



# Women's Enterprise in the Humber

YOUTH ENTERPRISE PROGRAMME REVIEW

FINAL REPORT

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## I. INTRODUCTION AND BACKGROUND

- I.1 This report is on the findings of a 'light touch' evaluation of the Youth Enterprise Programme. The work was commissioned by Development and Renewal Services of Hull City Council from Milburn Trinnaman La Court (mtl) and carried out in spring 2006.
- I.2 The main lines of enquiry we were asked to pursue included:
- the perspectives of the young people who have used the Youth Enterprise Bank (YEB);
  - reflections of the partners associated with YEB;
  - implications for the current Youth Enterprise Action Plan to the Strategy for Hull's Enterprising Young People.
- I.3 There is a well established profile which is at the forefront of development for work in partnership on young people and enterprise in Hull. It has a solid rationale which is strongly driven by young people themselves through the Hull Youth Council. This profile has earned the respect and commitment of the city's business community and the active involvement of the local enterprise support and education development infrastructure. External recognition at national level has been secured in awards for Young Enterprise companies and for the people who have given far more than may be reasonably expected to support the Partnership and young people. Alan Johnson MP Secretary of State for Education and Skills is the patron.
- I.4 There are several differentiating features about the approach to Youth Enterprise in Hull which are characterised by an enterprising culture agenda:
- it joins enterprise in education, enterprise in communities and the establishment of new enterprises together;
  - it is more concerned with enterprising behaviour and outlooks than necessarily only with formation of new businesses as outputs;
  - it values an enterprise experience for its own intrinsic worth which can show up in:
    - ▶ learning attainment;
    - ▶ learning by doing in communities/groups;
    - ▶ personal and social development through having a go at running an enterprise;
    - ▶ being a better and enterprising employee; as well as in
    - ▶ establishing a successful business;
  - complementing and working with established programmes and agencies to fill gaps (eligibility criteria, sectoral coverage and funding gaps), to put young people first so that navigating the maze of support is easier, and to share costs (eg of promotion and publicity to achieve a greater critical mass of impact);
  - involving young people in meetings with Councillors, Ministers, the business community and at business conventions; and
  - above all, providing the enterprise opportunity for young people with minimal strings attached or hurdles to climb; the approach is to find the one way to say yes to a young person rather than the thousand reasons why to say no.
- I.5 Most of the work of the Partnership is being done on a financial shoestring in terms of funding. It is rare that the activities it undertakes can be shoehorned into funding programmes driven by the need to purchase outputs.

Where external funding is being secured, a lot is owed to the receptiveness and imagination of the appraisers ready to entertain a proposition that does what is right, rather than insisting on contortions to fit exactly the funding regime.

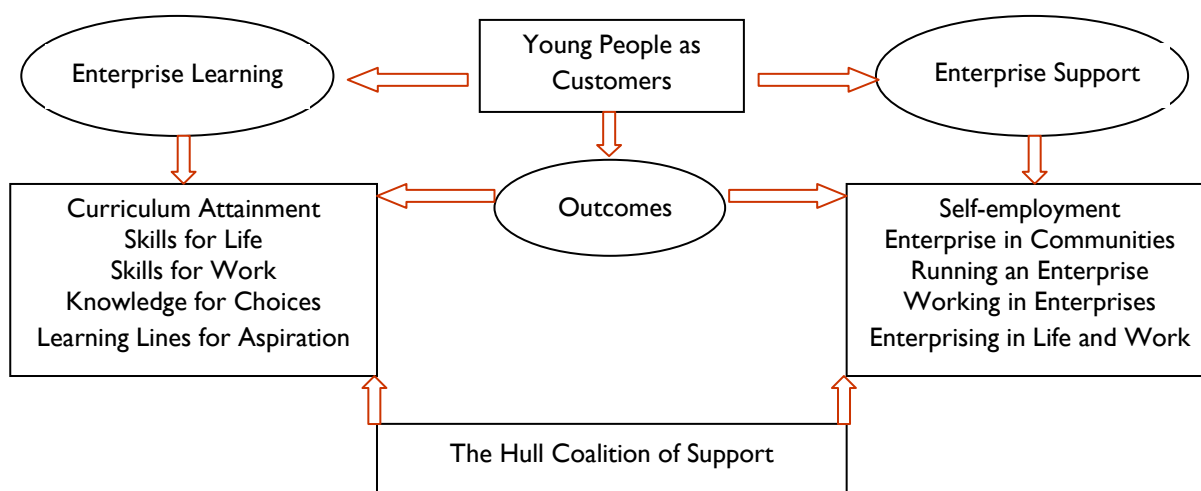
1.6 Yorkshire Forward recognised the value of this approach by supporting the preparation of the Strategy for Hull’s Enterprising Young People (June 2005). As is common in many ventures, the need for a Strategy rarely arises when there is a blank sheet and most often occurs when an accumulating array of initiatives and opportunities creates a need for decisions about priorities to be taken within a framework.

1.7 Preparing the Strategy for Hull was made easier than most by:

- the strength and commitment of the Partnership;
- the portfolio of well-thought out activities already in operation;
- opportunities in terms of policy development, eg enterprise in education, enterprise in deprived areas, a new Regional Economic Strategy, a new Community Strategy and emerging Neighbourhood Renewal Strategy, and the prospect of Local Area Agreements.

The building blocks were in place, needed a principled framework within which to align them coherently and an action plan.

1.8 An overview of the Strategy is shown diagrammatically below.



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1.9 The focus of this review is on the specific contribution made by the YEB in the right-hand side of the Strategy diagram shown above. In the rest of this report:

- Section 2 is the main section reporting on a survey of young customers of the YEB.
- Section 3 conveys the perspectives and reflections of supporting partners.
- Section 4 considers implications for the June 2005 Action Plan.
- Section 5 presents our conclusions and recommendations.

## 2. CUSTOMERS OF THE JOHN CRACKNELL YOUTH ENTERPRISE BANK (YEB)

- 2.1 The main aim of the Hull Youth Enterprise Partnership has been to support and encourage young people aged between 9-30 to become more enterprising and to realise their full potential. The partnership aims to contribute to the objectives of various partnerships within the city to raise the profile of enterprise and help meet the city's target of creating 1,200 new businesses.
- 2.2 Increasing the rate of business formation and improving the level of attainment of pupils within Hull were the main drivers to establishing the John Cracknell YEB which offers grants of up to £1,000 to young people aged 14-25 (in exceptional circumstances greater than £1,000 may be given to certain individuals or groups), but priority is given to applications up to £500.
- 2.3 YEB does not only offer financial assistance to help entrepreneurial activity in the most deprived communities but also practical advice from specialist business advisors, youth workers, Connexions advisors and community workers. YEB works closely with the BeSPoKe centre in Bransholme whilst also establishing links with Young Enterprise Humber, the Prince's Trust, local secondary schools and Hull College.
- 2.4 YEB has financially assisted a wide range of new business start-ups including a bedding plant specialist, beauty therapists and a newsagent whilst also assisting with other enterprising ideas in the community such as a fishing tournament, a paintball tournament and funding costumes for a local dance group.

### The organisation and partners

- 2.5 YEB is managed by a group of trustees who are linked to the Hull Youth Enterprise Strategy Group. The bank is funded by Neighbourhood Renewal Funding, Hull City Council as well as other public and private contributions (£18,000 from Cityventure [SRB] and £2,000 from private donations). The idea to establish the YEB came from Hull Youth Council and young people are involved with the joint management of the bank as well as designing promotional literature which gives a sense of ownership to young people of the community
- 2.6 YEB has an annual target of helping at least 40 young people whilst also arranging a range of taster sessions in local schools and youth centres.
- 2.7 Hull City Council provides space at the BeSPoKe Centre for partners and promotes the YEB whilst Young Enterprise delivers enterprise awareness within local secondary schools. Young Enterprise also pioneered an extended range of programmes in Hull ranging from graduates to primary schools. The local business community is a committed supporter. The Prince's Trust gives business advice and grants to young people as part of their activity in Hull but makes referrals for those young people it is unable to support to the YEB.
- 2.8 The Hull Area Business Advice Centre (HABAC) has business advisors that promote the YEB whilst also acting as mentors during the application process. Several other providers of business support, including from the private sector, offer similar services. Hull Youth Council provides contact with young people under 21 raising the profile of enterprise in general as well as providing secretarial support to YEB trustees. Services provided by partners to support YEB and its client group are given for free.
- 2.9 YEB sponsored a fair-trade fortnight in Hull and supports young people who want to sell or promote fair trade products as well as a fair trade café.

YEB are also in the process of building links with Yorkshire Bank, hopefully leading to financial contributions to YEB. The partnership between YEB and Yorkshire Bank has progressed with new business start-ups introduced to Yorkshire Bank by YEB being able to utilise a full range of business and personal services and support from a business manager. Yorkshire Bank will also refer budding young entrepreneurs to the Youth Enterprise Partnership for advice and support.

- 2.10 A discrete fund has also been established within YEB to promote Wilberforce 2007 which supports Black and Ethnic Minorities and refugees who wish to develop an enterprising idea of their own. The Wilberforce Bi-centennial is an important symbol of Hull's contribution to emancipation and, in today's terms, to equality and diversity.
- 2.11 The YEB is a central feature within the strategy for Hull's Enterprising Young People. While it has a focus on supporting businesses to start up, it is as much about enterprising culture, personal development and employability. In effect, YEB uses its resources and networks to provide young people with an enterprise experience, whether setting up a business, undertaking a project or learning about enterprise

### Applications, Outputs and Impact

- 2.12 The application process to YEB is a relatively straight forward and simple procedure with applicants filling in a simple application form outlining their enterprising idea which is returned and submitted to Hull Youth Council. Applications that are deemed eligible are forwarded with recommendations to the management group for a final decision which meets on the third Friday of every month.
- 2.13 Applications can be supported by a range of organisations who are affiliated with YEB including:
- Hull Area Business Advice Centre (HABAC)
  - Business Link Humber
  - Durban Ltd
  - Hull Youth Council
  - Development and Renewal Services
  - Hull and Humber Chamber of Commerce
  - Spring Bank Business Centre
  - Prince's Trust
  - The Acorn Fund
  - Sirius
  - Preston Road New Deal for Communities (PRNDfC)

Further network links support the process, Area Teams (especially for North Carr) being particularly important in making connections with young people and the YEB.

- 2.14 If an application is successful, an offer letter to the applicant is sent which may insist on specific criteria, which must be signed and returned by designated accountable person. Payment methods are either by cheque, directly into a suitable bank account or directly to suppliers of equipment at the request of the applicant.
- 2.15 As a condition of the grant the applicants must keep an accurate record of expenditure which can be requested by the management group at a later time. If the group finds money has not been used for its intended purpose, they will seek to recover the grant.

- 2.16 The YEB gave mtl information on 66 applications (2001-05) with a total monetary value of £36,358.20. There have been a total of 46 successful applications to YEB with the majority being in 2005. The total value of grants awarded total £25,564 which equates to an average £556 per successful applicant.
- 2.17 From the information received, there were a total of 5 applications that were refused totalling £4,190 in value. Refused applications included grants to help fund an exhibition (£1,000), increase sexual health awareness (£690), scooter repairs (£1,000), healthy lifestyles advice (£1,000) and setting up an internet search engine (£500).
- 2.18 A total of 5 applications with a monetary value of £3,104.70 had been referred elsewhere. An application to help fund a motor project with a value of £600 was referred to Fastrax in East Hull whilst an application for £760 to help with Youth Club activities was referred to NCAT. Two applications were referred to HEF which were £800 to purchase music equipment whilst the second application of £944.70 was to pay for course fees. An application for an unknown amount was referred to Christine Jewitt which was also for course fees. It is common practice of the panel to refer applicants to more appropriate funding sources, where appropriate, and to provide advice and guidance.
- 2.19 Four applications for grants totalling £3,500 were invited to resubmit their applications at a later date. These included a vegetarian café (£1,000), printing/design enterprise (£1,000), garden supplies (£1,000) and a jewellery design enterprise (£500). Six applications have been offered grants on the proviso of accessing additional funding or information but have yet to respond.
- 2.20 A main objective of YEB is to encourage enterprise in the most deprived areas of Hull. Table I (overleaf) shows a breakdown of applicants to YEB by postcode. A total of 19 successful applications have been made to YEB from residents/groups in the HU7 area of the city. This is primarily the wards of Bransholme East and West with a total of £8,767.24 being claimed for various enterprising ideas including Block Paving, a band and a bicycle repair enterprise. On average each recipient in HU7 received £461 ranging from £205 awarded to a removal/delivery enterprise to the upper limit amount of £1,000.
- 2.21 The postcode of HU5 which includes parts of the Newland and Myton electoral wards also benefited significantly from YEB investment with 12 residents/groups successfully applying for support totalling £7,424 for ideas such as an art/craft e-commerce business, Halal baby food business and a forklift truck repairer. In monetary terms, grants awarded ranged from £150 to £1,499 (the only applicant to receive greater than £1,000) for a Kurdish music specialist.
- 2.22 As is evident from these records, the YEB is monitoring the spatial distribution of grants and applications and it is clear that the majority of awards are directed to Hull's most deprived communities. The sums are comparatively modest, representing a form of micro finance and the grants are clearly attached to appropriate business support and mentoring. The business activities supported are orientated towards meeting local and unmet needs, so have a social purpose and minimal displacement effects on other existing businesses.
- 2.23 The YEB operation offers both first resort and last resort funding assistance. Many of the clients and their ventures are not targeted by nor eligible for mainstream business support and may fail to qualify as multiply disadvantaged for Prince's Trust assistance. Wherever possible, YEB seeks to guide clients to other funding support, eg via the Acorn Fund, Sirius, Job Centre Plus etc, in order to reserve its resources to support unmet needs or to use its funds in concert with other funders.

TABLE 1: BREAKDOWN OF APPLICANTS BY POSTCODE

Postcode	Total applications	Total value (£)	Successful applications	Value (£)	Refused Applications	Value (£)	Referred Applications	Value (£)	Invited to resubmit application	Value
HU1	2	1300.00	0	0.00	1	500.00	1	800.00	0	0.00
HU2	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
HU3	7	4310.00	4	2020.00	2	1690.00	1	600.00	0	0.00
HU4	1	500.00	1	500.00	0	0.00	0	0.00	0	0.00
HU5	15	9924.00	12	7424.00	0	0.00	0	0.00	3	2500.00
HU6	6	4722.91	4	2722.91	1	1000.00	0	0.00	1	1000.00
HU7	21	10527.24	19	8767.24	1	1000.00	1	760.00	0	0.00
HU8	4	2924.05	3	1979.35	0	0.00	1	944.70	0	0.00
HU9	3	2150.00	3	2150.00	0	0.00	0	0.00	0	0.00
Total	65 (+1)	36358.20	46	25563.50	5	4190.00	4 (+1)	3104.70	4	3500.00



2.24 What YEB offers, therefore, is a process of assistance which operates in the policy blind spot of a customer focused operation, able to roam across worthwhile interventions but without being restricted by separate silos of targets and funding. Typically, funding to initiatives flows vertically and can force initiatives to compromise their commitment to horizontal intervention, or can starve worthwhile initiatives of resources due to eligibility criteria and targets. YEB seeks to lift up all of these complex and necessary gyrations from the level of the customer. The difficulty of doing this is shown in the modest funding to YEB although due acknowledgement to NRF and SRB for being able to accommodate the YEB agenda is appropriate.

### Interviews

2.25 A total of 12 interviews with applicants to YEB were successfully completed in February/ March 2006. In monetary terms, interviewed applicants were seeking grants ranging from £300 to £800. Of these, prior to embarking on their enterprising idea, 3 classed themselves as being unemployed, one was working as volunteer, one was in part-time employment, 2 had temporary jobs, 2 were students and 2 did not disclose their circumstances.

2.26 As to be expected when conducting a telephone survey of beneficiaries, many applicants were difficult to contact for one reason or another. This was particularly the case where the only point of contact was a mobile telephone. In a handful of cases residential phone numbers were not recognised or a wrong number was given. In some instances there was no reply from the number given during normal working hours. Therefore a recommendation would be for applicants to provide 2 telephone numbers which would help with follow up/aftercare support further down the line when an applicant has received the grant from YEB.

2.27 The main objective of the telephone survey was to gauge qualitatively, not only the impact YEB had on an applicant's business or enterprising idea but also the impact on the individual. Examples would be what they have learnt from the experience of being enterprising and what they have learnt about themselves which is generally referred to as the 'distance travelled' of the beneficiary.

2.28 Of the 12 people interviewed, 10 had successfully been approved to receive financial support from YEB. However, one applicant in the training and consultancy field who had applied for a modest grant of £300 from YEB claimed that the decision making process was too lengthy and "*that even though my application had eventually been approved, I had waited long enough and decided to purchase what I required without any assistance before the final decision was made.*" Despite this not reflecting favourably on YEB, the applicant did not indicate whether the final decision was delayed due to inefficiencies in the YEB process or whether the applicant had failed to provide further information if requested, quickly. The fact that the applicant went ahead with the purchase suggests that funding from YEB could have been deemed to have been 'deadweight' expenditure anyway and the resources better channelled elsewhere.

2.29 A second applicant who applied in November 2005 claimed to be still awaiting a final decision from YEB. Because of confidentiality undertakings we have not identified these individuals to YEB but have explored the principles with YEB and are satisfied that there is a valid other side to the story.

- 2.30 Of the 10 interviewees that had successfully applied for and been approved funding from YEB, 6 were trading on a full-time basis with 2 interviewees (wedding photographer and beauty therapist) operating on a part-time basis, and another running a bedding plant business as a hobby whilst at college. One had closed the enterprise and secured full-time employment.
- 2.31 The majority of businesses had started trading within the last 12 months and were still operating based on their initial enterprising idea. All 9 interviewees (still trading) remarked that they deemed their business to be going well since they had established. The general consensus was that despite the first year being quite stressful and worrying when sales/income at the outset are relatively low, once they got through this tough period and their client base started to grow, fears of failure eased.
- 2.32 An interviewee, who is a part-time Beauty Therapist, commented: *“some months have been difficult since I established, particularly when clients have cancelled appointments with short notice”*. However, her client base is increasing and she hopes to go full-time in the near future depending on the cost of childcare which she struggles to afford at the moment on a part-time basis. Self-employed people do not qualify for tax-based childcare support so this may be an area for attention, subject to resources. Another interviewee who has successfully established a Computer Hardware shop remarked: *“I found it quite worrying and stressful at first as running my own business was going into the unknown but I’m really happy I took that risk as the business is going from strength to strength”*.
- 2.33 The part-time Wedding Photographer did feel nervous when first setting up, but her business advisor put any concerns or worries to rest by explaining that it was only natural to feel apprehensive. The beneficiary also commented that having a part-time job took the pressure off financially.
- 2.34 The majority of those interviewed were still sole traders at the time, but one entrepreneur in the Graphic Design/Printing field employed one person and the bedding plant enterprise was managed in partnership with 3 other college students. Additionally, the Beauty Therapist does regularly offer work experience opportunities to local school children and helps students at Hull College looking to gain work experience.
- 2.35 The business that had ceased had run for 10 months. Sales projections had been too optimistic and hours worked became excessive. The young person decided to cease trading before getting into debt. He observed that, while he had made a living of sorts, it was becoming too much of a burden at the expense of a normal social life. But he was surprised when applying for jobs, how much more seriously he was taken and respected. In a good job now, he has no regrets that he had a go.
- 2.36 It was evident from the interviews that budding entrepreneurs received a package of support either financially or advice from other local organisations together in conjunction with support from YEB. One interviewee received financial support from the Prince’s Trust and ACORN. Another recipient of support from YEB, aged 33 was too old to receive help from the Prince’s Trust but did receive advice from the Chamber of Commerce. Business advice support was valued as being encouraging, informative but also realistic.
- 2.37 The general consensus of interviewees reflecting on the process of applying, being approved and receiving support from YEB was that it was simple, straight-forward and an efficient procedure. Advice in the first instance was thought to be excellent and helpful and the simplicity of the application form was remarked upon favourably. The majority also stated that the decision/response time after submitting an application was quick.

There was only one slight concern from one applicant that was approved and that was the time taken to actually receive the grant after being approved. In this case the claim that it took a “*couple of months*” to receive the money, which was to be used to purchase essential equipment, delayed the enterprise from getting off-the-ground.

- 2.38 All the 10 applicants who successfully applied for financial help from YEB said they would recommend YEB to friends or family who wished to pursue an enterprising idea or start up their own business.
- 2.39 Interviewees were asked how they thought they had personally benefited from running their own enterprising idea to date. Many mentioned that they felt they had become more independent, experienced an increase in confidence and had more self-belief. One beneficiary claimed to “have found my vocation”. The part-time Wedding Photographer commented that her confidence had improved because she proved to herself and family that she could successfully develop and run her own idea independently.
- 2.40 Students running the bedding plant business thought that their communications skills had improved dramatically through meeting new people via their business which would stand them in good stead in the future. Most importantly, many thought that despite early anxieties they had thoroughly enjoyed the whole experience of running their own enterprise.
- 2.41 Beneficiaries were asked about their ambitions and plans for the future. A specialist in Plumbing/ Gas services was hoping that his business would enjoy a good year of the growth. The first year was quite fraught with not much incoming work and having to concentrate on completing his qualifications. Sales improved (albeit slowly) to enable him to advertise for the first time in the Yellow Pages which he hoped would attract new customers.
- 2.42 The owner of a Computer Hardware shop was confident that his client base would increase to such an extent that he would employ somebody within the next year. The Wedding Photographer felt that she would remain operating on a part-time basis in conjunction with part-time employment. She really enjoyed photography and, if viable/ sustainable, her ambition would be to go full-time.
- 2.43 The interviewee involved in the bedding plant business said that his college courses were coming to an end this summer and he would be heading off to university but hoped that the business would still thrive and flourish under new leadership. The part-time Beauty Therapist has ambitions to take up the occupation full-time once childcare arrangements are finalised, but for the foreseeable future she envisages to carry on doing 16 hours per week.
- 2.44 During the interviews, we asked the respondents if they had any current needs for advice or support. Several did and agreed to us passing their details on to local business support advisors who work with YEB which we have done. This indicates a need for continual aftercare as a Customer First principle, but which also fulfils a necessary monitoring purpose.
- 2.45 While only a small sample and a short interview, this survey has been revealing on several counts:
- there are good enterprise and survival outcomes achieved;
  - young people’s life chances have been enabled;

- wider social capital has been developed; the people are putting things back into their communities
  - role models with peer group influence in their communities have been supported;
  - enterprising ability and employability has been enhanced.
- 2.46 Survival of the enterprises indicates that a market need in communities is being met. While these are not high value added, high growth potential enterprises, they are valid and authentic ventures. They are not of a scale that would be indicative of serious displacement. For the amount of financial aid and advice provided, this is a good social and economic return on investment.
- 2.47 There are several areas for service development potential for the YEB and partnership revealed by the survey:
- frequent and regular after-care and follow up is good customer care;
  - ensuring several means of contact with the client helps conduct after-care follow up;
  - where applicants have a deferred or conditional approval that puts responsibility on them to respond, more prompting reminders may be useful;
  - further consideration to childcare costs as a barrier to self-employment could be given and the support of the Early Years and Childcare Development Partnership sought;
  - the example of the Beauty Therapist offering work experience is an opportunity which may not have been anticipated and could be explored further as an example of joining up delivery and of added value;
  - the responses on the excellence and helpfulness of the advice and support provides good promotional and marketing material directed at those who may fear they and their idea may not be taken seriously.
- 2.48 It is already a notable good practice feature of the partnership that the young people supported are showcased and given further access to opportunity. Another observable good practice feature is that the panel looks for opportunities to link young enterprises together where there are commercial opportunities. What this suggests to us, and we did not include it in the survey, is that there may be some potential in a young enterprise network or a club and supported self-help group with scope for inter-trading. Mentoring drawn from other young adults in business, eg PYBT clients or Junior Chamber of Commerce could be useful. The demand for and value placed upon mentors in Hull is high and their numbers are insufficient to meet needs.
- 2.49 In terms of a client-centred focus from the supply side support agencies, it is possible to detect a clear commitment from operators to work in the interest of the customer. There was no suggestion of 'output hogging' or of client 'dumping' where the support needs appeared intensive. Credit to the network for this is deserved.

### 3. REFLECTIONS OF PARTNERS

- 3.1 A straw poll of YEB Panel members and other Programme partners was carried out by telephone interview.
- 3.2 With Panel members, we discussed the following 7 points:
- involvement and role;
  - nature of the propositions received;
  - basis for awards;
  - evidence of latent demand;
  - the current profile for YEB;
  - good practice and areas for improvement;
  - development potential in the event of greater resourcing.
- 3.3 With other partners, the discussion was more general about awareness, profile and significance.
- 3.4 Results from the 2 groups are integrated into the rest of this section.

#### Involvement

- 3.5 Apart from Panel roles, most members get involved in one or more additional supporting activities. These include:
- Signposting/Referral
  - Exhibitions and Events Attendance/Encouragement
  - External Funding
  - Monitoring
- 3.6 Particular special interests in terms of additional support include Young Enterprise companies, the 16-19 age group and young females.
- 3.7 Panel members and some other Youth Enterprise partners are also active and influential advocates for the cause, using important networks. As a result, some other partners are slowly and belatedly becoming aware that Youth Enterprise in Hull is not just talk – there is a great deal happening which had not been recognised or acknowledged. One interviewee believes the work is worthy and worthwhile, but its economic significance is at risk of being oversold or misinterpreted.

#### Propositions

- 3.8 Most Panel members feel that the volume of propositions coming to the Panel has eased up after the initial bulge, to reach a more reasonable level. Others feel it is oversubscribed and there is a need to ration the resources.
- 3.9 Panel members are not, however, aware of the total number of applications received and any filtering before propositions reach the Panel for consideration. There is an action point here for the Youth Council to log all enquiries received, all applications received and any pre-Panel sifting from which to provide periodic reports on total activity levels. This would be an additional task on top of the introduced monitoring visits and reports, and may need extra staff hours.

- 3.10 The wider interviewees were quite surprised at the volume of successful applications, recognising these as additional to Prince's Trust supported clients. They take a pragmatic view that the enterprises are unlikely to change Hull's economic landscape but, for the sums involved, could be good investments in people.
- 3.11 The quality of the propositions is variously regarded as good on ideas but poor on presentation, getting much better thanks to support provided or not good at all. Literacy and numeracy shortcomings are evident and Panel members can detect provider styles in word processed documents so as to identify how much is from the young person themselves. There is a real concern about the implications of a lack of basic skills in running a business. An action point would be to integrate, with sensitivity, Skills for Life provision with YEB support.
- 3.12 Similarly on types of business propositions, there is a divergence of views. The orientation to retail is considered almost inevitable as YEB is the only funding source that entertains this sector. Wider consultees are concerned at the commitments (eg premises lease) that young people are prepared to countenance. Other Panel consultees are encouraged by the imagination, rise of Fair Trade ventures and the links established with the Warren. There is, though, a contradictory view that the business ideas reflect a 'follow the fashion' that may be symptomatic of young people with not a lot of experience.
- 3.13 Business advisors acknowledge that the young enterprise start-up scene and agenda has some key differences from mainstream support, but still involves the same attention to the basics. They want to be encouraging and supportive, recognise that some of the products, services and markets of interest to young people are atypical business models, but do fear for the degree of misguided optimism that a business idea borne out of a young person's interests can make money and enough to live on. So the advisers take very seriously their responsibilities to the young person and to his/her family, potential customers and suppliers because a business failure can have much wider personal, social, financial and economic effects.

#### Basis of Awards

- 3.14 As the size of the YEB reserves is being depleted by awards (the balance of funds is some £30,000), we were interested to establish if awards were made on the merits of the propositions or if it was increasingly necessary to raise the threshold so as to eke out the reserves for longer. The answer is that decisions on cases are taken on their merits so far. As much as possible, there is a syndicating approach with, eg ACORN and Prince's Trust to make everyone's money go a little further and to share the aftercare.

#### Latent Demand

- 3.15 Here we posed the question about unmet latent demand and if extra resources for the Bank would enable more awards to be made. The majority of Panel members felt there is a lot more demand and extra resources would enable a greater speculative risk to be taken. A minority view was that effective demand from decent propositions was quite sparse and that extra YEB funds would not make much difference.
- 3.16 This minority view was shared by providers who recognise a far greater interest in enterprise than they are currently funded to support but very considerable development and support needs to convert interest into a business idea and/or to instil some of the rudimentaries first.

This minority view from the Panel and the frontline experience of providers would suggest that, if more resources were available, they should be devoted first to a development role to tease out potential and then be complemented by YEB funds to support newly generated demand.

### Profile

- 3.17 Views on the strength of the YEB are a curious mix of contradictions. Comments include “well publicised”, “well known in the immediate network”, “not so well known amongst target client groups”, “strong in Hull and with the Secretary of State but not at the levels in between”. Amongst wider interviewees the impression gained is that, if they have been told about it, it has not really registered.
- 3.18 This set of findings is something of a paradox as there is extensive literature, media and website coverage and exposure at high profile enterprise events. A lot of effort goes into email circulation of news and development. An action point is to consider if the publicity and communications are too blanket in their coverage rather than segmented in terms of target audiences, with appropriate customised means for each segment.

### Good Practice and Areas for Improvement

- 3.19 A further contradiction to the findings on profile was (from wider interviewees) a recognition that YEB lets the young people themselves take the credit through media coverage, events exposure etc. At a time when the public sector tends to wheel out private sector businesses to impress external stakeholders, YEB has been more authentic in opportunities for young people to be at the forefront.
- 3.20 In more practical terms, Panel members recognise good practice in progression paths from enterprise in education, re-engaging ‘switched off’ young people, making many but not yet all the necessary connections with associated agencies, securing high level support from Councillors and Alan Johnson MP and, now, more effort on client monitoring, aftercare and feedback on progress to the Panel.
- 3.21 It is also worth placing on record the active involvement and the mature contribution of young people, including many YEB clients, to research for and contributions to Hull’s 1<sup>st</sup> LEGL application. The quality of the work was exemplary. One of the positive practical outcomes was greater joint working between the Women in Business Network and the YEB for young girls and women. Another potential positive outcome is official encouragement to feature the young enterprise and enterprise in education themes more prominently in the 2<sup>nd</sup> application. The Hull Business Forum’s submission to Britain’s Enterprising Cities also features these themes and was one of the strong contenders but not, ultimately, a national winner.
- 3.22 Areas for improvement are considered by respondents to include:
- more handholding referrals across the business support network;
  - extra support for enterprise ideas and enterprise skills development;
  - more money for funding the support and for YEB awards;
  - a higher recognition of the priority to attach to young people Not in Education, Employment or Training (NEET);
  - sensitising the mainstream agencies, eg Connexions and Learning Services whose agendas ought to connect better;

- greater penetration into the FE sector amongst vocational studies students.

3.23 These areas for improvement are, in part, achievable through more segmented and targeted communications as suggested above. Pitching the messages is important as Youth Enterprise is clearly not the magic formula for all Hull's troubles and some decision makers and operators have pressing targets to meet where Youth Enterprise could be seen as a distraction.

3.24 Attending to these areas for attention may also run a real risk of spreading already scarce resources more thinly. The general funding climate and outlook is tightening. Extending the reach and profile of YEB in Hull would only be possible, and advisable, in the event of additional funding. LEGI is the most immediate, but competitive, opportunity. On a lesser scale, re-contracting of New Deal for the Self-employed to the Federation of Enterprise Agencies will see HABAC better resourced and opportunities to further extend some of the parallel working already in place in Hull.

### Development Potential

3.25 In the event of more resources being available for Youth Enterprise generally and for the YEB in particular, Panel members feel the development potential is in:

- catering for unmet need;
- fostering clearer links to and progression paths from enterprise in education;
- more attention to and valuing of wider benefits, eg inclusion, learning/soft outcomes and other social returns;
- more joined up and complementary working between existing partners and a wider range of agencies;
- less defensiveness, possessiveness and competition for control of resources, giving way to more and genuine cooperation.

3.26 Several knew of the continuing sub-regional discussions on a Spirit of Enterprise programme but could not understand why this seemed to be taking such a long time to reach fruition and wanted to see some determined leadership action. LEGI was seen as an opportunity but subject to the vagaries of competition.

3.27 Panel members are, however, clear that the critical success factor so far of YEB is its simplicity for its customers. They are, therefore, ambiguous about the effect of external resources that are tied to hard outcomes of a spurious or inappropriate nature which could detract from this simplicity.

3.28 As remarked upon in connection with latent demand, the wider support network believes that fostering the development potential is most needed at the earliest stages. Their concerns are about young people with a positive motivation and focusing then on what it takes to get them enterprise-ready in terms of knowledge, awareness, outlook and a business idea. These are seen as the essential critical ingredients with which to work and, for relatively inexperienced young people, this requires intensive one-to-one or one-to-few support. Compared to the 'touch and go' and one-to-many support they are resourced to provide, this intensity of support is beyond their capacity. As with most consultees, the business support interviewees recognise that their potential caseloads would increase and be more enterprise-ready if enterprise in education is consistently and genuinely pursued.



## Observations

- 3.29 What we draw out from this section is a lot of support for the Youth Enterprise Programme and for YEB by those directly and closely involved and a recognition that this is not about conventional business start-up.
- 3.30 Despite efforts on establishing a profile for Youth Enterprise in Hull, a wider recognition and appreciation of what is being achieved and how appears not to have registered until recently. The necessity to campaign for attention, hustle for resources and to persuade more of the key organisations to tune into the subtleties when they may be more accustomed to a sound-bite slogan or a bullet point target has 2 critical effects. First it is energy sapping and a deflection of resource from delivery. Second, it can be counter productive as organisations retreat into defensive silos and their own targets.
- 3.31 Intrinsic to the commitment of those involved in YEB and the Youth Enterprise Programme is the principle of putting young people first and in the limelight. The publicity and promotion is about them, not the organisations involved. Young people get the credit for their efforts and achievements, and consultees want it to be this way.
- 3.32 There is a consistent theme from the interviews about real encouragement to young people, but responsible real encouragement. It needs to be recognised that a young person who approaches any one of the support agencies about enterprise and who then decides not to proceed has still learned something and considered the implications. This is a valid outcome which a preoccupation with measuring starts and survival can overlook.
- 3.33 There is also a majority view that, while more funds available to the YEB would be welcome, a resourcing priority is for the prior development support that ultimately generates the flow of propositions to the YEB which then needs to have its reserves increased. Maintaining sufficient YEB reserves in the meantime to sustain the current level of awards has 2 important effects. These are meeting needs and spreading the news of awards. Without this, the risk of stop/start funding would erode effectiveness.

#### 4. ACTION PLAN REVIEW

- 4.1 The Strategy for Hull's Enterprising Young People presented an Action Plan in schedule format. This was structured around 2 operational pillars of enterprise learning and supporting new enterprises, based on underpinning and organisational actions for the partnership.
- 4.2 The Action Plan was proposed to have an operational life of 2-3 years. Short term actions, using existing resources, related to 2005/06. Medium term actions related to 2006/07-2007/08 and were contingent on resource allocations and/or prior development work.
- 4.3 The Action Plan proposals for 'Young People Running or Working in Enterprises' are reproduced below, with an additional column on a progress commentary.

Action/Initiative	Time Scale	Strategy References	Outcomes	Commentary
Local access points linked to mainstream services	Short and medium terms	4.8	Mainstream sensitised to young people, supporting local access points as part of the support network	Wider KuHCC corporate proposals for Customer Service Centres and Children's Centres create opportunities to be pursued to add to BeSPoKE access point at Bransholme
Enterprise Works: Hull-based bid for pilot	Immediate	4.10	Builds on Prince's Trust work in Hull; if successful, knits in Hull's social enterprises	Not pursued by Prince's Trust due to personnel changes
Local Enterprise Growth Initiative: Hull bid	Short term	4.10	Bid is an important signal to HMT, SBS, ODPM. Strong young people in enterprise theme makes Hull's bid stand out. If successful, £5m pa new money into Hull and new enterprises	Included in 1 <sup>st</sup> unsuccessful application. Incorporate and strengthen in 2 <sup>nd</sup> application September 2006
Scouts for talent	Short and medium terms	4.15	Frontline workers with young people including 'be your own boss' amongst the opportunities for young people	Progressed informally through Partnership, extension subject to resources
Enterprise Rehearsal	Medium term	4.17	First step taster programme giving foundation enterprise skills, included in post-16 formal and community learning. Allows for self-knowledge/realisation with non-directional destinations, ie self-employment is not the only necessary outcome	Northern Way Business Plan introducing enterprise in FE. Humber-wide Spirit of Enterprise programme progressing slowly through appraisal. Monitor developments
Enterprise Ideas Generation	Medium term	4.18	For those with a pre-disposition/ambition in enterprise to gain structured support in business ideas generation and validation. Helps secure more viable and net additional new starts	Occurs informally via support agencies with clients. Structured programme requires resourcing
Pre-start Business Generators	Medium term	4.19 - 4.22	Sheltered and supported environment for new starts, located within managed business accommodation alongside existing micro firms	No additional facilities/services beyond established arrangements at Bransholme

Physical incubator accommodation	Ongoing	4.23 - 4.26	Existing KuHCC practice is to foster more incubation in managed premises. Embracing enterprises started by young people as a conscious policy represents an incremental step. Consider Old Town Market Hall for 'retail incubation' with young people. Several other proposals pending in Hull to link in	Not explicitly progressed (most existing clients don't need business premises). Business Stream includes incubator element for media content producers, who are (mostly) young people
The long term sustainability of the John Cracknell Youth Enterprise Bank: micro finance	Ongoing	4.27 - 4.28	Top up of existing initiative, freed from, eg ERDF eligibility criteria; part-funded by private sector finance if formed as CDFI	Extra resources secured via Hull Cityventure (SRB). Supportive arrangements with Yorkshire Bank secured. Resources in YEB will, however, be depleted by awards unless there's a finance injection or the Bank shifts from grants towards loans
Business Mentors Bureau	Medium term	4.29 (& link to 3.8 on enterprise learning mentors)	Key success factor for business starts survival; more efficient and effective for mentors; relies on partners pooling mentor databases	No further progress without resources on establishment of Bureau. Mentoring availability relies on voluntary commitment
Young people in business network	Medium term	4.30	Mutual support business club, could be Junior Chamber, with developmental initiatives	Not formalised but gradually emerging as more starts are assisted and showcased (see below)
Showcasing success	Ongoing	4.31	Regular celebration of achievements, boosting confidence and Hull's image, encouraging more participation by young people and businesses	A high profile feature of YEB and Partnership operations in press, radio/ TV and extensive events programme

- 4.4 On the 12 actions, those which can continue to operate without additional resourcing have done so and a lot of energy is devoted to securing extra funding, usually small sums, through Partnership working. In particular, the Youth Enterprise dimension and young people are fully involved with Enterprise Week events, the Yorkshire Business Convention and other high profile events.
- 4.5 Since the Action Plan was first prepared, plans for the bi-centennial festival of William Wilberforce have advanced. The Youth Enterprise Strategy Group has been enterprising in spotting the community cohesion and business social responsibility angles in the festival, including Fair Trade and Hull's links to Freetown in Sierra Leone. Financial support from NRF has been secured. In addition, the Group has produced foreign language versions of its literature to help include Hull's growing BME and migrant young population.
- 4.6 The scale of operations contains the skeleton of a pathways to enterprise route map although seamless support along the route relies on goodwill. Further development potential of progression points on the route map is impeded without additional resourcing. This, in turn, limits the growth in volume of young people with developed enterprising ideas who can be coached along the route.
- 4.7 The medium term actions, therefore, remain as a valid development agenda that, if put into effect, would take Youth Enterprise to a new threshold. They are not, however, implementable at the expense of the short term and ongoing operations.

- 4.8 The funding climate for current and future operations involving Youth Enterprise is a shifting one. SRB and Structural Funds have virtually ceased. The new European Programmes for 2007-13 are still being formulated. NRF is being tightly proscribed on areas and particular targets. Revenue funding from Single Pot resources has been constrained. The City Council's own resources have been under pressure. Aligning Youth Enterprise support to mainstream enterprise support programmes is difficult wholly to achieve because the latter tend to focus on high growth firms and business clusters. The Comprehensive Spending Review 2007 is expected to be a tight one.
- 4.9 LEGI (2<sup>nd</sup> round) is an opportunity to seek funding, but is a national competition that will be oversubscribed so cannot be assured. Local Area Agreements from 2007 may enable pooling of resources around agreed targets, with freedoms and flexibilities, and would require a corporate and LSP agreement to prioritise Youth Enterprise.
- 4.10 There are (now) new schemes or organisational arrangements announced on a fairly frequent basis, sometimes targeted upon or including young people. These, with some charitable foundations, could be sources for imaginative propositions or (as in the case of New Deal Self-employment option) close working with HABAC as an established Youth Enterprise partner.
- 4.11 While further development of Youth Enterprise along the directions of the Action Plan is necessary and is dependent on resourcing, pursuit of resources is (in itself) a resource consuming activity. The Partnership has been selective up to now and this seems a sound principle; there is, though, a case to spread the net a little wider given the funding outlook. An awaited opportunity is the sub-regional Spirit of Enterprise programme.
- 4.12 The research with YEB clients, Panel members and wider partners in Hull confirms the validity of the Action Plan and, where matters for attention are suggested, these are mostly about details of operations. There are a few specific points to consider as low/no cost additions to the Action Plan:
- joint development work with the Early Years and Childcare Development Partnership on childcare assistance to address barriers to self-employment;
  - attuning monitoring work to harvest additional and unanticipated benefits from Youth Enterprise;
  - segmenting the information, communications and marketing work for more targeted engagement;
  - devising (with a Skills for Life provider) appropriately delivered support for YEB clients who need to acquire such skills.

## 5. CONCLUSIONS AND RECOMMENDATIONS

- 5.1 The Youth Enterprise Programme and YEB are integral elements of the Strategy for Hull's Enterprising Young People and, like the Strategy itself, work in a genuine partnership and are shaped by young people.
- 5.2 The YEB fills a niche in funding support regimes, complements other programmes and benefits from enterprise support providers' services to clients.
- 5.3 The majority of YEB clients come from the Bransholme and Myton areas of the city, these being particularly deprived areas. Applicants supported by the Fund value the assistance and their own personal development through enterprise.
- 5.4 There are some minor matters of largely tactical operations for further attention revealed by the survey.
- 5.5 Partners are (on the whole) positive and supportive, accepting the YEB for what it is, ie distinct from mainstream business support but linked to it. There is a recognition that YEB clients assisted by the Panel may be a small proportion of YEB customers and an interest in knowing more about the totality as a pool of potential and latent demand.
- 5.6 The majority view of consultees is that, while maintaining the level of YEB reserves is important, a greater and immediate priority is more intensive development support to young people interested in enterprise. This would achieve more and stronger propositions which an increased YEB (in due course) could pump prime and link into mainstream programmes.
- 5.7 The 2005 Action Plan in the Strategy is substantially still valid. The medium term actions tend to be reliant on prior development work and/or resources. Short term and ongoing actions are being delivered with a lot of in-kind support and modest levels of funding.
- 5.8 The funding outlook for Youth Enterprise is one of closing and opening opportunities. The approach to date has been a selective one and is a sound principle. While a great deal of hope is attached to LEGI as a future funding source, this is intensely competitive and having contingency plans would be prudent.
- 5.9 There are low/no cost actions to consider for the Action Plan relating to childcare support, scope of monitoring, communications plan and Skills for Life support for clients.
- 5.10 Given the modest financial resources available, the Partnership has been able to mobilise a great deal of extra support for Youth Enterprise, securing a high profile for the work in the city.
- 5.11 Our recommendations arising from this review include the following:
  - i. persist with the principled approach to support for Youth Enterprise rather than compromise on principles to secure extra (but constraining) resources;
  - ii. enhance some of the administrative, monitoring and aftercare services to the Panel and clients;
  - iii. explore with relevant partners scope for action on childcare assistance and Skills for Life support for relevant YEB clients;
  - iv. continue to advocate recognition of the value of a considered outcome not to start a business as being as significant as an output of a business starting;

- v. explore latent development potential and support needs of non-assisted clients and determine (as a result) resourcing priorities between additional support services or extra YEB financing;
  - vi. work up detailed proposals for medium term actions in the Action Plan for incorporation in:
    - ▶ the next LEGI application;
    - ▶ the sub-regional Spirit of Enterprise programme;
    - ▶ the Local Area Agreement to come into force in 2007.
  - vii. strive to strengthen connections further between Youth Enterprise and enterprise in education as part of a Hull Youth Enterprise route map;
  - viii. maintain the selective approach to securing external funding but, with the ending of/ limits to current regimes, extend the scope a little wider;
  - ix. devise a communications plan which is more segmented to have more influence;
  - x. continue to maintain the stance that the credit goes to the young people for their enterprising accomplishments and (it follows) robustly defend the critical success factor of the simplicity of the processes for customers.
- 5.12 If Hull's 2<sup>nd</sup> LEGI application is successful, and this will be known by the end of 2006, resources to implement the Action Plan's medium term proposals will be available. This would then be a good point in time to review the Action Plan and roll it forward.

Photographs showing the Youth Enterprise Programme in Action



