THE FUTURE IS FULL OF OPPORTUNITY. WE’RE MOVING TOWARDS OURS WITH CLARITY AND PURPOSE. IT’S IN OUR NATURE.

DYNAMIC: COMPETITIVE: CREATIVE: PROSPEROUS: INCLUSIVE

This is the second Regional Economic Strategy for the South West of England. It is a development of the first Regional Strategy produced in 1999. It continues the same themes and ideas – recognising that we have to hold to our long-term vision, and work together to achieve the change we seek.

Already, the original Regional Economic Strategy has become an effective tool that is guiding the work of many partners across the region. We are seeing real change on the ground – great ideas, great projects, great partnerships. However, there remains much to do and we hope that this Strategy will encourage us all to work more urgently and more coherently to give this region the future it deserves and the economy it needs.

The Vision expressed within this Strategy describes a region in which economic prosperity and quality of life go together. They are strongly linked and each needs to be supported to achieve a balanced approach to growth and development. This approach can only be achieved in the South West by harnessing the special qualities of our people and our environment.

This Strategy is economic and inclusive. It recognises the role played by business in a productive economy and the vital contribution made by our people and communities in building a successful region. The overall goal is for a more competitive and productive economy – and becoming more productive and more efficient is an essential requirement for a sustainable region.

This Regional Economic Strategy highlights the need for a more sustainable approach to economic development over the long term. We must move steadily to ensure that the region uses more local and renewable resources; causes less waste and pollution; becomes a fairer and more just society and encourages an economy in which knowledge becomes the mainstay.

The Regional Economic Strategy 2003-2012 therefore represents another step on the journey to a sustainable, productive and inclusive region. It identifies the objectives and outcomes needed to deliver a more prosperous economy. It highlights the critical issues that need to be tackled to build a successful region.

We know where we are going and what needs to be done. By working together in the region we can make the Vision a reality.

Juliet Williams
Chairman,
South West of England Regional Development Agency

Malcolm Hanney
Chair,
South West Regional Assembly
WE'RE STRIDING AHEAD. OVER 1,200 INTERNATIONAL COMPANIES HAVE ALREADY LOCATED HERE. IT'S IN OUR NATURE.
IT’S IN OUR NATURE
THE SOUTH WEST STRETCHES FROM
THE ISLES OF SCILLY AND LAND’S END
IN CORNWALL, TO TEWKESBURY
IN GLOUCESTERSHIRE, SWINDON
AND BOURNEMOUTH. IT IS HOME TO
5 MILLION PEOPLE.
It’s in our nature…
to prosper economically. The South West has a strong, growing economy with many positive features: vibrant cities; world class higher education institutions; and high technology companies operating in the global market place. And we are working to sustain and build on our existing success. All organisations in the region have a role to play in ensuring that the people who live here can all participate in our economic prosperity: government agencies, private and social businesses, educational institutions, cultural organisations and the voluntary and community sectors.

The South West has a healthy labour market that provides an adaptable, highly skilled workforce to support economic development and growth. We value our people – whether employed, unemployed or employer, voluntary worker or retired – and we recognise that all are engaged in economic activity and all contribute to the economy. We are making sure that the elements to support the workforce – housing, childcare and transport – are in place and that skills development remains high on the agenda.

It’s in our nature…
to recognise the importance of the environment to the region. It is a crucial economic asset that underpins the success of tourism, culture, marine and other sectors. If we are to ensure long-term sustainable prosperity, we must be conscious of our responsibilities towards the environment – not just the hills and the beaches, but the cities and the deprived rural and urban areas that need regeneration. Our culture has been shaped by centuries of interaction between the sea, the land and its people. That relationship can be traced through the cultivated landscape with its patterns of hedges and fields, and through the heritage of the people who have lived in and valued the South West. Houses, ancient monuments and listed buildings have become an integral part of our surroundings. From the prehistoric splendours of the Dorset coastline and Stonehenge to the delicate architecture of Georgian Bath, the past has shaped and formed today’s environment. Our World Heritage Sites, Areas of Outstanding Natural Beauty and National Parks will preserve and enhance this legacy for future generations.
IT’S IN OUR NATURE…
to celebrate and enjoy the culture of the South West. Being in the South West is about living life at your own pace, whether as a chief executive of a high technology university spin-off, an artisan working with traditional materials, or a farmer working land that has been in the family for generations. The people who live here have a long tradition of self-reliance, diversity, non-conformity and loyalty to place. We are building on these traditions by developing a culture of learning, enterprise and innovation. Our vision for the South West is a place where the fulfillment of the individual has a wider and broader impact, on our communities and our economy.

IT’S IN OUR NATURE…
to look outward. Historically, the sea has brought adventure, wealth and opportunity. It is the same today – we are capitalising on the economic opportunities in the development of the European Union as it expands, and the wider international markets.

IT’S IN OUR NATURE…
to look to the future. We are ready to face the hard economic challenges of the twenty-first century and to seize the opportunities presented by technological change and the global marketplace.
OUR BOARD MEETINGS ARE GROWING IN POPULARITY. WE HAVE OVER 14,000 NEW BUSINESSES STARTING EACH YEAR. IT’S IN OUR NATURE.
ECONOMIC STATE OF THE REGION – IN BRIEF
SNAPSHOT OF THE SOUTH WEST

PEOPLE
- Almost 5 million people live in the South West.
- The South West has the fastest growing population in the UK. Between 1981 and 2001, the population grew by 12.5%, almost all due to net in-migration.
- Over half of all people in the region live in rural areas, the highest proportion of any part of England.
- The 11 largest urban areas account for 40% of the region's population and 60% of employment.
- Over one-fifth of the population is of retirement age.

PLACE
- The South West is the largest English region occupying almost one-fifth of England's land area.
- The South West has the most diverse landscape of any English region, according to English Heritage.
- Over 60% of England's 'heritage coast' is in the South West.
- Agriculture accounts for 80% of the land use in the region but contributes 2.5% of regional GDP and 1.7% of employment.

ECONOMY
- The South West economy was worth £58 billion in 1999. It generates 9% of the total output in England.
- The South West region was the fourth fastest growing economy in England between 1996 and 1999.
- An additional 155,000 jobs were created in the South West between 1995 and 2000, a rise of over 8%.
- At 79%, the South West has the third highest employment rate in England.
BUSINESS PRODUCTIVITY

ECONOMIC OUTPUT

In 1999, the South West’s contribution to the UK economy was worth £58 billion, or 9% of the English total. Overall Gross Domestic Product (GDP) has grown steadily since the early 1990s.

The South West is the fastest growing region outside London, the South East and the East of England.

The value of goods and services produced in the region per resident (GDP per head) stood at £11,782 in 1999, placing the South West sixth amongst the other English regions and below the English average of £13,278.

The South West economy is characterised by its diversity and there is no over-reliance on any one industry.

Real estate, renting and business activities; manufacturing; and wholesale and retail trade are the most significant broad sectors, accounting for approximately half the region’s GDP and employment. Transport, storage and communications, public administration and financial services also play an important role in the regional economy, accounting for a further 20% of GDP.

LATEST AVAILABLE DATA

<table>
<thead>
<tr>
<th>Date</th>
<th>South West</th>
<th>England</th>
<th>CHANGE SINCE 1996, %</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>South West</td>
<td>England</td>
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<tr>
<td>Population, million residents</td>
<td>2001</td>
<td>4,928,458</td>
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<td>Gross Domestic Product, current basic prices, £ million</td>
<td>1999</td>
<td>58,151</td>
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<tr>
<td>Residents in employment, million</td>
<td>2002</td>
<td>2,405,000</td>
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<td>ILO Unemployment, residents</td>
<td>2002</td>
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<td>ILO Unemployment rate, %</td>
<td>2002</td>
<td>4.2</td>
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<td>VAT registered businesses</td>
<td>2002</td>
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</table>

Figure 1: Key South West Indicators
Following a detailed study, the original Regional Economic Strategy identified a number of economically important and emerging industries, or sub-sectors. These were chosen because they are strategically important to the region and offer the potential for significant growth into the future. They also offer real opportunities to benefit from public sector support. They contribute approximately 30% of the region’s GDP and nearly 25% of total employment.

The sectors that are currently prioritised are:

**Economically important sectors**
- food and drink
- advanced engineering & aerospace
- information and communications technology (ICT)
- tourism
- marine

**Emerging sectors**
- creative industries
- environmental technologies
- bio-technologies

Knowledge-based activities account for 44% of regional employment, mainly in the service sector. But, the region also has significant strengths in high technology manufacturing, with particular expertise in aerospace and information and communications technology (ICT). However, generally there is an under-representation of ‘high growth’ sectors.

Source: ONS Regional Accounts (1999)
PRODUCTIVITY

Economic growth depends on business competitiveness, which is influenced by the productivity of local businesses. Productivity in the South West, measured by output per hour worked (GVA), is around 10% lower than the average for England. The South West is one of the poorest performing regions on this measure.

Productivity is affected by a range of factors:

- **Industrial Structure**
  It is estimated that the economic structure of the region is responsible for roughly 25% of the productivity gap between the South West and England. This is due to an under-representation of more productive sectors, such as business and financial services.

- **Occupations**
  Economic structure also affects the type of employment opportunities available in the region. The South West has a relatively low proportion of residents employed in high-skill occupations, and relatively high rates of part-time working and self-employment, which may have a negative impact on levels of productivity.

- **Skills Shortages**
  There is evidence that expansion in employment is creating tensions within the labour market that may adversely affect the productivity of local employers. For example, there may be a problem recruiting suitably qualified staff. In the last three years, compared with employers in other regions, South West employers have reported more hard-to-fill vacancies and have higher levels of staff training. The latter point is significant because it is recognised that when vacancies are hard to fill, staff training increases.

- **Research and Development (R&D)**
  Investment in R&D is a key measure of innovation and affects productivity. The South West's proportion of GDP spent on R&D by Government is higher than the average for England, but this is tempered by the lower than average expenditure by the business and higher education sectors.

- **International Trade**
  Exporting has strong links to business competitiveness, with firms dependent solely on domestic markets tending to perform less well on various measure of productivity. The South West's export performance compares poorly with most other English regions and is below the national average.

- **Foreign Direct Investment (FDI)**
  Foreign direct investment helps raise regional productivity because firms seeking international relocation tend to be more productive than ‘home grown’ companies.

- **Information and Communications Technology (ICT)**
  Increasing productivity will partly depend on companies’ ability to identify and exploit new technologies. The Internet, in particular, offers unprecedented access to global markets to assist in sales. However, South West businesses are among the least likely to use the Internet to sell products and services.

- **Supply Chains**
  The trend for organisations to work more closely together, or ‘cluster’ is set to continue. The benefits of such working include the rapid transfer of technology from related companies and the development of concentrations of skilled labour, all of which contribute to enhanced productivity.
Business development and survival

HM Treasury and the Department of Trade and Industry have identified the growth of new firms as an important driver of productivity. The South West is ranked low in terms of the business formation rate. But businesses that do start up in the region are more likely to be trading three years later.

EMPLOYMENT AND SKILLS

Economic growth has been accompanied by a significant expansion in employment opportunities. Between 1995 and 2000, 155,000 net new jobs were created in education, retail, public administration, defence and other business sectors. Construction and other service sectors demonstrated the fastest rates of growth.

The South West has a relatively skilled workforce. The proportion holding A-level or graduate level qualifications is above the UK average and the proportion without basic skills is below average. Nevertheless, it is estimated by the Basic Skills Agency that 670,000 residents of working age have poor literacy and numeracy skills and there is also a significant minority of residents of working age (370,000) who have no qualifications. There is a net outflow of students seeking higher education and employment outside the South West.

ECONOMIC OUTLOOK

Forecasts for the South West economy are encouraging. Real GDP should record a modest growth of between 1.2% and 1.7% in 2002, before reaching 3% growth in 2003. Over the longer term, the South West is expected to outpace the national economy, recording growth of around 3% per annum between 2005-2010, compared with 2.5% for the UK.
ECONOMIC INCLUSION

GDP PER HEAD

There are significant variations in economic prosperity within different parts of the South West. Cornwall, Dorset and Devon continue to have levels of GDP per head well below the national average, whilst areas such as Swindon, Gloucestershire and the City of Bristol enjoy much higher levels of GDP.

EMPLOYMENT AND UNEMPLOYMENT

The South West has a very high rate of employment by national and European standards. Figures for 2002 show that 79% of the region’s economically active population of working age is in employment. However, there is variation across the region on an east-west basis. The highest employment rates are in the east of the region, whilst the lowest are in the far south west. Unemployment in the South West is characterised by its seasonality, as unemployment usually peaks in the winter when tourism-related jobs are least plentiful. However, overall, the South West has the lowest unemployment in England (3.5%).

Figure 3: GDP per head in the South West 1998

Source: Sub-regional and Local Area Gross Domestic Product, ONS (2001)
QUALIFICATIONS

Although overall the region has a high level of education and skills there are significant inter-regional variations. For example, Plymouth has the highest proportion of the workforce with no qualifications (17%), whilst over a third of the workforce in Bath and North East Somerset hold a degree or equivalent qualification.

WAGES

Earnings in the South West are relatively low, with average full-time wages in 2001 9% lower than the England average. The highest wages are found in the east, and the lowest in Cornwall, the Isles of Scilly and Torbay.

HOUSING

Housing affordability is a serious problem for many workers. Even in the most affordable areas of the region the ratio of house price to earnings exceeds the typical mortgage lending ratio of 3.5 times annual salary. The demand for housing is further influenced by the rising population and the falling average size of households. The Regional Planning Guidance (RPG 10) states that 404,000 homes are needed in the period 1996-2016. After six years, 24% of this requirement has been met, against a target of 30%.

Figure 4: Qualification by sub-region (working age)
DEPRIVATION

The Index of Multiple Deprivation (IMD) is a national measure which combines data on education, employment, income, health, housing and accessibility. At a regional level, the South West compares favourably with England, having a lower proportion of its population (4.7%) in the 10% most deprived wards, than England as a whole (15%). The South West has 30 of the most deprived 10% of wards in England, with the majority of them in the large urban centres of Bristol, Plymouth, Torbay, Bournemouth and Swindon.

The most affluent wards tend to be in the suburbs and commuter belts of the major settlements and the accessible countryside in the east of the region. Inner urban and remote rural wards are the least prosperous. Those living in inner urban wards experience multiple deprivation against most of the indicators on the index. Remote rural wards tend to be deprived in income and employment and especially in access to services, but are generally less so in the housing, health and education domains. Rural areas often also show a dispersed pattern of deprivation, even within individual villages, which can be masked by ward averages.

Figure 5: Index of Multiple Deprivation 2000
(South West districts – average of ward scores)

Source: DETR/Oxford University
The north east of the region has reasonable accessibility to London along the main rail routes and the M4. Most of the region’s air transport is similarly concentrated in the north and east of the region. Bristol, the region’s largest airport, has experienced the largest growth in terms of passenger numbers between 1991 and 2000. Other routes are opening up across the region, with Bristol, Bournemouth and Newquay experiencing further growth from the introduction of more low-cost air services to the UK and Europe. Bristol is the largest sea port in the region for freight handling, followed by Plymouth and Fowey; Poole and Plymouth act as important ferry terminals.

ENVIRONMENT AND CULTURAL ASSETS

The high quality physical environment in the South West is recognised as a great strength and economic asset. More than a third of the area is designated for protection as a National Park or an Area of Outstanding Natural Beauty. In 1999, the ‘Environmental Prospectus for the South West of England’ estimated that the environment generated £744 million in output and 55,000 jobs. Agriculture, fishing and forestry are highly dependent on the environment and these sectors generate £1.6 billion in GDP directly and generate many more jobs indirectly.

The environment is a crucial asset for other economic sectors such as tourism. It is estimated that most holiday trips to the region (78%) are motivated by the conserved landscape. Tourism is recognised as a priority sector as it employs 85,420 full time equivalents (ONS figure). In 2001, the South West attracted 14% of England’s domestic tourist trips and 8% of overseas visits. The presence of these visitors has a positive effect on other sectors, such as culture, which contributes £1 billion to the regional economy.
MIGRATION

The growth of the South West’s population is the result of net inward migration, the majority of whom (74%) are aged less than 55. Such migration is usually motivated by work, and reflects the growth in the number of the region’s jobs, discussed earlier. This migration is an important driver of future economic growth. The overall effect of these migration patterns has been to give the South West a more elderly age profile than the country as a whole. Projections suggest that the population structure will continue to become more elderly and that the South West will have one of the oldest populations in Europe by 2021.

Endnotes

1. The section on the Economic State of the Region has been brought together by the Core Unit of the South West Regional Observatory. All the economic assertions in this section of the context are underpinned by research from a variety of sources including: the South West Economy Centre, Cambridge Econometrics, DTZ Pieda and the RDA’s Panel of Economists. More detailed economic data is available in the DTZ State of the Region Report 2002 which can be accessed via:

http://www.southwestrda.org.uk/publications/state_region

The full list of references is provided in the web document.

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South West Regional Observatory Licence number: 0100039038 2002
WE’RE BENDING OVER BACKWARDS TO GO FORWARD. WITH THE FIRST WIND FARM IN THE UK, WE REMAIN AT THE CUTTING EDGE OF RENEWABLE ENERGY. IT’S IN OUR NATURE.
SECTION 2 STRATEGY

INTRODUCTION TO THE REGIONAL ECONOMIC STRATEGY

This regional economic strategy is an opportunity. It is an opportunity for the South West to take stock of our strengths and weaknesses, to reaffirm the direction in which we want to move and bring new clarity to our delivery priorities.
The Regional Economic Strategy (RES) provides clarity for decision-makers and stakeholders right across the region. It is an important tool that will help prioritise investment decisions and will help improve working between organisations across the region. In particular, the Strategy provides a basis for learning and for measuring success.

This Strategy has been brought together following extensive consultation with regional partners over an 18 month period. Starting with an independent review of the original Regional Economic Strategy, the RDA led a two-stage process to engage with a range of stakeholders. The consultation process has been central to improving the RES and has secured support from across the South West.

A NEW EMPHASIS

This Strategy is clearly an economic one. It proposes a number of objectives, which, taken together, will make the region’s economy more competitive and more successful. Other regional partners, such as the Regional Assembly, are now specifically charged with addressing the broader needs of the South West. In particular, the Regional Assembly is working towards the development of an Integrated Regional Strategy. The RES has an economic role within that broader framework, focusing particularly on means of improving productivity and inclusiveness.

In its recent guidance, the Government has re-emphasised that raising productivity and competitiveness will be central to the Regional Economic Strategies and crucial to the Government’s aim of promoting prosperity in every region. While taking an integrated approach to economic problems and opportunities, Government also expects “that the impact of the RES on the social life and the environment of the region will be considered.”

The November 2001 Pre-Budget Report stated that: “The Government’s long-term economic ambition is that Britain will achieve a faster rate of productivity growth than its main competitors, closing the productivity gap.”

A successful strategy to improve productivity has to work on a set of key factors that influence and determine the level of productivity at the local, regional and national scales. These include:

- skills of employees and employers
- investment in capital equipment, property, infrastructure and research
- innovation and application of new technology in product and process development
- enterprise and the growth of new firms
- competition, providing strong incentives for firms to innovate and adopt new technologies and working practices.

These issues have been high on the regional agenda for a number of years. This Strategy makes clearer the commitments towards understanding and narrowing the productivity gap in the South West by addressing these issues and others such as international trade.
A REGIONAL APPROACH

Achieving economic competitiveness and improving business productivity remain high priorities for the South West. The contribution made by individuals and communities throughout the region should not be under-estimated and the need to reduce disparity in economic performance across the region remains important. Social issues have a key role to play in creating a balanced society that increases the region’s quality of life, and underpins all responsible economic development.

The Regional Economic Strategy needs to deal with the needs and contributions of business, communities and the region as a whole. Improving the efficiency and productivity of companies in the region is vital, but it is not sufficient on its own. The need to tackle disadvantage, reduce inequalities and support individuals goes hand in hand with meeting the needs of the economy over the long term.

Regional Planning Guidance for the South West sets a spatial framework for the development of the region up to 2016. It is a spatial context for all other regional strategies, including the RES, and provides a long-term framework for land use and economic activity.
GUIDING PRINCIPLES

This Strategy attempts to simplify the application of the original Values and Principles to the delivery of the Strategic Objectives. There are two critical cross-cutting themes that need to underpin all other activities and that will exemplify both the approach to economic development and also the way in which other activities are delivered. These are:

- Equality of opportunity
- Sustainable development

Further to these two themes, there is a well developed set of principles that are part of the best practice in Corporate Governance and Corporate Social Responsibility (see Appendix 2). The application of these principles should demonstrate how all partner organisations and businesses in the South West are delivering the guiding principles set out above. In this way, the region can show that HOW things are done is as important as WHAT is done – and that good practice in this regard can be good for business too.

In a fair and just society, all people would have equal access to the opportunities that society and its economy provide. However, for various historic, political, social, cultural and economic reasons, this frequently does not happen. This means that Government, business, communities and individuals have to undertake actions that can redress these imbalances. This can be done in many different ways: through Government implementing policy, legislation and funding decisions; through charities focusing on specific equalities issues; through the activities of large and small companies; and through individuals within communities. All are valuable approaches.

The experience of people living in the South West will vary widely across the region. Not everyone has the opportunity to participate fully in our economic prosperity. For example, older workers are discriminated against in the labour market and, in a low wage region, women are often paid less than men who are doing the same jobs. For some, the experience of living in a rural area can be lonely and isolating and this can be exacerbated by the cultural difficulties associated with race and sexuality. However, it is also important to understand that equality of opportunity also extends beyond specific communities of interest. For example, it is also about young families in rural communities who cannot afford homes in the villages where they grew up, and those whose choices are limited by the deprivation in the urban area where they live.
The South West will benefit in many ways by ensuring that people of different ages, gender, race, abilities, sexuality and beliefs can participate fully. It improves society and makes it a more tolerant and stable place. It also improves the economy and ensures that full advantage can be taken of the skills and talents available within the region. Working to ensure equal access can have an economic benefit by ensuring that we maximise the value of the region’s social capital.

The expansion of global markets is also an important economic opportunity for the region. However, embracing this opportunity will require the region to demonstrate that it welcomes people and businesses whatever their background – adjusting to their requirements and valuing their contribution.

The term ‘sustainable development’ is often misunderstood. Yet the application of this concept is the basis for achieving lasting prosperity. It describes the interconnections and dependencies between a successful economy, an equitable society and a quality environment; and it explains the fundamental need to maintain these in an integrated way into the future. The way these three things depend on each other needs to be clearly understood and built in to any development process. In this way, mutual benefits will be increased and negative impacts reduced.

The Regional Sustainable Development Framework (RSDF) provides a commonly agreed set of sustainability principles, issues and objectives for the region. The RES contributes directly to the objectives in the RSDF. The RES recognises the important contribution that community and environmental assets make to achieving economic prosperity. Likewise it also recognises that economic activity directly affects community and environmental assets. Sustainable economic activity aims to contribute positively to those assets to achieve lasting prosperity by adopting this mutually supportive approach. The RES will adopt this approach by applying sustainable development as a cross-cutting theme.
WE LOVE CHIPS AS WELL AS FISH. OUR GROWING ICT SECTOR EMPLOYS OVER 73,000 PEOPLE. IT’S IN OUR NATURE.
RATIONALE

This revised RES is also clear about how the region will develop those priorities, that are a given for any economy, and how it will continue to take advantage of its natural advantages and its inherent specialisms.

The challenge is to enhance the region’s competitiveness and its businesses’ productivity within a rapidly changing global economy. Globalisation is increasing competition, liberalising markets and is making labour and capital more mobile. Competing on cost alone is no longer an option. It is paradoxical that globalisation and information technologies, which allow for work to be done anywhere in the world, have also strengthened the need for a strong sense of place and put a greater emphasis on local specialisation.
The region needs to show how its location, its people and its world-class research and businesses can provide a competitive advantage and can add value to products or services. Given the pace at which change now happens, the South West must continue to innovate, improve, challenge and take risks.

The South West must ensure that the fundamentals of the economy are strong – that skill levels are increased, that communications infrastructure is excellent, that innovation becomes a way of life, that enterprise is valued and that the special sense of place is respected and enhanced.

This region, like any other, has to work hard to maintain its position. It has to work smarter to improve its competitiveness. In doing so, the region needs to balance the desire to grow and compete as a world region with the need to deal with issues of an ageing population, of poverty and disadvantage and of an environment that is under increasing pressure.

This Regional Economic Strategy aims to give a clear sense of what is important for the economy over the long term, whilst recognising that the South West is a special place with traditions and cultures that need to be valued.
WITH SO MUCH ELSE TO DO, IT’S SURPRISING WE HAVE THE LOWEST RATES OF ABSENTEEISM IN THE UK. IT’S IN OUR NATURE.
VISION AND DRIVERS

THE VISION IS A STATEMENT OF ASPIRATION. IT EXPLAINS WHAT SORT OF REGION WE WANT IN THE SOUTH WEST AND THE QUALITIES AND AMBITIONS NEEDED TO ACHIEVE OUR ASPIRATION.
VISION

The South West of England will have an economy where the aspirations and skills of our people combine with the quality of our physical and cultural environment to provide a high quality of life and sustainable prosperity for everyone.

This Vision recognises that it is the nature of the people and the quality and sense of the place that make the South West special – and it is that combination which is the key to a successful future. That future is one which includes all communities in maintaining a balance between prosperity and quality of life.

The need for a committed approach to sustainable development and to equality of opportunity is a theme that runs through the Vision and therefore through the Regional Economic Strategy as a whole.

The Vision will be achieved through the application of three Economic Drivers:

- Innovation and enterprise
- Skills and learning
- Environment
ECONOMIC DRIVERS

These Drivers are the key to making the future economy a success. They are both activities in themselves and a way to influence and colour all other activity. Understanding the function of these Drivers is important to agencies across the region – all our activities and all our developments can exemplify these ideas.

- Innovation and enterprise
  Where people put innovation, creativity and enterprise at the heart of the region's businesses and organisations.

The need to build on a culture of innovation and enterprise remains of key importance to this region. Within a global economy, it is no longer enough to compete on cost alone and therefore the South West economy needs to compete on added value, knowledge and technology. To achieve this requires a culture of innovation and enterprise – a spirit within all businesses and organisations that welcomes challenge and change; that takes risks; that can innovate; and that can learn from and push the boundaries of best practice.

- Skills and learning
  Where people will have the skills and adaptability to underpin a modern and inclusive economy.

The basis of any economy is its people. It is the staff and managers in companies and organisations who create the products and services that support the economy.

In the future, knowledge and technical skills will be at a premium in an economy that competes worldwide and that seeks to create advantage through the application of innovation and technology. High level skills and an adaptable approach to work and learning will become, therefore, even more critical issues for the region.

Nevertheless, too many people lack the basic skills to compete in a modern economy and tackling this issue will remain an important priority.

- Environment
  Where the region's unique environmental and cultural assets are protected and enhanced so that they will continue to attract investment and develop economic advantage.

The Environment Driver encompasses a number of aspects that relate to the special locational strengths of the South West, as well as the potential opportunities to gain economic benefit from environmental activity. In particular:

- over 12% of the regional economy relies on the land, landscape and sea
- the quality of life (often associated with environmental quality and cultural opportunities) in the region is a major attractor of investment, businesses, workers and tourists
- business efficiency can be enhanced through better environmental management
- environmental technologies and services, such as renewable energy, represent a huge global market where the South West can become a leader.

In identifying the environment as a key Driver for the economy, it is important to protect and enhance the region's environmental and cultural capital so that it can continue to benefit the region.
WITH OVER 700 MILES OF COASTLINE, WE PROVIDE THE NATURAL ENVIRONMENT FOR MARINE SCIENCE AND OCEAN TECHNOLOGY COMPANIES. IT'S IN OUR NATURE.
MISSION AND STRATEGIC OBJECTIVES

The mission provides a more focused and tangible expression of the region’s aims. It can be measured regularly and offers a clear direction for the activity of all partners involved in delivering a more vibrant and inclusive economy in the South West.
MISSION

To increase sustainable prosperity and productivity for the region and all our people.

This Mission recognises that, over the long-term, a strong economy requires the region and its institutions to be more efficient in how it uses its assets – resources, people, land, finance and knowledge. By improving the productivity of the region and its businesses, everyone can enjoy the wealth that a successful economy can bring – now and into the future.

The Mission will be achieved through the application of three Strategic Objectives:

- Strategic Objective 1
  To raise business productivity
- Strategic Objective 2
  To increase economic inclusion
- Strategic Objective 3
  To improve regional communications and partnership

These propose a three-pronged approach for the regional economy. Boosting business performance is essential but it will sit alongside the need for all communities to contribute to and benefit from economic improvement. Both these approaches are essential for a strong and healthy economy over the long-term. Alongside these two issues is the need to ensure that the conditions are in place to deliver what is required – that the communications and institutional infrastructures are both strong enough to support these important objectives.

The delivery of these objectives will broadly follow the spatial strategy set out in the Regional Planning Guidance (RPG10). RPG promotes a sustainable pattern of development in the region. A sequential approach to the location of development is set out, which intends to concentrate growth in the 11 Principal Urban Areas and other designated centres. This will minimise the need to develop on greenfield sites, thereby reducing pressure on rural areas and reducing the need to travel. RPG also promotes investment in areas that are facing structural decline, urban deprivation and rural need – with a view to reducing disparities.
STRATEGIC OBJECTIVE 1
TO RAISE BUSINESS PRODUCTIVITY

This Objective is designed to improve the way that businesses operate and so create a more competitive economy in the region. It is focused on providing the conditions for businesses to operate more efficiently and more profitably.

Creating wealth is at the heart of the region’s drive for a prosperous and sustainable future. The investment that is required to address the social, environmental and economic problems in the South West will only be available if the region has a successful economy with profitable and growing businesses.

All businesses in the region, whatever their size, need to be encouraged to become more competitive and therefore to become more profitable. At whatever scale, increased profitability has the potential to benefit this region. However, the creation of wealth, while important, is not the end in itself – it is a means of improving the quality of life for people who live in the region. Appropriately re-invested, it can provide more and better-paid jobs, and higher-quality services, as well as improving the quality of life in our communities.

The region needs to encourage new businesses to start and existing businesses to grow and diversify into new markets at home and abroad. Also, the region must encourage companies from other parts of the UK and overseas to relocate and invest in the South West. We need to support manufacturing industry as well as the service sector and knowledge companies of the future. In particular, key regional partners will be working with government to respond to the challenges faced by many manufacturing companies in the region. This region needs to work together to address the needs of business and to ensure that the South West is a profitable place to do business. Productivity improvements will need to be implemented across all sectors – public, private and voluntary – and this will enhance the conditions for success.

The RES will encourage businesses to recognise the importance of social and community development and to take a fully responsible attitude towards the environment, in the South West and globally. This is not a threat to business profitability or economic competitiveness but is part of a mutually reinforcing system that will ensure the sustainability of the region – economically, socially and environmentally.
STRATEGIC OBJECTIVE 2
TO INCREASE ECONOMIC INCLUSION

This Objective is designed to improve the efficiency of the regional economy by ensuring that people and communities contribute fully to, and share in, the success of the regional economy. Therefore the potential of all people needs to be developed and harnessed to support a vibrant economy in the region.

Despite a generally buoyant economy, poverty, deprivation and under-achievement are evident throughout the South West. In particular, the major cities of Bristol, Plymouth, Torbay, Gloucester and Bournemouth have significant concentrations of multiple deprivation, whilst some rural areas experience considerable dispersed deprivation. In addition, the gap between the most and least successful parts of the region economically is the highest in the UK, outside London. These disparities are also in evidence right across the South West, with relative poverty sitting alongside areas of considerable wealth.

A successful and sustainable economy must deal effectively with these imbalances – harnessing the talents and abilities of all people will be good for business and the overall economy. It is vital, therefore that the region tackles the causes as well as the effects of economic exclusion. It is intended that this should be done both by improving the economies of poorly performing areas, and by promoting equality and participation of all groups in the economy.

In so doing, the region should encourage development and investment to benefit areas that have the greatest economic need. This may not always be possible or may not be attractive to the market, so it is crucial that the region finds ways to draw that benefit to our most disadvantaged communities. Both public and private partners need to be more proactive in promoting locally sourced labour, training, supplies, investment and capacity building.

It is clear where the patterns and concentrations of disadvantage are in the South West. These should become priority areas for regeneration and other investment, along with programmes tackling more dispersed rural poverty. The interdependence of urban and rural areas needs to be understood in supporting regeneration and encouraging investment. Given the great local diversity in the region, it is important to respect and support communities’ own solutions to their needs.
STRATEGIC OBJECTIVE 3
TO IMPROVE REGIONAL COMMUNICATIONS AND PARTNERSHIP

This Objective is designed to improve the way that the region functions. It is one of the key justifications for regional working and is a major contributor to the successful development of the economy.

The region needs to improve and integrate the way that it sells itself to attract investment, visitors and businesses to the South West. It needs to be clear about what it is famous for and how this is perceived throughout the UK, Europe and the world. A shared sense of what the region offers is critical if the South West is to effectively promote itself.

The South West must continue to understand the economic, social and environmental situation in the region and should ensure that it understands the potential impacts of future scenarios, such as climate change.

The region should ensure that it has a transport and communications infrastructure that supports business needs and that it develops ‘icon’ projects that can demonstrate, in a very practical way, what the region can achieve.

Above all, the region needs to make sure that the effectiveness of its institutions and partnerships will deliver relevant, focused and coherent policies and programmes.
CIDER IS ONE OF OUR MORE OBVIOUS TEMPTATIONS. OUR HUNDREDS OF REGIONAL BEERS AND WINES DESERVE A TOAST TOO. IT’S IN OUR NATURE.
STRATEGIC ACTIONS AND PRIORITIES

Words need actions. In order to achieve the strategic objectives, it is important to describe the critical actions and activities that will deliver the outcomes the region needs. These strategic actions provide a focus for delivery by a range of agencies and businesses.
The Strategic Actions and Priorities have been identified from an analysis of the weaknesses, threats, strengths and opportunities of the region’s economy. In this way, they directly address the most important issues for improving the conditions for business, for engaging all communities in the region and for managing communications and partnerships in the South West. All actions and priorities will need to take account of the spatial policies that are contained within the Regional Planning Guidance.

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>THREATS</th>
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<tbody>
<tr>
<td>Strong economic sectors including aerospace, tourism and creative arts</td>
<td>Lower foreign investment could weaken productivity and worsen the balance of trade</td>
</tr>
<tr>
<td>Well educated, high quality, skilled workforce</td>
<td>Skills shortages and weaknesses in management could limit business growth</td>
</tr>
<tr>
<td>Tradition of successful enterprise with good business survival rates</td>
<td>Increased traffic congestion, tight labour and property markets in parts of the region could deter investment and limit growth</td>
</tr>
<tr>
<td>Relatively strong penetration and use of ICT with centres of excellence</td>
<td>Increasing peripherality if London and the South East continue to grow disproportionately</td>
</tr>
<tr>
<td>Higher productivity of exporting firms</td>
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</tbody>
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<table>
<thead>
<tr>
<th>WEAKNESSES</th>
<th>OPPORTUNITIES</th>
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</thead>
<tbody>
<tr>
<td>Some industrial sectors are fragmented, lack critical mass, and have relatively few start-ups</td>
<td>Growth markets in modern tourism, leisure, health and care, and environmental products and services</td>
</tr>
<tr>
<td>High number of small businesses with poor economic performance</td>
<td>Additional markets through regional supply chains, local sourcing and the development of exports</td>
</tr>
<tr>
<td>The region has significantly lower productivity and exports than other regions</td>
<td>‘Lifestyle’ SMEs in high technology and knowledge industries can be attracted by the environment and access to related businesses and HE institutions</td>
</tr>
<tr>
<td>Relatively low levels of R&amp;D expenditure</td>
<td>Rise of the knowledge economy, with ICT and distance working reducing the need to travel</td>
</tr>
<tr>
<td>Downturn in manufacturing sector - especially electronics, telecommunications and aerospace</td>
<td></td>
</tr>
</tbody>
</table>
SUPPORT BUSINESS GROWTH

As business is at the heart of wealth creation, it is vital to ensure that the region works together to encourage and support companies in becoming more productive and more profitable. The focus is on developing manufacturing and service businesses within the region, strengthening the most important sectors and building trading links in the South West and beyond. These regional priorities will be complemented by a continuing emphasis nationally on macro-economic stability.

PRIORITIES:
- Support the development of key sectors
- Encourage increased international trade by South West companies
- Promote the development of regional and local supply chains
- Attract and retain domestic and foreign direct investment into the region
- Support business growth through access to appropriate finance and advice.

Government Targets
- Increase regional productivity in real terms
- Increase new business registrations and survival rates
- Secure more inward investments

Supplementary Regional Targets
- Improvement in business productivity as measured by GVA per worker

DEVELOP A SKILLED AND ADAPTABLE WORKFORCE

This Strategic Action will be delivered through the Framework for Regional Employment and Skills Action, which provides the strategic mechanism for driving skills development and learning for a healthy labour market. Improving skills at all levels will underpin a successful economy and will enable our companies to compete on knowledge and value.

PRIORITIES:
- Improve skills and learning in the workplace
- Deliver a coherent skills development framework focused on the needs of industry

Government Targets
- Raise the proportion of people in the region with NVQ Levels 2, 3, 4 and above

Supplementary Regional Targets
- Increased number of South West residents who achieve at least NVQ Level 1 qualifications
DEVELOP THE SOUTH WEST AS A LEADING REGION FOR
INNOVATIVE AND KNOWLEDGE-BASED BUSINESSES

In a global economy, the region needs to be much more
focused on developing real strengths in a knowledge and
technology based economy, particularly in manufacturing.
This will build on many of the region’s advantages as well as
being much more sustainable in the longer-term. The role of
higher education and other public research establishments
will be critical to the success of this Strategic Action.

PRIORITIES:

I Undertake key initiatives to encourage innovation in
the region’s businesses
I Increase the rate of technology transfer between
further and higher education, public sector research
establishments, and businesses.

Government Targets
Ensure 50% of new housing is built on previously-developed
land or converted from existing buildings

Supplementary Regional Targets
Increase hectares of serviced land available for development –
50% on brownfield land

DELIVER A SUPPLY OF APPROPRIATE SITES AND PREMISES
FOR BUSINESS NEEDS

All businesses need appropriate premises for their operation –
whether a small office or a major development site.
In particular, the South West has to develop property that
can support the needs of technology businesses; and needs
to develop strategic sites that provide major opportunities for
investment and growth.

PRIORITIES:

I Develop incubators and science parks to support the
exploitation of regional research
I Ensure regionally significant sites are brought forward
I Ensure that there is a range of workspace to support
the needs of developing companies.

Government Targets
Ensure 50% of new housing is built on previously-developed
land or converted from existing buildings

Supplementary Regional Targets
Increase hectares of serviced land available for development –
50% on brownfield land
STRATEGIC OBJECTIVE 2
TO INCREASE ECONOMIC INCLUSION

Given the issues identified above, two Strategic Actions are proposed. These Actions will enable partners to identify and tackle the causes of economic decline in disadvantaged areas and to take steps to ensure that all communities are active in the economy – whether in business, work or training.

If we want a competitive region, we need to maximise our use of the region’s resources and reduce the poor utilisation of capacity – whether people, communities or environment. We can only achieve high levels of sustainable growth in the region as a whole by dealing with intra-regional disparities.

- Accelerate economic participation by working locally to stimulate employment and business start-ups
- Support the regeneration of disadvantaged communities in the South West.

<table>
<thead>
<tr>
<th>STRENGTHS</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Diverse economic base</td>
<td>Failure to provide sufficient and affordable housing could act as a significant brake on economic performance</td>
</tr>
<tr>
<td>High rates of employment and participation, with low overall deprivation</td>
<td>Slow rate of change with multiple and often under-resourced local partnerships</td>
</tr>
<tr>
<td>Stable, well dispersed community environment</td>
<td>Pressure on public services from ageing population and retirement in-migration</td>
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<table>
<thead>
<tr>
<th>WEAKNESSES</th>
<th>OPPORTUNITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relatively low average earnings</td>
<td>Community-based businesses to involve more people in local employment and local service provision</td>
</tr>
<tr>
<td>Relatively poor economic performance in parts of the region</td>
<td>Efficiencies and higher levels of participation created by improved partnership working in order to unlock untapped potential</td>
</tr>
<tr>
<td>Concentrations of deprivation, social exclusion and unemployment in urban areas, and widespread but hidden rural disadvantage</td>
<td>The South West suits the ‘new economy’ which is smaller scale, more collegiate and more dispersed</td>
</tr>
</tbody>
</table>
SUPPORT THE REGENERATION OF DISADVANTAGED COMMUNITIES IN THE SOUTH WEST

Many of our communities continue to suffer relative disadvantage. The South West needs to support inclusive, local partnerships – in urban and rural areas – to focus on the critical issues for their local community. This will help them both to engage with, and benefit from, a thriving economy. In particular, the lack of affordable housing combined with a low wage economy is a barrier to economic inclusion and restrains growth.

PRIORITIES:
- Improve the economic performance of deprived urban communities
- Address the changing needs of rural economies.

Government Targets
- Reduce the number of adults in income support households by 2% in the region’s most deprived 96 wards
- Reduce the number of unemployed claimants in the region’s 96 most deprived wards by 5%

Supplementary Regional Targets
- Creation of new private and community businesses

ACCELERATE ECONOMIC PARTICIPATION BY WORKING LOCALLY TO STIMULATE EMPLOYMENT AND BUSINESS START UPS

It is important that the region fully utilises the assets and experience of its people, from whatever background and of whatever age. Our people make a crucial contribution to the economy and this can be developed in many ways – to benefit the individual as well as the wider economy.

PRIORITIES:
- ‘To raise individuals’ aspirations and skills for work
- Encourage more small businesses and social enterprises in disadvantaged areas
- Ensure there is equality of access to work, training and business advice.

Government Targets
- Reduce the shortfall in business formation between the most and least disadvantaged wards by 1% per annum
- Reduce the number of unemployed claimants in the region’s 96 most deprived wards by 5%

Supplementary Regional Targets
- Creation of new private and community businesses

PRIORITIES:
- To raise individuals’ aspirations and skills for work
- Encourage more small businesses and social enterprises in disadvantaged areas
- Ensure there is equality of access to work, training and business advice.

Government Targets
- Reduce the number of adults in income support households by 2% in the region’s most deprived 96 wards
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Supplementary Regional Targets
- Creation of new private and community businesses
STRATEGIC OBJECTIVE 3
TO IMPROVE REGIONAL COMMUNICATIONS AND PARTNERSHIP

Given the issues identified above, four Strategic Actions are proposed. These Actions will ensure that the region works well together in delivering better communications, a powerful image to promote investment, big impact projects and environmental improvement. These will all support a successful and productive economy.

- Improve the strategic communications infrastructure to support business needs
- Promote the South West in order to attract new businesses, employees and investment
- Conserve and enhance the region’s physical and cultural capital to provide major benefits to tourism and the wider economy
- Improve the way the region works – delivering quality regional intelligence, effective partnership and increased influence.

<table>
<thead>
<tr>
<th>STRONGS</th>
<th>THREATS</th>
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<tbody>
<tr>
<td>Outstanding quality of the environment creates the perception of the South West as ‘a great place to live and work’</td>
<td>Possibility of environmental degradation arising from tourism, housing, economic development and traffic may deter new investors</td>
</tr>
<tr>
<td>Demonstrated economic impact of the successful development of large scale, exemplar projects, such as Eden and Temple Quay</td>
<td>Reduced European funding with the expansion of the EU</td>
</tr>
<tr>
<td>Extensive communications infrastructure with good access from the north and east to other UK regions</td>
<td>Inadequate understanding and analysis of the impact of future trends on the region</td>
</tr>
<tr>
<td>Strong local traditions of independence and autonomy</td>
<td>Efforts to ‘keep the region as it is’ may inhibit plans to respond to global trends and increasing competition</td>
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<table>
<thead>
<tr>
<th>WEAKNESSES</th>
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<tbody>
<tr>
<td>Exaggerated external perceptions of remoteness</td>
<td>The region’s environment offers opportunities for businesses to re-locate to the South West</td>
</tr>
<tr>
<td>Relatively low levels of UK Government public investment in infrastructure and education</td>
<td>Additional urban centres in the west to stimulate development and to balance the growth of Bristol</td>
</tr>
<tr>
<td>Lack of coherent regional identity, with few big cities as engines of growth and few sporting and cultural icons</td>
<td>Improved transport, ICT and distance working make remote locations more practicable for employers</td>
</tr>
<tr>
<td>Multiple local partners delivering too many disparate agendas</td>
<td>Improved governance structures to focus on agreed regional priorities</td>
</tr>
</tbody>
</table>
IMPROVE THE STRATEGIC COMMUNICATIONS INFRASTRUCTURE TO SUPPORT BUSINESS NEEDS

Modern societies and economies increasingly rely on sophisticated and efficient communications networks. The South West is a peripheral region and so the need to improve our national and international links is vital – yet this has to be achieved without destroying the special qualities of our environment.

PRIORITIES:
- Improve region’s transport network
- Improve the coverage and usage of broadband communication technologies.

Government Targets
- Increase regional productivity in real terms
- Improve trend growth in GDP per capita

Supplementary Regional Targets
- Increasing the percentage of households and businesses with broadband access
CONSERVE AND ENHANCE THE REGION’S PHYSICAL AND CULTURAL CAPITAL TO PROMOTE MAJOR BENEFITS TO TOURISM AND THE WIDER ECONOMY

In the South West, our environment and our cultural heritage are critically important to the economy. It is essential, therefore, that positive action is taken to improve these important assets and to create new projects that increase the region’s stock of natural capital. Equally, the coastal and marine assets that are so important to the South West need careful development in order to maintain the benefit to local communities and the wider economy.

PRIORITIES:

- Develop projects that improve the perceptions of the region, including those that increase cultural and sporting activity.
- Undertake strategic environmental projects that develop the South West as a sustainable region.

Government Targets

Improve trend growth in GDP per capita

Secure more inward investments

Contribute to the renaissance of towns and cities by ensuring that the average annual rate of growth in population in the region’s PUAs remains on trend at 0.4% per annum

Supplementary Regional Targets

Spending within the region by tourists visiting the South West

IMPROVE THE WAY THE REGION WORKS – DELIVERING QUALITY REGIONAL INTELLIGENCE, EFFECTIVE PARTNERSHIP AND INCREASED INFLUENCE

Recent research has demonstrated the importance of regional working in successful economies around the world. Key activities that will underpin all other actions at the regional level are: building on the region’s strengths and then successfully lobbying for additional investment and funding; further understanding the region’s opportunities and ensuring broad support for agreed regional priorities.

PRIORITIES:

- Encourage an integrated, partnership approach to economic development
- Improve the effectiveness of regional lobbying and advocacy at national and European levels
- Improve understanding of the region’s social, environmental and economic conditions.

Government Targets

Increase regional productivity in real terms

Supplementary Regional Targets

Completing the development of, and increasing the use of the Regional Observatory
OUR BIGGEST CROP IS BRIGHT IDEAS. WE HAVE FIVE OF THE TOP TEN MOST ENTREPRENEURIAL TOWNS IN THE COUNTRY. IT’S IN OUR NATURE.
PARTNERS IN DELIVERY

This is an economic strategy for the whole region. All partners involved in the economic development agenda have a crucial role in its delivery.
It is important that this Strategy is, and is seen to be, one that serves the whole region and is relevant to the work of all partners who are engaged in improving our economy. Effective partnership is, therefore, at the heart of this Strategy and effective partnership working will define how successfully it is delivered.

The role of businesses and business organisations is clear. It is equally important that public and voluntary organisations, at regional and local level, are encouraged to play an active role.

For its part, the Regional Development Agency will use this Regional Economic Strategy as the basis for all of its work and activity. Its Corporate Plan will set out in considerable detail how the RDA will help to implement this Strategy. Other partners could similarly identify how their activity fits within the RES and could show how they can deliver to the priorities contained in this document.

Many projects and programmes will be delivered in partnership and so the need to work in a clear, integrated and holistic way is particularly important. This Strategy also recognises the need to work jointly with neighbouring regions (particularly the West Midlands, Wales and the South East) to support mutually beneficial activity. Indeed, the RDA is already working closely with SEEDA on a number of projects, including a joint approach to marketing land and development opportunities across the whole of the south of England, and in dealing with a number of tourism issues.
This Strategy is a regional one and does not seek to define in detail what should happen in all parts of the region. It is expected that sub-regional partnerships (SRPs) and local strategic partnerships (LSPs) will produce strategies that demonstrate both how they will deal with the most important issues in their areas and how they can deliver within the framework of the RES.

The RDA is charged with producing the Regional Economic Strategy on behalf of the region. Of course, the RDA cannot deliver everything on its own, nor does it wish to. In some areas of activity it will lead; in some areas it will work in partnership with other agencies; and in some areas it will take more of a back-seat role. Nevertheless, the RDA has a crucial role in leading the delivery of the Regional Economic Strategy as a whole. The RDA will encourage partners to work more effectively together and will ensure that they have the capacity to respond to this Strategy.

The following table (in section 3.2) identifies the Strategic Actions and Priorities from the RES and suggests which organisations should lead on those priorities and which will be key partners for delivery. The table also identifies a number of Regional Activities which need to take place to make the Strategy a reality - right across the South West.
WE'RE FLYING HIGH. OUR AEROSPACE INDUSTRY CONTRIBUTES ALMOST A FIFTH OF OUR TOTAL EXPORTS. IT'S IN OUR NATURE.
PRIORITIES AND REGIONAL ACTIVITY

3.2
STRATEGIC OBJECTIVE 1 – TO RAISE BUSINESS PRODUCTIVITY

<table>
<thead>
<tr>
<th>STRATEGIC ACTIONS</th>
<th>PRIORITIES</th>
<th>REGIONAL ACTIVITY</th>
<th>LEAD PARTNER AT REGIONAL LEVELS</th>
<th>OTHER KEY PARTNERS</th>
</tr>
</thead>
</table>
| 1.1 SUPPORT BUSINESS GROWTH | Support the development of key sectors | - Concentrate business support activity on agreed sectors (reviewing periodically)  
  - Current sectors:  
    - Advanced engineering, including aerospace  
    - Food and drink  
    - ICT  
    - Tourism  
    - Marine  
  - Emerging sectors:  
    - Creative industries  
    - Biotechnology  
    - Environmental technologies  
  - Implement the skills development programme in each economically important and emerging sector | Regional Development Agency | Sector Group  
  Sector Skills Councils  
  Small Business Service  
  Manufacturing Advisory Service |
| | Encourage increased international trade by South West companies | - Stimulate and support non-exporting small and medium enterprises (SMEs) to explore and develop export markets  
  - Encourage greater exports into Europe and internationally from exporting firms  
  - Support businesses in opening up new markets | Trade Partners UK | British Trade International  
  Small Business Service  
  Enterprise Agencies |
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<th>REGIONAL ACTIVITY</th>
<th>LEAD PARTNER AT REGIONAL LEVELS</th>
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</thead>
</table>
| SUPPORT BUSINESS GROWTH (CONT) | Promote the development of regional and local supply chains | - Develop regional supply programmes focused on key sectors  
- Identify ‘sector primes’ – ie key businesses in these sectors and link supply chain work to them  
- Increase local sourcing – identify products and services that could be supplied by regional companies, quantifying the market opportunity  
- Promote ‘business to business’ and ‘meet the buyer’ contacts | Regional Development Agency | Small Business Service  
Enterprise Agencies  
Chambers of Commerce  
Sector Groups |
| Attract and retain domestic and foreign direct investment (FDI) into the region | Concentrate inward investment marketing in key sectors and towards key strategic sites  
Develop a tailored supply of training and research activity designed to assist FDI companies embedded in the regional economy  
Maximize the conversion rate of enquiries to investment  
Promote joint ventures between local and foreign companies  
Develop programmes of support designed to encourage companies to ‘embed’ in the regional economy and to reinvest in the region | Regional Development Agency | Local Authorities  
Invest UK  
Higher Education Institutions |
| Support business growth through access to appropriate finance and advice | Continue to promote the Regional Venture Capital Funds, targeted on key sectors  
Implement a focused programme to attract private financiers, identifying key opportunities for investment initiative including Venture Capital/Business Angels initiatives and PFI  
Promote and communicate other finance opportunities geared at supporting particular stages of business growth  
Promote the productivity and diversity of the rural economy especially within the food, drink and tourism sectors  
Identify SMEs with growth potential and provide quality services to support this growth | Small Business Service  
Venture Capital Fund  
Private Sector (Investment)  
Professional Associations  
Business Intermediaries |
<table>
<thead>
<tr>
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</tr>
</thead>
</table>
| **1.2 DEVELOP A SKILLED AND ADAPTABLE WORKFORCE** | Improve skills and learning in the workplace |  ▪ Provide centres of excellence for management training  
▪ Promote management skills  
▪ Undertake awareness raising programmes with employers regarding the potential of traditionally excluded groups  
▪ Promote best practice in identifying staff training needs and recruitment requirements  
▪ Provide a facility to enable employers to be compensated for time off for training  
▪ Work with trade unions and employers to identify and support employees lacking in basic skills – especially numeracy and literacy  
▪ Develop employers’ commitment to skills development  
▪ Co-ordinate workforce development | Regional Employment Forum | Sector Groups  
Business Intermediaries  
Trades Union Congress  
Regional Development Agency  
Learning and Skills Council  
Further Education/Higher Education |
| Deliver a coherent skills development framework focused on the needs of industry | Develop more responsive training schemes through LSCs and FE (demand, not supply led)  
▪ Ensure provision of appropriate FE and HE courses to attract students  
▪ Promote graduate retention  
▪ Ensure that the region has early intelligence of developing skills shortages – eg in construction  
▪ Investigate outreach training solutions where appropriate and cost effective  
▪ Ensure a coherent skills development infrastructure, including joint planning and signposting | Regional Employment Forum | Sector Groups  
Business Intermediaries  
Trades Union Congress  
Regional Development Agency  
Learning and Skills Council  
Further Education/Higher Education |
<table>
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<tr>
<th>STRATEGIC ACTIONS</th>
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</tr>
</thead>
</table>
| 1.3 DELIVER A SUPPLY OF APPROPRIATE SITES AND PREMISES FOR BUSINESS NEEDS | Develop incubators and science parks to support the exploitation of regional research | - Develop a coordinated approach to the provision of incubators  
- Identify the potential for incubator units to ‘spin out’ from each university  
- Bring forward three new regionally significant science parks linked to key sectors and to centres of global excellence in HEIs | Regional Development Agency | Local Authorities  
Higher Education Institutions  
Sector Groups  
Defence Diversification Agency  
Private Sector Developers |
|                   |                                                                            |                                                                                                                                                                                                                 |                                                     |                                                                                  |
|                   | Ensure regionally significant sites are brought forward                    | - Identify strategic sites of regional and sub-regional significance  
- Bring key sites to market using site assembly, compulsory purchase orders and the provision of services and utilities  
- Develop mixed use and sustainable approaches where opportunities and the market allow | Regional Development Agency | Local Authorities  
Regional Assembly  
Urban Regeneration Companies  
Landowners  
Private Sector Developers |
|                   |                                                                            |                                                                                                                                                                                                                 |                                                     |                                                                                  |
|                   | Ensure that there is a range of workspace to support the needs of developing companies | - Produce sub-regional workspace strategies to identify real demand and optimum locations for business workspace, taking into account the changing needs of rural businesses  
- Build workspace to the highest sustainability standards in locations where market failure is holding back private sector investment | Regional Development Agency | Local Authorities  
Private Sector Developers  
Regional Assembly |
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<th>LEAD PARTNER AT REGIONAL LEVELS</th>
<th>OTHER KEY PARTNERS</th>
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</table>
| 1.4 DEVELOP THE SOUTH WEST AS A LEADING REGION FOR INNOVATIVE AND KNOWLEDGE BASED BUSINESSES | Undertake key initiatives to encourage innovation in the region's businesses | - Implement the Innovation Strategy for the region  
- Identify and disseminate lean processes and techniques to improve business productivity, using the Regional Centre of Manufacturing Excellence as a focus for activity  
- Support selected R&D opportunities to bring world class technologies to market  
- Encourage the development of innovative approaches to market development and business processes in service sector companies  
- Build an innovation excellence network to link together key support providers, encourage best practice and draw up an innovation 'route map' for companies  
- Facilitate the development of the region’s science base in a way that will support the future knowledge needs of the region – through a regional science council  
- Support companies in understanding and responding to forseen changes through the development of regional technology panels  
- Support a range of demonstrator projects for renewable energy technologies  
- Promote closer links between businesses and universities to encourage technology transfer  
- Support entrepreneurship training for staff and students at universities  
- Develop a network of business account managers in universities to help companies access resources and research  
- Encourage initiatives to transfer knowledge from other public sector research establishments  
- Develop private sector networks to promote knowledge transfer between companies  
- Improve participation in national and European initiatives to support R&D and knowledge dissemination | Innovation Relay Centre/Regional Development Agency | Sector Groups  
Engineering Employers’ Federation  
SW Business Incubation  
Regional Development Agency  
Higher Education Institution |
| Increase the rate of technology transfer between further and higher education, public sector research establishments and businesses | | | | |
### STRATEGIC OBJECTIVE 2 – TO INCREASE ECONOMIC INCLUSION

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<th>STRATEGIC ACTIONS</th>
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<th>LEAD PARTNER AT REGIONAL LEVELS</th>
<th>OTHER KEY PARTNERS</th>
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</table>
| 2.1 ACCELERATE ECONOMIC PARTICIPATION BY WORKING LOCALLY TO STIMULATE EMPLOYMENT AND BUSINESS START-UPS | Raise individuals’ aspirations and skills for work | - Target recruitment and skills development training at under-represented sections of the labour market  
- Provide skills training to enable the workforce to adapt to new employment opportunities – this work can also focus on skill shortages  
- Encourage the development and improvement of adult learning programmes to improve employability and encourage entrepreneurship  
- Reduce the numbers of school leavers with poor basic skills  
- Raise the standard of basic skills  
- Increase the numbers of basic skills instructors  
- Lobby for sufficient investment to fund basic skills training  
- Promote adult skills opportunities in community settings  
- Stimulate individuals’ commitment to learning | Regional Employment Forum | Learning and Skills Council  
Regional Development Agency  
Higher Education Institutions  
Local Authorities  
Trades Union Congress  
SW Forum  
Voluntary Sector  
Job Centre + |

- Encourage more small businesses and social enterprises in disadvantaged areas  
- Encourage take-up of Government enterprise schemes  
- Develop culture of enterprise and entrepreneurship in schools and colleges  
- Enhance the regional social economy network  
- Identify and support social entrepreneurs  
- Encourage the development of social enterprises within community regeneration programmes, e.g. Building Communities, MCTI  
- Ensure that enterprise agencies and other business support agencies provide quality business support to social enterprises  
- Support the development of community finance initiatives | Small Business Service  
RISE  
Regional Development Agency  
Enterprise Agencies  
Regeneration Partnerships  
Voluntary Sector  
Local Strategic Partnerships  
SW ACRE Network |
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<tbody>
<tr>
<td>ACCELERATE ECONOMIC PARTICIPATION BY WORKING LOCALLY TO STIMULATE EMPLOYMENT AND BUSINESS START-UPS (CONT)</td>
<td>Ensure that there is equality of access to work, training and business advice</td>
<td>- Support a regional equalities network&lt;br&gt;- Resource the solutions to the employment needs of disadvantaged groups&lt;br&gt;- Encourage an inclusive approach to training provision and business advice, with particular focus being given to disadvantaged and excluded groups&lt;br&gt;- Improve access to excluded groups, ie through improved childcare provision, availability of training at suitable times, different languages, disabled access&lt;br&gt;- Encourage greater participation in the labour market from under-represented groups through targeted skills, employment and business advice&lt;br&gt;- Support voluntary and community organisations to raise awareness of job opportunities amongst job seekers&lt;br&gt;- Recognise and utilise the skills and experience of older people</td>
<td>Employment Service&lt;br&gt;Small Business Service</td>
<td>Learning and Skills Council&lt;br&gt;Local Authorities&lt;br&gt;Equality Network&lt;br&gt;Local Strategic Partnerships&lt;br&gt;Sub-regional Partnerships&lt;br&gt;Regional Development Agency&lt;br&gt;Regional Assembly&lt;br&gt;Voluntary Sector</td>
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<tr>
<td>STRATEGIC ACTIONS</td>
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</table>
| 2.2 SUPPORT THE REGENERATION OF DISADVANTAGED COMMUNITIES IN THE SOUTH WEST | Improve the economic performance of deprived urban communities |  - Target community regeneration programmes to tackle long-term structural weaknesses, including levels of affordable housing in urban communities  
  - Focus regeneration activity in the areas of greatest need – the concentrations of multiple deprivation in:  
    - Plymouth  
    - Torbay  
    - Bournemouth  
    - Bristol  
    - Gloucester  
  - And in the two Urban Regeneration Company (URC) areas:  
    - Camborne, Pool and Redruth  
    - Swindon  
  - Ensure that quality ‘master planning’ delivers integrated and sustainable development in urban areas  
  - Ensure the provision of appropriate land release for housing and encouraging higher proportions of social and affordable housing on all new developments  
  - Identify and support areas of greatest need within the region’s urban areas, eg Neighbourhood Renewal Areas | Regional Development Agency | Government Office – Neighbourhood Renewal Unit  
Regeneration Partnerships  
Voluntary Sector  
Private Sector  
Local Authorities  
Local Strategic Partnerships  
Sub-regional Partnerships  
Housing Corporation |
<table>
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<th>LEAD PARTNER AT REGIONAL LEVELS</th>
<th>OTHER KEY PARTNERS</th>
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<tbody>
<tr>
<td>SUPPORT THE</td>
<td>Address the changing needs of rural economies</td>
<td>Improve the quality of jobs and reduce rural inequalities by devising programmes</td>
<td>Regional Development Agency</td>
<td>Countryside Agency</td>
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<tr>
<td>REGENERATION OF</td>
<td></td>
<td>that will assist in improving productivity and add value to tourism and agriculture</td>
<td></td>
<td>Chamber of Rural Enterprise</td>
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<tr>
<td>DISADVANTAGED</td>
<td></td>
<td>Support schemes to diversify the economic base where dependence on agriculture</td>
<td></td>
<td>Local Authorities</td>
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<tr>
<td>COMMUNITIES IN THE</td>
<td></td>
<td>and fishing is strongest</td>
<td></td>
<td>Regional Assembly</td>
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<td>SOUTH WEST (CONT)</td>
<td></td>
<td>Develop a land use strategy that will integrate food production, tourism, energy</td>
<td></td>
<td>National Farmers’ Union</td>
</tr>
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<td></td>
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<td>production, environmental management and countryside access</td>
<td></td>
<td>Market &amp; Coastal Towns Initiative</td>
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<td></td>
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<td>Develop a regional food and farming strategy</td>
<td></td>
<td>Regional Observatory</td>
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<td></td>
<td>Develop ICT solutions to encourage the take-up of training, employment and advice</td>
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<td>Rural Community Councils</td>
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<td></td>
<td>in rural areas</td>
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<td>Enterprise Agencies</td>
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<td></td>
<td>Improve rural transport systems, in particular linking these to employment and</td>
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<td>Voluntary Sector</td>
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<td></td>
<td></td>
<td>training opportunities</td>
<td></td>
<td>Housing Corporation</td>
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<td>Develop and implement sustainable projects to enhance the economic future of</td>
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<tr>
<td></td>
<td></td>
<td>rural communities</td>
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<td></td>
<td></td>
<td>Develop the role of market towns as the economic hub of rural areas</td>
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<td></td>
<td>Support provision of viable economic facilities in small towns and villages</td>
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<td>Increase levels of affordable housing in the areas of highest inequality</td>
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<td>Provide appropriate land release for housing and encourage higher proportions of</td>
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<td></td>
<td></td>
<td>social and affordable housing on all new developments</td>
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### STRATEGIC OBJECTIVE 3 - TO IMPROVE REGIONAL COMMUNICATIONS AND PARTNERSHIP

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<th>LEAD PARTNER AT REGIONAL LEVELS</th>
<th>OTHER KEY PARTNERS</th>
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</thead>
</table>
| *3.1 IMPROVE THE STRATEGIC COMMUNICATIONS INFRASTRUCTURE TO SUPPORT BUSINESS NEEDS* | Improve the region’s transport network | - Invest in and implement the Regional Transport Strategy in full  
- Ensure that new developments reduce the need to travel by car  
- Increase the availability of public transport  
- Establish multi-modal transport hubs  
- Performance improvements across all strategic transport networks  
- Lobby for and implement the region’s most important and strategic transport projects (identified within the Regional Transport Strategy) and for transport improvements around the Principle Urban Areas. Further analysis may be needed, but these projects will include:  
  - Great Western main line (Paddington to Penzance) and Waterloo to Exeter rail line  
  - LRT network in Bristol  
  - Develop a main international regional airport and improve access to Heathrow/Gatwick  
  - Improvements to the strategic A30/A303 corridor, as well as the A358 link  
  - The M5/M4 traffic management improvements | Regional Assembly | Regional Development Agency  
Government Office  
Sustainability South West  
Transport Operatives  
Highways Agency  
Strategic Rail Authority  
Local Authorities |
| | Improve the coverage and usage of broadband communication technologies | - Increase access to secure and reliable broadband networks  
- Promote demonstration projects which exemplify the potential and the benefits of digital technologies and applications that result from broadband  
- Harness public procurement to drive the delivery of a broadband network  
- Support research into the application of new technologies (eg radio) that will create wider and cheaper access to the digital revolution | Regional Development Agency | Private Sector  
Smart SW  
Regional Assembly  
Local Authorities  
Regulator (Ofcom) |
<table>
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<tr>
<th>STRATEGIC ACTIONS</th>
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<th>LEAD PARTNER AT REGIONAL LEVELS</th>
<th>OTHER KEY PARTNERS</th>
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<tbody>
<tr>
<td>3.2 PROMOTE THE SOUTH WEST IN ORDER TO ATTRACT BUSINESSES, EMPLOYEES AND INVESTMENT</td>
<td>Improve the way that the South West is perceived by investors, businesses, potential workers and visitors</td>
<td>Develop a regional image campaign and reinforce the key regional messages: Innovation, Creativity, High Skills and Environmental Quality</td>
<td>Regional Development Agency</td>
<td>Regional Assembly, SW Tourism, Local Authorities, British Trade International, Trade Partners UK, Invest UK</td>
</tr>
</tbody>
</table>

Promote the renaissance of the region’s largest urban areas as dynamic international cities
- Develop the role of the 11 Principal Urban Areas as the main centres of economic, cultural and academic activity in the region
- Promote best practice in urban design through the development of ‘creating excellence’
- Promote a range of exemplar projects
- Concentrate major developments in and around Bristol, Exeter, Plymouth and Bournemouth/Poole
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<th>STRATEGIC ACTIONS</th>
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</table>
| 3.3 CONSERVE AND ENHANCE THE REGION’S PHYSICAL AND CULTURAL CAPITAL TO PROVIDE MAJOR BENEFITS TO TOURISM AND THE WIDER ECONOMY | Develop projects that improve the perceptions of the region, including those that increase cultural and sporting activity | - Develop high quality cultural projects that enhance the region’s artistic, cultural and environmental heritage  
- Identify and bid for cultural and sporting events of national significance  
- Ensure that the key priorities from the Coastal Prospectus are integrated into existing priority activity – eg tourism, town regeneration, marine sector  
- Identify, develop and deliver key ‘icon’ projects of regional significance to provide major economic benefit and improve perceptions of the region, for example:  
  - Eden Institute  
  - Creative Planet  
  - International Conference Centre  
  - Combined Universities in Cornwall  
  - The ‘Jurassic’ World Heritage Coast  
- Develop exemplar projects to develop year-round, high-value tourism | Culture SW | Sport England  
Regional Development Agency  
Regional Assembly  
Local Authorities  
Lottery  
National Trust  
English Heritage  
SW Tourism  
Private Developers |
| | Undertake strategic environmental projects that develop the South West as a sustainable region | - Ensure that regional renewable energy targets are met  
- Develop a sustainable waste strategy and maximise economic benefits to regional economy  
- Increase the take-up of sustainable construction techniques on all new developments – conforming to the Future Foundations Charter  
- Develop an action programme to implement the Environment Driver | Regional Development Agency/Regional Assembly | Environment Agency  
Sustainability South West  
REGEN SW  
Regional Environment Network  
Countryside Agency  
Government |
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<tr>
<th>STRATEGIC ACTIONS</th>
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<tr>
<td>3.4 IMPROVE THE WAY THE REGION WORKS - DELIVERING QUALITY REGIONAL INTELLIGENCE, EFFECTIVE PARTNERSHIP AND INCREASED INFLUENCE</td>
<td>Encourage an integrated, partnership approach to economic development</td>
<td>Ensure that clarity is achieved between regional partners with regard to truly strategic priorities</td>
<td>Regional Assembly</td>
<td>Regional Development Agency</td>
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<td>Improve the ways in which regional institutions work together to maximise the alignment of policy and minimise duplication</td>
<td>Regional Assembly</td>
<td>Government Office</td>
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<td>Improve the presence and effectiveness of the South West regional voice in Westminster, Whitehall and the City</td>
<td>Regional Assembly</td>
<td>All Regional Agencies</td>
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<td>Undertake research to demonstrate linkages and mutual dependence of urban and rural areas</td>
<td>Regional Assembly</td>
<td>All Regional Agencies</td>
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<td>Provide regional leadership that will encourage organisations to be objective in their response to the priorities of urban and rural needs</td>
<td>Regional Assembly</td>
<td>All Regional Agencies</td>
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<td>Ensure contingency planning and rapid reaction capability in response to labour market emergencies</td>
<td>Regional Assembly</td>
<td>All Regional Agencies</td>
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<td></td>
<td></td>
<td>Support local and sub-regional partnerships</td>
<td>Regional Assembly</td>
<td>All Regional Agencies</td>
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<td>STRATEGIC ACTIONS</td>
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| IMPROVE THE WAY THE REGION WORKS - DELIVERING QUALITY, REGIONAL INTELLIGENCE, EFFECTIVE PARTNERSHIP AND INCREASED INFLUENCE (CONT) | Improve the effectiveness of regional lobbying and advocacy at national and European levels                                                      | ■ Maximise annual grant aid to the region in terms of Government and EU institutions in order to support strategic regional priorities                                                          | Regional Development Agency                                                                       | Government Office  
Regional Assembly                                                                  |
|                                                                                |                                                                                                                                          | ■ Ensure that the region is active and visible within the EU                                                                                                                                            | Regional Development Agency                                                                       | All SW Agencies                                                                                     |
|                                                                                |                                                                                                                                          | ■ Develop the Brussels Office and its links back to the region                                                                                                                                          | Regional Development Agency                                                                       | Higher Education                                                                                   |
|                                                                                |                                                                                                                                          | ■ Lobby for the future needs of the South West – eg CAP/Structural funds                                                                                                                                  | Regional Development Agency                                                                       | South West UK                                                                                      |
|                                                                                |                                                                                                                                          | ■ Develop partnerships with other European regions to increase trade links, learn from best practice and access appropriate funding                                                                     | Regional Development Agency                                                                       | Brussels Office                                                                                     |
|                                                                                | Improve understanding of the region’s social, environmental and economic conditions                                                       | ■ Continue to develop the Regional Observatory                                                                                                                                                    | Regional Observatory                                                                             | Regional Development Agency                                                                       |
|                                                                                |                                                                                                                                          | ■ Ensure that linkages between the Regional Observatory and other research networks are maximised                                                                                           | Regional Observatory                                                                             | Regional Assembly                                                                                  |
|                                                                                |                                                                                                                                          | ■ Develop and improve mechanisms to disseminate information regarding the socio-economic and environmental state of the region                                                                  | Regional Observatory                                                                             | Government Office                                                                                  |
|                                                                                |                                                                                                                                          | ■ Establish a ‘Foresight’ Programme to consider possible future impacts on the South West – eg climate change or CAP                                                                               | Regional Observatory                                                                             | Higher Education                                                                                   |
|                                                                                |                                                                                                                                          |                                                                                                                                                                                                 | Regional Observatory                                                                             | Education Institutions                                                                            |
|                                                                                |                                                                                                                                          |                                                                                                                                                                                                 | Regional Observatory                                                                             | Environment Agency                                                                                |
WITH 8 UNIVERSITIES AND 41 COLLEGES, WE HAVE BRAINS AS WELL AS BEAUTY.
IT’S IN OUR NATURE.
MONITORING AND EVALUATION
THE REGIONAL ECONOMIC STRATEGY AIMS TO IMPROVE THE ECONOMY TO 2012 AND BEYOND. CLEARLY, THE SUCCESS OF THIS REGIONAL ECONOMIC STRATEGY WILL BE DIFFICULT TO MEASURE QUICKLY – BUT IT WILL BE NECESSARY TO REVIEW ITS EFFECTIVENESS REGULARLY.
MEASURING SUCCESS

Government has set 11 targets for the economic development of the English regions and charged RDAs with a leadership role in progressing their achievement. These are called Tier 2 targets. Their successful delivery requires the combined efforts of key partners. Work will take place in the region over the coming months to identify how the Government targets can best be delivered.

In the South West, we will supplement these Government targets with region-specific targets that will relate to our RES, thereby ensuring that regional objectives are also met. These supplementary targets have now been agreed with Government and will be published in the South West RDA’s Corporate Plan.

Measurement of progress on both Government and RES supplementary targets will be at three year intervals, with interim assessments at the end of each year. The Regional Observatory will have an increasing role in the future in carrying out this monitoring role on behalf of regional partners.

Regional partners should be encouraged to adopt consistent appraisal systems that integrate the principles outlined in the RES.
RES REVIEW

It is intended to conduct another full review in three years' time, with an interim assessment after 18 months. These reviews will involve updating the economic analysis and policy context, evaluating achievement against priority actions and receiving feedback from partners on their own experience of delivering the RES and views as to its on-going validity.

As before, continuity of strategy will be paramount. Where circumstances evolve, changes will be made at the level of implementation, keeping the overall direction of the RES intact.

ANALYSIS OF CROSS-CUTTING ISSUES

In order to assess how the strategic components of the RES address equality of opportunity, sustainable development and rural issues, the tables in Appendix 3 show how the different levels of the Strategy support these cross-cutting issues.
WE ENJOY THE COUNTRY’S WARMEST CLIMATE. NO WONDER OUR FOOD TAKES SOME LICKING. IT’S IN OUR NATURE.
APPENDICES

POLICY AND INSTITUTIONAL CONTEXT
CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY
ANALYSIS OF CROSS-CUTTING ISSUES
APPENDIX 1: POLICY AND INSTITUTIONAL CONTEXT

THIS SECTION DESCRIBES THE CHANGING POLICY CONTEXT FOR THE REGIONAL ECONOMIC STRATEGY AT A REGIONAL, NATIONAL AND INTERNATIONAL LEVEL. ALSO, IT DEMONSTRATES HOW MANY OF THE NEW ORGANISATIONS IN THE REGION CONTRIBUTE TO THE ECONOMY OF THE SOUTH WEST.

THE DRAFTING OF THIS REVISED STRATEGY HAS TAKEN INTO ACCOUNT THE SHIFTS IN POLICY THAT HAVE TAKEN PLACE SINCE 1999, ESPECIALLY THOSE THAT RELATE TO, OR IMPACT UPON, ECONOMIC DEVELOPMENT.
The development of the Regional Economic Strategy for the South West of England takes place within a broader national and European context. The Government’s central economic objective is to provide a stable economic environment by:

- maintaining economic stability
- increasing employability (and decreasing unemployment)
- improving productivity
- ensuring responsibility in wage bargaining
- achieving regionally balanced growth.

Specific measures have also been introduced to generate an economic environment in which successful and productive businesses can flourish. These measures have been aimed at improving market operation and tackling barriers to growth. Since 1999, a series of Acts and White Papers have been introduced which have an important impact on the economic landscape of the country. The most important of these for the South West are highlighted below.

The Urban and Rural White Papers set out a vision for the renaissance of urban centres and rural areas. Both recognise the regional diversity and local distinctiveness of urban and rural places and the need for policies to reflect these differences. They also recognise the need to improve the quality of life as an important means of securing greater economic competitiveness. Both White Papers contain policies and programmes for improving the quality of life in their respective areas, including measures for regeneration, planning, improving services, tackling poverty and social exclusion and protecting the countryside.

Food and Farming: A Sustainable Future (2002)
The Curry report, as it is known, provides recommendations on how we can create a sustainable, competitive and diverse farming and food sector, which contributes to a thriving and sustainable rural economy, advances environmental, economic, health and animal welfare goals, and is consistent with Common Agricultural Policy. The main finding of the report was that there is a need to reconnect our food and farming industry with the food chain and with consumers. This report is particularly relevant to regions like the South West and has played an important role in influencing the direction of rural policy development.

Learning and Skills Act (2000)
A successful economy depends on a skilled workforce. The Learning and Skills Act aims to reform the provision of post-16 education in order to make training more demand-led and responsive to the needs of the economy. The Act seeks to establish a more coherent planning and funding system, and to provide a framework of support for individuals, so encouraging wider participation in learning. The framework has reorganised the delivery mechanisms and planning structures, for example, by establishing the new national Learning and Skills Council.

Opportunity for All in a World of Change (2001)
The White Paper outlines the national policies on enterprise, skills and innovation that are needed to facilitate a knowledge driven economy, and to support improvements in productivity. The Government is committed to:

- increasing productivity by investing in science, innovation, new technology and skills
- increasing growth in all regions by addressing underperformance in business
- building on success and promoting enterprise for all.
Planning: Delivering a Fundamental Change (2002)
The recent Green Paper acknowledges that a successful planning system promotes economic prosperity by delivering land for development in the right place at the right time. The proposals aim to reform the planning system by streamlining plan-making and development control processes.

Manufacturing Strategy (2002)
The Government views manufacturing success as critical to the prosperity of Britain, both currently and in the future. In 2002, a Manufacturing Strategy was published, which sets out the current strengths and weaknesses of the UK manufacturing industry, and what changes need to be made in order for manufacturing to take advantage of technological change and increasing world markets. The strategy outlines ‘7 Pillars’ of activity to build strength or overcome weakness. They are:

- macroeconomic stability
- investment
- science and innovation
- best practice
- skills and education
- modern infrastructure
- right market framework.

Following a request from the Department for Trade and Industry, all RDAs are in the process of developing Regional Manufacturing Strategies.

In the integrated transport White Paper ‘A New Deal for Transport: Better for Everyone’, the Government announced that it would prepare a UK airports policy looking 30 years ahead and would bring forward new policies on civil aviation. The White Paper will need to consider aviation’s effect on:

- consumers
- the economy
- the environment
- regional development
- urban regeneration
- policies on integrated transport
- policies of local authorities and Regional Development Agencies.

The Government published a consultation document in 2000 so that it could gather views on the issues that it should take into account when drafting the White Paper. The consultation phase has been completed and the results published. It is expected that the White Paper will be published in 2003. As part of the consultation process a series of regional studies have been conducted, which examined the economic, social and environmental impacts of a range of air service and capacity options in each region, including the South West.

Equal Opportunities Legislation
As well as new policies, there have also been some developments in relation to legislation, which have had an impact on the development of the Regional Economic Strategy. The most recent example is the Race Relations (Amendment) Act 2001, which places a general statutory duty on public authorities to promote racial equality and prevent racial discrimination. All public agencies in the South West were required to develop and publish a Race Equality Scheme by 31 May 2002.
REGIONAL POLICY

There have also been significant developments to the regional policy context which has influenced the development of the Regional Economic Strategy.

Your Region, Your Choice: Revitalising the English Regions (2002)
The Government recognises that the prosperity of the English regions, and of the nation as a whole, are inseparable and mutually reinforcing. Therefore, the aim of regional policy is to redress economic and historic imbalances. It does this by bridging gaps in investment and enterprise, skills, technology, employment and quality of life.

The Government is also committed to improving the coordination of policy at a regional level and to improving the democratic accountability of regional organisations. The White Paper proposes that the RDAs should be given more resources and flexibility and that the roles of the regional chambers, and the Government Offices, should be enhanced. The main proposal is that the existing regional chambers should be replaced by directly elected assemblies. The paper goes on to set out the prospective role, functions, constitution and funding for the assemblies. The Government will introduce elected regional assemblies only in regions where support for the proposal is demonstrated in referendums and where wholly unitary local government is established.

Integrated Regional Strategy
Increasingly, Government wants to develop an integrated approach to strategic policy making at a regional level. Consequently some regional partners, including the South West Regional Assembly, are promoting the development of an Integrated Regional Strategy (IRS). The IRS will help the region to develop a common set of objectives and outcomes and promote more integrated working. A shared understanding of the region should also encourage more effective decision making. The Regional Economic Strategy will be fully compatible with the IRS.

Regional Planning Guidance
Regional Planning Guidance for the South West (RPG10) provides the long term strategic planning context for the activities, agencies and businesses in the South West region. It also contains the Regional Transport Strategy for the period up to 2016 and gives a regional context for the structure and local plans prepared by the region’s local authorities.

RPG 10 sets out a spatial strategy for the future development of the South West and places particular emphasis upon the potential of the region’s 11 Principal Urban Areas to accommodate a large proportion of the region’s future growth. The spatial strategy also provides a planning policy context for rural and coastal areas. The RPG provides a framework for investment by defining ‘areas of special need’ and guidance on the provision of employment land, particularly major strategic sites of regional/sub-regional significance.

The new spatial strategy will complement the Regional Economic Strategy, and provide a 15 to 20 year spatial framework within which this and other strategies can be placed.

A Sustainable Future for the South West
The Regional Sustainable Development Framework was produced in December 2000 by Sustainability South West. The Framework identifies 15 themes that cut across the region’s economic, social and environmental interests. A sustainability appraisal is being carried out as part of the Regional Economic Strategy review, to ensure that the strategy is consistent with the Framework, and contributes towards sustainable development in the region.

FRESA: Framework for Education and Skills Action
In February 2002 Government asked each RDA to produce a FRESA for their region. The document consists of an in-depth labour market analysis and action plan. The development of the framework has been steered by a Regional Employment Forum consisting of key partners from both the demand and supply side of the labour market. The FRESA will be published alongside the Regional Economic Strategy and will be fully compatible with it.

South West Manufacturing Strategy
Published in 2002, this document clearly sets out the issues affecting manufacturing companies in the region. Making strong links with the Regional Economic Strategy, it sets out seven ‘pillars’ to ensure that manufacturing remains competitive and responsive to future demands.

In Search of Chunky Dunsters
In 2001, Culture South West published its strategy for the development of the cultural sector in the South West. It lays out how the cultural sector can work together to improve the quality and range of cultural activity available to all those living in or visiting our region and support the further development of our already successful creative industries.
EU Enlargement
Negotiations for the enlargement of the European Union (EU) have been under way for some time. Ten countries will have finalised accession negotiations by the end of 2002. This enlargement will have a major political, economic and cultural impact on Europe and the South West. The EU will become geographically more rural and this will have significant implications for policy development and implementation in the South West.

Common Agricultural Policy (CAP) Reform
CAP was originally introduced to raise the level of farm incomes and to guarantee food security to Western Europe. A mid-term evaluation of CAP was announced in July 2002 proposing that adjustments should be made to:

- reform the market support regimes
- decouple direct payments from production
- strengthen support for rural development.

The move towards increased funding for rural development and environmental management is particularly important to the South West, although it has yet to be established how the proposed changes will have an impact on the agricultural industry.

European Cohesion Policy: European Structural Funds
European cohesion policy seeks to promote balanced economic and social cohesion across the EU. Structural funding is one of the mechanisms used to redress disparities between member states and regions. Currently Cornwall, and parts of Bristol, Plymouth, Torbay and rural Devon benefit from Objective 1 and 2 funding. A regional development plan has been established to steer the delivery of the Objective 3 programme. The South West also benefits from the community initiatives: INTERREG, URBAN, LEADER+ and EQUAL.

Environment 2010: Our future, our choice
The Sixth Environment Action Programme (6EAP) defines the priorities and objectives of environmental policy up to 2010 and beyond, and describes the measures to be taken to help implement the EU’s sustainable development strategy.

The 6EAP emphasises the importance of a strategic approach and proposes five broad actions:

- ensuring the implementation of existing legislation
- integrating environmental concerns into other policies
- working closer with the market
- empowering people as private citizens and helping them to change behaviour
- taking account of the environment in land-use planning and management decisions.

The priority areas are climate change, nature and biodiversity, environment and health and natural resources and waste.
REGIONAL INSTITUTIONS

South West Regional Assembly (SWRA)
The SWRA is a voluntary regional chamber which brings together elected members from local government (83 representatives) and representatives from the region's economic, social and environmental sectors (34 representatives). SWRA provides a voice for the region and lobbies on its behalf and has specific responsibilities in relation to:
- Regional Planning Guidance
- Regional Sustainable Development Framework
- Scrutinising the South West RDA
- Integrating regional strategies and promoting partnership working

Government Office South West (GOSW)
The role of the office is to work with regional partners and local people to help deliver the Government's central aims. GOSW represents the work and interests of seven Government departments. Its role is to directly manage spending programmes, and to oversee budgets and contracts delegated to organisations in the region. GOSW has a number of regulatory functions for Department for Environment, Food and Rural Affairs (DEFRA) and the Office of the Deputy Prime Minister (ODPM) and holds regional institutions, such as the RDA, accountable to central government.

South West of England Regional Development Agency (South West RDA)
In April 1999, a Regional Development Agency began operating in each of the English regions. The statutory purposes of RDAs are to:
- further economic development
- promote business efficiency
- promote employment
- enhance skills relevant to the region
- contribute to the achievement of sustainable development.
Since 1999, the role of all RDAs has been refined and developed. A stronger emphasis has been placed on devising a broader approach to economic development that encompasses innovation, skills and entrepreneurship, as well as the more traditional concerns of social regeneration and inward investment.

Sub-regional Partnerships (SRPs)
The SRPs are the voice of the sub-region in the South West. There are seven in total, each one covering the geographical area relating to the old counties. Since 1999, the SRPs have developed their economic strategies, which are currently being implemented and reviewed.

Local Strategic Partnerships (LSPs)
LSPs were established to address issues of social exclusion at a local level. They are, by definition:
- local: influenced by the views of people in the community
- strategic: able to think long term and decide on priorities and objectives
- partnerships: by bringing together local authorities, service providers, the business and voluntary sectors and others.
The funding available will be used to improve education, crime, health and the physical environment. LSPs have been established in areas that are designated as Neighbourhood Renewal areas but they are also being established outside these areas. The LSPs in the Neighbourhood Renewal areas are well established with strategies for action in place. The newer LSPs are at different stages of development and vary in the extent to which they function strategically.
Other Regional Organisations
There are many organisations in the region that have an impact on the economic landscape. Examples include:

Public sector:
- Local Government
- Environment Agency
- Countryside Agency
- English Heritage
- Housing Corporation
- National Health Service Executive
- Local Learning and Skills Councils
- Higher Education Institutions/Further Education Colleges

Private sector:
- Institute of Directors
- South West Chambers of Commerce
- CBI South West
- Federation of Small Businesses
- West of England Aerospace Forum (WEAF)
- Marine South West
- South West Food and Drink

Since 1999, there has been a growth of organisations that have a specific regional remit, or of national organisations which function in a regional way. Examples include:

- South West Regional Employment Forum
- South West Forum
- Sustainability South West
- Culture South West
- South West Screen
- Renewable Energy Office (REGENsw)
- Trade Partners UK

The section on the Institutional and Policy Context has been prepared by the South West Regional Assembly.
ANNEX A: SUMMARY OF REGIONAL STRATEGIES

As the Regional Economic Strategy makes clear, there are many agencies and organisations that have a role in enhancing the economic life of the region. It is vital that the Regional Economic Strategy is coherent with the strategies of these other organisations. For information, we have provided a summary table below which lists the main regional strategies. The full table which shows the date, period and area covered of the strategy, as well as the delivery partners is available in the SWRA’s report: ‘Single minded and sustainable: Towards an integrated regional strategy for the South West’ available from clare.brooke@southwest-ra.gov.uk.

<table>
<thead>
<tr>
<th>NAME OF THE STRATEGY</th>
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<tbody>
<tr>
<td>Regional Economic Strategy for the South West of England</td>
<td>A New Commitment to Neighbourhood Renewal</td>
</tr>
<tr>
<td>Regional Sustainable Development Framework for the South West of England</td>
<td>EU Objective 1</td>
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<tr>
<td>Regional Planning Guidance for the South West (RPG 10)</td>
<td>Objective 2 Programme for the South West of England</td>
</tr>
<tr>
<td>A Strategy for Tourism in the South West</td>
<td>SWARMMS</td>
</tr>
<tr>
<td>Action for Biodiversity in the South West</td>
<td>Regional Gateways Strategy</td>
</tr>
<tr>
<td>Framework for Regional Employment and Skills Action (FRESA)</td>
<td>Strategic Framework for Renewable Energy in the South West</td>
</tr>
<tr>
<td>HERDA-SW Strategic Plan</td>
<td>The Climatic Challenge for the South West</td>
</tr>
<tr>
<td>Learning and Skills Council National Strategic Framework</td>
<td>Our Waste: Our Opportunity for a Sustainable Future for Waste Management in the South West</td>
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<tr>
<td>European Social Fund: Objective 3, South West Region Regional Development Plan 2000-2006</td>
<td>South West Information and Communication Technologies Strategy</td>
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<tr>
<td>Small Business Service Strategy 2001-04</td>
<td>South West Regional Housing Statement 2001</td>
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<tr>
<td>South West of England Innovation Strategy</td>
<td>In Search of Chunky Dunsters… A Cultural Strategy for the South West</td>
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<tr>
<td>South West of England RDA’s Rural Action Plan</td>
<td>New Directions for South West Farming</td>
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<tr>
<td>South West Arts: Making Arts Matter</td>
<td>A Strategy for the Historic Environment in the South West</td>
</tr>
<tr>
<td>South West Museums Libraries and Archives Business Plan</td>
<td>South West Manufacturing Strategy</td>
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<tr>
<td>South West of England International Trade Strategy</td>
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</table>
APPENDIX 2: CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY

THE PRINCIPLES OF GOOD CORPORATE SOCIAL RESPONSIBILITY SHOULD INFLUENCE HOW THE REGIONAL ECONOMIC STRATEGY IS IMPLEMENTED AT THE REGIONAL, SUB-REGIONAL AND LOCAL LEVEL.

THE PRINCIPLES THEREFORE PLAY AN INTEGRAL ROLE WITHIN THE DECISION-MAKING PROCESSES OF INDIVIDUAL BUSINESSES AND ORGANISATIONS.
Social responsibility applies at the point of impact of business in all sectors, private, voluntary and public. For all, corporate social responsibility is essentially about behaviours that go beyond basic legal compliance and thereby achieve real business benefits. At the same time, delivery of activities which maximise the positive and minimise negative impact contribute to the overall goal of sustainable development.

There are a number of key components of social responsibility most clearly defined at the point at which principles become practice.

In essence, a socially responsible organisation:

- recognises that its activities have a wider impact on the society in which it operates;
- in response, takes account of the economic, social, environmental and human rights impact of its activities (across the world); and
- seeks to achieve benefits by working in partnership with other groups and organisations.

There is no simple set of rules or procedures by which to be socially responsible. Different types of business and different types of organisation have different impacts on society, so the steps each needs to take will differ too. However we can highlight seven key areas of responsibility for business and organisations in the South West region to consider.

**PURPOSES AND VALUES**

To what extent are the purposes and values of an organisation, defined and shared by others including employees and stakeholders? Are relationships between employees, stakeholders and the organisation as effective as they might be?

**WORKFORCE**

Does the organisation fairly treat, support and invest in its workforce, considering areas such as workplace diversity, work/life balance, health and safety, training and staff development?

**MARKET PLACE**

How positively does the delivery of goods and services impact upon wider society? Are issues such as safety and pricing, advertising and consumer rights, complaints and the needs of vulnerable or disadvantaged consumer groups considered and affected by the organisation?

**ENVIRONMENT**

How committed is the organisation to achieving minimal negative impact on the environment? To what extent are environmental impacts properly considered, managed and appropriately communicated?

**COMMUNITY**

Does the organisation play a sufficiently positive role in the community at large? In the production and provision of goods and services, does the organisation directly invest in local communities and take measures to keep negative impacts of production to a minimum?

**HUMAN RIGHTS**

Often most relevant to those working on a global scale, companies might review how their decision-making and operations affect human rights. For example, does the company pay sufficient regard to human rights issues when dealing with suppliers and sub-contractors?

**GUIDING PRINCIPLES**

To what extent are an organisation's principles implemented into planning and practices? Do principles reflect the values and aspirations of employees, and roles and responsibilities of senior managers?
APPENDIX 3 - ANALYSIS OF CROSS-CUTTING ISSUES

THE REGIONAL ECONOMIC STRATEGY HAS TO ADDRESS THE NEEDS AND ASPIRATIONS OF A WIDE VARIETY OF PARTNERS AND INTERESTS. CLEARLY IT CANNOT AIM FOR AN APPROACH WHICH LOSES ITS FOCUS BY TRYING TO SATISFY ALL INTERESTS, AND THEREFORE LOSE THE ABILITY TO DELIVER REAL CHANGE IN THE SOUTH WEST AND REAL IMPROVEMENT TO THE ECONOMY OF THE REGION.
CROSS-CUTTING ISSUES – SUSTAINABLE DEVELOPMENT

The Regional Economic Strategy has been developed to ensure consistency with the ‘Regional Sustainable Development Framework’. This was published by Sustainability South West in December 2000, and identifies how the economic, social and environmental needs of the region should be met through an integrated approach to development.

In developing this Strategy, the RDA has involved Sustainability South West at all stages of the process. They have acted as both consultee and appraiser and provided a detailed commentary at the draft stage, which has helped to bring Sustainable Development into the heart of this RES. The Strategy has also benefited from a study by Ecotec Consultants into the contribution of the RES to Strategic Environmental Assessments.

The Regional Economic Strategy, from the Vision, through the Strategic Objectives, Priorities, Targets, and Activities – has been developed to ensure that overall they contribute to the sustainable development of the region. The table below highlights areas in the Strategy of particular relevance to Sustainable Development and the Regional Sustainable Development Framework.

However, there are a small number of cross-cutting issues against which the Strategy needs to be assessed. This is because they are either acknowledged to be of overarching importance, or have been identified by Government as an appropriate issue for such an approach. For this reason, this Appendix examines the impact of the RES on three issues:

- Sustainable development
- Equality of opportunity
- Rural development

STRATEGY

VISION

The introduction to the Vision states that the RES must have ‘a committed approach to sustainable development’. Economic success can no longer be defined only by short term indicators and it is recognised that a successful economy is one that is productive and efficient over a longer period of time. In order to maintain that long term stability and success, social and environmental needs also must be met.

DRIVERS

Whilst the environment represents only one aspect of sustainability, recognising its value as an Economic Driver – as economic capital for the region – underlines the importance of considering environmental impacts of economic development activity.

MISSION/HEADLINE OBJECTIVES

The Mission of the Strategy is to increase sustainable prosperity. Whilst all Strategic Objectives have elements that will impact on Sustainable Development, the following reflect directly:

Strategic Objective 1: ‘Businesses to be encouraged to recognise the importance of social and community development and take a fully responsible attitude to the environment.’

Strategic Objective 2: ‘A successful and sustainable economy must deal with imbalances in economic inclusion.’

Strategic Objective 3: ‘The South West must continue to understand the economic, social and environmental situation in the region and understand potential impacts of future scenarios.’
<table>
<thead>
<tr>
<th>STRATEGIC ACTION</th>
<th>PRIORITY</th>
<th>REGIONAL ACTIVITY</th>
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</thead>
<tbody>
<tr>
<td><strong>STRATEGIC OBJECTIVE 1</strong> Support business growth</td>
<td>— Promote the development of regional and local supply chains</td>
<td>— Increase local sourcing</td>
</tr>
<tr>
<td></td>
<td>— Attract and retain domestic and foreign direct investment (FDI) into</td>
<td>— Develop programmes of support designed to encourage companies to ‘embed’ in the regional economy and to reinvest in the region</td>
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<tr>
<td></td>
<td>the region</td>
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<tr>
<td>Deliver a supply of appropriate land and property for business needs</td>
<td>— Ensure regionally significant sites are brought forward</td>
<td>— Develop mixed use and sustainable approaches (to regionally significant sites) where opportunities and the market allow</td>
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<td>— Ensure that there is a range of workspace to support the needs of</td>
<td>— Build workspace to the highest sustainability standards in locations where market failure is holding back private sector investment</td>
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<tr>
<td></td>
<td>developing companies</td>
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<tr>
<td>Develop the South West as a leading region for innovative and knowledge-based</td>
<td>— Undertake key initiatives to encourage innovation in the region’s</td>
<td>— Support a range of demonstrator projects for renewable energy technologies</td>
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<tr>
<td>businesses</td>
<td>businesses</td>
<td>— Identify and disseminate lean processes and techniques to improve business productivity</td>
</tr>
<tr>
<td><strong>STRATEGIC OBJECTIVE 2</strong> Accelerate economic participation by working locally</td>
<td>— Encourage more small businesses and social enterprises in disadvantaged</td>
<td>— Enhance the regional social economy network</td>
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<tr>
<td>to stimulate employment and business start-ups</td>
<td>areas</td>
<td>— Identify and support social entrepreneurs</td>
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<td></td>
<td>— Ensure that there is equality of access to work, training and business</td>
<td>— Encourage the development of social enterprises</td>
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<td>advice</td>
<td>— Support the development of community finance initiatives</td>
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<td>— Recognise and utilise the skills and experience of older people</td>
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<td>— Encourage greater participation in the labour market</td>
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<tr>
<td>Support the regeneration of disadvantaged communities in the South West</td>
<td>— Improve the economic performance of deprived urban communities</td>
<td>— Ensure that quality ‘master planning’ delivers integrated and sustainable development of urban communities</td>
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<td></td>
<td>— Address the changing needs of rural economies</td>
<td>— Deliver an integrated land use strategy</td>
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<td></td>
<td>— Improve rural transport systems</td>
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<td></td>
<td></td>
<td>— Develop sustainable projects to enhance the economic future of rural communities</td>
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<tr>
<td>STRATEGIC ACTION</td>
<td>PRIORITY</td>
<td>REGIONAL ACTIVITY</td>
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<tr>
<td>STRATEGIC OBJECTIVE 3</td>
<td>Improve the strategic communications infrastructure to support business needs</td>
<td>Ensure that new developments reduce the need to travel by car</td>
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<tr>
<td></td>
<td>Improve the coverage and usage of broadband communication technologies</td>
<td>Increase the availability of public transport</td>
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<td></td>
<td>Establish multi-modal transport hubs</td>
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<td></td>
<td></td>
<td>Support research into the application of new technologies that will create wider and cheaper access to the digital revolution</td>
</tr>
<tr>
<td>Conserve and enhance the region’s physical and cultural capital to provide major benefits to tourism and the wider economy</td>
<td>Undertake strategic environmental projects that develop the South West as a sustainable region</td>
<td>Ensure renewable energy targets are met and that South West businesses can compete effectively for global markets in this sector</td>
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<td></td>
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<td>Develop a waste strategy and maximise economic benefits to the regional economy</td>
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<td></td>
<td>Increase take up of sustainable construction techniques on all developments conforming to the Future Foundations Charter</td>
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<tr>
<td>Improve the way the region works – delivering quality regional intelligence, effective partnership and increased influence</td>
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</tbody>
</table>
CROSS-CUTTING ISSUES - EQUALITY OF OPPORTUNITY

Equality of opportunity is a principle that will steer the implementation of all the Strategic Actions and Priorities identified in the Regional Economic Strategy. However, there are a number of specific elements that contribute directly to the promotion of equality of opportunity. These are highlighted in the table below:

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>MISSION/HEADLINE OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>VISION</td>
<td>The Mission also talks about sustainable prosperity for all people. All three of the Strategic Objectives support the equalities agenda implicitly. For example, all sections of the community should benefit from regional organisations working more efficiently and delivering their services more effectively. For example, the Race Relations (Amendment) Act 2001 requires organisations to understand the effect of proposed policies and activities on black and minority ethnic residents. The second Strategic Objective (Economic Inclusion), supports equality of opportunity more explicitly. This is because it directly addresses the needs of disadvantaged communities where poverty, deprivation and under-achievement are limiting people’s choices and stopping them playing an active role in the economy of the region. This objective recognises that true economic success must include not just the creation of wealth, but also a narrowing of the gap between rich and poor.</td>
</tr>
<tr>
<td>DRIVERS</td>
<td>All three Drivers support equality of opportunity implicitly because the successful operation of the Drivers will benefit the regional economy and everyone living in the region should benefit from this economic success. The Skills and Learning Driver supports equality of opportunity more explicitly. This is because there is a strong emphasis on ensuring that all people have the chance to improve their skills and economic prospects; for example by addressing the barriers to learning. The Environment Driver, with its emphasis on the enhancement of the region, should provide an improved physical environment which all can enjoy.</td>
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<td></td>
<td>Equality of opportunity is a theme that runs throughout the whole Strategy, and this is reflected in the Vision, which speaks of ‘sustainable prosperity for everyone’. The RES aims to increase the quality of life for all people in the South West including disadvantaged communities, traditionally excluded groups (for example women, black and minority ethnic people and lesbian, gay or bisexual people) and those who face exclusion through circumstance: for example, the young unemployed in urban areas, or isolated older people in rural communities.</td>
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## DELIVERY

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<tr>
<th>STRATEGIC ACTION</th>
<th>PRIORITY</th>
<th>REGIONAL ACTIVITY</th>
</tr>
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<tbody>
<tr>
<td><strong>STRATEGIC OBJECTIVE 1</strong></td>
<td>Support business growth</td>
<td>Support business growth through access to appropriate finance and advice</td>
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<td></td>
<td></td>
<td>Promote the productivity and diversity of the rural economy, especially within the food and drink, and tourism sectors</td>
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<td>Develop a skilled and adaptable workforce</td>
<td>Improve skills and learning in the workplace</td>
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<td>Deliver a coherent skills development framework focused on the needs of industry</td>
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<td>Promote centres of excellence for management training</td>
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<td>Promote management skills</td>
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<td>Undertake awareness raising programmes with employers regarding the potential of traditionally excluded groups</td>
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<td>Promote best practice in identifying staff training needs and recruitment requirements</td>
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<td></td>
<td>Work with trade unions and employers to identify and support employees lacking in basic skills – especially numeracy and literacy</td>
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<td>Investigate outreach training solutions where appropriate and cost-effective</td>
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<td></td>
<td>Deliver a supply of appropriate land and property for business needs</td>
<td>Ensure that there is a range of workspace to support the needs of developing companies</td>
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<td></td>
<td></td>
<td>Produce sub-regional workspace strategies to identify real demand and optimum locations for business workspace, taking into account the changing needs of rural businesses</td>
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</tbody>
</table>
STRATEGIC OBJECTIVE 2

As the focus of Strategic Objective 2 is Economic Inclusion, all the Activities will either have a direct or ’knock-on’ effect to Equality of Opportunity. Therefore the individual activities listed here are examples.

<table>
<thead>
<tr>
<th>STRATEGIC ACTION</th>
<th>PRIORITY</th>
<th>REGIONAL ACTIVITY</th>
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<tbody>
<tr>
<td>STRATEGIC OBJECTIVE 2</td>
<td>Accelerate economic participation by working locally to stimulate employment and business start-ups</td>
<td>To raise individuals’ aspirations and skills for work</td>
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<td></td>
<td></td>
<td>Encourage more small business and social enterprise in disadvantaged areas</td>
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<tr>
<td></td>
<td></td>
<td>Ensure that there is equality of access to work, training and business advice</td>
</tr>
<tr>
<td>Support the regeneration of disadvantaged communities in the South West</td>
<td>Improve the economic performance of deprived urban communities</td>
<td>Target recruitment and skills development training at under-represented sections of the labour market</td>
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<td>Address the changing needs of rural economies</td>
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<td>Identify and support areas of greatest need within the region’s urban areas</td>
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<td>Develop and implement sustainable projects to enhance the economic future of rural communities</td>
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<td>STRATEGIC ACTION</td>
<td>PRIORITY</td>
<td>REGIONAL ACTIVITY</td>
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</tbody>
</table>
| **STRATEGIC OBJECTIVE 3** | Improve the strategic communications infrastructure to support business needs | Improve the region’s transport network  
Improve the coverage and usage of broadband communication technologies  
Promote the South West in order to attract businesses, employees and investment  
Improve the way the region works – delivering quality regional intelligence, effective partnership and increased influence; encourage an integrated partnership approach to economic conditions | Ensure that new developments reduce the need to travel by car  
Increase the availability of public transport  
Performance improvements across all strategic transport networks  
Support research into the application of new technologies that will create wider and cheaper access to the digital revolution  
Increase access to secure and reliable broadband networks  
Develop the role of the 11 Principal Urban Areas as the main centres of economic, cultural and academic activity in the region  
Concentrate major developments in and around Bristol, Exeter, Plymouth, and Bournemouth/Poole  
Undertake research to demonstrate linkages and mutual dependence of urban and rural areas  
Ensure contingency planning and rapid reaction capability in response to labour market emergencies  
Lobby for the future needs of the SW (CAP/Structural funds)  
Develop and improve mechanisms to disseminate information regarding the socio-economic and environmental state of the region |
CROSS-CUTTING ISSUES – RURAL DEVELOPMENT

When the Rural White Paper was published in November 2000, it highlighted the need for a ‘working countryside’ that was both sustainable and effective in meeting the needs of rural communities. Since this time, much progress has been made in starting to address the key issues affecting the ‘working countryside’ in the South West, including community-led regeneration of market and coastal towns, work to improve productivity in sectors of importance to the rural economy (such as Food & Drink and Tourism), alongside increased investment in rural public transport.

The Regional Economic Strategy builds on this foundation. Many of the ‘strategic actions’, ‘priorities’ and ‘regional activities’ will have a significant impact on developing the ‘working countryside’, and the table below highlights where these are directly targeted at, or particularly relevant to, rural areas.

<table>
<thead>
<tr>
<th>STRATEGY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VISION</strong></td>
</tr>
<tr>
<td>The Vision emphasises achieving sustainable prosperity for everybody. A balance between economic prosperity and wider quality of life must be maintained in both rural and urban communities if the Vision is to become reality for the South West.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>DRIVERS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Whilst all Drivers are important to rural areas, the Environment Driver is of particular relevance as it recognises the value of land and landscape to the region’s economy. This is an issue that will need to be increasingly recognised and acted upon if the region is going enjoy sustainable economic prosperity.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MISSION/HEADLINE OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Strategic Objectives have elements that will impact on Rural Development. In particular, Strategic Objective 2 specifically highlights the need to address the causes and impacts of deprivation in rural areas. The Strategy also recognises the importance of sustainable land use policy – articulated through Regional Planning Guidance – which states that ‘Rural towns and villages should accommodate development which is predominantly for local needs only.’</td>
</tr>
</tbody>
</table>
DELIVERY

<table>
<thead>
<tr>
<th>STRATEGIC ACTION</th>
<th>PRIORITY</th>
<th>REGIONAL ACTIVITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRATEGIC OBJECTIVE 1</td>
<td>Support business growth</td>
<td>- Support the development of key sectors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Promote the development of regional and local supply chains</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Business growth through access to appropriate finance and advice</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Increase local sourcing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Promote the productivity and diversity of the rural economy especially within the food and drink and tourism sectors</td>
</tr>
<tr>
<td>Develop a skilled and adaptable workforce</td>
<td>Deliver a coherent skills development framework focused on the needs of industry</td>
<td>Investigate outreach training solutions where appropriate and cost-effective</td>
</tr>
<tr>
<td>Deliver a supply of appropriate land and property for business needs</td>
<td>Ensure there is a range of workspace to support the needs of developing companies</td>
<td>Produce sub-regional workspace strategies to identify real demand and optimum locations for business workspace, taking into account the changing needs of rural businesses</td>
</tr>
<tr>
<td>STRATEGIC OBJECTIVE 2</td>
<td>Accelerate economic participation by working locally to stimulate employment and business start-ups</td>
<td>Raise individuals’ aspirations and skills for work</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Encourage more small businesses and social enterprise in disadvantaged areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Encourage the development of social enterprises within community regeneration programmes, eg Building Communities, MCTI</td>
</tr>
<tr>
<td>STRATEGIC ACTION</td>
<td>PRIORITY</td>
<td>REGIONAL ACTIVITY</td>
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<tr>
<td>------------------</td>
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<td>------------------</td>
</tr>
<tr>
<td>STRATEGIC OBJECTIVE 2 (CONT)</td>
<td>Support the regeneration of disadvantaged communities in the South West</td>
<td>Address the changing needs of rural economies</td>
</tr>
<tr>
<td></td>
<td>Improve the quality of jobs and reduce rural inequalities by devising programmes which will assist in improving productivity and add value in tourism and agriculture</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Support schemes to diversify the economic base where dependence on agriculture and fishing is strongest</td>
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<tr>
<td></td>
<td>Develop a land use strategy that will integrate food production, tourism, energy production, environmental management and countryside access</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Develop a regional food and farming strategy</td>
<td></td>
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<tr>
<td></td>
<td>Develop ICT solutions to encourage the take-up of training, employment and advice in rural areas</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improve rural transport systems in particular linking these to employment and training opportunities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Develop and implement sustainable projects to enhance the economic future of rural communities</td>
<td></td>
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<tr>
<td></td>
<td>Develop the role of market towns as the economic hub of rural areas</td>
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<tr>
<td></td>
<td>Support provision of viable economic facilities in small towns and villages</td>
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</tr>
<tr>
<td></td>
<td>Increase levels of affordable housing in the areas of highest inequality</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Provide appropriate land release for housing and encourage higher proportions of social and affordable housing on all new developments</td>
<td></td>
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</tr>
<tr>
<td>STRATEGIC OBJECTIVE 3</td>
<td>Improve the strategic communications infrastructure to support business needs</td>
<td>Improve the region’s transport network</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improve the coverage and use of broadband communication technologies</td>
</tr>
<tr>
<td></td>
<td>Improve the way the region works</td>
<td>Encourage an integrated, partnership approach to economic development</td>
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</tbody>
</table>
**GLOSSARY OF TERMS**

**Broadband**
High speed, always on, Internet connection.

**Institutional context**
The role of different organisations and the relationships between them.

**Macroeconomic environment**
An explanation of the broad, rather than local or specialist, part of the economy.

**Transport infrastructure**
The physical basis for travel – rail, roads, ports and airports.

**Spatial strategy**
A document which looks at action that needs to be taken based on the needs of particular places.

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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</tr>
<tr>
<td>GOSW</td>
<td>Government Office for the South West</td>
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<td>GVA</td>
<td>Gross Value Added</td>
</tr>
<tr>
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</tr>
<tr>
<td>HEI</td>
<td>Higher Education Institutions</td>
</tr>
<tr>
<td>HERDA-SW</td>
<td>Higher Education Regional Development Association South West</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communications Technology</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>IMD</td>
<td>Index of Multiple Deprivation</td>
</tr>
<tr>
<td>INTERREG</td>
<td>European Funding Programmes</td>
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<tr>
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<td>(Community Initiatives)</td>
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</tr>
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</tr>
<tr>
<td>CBI</td>
<td>Confederation of British Industry</td>
</tr>
<tr>
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<td>Comprehensive Spending Review</td>
</tr>
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<td>DEFRA</td>
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<td>Research and Development</td>
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<td>RDA</td>
<td>Regional Development Agency</td>
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<tr>
<td>REGEN</td>
<td>Renewable Energy Office</td>
</tr>
<tr>
<td>RES</td>
<td>Regional Economic Strategy</td>
</tr>
<tr>
<td>RICS</td>
<td>Royal Institute of Chartered Surveyors</td>
</tr>
<tr>
<td>RISE</td>
<td>Regional Infrastructure for the Social Economy</td>
</tr>
<tr>
<td>RPG10</td>
<td>Regional Planning Guidance</td>
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<tr>
<td>RSDF</td>
<td>Regional Sustainable Development Framework</td>
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<tr>
<td>RSPB</td>
<td>Royal Society for the Protection of Birds</td>
</tr>
<tr>
<td>SBS</td>
<td>Small Business Service</td>
</tr>
<tr>
<td>SEEDA</td>
<td>South East of England Development Agency</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>SRPs</td>
<td>Sub-regional Partnerships</td>
</tr>
<tr>
<td>SSW</td>
<td>Sustainability South West</td>
</tr>
<tr>
<td>SWACRE</td>
<td>An association of rural community councils</td>
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<tr>
<td>SW REF</td>
<td>South West Regional Employment Forum</td>
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<tr>
<td>SWARMMS</td>
<td>South West Area Multi-Modal Study</td>
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<td>South West Regional Assembly</td>
</tr>
<tr>
<td>SWRDA</td>
<td>South West of England Regional Development Agency</td>
</tr>
<tr>
<td>URC</td>
<td>Urban Regeneration Company</td>
</tr>
<tr>
<td>VAT</td>
<td>Value Added Tax</td>
</tr>
<tr>
<td>WEAF</td>
<td>West of England Aerospace Forum</td>
</tr>
</tbody>
</table>
The South West of England Regional Development Agency has produced the Regional Economic Strategy on behalf of the region. The strategy has been developed following extensive consultation, and through continuous working with regional partners.

The South West Regional Development Agency was established in 1999 to play a central role in ensuring the long-term economic success of the region.

In order to deliver this economic success, the RDA will:

- Help to create the conditions in which businesses can thrive
- Work with partners on projects which will improve the economy
- Concentrate our work where we can make the most difference to the economy
- Ensure that both our people and our environment contribute to, and benefit from, greater economic success
- Provide leadership and stand up for the needs of the region.

Head Office:
South West of England Regional Development Agency
Sterling House
Dixs Field
Exeter
Devon
EX1 1QA

Phone: 01392 214 747
Fax: 01392 214 848
www.southwestrda.org.uk
email: strategy@southwestrda.org.uk

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Design: Lionheart Marketing Communications
Print: Wincanton Print, Wincanton
Photography: William de la Hey, Molyneux Photography,
Gaia Energy Centre, Dr Ben Hextall/OceanWeb.com, K. Duncan,
Peter Hill, Richard Austin, Sharon Neale, George Hey,
Deborah Sheppard, Gary Fooks, Maurice Sims, Jordan Wright,
Deores Bill, Verity de Pulford, Mark Layton, Alistair Hood,
Henry Gilbey www.henrygilbey.co.uk, Mike Evans, Apex News
and Picture Agency, Paul Watts/Cornwall Tourist Board,
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Sources of further information:
South West Regional Observatory www.swro.info
Government Office for the South West www.gosw.gov.uk
Office for National Statistics www.ons.gov.uk
Department of Trade and Industry www.dti.gov.uk
South West
England