



Final Report: Commission into Young People and Enterprise

January 2015



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1. Acknowledgements

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- **Chloe Smith MP**, Commission Chair, former Treasury and Cabinet Office Minister
- **Lord Mike Storey**, Liberal Democrat Education Committee Co-Chair
- **Baroness Oona King**, Channel 4 Chief Diversity Officer
- **Sally Orlopp**, A4e Director for Enterprise
- **Graham Sykes**, Fourteen19 Managing Director
- **Michael Bracey**, Director of Children's Services, Milton Keynes Council
- **Seyi Obakin**, Centrepoin CEO and UK Commission for Employment and Skills
- **James Adeleke**, Founder, Generation Success
- **Katie Norman**, Owner, Lab Rascals

NYA is also grateful to A4e who provided wide-ranging support and contributed greatly to the planning and establishment of the Commission; and to Jonathan Hopkins who facilitated the evidence sessions and events as well as providing support and advice throughout.

The views contained in this report do not necessarily represent those of individual commissioners, those who gave evidence or of A4e.

2. Introduction

This is the final report of NYA's Commission into Enterprise and Young People which was established in February 2014 and using information from a variety of sources has explored the current state of youth enterprise in England: what it means to young people; what opportunities are available to them and how they find out about them; and how youth work can add value in encouraging more young people, particularly the most disadvantaged, to consider the options enterprise offers.

Given the NYA's focus is youth work the Commission was particularly interested to understand more about the personal and social skills that young people need to be enterprising and how these can be supported. While there is a growing recognition that these skills are important, there is no clear consensus about how they are developed in young people. NYA's contention is that for many young people support needs to be deeper and more consistent than simply providing access to mentoring, learning materials, practical tasks and support.

The Commission therefore sought to test the proposition that the professional skills which youth workers bring offer a valuable addition to enterprise education in particular for more marginalised young people or those less likely to be at school or college. A number of related questions formed the main lines of enquiry for the Commission:

- a) How do young people learn about the options for enterprise, such as starting a business or self-employment, and where do they go for help? – *page 13*
- b) How can young people be supported to develop the personal and social skills necessary for enterprise, and is there a place for good youth work in this? – *page 16*
- c) What skills do youth workers need in order to identify the potential in young people and help them towards achieving these goals? – *page 19*
- d) Are there wider benefits that link to young people's participation in society and the development of their social capital? – *page 21*
- e) What practical steps can the Commission recommend to support more young people into enterprise? – *page 23*

The Commission collected evidence from May through to September 2014 using a variety of methods:

- Initial desk research carried out by NYA.
- At an introductory session for Commissioners convened at the Think Big Hub in Hoxton Square, London where young entrepreneurs talked about what motivated them, the challenges they faced and what they would like to see improved.
- Through an on-line survey which was sent widely to youth sector organisations, individuals, local

authority children's services departments, specialist enterprise organisations, schools and others. The survey was open throughout the period of the enquiry, from June through until the end of August 2014. Altogether over 181 responses were received and data shown in the tables in this report reflect these responses.

- At special hearings in the Houses of Parliament over two days in July at which experts, including young people, presented information and responded to questions from Commissioners.
- Through visits by Commissioners to programmes in London, Nottingham and Huddersfield.
- Through telephone interviews with specialists and others Commissioners and staff had identified.

Definition of Youth Work

Youth work is an educational process that engages with young people in a curriculum built from their lived experience and their personal beliefs and aspirations. This process extends and deepens a young person's understanding of themselves, their community and the world in which they live and supports them to proactively bring about positive changes. The youth worker builds positive relationships with young people based on mutual respect.

National Youth Agency

3. Young People and Enterprise: the context

Enterprise can be viewed through the lens of employment. Youth unemployment for 16 to 24-year-olds is currently 16.6%¹ and, although lower than it has been in recent years, this Commission wants to see a chance of fulfilling work for every young person behind the statistics. This can come through self-employment as much as employment. There have been a series of Government funded initiatives to support young people back into work, including the Youth Contract; reforms to 16-19 qualifications and the expansion of work experience; apprenticeships and traineeships; extra support for 16 to 17-year-olds through Jobcentres; careers advice in schools; and a plan for a UCAS style system for young people who don't want to go to university.

It is less clear how self employment and enterprise sits within those initiatives; although for those aged 18 years or older on Job Seekers Allowance, for example, the New Enterprise Allowance provides money and support to start your own business, and for those of school age the Government has announced a new Careers and Enterprise Company for schools.

However, there is an underlying concern from organisations such as the CBI that young people are not ready for work when they leave school and an ACEVO Commission into Youth Unemployment² highlighted the importance of young people acquiring the non-cognitive skills needed for work. The need was greatest for young people furthest from the labour market. Providing the opportunity to develop basic communication skills, learning to relate to and empathise with others and building self-confidence were seen as critical to employment. This includes self employment and enterprise.

Youth clubs, after-school activities and volunteering opportunities were all considered vital in helping young people develop these skills. Recent evidence from the United States backs this up. A joint publication by Citi Foundation and the American Social Science Research Council showed that, after controlling for differences across 25 major cities in the US, the chance that a young adult is disconnected from work or school drops by half, from 11.1 percent to 5.73 percent, if he or she takes part in volunteering³.

In the UK the Office for National Statistics reports that an increase in self-employment is behind recent falls in unemployment. Although the proportion of younger people taking this route has grown in recent years, the data also tells us that young people are much less likely to be self-employed than older workers. There are a number of reasons for this. Young people may lack the confidence, skills and knowledge to set up in business or there may be external hindrances such as access to finance, advice and support or practical issues such as childcare, premises, time and restrictions from the Jobcentre. Research for this report suggest that there is no single route in for young people thinking about enterprise and the kind of support available to you depends on the area you live.

1 <http://www.parliament.uk/business/publications/research/briefing-papers/SN05871/youth-unemployment-statistics>

2 **Commission into Youth Unemployment**, ACEVO, London 2012

3 *Connecting Youth and Strengthening Communities: the data behind civic engagement and economic opportunity*, Opportunity Nation, September 2014.

In spite of these difficulties many young people have an ambition to set up their own business or like the idea of doing so. The Prince's Trust report *Start-up Generation* showed that 30% of young people believe they will be in self-employment in the future and one in four expects to be their own boss within the next five years⁴. Research by vInspired⁵ reflects this enthusiasm. Young people interviewed for the *Beta Generation* report recognised enterprise skills in themselves, with 81% describing themselves as self-motivated and 'can't wait for things to happen'.

There is a wide body of literature about the challenges young people face in establishing themselves in business. Lord Young's enquiry *Enterprise for All* published in July 2014 and reports including those from CIPD/Young Enterprise, The Prince's Youth Business International and the RSA have all influenced this report and show how the right support and encouragement make the difference in whether fledgling enterprises are established. Specialist voluntary sector organisations such as Young Enterprise, MyBank and the Prince's Trust have been working in this area for many years as have some local authorities like Hull City Council and the London borough of Enfield. They provide a range of educational programmes, start up loans, mentoring, advice and other support. These organisations can point to a strong track record of supporting young people and businesses have been successfully developed and maintained by young people with their help.

Commentators have pointed out that more can be done to create an environment where young people are encouraged to become more entrepreneurial. Lord Young's report is seen as an important step, but many recognise that while it is important for young people to learn about enterprise in school this learning needs to be supported much more widely.

To what extent youth workers can play a key role in providing support to help young people start their own enterprises is examined from the evidence gathered by the Commission: where youth workers can be seen as experts on enterprise, with relevant training; or where they can provide the necessary skills and guidance to support young people, to draw on and collaborate with other experts in enterprise when required.

⁴ *Start-up Generation*, Prince's Trust, London, 2013.

⁵ *Beta Generation*, vInspired, London, 2013

4. Summary findings

Overall

- There is no one linear route for young people to succeed in enterprise: young people's experience is varied as are the pathways to entry. There has been a growth in apprenticeships into work but there are few which allow young people to set up their own enterprise (there is currently no apprenticeship available for social enterprise, although this may change).
- Young people are capable of making good decisions but they do need to be informed by sound data and supported with sound advice. As Lord Young's recommendations have made clear, the economic realities of particular career paths need to be made visible. There is a danger of romanticising enterprise which is why experienced local role models are important to bringing people down to earth – setting up a business can mean long hours, low income at the start and isolation, but it also brings the benefits of freedom, autonomy and control that can bring happiness and wellbeing.
- The value of experience, learning by doing, is the most powerful way of acquiring the skills needed – support and curricula in schools needs to recognise this. Experience also needs to be integrated into the academic environment.
- Some participants in the Commission felt it was important to encourage young people to take measured risk-taking and to give them a chance to fail. Evidence from vInspired seems to suggest that the new generation of entrepreneurs see making mistakes as a part of life and an opportunity to learn.

Perceptions of enterprise

- There is a gap between the number of young people who want to start a business and the number who actually do – the appetite is there but making it a reality is the difficult bit.
- Fear can be too great for young people to start a business. For some young people there is also an inbuilt pressure where they are expected to or told to 'earn a wage', especially where needed for family support. The culture of fear is also one where education and parents encourage young people into 'safe' professions or employment.
- The 'media personality' approach to enterprise is not helpful. There are a number of ways in which young people can develop enterprises – it doesn't have to be a huge personal commitment or be the right things for a wealthy investor. The development of digital platforms enables young people to 'dabble' or transition gradually into running a business for example.
- How enterprise is presented, particularly in the media is important as it affects young people's decisions. Language and terms associated with enterprise are also important influences on young people: to help and support those young people with an idea and passion to set up a business; or in response to changing patterns of the workforce, where starting a business might be the route for young people into employment.

Skills and behaviours

- Enterprise is not just about starting and running a business. The people we have heard from in the Commission associate 'enterprise' with a set of behaviours and skills to succeed in life more generally. People are approaching life in a more entrepreneurial way.
- The skills and qualities associated with enterprise include soft skills such as communication and resilience – they do not have to be labelled as enterprise skills but can be taught 'by stealth.' Young people are more positive in their perception of how well prepared they are in using these skills, but need the support and belief of others to succeed.
- Learning how to be successful means developing a wide range of skills and behaviours including: passion (creativity); hunger to succeed (resilience); leveraging support (through social capital); empowerment and ownership (leadership); building collaborative networks and a supply chain (being a team player); and creating a 'have a go' culture – where you are allowed to fail and take risks.

Improve support and enterprise education

- Enterprise goes against the predictable, linear nature of education. To develop enterprise skills young people need a learning environment in which there is a measure of uncertainty. Subject silos in education can also be a barrier – many innovative ideas come from mixing learning in different subjects and introducing experience from outside school.
- The Commission welcomes the recent statement by the Secretary of State for Education Nicky Morgan about her intentions to establish a new careers and enterprise company for schools, including the introduction of an Enterprise Passport and establishing a network of advisers to improve school-enterprise links.
- The new company will begin to address inconsistencies in the quality of enterprise education from one area to another. Evidence to the Commission suggests that support needs to be better coordinated, more visible, and more consistent across the country whilst recognising that there is no 'one size fits all' solution.
- Local stakeholders, for example Local Enterprise Partnerships (LEPs), represent an opportunity to tackle key local labour market issues. Young people want support from mentors with a range of backgrounds and need opportunities to learn from entrepreneurs who have had recent similar experience to them. Lord Young's recommendations in his report *Enterprise for All*, are welcome and supported by the Commission.
- There is no national branding for enterprise education in the way there is for traineeships and apprenticeships. Many of those who contributed evidence to the Commission felt that the youth enterprise landscape was disparate, uncoordinated and lacked a clear pathway for young people between the different organisation and initiatives. A brand identity would help to pull this together, to raise awareness and promote networks.

Social capital

- Social capital is a vital factor in enabling young people to succeed in enterprise. Friends, family, teachers, youth workers and other entrepreneurs are included in this. Many young people may have no problem building connections but need help in understanding how to take advantage of these more effectively. Young people in more marginalised communities often lack connections in the right places – in the council or with local businesses or banks.
- As well as their peer networks young people said they really value a mentor or inspiring adult for encouragement and inspiration to start a business. How accessible and real this support is across the country is the challenge; to reach areas where unemployment is high and zero hours contracts are rife, and where practical support to 'have a go' may be the best option.
- Building social capital, motivation and leadership as qualities in young people is at the heart of good youth work. As the RSA report Disrupt Inc. demonstrated, where there is an inequality of social capital this type of support can help open more doors for business mentors and partners.

Youth work support

- The Commission heard wide evidence and saw through visits that informal educational approaches were effective in enterprise education – these were in evidence in the support provided by workers and staff in projects, as well as in the curriculum and training offered to young people.
- Youth workers themselves are often highly entrepreneurial: their job demands it. Many are experts at identifying ways to raise money for projects, get things done against the odds, relying on contacts and networks, using strong communication skills and leveraging partnerships. Because of these attributes youth workers are well placed to play a role in supporting young people's enterprise skills, however the Quality Assurance Agency benchmarks for youth and community work are weak in this area and should be improved.
- Youth work needs to be (and be seen to be) transformational: harnessing skills of young people not fulfilled by formal education:
 - Where youth work provides a safe place to be creative
 - Providing and developing a social network and friendships
 - With a trusted adult (who knows what is needed)

In order for youth workers to become powerful advocates or mentors for enterprise, improvements are needed to youth work training, including schemes that bring youth workers together with entrepreneurs for greater insight into the world of small and start up business.

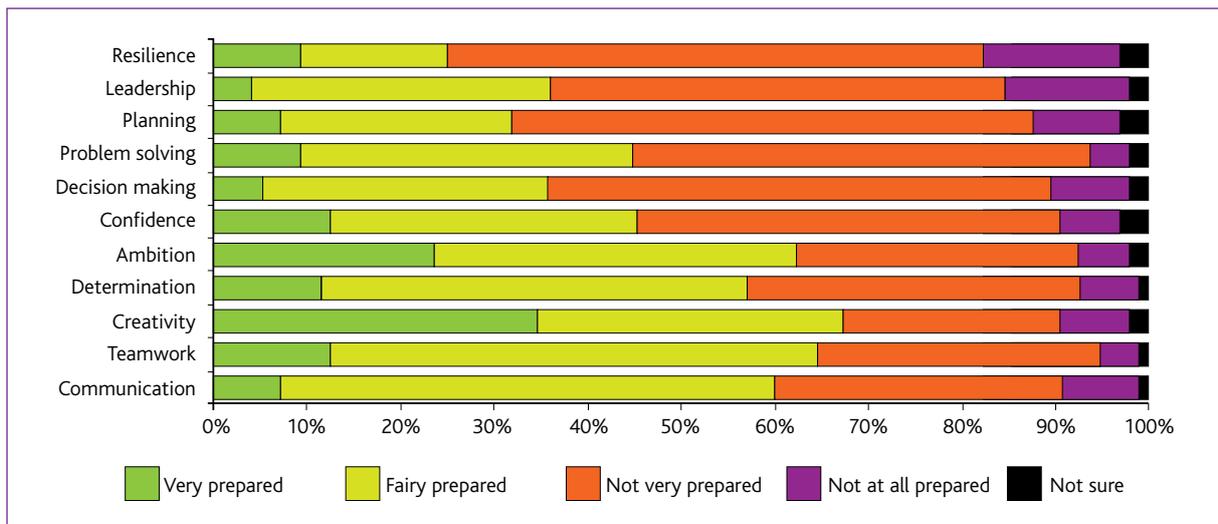


Figure 1: How well prepared are young people to use these skills to succeed in enterprise? (181 respondents)

Social enterprise and democratic life

- Many young people are keen to establish social businesses. Often a passion or commitment to a cause comes first and then a business idea follows. Young people we spoke to in the commission often measure success in ways beyond financial return, for example seeing others achieve, contributing to positive outcomes, seeing their product being used and being able to offer someone a job.
- The Commission was not able to establish evidence of a clear connection between increased entrepreneurial activity and formal democratic engagement such as likelihood of voting, but there was evidence that the younger generation see social and community challenges as an entrepreneurial opportunity rather than something separate.
- Evidence to the Commission suggests that young people who are entrepreneurial are more likely to play an active role in their community by supporting community projects and volunteering. The notion of 'giving something back' is an important principle for many young people.
- Political leadership to promote enterprise (national and local) will therefore bring benefits for community leadership as a form of political engagement.

5. Lines of Enquiry: the evidence

5.1 How do young people learn about the options for starting an enterprise, a business, or self-employment and where do they go for help?

Jace, 20

"I was born in Monserrat and moved to the UK in 2010. I was 19 and without the core qualifications in English, Maths and Science to get the type of work I wanted. It was then I realised that I wanted to set up my own bike repair business but still I lacked the practical work experience and skills I needed to do so. I managed to get some help to start my business plan, but now I need help to take a step up, to get my qualifications so I can get a job to pay for a van and other things that I'll need.

"The barrier for me has been getting access to the right help at the right time. Getting to where I want to be in my long term career is a step-by-step process that I can't support financially, and which I don't think the current benefits system understands or supports. I've found that the system of claiming JSA, and the support offered by the Jobcentre, is not equipped to support young people at each stage of their career.

"I'm involved with Talent Match London because I love working with and helping young people and eventually I want a part of my future business to help make things easier for young people like me to get on in their careers. I know that if I'd have had this kind of step-by-step support, things would have been much easier."

(Evidence provided by London Youth)

There is no single route into enterprise. Some young people push their way in and others are pulled in by opportunity. Some pursue a dream, others persevere with encouragement from family or friends; others take up the opportunity in the absence of anything else; and many of these are part-time entrepreneurs in between jobs or at the weekend – in boot sales or, increasingly, selling on-line. For many it is a way of supplementing an income, copying an idea and making a little bit of money.

A number of young people giving evidence to the Commission said the starting point for them was a desire to make change in society and getting behind an idea that they felt passionate about. Often the business idea came later and there is a challenge for some of these young people to make their ideas sustainable when funding and support in this area is increasingly scarce. Young people from O2 Think Big and from UnLtd described their experiences in this area. One young man had set up a social enterprise to deliver motivational workshops and events to other young people.

Contributors talked about the public and media perception of enterprise and the role it had in shaping young people's views. Some thought this view may be stopping young people from taking part. One submission suggested that young people perceive enterprise as requiring a big idea and programmes

such as Dragons' Den perpetuate the idea that young need to have the perfect business idea and appeal to a venture capitalist before you can start.

The RSA has identified a range of entrepreneurial 'types' from the driven visionaries who want to change the sector they are in, to 'dabblers' who often have a full-time job and then go home and sell on the internet. They use platforms such as eBay and Etsy or set up their own on-line shops at relatively little cost using payment gateways like PayPal. Much of this happens off the radar of the formal economy.

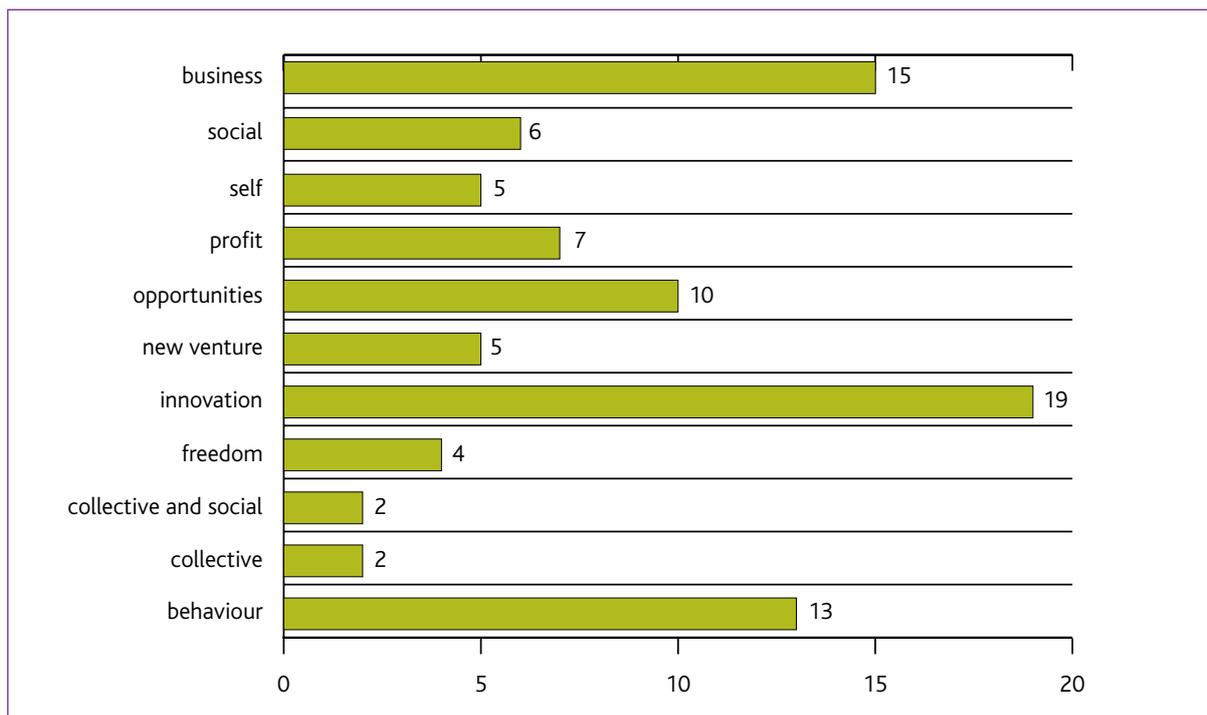


Figure 2: Which three terms do you most commonly associated with enterprise?

Many schools recognise the value of enterprise education and most commonly young people learn in PSHE or Business Studies. Many organisations supporting young people's enterprise education objected strongly to the removal of an entitlement to work related learning at Key Stage 4 and have argued that by doing young people's interest in setting up in business may have diminished.⁶

Sometimes enterprise education is offered as an extra-curricular activity. There are calls (e.g. Lord Young) for enterprise education to be embedded in the curriculum – for example accounting in maths (rather than leaving it as a separate subject). The best learning is where young people learn by doing and young people get the opportunity to work together in teams, come up with a business idea and try it out, often with a small amount of money. Resources and learning materials are provided by organisations such as Young Enterprise, MyBank, the Prince's Trust and others.

Overall, many contributors to the Commission felt that the plethora of organisations, programmes and enterprise education opportunities was confusing and the routes 'in' were unclear. Some form of signposting system or doorway through which the range of opportunities could be navigated was considered a useful solution.

⁶ *Removing the statutory entitlement to work-related learning at Key Stage 4: a response from Young Enterprise to the Department of Education's consultation paper*, December 2011.

Hackney CVS, is working with young people called Talent Scouts to engage young people onto the [Talent Match London] programme. The involvement of young people in these processes has meant that the young people who are traditionally more difficult to engage with, due to a distrust of the system or a history of poor relationships with adults, have been more willing to engage with the programme.

The Commission welcomes the announcement in December 2014 by Nicky Morgan, Secretary of State for Education⁷, that she will set up an independent company to bring together initiatives that promote better careers and enterprise education in schools. The concept of a, Enterprise Passport that allows young people to carry evidence of their careers and enterprise related activity is welcome. It needs to be compatible with other initiatives that hold young people's personal record and achievements, such as Mozilla badges and to acknowledge that the way in which young people seek and find information has changed.

While printed resources are still important, for many the internet is now the major source of information and inspiration. YouTube is more popular than standard search engines and written comments to the Commission urged organisations to recognise this. In submissions to the Commission, youth enterprise organisations were encouraged to disseminate information in this way rather than relying on standalone websites. Some do use YouTube but their videos are not among the top results in generic searches for enterprise. It should not be assumed that young people will use an organisational name as a search term to find information.

With the exception of the Prince's Trust and to a lesser extent Young Enterprise, brand awareness is low for organisations working in the enterprise sector and there is not enough awareness of these organisations amongst young people. Figure 2 illustrates this point with results from a survey carried out for the Commission.

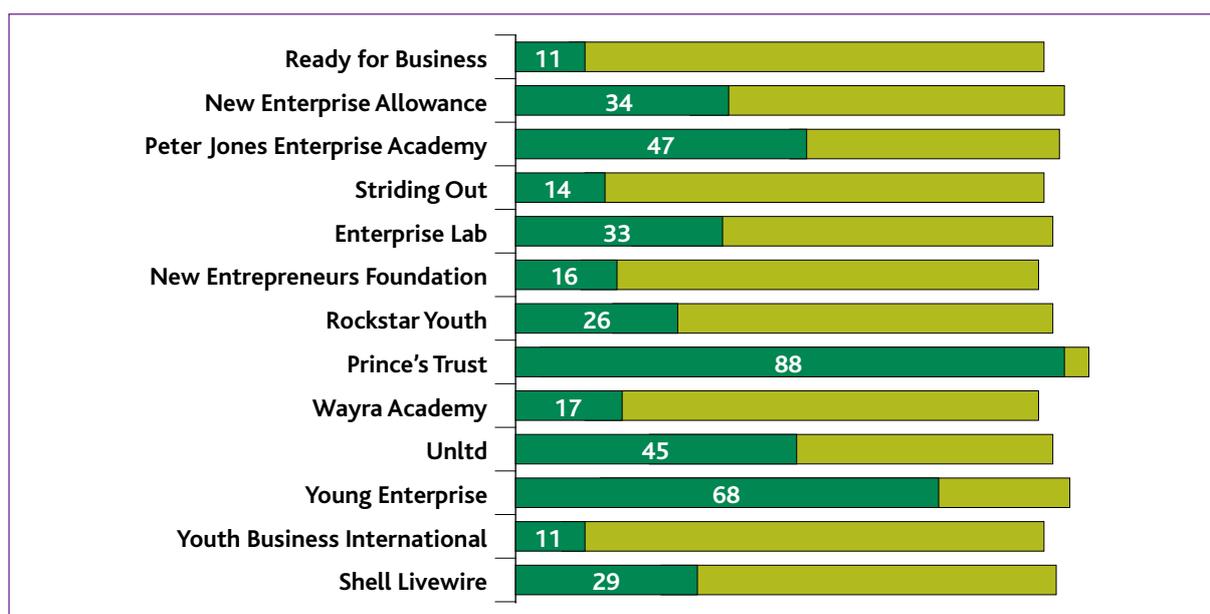


Figure 3: Percentage of respondents who have heard of different enterprise organisations (93 responses)

⁷ <https://www.gov.uk/government/speeches/nicky-morgan-speaks-about-young-people-and-work>

There are a number of other information sources which young people spoke about to the Commission. Not surprisingly friends, families, and teachers and youth workers were all mentioned as being supportive and there for young people to turn to for encouragement. However there was a strong need in evidence to the Commission for specialist support to be more widely available. Young people in particular wanted advice and support from other young people who 'had been there and done it'. Mentors and advisers don't need to be hugely successful – what was important was that they could relate to the young people as they set out on their journey.

“Supporting young people to develop enterprise skills is a journey that takes time – anyone wishing to see 16-24 year olds with capabilities such as tenacity and confidence cannot expect them to be developed overnight. Consider how carefully other aspects of young people’s learning and development are planned, assessed and valued. No one expects success in maths or literacy through a few collapsed timetable days and an annual application week, but that is the situation for most young people with regards to their enterprise learning now.” Ready Unlimited, evidence to the Enterprise Commission 2014

5.2 How can we support young people to develop the personal and social skills necessary for enterprise, and is there a good place for youth work in this?

Many more young people have an ambition to set up a business than actually do: research by banking group RBS revealed that 53% of 18-30 year olds want to start their own business, but only 14% of them do. There are a number of reasons for this, but the interest and aspirations are there. If education regarding enterprise was improved, more of these young people may act upon their ambitions.

The Commission believes that greater support needs to be given to helping young people know what it means to be self-employed and how small businesses grow. A number of comments from Commissioners and in evidence suggested that the level of training and support available to employees and employers was far greater than that available to people setting up their own business. In addition, there was a concern amongst Commission respondents that the absence of a strong careers service meant that young people are not always making the most informed choices about careers or options for self-employment.

Many thousands of young people train in construction and related trades, in personal leisure, beauty and therapy, or in sales. These fields lend themselves well to self-employment but young people also need to know what the labour market is like and to be realistic about opportunities if the market is saturated. A survey by Ready Unlimited, which supports good enterprise education in Rotherham and other locations in Yorkshire and the north of England, suggests that 91% of teachers say they have never taken into account local and regional industrial strategies in the planning of their work⁸.

The Commission supports Lord Young’s recommendations relating to a Future Earnings and Employment Record which higher education establishments will be required to compile and in doing so demonstrate how their courses relate to the labour market.

⁸ Evidence to the Commission from Ready Unlimited/Rotherham MBC

The skills demand not simply having the technical ability to trade but the wherewithal to think differently, offer something new into the market and manage the business well. Figure 4 below shows how ready young people were with the personal skills needed for entrepreneurial activity. Creativity and ambition are perceived to be less of a problem for young people than some of the qualities that are often considered to come with age experience such as leadership and decision making. It doesn't mean these qualities cannot be developed by young people – it just means those who support them may need to pay particular attention to these issues and that they are developed over time and with experience.

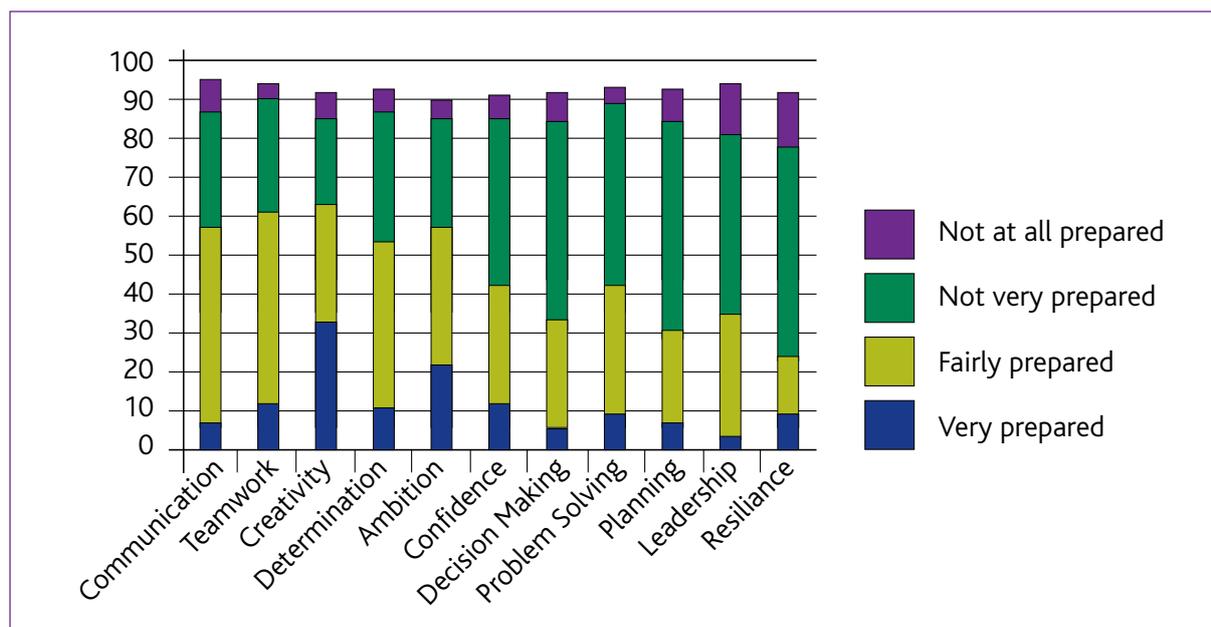


Figure 4: **'Soft skills' for enterprise: how well prepared are you?** (% , 181 respondents)

Contributors to the evidence sessions and data from the survey suggest that youth organisations and young people have a broad view of what enterprise is. Most people recognise that ultimately it is about setting up and running a viable business, but this can take many forms (full-time, part-time, on-line, 'dabbling', social or profit driven etc). Partly because of this variety enterprise education has shifted – from a narrow curriculum focused on the knowledge-based mechanics of business (plans, budgets, cash flow, marketing analysis etc) to a much wider curriculum which includes the skills that build character and resilience. Research suggests these are equally, if not more important to business success than technical knowledge.

One area of particular focus where young people are generally well placed to contribute new thinking in the marketplace is in the development of digital skills. We are at a unique moment in time where young people's intuitive IT skills (and mind-set) are critical to the growth of new businesses. New forms of trading on-line can provide a real income without the cost of retail space and all the overheads that brings.

As enterprise education broadens, the focus is becoming more about supporting young people to be 'enterprise-ready' than setting them up with the technical skills to begin in business. It is about nurturing skills which can be activated the moment a good opportunity comes along. If the school curriculum is to work effectively in enterprise education it needs to develop more flexibility and be content with the unpredictability of business where learning comes from failure as much as success, from doing rather than knowledge retention.

It can allow young people to shine in a way that other subjects may not, for example by building leadership, team work, communication or marketing skills. It can help young people to think more about being ready for the labour market and the challenges they face – for example by focusing on budgeting, costs and the challenge of securing an income. Recent evidence from Impetus-PEF⁹ and others suggests that employers are looking for young employees who demonstrate these kinds of skills.

These 'soft skills' are ones which young people learn in a variety of different ways – at home, at school and through involvement in out of school programmes. A response to the Commission's Call for Evidence from National Citizen Service National Youth Board suggested that programmes such as NCS could help young people to acquire these skills.

National Citizens Service can provide opportunities for developing skills and experiences that are relevant to enterprise:

- *“NCS can primarily help to give young people confidence in their abilities which then makes them more comfortable in taking risks and going in to enterprise”*
- *“NCS gives you the independence when designing your social action project to be more confident about what you're doing when setting up a business”*
- *“NCS can give people youth support networks who though they may not be able to help financially can help with contacts and offering advice”*

There is enthusiasm for these opportunities to build skills and experiences to be supplemented with sessions focusing specifically on enterprise:

- *“NCS should have a section which addresses enterprise and ways to break into it”*

Professional youth work training is one of the few disciplines that offers both academic theory and practice in supporting young people's personal and social development. It is particularly important in providing support where parental or extra-curricular support is lacking or where young people are not attending school or college. Figure 5 shows the relationship between this professional training and outcomes for young people.

⁹ http://www.impetus-pef.org.uk/wp-content/uploads/2014/09/2014_09-Ready-for-Work.pdf

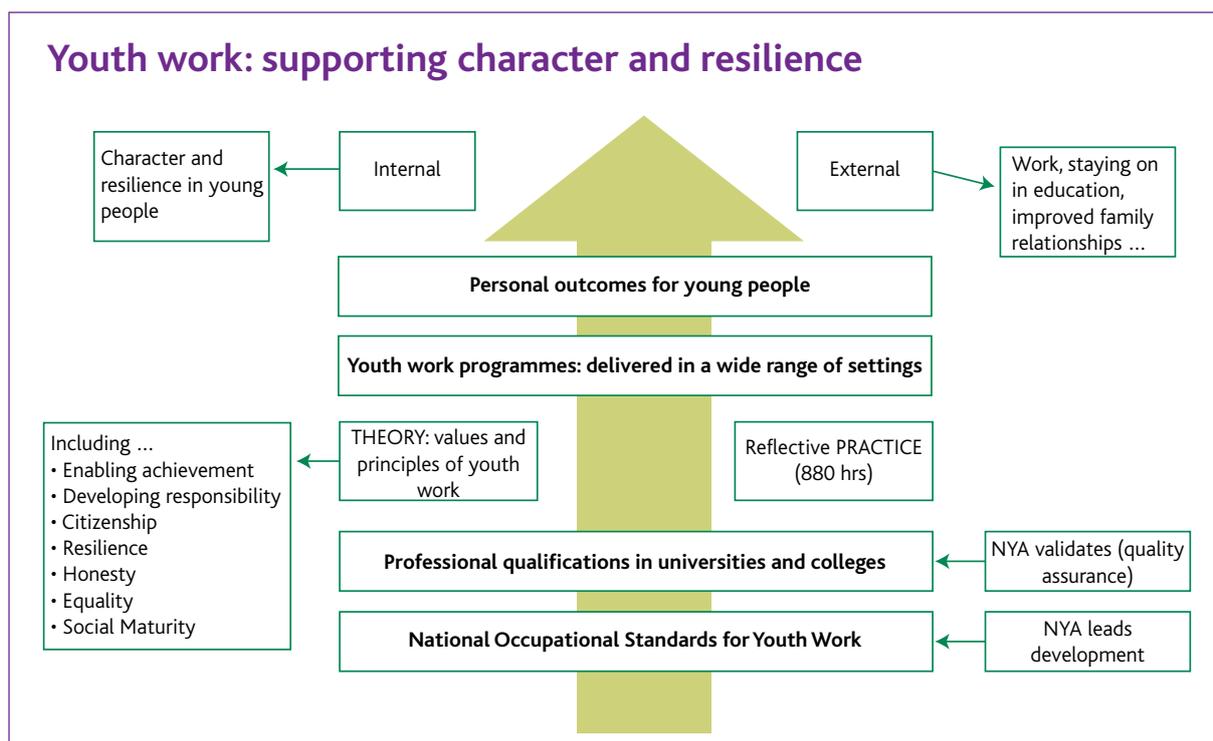


Figure 5: Youth work support for character and resilience, (NYA, 2014)

5.3 What skills do youth workers need in order to identify the potential in young people and help them towards achieving these goals?

Formal education is often restricted by the school curriculum, the timetable and availability of teachers with the right skills to engage young people. Commissioners heard and saw considerable evidence that enterprise education was delivered in a wide range of settings and by staff from a wide range of backgrounds – including vocational and technical education specialists. The Commission was particularly interested in youth work but recognises that this represents a broad spectrum of skills, experience and qualifications.

A4e Nottingham Vox Centre

A4e run seven Vox centres that provide vocational training, functional skills and enterprise training. They cater for all ages and provision is set up to meet local needs but is principally for those aged 19+ who are in receipt of a means tested benefit. This centre caters for between 60-100 people at any one time. The most popular training is security (SIA) training – they have a waiting list for students.

Students are given an opportunity to go beyond what is required for the formal qualification and demonstrate their talents (e.g. in plastering). This can then go in their portfolio of work as evidence which helps those who want to go self-employed. The tutor in Nottingham Vox Centre has experience of self-employment and can direct trainees to enterprise coaches. Support does

not stop once the young people have finished the course.

Friends are particularly important influences, especially those with qualifications who have gone into self-employment themselves, as well as family.

Young people participating in the programme often have significant support needs. Being taken seriously at a young age in applying for a business loan for example; childcare is an issue for some – especially restrictions around drop-off and pick up times. Confidence is a big issue for some – one young person always had ambition when younger to open a fishing tackle shop but never told anyone until a lot older – he didn't know where to go and lacked confidence. The seed of opportunity to do this was never sown whilst at school – which he said would have made a big difference.

Other barriers include additional expenses e.g. Driving licence – one young person wants to set up a plastering business but needs to get his driving licence, to drive a vehicle to transport his tools and equipment. There are often tensions around Job Centre requirements – young people need to provide evidence that they are looking for work if they are to avoid sanctions but work on setting up a business doesn't necessarily get taken into consideration.

Young people need opportunities to network and link up with like-minded people (two young people on the same plastering course have met up and are considering starting up in business together).

Professional youth work is an educational process that engages with young people in a curriculum built from their lived experience and their personal beliefs and aspirations. This process extends and deepens a young person's understanding of themselves, their community and the world in which they live, and supports them to actively bring about positive changes in their lives. The youth worker builds positive relationships with young people based on mutual respect.

Youth workers are potentially well placed to support young people who may not have had access to enterprise education at school, or whose opportunities to join a mainstream enterprise programme are limited. Good youth workers demonstrate skills that are often valuable in enterprise: building partnerships and social capital; encouraging self-belief; acting as a critical friend and offering challenge; being around when things go wrong – these are the professional attributes that provide structure and support for young people.

Several contributors to the Commission felt that youth workers do not currently recognise these attributes or understand how they could be so useful to young people on their journey towards self-employment. This may be because youth workers see enterprise support as a specialist area and do not feel they have the technical skills to undertake this role. Or it may be that enterprise is considered more risky than paid employment which provides a regular income, sometimes to support a family, and some stability in often complex lives young people lead.

In the London Borough of Merton the Small Business Consultancy runs a practical and interactive programme working with NEETs, substance misusers and ex-offenders to support them in enterprise education. The programme is led by a dedicated, trained Local Enterprise Worker who supports participants' reintegration into the community and encourages those with appetite or need for enterprise to partake in the organisation's enterprise programme. This is run by entrepreneurs who deliver a bespoke business start-up course (E=MC2) to people from the hardest to reach backgrounds.

Youth workers need to be encouraged firstly, to understand the potential of self-employment for young people – to see it as one potential opportunity for young people they work with rather than the 'big' solution. Better information and signposting to local programmes and support schemes would help. Youth work training – at university or college should include benchmarks in this area and better curriculum materials – adapted from those developed for teachers – would help youth workers to understand the potential and introduce it to the young people they work with. Schemes that bring youth workers together with entrepreneurs for greater insight into the world of small and start up business would be helpful so the potential for young people is clearer. Is this a role for one of the larger youth enterprise organisations?

Half of young people aged 18-30 say they would like to start their own business now or in the future¹⁰. Therefore youth workers require an understanding of what enterprise opportunities are available for young people in their locality, which organisations offer support and where they can apply for funding for their projects. A number of contributors to the Commission pointed out the need for a coherent approach to information provision and a single access point (like a website) where a comprehensive overview of the information available can be accessed.

5.4 Are there wider benefits that link to young people's participation in society and the development of their social capital?

The Commission was interested to understand more about the connection between young people's entrepreneurial activity and the development of their social capital. Was there a connection, for example, between those who are active in some form of business and a stronger involvement in their community?

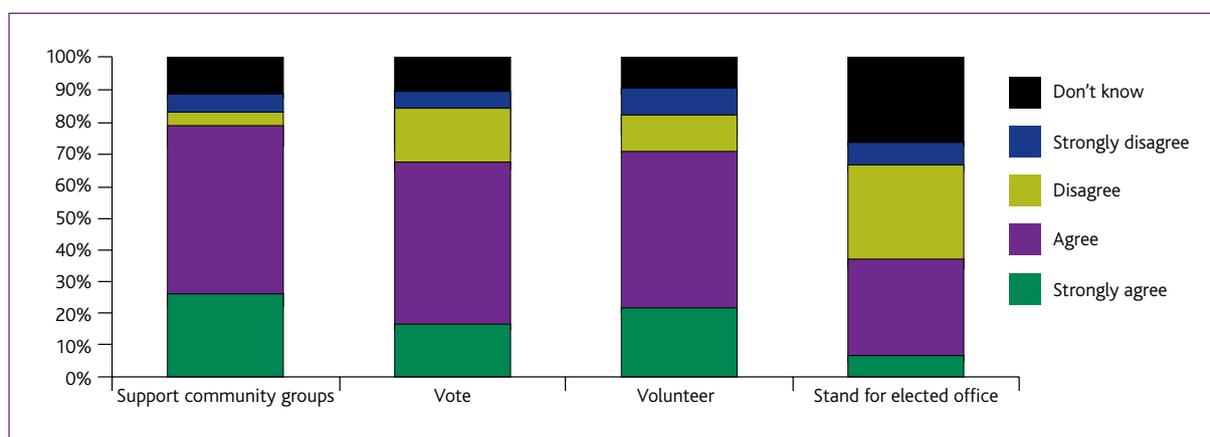


Figure 6: **Setting up your own business makes you more likely to participate in your community** (181 respondents)

¹⁰ RBS Youth Tracker (1st Quarter 2013)

It was clear that entrepreneurial activity relies to at least some degree on the networks young people possessed and the ways in which they worked these to their advantage. Research by the Office for National Statistics suggests that while young people may have higher than average measures for some forms of social capital (e.g. friendship networks) they are not always the most influential or mutually beneficial. This may be partly because connections that might influence business decisions (local influencers for example) have not yet been established. Young people who have parents with strong social capital can benefit greatly from these connections – it is often a key factor in being successful, as the Commission heard from several young people. Conversely young people who don't have the benefit of parental support can be at a serious disadvantage. Youth workers, as we have seen, are sometimes able to provide these connections where they are needed.

The Commission heard from a number of contributors, including local council leaders, who felt strongly that local businesses could be more closely involved in supporting young people as entrepreneurs. Business mentors can offer skills, practical assistance, encouragement and support in the form of social capital.

The Commission was not able to establish evidence of a connection between increased entrepreneurial activity and formal democratic engagement such as likelihood of voting, but there was evidence that the younger generation see social and community challenges as an entrepreneurial opportunity rather than something separate.

Over the past decade there has been a significant increase in social businesses which have emerged to work between the public and private sector – sometimes as spin outs from local authorities or public bodies. Programmes encouraging young people to get active in their communities and to make a difference through volunteering or community action have led to a growth in new small enterprises and charities delivering contracts. Social enterprise has grown rapidly as a concept in the UK and many young people who gave evidence to the Commission make little distinction between enterprise for profit and enterprise for social good. The skills and personal attributes required to set up one or other form of enterprise were very similar.

6. Recommendations

There are a number of recommendations for the youth sector, for Government and the NYA arising from the Commission.

- **Better information sharing.** At present information is fractured, making it difficult for young people to understand what routes into enterprise are possible, and what support is available. In the course of running the Commission a large set of contacts and resources have been developed and it is hoped that the information in Appendix 2 provides a useful reference list.
- **Better signposting of information** would be improved by the creation of a single brand concept, perhaps through a portal, which could direct young people and staff to a set of consistent information. At the moment the availability of training and support is dependent entirely on whether or not an organisation runs a programme in that geographical area. By providing a single entry point such as a portal it may highlight gaps in provision. The new Careers and Enterprise Company announced by the Secretary of State for Education in December 2014 will address some of these issues and the Commission recognises that this is an opportunity to promote helpful sources of information. We recognise that this is not automatically a role for government; indeed it could be a business startup in its own right.
- **Skills support.** There needs to be a wider recognition that non-cognitive (soft) skills in young people play as much a part in successful enterprise as the cognitive or technical skills. If this is acknowledged to be the case, we need a better understanding of how young people develop these skills and the contribution youth work can play in supporting this.
- **Networks.** A local business network of young people for young people would support enterprise activity outside of school or college. This could also provide a focus for sources of funding and business support e.g. shared or second hand equipment, links to insurance, mentors, practical tips, independence but not isolation.
- **Start-ups:** For business start-ups, rather than government providing a start-up loan, young people would benefit as much if not more from support to 'prove' their business idea: desk space, mentor, hands-on practical support e.g. design/ equipment.
- **Challenge myths.** Often people consider enterprise to consist solely of setting up a business based upon a large, revolutionary idea. This needs to change. The 'TV celebrity' approach to enterprise is also not helpful. 30% of young people believe they will be in self-employment in the future. Local role models, mentors and networks for support are needed in ways young people can readily access. Recognition that being entrepreneurial can take place full-time, part-time and at any time would be helpful in encouraging young people to think about this as an option.
- **Youth workers need to become stronger advocates for enterprise** (possibly part-time or just simply to explore the options) particularly for young people who may be struggling with formal employment. Improvements are needed to initial youth work training – possibly the introduction of a specific qualification in this area. Schemes that bring youth workers together with entrepreneurs should be developed to give youth workers greater insight into the world

of small and start up business. Where Government employability programmes might recognise and help fund this, business engagement goes beyond the financial to support local, high quality volunteering and mentoring opportunities.

- An **extension of mentoring** to young people provided by local businesses should include voluntary sector organisations that can provide support to young people establishing social enterprises, such as programmes run by UnLtd, vInspired and ThinkBig.

7. Case Studies

Youth Enterprise Zone Glasgow

The Youth Enterprise Zone, part of Jobs and Business Glasgow, was set up to help young people not in education or training to learn about the world of work by seeing how business works and encouraging a spirit of entrepreneurship. The project centres around a six week programme 'Connect with Enterprise' which gives the chance to engage with those who are running their own business.

Enterprise Ambition

Youth club charity Ambition have been delivering an enterprise initiative in youth clubs and community projects with funding from the Royal Bank of Scotland. Enterprise Ambition supports young people through the different stages of developing business ideas using innovative technology. The scheme was piloted from January 2012 before being rolled out nationally. The most promising business ideas and plans receive business mentoring and access to small start-up loans to bring their ideas to reality.

Hammerson Somwhereto_

Somwhereto matches young people with enterprise ideas with spaces to carry out their ideas. This has ranged from pop-up shops, gallery spaces, theatre and music venues, restaurants, and work spaces. Having regional teams across the UK and a central base in London, Somwhereto_ supports young people across the country, allowing them to apply their ideas.

Youth Enterprise Hull

Run by Hull City Council, Youth Enterprise Hull supports and funds young people wishing to start their own businesses. They offer free advice and support, information sessions, and up to £1000 of funding. Youth Enterprise Hull have created a resource book for young people with information about how to plan, market and operate a small business. There is a focus on small enterprises, particularly those using existing platforms like eBay and Etsy.

Appendix 1: List of Sources

The following organisations and reports were used throughout the commission to inform the findings and act as supplementary information to the submitted evidence and survey.

CIPD and Young Enterprise (2014) "Inspiring Youth Enterprise"

<http://www.cipd.co.uk/binaries/6528%20Entrepreneurial%20report%202%20%28WEB%29.pdf>

Enterprise Educators UK (2013) "Annual Report 2012-13"

file:///G:/Shared/Policy/Commissions/young%20people%20and%20enterprise/Submitted%20evidence/EEUK_ANNUAL_REPORT_2012_2013.pdf

David M. Garbera (2012) "Smilers: Part Three, Skills for Enterprise" Garbera Enterprise Ltd.

Hull City Council (2013) "the Hull Startup Kit: Everything you need to start a small business" Enterprise Nation

RSA (2013) "A Manifesto for Youth Enterprise: Making the UK a Better Place for Young People to Start Up in Business"

http://www.thersa.org/_data/assets/pdf_file/0006/1532715/RSA_A_manifesto_for_youth_enterprise_09-13.pdf

Lord Young (2014) "Enterprise for All: The Relevance of Enterprise in Education"

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/338749/EnterpriseforAll-lowres-200614.pdf

The Prince's Youth Business International (2013) "Generation Entrepreneur? The state of global youth entrepreneurship"

<http://www.youthbusiness.org/wp-content/uploads/2013/09/GenerationEntrepreneur.pdf>

Youth Enterprise Bank (2014) "Banking on Future Investment"

<http://www.youthenterprise.co.uk/resources/YEBankFutureInvest2013.pdf>

Demos (2012) "Everyone's Business"

<http://www.demos.co.uk/publications/everyonesbusiness>

vInspired (2013) "The Beta Generation: How young people are surfing the crisis"

<https://vinspired.com/the-beta-generation-report>

Hull Youth Enterprise Partnership (2014) "Ten Years of Youth Entrepreneurship in Hull"

<http://www.youthenterprise.co.uk/resources/2014GEWA4%20Brochure.pdf>

Contributors

The following organisations submitted information to the Commission as written or oral evidence:

Accelerator (London Metropolitan University)
 British Council of Shopping Centres
 Cabinet Office
 Centrepont
 CBI
 CIPD
 Demos
 Enterprise Educators UK
 House of Commons Library
 Hull City Council
 Hull Enterprise
 I Am Young
 Impetus Private Equity Foundation
 Kirklees Youth Enterprise Centre
 London Youth
 National Black Women's Network
 National Association of College and University Entrepreneurs
 National Enterprise Network
 National Union of Students (NUS)
 NCS Trust
 Oasis College
 Prelude Group
 Ready Unlimited
 Risky Business Rotherham
 Rock Start Youth
 Shaw Trust
 The RSA
 UnLtd
 V Inspired
 We Are the City
 Youth Business International
 Youth Enterprise
 Youth Work Toolbox Ltd.

In addition, a number of individual youth workers and others responded to the commission, this information has been used anonymously in the report.



The National Youth Agency believes that now more than ever young people need youth workers. Youth workers dedicate their time and expertise to helping young people in their personal and social development, equipping them with the practical skills they need to be resilient in challenging times, and positive contributors to future economic growth.

The National Youth Agency works to support youth workers to do that more effectively, and for more young people.

We do this by:

- Championing the work of youth workers.
- Enabling youth workers to do what they do, better.
- Helping to professionalise youth work.

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