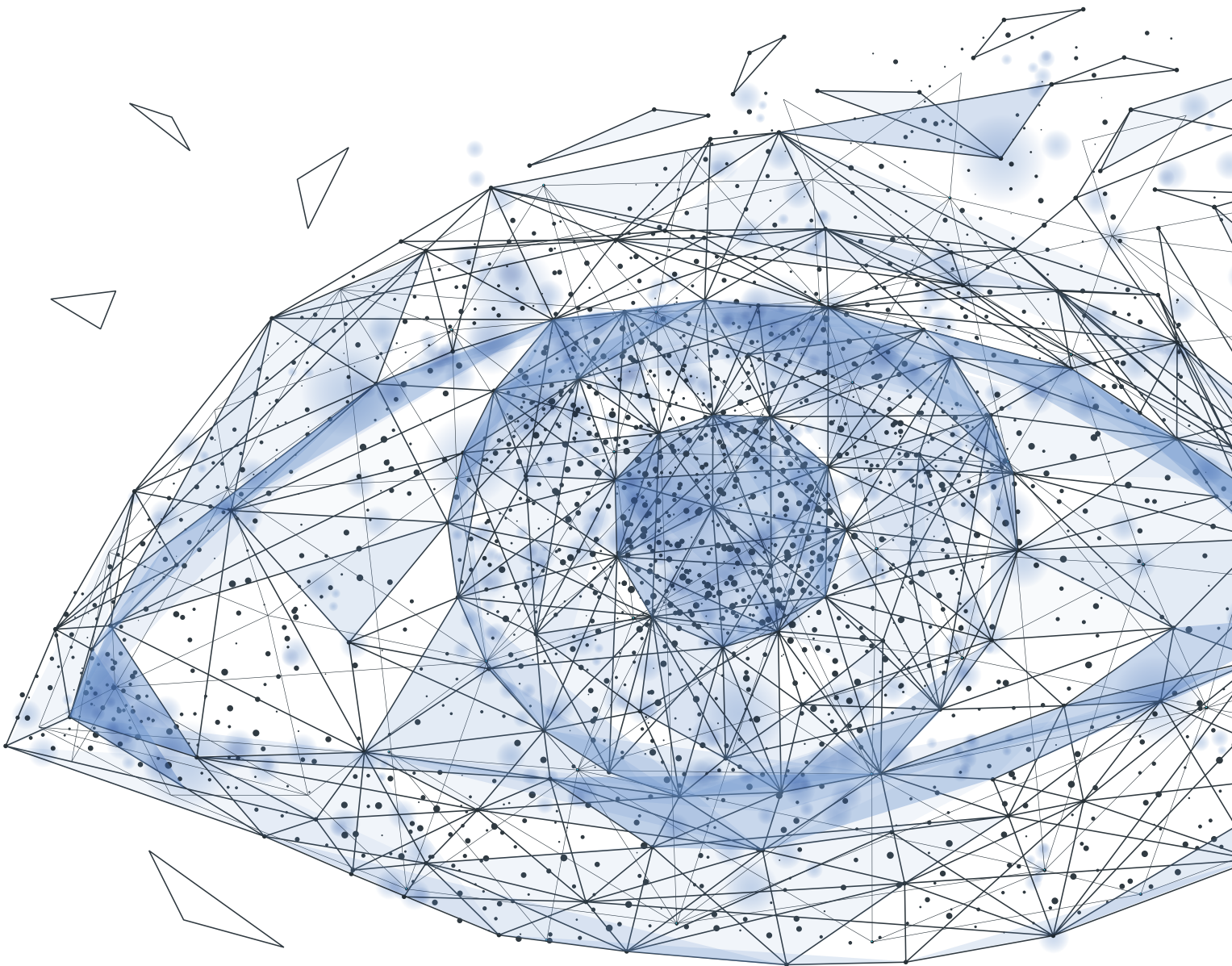


A VISION FOR INVESTMENT AND FUTURE PROOFING THE SOUTH WEST

#ThinkingSouthWest



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“The Great South West has an economy twice the size of Greater Manchester and the West Midlands. We also have the largest building project in Europe, which is ongoing at Hinkley Point C.”

Steve Hindley, The Great South West Partnership Chair

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A vision for the future of the region

When it comes to the identity of the South West many people think about beautiful beaches, great countryside, cream teas and a thriving tourist industry. Whilst this is a positive reflection on the growth of tourism in the South West and reflects the popularity of staycations and the “Poldark effect”, it is evident that the region’s business community needs its own brand. Distinct from the Northern Powerhouse and Midlands Engine, but recognisable for its unique strengths as a thriving economy in the South West peninsula. That identity needs to truly represent the enterprising spirit of the region, its heritage, its future and reflect the depth and vast array of the industries and businesses that flourish here. So what is it?

The region has seen significant growth in key sectors such as sustainability, renewable energy and marine technology. Recent growth of the Exeter Science Park and its success demonstrates the opportunities presented to start-up companies and entrepreneurs for developing business in a variety of areas. There are ambitious plans for the growth of industry and delivery of new housing. However, huge investment is needed to ensure continued growth and recognition of the region in its own right and to attract people nationally and internationally to put the South West brand on the map. We are at the start of the process and the Great South West campaign, launched in 2018 to highlight the economic potential of the region, is a real step in the right direction.

Such growth requires increased development of infrastructure and a more collaborative approach to bring both public and private sectors together to harness combined strengths and expertise, delivering sustainable communities and building attractive, eco-friendly cities with improved connectivity both digitally and ‘on the ground’. The brand truly needs to represent the unique strengths of the South West, sustainable and renewable energy, the natural environment and ethical business.

In order to explore this more, we brought together a group of key players from the public and private sectors from Exeter and the surrounding area, to discuss where we are now and what we need to consider in order to future proof the region and city for the next ten years and beyond. What are the big barriers we need to overcome and what should our focus be? How does the South West develop the existing business community without damaging the tourism message? How do we deal with the downside of the South West’s own success: over-crowded roads, housing shortage, lack of affordable housing and lack of development space?

There has never been a more crucial time for the region’s businesses to embrace opportunity through diversity, technology and environmental change for the better. We are keen to engage with people who want to be part of the debate so please get in touch.



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“We have a real strength in our ambition and the shared vision”

Roli Martin, Exeter City Futures

Roundtable

Attendees

South West Business Insider	David Clensy - Editor (Chair)
Exeter City Council	Karime Hassan - Chief Executive
University of Exeter	Chris Evans - Assistant Director
Exeter Science Park	Dr Sally Basker - Chief Executive
Heart of the South West LEP	David Ralph - Chief Executive
Close Brothers	Richard Hemmings - Business Development Director
JLL	Andrew Hector - Director
Exeter Gin	Karen Skerratt - Founder
StuctureHaus and Cura Design	David Phillips - Managing Director
Beco Energy	Simon Nicholls - Managing Director
SunGift Energy	Gabriel Wondrausch - Managing Director
Exeter City Futures	Roli Martin - Head of Finance and Partnerships
Rokk Media	Adam Stone - Managing Director

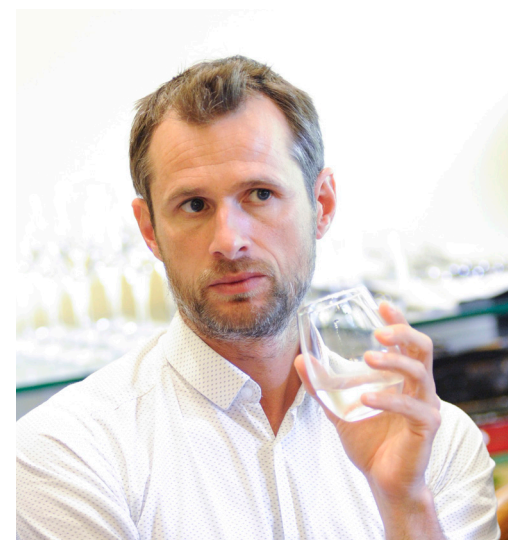
Hosts

Trowers & Hamlins	Georgina Savill-James - Partner
Trowers & Hamlins	John Turnbull - Partner

“However ten or 20 years into the future, what are the things that will transform the economy and tackle some of the structural challenges we have? I don’t see the private sector alone being able to do that.”

Karime Hassan, Exeter City Council





Joining together for strength in the region

The South West and Exeter specifically has seen a period of unprecedented development and growth in some key areas over the last five to ten years. The MET Office moving to the city 10 years ago, the Science Park opening six years ago and more recently John Lewis and Ikea opening have marked the region as ripe for investment and future growth.

Chris Evans, Assistant Director, with responsibility for regional impact, innovation and skills at the University of Exeter said: “We very much have an issue around regional identity. When I’m out talking to businesses and partners, we’re constantly talking about how we create the right image for the place – and an accurate image for the place, because often we’re associated with particular things. I’m not saying we don’t want to be associated with tourism, because it is very important to the economy. There are plenty of other things going on in the city that are associated with high levels of productivity and growth and skills.

“You need to get the message out that not only is this a great place to come and live in, but it’s also a great place to come and set up a business.

“It’s about setting up the right kind of ecosystem and trying to get the balance right in terms of the narrative pitch – especially in terms of getting our name out there globally.”

David Ralph, Chief Executive at the Heart of the South West LEP agreed: “We need to have a clear proposition as a region, in order to be globally competitive. We also need to focus on public-private sector partnerships. There are a number of partners who are actively engaged in delivering this vision, but it requires public and private sector money. What we shouldn’t underestimate is the desire to deliver. I think we’re starting to see some important signs of that and I think Exeter in particular as a place has demonstrated it can do that. But it is no good having great ideas and great ambitions, if you haven’t got people to get on and make sure it happens.

We also need to look at repositioning the economy away from some of the bedrock industries, which are important around place, but actually what we don’t want this to be is a rural back-land. We want it to be at the heart of industrial strategy, economic growth, providing high-skilled jobs with high productivity, which increases peoples’ prosperity.”



“The Northern Powerhouse is a very clear proposition – that is, that if you join the cities up, you get a massive return on investment. The South West does not have a clear proposition. We can talk about identity until we’re blue in the face, but we have to ask – what is our proposition?”

“There is an emerging narrative across the South West, with it being a great place to work, because of natural capital. The future of work is changing, and the South West is well-placed to benefit from that.”

Born and educated in Exeter, Adam Stone, Managing Director at Rokk Media, is positive about the city and the whole region: “My business has always been in Exeter. We’re achieving without having to wave the South West card, or feeling that we need to cow-tow to anybody else internationally. The key thing for us has been, rather than making an excuse about being in the South West, or bigging-up the fact that it’s a fun place to come and surf, we talk about the fact that we do have a proposition. The proposition that we have is world class. There are many places in the world that have gorgeous countryside, and have lovely beaches. You can buy a cream tea in many counties. But we shouldn’t hang our hat on that alone. What we do have here in this part of the South West is an entrepreneurial sense and that’s largely because we’ve never really had the support of greater government.”

Karime Hassan, Chief Executive at Exeter City Council pointed out: “We do the basics – day-to-day economic development, looking at the regulations and the way they impact on businesses, how the planning regime can stifle or facilitate growth, how training programmes can give you the supply of labour, how we can get better pitched to get investment in – the basics. However, ten or 20 years into the future, what are the things that will transform the economy and tackle some of the structural challenges we have? I don’t see the private sector alone being able to do that.

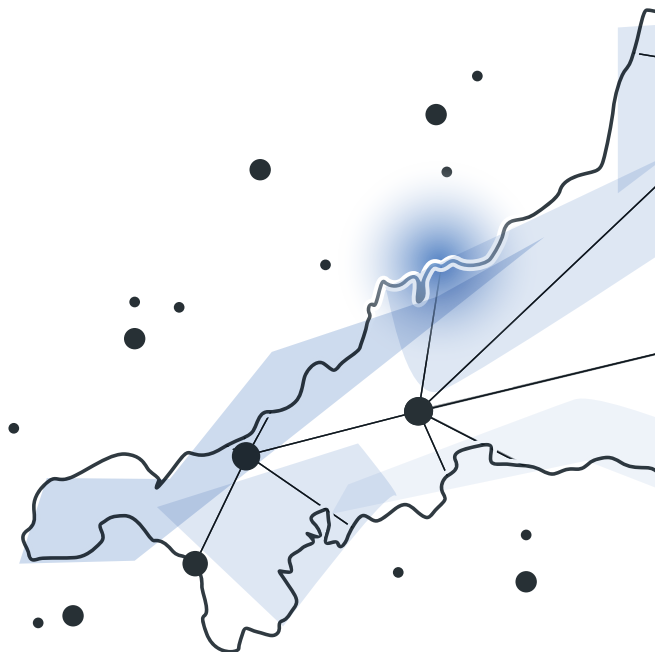
“There are structural challenges in terms of low wages and access to the kinds of jobs we want. But when the public sector gets its act together and has a clarity of vision, and has an appetite to take an element of risk, then you can do things that I think are absolutely fantastic and give us the opportunity when we meet with government to give a pitch that makes sense.



“There’s an absolute clarity in our area now for example around expertise in things like data and environmental futures. Something like Exeter Science Park is a great example for what the region can do if everyone gets their act together.”

Georgina Savill-James, Partner at Trowers & Hamlin added that: “The ambition for the South West needs to be based on a collaborative approach. What’s been really successful in Cornwall is the Cornwall Land Initiative – a huge number of new homes are being built through that, but it’s a collaboration between the public sector and the private sector – getting together and talking about how can we deliver all the new homes that are needed. Those kinds of collaborations are things we do very successfully in the South West, and perhaps we need to get out and do it a little bit more.”

Collaboration is required to refine the proposition and push the agenda forward. The Northern Powerhouse and the Midlands Engine have shown how much progress can be made through a collaborative approach. The Great South West campaign highlights the economic potential of the South West and makes the case for government investment similar to the other UK regions, launched last year by an alliance of businesses, LEPs and universities. In an age where we are constantly told that people want experiences, work life balance and good leisure time, is that something that can play into the hands of the South West and differentiate it from other regions?





Sustainability and environmental intelligence

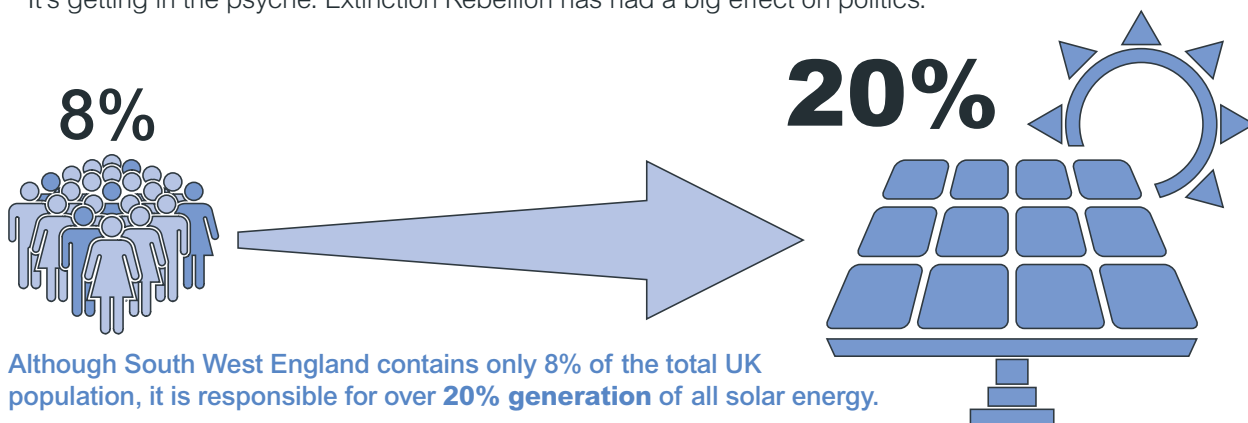
The South West has the highest concentration of renewable energy businesses, particularly wind and solar, in the UK due to the natural climate of the region. The Great South West initiative states energy as well as digital, transport and innovation as the key areas of focus for the future success of the South West. There are unprecedented opportunities for the region and the potential to become a green powerhouse, a world leader in clean growth backed by renewable energy. Becoming a 'green capital' for the UK is one of Exeter City Council's key strategies for 2018 - 2021.

This is a positive selling point for the region as millennials and generation Z are increasingly looking to work for business that have an environmental conscience. As a growing number of organisations are beginning to understand this is no longer a 'nice to have' but an essential part of the package that much of the younger generation, and increasingly the older generations too, are looking for when they consider an employer.

Gabriel Wondraush, Managing Director at SunGift Energy said: "We have always been very lucky to be in this part of the world. Not just with the natural attributes in terms of the solar and wind in the location, but also the University of Exeter was the first university to have a renewable energy degree. So we've had qualified renewable energy graduates here for eight or nine years. But there is a huge environmental movement that's happening at the moment that has previously been sadly lacking.

"Renewables for the last eight or nine years have been very much financially motivated. But we are now seeing a change. People increasingly want to get into renewables; they want to do something meaningful. Generally the younger generation are a lot more motivated – they are really keen to see that change happens. A combination of working in renewable energy, living in a part of the world that has beautiful environmental natural attributes, that combination is one of the things that makes Exeter an incredibly attractive place to live and work."

David Phillips, managing director at StuctureHaus and Cura Design agreed: "I think we have a good opportunity at the moment – with Extinction Rebellion, terrible CO2 emissions and the degradation of the planet. I'm a structural engineer, but I also have this small company, Cura Design, which is focused on biophilic design – the built environment working with nature. I think if we're looking for a brand Exeter, or a brand South West, we could certainly do worse than looking to a built environment that could certainly be part of it. A chance to say look at what we're doing – we could really green the city. We're in a beautiful green peninsula and we shouldn't just concrete it over for the sake of development. We can work with nature. That would be my vision. It's getting in the psyche. Extinction Rebellion has had a big effect on politics."



Simon Nicholls, Managing Director, Beco Energy said:

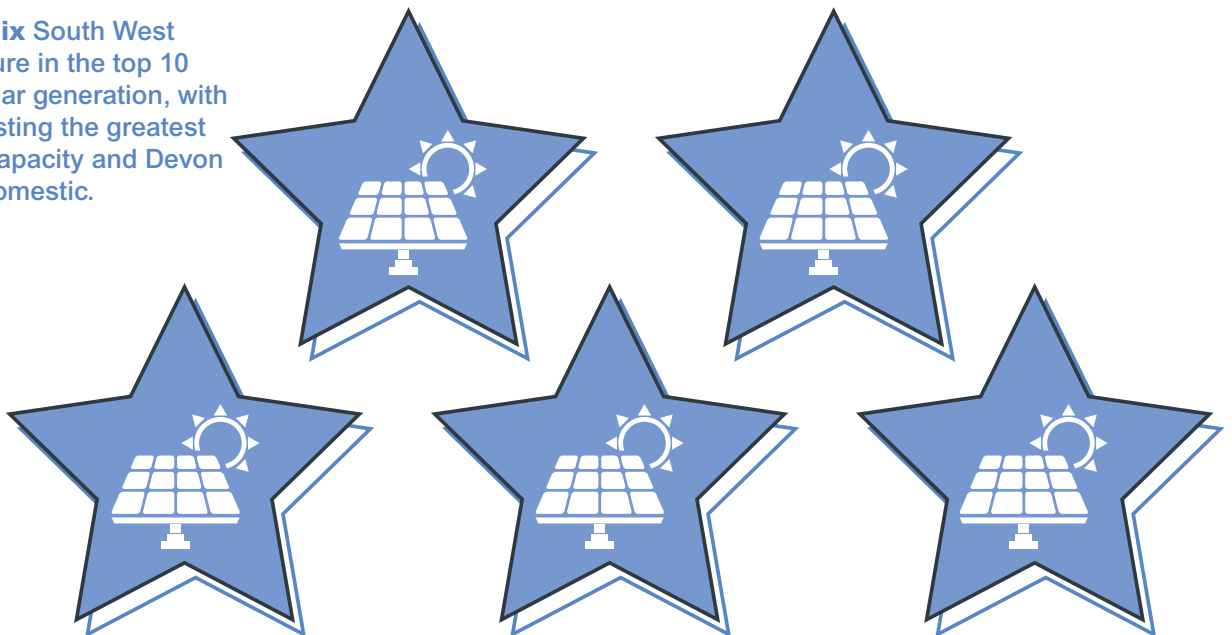
“The South West is really a centre of excellence for renewable energy. We have more renewables, both wind and solar, than anywhere else in the UK because of our natural climate. We could make a lot more noise about that.”

“You have to look at clusters, and Exeter Science Park is an excellent example of bringing people together under a common banner.”

Roli Martin, Head of Finance and Partnerships at Exeter City Futures pointed out that sustainability is just a by-product of doing things properly: “We often talk about the different issues that Exeter faces, but it always quite quickly turns into a discussion about behavioural change and managing the change that we need to go through with all the different stakeholders. I do think we’re a little hard on ourselves in the region. We do have a collaborative approach, but in many places these fall down for the simple reason that you can’t get people to co-operate across different parts of the public sector. I think that’s different here. We have a real strength in our ambition and the shared vision.”

Chris Evans is positive about the potential of the region: “I think there is a massive potential here to reframe the South West as a place which isn’t just about cream teas and pasties and all the rest of it but is actually about high end knowledge based developments, linked to environmental sustainability that is unique to the region.”

Five of the six South West counties feature in the top 10 ranked for solar generation, with Wiltshire boasting the greatest commercial capacity and Devon the highest domestic.



Investment in infrastructure and connectivity

According to the Department for International Trade 99 new investment projects were recorded in the South West during 2018 creating more than 3,500 new jobs for people from across the region. Foreign investors are putting their money into the South West because the region has a strong offer across a range of sectors, from nuclear and aerospace to agritech and the creative industries. While the private sector is investing in the region there is the feeling that the public sector needs to focus its attention on the investment in infrastructure to ensure sustainable growth in the region.

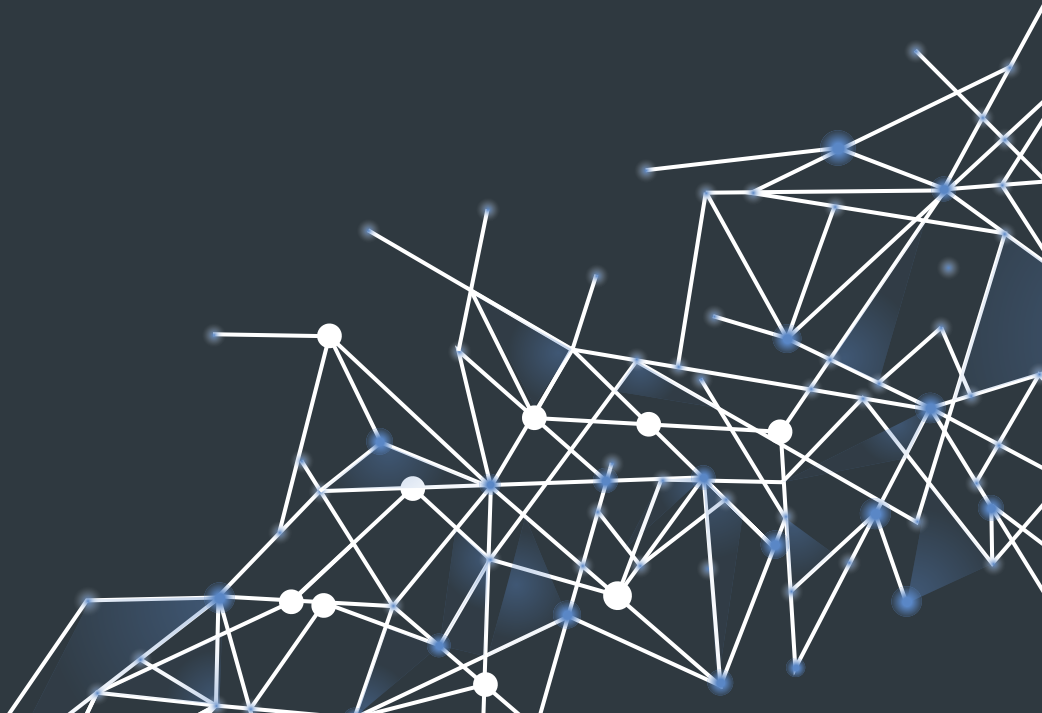
Not unsurprisingly, a common theme of our discussions centered around investment in the region. Due to geography the South West struggles to be as accessible in transport in and out of the area. It needs more investment in the roads and upgrades in the railway system to assist with freedom of movement and avoid congestion being a cause to dissuade businesses from being based here.

Karime Hassan, Chief Executive at Exeter City Council supports growth for the region: “We put a lot of investment into working with partners across the patch. We get energised by all the partners that we work with. They’re all doing great things, so we’ve begun to see our role as facilitating and doing what we can to support business. We are a pro-growth council. I’ve worked in Wales and the Midlands – where you meet the political leadership and you know what you’re going to get, and they will deliver and they are united about it. In this city for 20 years we’ve been pro-growth and we have delivered. The challenge for our neighbours is that they don’t have the same community that’s coherent in that way, it’s dispersed – you’ve got market towns, coastal towns. If you’re East Devon, your identity is not East Devon, it’s Sidmouth, Exmouth and the issues that play out in those communities are very different. It’s really hard for businesses in Exmouth to get excited about this transformational agenda. They struggle to get planning permission or they need a better road, or there’s something else that needs to be done. So the challenge for our politicians is considerable.

“They want to double the economy, but doubling the economy means you have to do something different from what you’ve done before – not doing more of what you’ve done. The level of investment that’s needed to make that difference is everything.”

There is evidence of great success in Exeter despite the infrastructure issues. The success of the Exeter Science Park can be heralded as an example to other investors of the potential of the South West. Dr Sally Basker, Chief Executive at the Exeter Science Park spoke of its success story. "We've had a whole heap of investment from the LEP, from its predecessor, for the land, for buildings, both debt and grants. We've had funding from our shareholders – Devon County Council, Exeter City Council, East Devon District Council and the University of Exeter. That has got us to the point where within the next two years we will have broken even at the Science Park, which as a slightly bonkers start-up is very good for us. What's pleasing to us is we're on track to deliver what we said we would deliver. The number of companies on the park is up to speed. We've gone from 200 people on the park in 2017 to around 700 in 2021. We've worked closely with Peninsula Innovation, SETSquared, the University, and all our shareholders to make that happen. It's a team effort. My job is to make sure everything happens in the right order. We have ambitious plans. Realising them will require a lot more capital and a lot more people. But I think the ambition is there from companies, but it will require us to get out from beyond the region, from beyond Devon and the South West, and attract in people nationally and internationally."

Andrew Hector, Director, JLL said: "One of the key challenges is having some space that businesses can occupy. Rental levels are certainly one of the hurdles for the area. We have very low values comparatively to other cities. It's a challenge. Until Grade A rental levels on offices here get to the mid-twenties (£20 per square foot), whereas we are currently at mid to high teens, we have a gap between cost and value which is not going to create appetite among developers to build a speculative product. Until we've got that product, we haven't got the space for businesses to grow. It's starting to happen, but it does involve public sector partners taking the lead, as the council is doing and the University is doing. Public sector organisations that can demonstrate a strong balance sheet need to reach out to the development community."



Richard Hemmings, Business Development Director, Close Brothers also felt a shared investment of vision and belief, coupled with financial investment will provide the region with the opportunity it is currently lacking in order to achieve its full potential: “It feels like people in the area are almost talking themselves down a little. I think the region has an awful lot going for it – not just in the flagship cities like Exeter and Bristol.

“As investors, we’re very on the region – to such an extent that when you come and talk to us it’s a bit like pushing on an open door. But the challenge is just trying to find the developers in the first place. But I think people in the region should probably bang the drum a little bit harder.”

BBC News commented, on 21 June 2019, in relation to the Northern Powerhouse performance since its inception in 2014. 34,250 more jobs in professional services, science and technology in 2019 compared to 2014, plus 59,323 more manufacturing roles. The Great South West Partnership Chair, Steve Hindley, CBE DL was quoted as saying, “The Great South West has an economy twice the size of Greater Manchester and the West Midlands. We also have the largest building project in Europe, which is ongoing at Hinkley Point C.”

Now is time to push the South West brand and promote it to Parliament to highlight the South West and achieve growth potential, as has been done in other regions in the UK. The Great South West All Party Parliamentary Group has been set up by MPs from across Cornwall, Devon, Somerset and Dorset to lobby for regional investment priorities.



99 new investment projects were recorded in the South West during 2018 creating more than 3,500 new jobs for people from across the region.



Workplace and lifestyle

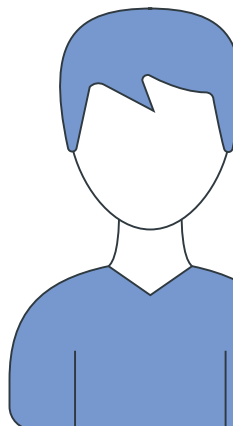
The way people live and work is changing with agile, flexible working and coworking becoming much more popular. A 2018 YouGov survey found that only 6% of the working UK population work the traditional nine to five working day with 73% working either part time or with some form of flexibility. Sustainable and ethical businesses are a huge draw for an increasingly environmentally conscious workforce. The South West is already leading the charge with many businesses already looking to become carbon neutral as quickly as they can and Exeter City Futures has set the objective of making Exeter carbon neutral by 2030. There are some fantastic examples of this in Exeter already. Businesses need to consider the requirements of their employees and ensure they are creating the environments that people want to work in. The lifestyle that the South West offers also helps to make the region a great proposition for all generations of people thinking about relocating for a better work life balance.

John Turnbull, Partner at Trowers & Hamlins considers how we can attract the workforce of the future: “Many businesses are looking at how they attract the next generation. The millennial generation are increasingly interested in the environment. But there are also the digital changes – people will not always be sat in an office beside the M4, or any other motorway, because they won’t have to be. The South West will therefore become increasingly attractive for lifestyle, health and employment opportunities. Whilst there are geographical positives, and geographical negatives for any region, I think you need to combine the digital and the geographic. Why wouldn’t anyone want to come and live in this part of the world? Over the next 20 years I think work will become increasingly digitalised. We need to be aware of it and tap into it – to use it to our advantage.

“Then there is the issue of uncertainty. If you were looking at a business plan ten or 20 years ago, you could sit down and say this is our five to ten year business plan. Today you’ve got disruptors coming into markets, so people might be looking at a business plan for six to 12 months. People have to be more agile.

“If you combine the digital and environmental, we have a powerful brand in the South West which is unique from the Northern Power House or Midlands Engine, and is set to be aligned with the changing ways in which we live and work.”

In a survey undertaken by PwC, two in five people believe traditional employment will not be around in the future, 19% of organisations regard their lack of agility to be their biggest concern for the future and, 46% of people in HR expect at least 20% of their workforce to be contractors or temporary workers by 2022. You could argue that an entire workforce will become more fluid, with people working remotely, contracting as and when required, as opposed to business employing significant numbers of people, on rigid hours, in one rigid location. Disrupters, AI and use of data will speed up this process.



David Ralph, Heart of the South West LEP agrees:

“There is an emerging narrative across the South West essentially about it being a great place to live and work because of the natural capital and the opportunities around clean growth, the future of the work is changing and the South West is absolutely well placed to benefit from that.”

Chris Evans thinks that the city needs to compete in the global market: “As a university we’re a globally-facing institution, and when we’re competing for academics to come and work at Exeter, we’re competing in a global market. So we have to create a really attractive city in order to have a successful institution. Part of that narrative comes from the university actually – part of our excellence in things like environmental intelligence, is around the work that we do around climate science.”

Heritage and tourism are also real strengths for the region Karen Skerratt, Founder of Exeter Gin says: “There’s quite a bit of wealth with tourism in the area, but I feel there are areas where we could do more to attract more people through heritage. We very much try to tap into the local heritage. Every bottle of our gin has the story of the city attached to it. We get lots of people telling us they had no idea about the Roman heritage of Exeter. We need more people doing what we’re doing to let people know about this city around the world – that’s where products like mine can really give something back to the region.

“Here in the South West we have a nice strong triangle with Exeter, Bristol and then over to Cardiff, and I think building the strength of that triangle will bring a lot more confidence in all our products.”

All the delegates agreed that the South West as a region is a great place to live and work and the lifestyle attraction should form a key component when branding The Great South West.

6% of the working UK population work the traditional nine to five working day with 73% working either part time or with some form of flexibility.

YouGov



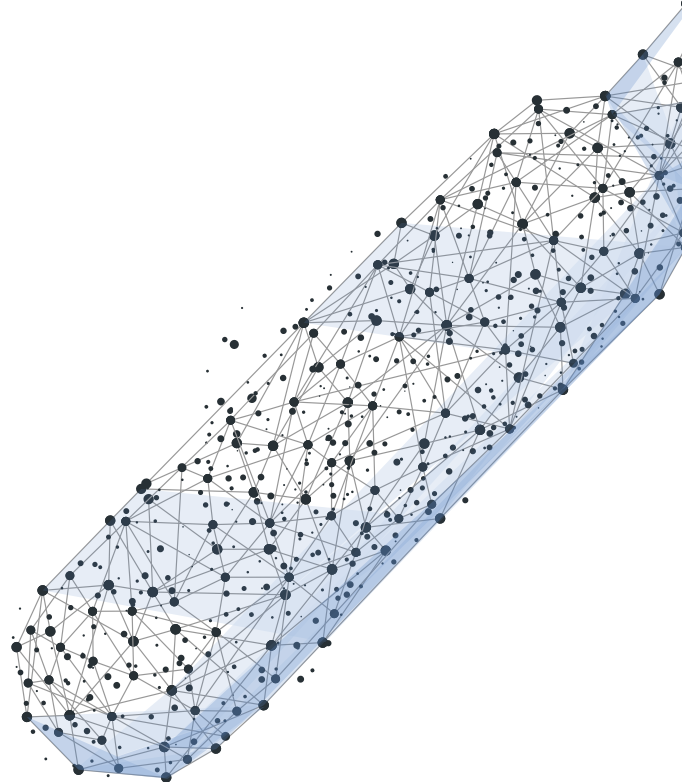
Next steps

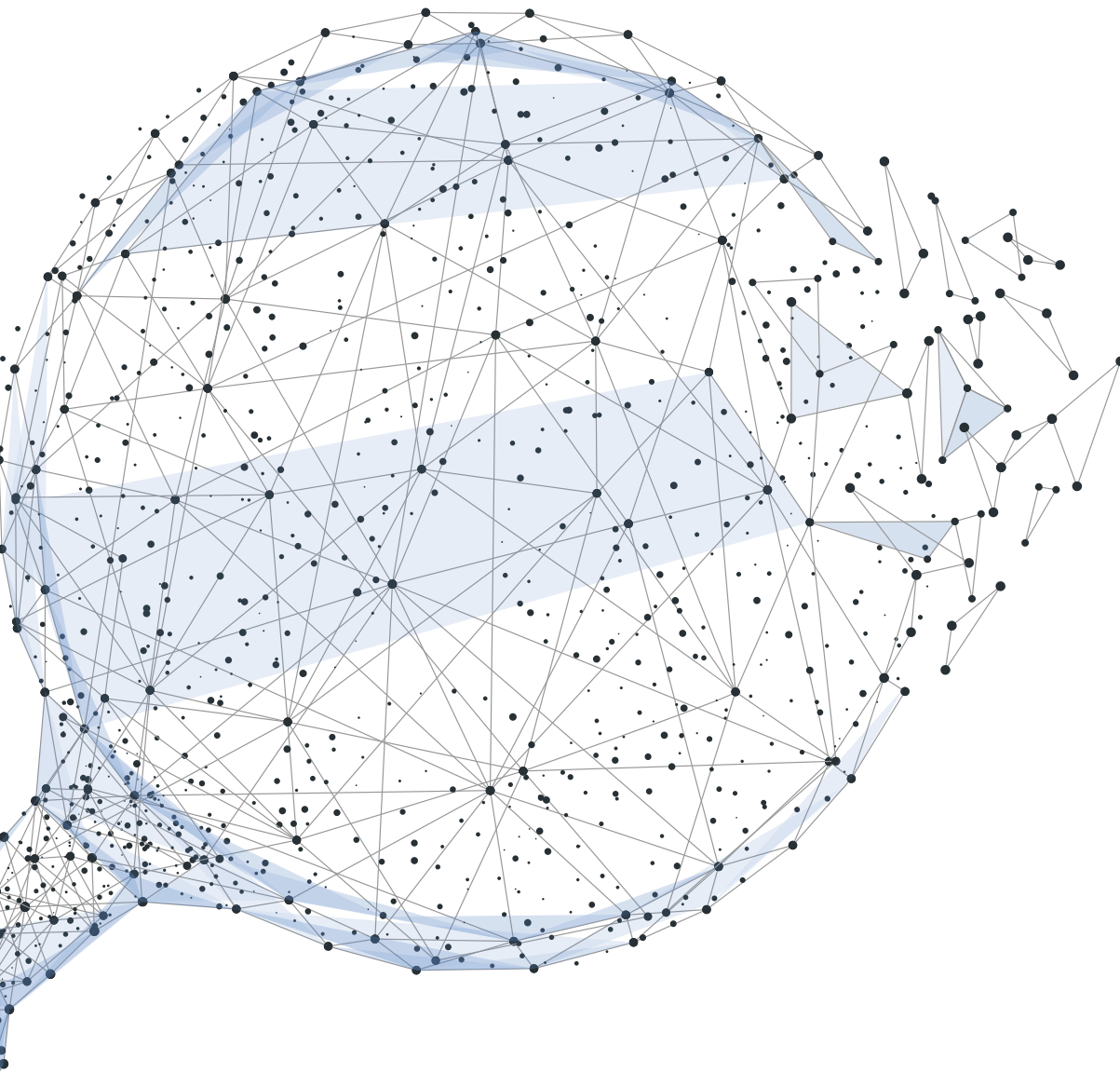
Collaboration is key, both between local authorities and regional bodies and across the public/private sector divide. The Great South West initiative is a significant step forward in that process, with its principles of promoting the South West's opportunities, developing shared propositions, attracting investment and tackling barriers to productivity, making the whole of the South West a prosperous region and working on areas of common interest across the South West with a 'coalition of willing'. With the backing of the Council, the LEP, universities and business there is the potential for some real progress to be made in the region.

Investment in infrastructure and connectivity is critical. Connectivity in the South West is poor, and whilst the roll-out of 5G to Exeter will provide a huge boost and enable people in that area to work where ever they are including while they are travelling on the train network, further investment is still a priority for the region.

If that investment is made then transformational changes to the modern workplace offer the potential for large dividends. With a generation of skilled workers and entrepreneurs that are increasingly able and prepared to move away from traditional locations and patterns of working, the South West has the opportunity to position itself as a great place to live, work and do business.

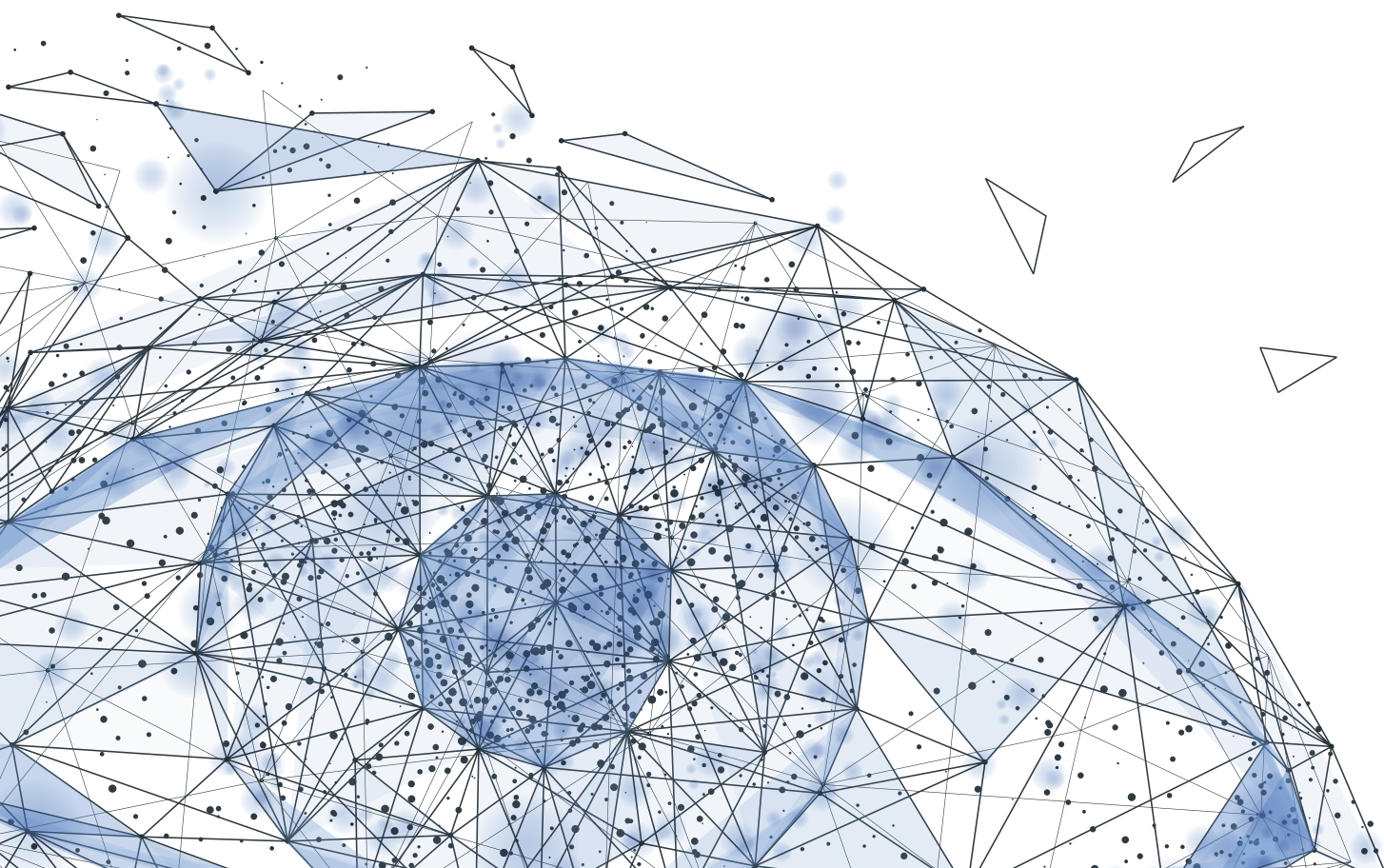
In the end it all comes back to how the South West brands itself, with sustainability, renewables and clean business being the heart of its identity. How can this brand be utilised on the national and global stage to build economic growth and future proof the region? There is still a long way to go but it is a time of great opportunity for the South West. With the Great South West poised to rival the Northern Powerhouse and the Midlands Engine there is a lot to look forward to in Exeter and the wider region.





“There is an emerging narrative across the South West, with it being a great place to work, because of natural capital. The future of work is changing, and the South West is well-placed to benefit from that.”

David Ralph, Heart of the South West LEP



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