ECONOMY POLICY DEVELOPMENT GROUP

16TH March 2017

RESPONSE TO THE HEART OF THE SOUTH WEST PRODUCTIVITY PLAN CONSULTATION

Cabinet Member(s): Cllr Richard Chesterton, Planning and Regeneration

Responsible Officer: Stephen Walford, CEO & Director for Growth

Reason for Report: To provide members with an opportunity to steer Mid Devon District Council's response to the Heart of the South West Productivity Plan Consultation

RECOMMENDATION: That members consider the attached report, and discuss how productivity is best achieved in Mid Devon

Relationship to Corporate Plan: It supports the corporate objectives for the economy.

Financial Implications: There are no direct financial implications arising from the report, though the productivity plan will determine the focus of funding made available to the Heart of the South West from government. Influencing the plan to align it with Mid Devon's aims and objectives will put our district in a position of strength to access such funds.

Legal Implications: None

Risk Assessment: None

1.0 Introduction

The Heart of the South West Local Economic Partnership (HotSW LEP) has published a consultation green paper 'Driving productivity in the Heart of the South West' (see attached document) which will inform the development of a Productivity Plan for the LEP area. This will set out the long term strategic ambitions of the partner organisations to raise productivity in the region. The Productivity Plan with replace the current LEP Strategic Economic Plan and will form the basis for bidding to Government for funding under a single investment programme.

1.1 It is important that Mid Devon District Council influences the outcome of this consultation so that the Productivity Plan as far as possible reflects our district priorities and our ambitions for economic growth, so that we are in the best possible position to benefit from the single investment programme. The consultation paper presents a list of questions, the answers to which are fundamental if we to develop our vision for the future of the Mid Devon

Economy in a way that creates a unique identity for the district, while at the same time aligning the vision with wider ambitions across the region.

- 1.2 Reflecting the Government's Industrial Strategy, the green paper focuses on productivity as the key driver for economic growth. The emphasis on 'productivity' focuses attention on the fact that economic growth is achieved not merely by increasing the number of jobs, but by increasing the quality of jobs. It is recognised that there are a number of factors that can influence productivity within an economy. A skilled workforce raises productivity, while at the same time, reducing the number of low skilled jobs also has a net positive impact on productivity (i.e. perversely productivity can be raised by making people unemployed). Salaries affect productivity, with higher salaries being seen as more productive roles, as does the value added to a product or service, or created by a business.
- 1.4 The change in emphasis from pure business growth to productivity removes the focus on generic job creation activities and shifts it instead towards high quality job creation. This creates questions for Mid Devon District Council regarding the types of jobs we want to help to create in the district, the environment that we need to create to support the development of these jobs, and the sectors that we wish to support to grow to give our district a unique role in the Heart of the South West.
- 1.5 Members should consider how can we best attract and support the growth of businesses that can create the high skilled, high waged jobs necessary to increase productivity in the district.

Contact for more Information: John Bodley Scott, 01884 234363

jbodleyscott@middevon.gov.uk

Circulation of the Report: Cllr Richard Chesterton

Stephen Walford, CE & Director for Growth

List of Background Papers:

Driving productivity in the Heart of the South West; Consultation Paper (Green Paper)

HotSW LEP Productivity Plan Consultation

Questions for Consultation

General questions

What would a successful economy look like?

A successful economy in Mid Devon would have a combination of productive businesses and vibrant places that encourage people from all walks of life to aspire to come here to live, visit and work. Our towns in particular need to extend their appeal, and target families and more affluent residents and visitors so that these people feel that everything they need can be found within the District. In this respect we would want to see much more diverse high streets in terms of the mix of uses of business premises and the atmosphere they create.

The wider Mid Devon economy would have strong links with the rest of the HotSW economy but would be uniquely identifiable within the region. It would build upon the strengths of the area, developing a stronger food and drink sector, tourism sector and environmentally focused tech industries. Our stretch of M5 corridor sites would be full of innovative tech businesses, logistics centres and manufacturing and engineering companies, and our growth within our key sectors would be focused on innovative, world leading developments within these industries.

The business community would have positive relationships with the local authority and business support networks, and would be actively engaged in regional decision making processes and the development of support activities. There would be clear pathways for businesses to grow, from sector focused incubator space, to next step space, and then appropriate large business space. Support mechanisms would be engaged with businesses at all of these stages of their development to make it easier for businesses to grow and to give business owners the confidence they need to be able to take significant steps in the growth of their companies.

Our business community would be advocates for the Mid Devon area, and would work with us to promote the District and all of the positive elements of being in Mid Devon. We would work with the wider economy of the HotSW to promote the region to attract new investment to the area, but would not lose our unique voice in the region by doing so.

Should we aspire to reach South East levels of productivity?

We should not aspire to reaching the South East levels of productivity as this would not only leave us in a position where we would be chasing a pair of ever moving goal posts but would not be in the interests of the South West as we try to create a unique identity that has a very different appeal to that of the South East. In terms of trying to catch up with South East productivity levels, this would likely create the view that we were possibly falling further behind, as the South East is likely to continue increasing productivity at a faster pace than the South West due to its infrastructure and existing critical mass of business investment.

• If we do aspire to this, does this mean we want our area to be the same as the south east and if not then what sort of area do we want to be?

The South West has a real opportunity to create its own identity in the UK. It would be undesirable to try to replicate the South East because the South West is unique and productivity is only one of a number of factors that will strengthen the local economy. Instead we could become a place which has incredibly high quality of life that is appealing to people from all walks of life and which can therefore support a vast array of highly productive businesses.

• What in your view would make the biggest impact to productivity in HotSW?

If infrastructure spend in the South West was more balanced with other parts of the UK it is likely that we would be able to better support a more productive business community. Broadband services are exceptionally poor in parts of the region, and transport infrastructure outside of the M5 corridor can make significant parts of the South West difficult to physically access. Reducing the effects of peripherality is going to be fundamental in increasing productivity, and it is more likely that addressing this through communications improvements (e.g. broadband infrastructure) which will support the growth of a knowledge-based economy will be more financially viable than through transport infrastructure improvements.

• What is the main barrier to raising productivity in your business/sector (including public sector)?

The public sector is facing extraordinary levels of budget cuts through the annual reduction of government grants. It is highly unlikely that this will be offset when changes to business rates come into play and they shift to being retained by local authorities. Budget cuts are reducing capacity in key departments, as restructures, non-replacement of staff, and other cultural changes leave the local authority in a state of limbo, where opportunities that could lead to wider growth are being missed, or members of staff simply don't have the capacity to pursue them.

This is an issue that does not just affect our "business" but is affecting local authorities across the UK. It is also affecting the wider public sector, where an expectation of being able to do more for less is possibly having the opposite effect to which it was intended.

• What driver is most important – skills, infrastructure etc?

Infrastructure in the widest sense is the most important factor for developing a successful future economy. The ability to create the environment to support growth and to attract younger workers into the area is something that local authorities are able to shape far more effectively than direct business growth. Within the "infrastructure" catchall it is important to differentiate between hard and soft infrastructure.

Hard infrastructure, which includes energy, broadband and transport are elements that we can influence in partnership with other organisations. The Hydromills project being developed at present is exploring opportunities to develop localised grid infrastructure, and we are working in partnership with Western Power, South West Water, and a number of other organisations to help take this project forward in a coordinated manner.

With regards to transport, we have to try to influence decisions about where infrastructure rollout is prioritised. We have a number of transport infrastructure issues at present, the most significant being at Cullompton where capacity issues have the ability to hamper business growth at some of our key business sites.

Broadband infrastructure in Mid Devon is exceptionally poor due to the rural nature of the district and the lack of focus on our district within the Connecting Devon and Somerset program. As a district authority, every inward investment enquiry asks about broadband in the potential investment area, and we receive comments from businesses across the district about poor quality broadband infrastructure on a regular basis. This is potentially the number one issue that prevents rural business growth.

With regards to soft infrastructure it is important that we build upon business support activities such as the Growth Hub and business start-up programme in combination with more local provision of advice and services. If businesses feel that they are well supported and that they know where to turn for the advice and guidance that they need, they will have more confidence to be able to grow their businesses.

Similarly, with delivering skills for people within the district, it is important for there to be strong links between regional delivery (such as the universities) and local delivery bodies. This is particularly critical in Mid Devon where A-Level provision is extremely limited and therefore most young people have to travel to Exeter or Taunton to take courses.

We do appear to be relatively good at providing soft infrastructure, and our business communities have responded positively to the activities in place to help them. Therefore hard infrastructure should have the greater focus at LEP level to increase our ability to influence decisions and bring funding into the South West to accelerate its rollout. Accordingly, Mid Devon needs to have strong links to the LEP to help influence local infrastructure rollout.

How do we build on our natural capital assets?

Mid Devon has a vast river network and a high quality environment. We perfectly represent the natural beauty of the South West and have part of our district within an AONB. We are situated between two national parks, and our towns and villages are surrounded by beautiful views of greenery and wildlife. There is a perception that the South West has a warmer, milder climate than other parts of the UK which is likely to have some truth behind it. Our environment is perfect for supporting a strong agricultural sector, though this seems to be viewed as a weakness to the South West when it could really be built upon as a strength through opportunities to innovate within the sector.

As part of a wider promotion of the South West, we should be truly playing upon our green credentials which represent a quality of life that people in other parts of the UK aspire to. This should form a part of a wider promotion of the South West which demonstrates that there are many good quality highly paid jobs available in the South West and that we can offer an extremely good balance between a quality lifestyle and a positive working life.

The natural capital in Mid Devon lends itself well to promoting a green economy, and we are already exploring the development of hydro schemes on river network and how we can develop an innovative environmentally focused sector through the development of renewable technologies, passivhaus developments, and more discreet ways of combining future technologies with our beautiful natural environment.

What is the role for the public sector in improving the HotSW productivity levels?

Local government is limited in what it will be able to achieve directly, due to our own financial constraints and our inability to directly influence businesses to take growth

decisions. We can become more entrepreneurial in our own rights, and this is something that central government could better support and encourage.

An example of this if the government were to consider decentralising some of its departments as part of wider devolution activities. The South West has proven that we can make a success of opportunities of this nature, as Exeter and East Devon are hosts to the MET Office, which employs over 2,000 people in the local area and is world renowned for the quality of the work it undertakes.

In the wider public sector there are likely to be very few opportunities for the HotSW local authorities to influence productivity related decisions

Enterprise

What is currently inhibiting business growth?

For existing businesses:

Uncertainty about the future is a key element that prevents business growth. This is not to be mistaken as a comment purely about Brexit, as owners of smaller businesses that are looking at growing their companies have key pinch points at which they often struggle to pass. These pinch points tend to be when the business is taking on its first direct employee, and when a business is growing to the point that it needs to change its structure in order to continue to develop. These are the times that present the greatest risk to a small business, but they can also accelerate the growth of the business if taken forward well and supported appropriately. Another factor is a lack of confidence in finding the right member of staff for a job. Businesses often find that when they are looking to take on a qualified employee, unless the person they identify already has good experience in their sector, they need to put significant effort into training them to be able to work for their business. This could be better resolved through the better brokerage of support between the businesses and educational establishments so that courses can be better tailored to meet the current and future needs of local businesses. This also has the added benefit of encouraging local skills retention.

For potential inward investors:

Marketing and inward investment activities need to be undertaken in a much more cohesive way in the South West. We should be working as a region to promote investment here, and making use of business advocates from a range of sectors. Their voices are far more likely to be heard by the business community than those of the LEP or an individual local authority. There need to be much more effective marketing activities coordinated that are relevant to the whole of the HotSW. At present, the support for wider sectoral events seems to focus on the activities of the largest businesses around the table at a LEP level.

• How can we get more people to start a business and what could we do to help?

There should be less focus on people starting up businesses and more support for those who have started a business and who now want to grow those businesses or move away from a lifestyle business model (research repeatedly shows that the step of employing the first employee is a major barrier for microbusiness growth) The vast majority of businesses in the HotSW area are micro businesses, and enabling them to grow, making it easier for them to take the next step of employing people, would be a huge help and

could create more sustainable opportunities across the whole economy than focusing efforts on quick hits whereby we support a business to create 10s or hundreds of jobs. An example of where the latter approach has not gone as planned is Princess Yachts, which received £4.6m to grow in 2013, only to shed almost 200 jobs in 2016.

How do we support rural businesses?

At present we have projects that try to support the rollout of better infrastructure as mentioned above, such as Connecting Devon and Somerset. However, this project appears to focus on addressing the issues faced by the easiest to reach business communities, and leaves our rural business communities falling further and further behind their urban counterparts. This project has the opportunity to be truly transformational and to give our rural business locations a unique selling point. However, in Mid Devon we see little benefit from the program, and there is a real perception that it is funding what should already be economically viable private sector ventures. This creates a difficulty for Mid Devon District Council whereby we have identified a rural business issue, but cannot justify putting public funds into supporting broadband rollout when there is already a publicly funded broadband program which covers our area. On the ground it has a truly detrimental impact on our rural communities and their businesses. Perversely one successful output of this project is now based upon increasing the internet speeds of areas which have already received support, to make them even faster, while there are rural areas left unsupported which are still on the equivalent of dial up speeds.

There are other specialist programs of support that focus on supporting growth in the rural business community, and these have been relatively successful, having created jobs and growth within some of Mid Devon's most remote areas. The LEADER program has been viewed as a great success for the Mid Devon area, and has supported a number of rural businesses to grow.

The Growth Hub is another project that should be able to better support our rural business community, but due to the restrictions of EU funding on the sectors which it is able to support, this tends to benefit more urban-based businesses than those which typically make up the rural business landscape. For example, agricultural businesses and retailers are excluded from support through this particular EU fund, which leaves a significant proportion of our rural businesses unable to access advice and guidance that other sectors can take advantage of. To address this issue, the Exeter and Heart of Devon (EHOD) local authorities have been operating a joint business support program which is funded by the local authorities and is able to support businesses operating within any sector. This directly controlled support is therefore able to focus much more heavily on rural businesses.

There needs to be recognition that our more rural businesses tend to be smaller, and therefore it is less likely that a "big hit" will be achieved in terms of job creation or turnover growth. However, these businesses form a crucial part of our communities and contribute to a wide range of benefits that support a more productive society.

• How do we identify and support more "scale ups" and how do we help businesses to grow?

There needs to be much better promotion of the services we can provide and better targeting. If businesses feel that our support is irrelevant to their business then we will never hear from them again. If they don't have a reason to contact us, they will continue developing their business without any assistance and without us ever being aware of

what they are undertaking. It is less difficult to do this on a local authority scale, as we can generally influence our local paper and put out press releases relating to local projects. However, our LEP should have a much stronger relationship with the media, and should aim to promote projects and opportunities in a way that will be enticing to businesses and will make them want to engage. Relying on businesses visiting the HotSW LEP website is exceptionally weak and reactive, and we need to take a much more proactive attitude to engage with our business communities. This should be focused on LEP wide activities, and should not remove engagement from a local level. For example, when a funding programme goes live, it should be on the South West news channels to make businesses aware of the service, but local authorities should be the ones building the relationships with their business communities, and the LEP should simply be getting the message out there.

To help businesses to grow we need to have projects in place that meet their needs and reduce the risk that they will face when going through a period of growth. If the service is purely to advise and offer information, it is unlikely that it will be enough of a hook for a business, as they will get this kind of information from other sources that they already have a relationship with, such as an accountant or solicitor. The projects that we deliver have to be easy to access and be of significant value in relation to the time a business will need to engage with the project. This will be the only way to reach the businesses that would not have proactively contacted us in the first place.

• How do we encourage entrepreneurs and an entrepreneurial culture?

We need far greater access to sector specific work hub space across the South West in order to develop effective clusters and knowledge sharing. There are a number of generic work hubs and incubator spaces available, but these will only appeal to a certain type of business, and will not be adequate to meet the specific needs of certain sectors unless they also provide valuable support to those businesses. Outside of incubator space and work hubs, there needs to be a culture within the public sector of creating opportunities for the private sector. An example of this is the local Hydromills project being developed in Mid Devon where we are trying to create 3 hydro schemes. If we are successful in our project, we will open up the sites to give the environmental technology industries opportunities to make use of our sites for product development and other R&D activities that will help their sector to develop. The support structures around work taking place at the sites will give the industry the opportunity to work with Universities and other businesses, with the aim that they will build up a business cluster locally to take forward their ideas.

This gives entrepreneurs a safe test environment in which to explore their ideas without facing significant financial risk and with the right support in place to help steer their activities. If we created opportunities like this for a number of targeted sectors, it would be a proactive way of enabling high value businesses to develop and grow.

How do we improve access to finance for business growth?

We need to take a more flexible approach to the way that we support businesses, and in some cases this may mean taking a bit more risk when supporting potential growth. This is a key area in which public sector and private sector mind-sets differ, whereby the public sector tends to only back a guaranteed win, whereas the private sector is more willing to take a risk for the opportunity of a greater reward. There is also a difference in the way that public funding programs and projects operate due to the requirement to be publicly accountable for any money being spent. The private sector can struggle to adapt their way of working to the requirements of funding schemes for example, and this can

result in them not being able to access grant schemes, or not seeing the time value in applying for funding in the first place.

What other incentives would improve entrepreneurial activity?

There is very little else that we can influence directly.

What are the challenges in terms of leadership and management and what should we do to help?

Leadership and management in larger businesses doesn't seem to be a significant issues for the businesses themselves, as a "bad" manager plays a smaller role in the overall activities of the business. However, there is an issue whereby the majority of our larger businesses play little role in helping to shape their industry across the region. This lack of engagement with bodies such as the HotSW LEP leads to key sectors in Mid Devon being under-represented and therefore ignored as regional priorities, and this is difficult to address unless a better rapport can be developed between the local authority and the business, and then the LEP and the business. At every stage the business must be made to feel that their input is valuable and that there is something positive that will come out of their engagement with wider industry discussions. If they do not feel that this is the case, it will be impossible to get them around the table.

For smaller businesses management and leadership is crucial to the success or failure of the business. Support should be and is available to business owners and managers to help them to develop their skills to be able to successfully develop and grow their businesses. Some of this relates directly to the comments in the section about barriers to business growth, whereby giving leaders and managers the right tools to have the confidence to take significant steps forward with their business is going to be critical to growing the HotSW economy.

Innovation

 How do we improve the innovation ecosystem – the process by which ideas move into new or better products and services - to strengthen the innovative capacity in business and public sector?

The business sector is already innovative, and the public sector needs to follow their lead and adopt a similar mind-set in the way that we do business. We tend to be viewed as monolithic and stubbornly slow to make change, and this is probably a fair observation when comparing the public and private sector. However, in order for us to be able to become more commercially minded and to take the approach that businesses naturally follow, we need to be given more flexibility to explore commercial opportunities ourselves, and to have the opportunity to take risks (within reason). If the public sector can become this way inclined, we will become natural partners to the private sector, and this will enable us to hold more influence over businesses, and to lead innovation rather than seek innovation from other sources.

 What incentives will improve technology transfer and encourage universities and business to work more closely together?

Local authorities need much stronger links with their universities, not just the local authority in which they are based. The current situation creates knowledge microcosms which don't permeate throughout the wider HotSW area. By improving the relationship

between the universities and other local authorities, more opportunities will be identified for universities to work with businesses and local authorities are well placed to broker these relationships.

How do we promote creativity in support of innovation?

Local authorities and the LEP should be facilitators and honest brokers between businesses and other organisations, creating an environment that is conducive of business innovation, and enabling relationships between groups of entrepreneurs, support services and specialist knowledge. We cannot force businesses to take an innovative approach to the way that they do business, but we can create a range of activities, projects and support that will allow innovators to explore their ideas.

The issue is that we need to be more innovative in the way the projects that we develop and how we engage with businesses. Traditional public sector approaches are a major turn off to businesses, and so our own way of working, and the mind-sets and approaches to how we work within our own organisations need to be more reflective of the innovative business culture we are trying to develop.

How do we support R&D and build on existing strengths?

As mentioned above, the local authorities and universities need to have a much stronger relationship so that we can broker discussions between businesses and educational establishments when the opportunities arise. There are likely to be R&D opportunities that would be relevant to the specialisms of our universities in a number of business sectors, and these are currently being missed or at the very least not being realised to their full potential.

How do we best support knowledge exchange and clustering?

Better connectivity is the key to growing the knowledge economy. There are amazing things going on within our local business communities, but they tend to be happening in pockets of isolation where an individual business is driving innovation in its own area of specialism. In some of our rural areas, these things happen in isolation because of poor communications opportunities due to infrastructure, whereas in less rural areas it is due to poor communication and relationships with other local businesses. Many businesses see innovation as synonymous with "competitive edge" and do not want to share their knowledge as a result of this. It will be extremely difficult to break down this mentality and to create an environment where knowledge is nurtured without it being seen as the property of an individual business. However, if local authorities have the tools to be able to broker relationships between businesses, and with educational establishments then knowledge can be developed in collaboration and is therefore more likely to be shared.

Competition and Infrastructure

What should our priorities be for transport infrastructure?

From the Mid Devon perspective Cullompton would be our priority for transport infrastructure improvements. With the recent awarding of garden village status the site will become a prime location for investment over the next decade, but already we are struggling to deliver development opportunities that would raise the profile of the town as a result of issues facing junction 28 of the M5 and the high street in the town which is severely congested. Exeter is heavily congested at peak traffic times and creates issues

with regards to the flow of traffic both northbound and southbound along the M5. It can be difficult to access areas to the West of Exeter, particularly during these peak traffic times, which can restrict business activities on the Western periphery of the City.

• Do we have appropriate business premises / science parks?

We have a significant number of business sites and premises available, but very little joined up thinking in how these sites are taken forward, how they are marketed to potential investors and how they can be better used to create hubs of shared knowledge. This is true within the district but also within the wider HotSW geography. There is a recognised business corridor running along the M5 in either direction from Exeter Science Park, but there is no joined up approach to take sites forward, and as a result of this, lower productivity businesses tend to occupy these sites to gain easy access to transport links. However, in part this is down to the ownership of the different sites and competition to between these land owners.

Exeter Science Park is in a perfect location to support businesses and to host strategic events for the business community. It is directly adjacent to an airport and has excellent road transport links, but it is entirely focused on activities taking place in its immediate surroundings. There could be a great opportunity to link with sites at Junction 28 and Junction 27, through linkages with Environmental Futures and Digital and Technology based businesses and to provide much better support to a wider geographical area, but these links do not exist and dialogue is not yet taking place about how these links could be established.

What are the key barriers to investment capital?

For larger businesses there are few barriers to investment capital, and the issue becomes one of the speed at which an investment opportunity can be realised. For smaller businesses it is less about the investment capital itself, and more about the risk of the investment that causes caution. If a good business can make a strong business case for the growth that they need to undertake, then there is very little to stop them accessing the investment they require. Uncertainty with regards to macro-economic issues probably cause there to be a more cautious business attitude, and this may or may not be a barrier to growth, though some businesses are taking advantage of opportunities that they see rising from the uncertainty.

• How important is housing provision and affordability to raising productivity?

Affordability is absolutely relevant to raising productivity. In the South West house prices are typical 6 times the average salary, and this is the second highest ratio outside of London. This creates a chicken and egg scenario whereby without good quality affordable housing we cannot attract young skilled people to work in the area and to create a pool of these people to support the business community. In turn, the business community is therefore centred around a lower skilled economy which doesn't appeal to younger skilled people, and which doesn't enable people with ambition and drive to be able to own their own homes.

• How do we improve access to Broadband and Superfast Broadband?

A key action would be to pursue a different approach to CDS and implement a programme which delivers broadband to areas of genuine need rather than low hanging fruit and subsidising already viable private sector investment. Start looking at better ways

of reaching rural locations, such as line of sight transmission systems (from which optic fibre networks can be built).

How do we improve our export capabilities?

A significant proportion of Mid Devon's strategic businesses are exporters to the EU, America and beyond. There is little that can be done in the current climate to improve the capabilities of businesses to export, and with Brexit negotiations about to begin there is so much uncertainty around future trade deals, tariffs and currency exchange ratios etc that it is difficult for a business to know if they would benefit from exporting. It is also impossible to know what the UK business market will look like following on from the Brexit negotiations, so it is increasingly difficult to advise businesses on becoming an exporter until the wider UK knows more about its direction of travel. Existing exporters have trade deals and market experience and are able to self-determine the conditions under which they should export goods or services.

What should be the priority in terms of improving connectivity?

Connectivity focused on sharing knowledge should be the priority for the South West. The ability for people to share ideas, to find the right people to work with, to establish new businesses based on the ideas of the right individuals who can make a success of it, are all areas that should be prioritised. Something that local authorities are very good at is making connections for people, whether this connection is to support services, or to other businesses that may be able to work collaboratively, or bodies or individuals who can unlock barriers that a business is facing that prevents it from growing or from an idea reaching fruition. We should be actively looking to strengthen our partnership working with the business community. However, we will only be taken seriously by businesses if we can demonstrate an understanding of the way in which the business community works, and that we are able to operate with a commercial mind-set ourselves.