

## **Heart of the South West Draft Productivity Plan 2018-2036**

### **Exeter response**

The draft plan appropriately focuses the biggest challenge facing the national and regional economy. The economy of the HoTSW is worth almost £35billion of GVA per year, the plan aims to double this to £70billion GVA PA by 2035.

Much of the analysis, and conclusions about the scale of the challenge and the conditions that impact on productivity, are non controversial, and broadly agreed upon: productivity is poor and is slipping, the region is poorly performing in terms of innovation, enterprise, exporting and levels of investment. The golden opportunities to build upon have been recognised over a number of years and reflect the distinctive strengths of clusters and significant assets across the region. These could be improved upon to increase productivity levels in targeting resources to areas already outperforming and on places to give the greatest return.

There is a rural perspective to this document that comes across as a distinctive unique offer, the value of the natural capital. It would be surprising if this were not to be the case. However, there are clear references to the role urban areas play in driving business and productivity. The report states as a high level aim “Create vibrant places that are attractive to skilled people and new investment, with infrastructure to support productivity growth”. Particularly welcomed is the clear statement that “..we will step up our interventions to focus on those businesses, places and activities that will have the most impact on our economic performance. These have the best chance for transforming the economy....”

The importance of skills for a knowledge economy and retaining and developing talent is recognised. There are reassuring statements that the productivity plan will seek to build upon the demands of the construction and digital sectors within the Exeter growth area, and work with FE & HE colleagues to ensure existing and capital investment is directed to maximising the skills benefits of the golden opportunities. There is an urgency in supporting HE, FE, schools, businesses and employees in providing the right type of skills for the type of jobs we have within the area, but more importantly for the jobs coming on the horizon – it shouldn't always be about more jobs, it's about the right type of skills.

There needs to be a coordinated approach with all schools to play their part in improving productivity and prosperity across Exeter and the LEP area. Greater collaboration is needed with post 16 and Universities for STEM subjects and modern foreign languages. We need to develop alternative curriculum opportunities to provide students with appropriate learning opportunities alternate to traditional school environments.

There are welcome statements on connectivity and infrastructure with a key focus on energy, transport and digital connectivity, and land for business and housing, and natural capital but these don't go far enough (are not aspirational) in terms of being a national or world leader. As an area, we need to be ambitious in terms of digital connectivity, we should be aiming for Exeter to be a test bed for 5G and then for the LEP area to have full roll out of 5G. Ultrafast broadband should be a given to enable businesses to connect locally and globally. We need to encourage more businesses to engage with digital platforms to enable them to trade world-wide more effectively to increase productivity. These are the issues that Exeter has sought to focus on to address the challenges facing the city. Specific reference is made to the connection of communities to opportunities for work, with North Devon mentioned as an example of a peripheral part of our area that would benefit from having faster links to major opportunities in Exeter. The Barnstaple to Exeter railway being an example of a project that would deliver connected places across a dispersed geography. Linking towns and villages surrounding Exeter into the city via sustainable travel methods (both train and bus) should be a priority, to enable productivity in the Exeter travel to work

area to increase. Measures should be an integral part of the productivity plan in reducing congestion levels within our urban towns and cities.

Every dispersed rural or coastal community has the potential to thrive and to develop their own business hub, either in a pub, village hall or converted barn – they just need reliable, ultrafast broadband and mobile technology. The use of work hubs is encouraged and should be supported. Bringing like-minded businesses and people together in one site with world class connectivity and design will ensure that talent that grows and moves to the Heart of the SW, stays in the Heart of the SW.

Commercial and residential developers should be encouraged and mandated to include ducting for fibre across a whole development, which is then available for other occupiers and carriers to use. It is pleasing to see a clear statement of “Prioritising previously used land, we will support suitable sites for employment uses – identifying gap funding, and making sure that the Local Plan process across the HoTSW area is aligned with our ambition to raise productivity”. Exeter is looking at ways to deliver residential and employment urban development of previously used land and welcomes this statement.

To support an increase in productivity there should be clear guidelines on improving air quality in urban areas, which would result in a great place to live, visit, study and work in. This should also link to measuring and increasing natural capital and biodiversity as part of any development and new build. To support a clean growth strategy, new and modern types of building techniques should be encouraged and implemented, the following should be the norm - Breeam standards, harvesting of rainwater, low energy buildings, use of solar & wind power within any build or development, measures to increase sustainable modes to travel to any new build or development, use of local materials and the development of local talent and skills within the construction sector. This should also focus on transport methods within urban areas, such as developing a network of accessible electric charging points for bikes and cars and the purchase of electric buses to travel throughout towns and cities.

Development should be encouraged around previously used land and infilling between sites to support clustering of businesses and sectors. Exeter has been pursuing a strategy for two decades with the aim of moving from a low waged county town to a knowledge economy paying higher wages and more productivity. It has been a transformational agenda that has focused on economic growth and has been a place based approach to driving economic performance. We have sought to build our strategy around our key assets and to address the infrastructure and planning conditions that are supportive of a growth program. The city is developing a critical mass of vibrant technology based businesses capable of solving 21<sup>st</sup> century challenges. Being supported by the LEP in developing this critical mass will make it much easier to retain and attract the brightest talent, to attract inward investment and to develop clusters within Greater Exeter.

The University of Exeter and the Met Office are standout world class assets rightfully recognised in the plan. Exeter has achieved 3.4% GVA growth for 15 years. Productivity in Exeter at £59,300 is higher than the national average, Exeter has risen from 35 to 30 in the ranking of UK cities on productivity compared with the HoTSW declining productivity. This is recognised in the plan and we welcome this. The purpose of stating this performance is that the city has prioritised growth and has done all the things that are suggested in the plan that we should pursue, but it is apparent to the city that we need to push on if we are to achieve the stated aims of maximising the benefits from our golden opportunities. It is apparent that the success of our plan depends in large part on aligning strategies and investment plans to capitalise on the opportunities. We see some recognition of this in the plan.

Cranbrook has shown that policy led development can change the demographic trends, the second youngest settlement in the country, compared with housing for the over 60s. How do we point to the disproportionate cost of building on green field free standing settlements

close to major employment - but in the process generating working age population to drive growth and productivity? There is the need to increase the number of residential units within the Exeter targeted at young professionals to live within the city, to encourage graduates to remain in Exeter and to attract young professionals to live within the city from further afield. This would support a vibrant city centre economy and would assist in reducing congestion levels into the city during peak times.

Having a vibrant place to live, with outstanding heritage and cultural activities and events, along with beautiful natural capital is part of the recipe for attracting and retaining young people. Exeter City Council is playing its role in supporting the heritage and cultural sector in the city to ensure it is not just about having a great job and housing, it's also about what you do once you have left work to enjoy your leisure time. The cultural sector needs recognition in the role it plays in attracting people and businesses into the area.

Connecting housing with employment is a significant challenge in the Exeter area and it threatens to stop further growth as the highway network no longer can cope with more growth. Exeter has an extensive travel to work area, indeed it has the third highest growth in day time population outside of central London, and second to Cambridge. The Cambridge city deal resulted in £500m of investment into the transportation network for Cambridge. The productivity plan recognises the role of our urban places to drive growth and productivity, there is a danger, unless stated as an explicit priority, investment in connectivity in strategic networks such as A303, A358, and the North Devon link road get prioritised above what may be perceived as a local transport need; we would argue such investment is critical as a strategic condition to support continued growth in urban areas. The document quite rightly identifies that energy grid capacity is holding back development in some places, we could similarly state that in places like Exeter congestion is a barrier to growth and needs investment within our cycling and walking infrastructure, sustainable travel and existing highway network to address the issue – using existing city highway networks more smarter and making them more agile. Encouraging residents and workers to change behaviour to adopt cycling and walking as part of their daily commute, would also address inactivity levels, would support the City Council's aspirations in being the make activity in England and would improve the productivity of our workers.

If we are to seriously tackle congestion in Exeter, we need to encourage people out of their cars and onto other more sustainable modes of transport to include park and ride/change, buses in and around the city, the development of dedicated walking and cycling routes from housing to employment sites, developing priority measures for buses in towns and cities, and to be ahead of the game in the developing infrastructure for electric and autonomous vehicles. Alternatives need to be of the highest standard and quality, as well as being reliable alternatives to enable behavioural change. Additional park and ride/change facilities located on the outskirts of Exeter, or at alternative transport interchanges (such as Tiverton Parkway, St David's, Crediton and Cranbrook) should be seen as a priority to ease city centre congestion.

The rail infrastructure within the Heart of the SW is very vulnerable, investment is required to enable a resilient rail network to function in all weathers. Supporting investment and development of the rail network should be seen as an economic driver and a mechanism to support inclusive growth to enable dispersed communities to access meaningful employment – this should also be the case for flood defence works.

There are pointers to the recognition of some of these issues, but more could be done to recognise that the place based approach is a building block of the transformational plan. Managing Exeter's urban challenges is a potential source of driving innovation and attracting Venture Capital investment. Exeter City Futures is a demonstration programme of how the city is trying to drive innovation and attract investment in harnessing data and analysis to drive innovation.

There are areas within the Heart of the South West that are shouting out for more attention and investment, Exeter Airport is one of these. Exeter Airport is a key economic asset that supports 3,000 local jobs and contributes £150m GVA to the local economy. It is a Royal Mail hub, headquarters for Flybe and its training academy, home to the Devon & Somerset Fire Rescue Services training facility, base for the NPAS and Devon Air Ambulance helicopter facility and is central to the success of Exeter Science Park and SkyPark. There are challenges the airport faces and with some support and investment, these could be minimalised, including – improvements to public transport to and from the airport, be a voice in the reduction/removal/consistency of APD, slots into Heathrow and infrastructure improvements at the airport. Exeter Airport can be seen as a driver for improving productivity in developing skills, attracting like-minded aerospace companies and enabling the area to trade internationally – the Productivity Plan and the LEP needs to do more to support Exeter Airport in its development. On a related matter, we cannot under estimate the impact of having the headquarters of Flybe in terms of what they bring to the LEP area, good quality technical & mechanical jobs, a supply of well-educated young people through Exeter College, a healthy supply chain and a growing cluster of aerospace businesses.

The Productivity Plan describes inclusive growth as a cross cutting theme, but this seems to have been missed throughout the plan and doesn't support all areas of the economy within Devon & Somerset – visitor economy, retail, health & social care and agriculture. For everyone to benefit from the growth in the LEP area, all areas and sectors need to improve not just nuclear, marine and the knowledge economy. Support for the visitor economy, health & social care and the agricultural sector are all enablers of higher productivity, but will also drive an inclusive growth agenda.

As a final point, businesses within the area are predominantly micro or SME's. The LEP needs to develop ways of better communicating and integrating with smaller businesses in ways to drive up productivity. Business owners are HR managers, marketing professionals, sales managers and IT professionals all rolled into one, they struggle to engage with public sector bodies and could feel alienated by the Productivity Plan.

Productivity across the LEP varies greatly and this should be recognised in having different goals in raising productivity, as this could hamper development in areas like Exeter and Greater Exeter.

There is an ask from the business community in Exeter that the LEP supports the city's aspirations in driving up productivity for the wider LEP area.

Signatories of the Exeter responses to the Heart of the South West Productivity Strategy include:

Exeter City Council	 <b>Exeter</b> City Council
Exeter Federation of Small Businesses – Michael Green	 Experts in Business

Exeter Cycling Campaign – Mike Walton	
BT – Paul Coles	
Lightfoot – Mark Roberts	
Exeter Chamber of Commerce & Trade – David Savill, Chairman	
South West Comms – Tony Rowe	
Exeter Rugby Group – Tony Rowe	
Exeter Estates – Tony Rowe	
Stagecoach Devon – Bob Dennison	
St Peter's C of E Aided School – Phil Randall	
Exeter Airport – Matt Roach	

Environment Agency – Richard  
Stockdale and Mark Rice



Environment  
Agency