

Freedom of Information request 4616/2012

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Information request

As a former Business Link South East employee working on their 'Enterprise Gateway' project that sought to provide assistance for unemployed and people from disadvantaged communities to move into self employment I was interested to read recently your May 2012 report into the progress that was being made with NEA. In particular I was interested by the significant difference in some regions between the number of clients recorded as NEA Mentor Starts and NEA Weekly Allowance Starts. Also I was wondering if there was any data available to the public about the number of clients who commence down the NEA route but end up back on JSA or moving into salaried employment as their self employment venture failed to deliver the income they had hoped for.

On a different but related matter I note that claimants can't move to NEA until they have been claiming JSA for 26 weeks. Has any research been done to investigate a person's mental capacity to tackle self-employment at this time? I would have thought that if a person was made redundant from a job and had been on JSA for 26 weeks they would have had the stuffing knocked out of them after six months of failed job searching. If they had had any savings or a redundancy package this is likely to have been used up after six months getting by on JSA and other benefits - so limiting severely their ability to finance a start-up.

I think it would be interesting to run a small pilot of **newly** unemployed people and see if because of their mental and financial situation they made more of a success of self-employment than a person who had been out of work for six months.

I would bet money that there would be a very different and much more positive outcome if people were given the opportunity to access NEA much earlier.

DWP response

Referring to the question in the first paragraph, there is currently no information available on the numbers of NEA mentor starts or weekly allowance starts who return to JSA or take up employment. The Department

are currently doing some research into the benefit outcomes of those that start NEA, but this information will not be available until next year.

Referring to the question in the second paragraph, since 22 October 2012, the support offered through the NEA has been available from day one of JSA claim. This change ensures that claimants have access to NEA support at the right time, and reflects feedback we have received from operational staff, claimants and providers. The Department has conducted research into self-employment which can be accessed via the website:

<http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

Access was originally set at 6 months because statistics showed that most people would leave benefit within the first six months of their claim and did not therefore require additional help from Jobcentre Plus. However, once the NEA had been rolled out nationally, feedback we received from a range of sources indicated that earlier access would be more helpful.