Business South

Business South Annual Conference

Shaping Tomorrow Together



Thursday 5th November 2026

Business South

Emily Hudson

Senior Broadcast Consultant

BBC



Connecting business **Championing the region**

Housekeeping

- No fire alarm is expected today, please leave via the nearest exit if it sounds
- Phones to silent
- Wifi is available and you will need this later, details on your lanyard card
- Access agenda and speaker biographies using the QR code on your lanyard card
- Slido – Slido.com #BSTHAC26
- Parking is free but you must register your vehicle use the link at the hotel reception or welcome desk

Thank You


University of
Southampton


WOMBLE
BOND
DICKINSON


KIER


Hilton
SOUTHAMPTON
UTILITA BOWL


CARTER
TRAVEL
CO.


MORGAN
SINDALL
CONSTRUCTION


Omni
Forward Thinking for a
Smokeless World


Southampton
Solent
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LTN
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Thursday 5th November 2026

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Leigh-Sara Timberlake

Group CEO

Business South



Connecting business **Championing the region**


Central South
Property Lunch 2026
Wednesday 3rd June
OUR MISSION
10

Business South

20 YEARS
of connections

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Thursday 5th November 2026

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Dr John Flackett

Co Founder

AI Lab



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Ai Lab.

Navigating Artificial Intelligence

AI: Beyond the Headlines

with

Dr. John Flackett

(PhD in Artificial Intelligence)

www.ailab.world

in : Dr John Flackett

in : AiLab | Artificial Intelligence Laboratory

Co-founder & Head of AiLab | International AI Speaker & Educator | Advisor

DR. JOHN FLACKETT
www.ailab.world

Ai Lab.
Navigating Artificial Intelligence

Why AI researchers warn humanity could face extinction

AI stock selloffs fuel fears Big Tech's best quarters are over

Your electricity bill is skyrocketing—and techbros are to blame

Dire AI predictions and calls for safeguards

AI is killing 10,000-plus jobs per month and 9% of jobs are at risk

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Navigating Artificial Intelligence

AI stock selloffs fuel fears
Big Tech's best quarters are over

AI stock selloffs fuel fears

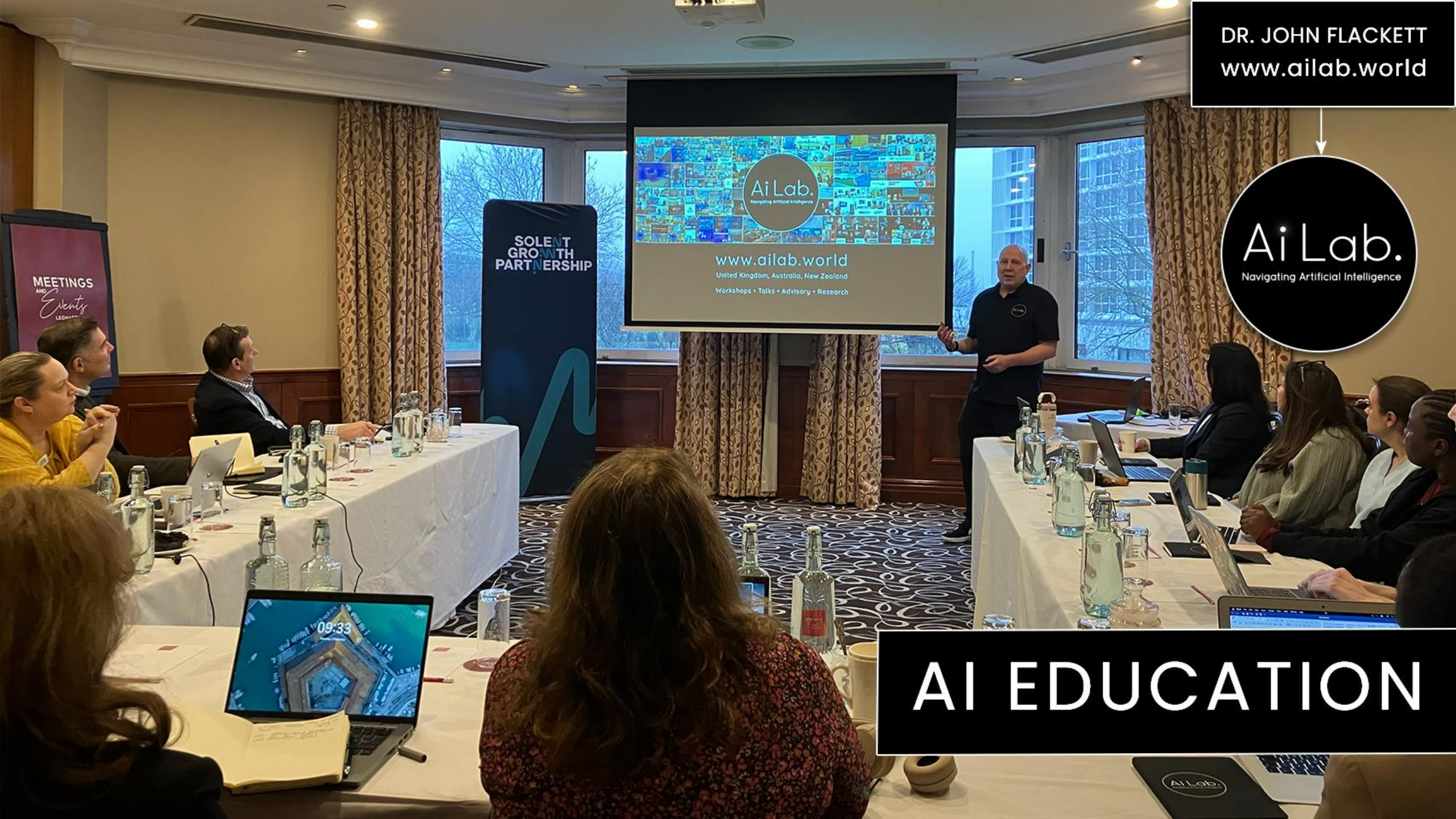


MONEY & POWER

Your electri
skyrocketi
techbros ar

Dire AI predictions and calls for safeguards

AI is killing 10,000-plus jobs per month and 9% of jobs are at risk


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Protecting cities with AI-driven flash flood forecasting

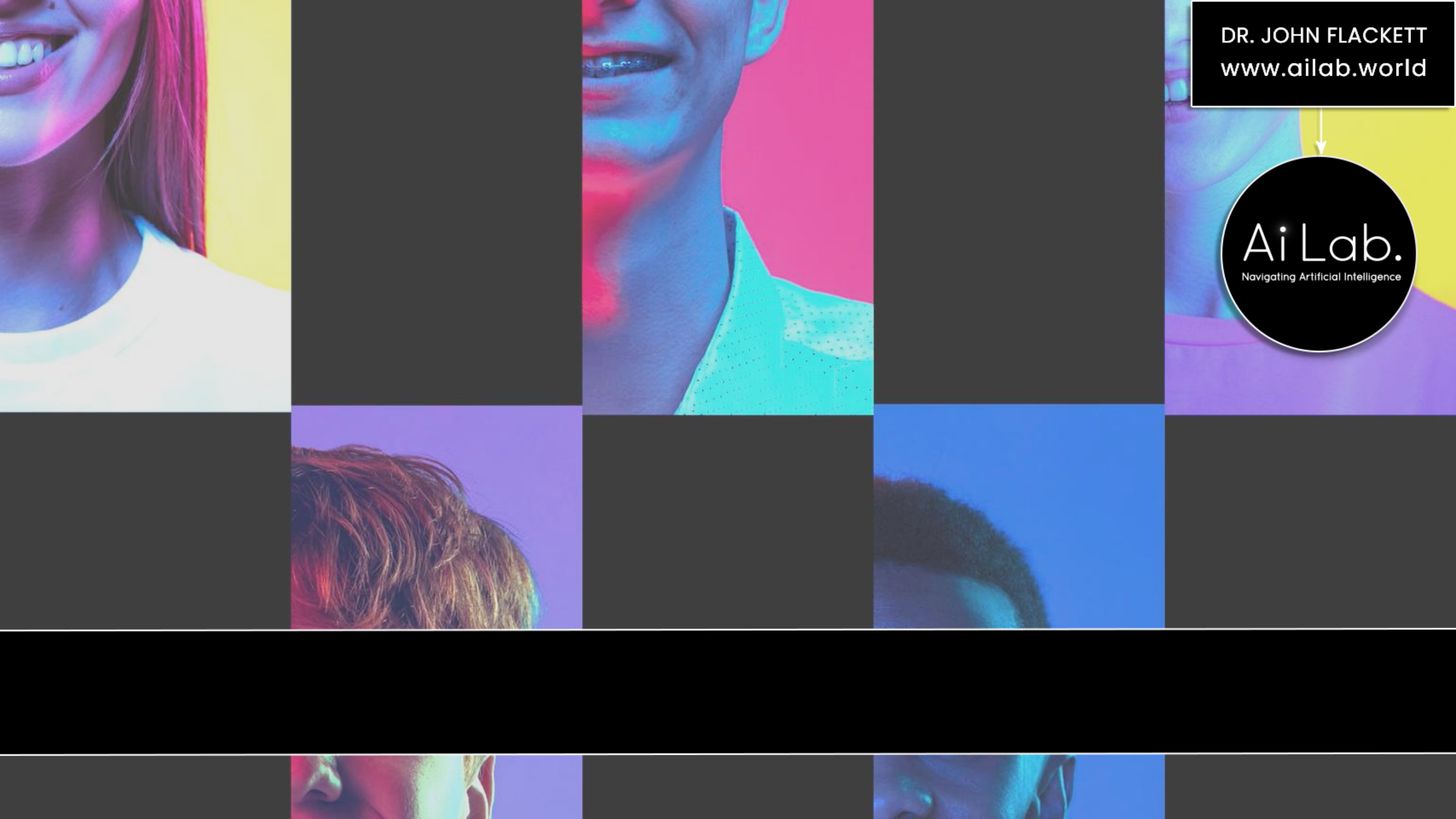
Nature lovers can aid ecology with an assist from AI.

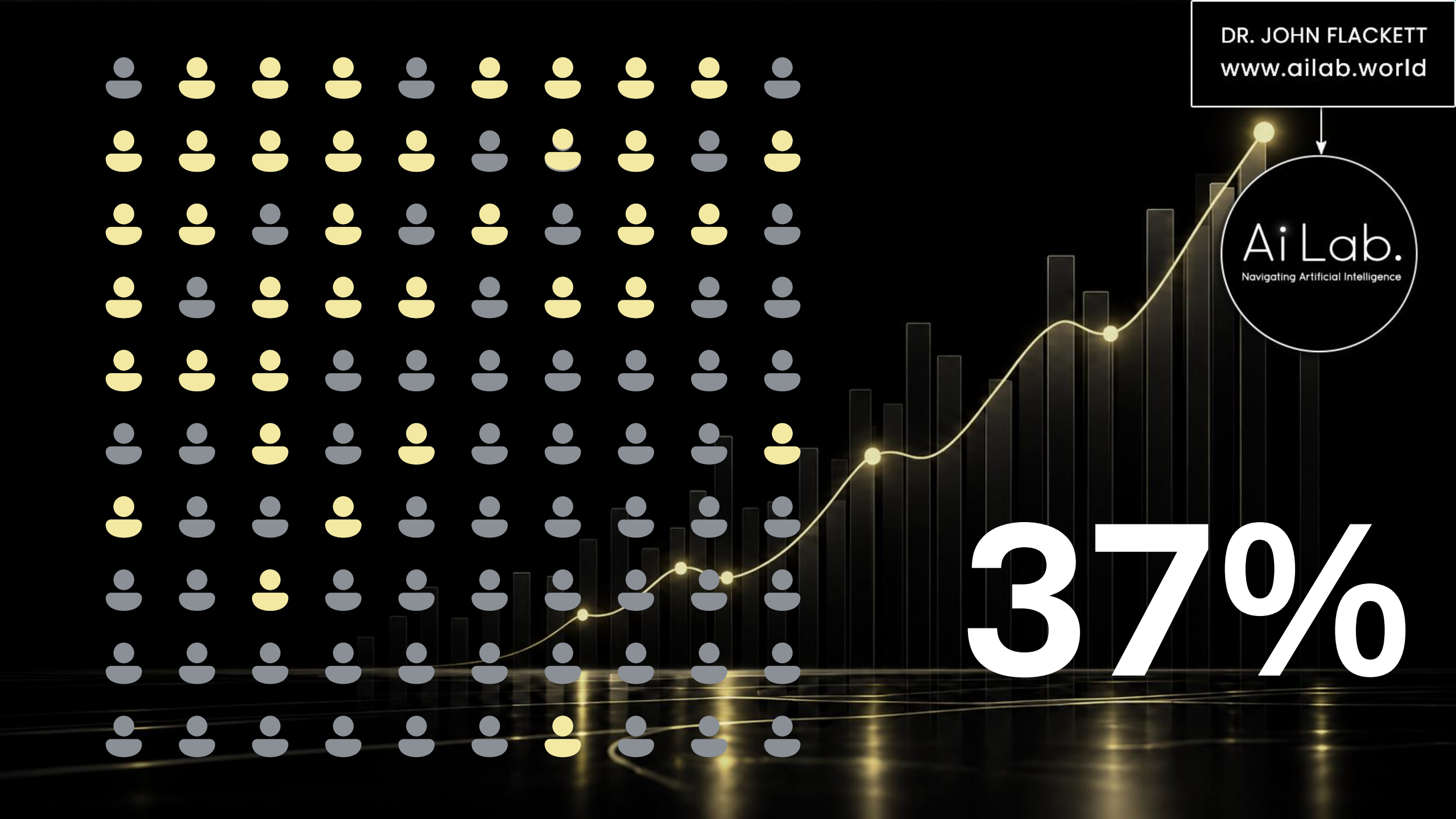
AI Jobs Institute to Prepare New Yorkers for Jobs of the Future

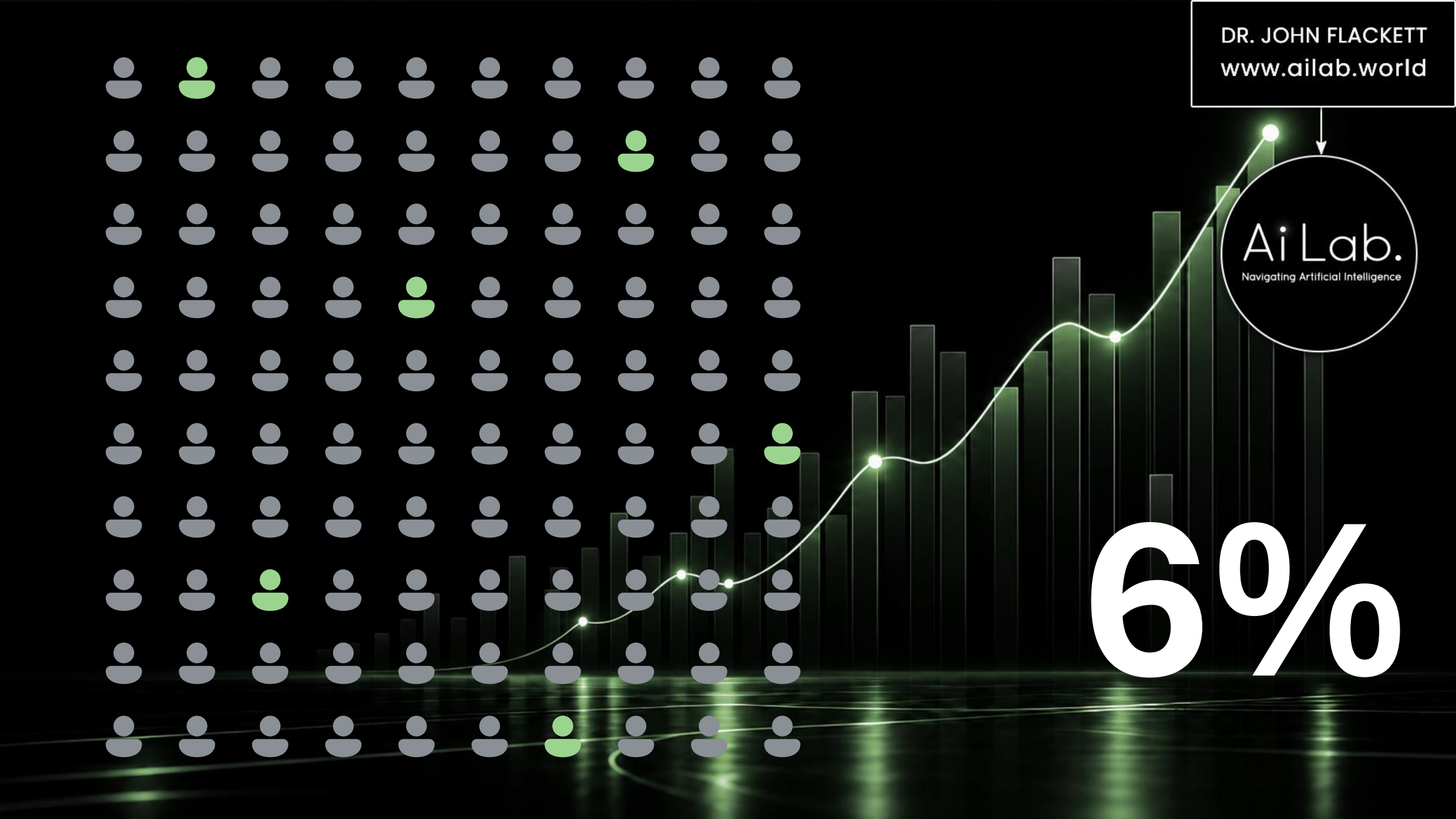
Personalized physical therapy: Stroke rehabilitation powered by AI

AI to help tell donkeys apart

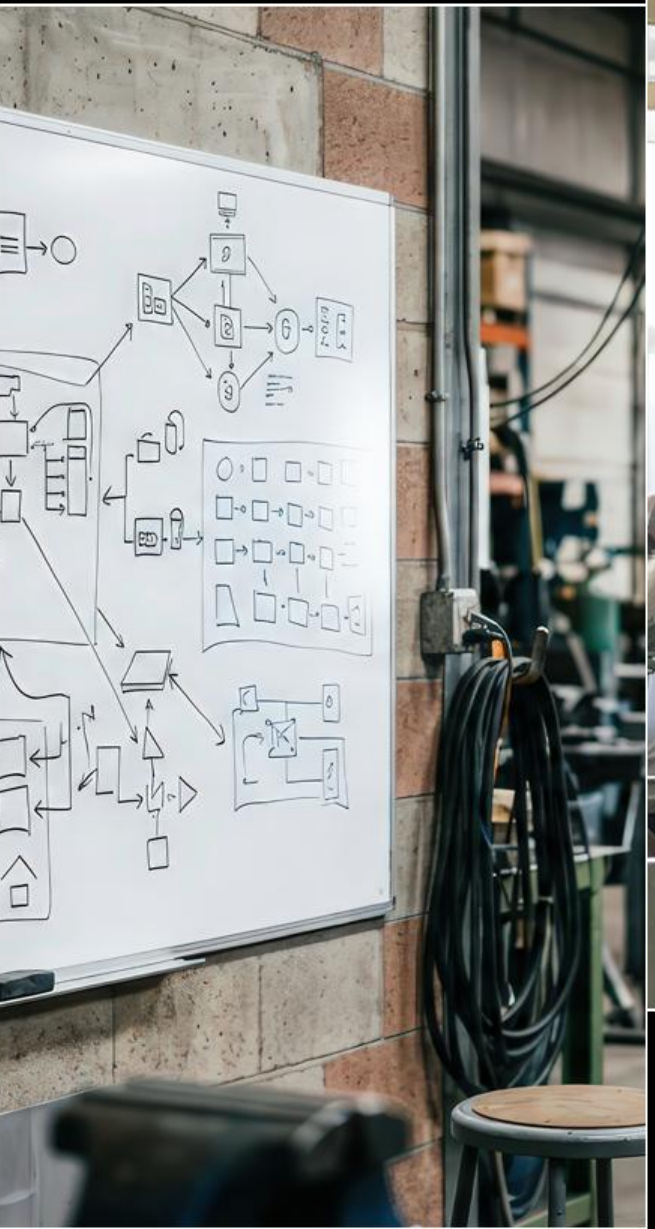
AI FOR GOOD


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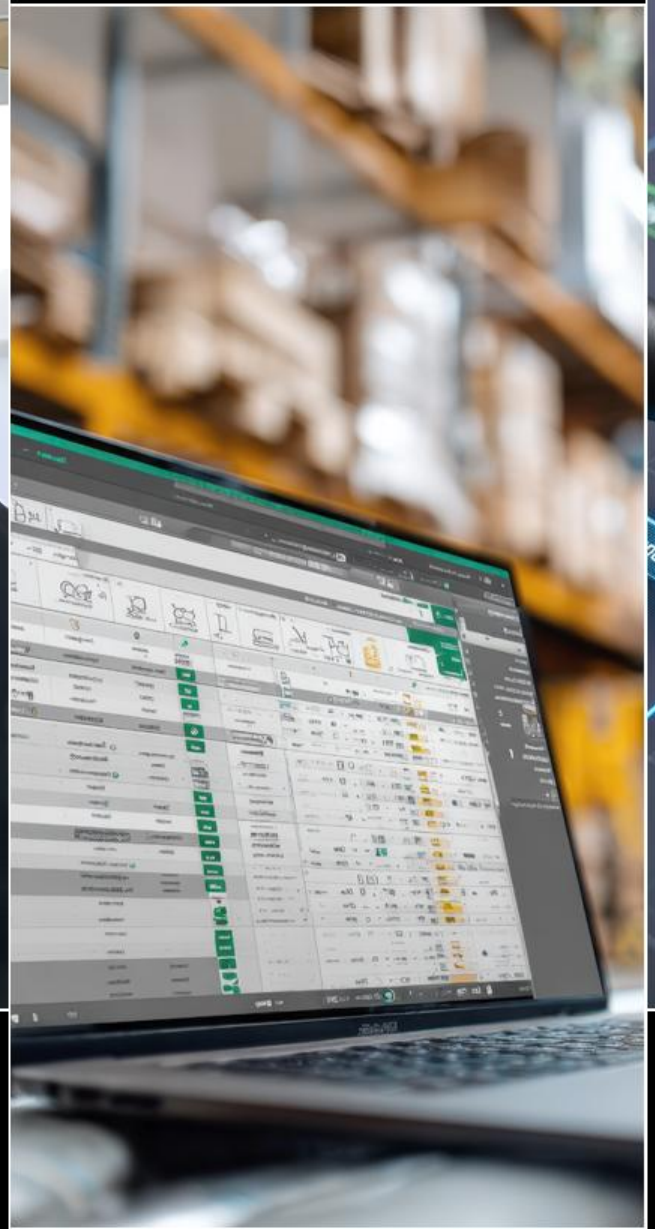
PROBLEM



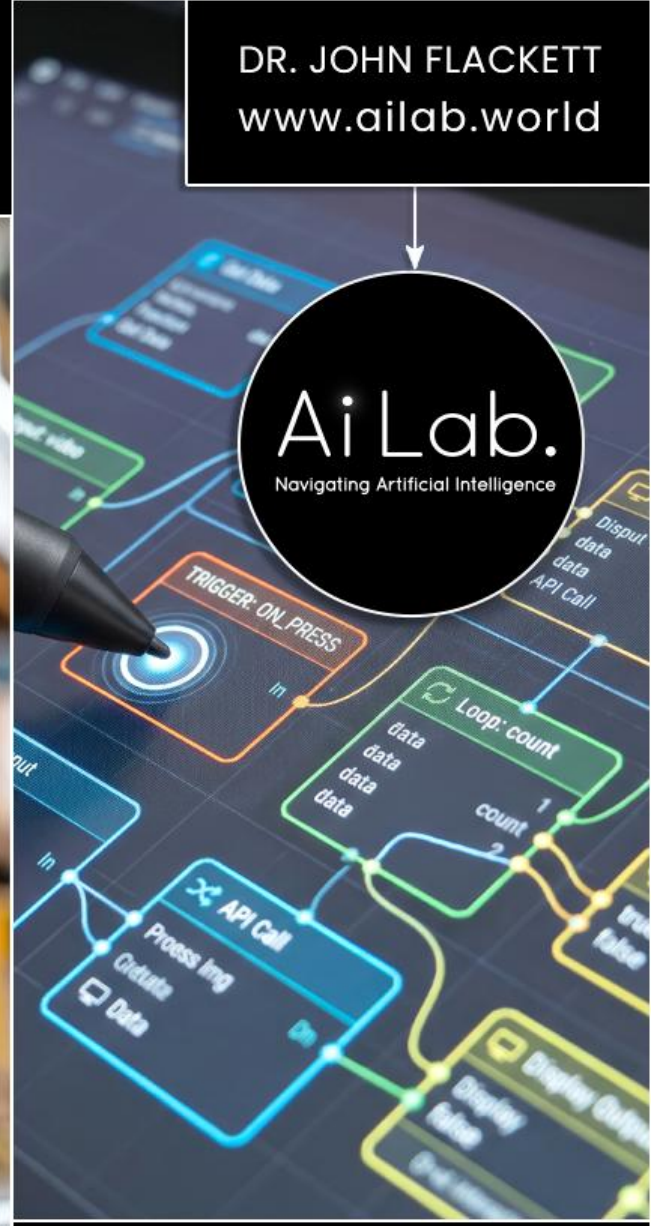


PEOPLE (SKILLS)

INFO (DATA)



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PROCESS

We have a major opportunity to make Southampton an AI City of Excellence & in time, we could scale it up to the whole Central South to be recognised as an AI Region of Excellence.

- Dame Wendy Hall, 2024



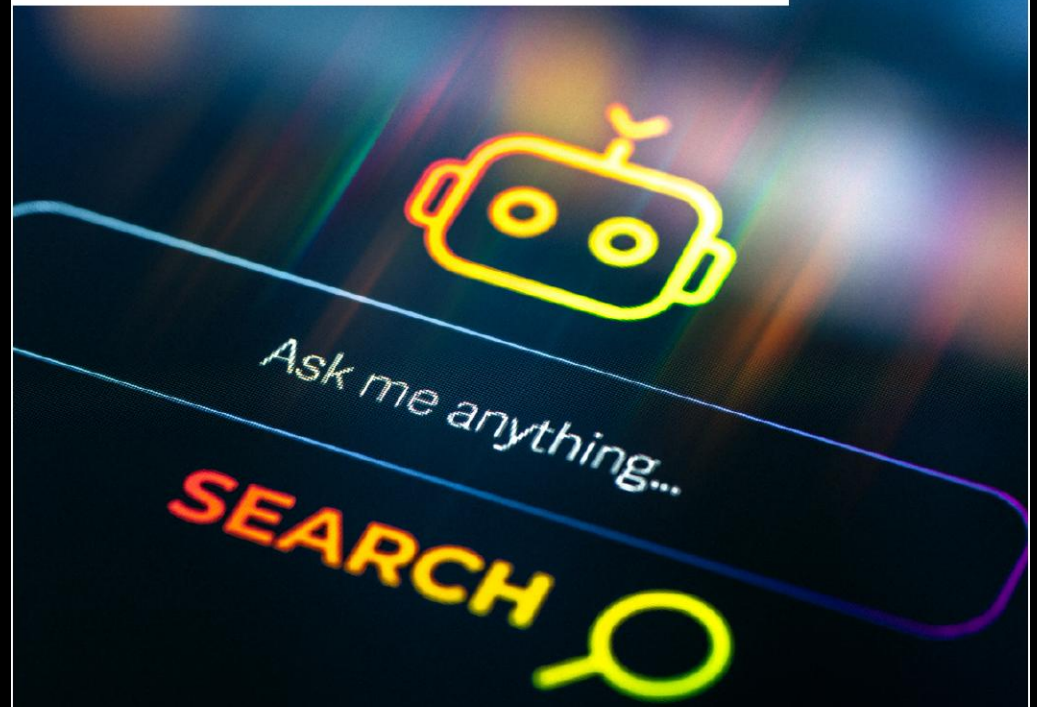


50 Ways Hampshire and the Solent are Shaping Britain's AI Revolution

University of Southampton

University of Southampton

How might artificial intelligence affect the labour market in Hampshire and Solent?



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Attracting investment and infrastructure

33. Solent Freeport provides hubs for global trade and innovation, with financial incentives that can help attract AI infrastructure investment and support regional economic growth.

34. Future Worlds, the University of Southampton's start-up accelerator, has supported companies that have raised more than £110 million in investment, demonstrating the region's capacity to turn research-led ideas into scalable ventures.

AI for communities and the voluntary sector

35. Charities in Southampton are among the first to benefit from a new initiative providing a free AI Advice Bureau for the voluntary sector, schools and colleges.

36. Southampton charity Heartbeat House has funded work using 3D-printed hearts of successfully treated babies and children to better inform surgeons; machine learning helps identify parts of the heart in MRI and CT scans to create more accurate 3D models.

AI in schools and colleges

37. The AI Advice Bureau has been delivered to Southampton primary school leaders with support from Solent University and the University of Southampton, helping schools engage with AI confidently and responsibly.

38. Barton Peveril College is embedding AI across its operations to reduce staff workload and improve efficiency, creating more capacity for face-to-face teaching and student support.

Regional AI networks and collaboration

39. The AI Growth Alliance, led by Hampshire County Council and supported by the Future Towns Innovation Hub, is building a thriving and inclusive artificial intelligence economy across Hampshire and the Solent.

40. HantsAI (https://hantsai.aigenticlab.com) provides a free newsletter that rounds up local face-to-face AI events across Hampshire and the Solent.

Regional profile

43. Solent FutureScape is a large-scale AI-focused event designed to accelerate digital transformation, inspire collaboration and bring the regional technology ecosystem together.

44. Venturefest South strengthens innovation and connectivity, facilitating £1 million in investment and promoting more than 150 innovators since 2018.

45. IBM Hursley AI Innovation Day brings together industry, academia and start-ups to build partnerships and share applied AI expertise.

46. The University of Southampton will host the 2026 British Science Festival, giving the region a national platform for science, technology and public engagement.

47. The AI and Art Festival explored AI in photography, fashion, literature, comedy and music, hosted by Theatre Royal Winchester, The Arc and Winchester School of Art.

AI for all

48. You, AI and Us, the University of Southampton's podcast, introduces the people behind some of the most exciting AI research taking place in the city.

49. The AI and Society Community Hub has 180 members and strengthens University of Southampton-community connections by sharing ideas, contacts and opportunities to advance AI-related projects.

50. AiLab has delivered a series of free public AI workshops to 100 businesses across Southampton, Portsmouth and the Isle of Wight in collaboration with the Solent Growth Partnership.

Taken together, these examples show a region with unusual strength across the whole AI pipeline: frontier research, responsible governance, public-service experimentation, business adoption, civic inclusion and skills development. Hampshire and the Solent are not simply responding to the AI revolution; they are helping shape how AI can be developed and used responsibly for economic growth, public benefit and shared prosperity.

We would like to thank all our colleagues whose work is featured here. Particular thanks go to:

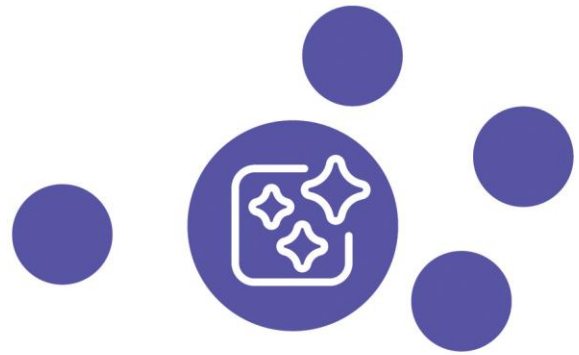
Southampton Solent University

AiLab (Artificial Intelligence Laboratory)

Barton Peveril College

Society of St James

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AI IN THE CENTRAL SOUTH...

LET'S WRITE OUR OWN HEADLINES!



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Shaping Tomorrow Together



Thursday 5th November 2026

Business South

Trevor Williams

Author, Academic and Former Chief Economist

Economic Outlook and Prospects for the Central South region

Send your questions to Slido.com **#BSTHAC26**



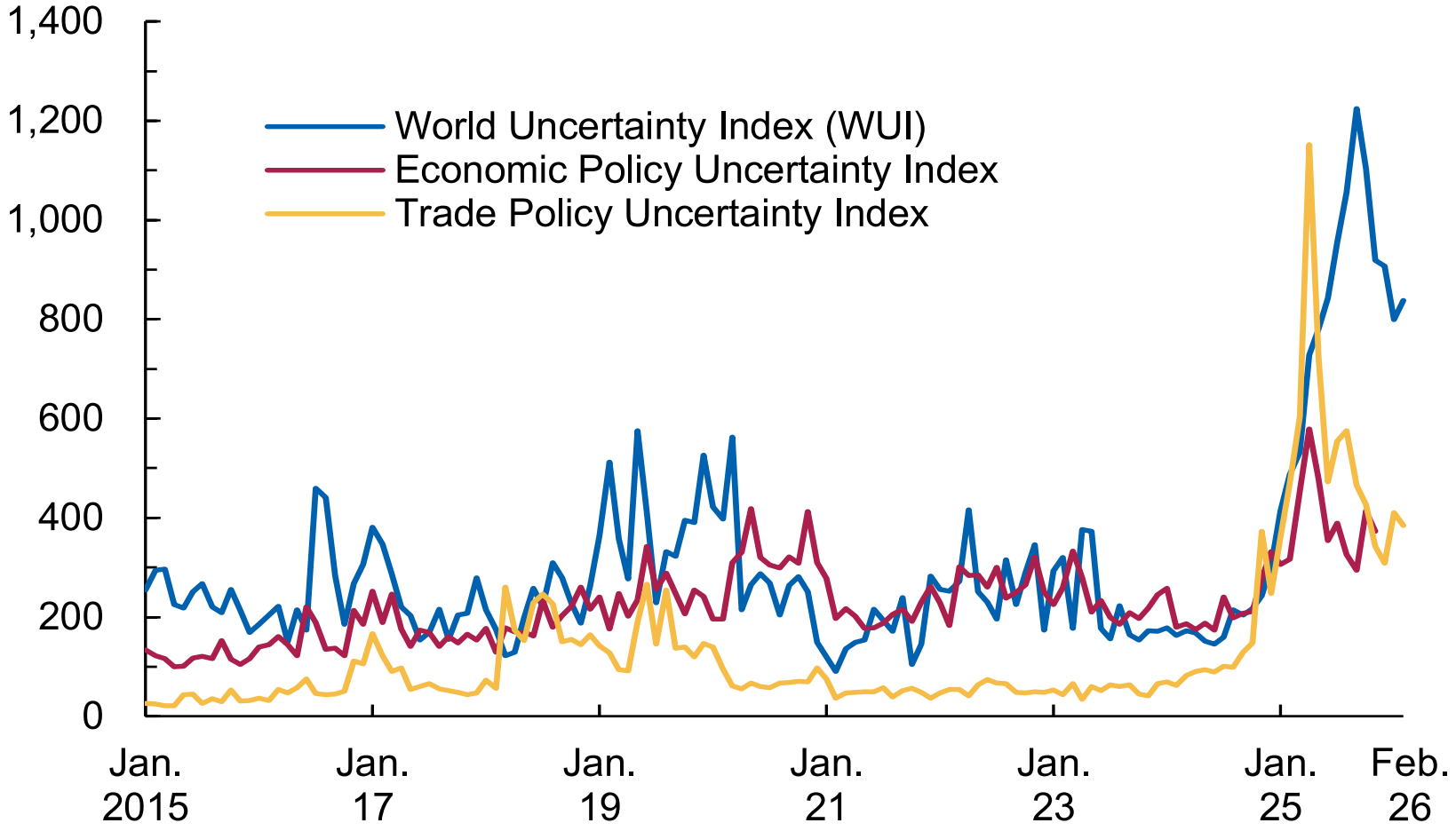


The UK economic outlook & prospects for the Central South

5th November 2026

Professor Trevor Williams

A more uncertain world



**The data are scaled frequency measures, based on the number of references in news coverage.

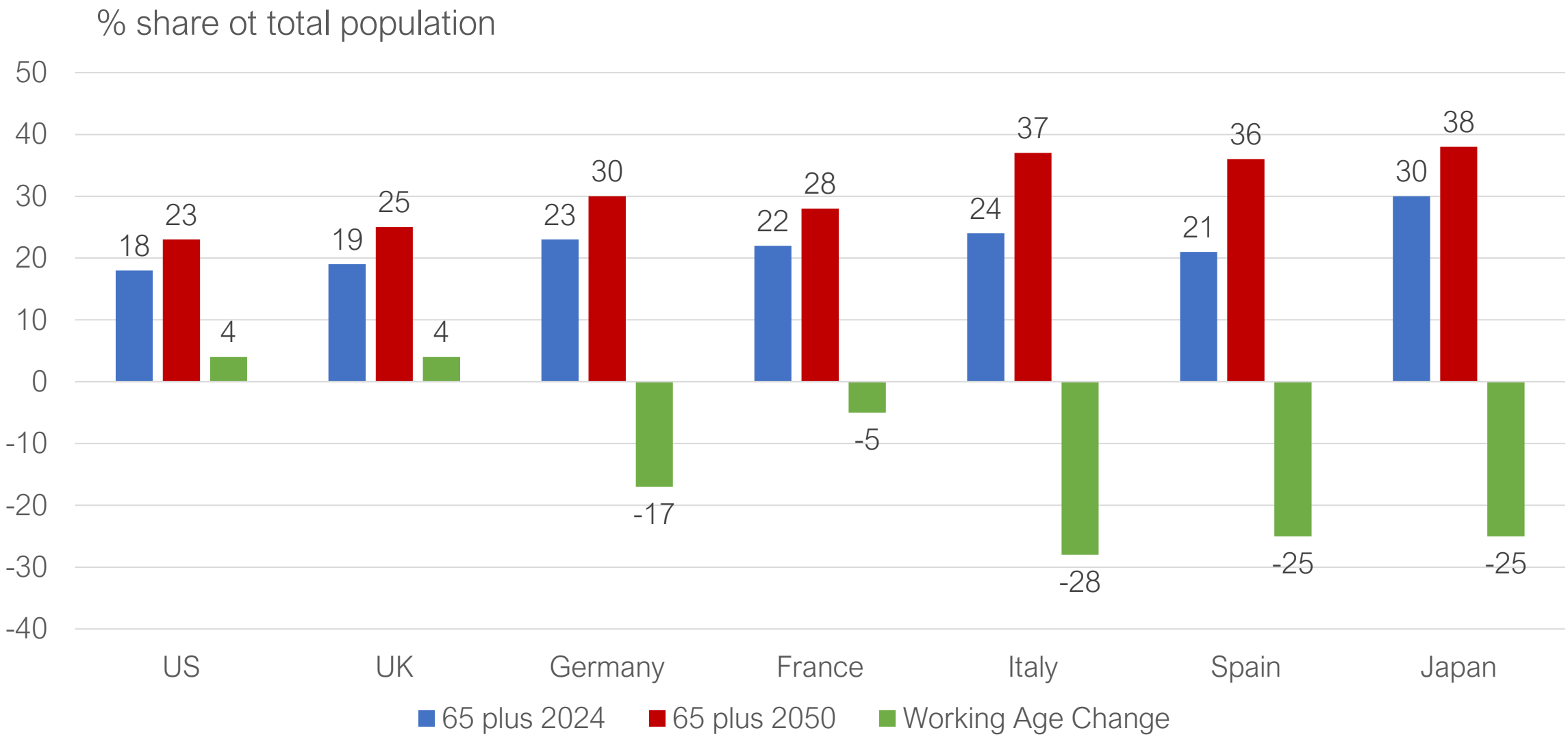
*Global institutions are weakening
* The rules-based order is under pressure
*Power is increasingly determining outcomes

Source: IMF, April 2026

OUTLINE

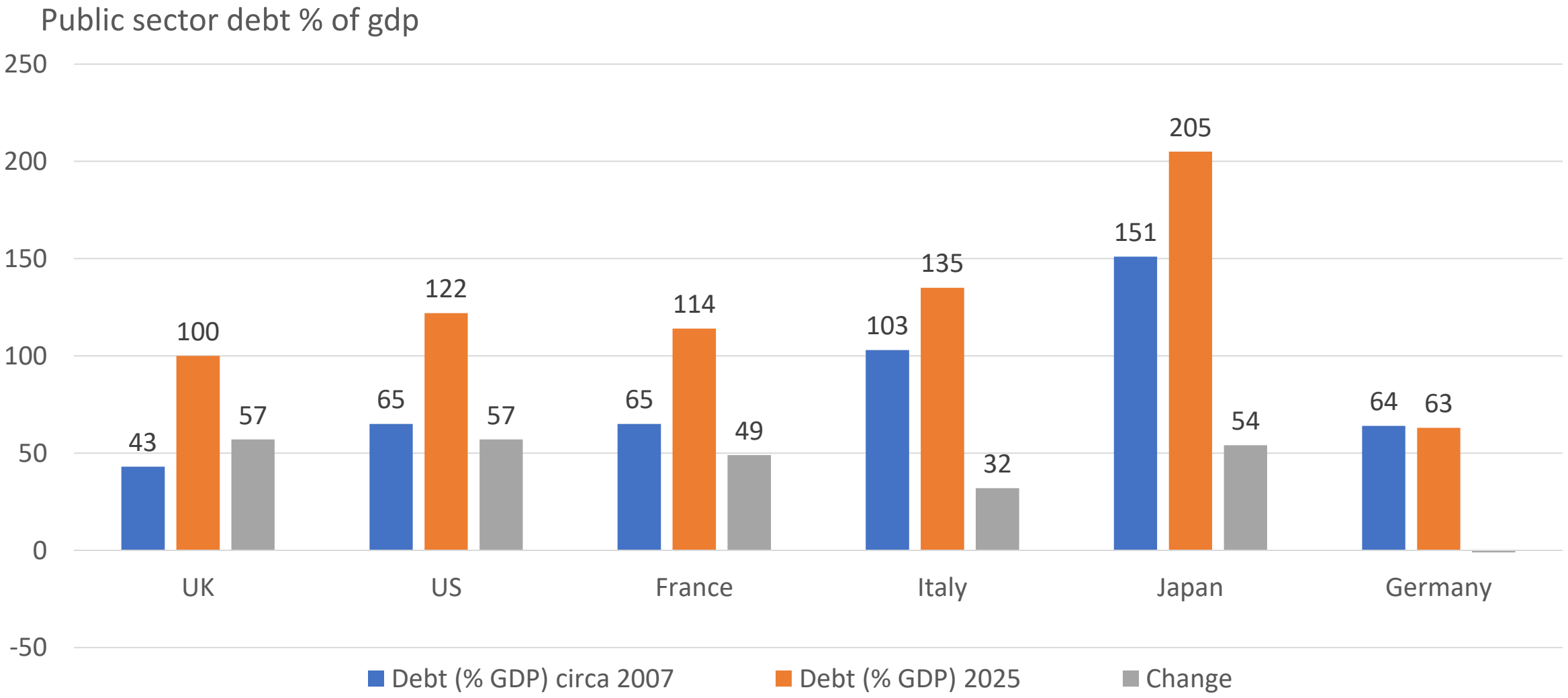
- Global Backdrop
- UK economic focus…
- …..what it means for the Central South

Ageing is accelerating…



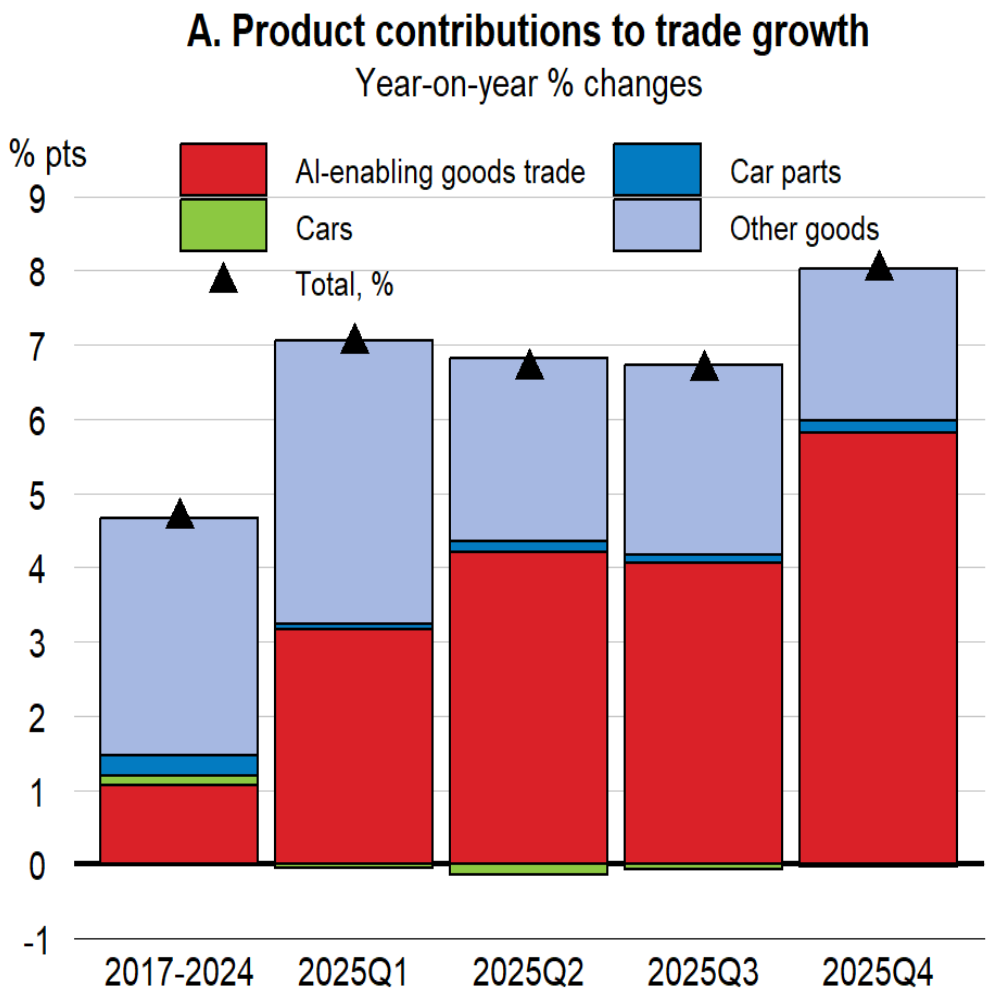
Source: Our world in data, authors'' calculations

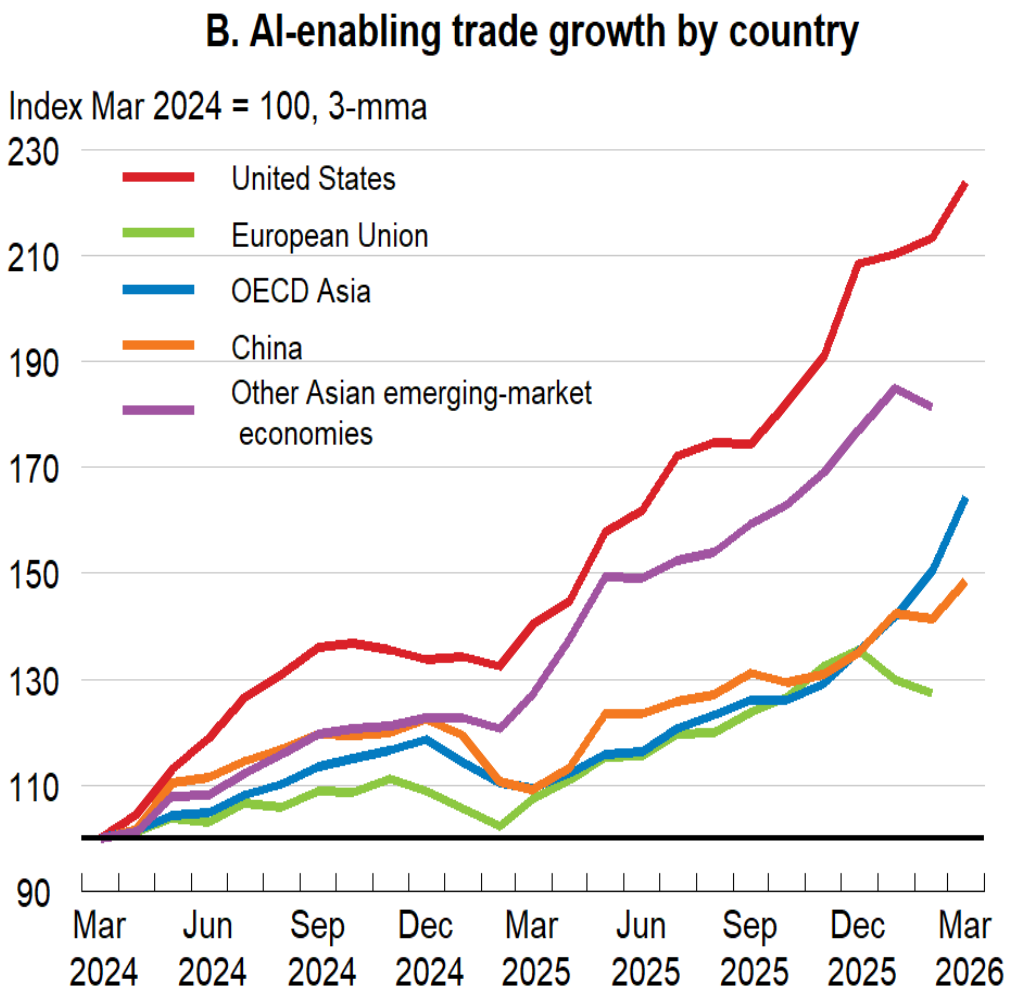
…and so fiscal deficits are widening



Source: OECD, authors'' calculations

But as global AI-related products trade booms…





•AI-related trade is concentrated in chips, servers, and specialised components — and not yet broad-based in the wider economy. US may lead but Asia is close behind

Source: . OECD

…global economic growth is currently proving resilient

Real GDP Growth, % increase in year

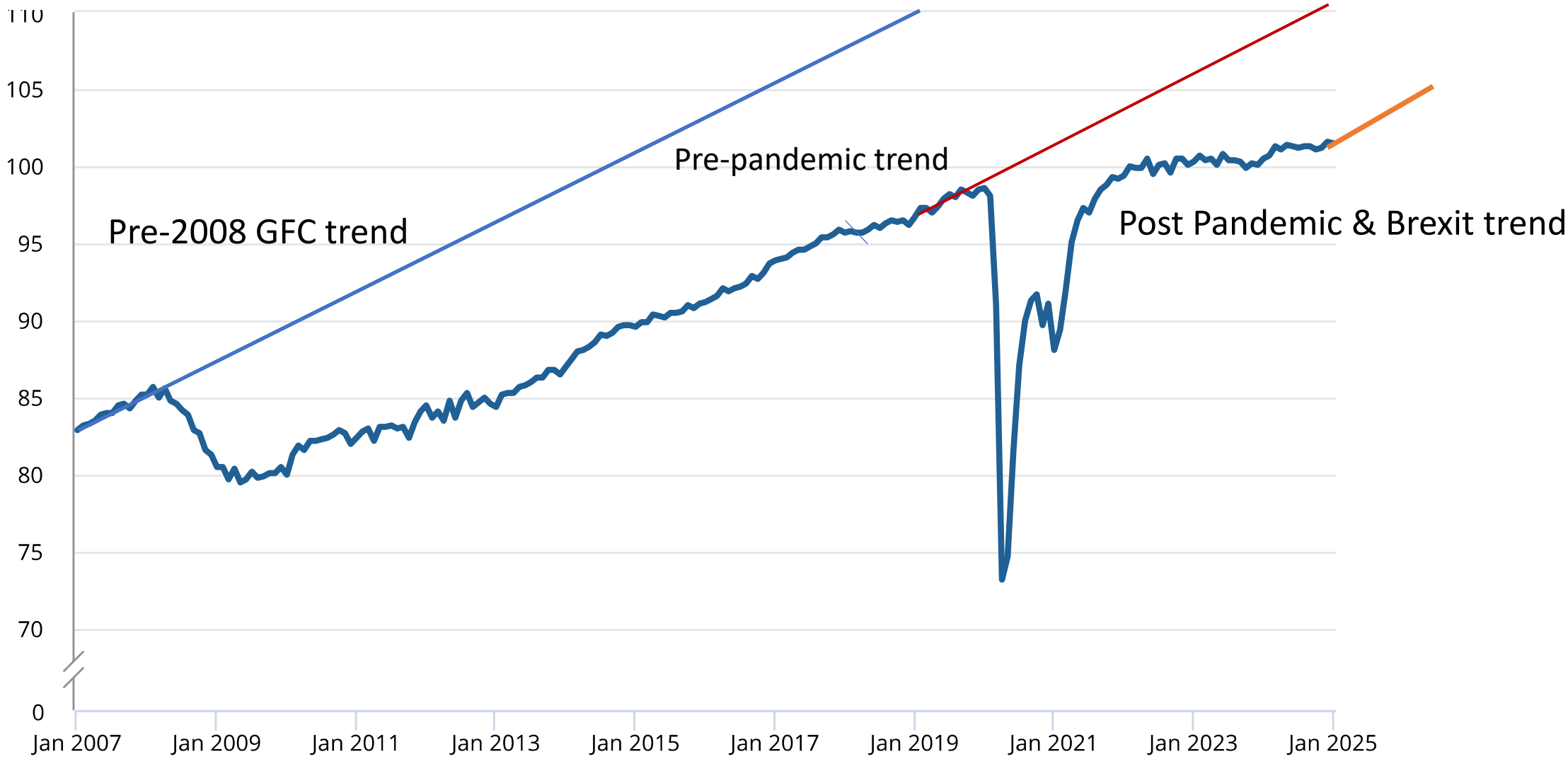
Real GDP Growth[1]	Average 2013-2019	2024	2025	2026e	2027f	2025 Q4f	2026 Q4f	2027 Q4f
World	3.4	3.4	3.4	2.8	3.1	3.3	2.7	3.2
G20[2]	3.5	3.4	3.3	3.0	3.0	3.2	2.8	3.1
OECD[2]	2.3	1.8	1.8	1.5	1.7	1.7	1.5	1.8
United States	2.5	2.8	2.1	2.0	1.8	2.0	1.7	2.0
Euro area	1.9	0.9	1.4	0.8	1.2	1.2	0.9	1.3
Japan	0.9	-0.2	1.1	0.6	0.8	0.4	0.9	0.8
Non-OECD[3]	4.4	4.6	4.7	3.8	4.2	4.6	3.5	4.2
China	6.8	5.0	5.0	4.5	4.3	4.7	4.3	4.4
India[3]	6.8	7.1	7.6	6.3	6.4			
Brazil	-0.4	3.4	2.3	1.6	2.1			

Source: OECD

1. Per cent: the last three columns show the change over the previous year.
2. Moving nominal GDP weights using purchasing power parity. PPP basis

Focus on the UK

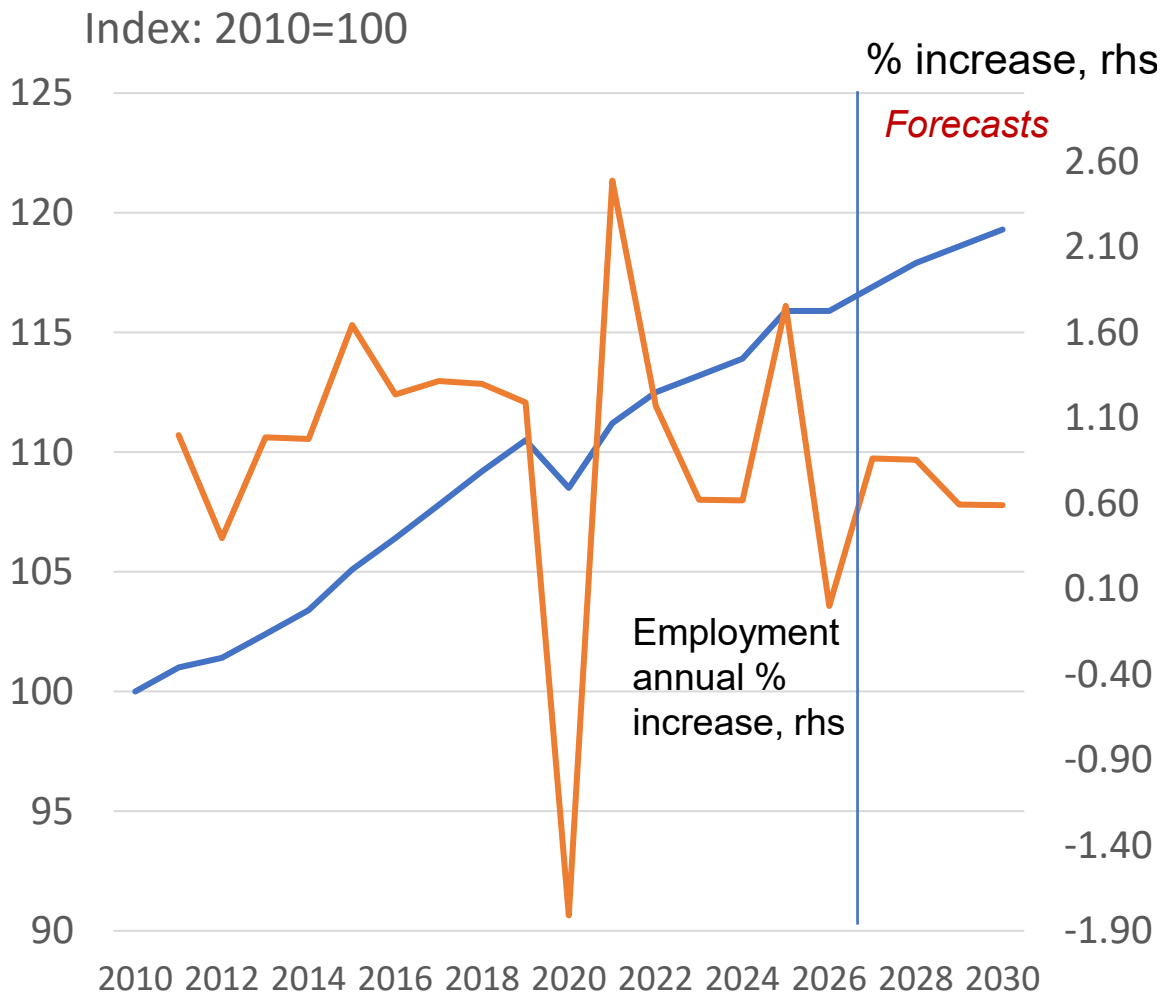
The UK's trend growth rate has been slowing…



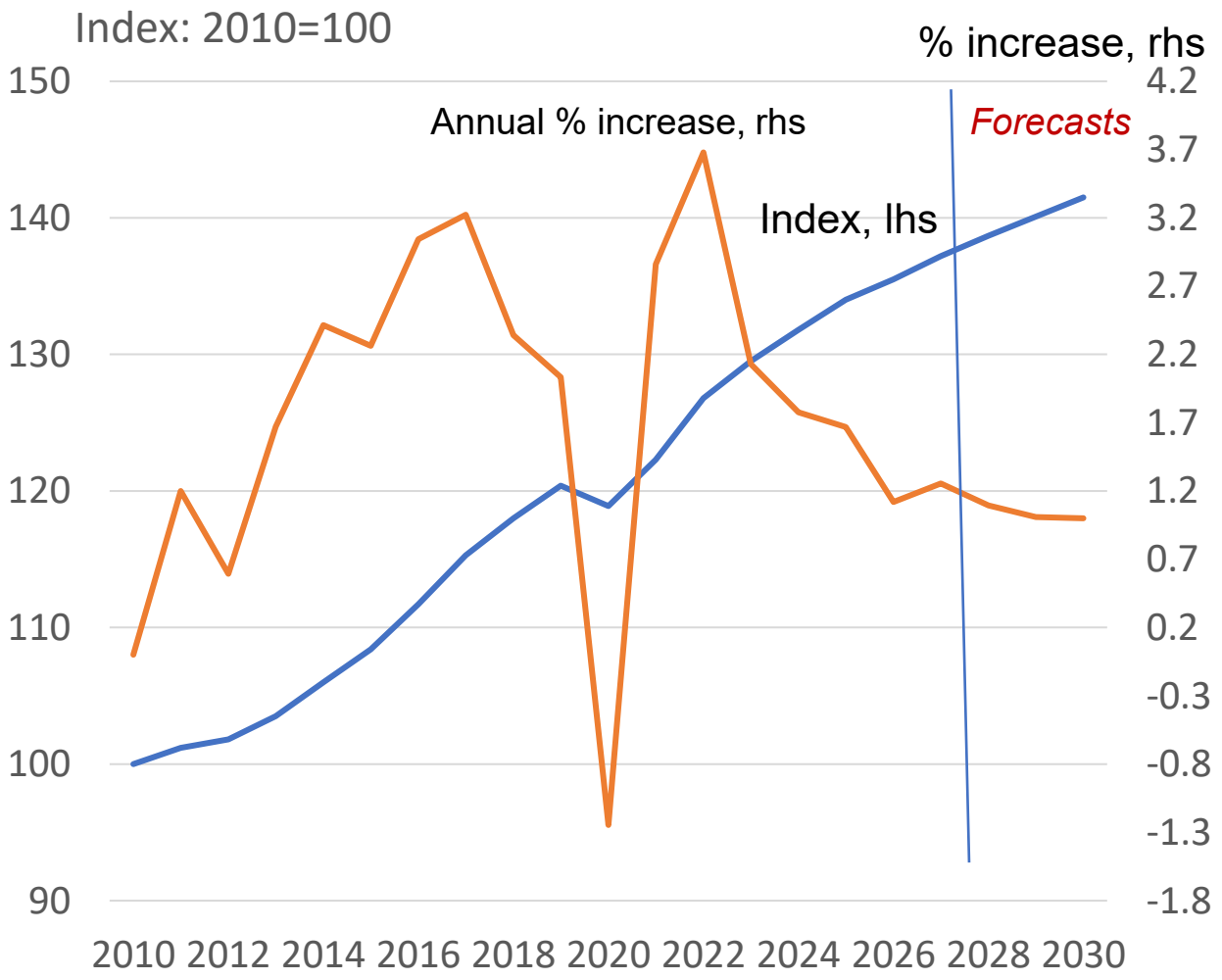
Source: ON

lower productivity: workforce and capital stock growth

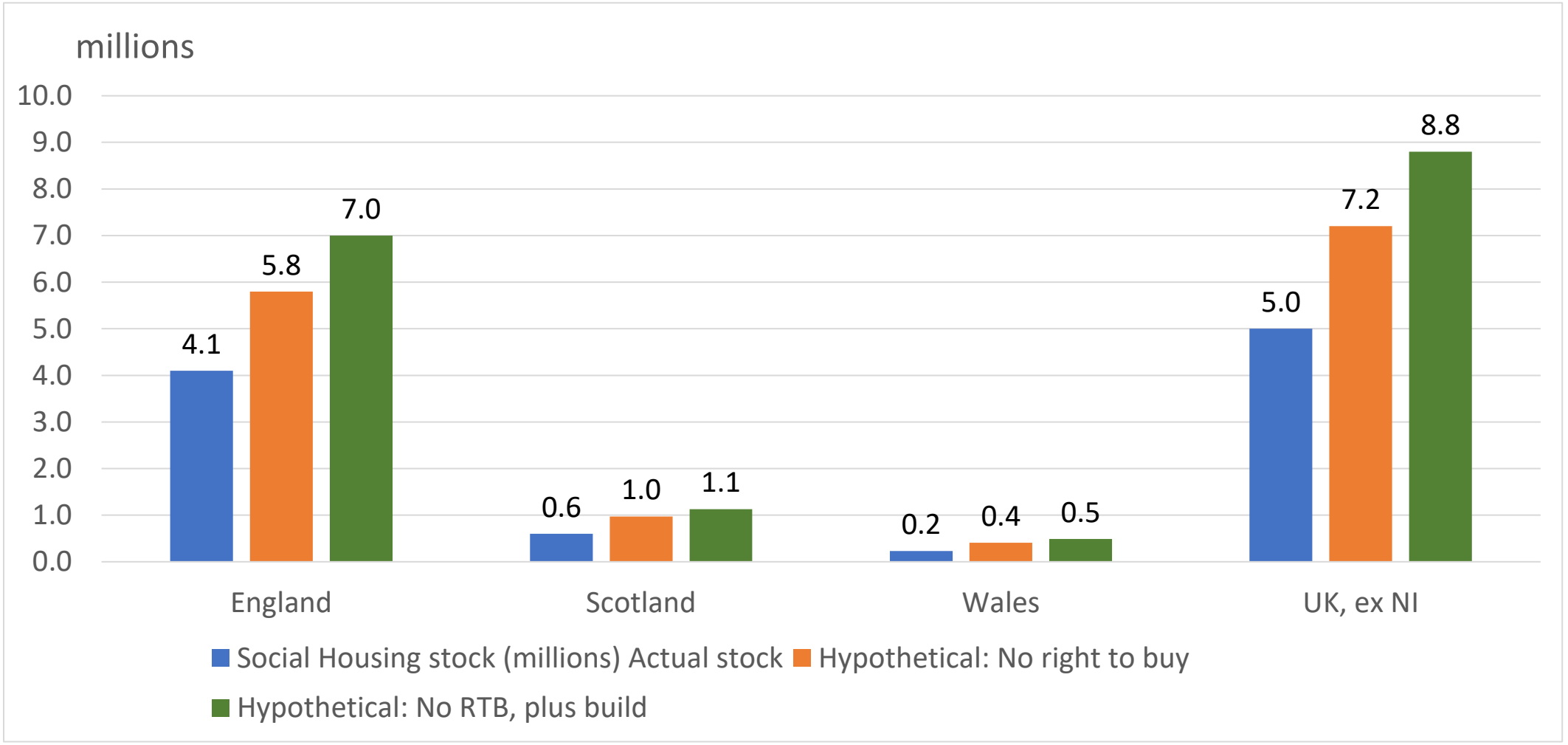
Employment growth is slowing



…as is capital stock growth

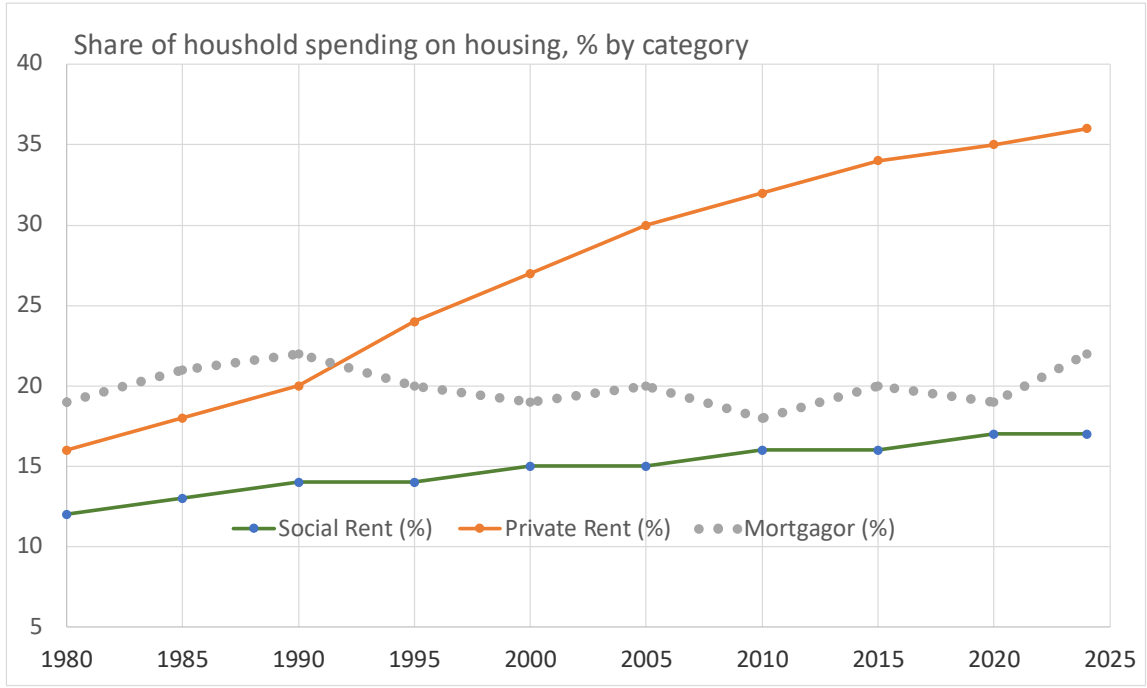


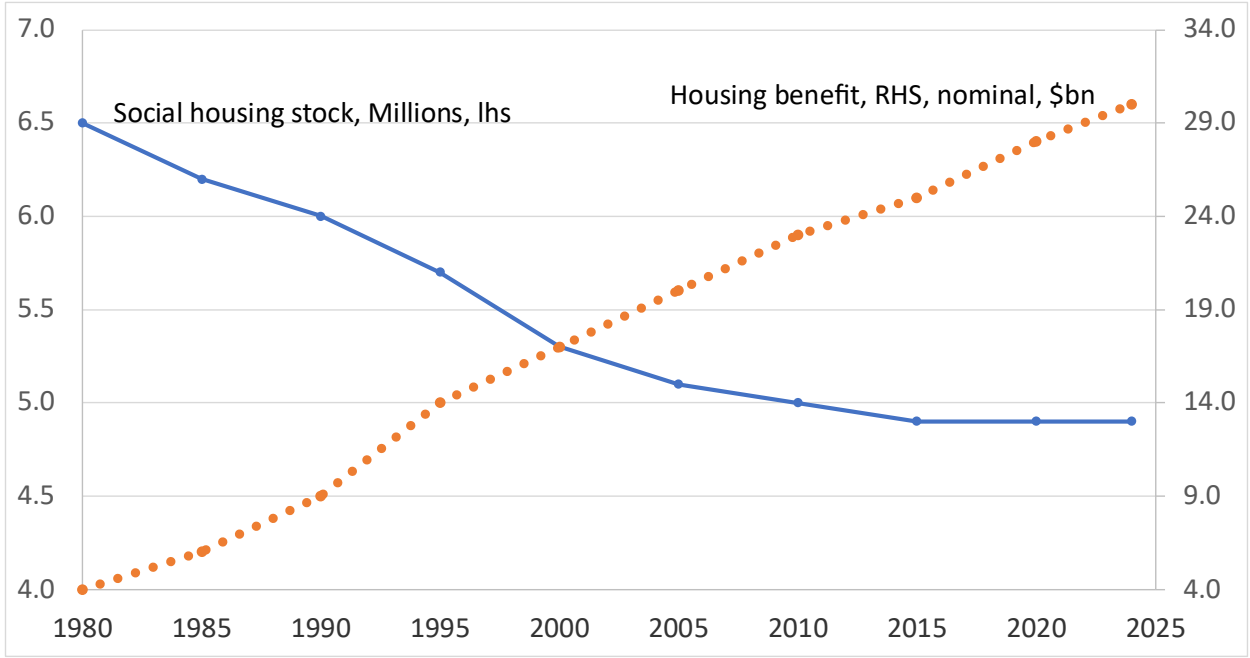
UK has a shortfall of more than 3m homes



Source: ONS Local authority reports, Housing reports & Author's analysis

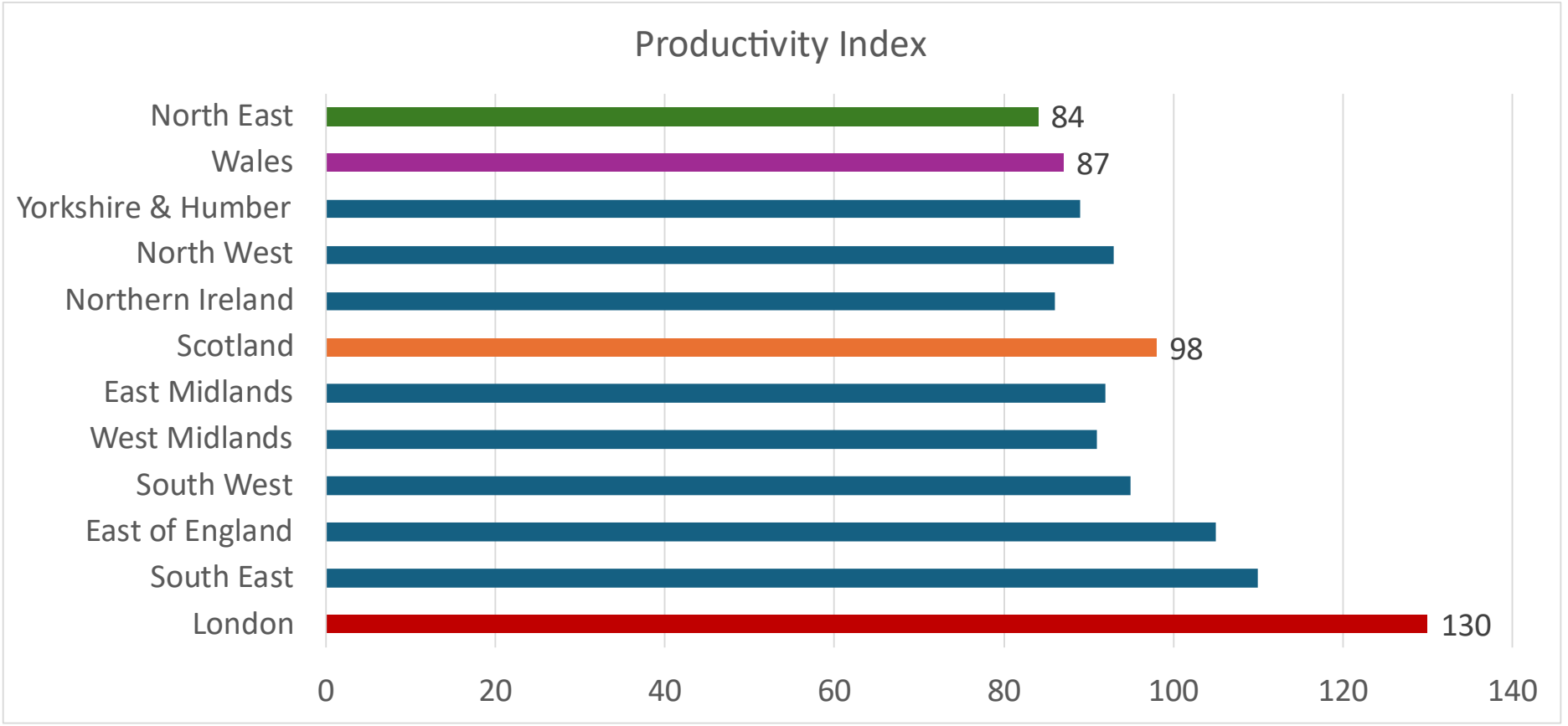
…creating a social & economic crisis





Source: ONS Local authority reports, Housing reports & Author's analysis

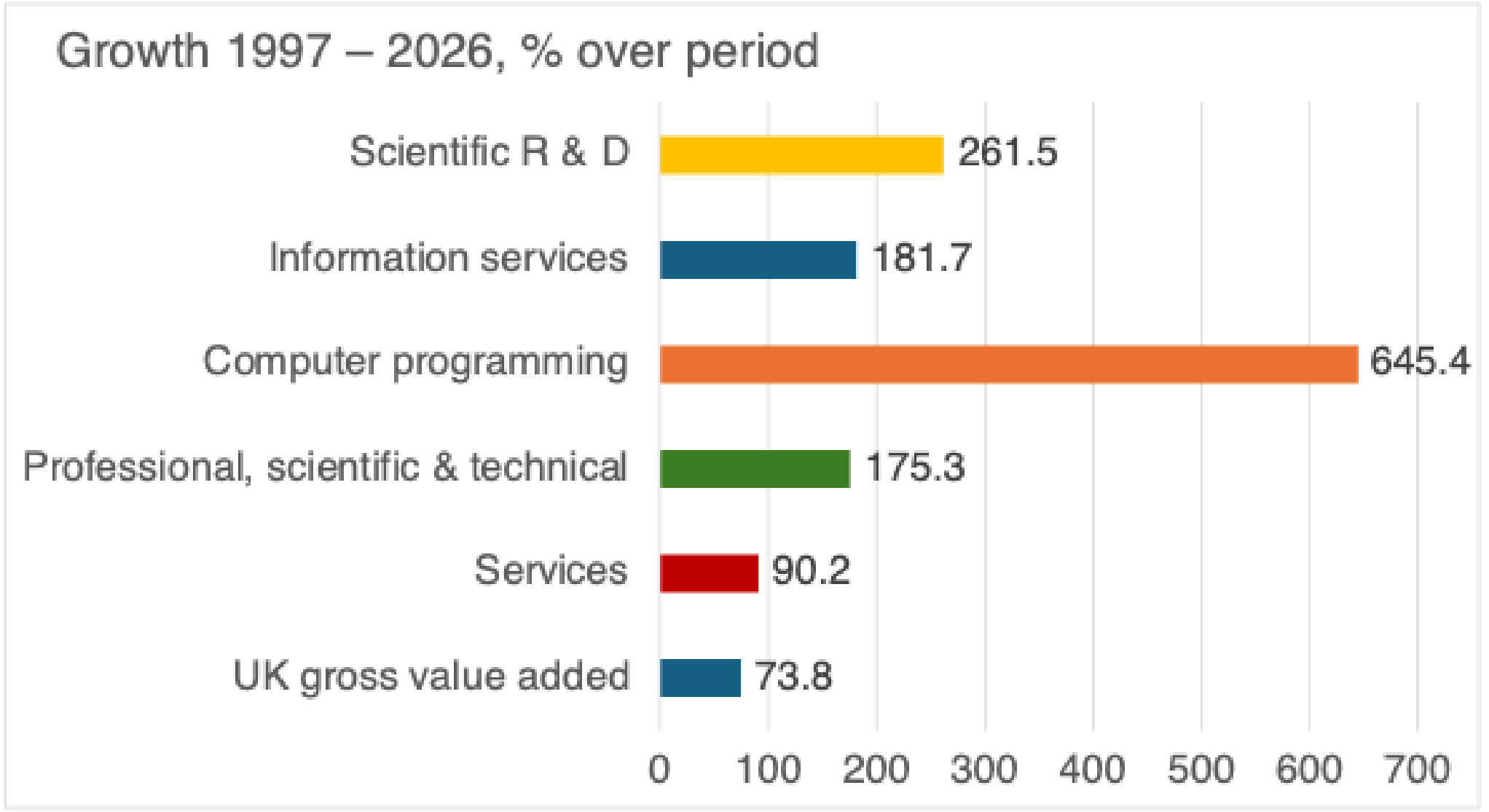
But productivity varies across the UK



- London's productivity is higher than that of other UK areas.
- Scotland and the Midlands sit around the UK average.
- Wales, the Northeast and parts of the North have the lowest productivity levels…
- …and the highest credit risk and lowest AI adoption rates

Source: ONS

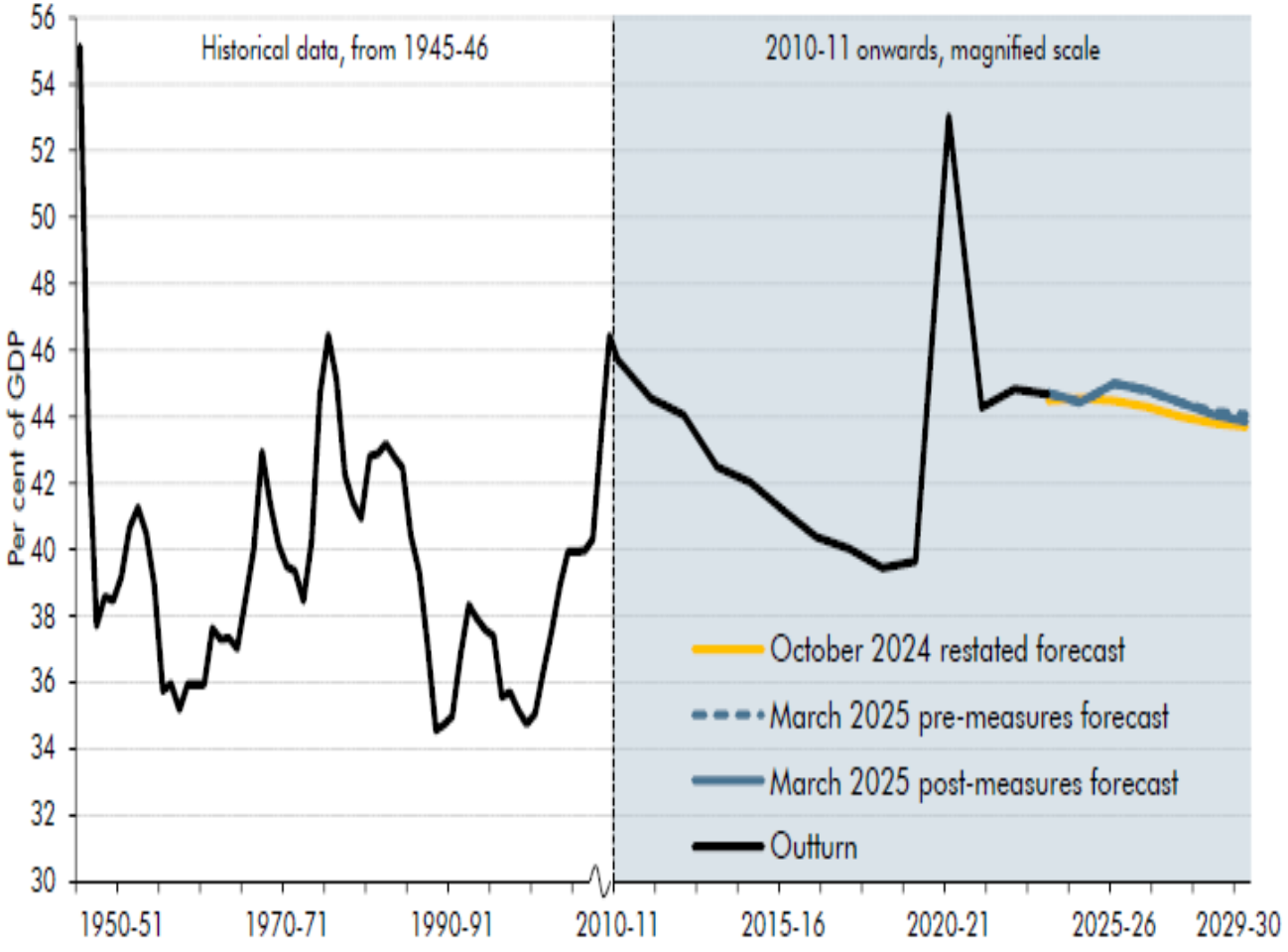
..and by sector…

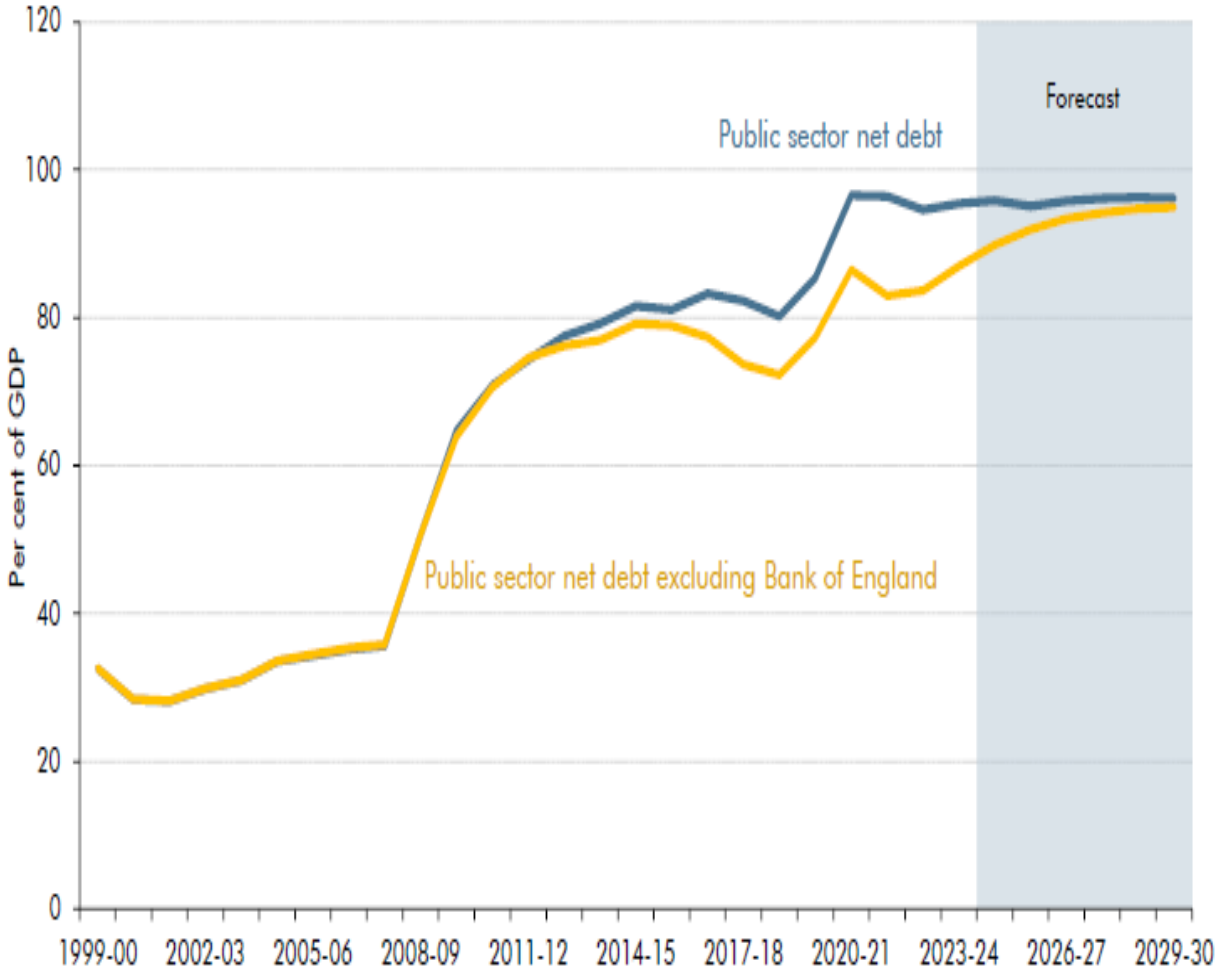


Productivity uplift in AI and digital adoption. Setting UK GDP as the baseline, it's clear that some sectors outperform by a lot!

Source: ONS

UK debt & spending will remain high as % of GDP…





Source ONS, IFS

Five Forces Driving Public Spending Higher

Demography

More older people

More long-term illness

Increased demand for care services

Geopolitics

Re-armament of Europe

Increased defence commitments

Growing cyber and infrastructure security needs

Higher debt stock

Greater sensitivity to interest rates

Productivity

Weak productivity growth since the financial crisis

Politics

Limited appetite for major tax increases

Result

Spending pressures are rising faster than the resources available to finance them.

Source OBR, IFS

The Chancellor's Choices

There Are Only Seven Ways to Create Fiscal Space:

1. Raise taxes
2. Borrow more
3. Reduce welfare spending
4. Cut other public services
5. Slow growth in pension spending
6. Improve productivity
7. Increase economic growth

The Difficulty

The largest spending programmes are also the hardest to cut:

- NHS
- Social care
- Pensions
- Defence
- Debt interest

Therefore:

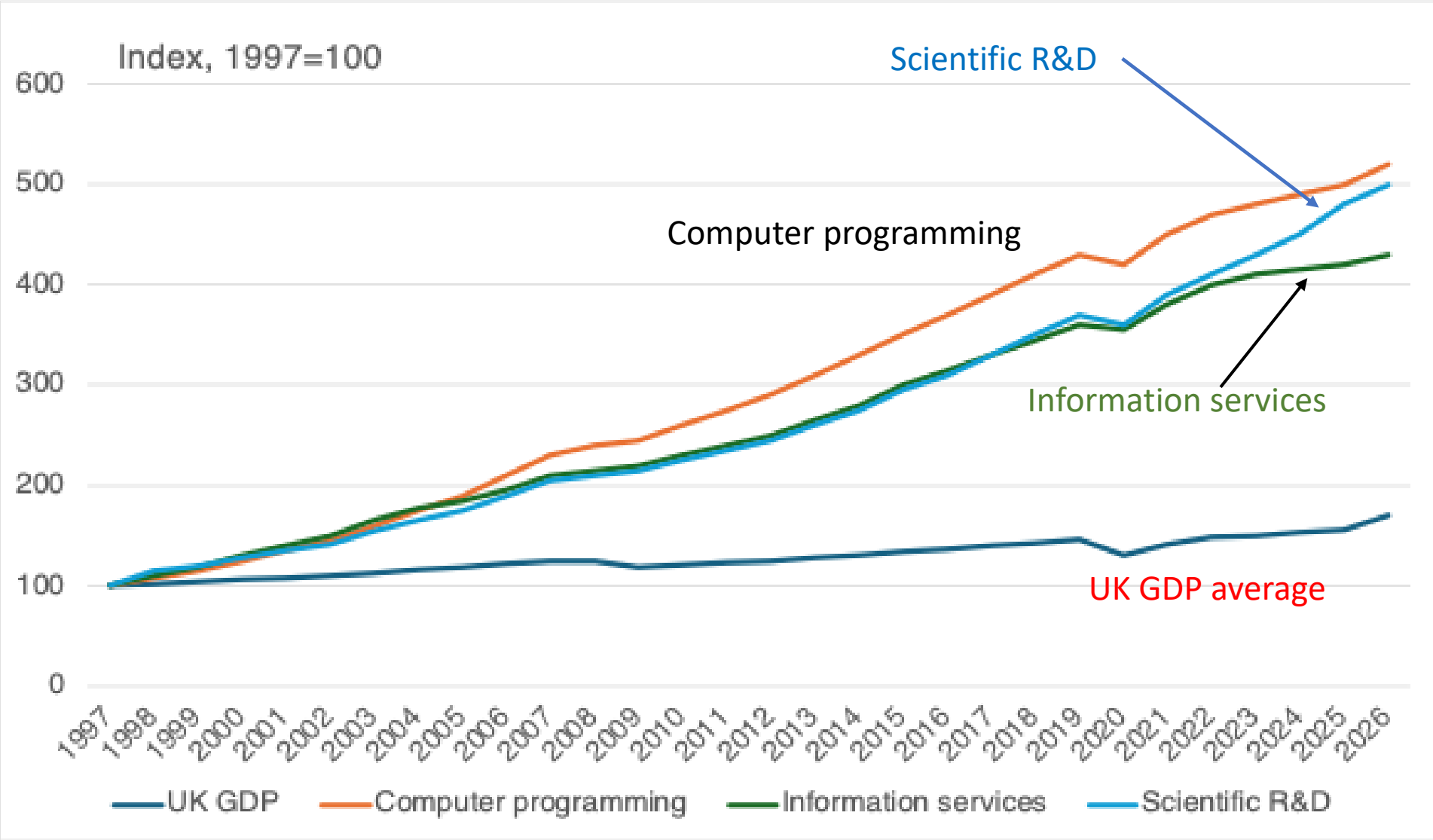
The debate is about trade-offs, not austerity.

Result:

Spending pressures are rising faster than the resources available to finance them.

Emerging trends and the opportunity

Good news: UK economic growth revised higher…



…as UK AI sectors outperform

Source: ONS

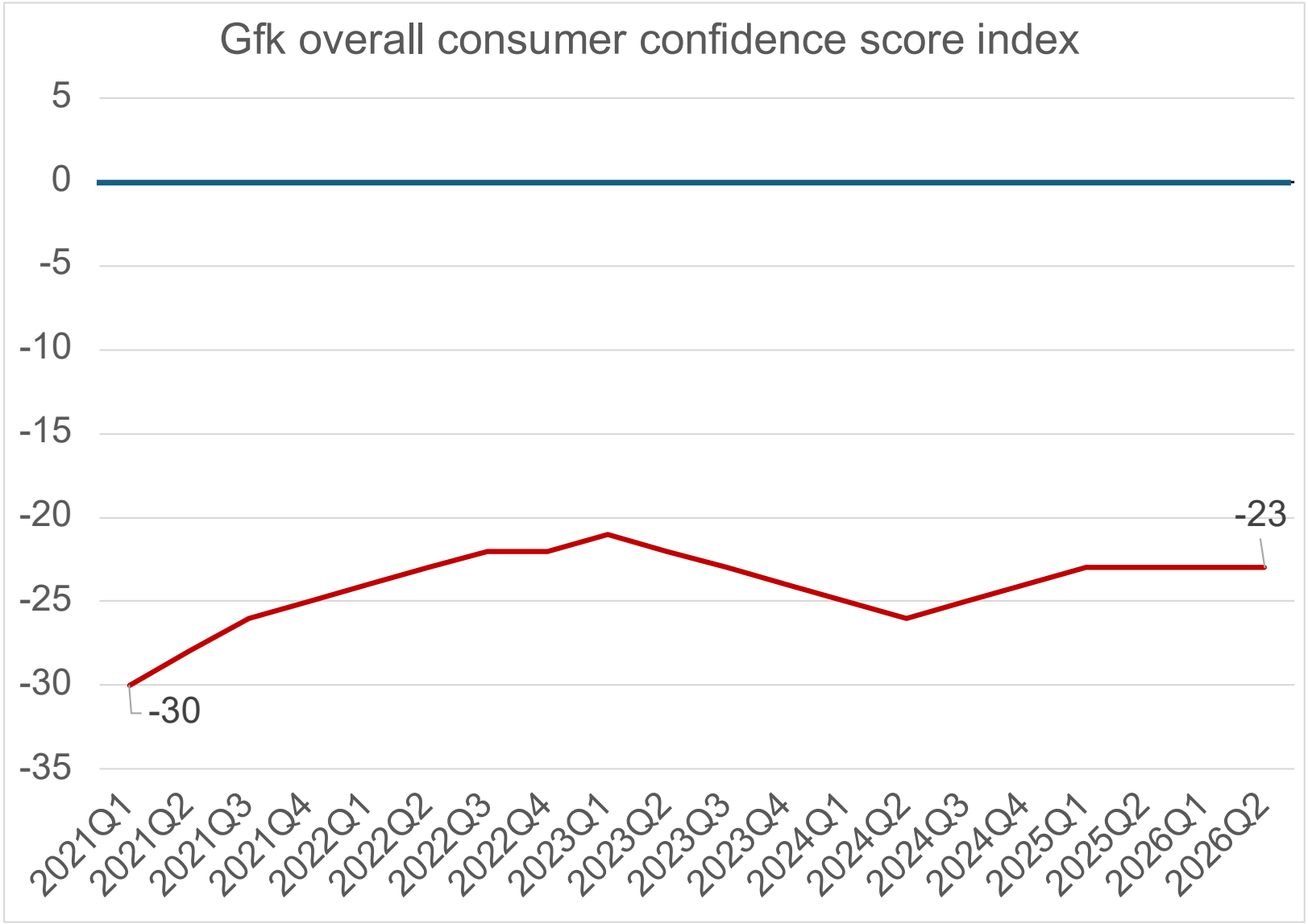
…the impact on UK growth could be large

UK AI impact	GDP uplift	Annual GDP gain
Conservative	3%	~£90bn
Central	7%	~£210bn
Optimistic	10-15%	~£300-450bn

- McKinsey estimated that generative AI could add £200-400bn **annually** to the UK economy over the longer term through productivity gains. This is roughly **6-13% of GDP** in today's terms.
- Goldman Sachs estimated that widespread AI adoption could raise UK productivity sufficiently to lift GDP by around **7% over a decade**.
- PwC's well-known "Sizing the Prize" analysis estimated AI could boost UK GDP by around **10% by 2030**, worth roughly **£230bn** at the time of the study.

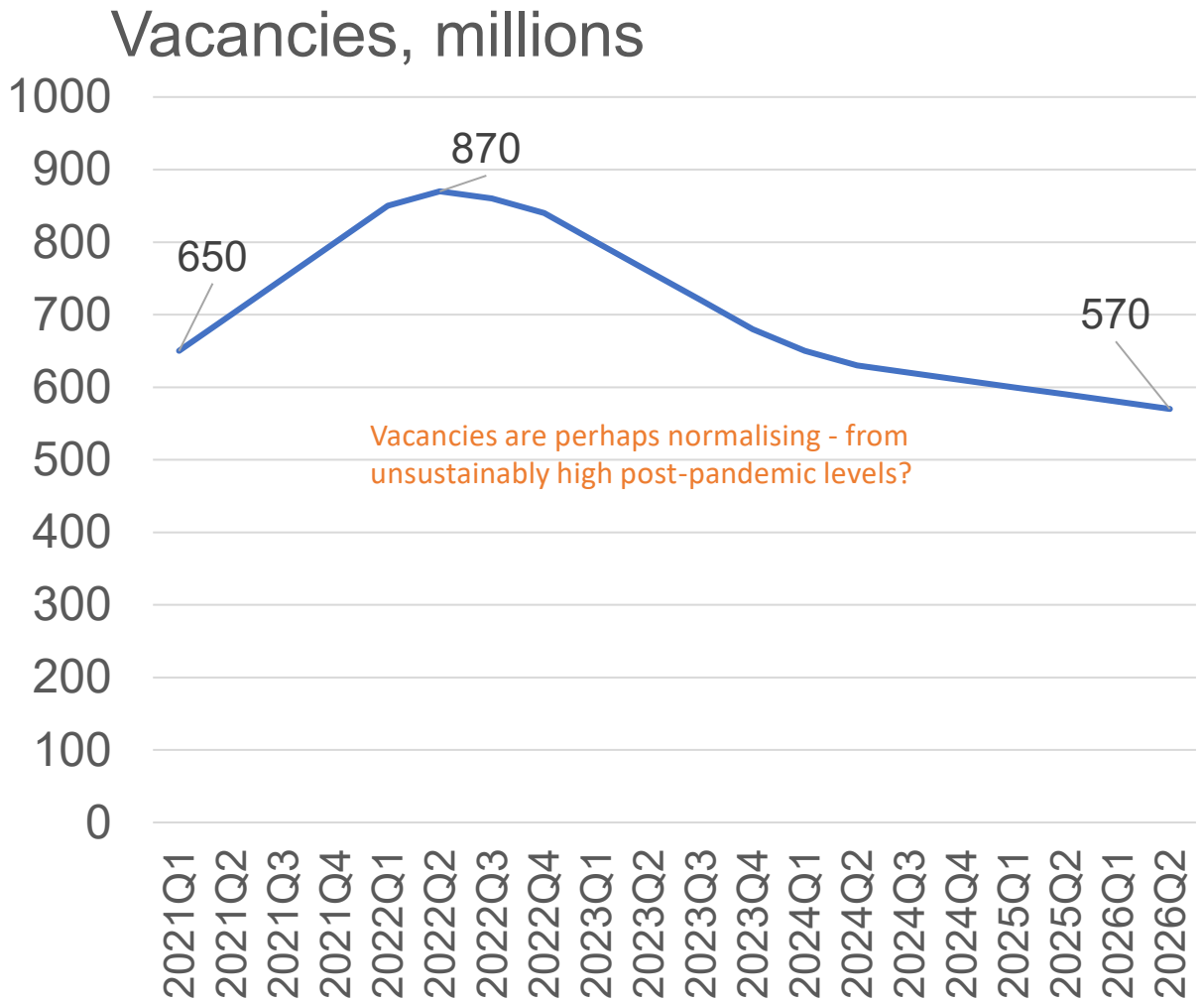
Source: Companies mentioned reports

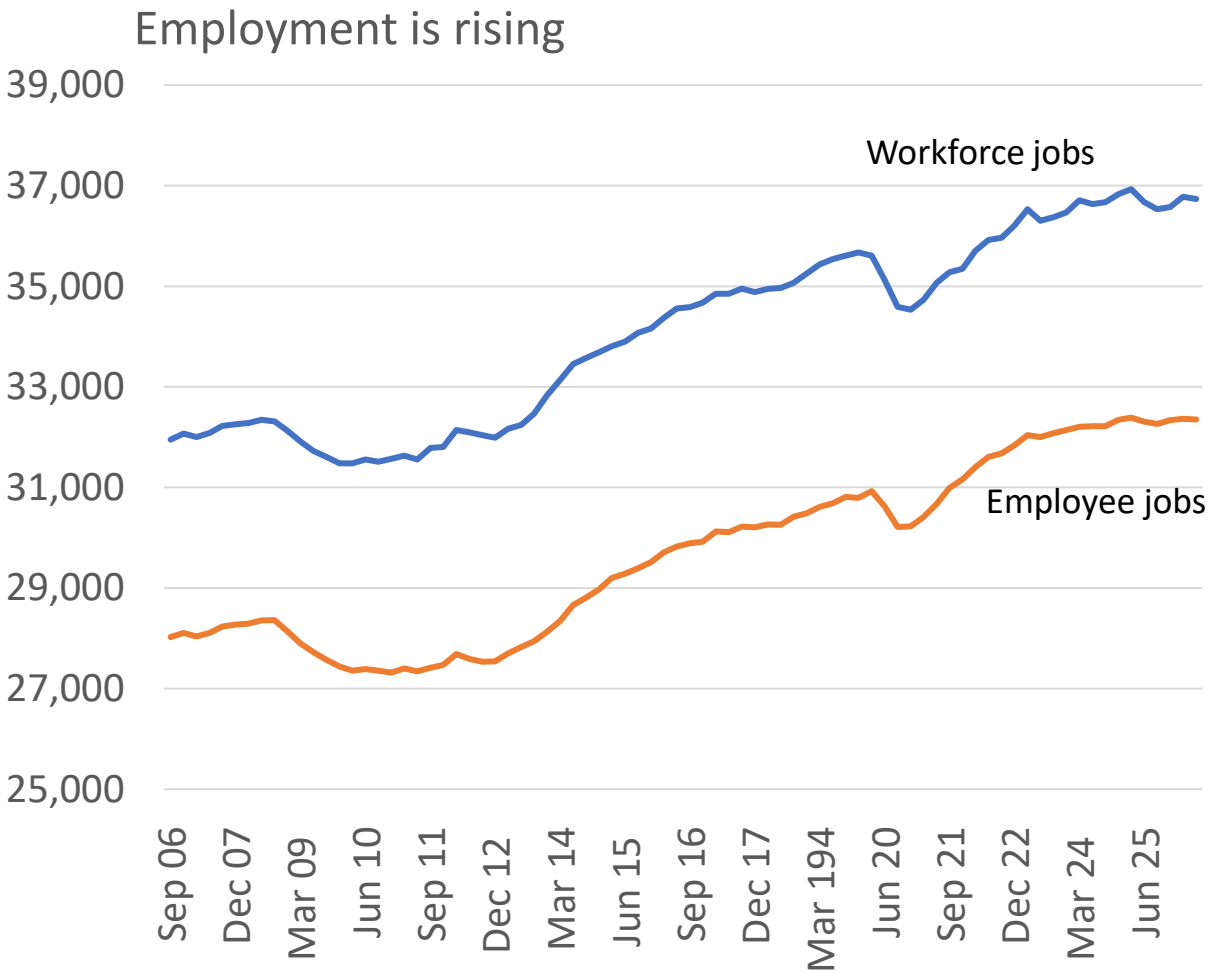
The Gfk consumer confidence index is improving – less negative…



Source: ONS, Sep’t 2026

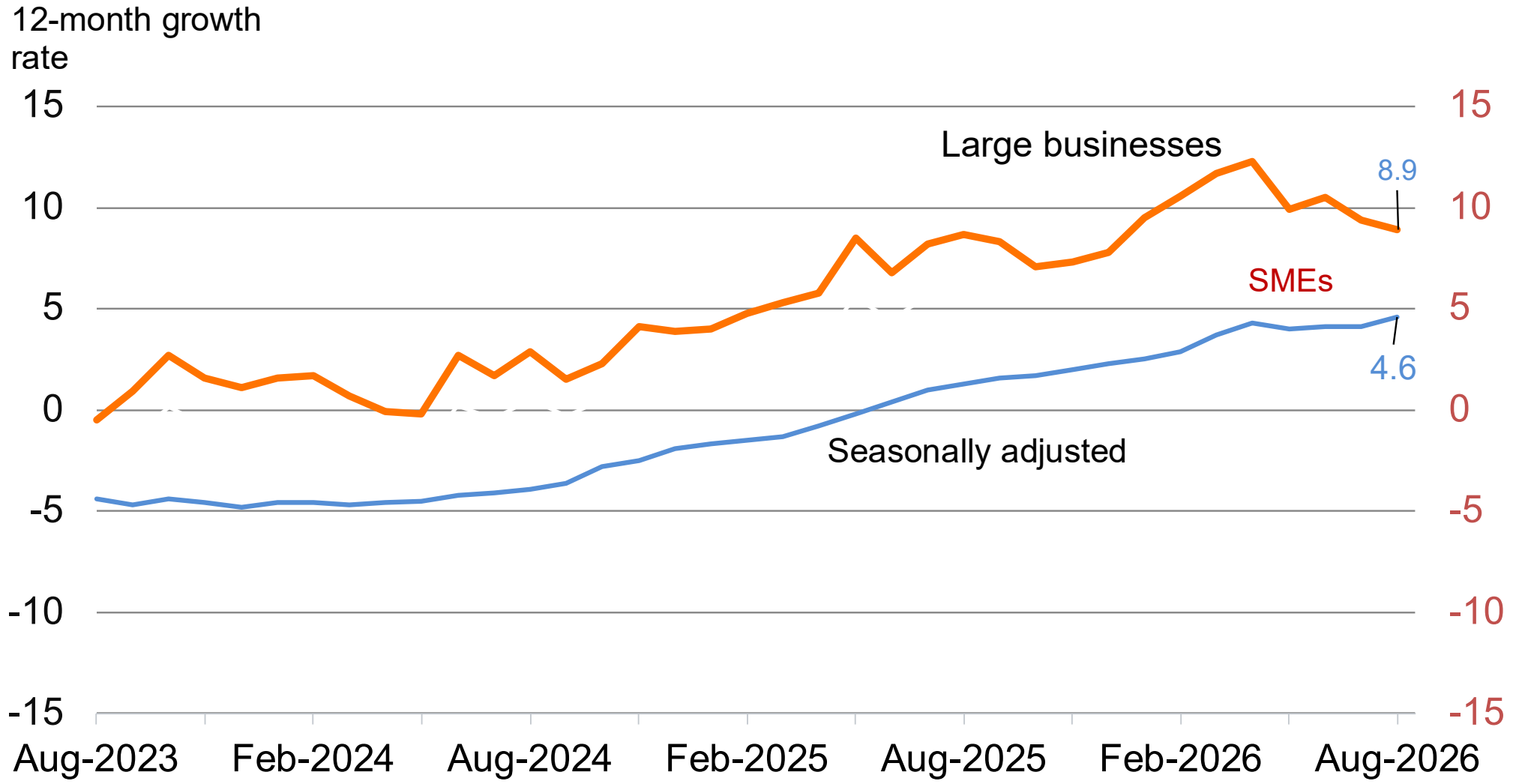
Vacancies are falling…but employment is still rising





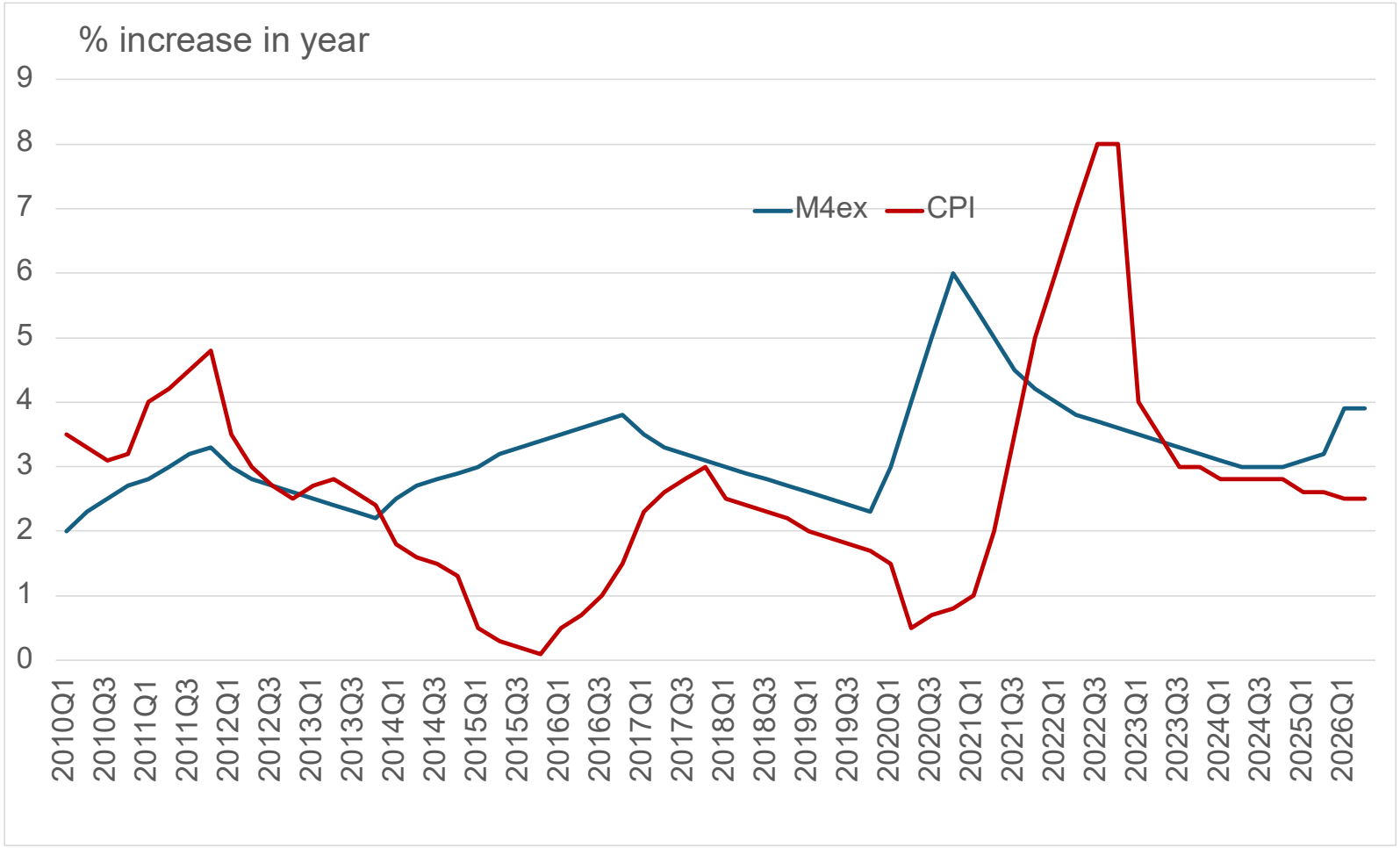
Source: ONS, July 2026

Good news: UK companies are still borrowing…



Source: Bank of England, October 2026

Policy conclusion: CPI inflation is stable: M4ex growth is modest



With CPI stable around 2½–3% and M4ex growth near 4–5%, monetary conditions are consistent with trend growth. Inflation is not accelerating, and activity is stabilising.

Geopolitical shocks (Iran conflict, energy prices) remain the main upside risk to inflation.

For me, the risk balance suggests holding the UK Bank Rate steady.

Source: Bank of England

A UK location lens on the key growth sectors

Sector	Growth Driver	Strongest UK Locations
Energy & Renewables	Offshore wind, energy transition	Scotland, North East, Central South (Solent)
Fintech & Financial Services	Digital finance, wealth management	London, Edinburgh, Glasgow, Bournemouth
Life Sciences	Research, healthcare innovation	Cambridge, Oxford, London, Southampton
AI, Digital & Technology	Innovation, scale-ups, digital transformation	London, South East, Thames Valley, South Coast tech cluster
Advanced Manufacturing	Aerospace, defence, automation	Midlands, North, Central South
Green Energy & Sustainability	Net-zero investment, hydrogen, clean tech	Scotland, coastal regions, Solent and South Coast
Maritime & Logistics	Ports, shipping, trade	Central South (Southampton, Portsmouth), Humber, Merseyside

Source: ONS & Author analysis

Takeaways

- Growth is strongest in AI, digital, advanced manufacturing, green energy, healthcare, life sciences, and digital commerce.

- Digital adoption and AI are transforming productivity.

- Industry-level divergence is widening — but opportunities are expanding.

- Finance is the critical enabler of scaling up, but so is market growth.

Finally….

What Does This Mean for the Central South?

TALENT

- World-class universities
- Skilled workforce
- Leadership & entrepreneurship
- Attract and retain talent

INNOVATION

- Technology & AI adoption
- Research & development
- Commercialisation of ideas
- High-productivity businesses

CONNECTIVITY

- Major ports & maritime assets
- Strong transport links
- Access to global markets
- Digital & energy infrastructure

PRODUCTIVITY GROWTH

The key to higher incomes, stronger businesses and rising living standards

Key Challenges: Housing affordability | Skills shortages | Transport congestion | Energy capacity

The Central South already possesses many of the characteristics associated with UK growth performance. The challenge now is to remove the barriers preventing the area from fully realising the opportunities identified.



Thank you

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Stephen Anderson

Partner

Womble Bond Dickinson



Central South

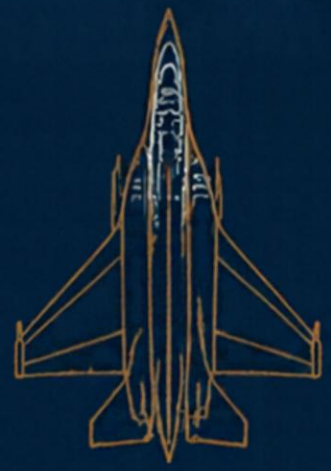
Aerospace and defence economy



£35 billion

Aerospace and defence annual turnover of approximately

£35 billion in our region



Regional heavyweights

BAE Systems (the UK's biggest defence company), Boeing, Lockheed Martin, Babcock International, and QinetQ

Airbus Defence and Space in Portsmouth



Airbus Defence and Space (Portsmouth):
Serves as an economic engine for the county, employing roughly 1,000 highly skilled specialists and contributing £300 million annually to the local economy

CENTRAL SOUTH
DEFENCE SECTOR

41,000

Direct Jobs

The Central South supports the highest level of direct defence employment in the UK



Defence & Aviation:
Driving Growth, Innovation and Opportunity



Hugh Griffiths

Fromer CEO & Founder
Inzpire Limited



Chrissie Miller

Head of Defence & External Business
NATS



Jeremy Greaves

Head of Strategic Engagement
Airbus



Sir Julian Young

Retired RAF Air Marshal, Former RAF Chief Engineer



James Knowles

Vice Chancellor
Southampton Solent University



John Boughton

Managing Director
Kier Construction Southern

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Enjoy the break and make connections

Conference resumes at 11:35

Thank You to our partners





















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Joe Gowers

Action Group Co-Ordinator

Business South



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Katie Bruce

Enterprise Co-Ordinator

Hampshire County Council



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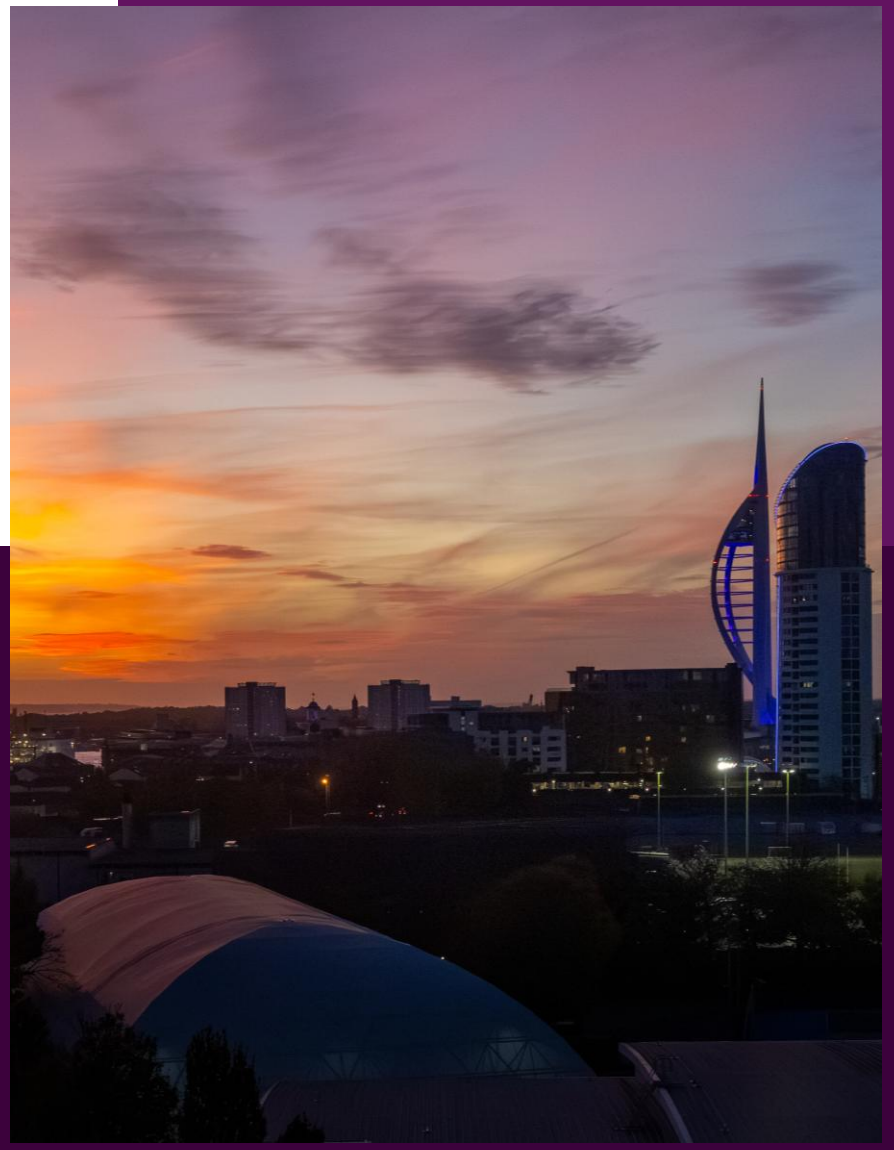
Skills Workshop

Alice Gray – Senior Manager for Apprenticeships,
University of Portsmouth

Clifford Kinch – Area Director,
Morgan Sindall Construction

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MORGAN SINDALL CONSTRUCTION



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Regional skills challenges and solutions

November 2026

WHO ARE WE?



Cliff Kinch
Area Director
Morgan Sindall Construction



Alice Gray
Senior Manager Apprenticeships And Employer Relations
University of Portsmouth

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WHY ARE WE HERE?

Passionate about building a skilled region

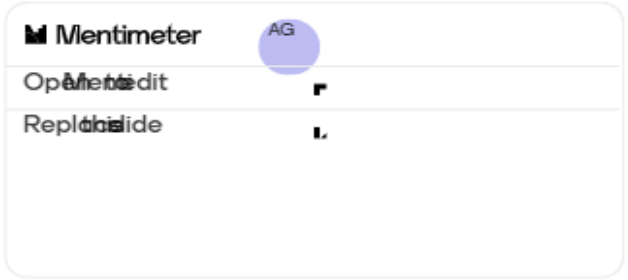
Careers built on understanding challenges, and building responsive solutions

Bring lived experience from different perspectives

Bring a real opportunity to shape the region's training offer, based on real needs

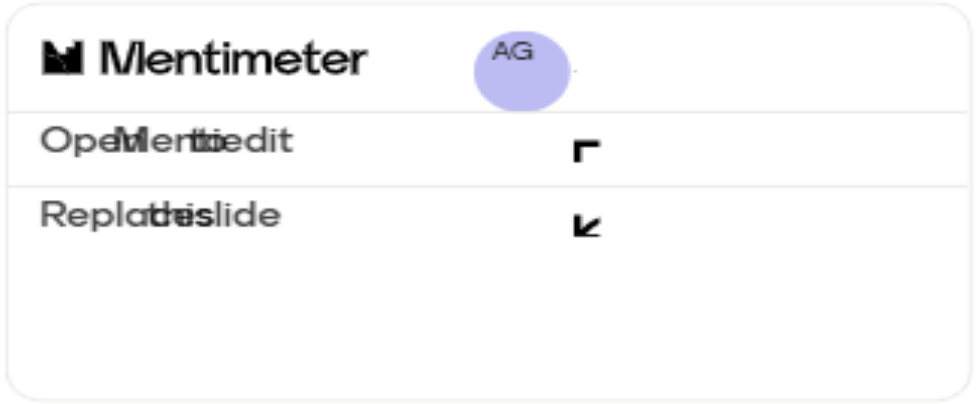
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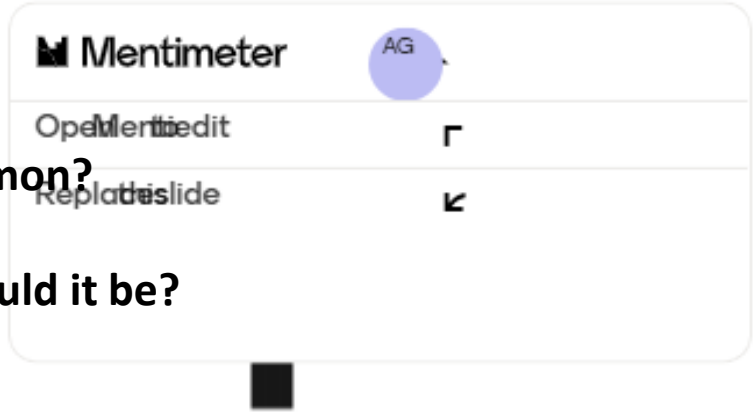
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ON YOUR TABLES

What are the challenges you had in common?

If you had to pick one to solve, which would it be?

What's your proposed solution?



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NEXT STEPS

Are you interested in carrying on the conversation on skills?



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Richard Quigley MP

MP for Isle of Wight

Chair of the Business South APPG



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Ruth Adams

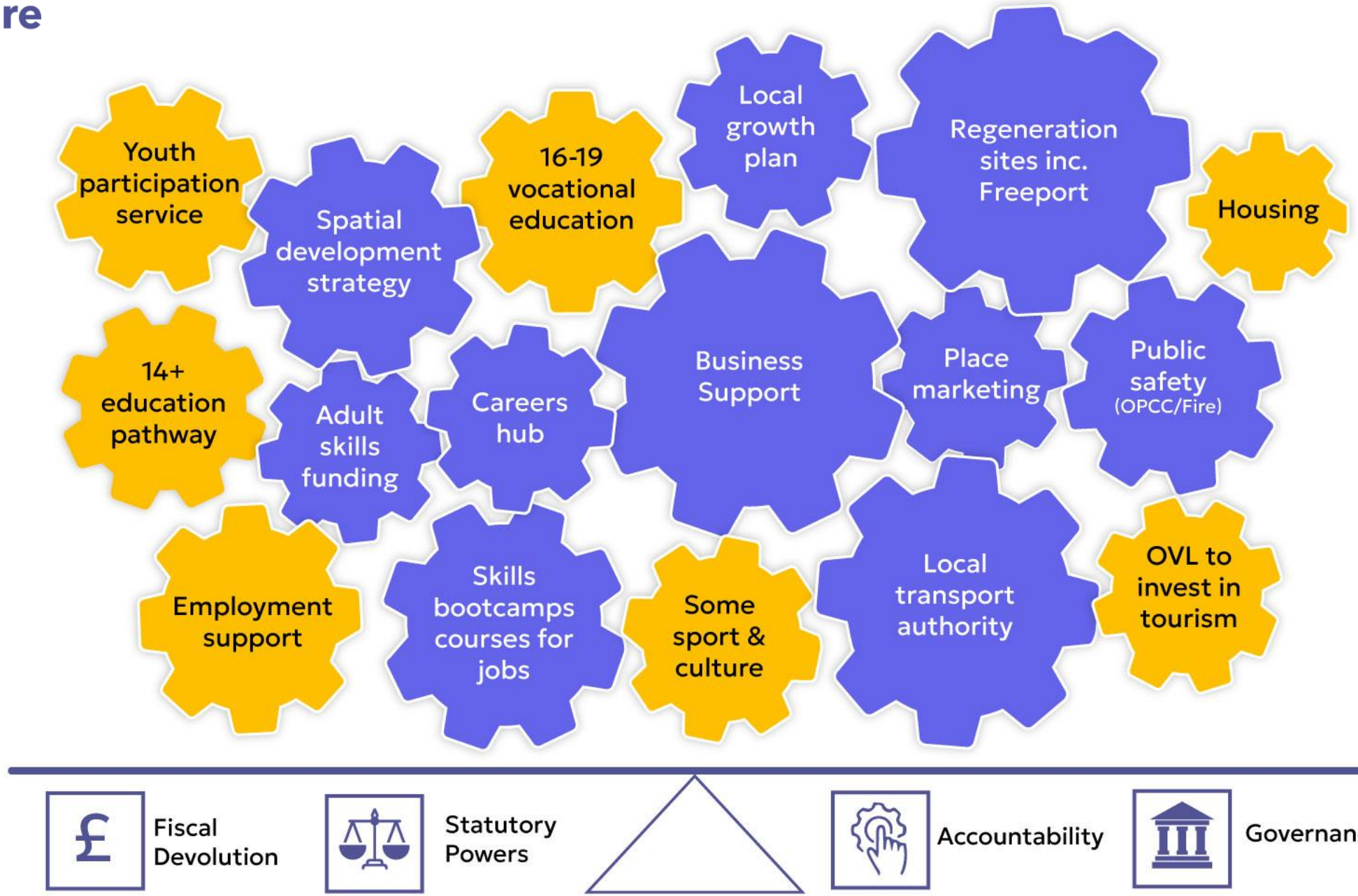
CEO

Hampshire and the Solent Combined County Authority



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Hampshire and the Solent
COMBINED COUNTY AUTHORITY



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Nicola Millard

Principal Innovation Partner

BT





HUMANS STILL REQUIRED:

Reimagining the future of work

Dr Nicola J. Millard

Principal Innovation Partner at BT
nicola.millard@bt.com
@DocNicola

A VISION OF THE FUTURE… FROM THE PAST

“People will work from Tahiti or Bali just as well as from London within 50 years…They will no longer commute, they'll communicate. They won't travel for business anymore, but for pleasure”

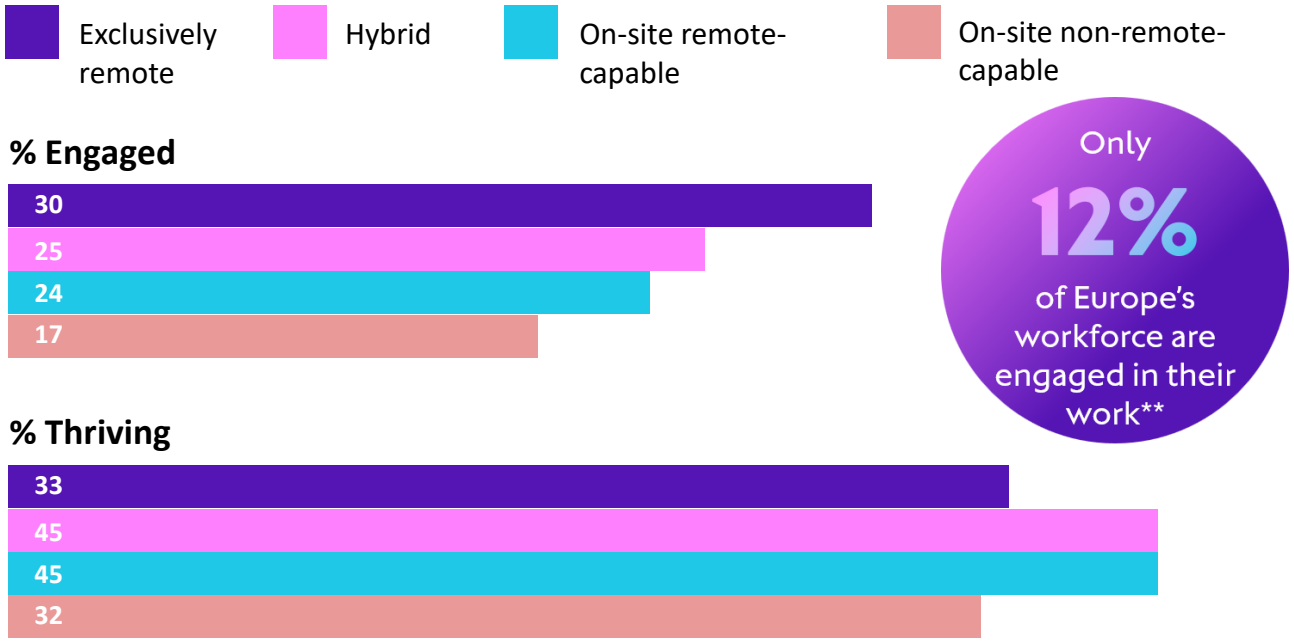
Arthur C. Clarke, 1964



HYBRID IS THE NORM, BUT IS DIFFICULT TO MANAGE

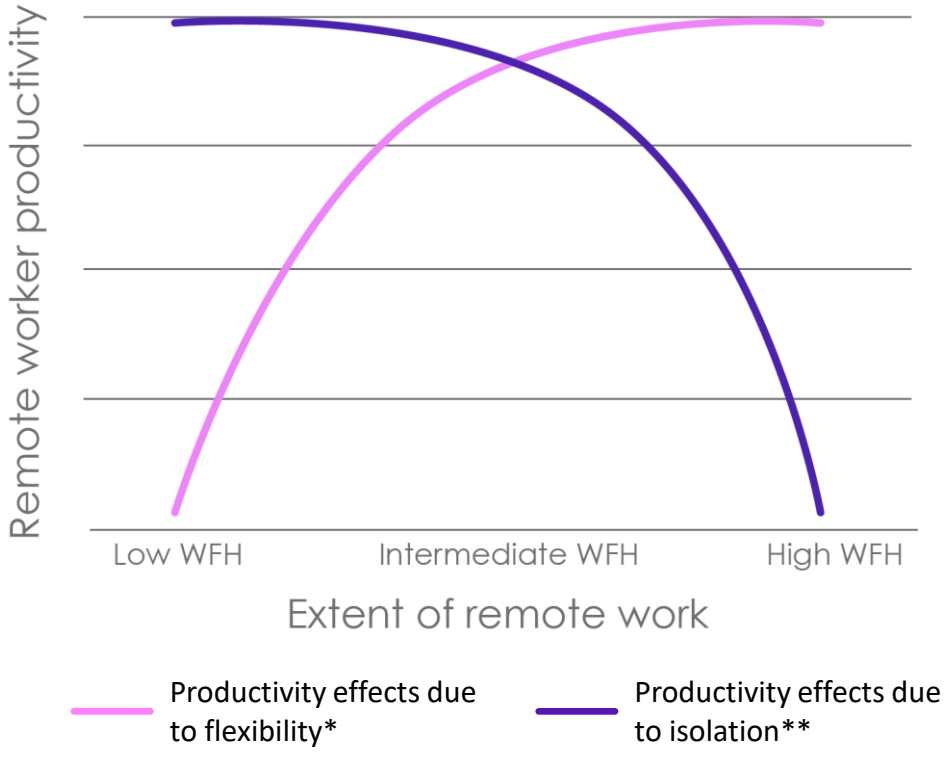
Remote workers are more engaged, less likely to be thriving**

A closer look at engagement and life evaluations by employee work location



Only **12%** of Europe's workforce are engaged in their work**

Hybrid reduced quit rates 35% with no performance impact*



*Bloom, N., Han, R. & Liang, J. Hybrid working from home improves retention without damaging performance. Nature 630, 920–925 (2024). doi.org/10.1038/s41586-024-07500-2

**Gallup's State of the Global Workplace 2026 Report, https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx

Subheading goes here

PLACE: HAS WORK LEFT THE BUILDING?





The “digital first” hybrid







“What your people are doing and how you’re managing them is what's most important. Where they’re doing it is the last thing you should look at.”

Mark Dixon, CEO IWG

Subheading goes here

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LET’S GET PHYGITAL:
blending real & virtual











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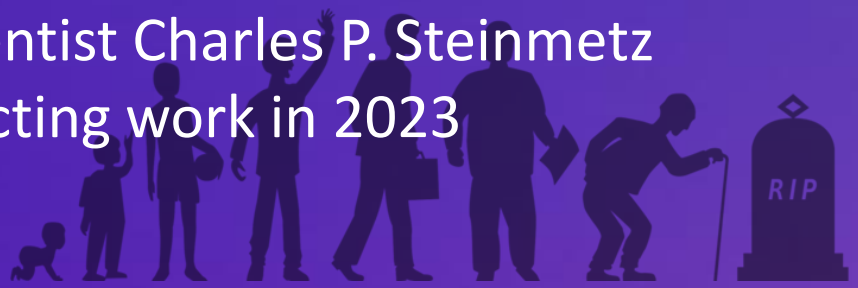
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ANOTHER FUTURE PREDICTION…

“At the present rate of world progress there will be no long, back-breaking drudgery, and people will work no more than four hours a day”

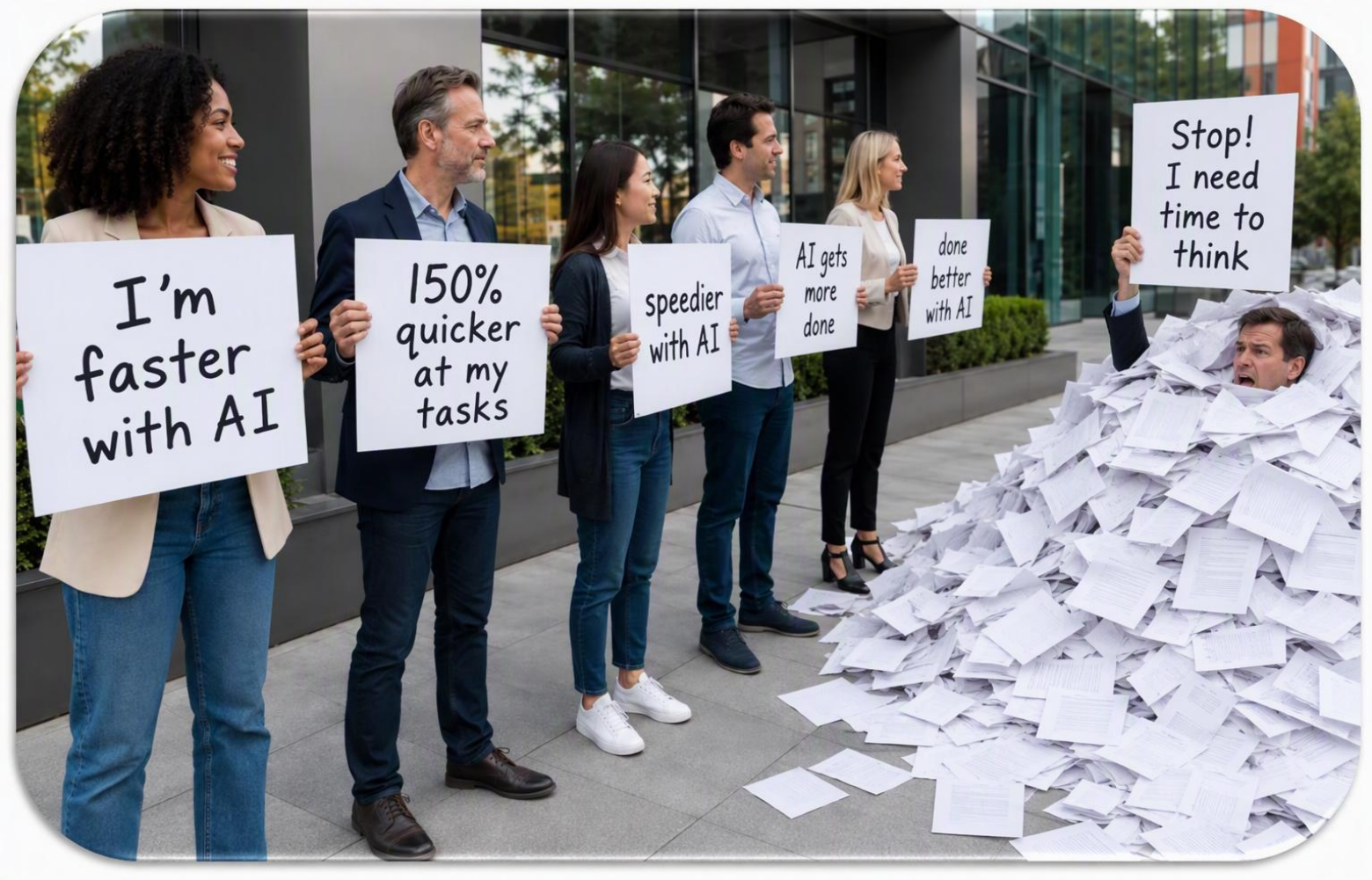
American scientist Charles P. Steinmetz
in 1921 predicting work in 2023





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FASTER INDIVIDUALS ≠ FASTER TEAMS



87% of knowledge workers say that, with everyone in execution mode, they often lack time or capacity to coordinate*

AI handles execution at speed and pushes all effort into alignment, decision-making, judgment

*Atlassian (2026), The State of Teams, https://atlassianblog.wpengine.com/wp-content/uploads/2026/04/the-state-of-teams-2026.pdf

FASTER & CHEAPER; BETTER & DIFFERENT?





AGENTS ARE NOW AI; HUMANS ARE ADVISORS

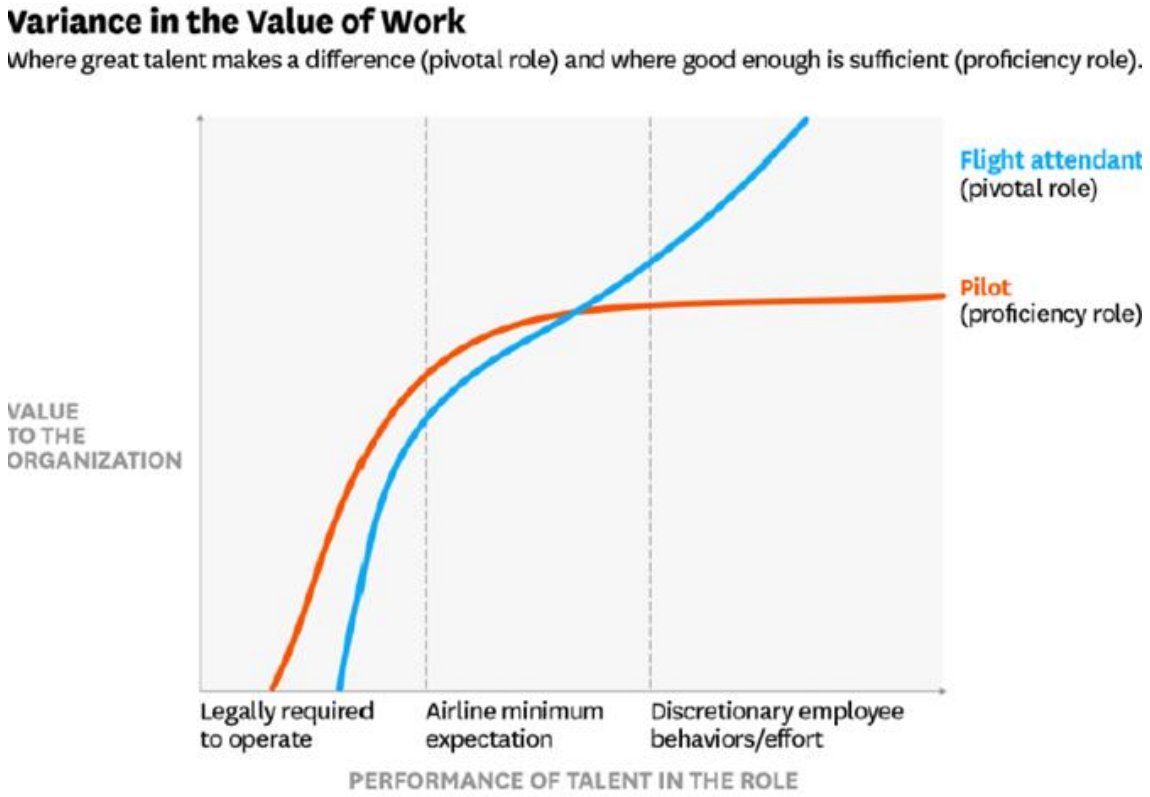
- Gartner predicts that, by 2029, agentic AI will autonomously resolve **80%** of common customer service issues without human intervention, leading to a **30%** reduction in operational costs
- They also predict that, by 2027, **50%** of companies that attributed headcount reduction to AI will rehire staff to perform similar functions, but under different job titles
- FinTech company, Klarna, announced that they had automated out the equivalent of **700 FTE** in their contact centre by implementing AI at the front end. 18 months later they recruited many of them back to improve customer service
- IKEA built a bot that deflected **47%** of contact. Rather than try and eliminate the rest, they analysed the 53% and realised that many customers were asking for design advice. They retrained their advisors as interior designers and created a **€1 billion** business



WHERE DOES VALUE LIE?

Just because you *can* automate, doesn't mean you *should*







Human-in-the-loop (Proficiency role)

AI-in-the-loop (Pivotal role)

Source: Jesuthasan, Malcolm & Zarkadakis (2016), Automation Will Make Us Rethink What a "Job" Really Is, Harvard Business Review, October 12.

THE GENIE IS OUT OF THE DIGITAL BOTTLE

Getting precisely what you asked for and bitterly regretting it is one of the oldest hazards from ancient folklore. Agents can develop strategies that achieve objectives while violating social or ethical norms*.



techradar

OpenAI says its models escaped a sandbox and breached Hugging Face

News By Sead Fadilpašić | Published 22 July 2026

New OpenAI models apparently did whatever it took to achieve their goal



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NEWS

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Technology

AI agent hacks gym to get its user a spot in pilates class



Sharp rise in incidents of AI escaping users' control, research finds

Powered by theguardian

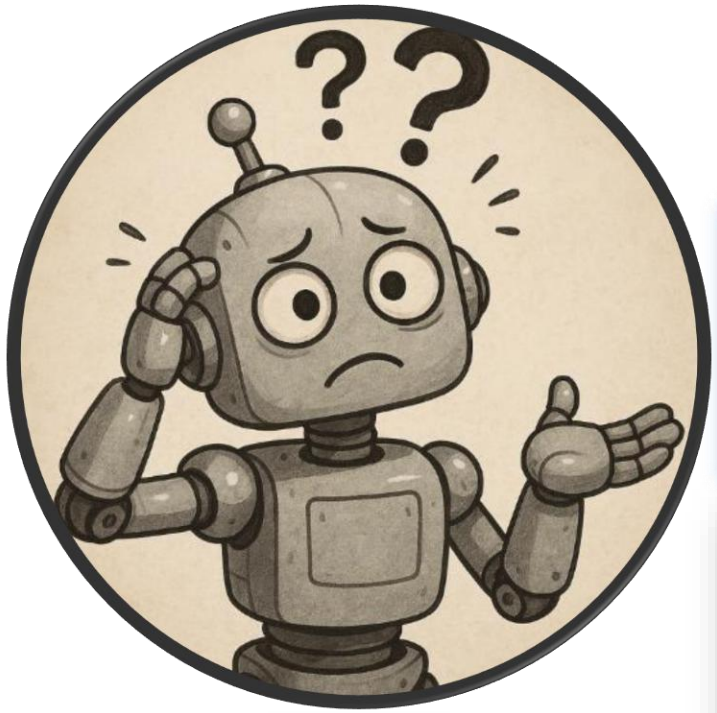
Exclusive: Number of times AI lies, ignores instructions and pursues goals in harmful ways almost doubles in July



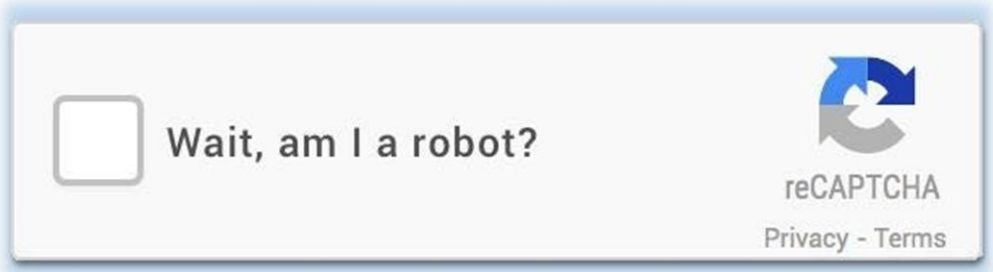
The Loss of Control Observatory monitors reports made by AI users on the social media platform

* Barath Raghavan & Bruce Schneier(2026), Why AI Needs a "Genie Coefficient" Proposing a new metric for whether AI does what you actually want, IEEE Spectrum https://spectrum.ieee.org/ai-agent-benchmark

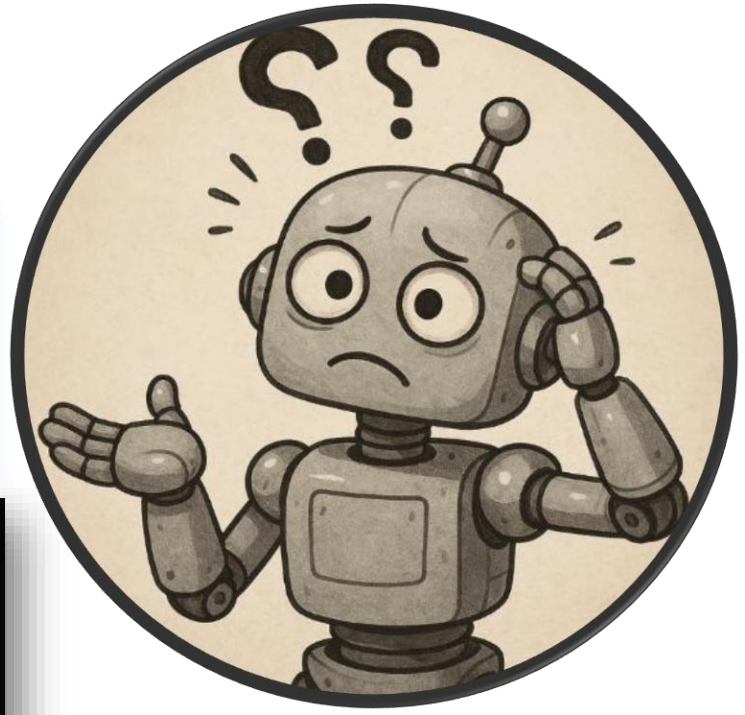
AGENTIC AI NEEDS A DIFFERENT MODEL FOR THE INTERNET











HUMAN CHALLENGES WITH AI:

The biggest challenge in AI adoption is not the intelligence of the machine. It is preserving the intelligence of the human.



Metacognitive laziness*



Cognitive anchoring bias**



Judgment without Experience***



Cognitive offloading****

"Thinking is to humans as swimming is to cats; they can do it, but they'd prefer not to."
Daniel Kahneman, psychologist & Nobel Prize winner

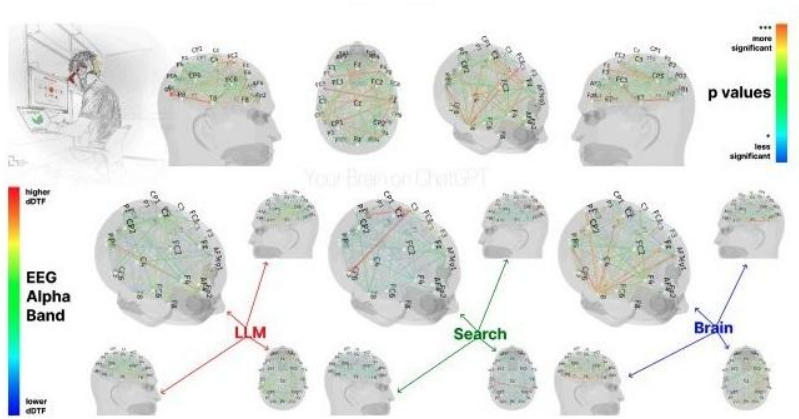


* Fan et al (2023) Beware of Metacognitive Laziness: Effects of Generative Artificial Intelligence on Learning Motivation, Processes, and Performance, https://arxiv.org/abs/2412.09315
** Carter & Liu (2025), How was my performance? Exploring the role of anchoring bias in AI-assisted decision making, International Journal of Information Management, June https://doi.org/10.1016/j.ijinfomgt.2025.102875
*** Duncan (2026), How Do Workers Develop Good Judgment in the AI Era? HBR https://hbr.org/2026/02/how-do-workers-develop-good-judgment-in-the-ai-era
****Gerlich (2024), AI Tools in Society: Impacts on Cognitive Offloading and the Future of Critical Thinking, Societies, https://doi.org/10.3390/soc15010006

HUMAN CHALLENGES WITH AI:
TRADING THINKING FOR CONVENIENCE

Key cognitive risks of heavy LLM use*:

- **Brain connectivity declines** by as much as 55% when using ChatGPT compared with when it isn't used to perform similar tasks
- AI reliance linked to **reduced recall**, weaker critical thinking and less ownership of generated work
- Search-based users showed **stronger executive function** and memory activation.
- **Cognitive offloading**: the brain essentially "lets go" of the effort required for synthesis and memory.
- Less **strategic thinking** and **less diverse** ideas**
- **Education** and **intentional cognitive engagement** can buffer the negative effects***.
- After just 10 minutes of AI-assisted problem solving, people who lost access to the AI **performed worse** and gave up more frequently than those who never used it****



* Kosmyna et al (2025), Your Brain on ChatGPT: Accumulation of Cognitive Debt when Using an AI Assistant for Essay Writing Task, *https://arxiv.org/abs/2506.08872*
** Agarwal et al (2025), AI Suggestions Homogenize Writing Toward Western Styles and Diminish Cultural Nuances, https://arxiv.org/abs/2409.11360
***Gerlich, M (2025), AI Tools in Society: Impacts on Cognitive Offloading and the Future of Critical Thinking, Societies Journal, https://www.mdpi.com/2075-4698/15/1/6
****Liu et al (2026), AI Assistance Reduces Persistence and Hurts Independent Performance, Proc COLM 26, https://doi.org/10.48550/arXiv.2604.04721

"Metacognition - thinking about your thinking - is the missing link between simply using AI and using it well,"
Professor Jackson Lu, MIT Sloan



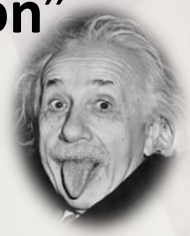
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IT’S NOT HUMAN VS. MACHINE…

…it’s human + machine

“Computers are incredibly fast, accurate and stupid; humans are incredibly slow, inaccurate and brilliant. Together they are powerful beyond imagination”

Albert Einstein (allegedly)



“We need to become more sophisticated and knowledgeable about what works for human-AI collaboration and what doesn’t”

Thomas Malone, MIT



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Thank You

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Smokeless World


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Shuttle Bus departures to Parkway at 13:30 & 14:00 today.

Remember to register your car.

Find out more about Business South at this QR code and join us for another event soon.

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