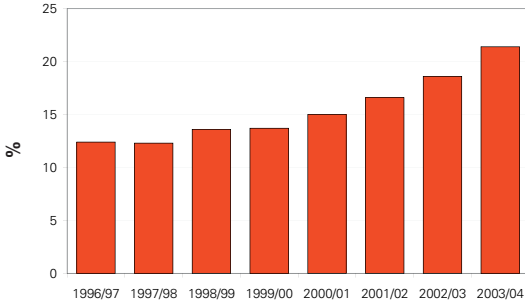
Percentage of new homes built on previously developed land

Target: 50% of new homes built on previously developed land.¹

The proportion of new homes built on previously developed land increased steadily between 1996 and 2003. Provisional data suggests that 56% of new homes built in the South West during 2003 were built on previously developed land (compared to 65% in England).

¹ Conversions of existing buildings are **excluded** from figures achieved, but are **included** in the target.

Waste



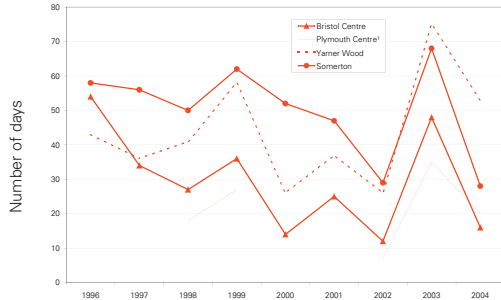
Source: Municipal Waste Survey, Defra

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

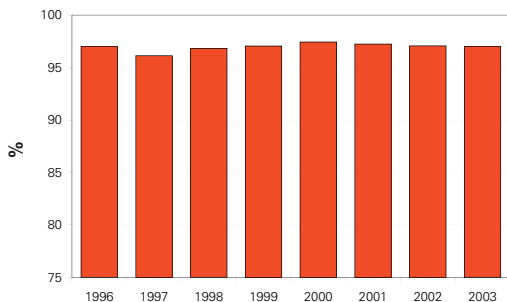
Days when air pollution is moderate or higher

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.

¹ Estimates for Plymouth Centre not available for 1996, 1997, 2000 and 2001

River Water Quality



Source: Environment Agency

Rivers and canals of good or fair chemical quality

Target: To improve chemical river water quality.

97% of the South West's river lengths were rated as having good or fair chemical quality in 2003. This is higher than the England average of 93%.

Overall, the picture for the South West is very encouraging although a number of targets may prove challenging. In particular:

- improving (and measuring improvement) in regional productivity in real terms
- maintaining levels of business investment in R&D since these can vary significantly from year to year
- stimulating business formation in the region's most deprived wards
- reversing the increase in robberies
- raising the proportion of 19 year olds achieving at least Level 2 qualification
- encouraging population growth in some Principal Urban Areas
- reducing rates of road traffic growth
- reversing long-term decline in population of wild birds
- increasing recycling rates of household waste
- reducing the number of 'air pollution' days.

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Assessment of Progress

	In direction of target	Since previous update
economic growth	✓	✓
productivity	✓	✓
investment	✓	✗
innovation	✓	✓
enterprise: new	✗	✗
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: new	✓	✓
road traffic	✗	✓
biodiversity:		
- farmland birds	✗	✓
- woodland birds	✗	✓
land use	✓	✓
waste	✓	✓
air quality	✓	✓
river water quality	✓	~

Key

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