



Department
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New Enterprise Allowance: Qualitative evaluation

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Executive summary

Research aims and context

The New Enterprise Allowance (NEA) programme was developed to support unemployed people claiming Jobseeker's Allowance (JSA) to establish sustainable businesses. From February 2013, lone parents on Income Support (IS) and Employment and Support Allowance (ESA) claimants in the Work Related Activity Group (WRAG) can also access the programme. The Department for Work and Pensions (DWP) commissioned Ecorys to evaluate the NEA to help understand the extent to which it is meeting its aims and to inform the design of future self-employment support.

Research methodology

This project was qualitative in nature, and aimed to understand the experiences and views of those involved in the programme. The research design was based on eight case study visits to a selection of Jobcentre Plus districts, allied to a set of telephone interviews with 198 NEA participants.

The case study visits involved in-depth face-to-face interviews with staff from the Lead Accountable Bodies (LABs) delivering the programme on behalf of DWP, Jobcentre Plus staff involved in overseeing the programme, and mentors engaged by the LABs to support NEA participants. A total of seven interviews were undertaken in each district. Two focus groups, with Jobcentre Plus advisers responsible for referring participants to LABs, were also held in each district.

Purposive sampling was used to select a shortlist of districts for the case study visits to offer a spread across England, whilst also covering Scotland and Wales. A sampling strategy was designed for the participant telephone interviews to enable the evaluation to capture the views of those who had reached different stages in the NEA process. Case study visits and participant interviews were undertaken in November and December 2012.

Key findings

The sections below summarise the main findings relating to the different aspects of the NEA considered by the evaluation. Chapter numbers in the main report are provided for reference.

Programme design (chapter 2)

Procurement and contracting elements of the NEA were reported as functioning smoothly. Using a centrally designed delivery specification, but conducting the procurement exercise locally was broadly welcomed by Jobcentre Plus staff involved. However, a minority felt that greater local input into profiles for the numbers of participants the NEA was intended to engage would have been beneficial. Few issues were reported in terms of identifying and selecting LABs to deliver the programme. LABs typically sought to become involved due to complementarities between the NEA and other provision they offered, along with a desire to expand the geographical scope, scale or nature of their activity.

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The payment model established for the programme was welcomed by LAB and Jobcentre Plus staff in most instances, though some felt it was complex or difficult to understand. The model's effects on incentivising LABs to convert participant starts into outcomes were also seen as hard to assess. In cases where LABs were struggling to meet their profiled number of participant starts, retaining the grant received for delivery was cited as a concern. Such concerns related to the link established by the payment model between the achievement of allocated start profiles and the retention of grant funding paid to LABs. This aspect of design was seen as problematic given the limited control LABs had over numbers being referred from Jobcentre Plus. Some LAB staff also felt that payment model Key Performance Indicators (KPIs) were based on overly optimistic assumptions of the number of starts that would result in business plan approvals and trading commencing.

Changes in programme design to broaden eligibility criteria since its national roll out were almost universally seen as positive. Enabling JSA claimants to access the NEA from day one was seen as helping to boost referrals and avoid scenarios where claimants were unable to access support, or had to wait to engage with the programme. LAB and Jobcentre Plus staff often felt that eligibility should be extended to other benefit types. Subsequent to the completion of fieldwork, eligibility was extended from February 2013 to lone parents claiming IS and ESA claimants in the Work Related Activity Group.

The eight-week support phase prior to submitting business plans for approval was widely seen as appropriate and effective in ensuring that participants focused on establishing their businesses. The ability to extend this period from eight weeks to 12 in certain circumstances was also welcomed. Some Jobcentre Plus and LAB staff felt that this flexibility could be extended to enable this phase to be paused and resumed later where required, though others felt that this would reduce the 'motivating' effects of the current arrangements. The ability to continue claiming JSA during the support phase was also important for many of those engaged.

The NEA weekly allowance, payable for up to 26 weeks following business plan approval and the termination of JSA claims, was often seen as a vital part of the NEA design and as being set at a suitable amount. Payments were seen as effective in supporting the transition from claiming JSA to self-employment, though there was some evidence that halving the allowance at 13 weeks was a challenge for some participants. Suggestions for a more gradual tapering of the payments were offered as a result.

The other financial component of NEA, an optional loan for participants, was less universally well received. While it was clearly important for some participants, take up was reported as low due in part to those on the programme being reluctant to get into debt or having alternative sources of finance. The view that interest rates were too high was also common. While there was general support for capping the maximum loan at £1,000, some of those implementing the programme felt that there could be more flexibility in the amount available and in the interest rates charged. Such views included, for example, offering a larger loan with a higher rate of interest. Others, however, felt that raising the available amount would be problematic given the potential repayment difficulties that could occur.

Delivery approaches and relationships (chapter 3)

Delivery models and approaches varied notably between LABs. Differences primarily concerned the extent to which LABs used volunteer mentors to deliver NEA support, as per the original programme intent, or used paid business advisers. The latter approach was relatively common amongst those LABs engaged in the research. Equally, some LABs operated a 'combined' model, using professional business advisers to offer more technical advice while volunteers had a more pastoral or motivational role.

LAB representatives commonly held strong views as to the relative advantages of their chosen model. LABs using paid advisers felt that quality, accountability and consistency concerns prevented a reliance on volunteers. Those using volunteer mentors stressed the experience and independence they could offer. LABs using a 'combined' model argued that this provided a balance and complementarity of skills and roles that would otherwise be unavailable.

Volunteer mentors were often recruited through existing networks or 'mentor banks' held by LABs. National volunteering websites, advertising, and networking at business events were also used. The main reason volunteers engaged with the programme was a desire to 'give something back' through sharing their experience. Paid business advisers were mainly recruited internally and had taken their roles to expand their experience or to continue in their chosen profession. Guidance and training offered by LABs to mentors or business advisers was largely 'light touch' on the assumption that they possessed existing experience or expertise. In general, this was viewed as sufficient by the mentors and business advisers concerned. Ongoing oversight of mentors by LABs was similarly 'light touch' in most cases, with LABs tending to presume that any issues with mentoring support would be raised with them by participants.

Relationships between LABs and Jobcentre Plus were reported to be functioning very well in the majority of cases, both at strategic and operational levels. Issues arising were generally minor and easily addressed.

Implementation within Jobcentre Plus (chapter 4)

Information and guidance for Jobcentre Plus advisers concerning the NEA was primarily accessed through the staff intranet. In some instances, advisers felt they would have benefited from additional guidance, information or training around the programme and its administration. Where additional guidance had been provided, in the form of 'walk-throughs' or briefings, this was generally seen as helpful in developing a greater understanding of the NEA. Such additional guidance was sometimes delivered by LAB staff along with those from Jobcentre Plus in the form of talks or briefings for advisers at weekly communications meetings.

Whilst most advisers had a solid understanding of the NEA and its operation, in some instances a level of confusion or uncertainty around some aspects of the programme was evident. Advisers also often reported that their understanding of the programme at the time it was launched was relatively limited. Participant interviews confirmed the impression of variable understanding of the NEA amongst advisers. Issues raised included, for example, a lack of clear advice on the impact of NEA on tax credits and Housing Benefit.

Key delivery elements (chapter 5)

In general, the degree to which marketing or promotional activity was undertaken as part of implementing the NEA was relatively limited. This related both to promotion of the scheme to participants and to frontline staff in Jobcentre Plus. Exceptions to this general pattern tended to be in those districts where low numbers of referrals had been received by LABs. In these cases, LAB and Jobcentre Plus staff, overseeing the programme at the district level, worked together to raise the profile of the NEA through leaflets, newsletters and talks about the programme in weekly Jobcentre communications meetings.

Processes for referring participants onto the programme were generally reported to be well defined, understood and to be functioning well. Levels of referrals were at, or in excess of, those originally profiled in several cases. However, in a minority of areas they were significantly below profile, with this being attributed to a lack of visibility for the programme and, in one or two cases, the presence of competing provision. Decisions on referrals rested principally on the judgement of Jobcentre Plus advisers as to how motivated a claimant was about self-employment and whether they met the NEA eligibility criteria.

Once participants were referred, all LABs operated some form of initial assessment of their business ideas. Typically, this took the form of a short telephone call prior to an initial face-to-face meeting being arranged. Rejection of participants at this stage was uncommon, but where it did occur commonly related to a lack of viability of their business idea. Only in a small minority of cases were participants rejected on the grounds of lacking sufficient motivation for, or interest in, self-employment.

LABs used a number of criteria in matching participants to mentors. Matching according to types of businesses was the most prevalent consideration. Other common considerations were the specific type of support that a participant needed, location, age, and personality. Most LABs reported that 'mismatches' between mentors and participants were rare, but did occur, most often due to personality clashes. The general impression of the support offered by mentors was one of flexibility and tailoring to the needs of participants. It was also clear that this was well received and valued by participants in the majority of cases. Less positive experiences for participants generally related to a perceived lack of suitability of the mentor allocated to them.

At the end of the mentoring phase, business plan approval was typically undertaken by LAB staff working individually, rather than using assessment panels or other forms of cross checking. Non-approval of plans was rare, in part due to the opportunity commonly provided for participants to re-submit them. Following approval of plans, any ongoing support offered by LABs and mentors was often limited and ad-hoc. There was also a lack of clarity amongst mentors as to whether they could, or should, offer support. Participants were similarly unclear in some cases as to whether support was available. As a result, mentors and participants commonly cited this lack of support as a gap in provision.

Outcomes and effects of the programme (chapter 6)

The NEA has supported a range of businesses across different sectors, though 'sole trader' enterprises set up to provide services such as gardening, hairdressing, or building were most common. Programme participants generally sought to sustain themselves and their family rather than seeking to expand or grow their business. In line with this, most enterprises were reported to be relatively small scale, though there were some significant exceptions

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and some businesses were noted as having grown significantly. More often, however, those trading had found conditions challenging and were focused on keeping their businesses going rather than expansion. Where participants had ceased trading, this was generally due to insufficient income and/or cash-flow and capital constraints.

While a slight majority of participants felt that they would have established their business anyway in the absence of NEA support, most acknowledged that the support had made this process easier and/or had helped to accelerate it. Some NEA participants confirmed that the programme was important in helping with their confidence to start trading, particularly in terms of verifying the viability of their ideas. However, the background or existing knowledge of others meant that such effects were viewed as being less significant. For those with less experience or understanding, the support offered by the NEA was often seen as significant, particularly in the sense of enhancing their understanding of marketing, networking and the legal or financial requirements of trading.

For participants not engaging further after initial referral to an LAB, the most common reason was the lack of viability of their business idea. This was often for financial reasons such as insufficient capital and/or that the likely income from the business would not be sufficient. In fewer cases, initial contact with the LAB led participants to conclude that self-employment was not a suitable option for them or their circumstances. Where participants did receive NEA support, but did not subsequently commence trading, this was due to several reasons. These included being offered and accepting paid employment whilst on the programme, deciding that the business idea was not viable during the business planning process, delays in commencing trading due to factors such as premises not being available, and business plans not being approved.

Overall perspectives on the NEA (chapter 7)

Overall views of the programme were positive, particularly amongst LAB staff, Jobcentre Plus representatives and mentors. The NEA was seen as an important source of support for those considering self-employment as a route into work, along with being effective in encouraging the development of new businesses. The combination of mentoring support with financial assistance was seen as a key strength of the approach. Implementation, ongoing management and administration of the programme were also seen as functioning well in most cases. Participant views were more varied than other respondent groups, but were often favourable. Where they were less so, this generally related to specific issues around the provision of limited information or the quality of mentoring support received.

Common suggestions for improvement on the part of LAB and Jobcentre Plus staff included improving understanding of the programme amongst advisers in Jobcentres, extending eligibility beyond JSA claimants, enabling more local input into target profiling, clarifying the effect of participation on other benefits, modernising referral processes, and more gradual tapering of reductions in the weekly allowance. Participants also offered some distinctive suggestions for improvement related to their own experiences. The most common involved providing more extensive and consistent support once trading had commenced, along with increasing the financial assistance provided. This generally concerned either extending the weekly allowance or, in the case of some who required greater start-up capital, increasing the size of available loans.

Issues for consideration

The issues for consideration arising from the evaluation can be summarised as follows:

- 1 A renewed communications campaign based on raising the awareness of the NEA and understanding of the programme amongst Jobcentre Plus advisers is likely to be helpful in terms of its future operation.
- 2 If the provision of self-employment support is to be delivered locally on a similar basis in the future, it may be beneficial to incorporate greater local input into design elements – for example, around the development of profiles.
- 3 More gradual tapering of any financial assistance offered to those moving from benefits into self-employment under future provision would seem appropriate, so as to avoid negative effects caused by more sudden drops.
- 4 More flexibility in the period available for developing business plans in future programmes of a similar nature might usefully be considered, in particular around the potential to ‘pause the clock’ for time-limited support periods to deal with particular circumstances.
- 5 The potential benefits of the NEA for the unemployed or economically inactive beyond Jobseeker’s Allowance claimants suggests that eligibility criteria in future provision could usefully be made as broad as possible.
- 6 Any future programme of this type should provide adequate attention to the support provided to participants once they commence trading, given the evidence that this was an insufficient feature of the NEA despite being part of the programme’s design.

1 Introduction

This report presents the findings of Ecorys' evaluation of the New Enterprise Allowance (NEA) programme. The report is based on research undertaken between October 2012 and January 2013. This introductory chapter first outlines the evaluation context, including an overview of the NEA, before detailing the study aims and objectives. The chapter then describes the methodology adopted for the evaluation, prior to outlining the structure of the remainder of the report.

1.1 Context for the study

The Department for Work and Pensions (DWP) commissioned Ecorys to evaluate the NEA to help understand the degree to which the programme was meeting its objectives. To add context to the evaluation findings, a brief overview of the NEA is provided below along with a short outline of previous relevant research in the area of self-employment support.

1.1.1 Overview of the New Enterprise Allowance

The NEA was established to support Jobseeker's Allowance (JSA) claimants with an interest in starting a business as a route into employment. Following a pilot scheme in Merseyside, running from January 2011, the programme was rolled out nationally in stages from April 2011. By the end of August 2011, the NEA was available across Great Britain. The programme is administered by Lead Accountable Bodies (LABs), working in partnership with local Jobcentre Plus districts on behalf of DWP. With the exception of the Merseyside pilot area, wherein two LABs operate, the programme is administered in each of the other 36 Jobcentre Plus districts by a single LAB.

In July 2012, eligibility for the NEA changed from being restricted to those claiming JSA for six months to being open to those claiming for three months. Shortly before fieldwork for the evaluation commenced, eligibility was further widened in October 2012 to cover all JSA claimants ('day 1 eligibility').¹ The programme itself consists of two main elements. The first involves access to business mentoring delivered through the LAB to help participants develop a business plan, start a business and support them through the first six months of trading. The second main element of the NEA involves financial support including an optional unsecured loan of up to £1,000, along with a weekly allowance payable over 26 weeks. All participants are eligible to claim the weekly allowance upon having a business plan approved by the LAB and terminating their claim for JSA. The value of the allowance is set at £65 for 13 weeks and is then reduced to £33 for a further 13 weeks.

The LABs administering the mentoring aspects of the programme were selected through competitive tendering and are a mixture of local authorities, private sector companies and voluntary sector organisations. LABs are responsible for providing an initial assessment or 'sift' of applicants' business ideas, sourcing business mentors (intended to be volunteers active in the local business community), matching mentors with participants and assessing

¹ After the evaluation had been undertaken, eligibility was widened from 18 February 2013 to enable lone parents claiming Income Support (IS) and Employment and Support Allowance (ESA) claimants in the Work Related Activity Group (WRAG) to access the programme.

completed business plans. Approval of business plans is required for participants to claim the NEA weekly allowance outlined above. The loan element of the programme is not administered by LABs, but by separate loan companies contracted with DWP. Payments of the weekly allowance are administered by Jobcentre Plus. Those claiming the allowance are required to submit evidence to their local Jobcentre to confirm that they remain meaningfully self-employed over the period of their claim.

1.1.2 Previous research on self-employment support programmes

While the focus of the evaluation was specifically on assessing the operation of the NEA, it is worth noting that evaluations of previous related programmes are available, including that of a predecessor programme to the NEA, the Enterprise Allowance Scheme (EAS). This evaluation from the 1980s demonstrated that such programmes can be effective in supporting the development of sustainable businesses and their expansion. More recent evaluation evidence tends to agree that such schemes can be effective in supporting unemployed individuals into self-employment, but that this is sometimes more true for specific groups rather than the wider unemployed population. In several cases, research suggests a particular effectiveness for better educated male workers between 30 and 40-years-old.²

The available literature also highlights that previous experience of self-employment is a good indicator of likely success for those benefiting from programmes such as the NEA.³ Other research focuses on identifying the important components of self-employment support programmes in terms of promoting successful outcomes. Research on support for young entrepreneurs, for example, highlights the significance of regular client follow-up; mentoring; flexibility in terms for supporting loans; celebrating entrepreneurial achievement; strategic partnerships with the business community and other agencies; and a strong, targeted training programme.⁴ One-to-one assistance, clear signposting to additional support and a short targeted period of intensive assistance are similarly highlighted as key factors by a recent review of evidence on welfare to self-employment programmes.⁵ Finally, the evidence suggests that the main barriers to business start-up are restricted access to finance, cash-flow difficulties, problems in securing adequate business, and difficulties in complying with the technical requirements for business around, for example, book-keeping and taxation.⁶

² See, for example, Betcherman, G. *et al.* (2004). *Impacts of Active Labor Market Programs: New Evidence from Evaluations with Particular Attention to Developing and Transition Countries*, The World Bank Social Protection Discussion Paper 0402.

³ Adams *et al.*, (2011). *Six Month Offer Evaluation: Findings from the longitudinal claimant survey*, DWP Research Report No.769.

⁴ OECD, (2012). *Policy Brief on Youth Entrepreneurship*.

⁵ Adams, L. and Oldfield, K., (2012). *Welfare to Self-Employment*, Department for Business, Innovation & Skills.

⁶ Bevan, J. *et al.*, (1990). *Barriers to business start-up: a study of the flow into and out of self-employment*, Department of Employment Research Paper No.71.

1.2 Evaluation aims and objectives

The overall aim of the evaluation was to explore whether the NEA was meeting its objectives in terms of providing assistance for unemployed people to establish sustainable businesses. Within this the evaluation sought to offer insight into which elements of the programme are perceived as particularly effective (or otherwise). Given this focus, and the intention to gather quantitative information around programme performance separately, the study was intended to offer qualitative insights into the NEA and its operation. The results of the evaluation were anticipated to inform the design of any future self-employment support programmes.

1.2.1 Key research questions

To provide further focus for the evaluation, a series of key research questions were developed to guide the study. The questions were formulated in respect of the main 'respondent' groups engaged through the work, namely NEA participants, Jobcentre Plus staff, LAB staff and mentors providing guidance to participants. The key research questions covered the design of the programme, the processes involved in NEA delivery and the effects of engagement with the programme. The full list of key research questions is included at Appendix A of the report.

1.3 Methodology

1.3.1 Overview

This project was qualitative in nature, and aimed to understand the experiences and views of those involved in the programme. The requirement to consult with LAB staff, Jobcentre Plus staff, mentors delivering support and participants led to a design involving case study visits to a selection of Jobcentre Plus districts allied to a set of telephone interviews with participants. This was seen as the most practical way to gain the required coverage of respondent groups, whilst ensuring that the available resources could be used to interview a larger number of NEA participants. The use of case studies based on Jobcentre Plus districts also enabled the cross referencing of views between respondent groups involved in NEA implementation in particular areas.

1.3.2 Case study selection and implementation

To facilitate a spread of geographical areas it was decided to undertake eight case study visits to different Jobcentre Plus districts. This enabled the evaluation to cover just over a fifth of the districts delivering the programme (eight out of a possible 37). Given that part of the study involved examining the slightly different profiling and payment model used for the national roll out of the NEA compared to the Merseyside pilot, this district was automatically identified as one of the areas. For the remaining seven, purposive sampling was used to select a shortlist of districts able to offer a spread across England, whilst also covering Scotland and Wales. Further criteria influencing the preferred selection were:

- Aiming for a balance of predominately urban, rural or 'mixed' areas.
- Aiming for a balance of the different types of LABs involved in delivery.
- The degree to which districts were the subject of other research in the planned fieldwork period so as to minimise the 'research burden' on particular districts.

- The level of take-up of NEA in different districts (i.e. low/medium/high).

The final approved selection included three districts in Northern England, two in Southern England, and one in Central England, along with one district in Scotland and one in Wales.

For each case study area, in-depth consultations were arranged with a selection of LAB managers and delivery staff, mentors, Jobcentre Plus advisers and Third Party Provision Managers (TPPMs). Informed consent was gained from each interviewee at the stage of arranging consultations and again before undertaking them. Those interviewed were informed that all discussions would be treated confidentially. The planned interview and focus group schedule for each area was as follows:

- Interviews with LAB managers and delivery staff (three interviews per case study area – typically one manager and two delivery staff)
- Interviews with mentors providing advice and support to NEA participants (three interviews per case study area)
- Focus groups with Jobcentre Plus advisers (two groups per case study area, each in one of two selected Jobcentre Plus offices and involving three or four advisers)
- Interviews with Jobcentre Plus TPPMs or equivalent responsible for overseeing implementation (one interview per case study area).

Given the variation in delivery models across the districts visited there were some small variations to this planned division of interviews in some cases.⁷ For example, where paid advisers employed by LABs were used in place of, or alongside, volunteer mentors, this was reflected in the interviewee selection with more slots being allocated to the ‘LAB staff’ category. The planned overall numbers of seven in-depth interviews and two focus groups across each area were not affected.

Interviews with LAB staff, mentors and Jobcentre Plus TPPMs or equivalent typically lasted between 45 minutes and an hour. Each interview was guided by use of a semi-structured topic guide and was recorded with the permission of the respondent.⁸ Interviews were subsequently transcribed in full. Focus groups with Jobcentre Plus advisers were also guided by a semi-structured topic guide and typically lasted between 30 and 45 minutes. Of the 16 focus groups, 15 were recorded with the permission of participants and transcribed. Due to permission not being forthcoming in the case of one of the groups, notes were taken and subsequently written up.

⁷ Further discussion and examination of these variations is covered in chapter 3 of the report.

⁸ All research tools are reproduced at Appendix B for reference.

1.3.3 Sampling for participant interviews and implementation

In order to gain a detailed understanding of participants’ experience of the NEA, a series of in-depth telephone interviews were undertaken to capture the views of participants who had reached different stages in the NEA process. This allowed the study to explore, for example, why some of those referred did not go on to fully engage with the programme and why some had started businesses, but were no longer trading. The sample frame included the following groups:

- 1 Those who were referred to the programme, but did not progress any further to receive mentoring support
- 2 Those who were matched to mentors, but did not progress to claiming the weekly allowance
- 3 Those who received mentoring and claimed the weekly allowance, but were now claiming benefits again (the presumption being that they were no longer trading)
- 4 Those who had received mentoring, claimed the weekly allowance and were not back on benefit (the presumption being that trading was ongoing).

Table 1.1 details the target quotas set for each group and the numbers achieved. A total sample of 1,000 participants was provided by DWP to facilitate the process. To help ensure that the target quotas were met, the overall sample was five times the size of the target quota for each group.

Table 1.1 Sample frame for participant interviews

	1. LAB referral, but no mentor start	2. Mentor match, but no allowance start	3. Received mentoring and allowance, back on benefit	4. Received mentoring and allowance, not returned to benefit	Total
Total sample	150	150	250	450	1,000
Target	30	30	50	90	200
Achieved	29	28	51	90	198

The sample broadly reflected the overall pattern of engagement with the programme, with some ‘boosting’ of numbers for those groups that would otherwise have small sample sizes – for example, those referred, but not subsequently engaging. To create a link with the case study districts selected for the research, half the initial sample was drawn from these areas, with the remainder drawn from those engaging across Great Britain.

To help ensure informed consent, potential interviewees from the overall sample were initially sent an ‘opt-out’ letter informing them of the research. This contained details of a Freephone number they could call to indicate that they were unwilling to be contacted for the study. When contacting those participants not opting out, the research was explained to the potential interviewees and explicit verbal consent sought for their participation.

All interviews were facilitated using a semi-structured topic guide with notes being taken at the time of the call.⁹ Given the varying number of questions designed for the different participant groups sampled, the length of the interviews varied. For those groups that had only limited engagement with the programme, and had not gone on to claim the weekly allowance or start a business, interviews typically lasted for 15 to 30 minutes. For other groups, interviews typically lasted 30 to 45 minutes. Notes taken were subsequently written up to prepare for the data analysis stage outlined below.

1.3.4 Data analysis

Excerpts from the transcripts of the case study interviews and focus groups, along with the write-ups from the telephone interviews, were first entered into an analysis framework designed in accordance with the key research questions under consideration. This process of 'gridding' enabled the subsequent analysis to draw out key findings, themes, patterns and issues relating to the evaluation focus and key research questions. The perspectives of the different respondent groups were first analysed independently, prior to bringing the findings together in a second stage of analysis to compare and contrast views of the programme and its operation. Findings from the analysis were then written up to feed into this report.

1.4 Report structure

The remainder of the report is structured as follows:

- **Chapter 2** examines issues relating to the design of the NEA including its payment model, eligibility criteria and financial components.
- **Chapter 3** considers the delivery approaches and relationships connected to the programme's implementation.
- **Chapter 4** reviews the implementation of the NEA within Jobcentre Plus.
- **Chapter 5** assesses key delivery elements of the programme including referral processes, the delivery of mentoring support and the process of business plan approval.
- **Chapter 6** examines the outcomes and effects of the programme in terms of the types of business supported and effects on participants.
- **Chapter 7** considers overall perspectives on the NEA along with suggested improvements.
- **Chapter 8** offers some concluding remarks and issues for consideration in respect of the evaluation overall:
 - Appendix A lists the key research questions addressed by the study.
 - Appendix B reproduces the research tools used in the evaluation.
 - Appendix C details the payment model used for the NEA for reference.

⁹ The topic guide is included at Appendix B for reference.

2 Programme design

2.1 Introduction

This chapter considers issues relating to the design of the New Enterprise Allowance (NEA), along with briefly considering its initial implementation in terms of procurement and contracting processes. It first considers the initial procurement and contracting involved in the programme, including examining the reasons Lead Accountable Bodies (LABs) became involved. The 'start profiles' established for numbers engaging with the NEA are then examined, along with other performance indicators and the payment model adopted. The chapter then looks at the eligibility criteria used for the programme, along with the support period available prior to the submission of business plans. The loan and weekly allowance elements of the NEA are then considered. The chapter concludes by summarising the key findings arising.

2.2 Initial procurement and contracting

Jobcentre Plus staff involved in initial procurement, typically Third Party Provision Managers (TPPMs) or equivalents, generally cited that the process of identifying and selecting LABs to deliver the NEA was straightforward. LAB staff who commented on procurement and contracting generally mirrored these views. The procurement exercise was described as straightforward and clear, while subsequent contracting was cited as working smoothly. The one exception involved slight delays in finalising a contract, though this was not seen as a major issue.

The model of using a centrally designed delivery specification, but conducting the procurement process locally, was broadly welcomed by Jobcentre Plus staff. Typically, a sufficient number of bids had been received. The quality of these, and hence the choice available, was generally described as good. The only exceptions were in two areas which had received only one bid of acceptable quality, though in these cases the strength of the bids concerned meant that this was not viewed as a significant issue.

While the use of specifications developed at the national level was generally viewed as appropriate in terms of ensuring consistency, a minority of TPPMs or their equivalents did raise some points in this area. In a couple of instances, those concerned felt that there might be scope for enhancing local input into the development of the specification. One interviewee, for example, raised this in terms of having the ability to influence the 'start profiles' devised for the programme. However, others felt that they did have sufficient opportunity to influence specifications locally.

2.2.1 Reasons for LAB involvement

Reasons for LABs bidding to deliver the NEA commonly revolved around a perceived fit with the wider activity of the organisation concerned. In several cases, this related to organisations involved in business support activity, whilst in others, the main link came from existing experience of delivering support to unemployed individuals. The opportunity to expand the geographical scope, scale, or type of activity offered was also noted in the case of a couple of the private sector LABs involved in delivery. Existing relationships

with Jobcentre Plus locally were also cited. The following comment was typical of the explanations offered:

'We were doing other unemployment support contracts as well, so we had good liaison with the Jobcentres and it [NEA] just blended very well.'

(LAB manager)

2.3 The NEA payment model, profiled starts and performance targets

2.3.1 Programme starts

In most cases, LAB representatives felt that the profile of programme starts allocated was reasonable and achievable. Given that this profile was also linked to the payments received for delivering the programme,¹⁰ this was seen as important in ensuring delivery was viable. However, in a minority of the areas visited LABs were finding it difficult to achieve the profiled number of starts. Reasons for this varied, but were generally ascribed to competing programmes operating, hence lessening the number of referrals to the NEA, or lower than expected volumes being referred due to other factors. These are covered in more detail in Section 5.3 on referrals, but included a perceived reluctance within some Jobcentres to refer and the NEA having a limited profile across the districts concerned.

In districts where referrals were notably behind profile, both LAB staff and TPPMs, or equivalent, expressed concerns over the effects this was having. These related both to current delivery and the potential issues that could be caused as a result of money having to be paid back from the grants awarded. In such situations, LAB staff reported that they had diverted resources and energy to working with Jobcentre Plus to raise referral rates, as opposed to focusing on delivering other aspects of the programme. Jobcentre Plus TPPMs, or their equivalents, also expressed concern over the viability of delivery for those LABs that were significantly behind profile.

It was also acknowledged that the scenario of referral rates being largely outside the control of LABs was problematic and possibly unfair. As one TPPM commented:

'We're actually putting the LABs in a vulnerable position ... to say we want you to take these [targets] but at the same time we're not going to give you all these referrals, so we want you to pay us all the money back at the end. So it kind of doesn't sit right.'

(Jobcentre Plus TPPM)

¹⁰ The grant funding model for the national roll out of the NEA involved an upfront payment of 20 per cent of the total grant to LABs to cover start-up costs, followed by equal payments over the contract period (comprising the remaining 80 per cent of the grant). At the end of the contract, LABs will be able to retain a proportion of the monthly payments based on performance in terms of numbers of starts, business plans signed off, numbers commencing trading and numbers trading at 26 weeks. Further detail on the payment model is included at Appendix C.

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It is also worth noting that in some areas where profiled starts were seen as reasonable and achievable, LAB staff nonetheless cited that changes in eligibility restrictions were an important factor in this judgement. Without the move from Jobseeker's Allowance (JSA) claimants being eligible at three months rather than six, and subsequently from day one of their claim, it was noted that the assessment of whether profiled starts could be achieved would have been less positive.

2.3.2 Key Performance Indicators and Service Level Agreements

Alongside the achievement of profiled starts influencing the amount of the grant LABs retain, within the NEA payment model certain key performance indicators (KPIs) also have an effect. In particular, these relate to the number of participants progressing through the programme to the point business plans are signed off, numbers starting trading and the number of businesses still trading 26 weeks later. Failing to achieve the profiles set for these KPIs would mean that LABs would have to repay part of the grant received. As such, LAB staff were also asked for their views on these KPIs and their link to the NEA payment model. Such views were more variable than in respect of start profiles.

In situations where numbers engaging were up to profile and conversion rates in terms of starting businesses were high, LAB staff commonly viewed the KPIs as reasonable. However, where participant starts or the proportion progressing through the programme were lower than anticipated, interviewees were concerned that KPIs would prove to be too stretching and affect the amount of grant that could be retained (given the link to the payment model as outlined above). Along with some Jobcentre Plus staff at the district level, such LAB interviewees felt that assumptions of the number of starts that would be converted to business plan approvals and business starts were overly ambitious. While the concept of using KPIs and associated targets was seen as reasonable, there was concern that some LABs would have to repay a proportion of the grant received due to the inter-linkage between profiled starts, KPIs and the overall payment model.

As part of the NEA contracting process, LABs also committed to a number of service level agreements (SLAs) defining certain standards of delivery. In the main, these were viewed as reasonable by LAB staff and no significant issues were raised. In a minority of cases, some LAB staff raised issues around the SLA governing the time limit for contacting participants and arranging an initial meeting following their referral from Jobcentre Plus. It was noted that participants were sometimes uncontactable for reasons beyond the LAB's control and that it was not always possible to meet this SLA as a result. However, this was not seen as a major issue and SLAs in general were seen as appropriate and reasonable.

2.3.3 General perceptions of the payment model and its effects

Jobcentre Plus staff, working at the district level, and LAB representatives gave a range of views when asked for their overall perception of the NEA payment model and its effects.¹¹ The grant-based upfront and ongoing monthly payment aspects of the model were well received by most LAB managers in terms of ensuring that enough funding flowed into the provision. Some interviewees had run contracts based on payment by results models, wherein funding was largely 'back-loaded' on the basis of performance, and tended to compare the NEA model favourably with these. As noted, for at least some LAB and

¹¹ Further detail on the NEA payment model is included at Appendix C for reference.

Jobcentre Plus representatives, the start profile and KPI aspects of the model were also seen as reasonable and appropriate.

However, some LAB and Jobcentre Plus staff, while feeling that the grant-based approach was suitable in general, also felt that the overall payment model was complex and difficult to fully understand. Some LAB staff reported being unclear about the formulas to be used by the Department for Work and Pensions (DWP) at the end of the contract to reclaim money from the ongoing monthly payments LABs received. Likewise, some TPPMs or their equivalents acknowledged that the model could be, in the words of one, '... a bit hard to grasp.' While not a universal concern, those advancing this view did feel that a simpler mechanism would ideally have been used.

The other main theme that emerged was the potential disconnect between the reliance of LABs on a certain volume of referrals to retain their grant and their limited ability to directly influence referral numbers. This was cited by one LAB manager as being 'frustrating' in that the model had implications for the amount retained for reasons outside their control. This was also seen by some Jobcentre Plus staff as being potentially unfair. In one case, concerns over the effects of this on the relationship with the LAB were also raised.

Those consulted were also asked for their views on whether, as per its intent, the payment model was acting as an incentive to ensure that as many referrals as possible were converted into sustainable business starts. While the intention behind the model was recognised by some, those commenting either found it hard to assess whether the model was having this effect or felt that there was little evidence that it was. Similarly, the difference between the payment model used for the Merseyside pilot and that adopted for the national roll-out was not seen as having a notable effect by the few interviewees able to comment.¹²

2.4 Eligibility and the structure of NEA support

2.4.1 Eligibility criteria

In July 2012, eligibility for the NEA changed from being restricted to those claiming JSA for six months to the mentoring element being open to those claiming for three months. Shortly before fieldwork for the evaluation commenced, eligibility was further widened in October 2012 to cover all JSA claimants ('day one eligibility'). This easing of eligibility criteria was generally welcomed, with the views expressed by LAB and Jobcentre Plus staff (including advisers) being almost universally positive. This was particularly evident amongst LAB staff in areas where the previous restrictions were seen as a barrier to higher referrals onto the programme. Such a scenario was particularly acute in Scotland, for example, where an alternative programme run by the Scottish Government, Training for Work, was open to participants after 13 weeks. At the point that NEA eligibility was set at 26 weeks this was viewed as a particular issue. The effects of this were described by one LAB staff member as follows:

¹² For the Merseyside pilot, DWP profiled outcomes (business start ups) and LABs could take on as many claimants as required to meet their profiled outcomes (so if a participant left they could immediately be replaced). For national roll-out, the Department profiled starts on the scheme and LABs cannot exceed the total number of starts which they are allocated (so where someone leaves they cannot be replaced). The idea was to convert as many of the starters to outcomes as possible.

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'Chronologically the clients were able to go on that [Training for Work] sooner and I think that made a big difference ... so we were picking up scraps from the rich man's table in that sense.'

(LAB staff member)

In this situation, both LAB and Jobcentre Plus staff felt that more attention would ideally have been given to ensuring that the NEA fitted with and complemented the alternative programme.

More generally, the move to 'day one eligibility' was cited as having a notable effect on referrals in areas where volumes had previously been below profile. This was welcomed in particular by LAB staff and those involved from Jobcentre Plus with responsibility for overseeing the programme at the district-wide level. As one TPPM noted:

'The best thing that has happened is just the recent change where they've brought everything to day one. That really has made a difference and we've seen an increase in starts in the month of October by probably about 40 per cent.'

(Jobcentre Plus TPPM)

Similar themes emerged in some of the focus groups with Jobcentre Plus advisers. It was noted that previous restrictions had led to scenarios whereby someone with a genuine interest in self-employment would find themselves waiting to become eligible at the three or six month stage. As one adviser commented, *'you don't want people to stay unemployed for six months just so they can go onto the scheme'*. In some instances advisers also acknowledged that in situations where individuals were close to becoming eligible, the temptation was to encourage them to remain on benefit in order to access the provision. Evidence from the participant interviews confirmed this. For example, some participants described how they were 'forced' to wait prior to engaging with the NEA due to the eligibility restrictions imposed by the programme, with words such as 'frustrating' or 'annoying' being used to describe this.

While welcoming the move to 'day one eligibility', some Jobcentre Plus and LAB staff felt that access to the NEA should be widened further. This generally related to opening eligibility to those claiming benefits other than JSA, most commonly the Employment and Support Allowance (ESA). Those arguing for this often noted that ESA claimants were potentially just as suited to self-employment as those claiming JSA. In line with the intent of the NEA to support the development of new businesses, therefore, such an extension of the programme was seen as logical.¹³

2.4.2 Period of support prior to business plan submission

The time available for participants to develop their business plan was another element of the NEA design examined by the evaluation. To encourage participants towards starting a business in a reasonable time period, an eight-week limit for business plan development following initial engagement was established. To add some flexibility, the opportunity to extend this to 12 weeks in some circumstances also formed part of the programme design.

¹³ Following completion of the fieldwork for the evaluation, DWP announced that from 18 February 2013 the NEA would be open to lone parents claiming Income Support (IS) and those claiming ESA in the Work Related Activity Group from day one of their claims for benefit.

In the majority of cases, LAB and Jobcentre Plus staff felt that the standard eight-week period was appropriate and provided a useful impetus for participants. In addition, the opportunity to extend to 12 weeks in particular circumstances, and the flexibility this offered, was broadly welcomed.

Accepting the general support for the standard period, in some cases those interviewed felt that the flexibility given by the possibility of extending the timeframe to 12 weeks might be further expanded. This was typically raised by LAB and Jobcentre Plus staff in response to a minority of cases where participants faced unforeseen issues likely to delay production of their business plan or the chance to start trading. In particular, the option to pause the 'eight-week clock' for a flexible period of time when such circumstances arose was raised. As one LAB representative noted, due to such issues:

'With the best will in the world there are occasions where there's nothing we can do except wait and in that sense it would be quite good to have the facility to say "the clock's stopped on this one", depending on access to a property or something.'

(LAB staff member)

A small number of LAB and Jobcentre Plus interviewees felt that such flexibility should be more comprehensive in terms of the business plan development stage of the programme being available for a longer period, such as up to four, five or six months. The rationale was to widen the suitability of the NEA to those who were further away from developing a business plan or starting a business. As noted, however, the view that the eight-week period acted as a positive impetus for participants was more common. Equally, some Jobcentre Plus and LAB staff noted that restricting the time available was more likely to ensure that support was focused on those who had a realistic business idea and chance of commencing trading in the near term.

Evidence from the participant interviews supported the view of the eight-week period being appropriate and acting to focus attention. Most participants viewed the available time as being adequate and few felt it was too short. In contrast, some participants commented that they did not need this amount of time, though this was generally in cases where individuals had already begun seriously scoping out their ideas or working on business plans prior to referral. However, a small minority of participants did cite that it had been difficult to fully develop their plan in the available period, while others had failed to meet the deadline to submit a plan. Generally, this related to other caring or family responsibilities taking up time. In some cases those who did not submit plans acknowledged that they had reconsidered whether the business was viable and/or whether self-employment was the right option for them.

A further aspect to the design of the pre-business plan submission phase concerned the fact that participants were able to continue to claim JSA during this period. The participant interviews clearly demonstrated that for the majority of those engaged this was particularly important. Not having to apply for other jobs at this point was also noted as being a significant help. The following comment illustrates this:

'It was very, very helpful. Had I had to sign off or stopped receiving [JSA] I wouldn't have given it a try ... It was very difficult to focus on the tasks each week and set up a business plan and think about running a business, without having to do a job search as well.'

(NEA participant)

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Contrary to the design of the NEA and its regulations, a small number of participants reported being informed by Jobcentre advisers that they still needed to look for work while developing a business plan. This was seen as taking the focus away from developing a plan and preparing to start a business, in addition to confusing some participants or causing them concern. As one participant commented:

'I was trying to develop the business plan whilst the Jobcentre kept asking whether I had been applying for jobs so they weren't that informed about NEA requirements.'

(NEA participant)

2.5 NEA financial components

2.5.1 Weekly allowance

Participants and those administering the programme felt that the NEA weekly allowance, payable once business plans had been approved, was a useful and important element of the programme's design. Its importance in acting as a 'safety net' was often referenced, particularly in terms of the added security of having a consistent income in the initial stages of trading. The role of the allowance in supporting the transition from being on benefits to self-employment was widely commented on, though it was clear that its relative importance varied between individuals. For some participants, terms such as 'vital' or 'crucial' were used to describe the weekly allowance, while one interviewee noted:

'It's been pretty fundamental, but just because it's been such a tough year, that money [the allowance] I was just living off for subsistence as for quite a long time there was no other income [from the business].'

(NEA participant)

For others on the programme, the allowance may have been less vital, but was still important and welcome from a reassurance standpoint when making the transition to self-employment. The following comments were typical of those interviewed:

'It [the allowance] was necessary, because [going] from receiving the benefits to being self-employed and receiving nothing would have been hard. In that initial stage when you are getting your customers together, that little support, knowing that we were not going from something to nothing [was important].'

(NEA participant)

'[It was] very helpful because I didn't worry so much, especially £65 a week, it was almost the same as JSA so it [starting a business] wasn't such a worry.'

(NEA participant)

LAB and Jobcentre Plus staff generally felt that the allowance was around the right level, along with the length of payment being appropriate. A small number of respondents did feel, however, that the allowance should either be higher or continue at its full rate of £65 for longer than 13 weeks. In most cases, their argument was that £65 represented a relatively small amount when placed against the costs of starting a business, though the potential to access a loan was also acknowledged. Those in favour of the allowance remaining at £65 for longer, rather than changing to £33 after 13 weeks, mainly predicated this view on

feedback from participants who had struggled with this change. Some LAB and Jobcentre Plus staff also felt that the allowance might be tapered to a greater extent over the period of its payment, so as not to create one big drop at the 13-week stage.

Participant views on the amount of allowance payable were a little more varied, though facing difficulties when the allowance was reduced by almost half at the 13-week point emerged as a relatively common theme. As one participant explained of the allowance:

'To start with it's fine as it's nearly the same as JSA, but when it drops down it's not easy as a single parent. It's been a struggle because although the business is bringing money, it's also using money to keep it going.'

(NEA participant)

Although some participants felt that the allowance was of a reasonable level, certainly at £65, it was also viewed as relatively small in the context of the outgoings associated with starting a business. This was generally the argument advanced by the minority of participants who felt that the allowance should either be higher or should continue at £65 for six months or longer. Those returning to benefits, either after some engagement with the NEA or after trading for a period, were most likely to see the amount of the weekly allowance as insufficient.

Amongst participants the allowance was generally used to support minor expenses and/or general living expenses as distinct from more significant business costs. However, its role in helping with initial cash flow in the early stages of trading was also cited. The description of the use of the allowance by one participant was relatively typical:

'At the beginning, it [the allowance] basically gave me the funds for my insurance for my massage [business], and some initial stock to run the business. When it's been the quiet period where I haven't had that many clients, I've been able to live off that, buy food and pay my weekly bills.'

(NEA participant)

2.5.2 Loans

Views on the loan element of the NEA varied amongst LAB and Jobcentre Plus staff. While it was commonly seen as a useful optional component, some interviewees raised issues around the available amount. Although the figure of up to £1,000 was viewed by some as appropriate, others felt that there could be more flexibility in the amount available. The rationale for this was typically that for some businesses £1,000 would be more than sufficient start-up capital, whilst for others it would be inadequate.

Along with participants, those implementing the NEA also frequently questioned the interest rate payable on the loan in terms of it being too high at 10 per cent. LAB staff in particular questioned whether this was reasonable and some felt that it would be likely to lead some participants to struggle to make repayments. Interestingly, some of the mentors interviewed noted that they would actually discourage participants from taking the loan on this basis unless they had no choice. The low take-up of loans, commonly cited by those consulted in the case study visits was often ascribed to the repayment terms, along with broader concerns amongst participants around getting into debt.

LAB and Jobcentre Plus staff arguing for greater flexibility in the amount of the loan sometimes linked this to their concern about the interest rate payable. Therefore, for

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example, one suggestion was to have a £1,000 loan on offer at a lower interest rate, with up to £5,000 available at a higher interest rate to reflect the greater risk involved. Conversely, others made the point that raising the available amount might be inappropriate for the group that the NEA was serving, whatever the repayment terms. For these interviewees, offering too great an amount to those coming off JSA who might have been on benefits for some time was seen as being irresponsible.

The views of participants on the loan aspect of the programme broadly reflected those expressed by the respondent groups implementing it. For a minority of those interviewed the loan was seen as particularly welcome or important, with some noting that they would have found it difficult to access credit elsewhere. As one participant noted of the loan:

'I wouldn't have been able to do it without it. I wouldn't have been able to buy a vehicle. Without that money it [starting a business] wouldn't have happened.'

(NEA participant)

More commonly, participants in receipt of the weekly allowance had not taken up the loan. The main reasons cited for non-take up were:

- Reluctance to get into debt and/or add to existing debts.
- Availability of alternative finance, often from family or friends on an interest free basis.
- Other existing capital being in place, for example from redundancy pay outs.

Less commonly, participants were unaware of the loan option, felt they had not been sufficiently advised about it, had concerns over their credit rating, felt that interest rates were comparatively high, or already had all the required equipment for their business. A small number also questioned the size of the available amount, in some cases arguing that it was insufficient given that taking out the loan might preclude them from accessing credit elsewhere. As one participant commented:

'If they had made it £5,000 that would have been attractive ... To put yourself down as a debtor for just £1,000, well, if you go elsewhere for a loan, the lender will ask you if you have any loans elsewhere ... so that would kill your chances as you are paying two loans. Why would I take out £1,000 to limit my chances?'

(NEA participant)

While a relatively small proportion of participants had taken out a loan, those that had generally cited that the process itself was understandable and relatively straightforward. This reflected the views of most LAB and Jobcentre Plus staff. In a small minority of cases, participants and those involved in implementing the NEA did note that the loan application process was somewhat complex and long. For one LAB staff member the process was described as 'bureaucratic' and 'tiresome', though this was the exception rather than being a common view.

Where participants had accessed loans, the finance was generally used to meet start-up costs and initial outlays in terms of equipment or premises. In a smaller number of cases, participants described using their loan on a more ongoing basis to meet the costs of smaller items or stock required for their operations. There was no evidence of loans being used for purposes other than those directly related to running a business.

2.6 Summary of key findings

Procurement and contracting elements of the NEA were reported as functioning smoothly. Using a centrally designed delivery specification, but conducting the procurement exercise locally was broadly welcomed by Jobcentre Plus staff involved. However, a minority felt that greater local input into profiles for the numbers of participants the NEA was intended to engage would have been beneficial. Few issues were reported in terms of identifying and selecting LABs to deliver the programme. LABs typically sought to become involved due to complementarities between the NEA and other provision they offered, along with a desire to expand the geographical scope, scale or nature of their activity.

The payment model established for the programme was welcomed by LAB and Jobcentre Plus staff in most instances, though some felt it was complex or difficult to understand. The model's effects on incentivising LABs to convert participant starts into outcomes were also seen as hard to assess. In cases where LABs were struggling to meet their profiled number of participant starts, the link between this and retaining the grant received for delivery was cited as a concern. This aspect of design was seen as problematic given the limited control LABs had over numbers being referred from Jobcentre Plus. Some LAB staff also felt that payment model KPIs were based on overly optimistic assumptions of the number of starts that would result in business plan approvals and trading commencing.

Changes in programme design to broaden eligibility criteria since its national roll out were almost universally seen as positive. Enabling JSA claimants to access the NEA from day one was seen as helping to boost referrals and avoid scenarios where claimants were unable to access support, or had to wait to engage with the programme. LAB and Jobcentre Plus staff often felt that eligibility should be extended to other benefit types.

The time-limited support phase prior to submitting business plans for approval was widely seen as appropriate and effective in ensuring that participants focused on establishing their businesses. The ability to extend this period from eight weeks to 12 in certain circumstances was also welcomed. Some Jobcentre Plus and LAB staff felt that this flexibility could be extended to enable this phase to be paused and resumed later where required, though others felt that this would mitigate against the 'motivating' effects of the current arrangements. The ability to continue claiming JSA during the support phase was also important for many of those engaged.

The NEA weekly allowance, payable for up to 26 weeks following business plan approval and the termination of JSA claims, was often seen as a vital part of the NEA design and as being set at a suitable amount. Payments were seen as effective in supporting the transition from claiming JSA to self-employment, though there was some evidence that halving the allowance at 13 weeks was a challenge for some participants. Suggestions for a more gradual tapering of the payments were offered as a result.

The other financial component of NEA, an optional loan for participants, was less universally well received. While it was clearly important for some participants, take up was reported as low due in part to those on the programme being reluctant to get into debt or having alternative sources of finance. The view that interest rates were too high was also common. While there was general support for capping the maximum loan at £1,000, some of those implementing the programme felt that there could be more flexibility in the amount available and in the interest rates charged. Others, however, felt that raising the available amount would be problematic given the potential repayment difficulties that could occur.

3 Delivery approaches and relationships

3.1 Introduction

This chapter focuses on the delivery models and arrangements adopted by Lead Accountable Bodies (LABs), along with their relationship with Jobcentre Plus. It first examines LAB delivery models, including the different approaches taken to the provision of mentoring support. The approach of LABs to recruiting mentors and the support offered to them is then considered, prior to examining the relationship between LABs and Jobcentre Plus in delivering the programme. Key findings from the analysis are then summarised.

3.2 LAB delivery models and approaches

There was notable variation in LAB delivery models across the case study areas visited. This primarily related to the extent to which LABs used volunteer mentors, as per the original New Enterprise Allowance (NEA) policy intent, or whether paid business advisers were employed for all or part of the mentoring/support role. The latter generally had a professional background in delivering business support, while volunteer mentors were often current or retired business people as originally envisioned in the programme's design. Delivery models fell into the following broad categories, with LABs:

- Using paid business advisers from within the LAB for the majority of support.
- Using paid advisers for all support, hence not using volunteer mentors at all.
- Sub-contracting the majority of support to paid advisers in a network of partners.
- Combining business advisers with volunteer mentors in roughly equal measure.
- Primarily using volunteer mentors for the majority of, or all, support.

There was also some variation within these categories. For example, amongst LABs relying primarily on volunteer mentors, some offered additional provision delivered by paid business advisers for specific aspects of support. Typically, these involved more technical aspects of running a business, such as legal and financial requirements, though in some cases workshops based around particular topics such as marketing or networking were offered. Conversely, other LABs using volunteers largely relied on the mentors to offer all support rather than engaging professional business advisers.

Some blurring of the distinctions between paid business advisers and volunteer mentors was also apparent. In some cases, for example, LABs used 'paid mentors' whose background was closer to the 'volunteer mentors' being used elsewhere; that is, they were individuals with current business experience or retirees rather than those with a professional background in delivering business support. A similar crossover in the roles of 'paid advisers' and 'volunteer mentors' was also evident. In general, the latter had more of an encouraging or pastoral role, while the former concentrated on more technical support, though this did vary. Distinctions between the roles of paid business advisers and volunteer mentors were

clearest where both were used as part of a delivery model, the former to offer specialist advice and the latter to offer motivational or pastoral support. Such a model was described in the following terms by one of the LAB manager's consulted:

'... the mentor is there to support and motivate ... while we've got the business advisers doing the day-to-day, on-the-ground sort of things ... sitting down with them [participants] at first meeting, telling them what market research and everything they need to go off and do in order to put into their business plan.'

(LAB manager)

LAB representatives commonly held strong views on the relative advantages of their selected model. Those delivering largely or wholly through paid advisers often felt that issues of quality, accountability and consistency precluded them from depending on volunteers. As the manager of one LAB operating such a model argued:

'Mentors that are voluntary are not as reliable as employed staff, they're not as qualified as employed staff ... I mean, you're putting the company's reputation on the line and we want to make absolutely sure that the service we give is excellent.'

(LAB manager)

Conversely, those using volunteer mentors stressed their experience, independence and that their role could combine well with workshops and other sources of guidance. In these cases, some of those interviewed also referenced the fact that using volunteers as the basis of support was more in line with the programme guidance. Those using a 'combined' model of paid advisers with volunteer mentors argued that this provided a balance and complementarity of skills and roles that would otherwise be unavailable.

Another variation worth briefly highlighting arose in two of the districts visited, wherein LABs relied in part on 'virtual mentoring', with those fulfilling this role being drawn from a national mentor bank in some (though not all) cases. Such mentoring was wholly or largely undertaken by phone or email as opposed to being face-to-face. While it was acknowledged in these instances that difficulty in sourcing mentors locally had influenced the model, it was also argued that the approach offered advantages. These principally related to the enhanced ability to match mentors with experience of particular business sectors with participants. It was also noted that using paid advisers to meet participants face-to-face alongside the virtual mentoring meant that the requirement for such contact was met.

Other variations related to whether, or the degree to which, the lead organisation was delivering in partnership with others. In the main, LABs were undertaking the majority of, or all, delivery themselves with the exception of the volunteer mentors recruited. One LAB, however, was using a network of other organisations to deliver support through paid advisers employed by those organisations. In another district, the LAB was working with a partner organisation to cover a large geographical area. Some LABs also used partner organisations to deliver particular types of support such as workshops on an occasional or ad-hoc basis. In all these cases, advantages to delivering in partnership were cited around offering an expanded or better service, though this was often discussed in general terms rather than specific examples being provided.

Table A.1 Continued

Respondents	Key questions
Lead Accountable Bodies	<ul style="list-style-type: none"> • Was NEA targeted to appropriate individual's/business ideas? • How do LABs source mentors (and ensure that they have appropriate business experience)? • How easy/difficult has it been to find suitable mentors? • Did LABs have sufficient/expected level of referrals? • Is there enough flexibility within the scheme (including the funding model) to enable innovation and provide appropriate levels of support? • Is the scheme well balanced in terms of the sectors involved? • Do mentors use any local partnership work to support delivery of NEA contract? What has worked well with participants • How could the scheme be improved? • How does the contract-based funding model used in the Merseyside pathfinder compare to the grant-based funding model used in the national roll out? • Do LABs use any specific tools to assess business ideas and potential progression of business? • Is there sufficient funding to deliver support for participants, particularly when trading? • From the LABs' perspective, how is the local working relationship with Jobcentre Plus functioning?
Mentors	<ul style="list-style-type: none"> • Was the scheme targeted to appropriate individuals/business ideas? • Did participants have sufficient motivation/skills/experience? • How did participants benefit from the experience? • Were participants willing to learn new skills? • What has their overall experience of NEA been? • Is the NEA is well managed as a whole (LABs/Department for Work and Pensions (DWP)/Jobcentre Plus)? • Is there enough flexibility within the scheme (including the funding model) to enable innovation and provide appropriate levels of support? • Does their LAB sufficiently understand the workings of the scheme? • Do mentors use any local partnership work to support delivery of NEA contract? What has worked well with participants • How could the scheme be improved? • Do mentors use any tools to help participants? E.g. cash-flow or financial budgeting tools etc. • Was the time allowed for participants to build up their business plans while still claiming JSA helpful? Was the period about right or too long/short? • Do mentors use any specific tools to assess business ideas and potential progression of business?
Jobcentre Plus staff	<ul style="list-style-type: none"> • Is NEA a worthwhile scheme? • Does NEA help participants to improve their long-term prospects? • Are NEA LABs/mentors are genuinely interested in helping participants? • Have Jobcentre Plus staff been given enough guidance/information to administer the scheme? • Do Jobcentre Plus staff think NEA participants set up their businesses in the absence of the scheme? • Do Jobcentre Plus staff have a good working relationship with LABs? • Do Jobcentre Plus staff have good/any working relationships with mentors? • Do Jobcentre Plus staff get feedback if a participant is not suitable or fails to complete initial stage of mentoring support? • What examples of good practice exist in terms of working with providers?

- 7 Do you have any views on the eligibility criteria in terms of time required on JSA before referral to NEA and the changes in this (i.e. 6 months to 3 months to day one)?
 - Probe on whether these changes are seen as appropriate and why
- 8 Have you undertaken any specific activity to promote take up of NEA in the district?
 - If so what did this involve?
 - How successful do you feel this has been and why?
- 9 How appropriate is the funding model being used for NEA in terms of LABs being allocated a set maximum number of participant starts? (Explain intent to encourage conversion of participant starts into business start-ups if required)
 - Is this proving sufficiently flexible and why/why not?
 - Is this approach succeeding in incentivising LABs to convert as many participant starts into business start-ups as possible?
- 10 Have any changes been made to the allocation of NEA places in the district?
 - Probe on any changes to increase places on the scheme and why change was made

Part 4: NEA support

- 11 Overall do you have a view on how well NEA support is being delivered to participants?
 - Probe on any issues with different aspects of the scheme – mentoring/LAB/financial support
- 12 [If not covered above] How far to you feel LABs have sourced appropriate mentors for the scheme?
 - Probe on reasons for viewpoint
- 13 Do you feel there is sufficient flexibility in the support provided to participants?
 - Probe on flexibility at all stages of support (pre-approval and once trading has commenced) and what effect this has?
 - Probe on whether funding model in particular allows flexibility
- 14 Do you feel that the NEA scheme has supported participants to start business that have the potential for sustainability and growth?
 - Probe on reasons for viewpoint

Part 5: NEA Participants

- 15 From your perspective how do participants benefit from the scheme?
 - Probe in terms of effects on confidence and specific knowledge to run a successful business
- 16 What contractual targets/obligations do LABs have in terms of participants?
 - How realistic and achievable do you feel these targets are and why?
 - Probe in particular on any issues in achieving the outcome targets in the context of rigid starts profile.

Part 4: Referral onto NEA and relationships with the LAB

- Can you give a broad overview of how the process of referring people onto NEA works?
- What are the main things you consider when deciding whether to refer people onto NEA?
- Have there been any issues with the number of referrals you can make?
- Probe on what the issues are why?
- When making referrals, what contact do you have with the LAB you are referring participants to?
- (If not covered earlier) probe on the process involved – e.g. do advisors talk to LAB about specific participants and their business idea or do they just fill in paperwork/notes on electronic systems and pass this on?
- Do you have any views on the eligibility criteria in terms of time required on JSA before referral to NEA and the changes in this (i.e. 6 months to 3 months to day one)?
- Probe on whether these changes are seen as appropriate and why
- Do you get the sense that LABs are sourcing appropriate mentors to support NEA participants?
- Probe on whether customers have provided any feedback on this/any other reasons for interviewees' perspectives
- Do you have any direct contact with the mentors?
- If so, what does this involve?
- What are your views on the mentors?
- (If no or limited contact) Do you think that additional contact would be useful? How and in what ways?
- Do you get feedback from the LAB if a participant is not suitable or fails to complete the initial stage (i.e. LAB declines business idea or business plan is not approved?)
- Is the feedback useful? How and in what ways?
- What are the typical reasons given for participants not completing this initial stage?
- Has this feedback altered the types of referrals you make? In what ways?
- How well do you feel the relationship between Jobcentre Plus staff and LABs works?
- Are there any issues or challenges that commonly arise or have arisen in terms of this and if so, what are these and how are/were they addressed?
- Are there any things you do that means the relationship works particularly well? If so what are these? (Probe for any good practice examples)
- How could the relationship between Jobcentre Plus staff and LAB staff/mentors be improved?
- Do you share any ideas/good practice relating the NEA scheme with other offices or districts? If so, how and in what ways?
- [If not] – Would this be something that would be useful for the future operation of the NEA?

New Enterprise Allowance: Qualitative evaluation

Part 5: NEA participants

- What feedback have you received from participants about the NEA?
- To what extent do you think that the NEA helps participants to improve their long-term employment prospects?
- Why and in what ways?
- What elements of NEA are particularly valuable? Probe on mentoring, weekly allowance and loan
- To what extent do you think LABs/mentors are genuinely interested in helping participants and why?
- What proportion of NEA participants do you think would have set up their businesses in the absence of the scheme? (Probe for rationale for response and whether they have any specific examples informing this)

Part 6: Overall views

- Are there any ways the scheme could be improved?
- Overall, to what extent do you think NEA is an effective scheme to support business start ups?

THANK INTERVIEWEES

Make arrangements to collect or be sent any locally produced materials.

New Enterprise Allowance: Qualitative evaluation

- How might referral processes and mechanisms be improved?
- Overall how well do you feel the relationship between Jobcentre Plus staff/DWP and yourselves works?
- Are there any issues or challenges that commonly arise or have arisen in terms of this and if so, what are these and how are/were they addressed?
- Any improvements needed?
- [If delivering in partnership with other organisations] How are relationships with other delivery partners functioning as part of delivering the service?
- Probe on any perceived advantages/disadvantages to delivering in partnership along with any challenges faced and how they have been addressed.
- Probe on any perceived advantages for/effects on participants
- In terms of the NEA scheme your organisation delivers, what contractual targets/ obligations do you have in terms of participants?
- How realistic and achievable do you feel these targets are and why?
- How do you monitor the performance of the scheme – e.g. mentors performance?
- Are there any issues raised by having a set maximum starts profile as part of the contract? Probe particularly on any issues in the context of satisfying expectations of the conversion of participant starts into business start-ups in this context.
- Have you requested an increase in the profiled number of starts and why? What was the result of this?

Part 4: Mentoring participants

- How many mentors have you engaged so far?
- In what ways have you sourced mentors for the scheme and how do you assess their suitability?
- Probe on balance sought between mentors with specific business experience versus mentoring/business start up experience and use of voluntary versus paid staff
- Probe for typical background of mentors
- Overall how easy or otherwise has it been to find suitable mentors?
- How are mentors matched to participants?
- Probe to what extent matching is based on experience of mentor and business idea and how – e.g. are there particular processes used for this?
- Is there a process in place if either participants or mentors are unhappy with the match?
- What does this involve?
- Has it been used often and for what reasons?
- Have there been any individuals that have been difficult to match with a mentor and why? What has been done in such instances?
- What support/training is provided to mentors to develop the skills needed to deliver the NEA scheme?

- Probe on what is provided e.g. working with the client group versus business mentoring skills
- How are mentors kept up to date with other initiatives/information?
- Probe on whether mentors are given guidance on other programmes and support available that may be relevant to participants and how this is done
- Probe on the oversight/monitoring of mentors, the frequency and format of any contact

Part 5: Approving business ideas and plans

Approving business ideas

- What support is provided to participants to develop their business idea prior to referral to a mentor?
- Probe on the nature, format and amount of support e.g. meetings, telephone contact etc., workshops
- Probe on any specific tools to help participants – e.g. Cash flow or financial budgeting tools etc.
- What is the process for assessing and approving business ideas?
- Probe on who approves business ideas and how this is done
- [If not covered above] Probe on any specific tools used to assess business ideas and potential progression of business

Developing and approving business plans

- How appropriate is the time period available for participants to develop their business plan?
- Probe on whether period is too long or short and why
- What is the process for assessing and approving business plans?
- [If not covered above] Probe on any specific tools used to assess business ideas and potential progression of business and role played by mentors
- Where a business plan is not approved, what feedback or support is provided to participants?
- What are the typical reasons for non-approval?
- What feedback is given to Jobcentre Plus advisers in these cases?

Part 6: Ongoing support and impacts on participants

- What ongoing support is provided after the participant has started their business?
- Probe on nature, format and timescales of this support and who provides this support – mentor/LAB
- Probe on use of specific tools during this stage of support? E.g. Cash flow or financial budgeting tools etc.
- Probe on whether there is sufficient funding to deliver support for participants

New Enterprise Allowance: Qualitative evaluation

- How does the financial support available in terms of the NEA weekly allowance and loan help participants?
- Probe on whether the level of allowance and loan are sufficient and why
- How much flexibility is there in the support you are able to provide to participants?
- Probe on flexibility at all stages of support (pre-approval and once trading has commenced) and what effect this has
- Probe on whether the funding model in particular allows flexibility
- From your perspective how have participants benefited from involvement with the NEA?
- Probe in terms of degree to which it provides them with confidence and the specific knowledge required to run a successful business
- What proportion of NEA participants do you think would have set up their businesses in the absence of the scheme?

Part 7: Overall Views

- Are there any ways the scheme could be improved?
- Overall to what extent do you think NEA is an effective scheme to support business start ups?

THANK INTERVIEWEE.

Part 4: Mentoring and supporting participants

- How many participants have you mentored so far under the scheme?
- Can you briefly describe the process of being matched to a participant?
 - [If not covered above] Probe on the extent to which matching is based on the experience of the mentor and the business idea
 - Do you feel you have been appropriately matched to a participant/participants?
 - What influence have you had over the matching process?
- What support do you provide to participants to develop their business plan?
 - Probe on the nature, format and frequency of support – e.g. meetings, telephone contact etc.
 - Probe on any specific tools to help participants – e.g. cash flow or financial budgeting tools etc.
 - Is this consistent across all participants?
- How much flexibility is there in the support you are able to provide to participants?
 - Are you able to meet the needs of all participants?
 - Do you refer participants back to the LAB/elsewhere for particular support?
- Is the time period available for participants to develop their business plan while still claiming JSA adequate?
 - Probe on whether period is too long/short/about right and why
- Do you play a role in the process of actually approving business plans as distinct from supporting their development?
 - [If yes] What role do you play in this?
 - What are the typical reasons for business plans not being approved?
- What ongoing support do you provide after the participant has started their business?
 - Probe on the nature, format and timescales of this support.
 - Probe on use of specific tools during this stage of support? E.g. Cashflow or financial budgeting tools etc.
- Do you use any local partners or contacts to help deliver any aspects of the NEA contract?
 - Probe on the nature of this e.g. referral to other business support and what this is
 - Probe on what has worked well with participants and why
- In your view how does the financial support available through the scheme help participants?
 - Probe on whether the level of allowance and loan are sufficient and why

Part 5: Perspectives on scheme targeting and NEA participants

- From your experience, to what extent do you feel the scheme is targeting appropriate individuals?
 - Probe on the reasons for the interviewee's perception
- Equally, to what extent is the scheme being used to support appropriate business ideas?
 - Probe on the reasons for the interviewee's perception
- In your experience do participants have sufficient motivation, skills and experience to be self-employed? Why/why not?
- To what extent were participants willing to learn new skills?
- Overall, to what extent are the business ideas being pursued by participants viable and how far do they have the potential to result in growth?
- In your view what were the main barriers faced by participants to establishing a viable and successful business?
- How would you describe the ways in which participants have benefited from their experience?
 - Probe for example in terms of confidence and specific knowledge to run a successful business
- What in particular do you feel helps to benefit participants?
 - Probe on whether this is the mentoring itself/the weekly allowance/the loan/other and the balance between these aspects
- In general, do you think that NEA participants would have set up their businesses in the absence of the scheme?
 - Probe for specific examples to illustrate the interviewee's perspective

Part 6: Overall views

- What are the main ways in which the scheme could be improved?
- Overall, to what extent do you think NEA is an effective scheme to support business start ups?

THANK INTERVIEWEE.

- 3 Were there any issues faced in joining the scheme initially?
- Probe on any delays around eligibility due to length of time on JSA required and the effects of this
 - Probe on any issues around feasibility of business idea and any delay/wait for referral to LAB
 - Do you feel you received enough information from Jobcentre Plus at this stage to make an informed decision about participating?
- 4 Did the Jobcentre/adviser provide any ongoing support once you were involved with the scheme (i.e. if there were any issues with the mentoring, LAB [enter name] or business plan development stages)?
- What did this involve?
 - [If relevant] Did this help solve any issues that arose with your mentor or with the process of developing a business plan and getting it approved?

Part 4: LAB support, mentoring and developing a business plan

Initial support from LAB and approval of business idea

- 5 What initial support did you get when you were first referred to [insert LAB name]?
- Probe on any initial meetings pre-mentor to assess their business idea or support from staff at LAB [enter name] e.g. workshops
 - Over what time period did you receive this support? Probe on whether LAB support continued once matched with a mentor and what this involved
- 6 Were you allowed to continue to develop your original business idea after this initial period?
- If not, why not?
 - **If business idea declined at initial LAB stage and no mentor match go to Q16 and Q17, then Part 7**

Mentoring and business plan development stage

- 7 What support did you get from your mentor to develop your business plan?
- Probe on the nature, format and frequency of support – e.g. meetings, telephone contact etc.
 - [If disabled customer] Did you receive any additional support to meet your needs? Probe on whether support through the Access to Work programme was offered and what this entailed
 - [If disabled customer and didn't receive support as above] Would any other support have been of benefit to you either in setting up the business or while you have been trading?
 - How easy was it to contact your mentor if you needed support?

New Enterprise Allowance: Qualitative evaluation

- 8 How helpful was the support from the mentor?
- Probe in what ways was it helpful/unhelpful and why?
 - What was the most helpful element of the support from your mentor?
- 9 Do you feel your mentor had the right experience to help with your business plan?
- How and in what ways?
 - How interested was the mentor in your business idea?
 - Probe how this impacted on the participant and the process of developing their business plan
- 10 Did you have any concerns about the support at this stage or later on in the process?
- What were these and did you raise them?
 - Probe on whether issues raised with LAB staff, mentor or Jobcentre Plus adviser and whether/how they were resolved
 - Probe how these impacted on the participant
- 11 What might be improved in terms of mentoring support?
- [For disabled customer] Was there any additional support that would have helped you?
- 12 Did you access any other business support or advice (other than from the mentor) at this stage (e.g. Business Link helpline, other business adviser, local organisations) and why?
- What was this support/advice?
- 13 How helpful was it having time to build up a business plan while still claiming JSA?
- Probe on what ways was it helpful/unhelpful and why?
 - How did you find the time period available to develop your business plan?
 - Probe on whether too long or short and why?
- 14 After receiving the support from the NEA scheme, to what extent did you feel prepared to become self-employed? Why and in what ways?
- (If didn't feel very prepared) Why and what other support or information do you feel you needed?

If not known from screener – Confirm whether business plan approved-

- **If yes – go to Part 5**
- **If no – go to Q15**

If business plan not approved:

- 15 What feedback were you given about your business plan?
- Probe how participant felt about this feedback
- 16 What have you done since this decision?
- Probe – whether continued to claim JSA or found employment

17 Do you plan to start a business in the future?

- Probe on the extent to which participant is still interested in self-employment and any timescales for starting a business

Go to Part 7

Part 5: Starting and running your business

18 After your business plan was approved, did you feel well prepared to start your business?

- Did you feel any pressure to start trading after your plan was approved?

If not known from screener – Confirm current status of business

- **Not yet started – go to Q19**
- **If ongoing – go to Q22**
- **Ceased trading – go to Q28**

Not (yet) started a business

19 Are there any particular reasons why you have not started trading (yet)?

- Probe – whether still in preparation for starting trading or if there has been change in attitude to self-employment since plan approved?
- If still preparing – probe on likely timescales for starting, any barriers faced
- If change in attitude – probe on factors underlying this e.g. changes in circumstances or motivation or external factors e.g. business idea, market

20 Even though you haven't started trading (yet), do you feel you benefited from participating in New Enterprise Allowance?

- Prompt if necessary – improved confidence/self-esteem or new skills in other areas

21 Do you think you know more about what it might take to run a successful business as a result of participating in the scheme?

- If not, why not?
- If yes, probe what they think is required and which element of NEA has helped with this?

Go to Part 6

If business is ongoing

22 How long has your business been trading for?

23 Have you received any support from your mentor since you began your business?

- Probe on the nature, format and timescales of this support.
- In what ways has it been helpful/unhelpful and why? Probe on any particularly helpful elements of mentor support once trading has begun

New Enterprise Allowance: Qualitative evaluation

24 Have you accessed any other support alongside the NEA

- Probe on nature of support and where accessed (e.g. Business Link helpline, other business adviser, local organisations)?

25 Have you been able to grow your business since it started trading?

- Probe on nature and scale of growth?
- If not, why not?

26 Do you feel you know more about what it might take to run a successful business as a result of participating in the NEA scheme?

- If not, why not?
- If yes, probe what they think is required and which element of NEA has helped with this?

27 Have there been any other benefits from participating in the scheme?

- Prompt if necessary – improved confidence/self-esteem

Go to Part 6

If business has ceased trading

28 How long did your business run for?

29 Did you receive any support from your mentor while your business was running?

- Probe on the nature, format and timescales of this support.
- In what ways has it been helpful/unhelpful and why? Probe on any particularly helpful elements of mentor support once trading had begun

30 Why did you stop running your business?

- Probe fully on the reasons for ceasing trading or for hiatus in trading e.g. change in attitude/circumstances/market conditions
- Would any more/different support or information from the New Enterprise Allowance scheme have helped?

31 What have you done since stopping your business?

- Probe – whether reclaimed JSA or found employment

32 Do you plan to (re)start a business in the future?

- Probe – whether still interested in self-employment and timescales for restarting business

33 If you were to (re)start a business do you feel you know more about what it takes to run a successful business as a result of participating in the New Enterprise Allowance scheme?

- If not, why not?
- If yes, probe which element has been a factor in this?

34 Have there been any other benefits from participating in the scheme?

- Prompt if necessary – improved confidence/self-esteem

Go to Part 6

Part 6: Financial support

If not known from screener – confirm if weekly NEA allowance taken up?

- If allowance not taken up, probe on why not Go to Part 7

For those accessing the weekly allowance

35 In what ways has the weekly allowance helped you remain in self-employment?

- Probe on how allowance has been used/invested
- In what ways has it been helpful/unhelpful and why?

36 [if not covered above] What are your views on the level of the allowance?

- Probe why it is felt to be too low/high/about right

Loan

If not known from screener – confirm if loan taken up (If yes) At what point did you apply and why?

- (If not) Why did you not apply for a loan? **Go to Part 7**

37 How did you find the application process for the loan?

- Probe on any issues with completing the application and/or providing the information required
- What might be improved in terms of the application process?

38 Was your loan application successful? (If not probe on what the impact of this has been)

39 [If loan received] In what ways has the loan helped your business?

- Probe on how the loan has been used/invested and the impact of this

40 [if not covered above] What are your views on the level of the loan?

- Probe why it is felt to be too low/high/about right

Part 7: Overall Views

41 Are there any ways that the scheme overall could be improved?

THANK INTERVIEWEE.

