Get Bradford Working – from the Shadow to the Sustained Economy

Phase 1: Research Report.

Report submitted to CBMDC Children’s Services, by Barnardo’s and Bradford University School of Management

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CBMDC has identified the most significant recommendations of this report, that we believe will create the biggest impact with the money available. We are looking to align this with the ‘Get Bradford Working’ initiative through our ‘Step Up to Business’ project. ‘Step Up to Business’ will build on the diverse strengths of the local VCS aiming to create long term impact.
Executive Summary

Introduction

The informal economy is notoriously hard to research and put a value on. The best estimates suggest its value could be over £120 billion each year in the UK economy. If harnessed, the informal economy’s potential for boosting local economies and helping more people on the journey to running legitimate businesses is significant. Bradford district, with its growing young population and rich cultural heritage, is well placed to benefit from such a boost.

Conventional enterprise support mechanisms may not be effective in engaging informal working residents, and especially young people, in formal enterprise, particularly in areas where cash-in-hand working is the established norm. The challenge is in understanding how to identify and support young people with enterprising potential, in appropriate ways.

About the study

CBMDC commissioned a short piece of research into young people engaging in informal enterprising activity in the district. The research represents stage 1 in the development of a potential programme of support to young people aged 16-24.

A small research team from Barnardo’s and Bradford University School of Management (BUsOM) were appointed in March 2013. Desk research was conducted to capture current knowledge on the informal economy and lessons from programmes operating elsewhere in the UK. Interviews were conducted with 12 young people, most of whom were classified as Not in Employment Education or Training (NEET). Local stakeholders, including support providers, were consulted. Analysis of existing knowledge, interviews, case studies and outcomes star assessments were all used to develop recommendations, including guiding principles for future programmes.

Findings

Key points from the desk research are:

- There are few, if any, models operating elsewhere that address informal enterprising activity and young people. Initiatives tend to target either young people through enterprise or informal activity (but not for young people). This gap provides an opportunity for Bradford to forge ahead in uncharted waters.

- Evidence suggests that informal enterprising activity occurs within all social groups but its very nature means that the full extent cannot be reliably captured.
Informal enterprising activity often provides a top-up or alternative income source and is usually about survival (‘need not greed’).

- **Individuals who are working informally develop skills and experience** that could be redirected to more positive ends. Enterprise can offer an alternative route out of worklessness and deprivation.

- Enterprise involves risk. Start-ups by young people have higher failure rates than other age groups. **Any interventions must be realistic about failure whilst aiming to maximize chances of success.**

- **Exposure to enterprise role models and engagement with enterprise are beneficial for most young people.** The most successful programmes working with disadvantaged young people have been running a long time and demonstrate a wide range of benefits. Despite the policy emphasis on young enterprise in the UK, start-up rates for young people are low (though rising recently).

- The picture of Bradford in 2013 is still blighted by multiple deprivation and a poor external image. However, signs of improvements to Bradford’s economic, cultural and social conditions suggest the district could become overall an increasingly likely place for enterprise and an entrepreneurial culture.

- There are specific dynamics in NEET rates in Bradford. Within the 16-18 age group, the trend is a reducing rate of NEETs, in line with the national average. The most problematic age group are after age 17 and particularly (though less easy to identify) from the age of 19. The challenges for young people entering the labour market are immense – and self-employment or enterprise will only probably be appropriate for the few.

The key themes and issues emerging from the case studies, outcomes star assessments and discussions with support providers and stakeholders were:

- **Gaps in provision:** Although there is excellent youth and enterprise provision in Bradford, there is no specific mechanism of referral or support for young people who are passionate about doing something in business. The NEET age group is well serviced but there may be a gap below and above that range. Of particular concern, are young people age 19+ in the district.

- **Informal enterprising activity is not a NEET specific issue** in Bradford nor is it connected to ethnicity. Young people engaging in informal enterprising activity appear to be adept at leveraging their social capital. They gain personal satisfaction from successfully applying their job specific skills. They tend to have
short time horizons and limited aspirations. Informal enterprising activity is often in areas and sector with limited potential.

- **There is potential for an enterprise related programme for 16-24 year olds in Bradford.** Many young people are very proud of their place and are generally keen to make a go of things, but often assume that prospects are either elsewhere or for other people. By connecting the future generations to real opportunities that play to Bradford’s economic and cultural strengths, a young people’s enterprise programme could help build the district’s entrepreneurial identity.

- Schools and local organizations seem to be doing a good job of picking up young people with the passion and commitment for enterprise activity (of all ages from 5 up and from all walks of life). **What is missing is a defined young people’s enterprise support mechanism, geared to the needs of young people in the 16-24 age group who are in the very early stages of enterprise idea development.** Youth service providers lack expertise to advise on enterprise and there is no pre-enterprise support to which young people can be referred before, in time, being referred onwards to ‘mainstream’ enterprise support. Such a support mechanism could take different forms: a brokerage role, a training the trainer approach or a new service.

- **As expected, there are big differences in the backgrounds, motivations, aspirations and work readiness of young people** interviewed. A one size fits all approach would not be appropriate. NEETs need individual, specialist support to engage. Some individuals need basic skills training, e.g. literacy.

- An enterprise readiness diagnostic might be helpful. The stories of participants confirmed that working informally does not map necessarily on to enterprising potential. Yet, potential might always come from surprising places. A programme should engaging the widest possible audience but recognize that variations in intervention may be required, even within this small group of NEETs.

**Recommendations and guiding principles**

The research indicates that a young people’s enterprise support programme is lacking to plug the gap between informal and formal enterprise working. Guiding principles for such a programme include:

- avoid conventional classroom based approaches - learning needs to be through action and in real time
- be inspirational, visionary, dynamic and use local role models and local animateurs
• be broad spectrum, not targeting specific sectors of the youth community
• but work closely with existing NEET providers
• be inventive profiling and recruitment to appeal to NEET and other hard to reach youngsters
• be clear about focus and terminology - about engaging young people and NEETs in enterprise or starting a business firstly (specific support for dealing with issues arising from ‘on the side’ or ‘cash in hand working’ case by case).
• build in possibility of failure from the start – entrepreneurship is a journey and enterprise is often particularly short term for this age group.
• opportunities need to be real, connect as far as possible to real, local businesses, in relevant trades or industries.
• as well as resource/sustainability issues, a programme like this has to talk up front about money for participants

Moving forwards

• engage a small, entrepreneurial team to carry out feasibility work and develop a pilot
• run a pilot to build some early ‘wins’ and engage more widely on the back of those successes.
• identify and connect with emerging opportunities in the district sooner rather than later
• connect with existing opportunities nationally also
• connect also with young people in F and HE who might be well placed to help deliver some work ‘on the ground’.

Possible models for programme delivery:

Appropriate models for the delivery of support to YP in the area might include any or all of the options below. This would depend on resources and all would be subject to further feasibility testing. These are presented as Tier 1 (the priority focus for a future programme around NEETs, as determined by the funding source) and Tier 2 (a broader programme that will depend on linkages and leverage with other existing funding streams).

Tier 1 – Priority programme targeting NEET young people in Bradford (to pilot)

• Young People’s Enterprise Broker: an enterprise focused role (or small team) to work on a rotating basis, on the ground, with all relevant youth providers in the pilot area. This role is to bridge the gap between youth provision and enterprise support for this age group (specifically NEETs); to help deliver pre-enterprise development work, which may need significant time. Also to act as a central point of reference for any youth workers, school staff etc wanting to refer a
young person for enterprise support; and to help make connections with any associated support services relevant to the young person. Some responsibility for setting up other elements of the programme, as deemed appropriate.

- **Upskilling Bradford’s Key Workers:** a ‘training the trainers’ approach, building a dedicated network of existing youth/case workers who receive training to deliver enterprise support at the point of need, from within their own organization/catchment. This would be delivered through skilled specialists working with key workers to develop awareness of key aspects around diagnosing ‘enterprise readiness’, enterprise planning and start up, self-employment registration, taxation and income thresholds, benefits etc.

Depending on resources and further research/consultation, the Tier 1 programme might also draw on any of the elements listed below under Tier 2.

**Tier 2 – Broader enterprise readiness programme for young people in Bradford**

- **Junior Enterprise Coaches.** The team of junior enterprise coaches would work on a case by case basis like the existing Enterprise Coaches. These coaches could come from the NEET group and/or could be area based. A programme of training could develop (and ideally accredit) selected exceptional young people in the NEET group across Bradford. This could be based on the model used in the Aspirational Leaders programme to build basic skills, individual careers and business acumen that lead to a snowball effect within communities.

- **Pop Up Enterprise Space**, with 6 months pre-business training as a prerequisite; acting as a short term incubator for young people to set up real businesses on a low risk basis, without the commitment of leases, insurance and other factors that might be a barrier. Vacant council-owned premises could be used but it must be in a location where there is sufficient footfall or market potential.

- **Knowledge Transfer Associate:** to lead programme development, research and design evaluation. Funding may be available through the KTP programme to work with young people’s charities and entrepreneurship experts from the University.
Get Bradford Working – from the Shadow to the Sustained Economy

1. Introduction

Why the interest in the informal economy?

The informal economy (also known as the ‘shadow’, ‘grey’, ‘underground’ and ‘hidden’ economy) is believed to be significant in many countries – and growing (OECD 2002, ILO 2002, Williams 2010). Although informal work is notoriously hard to research, recent studies suggest that the informal or shadow economy in the UK could account for anywhere between 1.6% (ONS) and 16% (SBC) of GNP. Thus, the informal economy could be worth £120-200 billion each year (Chen, cited in SALT 2012, Schneider 2011). Such estimates provide a compelling reason for national and local economies to try and harness informal work.

There are, however, as many difficulties and misconceptions as there are compelling statistics about the informal economy. The evidence base is really only in its infancy and until more is known, localities need to base any strategies or interventions on knowledge of their specific issues and opportunities. It is also important to distinguish which parts of informal activity can be appropriately addressed at the local level.

Various efforts have been made to understand what the informal economy looks like in areas of the UK, and its meaning for local or regional economies. Williams (2010) for example looked at informal activities in an area of Nottinghamshire. Other research has looked at specific aspects of informal working such as: women in the informal economy in Salford (SALT 2012) and the informal economic activity of refugees in London (GLA, Community Links and the Refugee Council).

This study was commissioned by CBMDC to look at the nature of the informal economy in the Bradford district, with a specific focus on young people’s involvement in it. The brief sought an overview of the picture in Bradford, examples of any initiatives elsewhere in the UK and qualitative insights into the experiences/views of some young people aged 16-24 already known to be working cash-in-hand or off-the-books. This was to include NEET young people (not in education, employment or training).

Why young people and enterprise?

There are numerous initiatives engaging young people in enterprise (a few of which are NEET specific) and new and exciting schemes appear frequently. This surge in support is a response to recognition of the problems facing young people generally in the current labour market. Enterprise offers an alternative way into work.
Current policies and initiatives to bolster enterprise among young people include: the StartUp Britain and Business in You campaigns, the StartUp Loans scheme, schemes linking young people with business mentors such as MentorsMe. Long-standing non-government support comes from private and third sector bodies such as the Prince’s Trust, Young Enterprise and Shell LiveWire. Further and higher education institutions also run many programmes aimed at encouraging enterprise, such as Students in Free Enterprise (SIFE) and specialist Young Entrepreneurs Schemes. Beyond that, an encouraging number of ventures are being set up by young people themselves, inspiring and supporting other young people to set up business. One example is MyBnk, a programme to improve financial and entrepreneurial skills in UK schools that was set up by a young entrepreneur.

**MyBnk, London, Cumbria and Tees Valley**

MyBnk is a charity delivering financial and enterprise education to schools and youth organisations. It works with the widest range of young people, including those that conventional education struggles to reach – through financial and enterprise education, the Money Advice Service, a Youth Advisory Panel and policy work. The team is made up of teachers, youth workers and people who have worked in the financial sector. MyBnk also provides enterprise experiences using real money, and trains young people to run their own in-school online saving and lending schemes.

After working in education in Zimbabwe and Brac in Bangladesh, inspired by Grameen Bank microfinance, and with help from fellow entrepreneurs, MyBnk’s founder, Lily Lapenna, set about creating a project that would allow young people in the UK to benefit from the same principles. In 2007 Lily and a group of young people in Tower Hamlets created the first MyBnk-in-a-Box branch. Since then they have reached 45,000 young people in 180 schools and youth organisations, new programmes are being launched and developed, and franchises are going live in the UK. Nearly a third of their work is with vulnerable young people. In four years they have reached around 1,000 young people in 100 youth organisations across London – delivering 1,000 hours of programmes.

(Source: myBnk.org)
The opportunities for young people in enterprise have probably never been better. Many of these opportunities will, however, not seem accessible to those suffering extreme social exclusion or dislocation or those already marginalised from mainstream education or the labour market. The relationship with enterprise varies with people’s backgrounds, places and generation, particularly through normative perceptions. The need to understand how to help young people in Bradford – and NEETs in particular – to pursue enterprise as an acceptable and legitimate path that makes the most of their potential, may be more important now than ever.

The brief for this study was for a qualitative assessment of young people’s engagement with informal enterprising activity. The research was conducted by Barnardo’s and the University in four phases and in consultation with stakeholder organisations.

- desk research and initial discussions with stakeholder organisations
- data collection, data analysis and production of case studies/profiles
- synthesis of the findings from the case studies and desk research
- recommendations for future programme development and evaluation framework

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**Made By Young People, Birmingham**

Made By Young People is a printing company set up by Lee Blake, former Youth Worker for the Local Authority Youth Service. He had been working with Inner City Youth who had all the traits to be entrepreneurs and saw an opportunity to show young people how to make money legally. The majority of staff are young people. As well as printing high quality products such as Tshirts, Hoodies, Banners and Flyers, the team help young people, who might have struggled at school, to be more entrepreneurial. They provide:

- Enterprise Workshops - delivered mainly at Youth Centres, YOI’s, YOTS, Schools & colleges throughout the UK
- Mentoring - group or one to one sessions
- Work Experience – they have given dozens of young people valuable experience in a real business.
- Employment - offering opportunities to young people first
- Help to Start Your Own Business or Social Enterprise - cloning the complete business model and setting it up via Mini Franchising/Licensing.

The Print & Promotions department supplies individuals, companies & organisations with quality print solutions with the added benefit of knowing that by placing their order with Made By Young People they are also helping society.

(Source: mwww.madebyyoungpeople.co.uk)
This report sets out the findings of this research into young people and NEETs engaging in informal enterprising activity and considers the potential for supporting them into enterprise\(^1\). It makes some guiding recommendations for future programme design and further feasibility work. It also suggests some early parameters for evaluating a future programme.

2. Enterprise, young people and the economy in Bradford

As captured in the recently televised series following local entrepreneurs, *Bradford: City of Dreams*, Bradford is a city and district full of rich contrasts. Despite persistent multiple deprivation\(^2\) and the economic crisis, evidence of Bradford’s economic, cultural and social conditions suggest the district could become an increasingly likely place for enterprise and an entrepreneurial culture.

**Enterprise culture is one of the district’s drivers of economic growth.** Self employment in Bradford is increasing year on year, with over 26,000 known self-employed in the 16-64 age range in 2013. In recent years this has accounted for much employment growth, rising by 10,800 in the five years to September 2009. This is a 56% increase, compared to a regional rate of 12.5% and a national rate of 3.2% in the same five year period (State of the District, 2010). In 2010, self-employment rates in Bradford were the third highest in the Leeds City Region. Self-employment is highest in Bradford West, Shipley and Keighley. Despite the growth in self-employment, there was a loss in overall employee jobs (LEA 2012). Forecasts are for this dynamic to continue. Micro-enterprises made up over 81% of Bradford’s business base in 2012, more or less in line with regional and national averages (Business Activity in Bradford 2012).

**Registered business rates are also increasing**, with over 15,000 units in 2013, although levels have not yet returned to pre-recession levels. Business formation rates are higher than national average and greater than all other West Yorkshire areas – but churn is high and survival rates are low. The majority of business units are small, with 83% of business employing ten or less employees. The one-year business survival rate is higher in Bradford than regional averages – the one-year rate improved from 93% in 2004 to 96% in 2008. Survival rates after year 1 are falling with the recession but still higher than the UK average. The three year survival rate is 62% compared to 65% nationally (State of the District 2010).

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\(^1\) There is some overlap between notions of informal work, informal activity, self-employment and micro-enterprise. In many senses, someone working informally ie cleaning regularly for cash in hand, may be considered self-employed or running a business if it is the *failure to register* that classes the activity ‘informal’. This will be particularly the case for cash in hand working among young people. For this reason, these terms are used somewhat interchangeably in this report, although the distinction would be more important elsewhere.

\(^2\) According to the IMD 2010, Bradford ranks 2\(^{nd}\) most deprived district overall in the region and 26\(^{th}\) most deprived nationally (a slight worsening from the 2007 indices). Deprivation is concentrated in and around central Bradford or Keighley. Nearly 1/3\(^{rd}\) of the district population live in those 10% most deprived wards.
The Bradford economy is large and diverse. Bradford’s economy is large at over £8 bn and growing. Retail is the largest industry sector in terms of business units in 2012 and relatively larger than regional or national averages. As depicted in the most recent Economic Quarterly Survey (February 2013), the local economic picture is gradually improving. Industries appear to be performing in line with the rest of the country. Forecasts predict the continuing decline of retail, hospitality, and other sectors apart from banking/financial services and public sector, as elsewhere. Manufacturing is still an important part of the Bradford economy. However, cultural and creative industries are resilient in Bradford, in contrast to the rest of the country (2010). Green industries are also an emerging opportunity.

In terms of population, Bradford has one of the youngest populations of all major cities in Britain and the population is growing (LEA 2012), counter to the general trend. Bradford city has the highest level of under 15s of any city in England and Wales (LEA 2012). Population growth varies across the district, with natural growth occurring in some of the deprived inner city areas (LEA 2012).

Unemployment generally is on its way down. Unemployment rates remain high, constituting almost half of growth in unemployment in the Leeds City Region in 2012. However, in line with national trends, the unemployment rate is falling in Bradford. Benefit claimant rates remain higher than the national average, although the rate of increase is slowing. Unemployment statistics are notoriously unreliable in failing to distinguish between the economically inactive and those out of, but seeking, work. The hidden nature of much activity within these statistics is well known and documented.

Against this backdrop of gradual improvement, however, the picture is perhaps less promising for young people in Bradford.

Young people appear over-represented in the unemployed group locally. Youth JSA claimant rates are higher than the regional and national average and that gap is widening (LEA 2012). In wards that are NEET hotspots, youth claimant rates exceed 40%. It should be noted that statistics do not necessarily differentiate young people who are inactive but not seeking work. Unemployment among the young is a major problem and many young people are experiencing poor or late entries into their working lives. Enterprise offers an alternative route into work.

NEET rates in Bradford are falling, although there is an increase over the 17 and 18 age ranges. This is encouraging when set against the national picture which suggests NEET numbers were rising by almost 2% year-on-year to 2009 (LocalGov.co.uk, August 2009). More recent research suggests that the percentage of NEETs in the North of England is 19%, which is 3% higher than the England average (IPPR North 2012). Bradford is therefore outperforming in reducing NEET rates. Qualification and attainment levels are also improving in the district but remain below regional and national levels.

From 19+, however, NEET rates increase significantly in Bradford relative to the regional and national average. This ‘cliff edge’ is partly explained by the number of
young people dropping out of education; but also by the change in statistical reporting – from NEET data to unemployment statistics, which measure differently. In terms of ethnicity, White and Shared Heritage are currently more likely to be NEET than other ethnic groups.

**Self-employment is also hidden in the NEET data;** until April 2013, any self-employed activity was hidden within employment statistics. Although this has now changed, records show lower rates of self-employed than anecdotal evidence would suggest. Anecdotal evidence points to the levels of self-employment among young people increasing but there are no statistics to substantiate this at the local level.

The challenge for this study therefore was to capture the voice of some young people/NEETs known to be working cash in hand, to understand the main issues facing them and understand what level of support is required to develop their access to enterprise. It would also listen to the views of some of the stakeholders with longstanding experience of working ‘on the ground’ across the district.

### 3. Understanding informal activity

The informal economy is not only a tricky concept to pin down, it is also ‘hard to measure and practically impossible to monitor from a statutory perspective’ (CESI 2006). There are various perspectives on the informal economy, all of which now see the shadow economy as more than just the ‘other side’ or residue of capitalism (Williams 2010). Some theories focus on enterprises and jobs, others on activities and people. The OECD definition of the shadow or informal economy is ‘legal production activities that are concealed from public authorities’ for a variety of reasons (2002). For most purposes, including this research, the definition does not include entities or activities in the ‘black’ or ‘criminal’ economy, which typically would be classed as illegal.

A wide variety of activities come under the informal economy. Informal activity is often understood in terms of three main categories:

- ‘informal wage-workers who are employed by firms and who do all or part of their job undeclared;
- self-employed individuals who operate alone as own-account workers and whose operations are completely or partially informal; and
- informal production by firms who are doing all or part of their business “off the books”’

(Source: Dellot 2012).

**Informal entrepreneurs who are in self-employment and who operate entirely below the radar are widely recognised as the largest category** of informal activity in the UK. Williams and Renooy (2009) suggest that up to 70 per cent of undeclared work occurs in this domain. Since ‘14 per cent of the workforce are now self-employed, the highest
figure ever recorded, and nearly a third of the 5.9 million businesses which are based in people’s homes were set up in the last 2 years alone’ (Dellot 2012 p.15), informal enterprising activity is likely to be substantial.

**Low-skilled and labour-intensive industries are more likely to foster informal activity** – most often cited are construction, home maintenance and repair, catering, care assistance, cleaning and routine housework, hairdressing, child minding, gardening services and mini-cab driving. Low skilled and labour-intensive industries are more likely to match the kind of skills that many individuals on the margins of the labour market will possess. These are also sectors that tend to be over-represented in the Bradford economy, suggesting that informal activity might be prevalent in Bradford.

The most common policy response to the informal economy nowadays is **formalisation** (other approaches being de-regulation, laissez-faire and deterrence/eradication, Williams and Nadin 2013). The main emphasis is on tackling undeclared earnings for taxation reasons and incentivising businesses to register. National initiatives across the world have been documented to show how governments have tried to encourage the transition from informal to formal trading through tax and business registration incentives. Documented examples include: the Crossroads Bank for Social Security, Belgium (deterrence approach) and the On the Spot Firm initiative, Portugal (an enabling compliance approach) (see Williams and Nadin 2013).

**There is broad agreement that there are multiple barriers preventing people from acting on formalisation initiatives.** Some scholars argue that the community building and redistributionist potential of informal enterprise activity is more important than formalisation. Formalisation is often talked about as a journey, for example in the ‘stepping-stone’ model (see Figure 1) of Llane and Barbour (2007). Their model is of a continuum: from informal paid work at one end, to a fully registered business at the other. This model suggests that formalisation is a process, and the journey along the path from the ‘getting by’ phase to the ‘getting ahead’ phase (if it happens) depends on the individual. In an RSA survey of informal workers in 2012, 47% of respondents agreed with the following statement: ‘Engaging in informal trading activity is often a necessary step as part of the journey towards becoming a successful entrepreneur’ (cited in Dellot 2012).

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3 The industry sector SIC codes, under which these most cited sectors sit, make up around 54% of all business units in Bradford (for example: retail, including market and street trading; construction; transport including taxi driving; support services including cleaning and window cleaning; health including caring and childcare; and other services) (ONS 2012). Some of these sectors are forecast to lead employment growth in the district (Regional Economic Forecast for Bradford, April 2013).
Hartlepool Informal Economy Formalisation Pilot

Hartlepool piloted a borough wide initiative. The model used local enterprise providers acting as intermediaries and providing confidential advice to individuals looking to formalise their business activity. Helping clients to address informal activity and set up business was a form of amnesty, allowing informal traders to legitimise their activity without risk of tax liabilities. Enterprise providers were asked to gather information, based on a Question Bank document agreed by HMRC and DWP, which was submitted anonymously, via Business Link Tees Valley to the departments. When determining any ability to repay, the individual Departments would work together to present a coordinated proposal to the enterprise provider, who in turn would make the proposal to the applicant.

The pilot did not achieve good take up for a number of reasons, mainly problems associated with trust:

- issues regarding client confidentiality.
- enterprise agencies felt their clients might be deterred from using their services or exposed to HMRC scrutiny so were reluctant to promote the offer.
- frustration at the lack of information coming forward through the pilot; providing confidential assessments has been successful elsewhere in UK.
- conflict of interest between delivering mainstream business services and brokering the pilot offer/exploring informal practices with potential clients.
- number of commercial risks for providers in probing for signs of informal activity.

The partnership responded by entering into an arrangement with the Citizens Advice Bureau (CAB), which provides independent and impartial advice and is not constricted by conflicts of interest.

Source: Centre for Economic & Social Inclusion 2006

Figure 1: The Stepping Stone Formalisation Process from Community Links

Source: Dellot 2013
In this sense, informal activity is seen as a common – and not necessarily problematic - part of the entrepreneurial journey itself. This may be particularly important for less affluent communities and those facing barriers to formal life generally, including NEETs. Evidence that people’s motivations for working informally are not necessarily an individual choice are discussed below.

**Informal enterprise – challenging some misconceptions**

*Is informal activity concentrated in deprived urban areas?*

**The link between informal activity and low income areas is ambiguous, as insufficient evidence exists to undertake reliable comparisons.** The informal economy is described by some as a ‘myth associated with most communities that have experienced massive economic decline’ (CESI 2006). Copisarow and Barbour (2004) suggest that informal activity is higher in deprived areas. By contrast, Williams (2011) suggests that the informal economy seems to be smaller in deprived areas than affluent areas, but that the majority of entrepreneurs engage at some point, particularly in deprived urban neighbourhoods.

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**Hot Bread Kitchen, East Harlem**

Not just a bakery, the Hot Bread Kitchen (HBK) is a social enterprise that enhances the future for foreign-born women while preserving baking traditions. Through its culinary workforce and business incubation programs, Project Launch and HBK Incubates, HBK aims to increase economic security for foreign-born and low-income women and men by opening access to the billion dollar specialty food industry.

HBK Incubates catalyzes the growth of startup food businesses. By offering licensed commercial kitchen space and business development support, the program offers food businesses the opportunity to grow their first 2 to 3 years without the cost of building and equipping their own commercial kitchen. This helps micro-entrepreneurs and those on low incomes to operate in the formal economy.

To help offset the cost of training and to build esteem in the contribution of immigrants, HBK sells delicious multi-ethnic breads that are inspired by their bakers and the many countries that they come from.

(Source: hotbreadkitchen.org; and Dellot and Thompson 2013)
The idea that most of the population is likely to have some dealings with the informal economy at some point has stronger support. One suggestion is that ‘most people are, to a greater or lesser extent, complicit in creating the demand for an informal economy, whether working or trading within the sector, or commissioning services that are conducted by informal workers and businesses’ (CESI 2006).

Informal economy activity can be seen helping areas where the mainstream economy is failing by:

- providing goods and services that are under-provided by the market
- reconnecting local areas and people with new business and employment opportunities.
- rebuilding communities through bottom up actions and interventions
- keeping jobs, spending and broad economic activity within local economies, benefitting communities and individuals.

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**Homeboy Industries, Los Angeles County**

The Homeboy programme provides job training positions and free social services for formerly gang involved and previously incarcerated men and women. Each client is assigned a Case Manager who helps them set a goal plan. Life at Homeboy begins with work in the maintenance department. Over time, trainees move from maintenance to a vocational skill-building position in one of their six social enterprises (bakery and cafe, food production, merchandise and silkscreen and embroidery), or an administrative position in the program HQ. $4 million of Homeboy Industries’ $14 million turnover comes from commercial activity, with the remainder coming from government contracts ($2 million), foundations and private donors ($8 million).

50 classes are offered each week and more than 400 clients attend the classes every month. Homeboy is also partnered with Learning Works! Charter High School, enrolling 105 students, under age 19.

The Solar Panel Installation Training & Certification Program is for clients who wish to enrol in the Photovoltaic Training program at East Los Angeles Skills Center. Homeboy covers tuition costs and offers additional tutoring to help students pass a national credentialing test, which makes them competitive candidates in the green industry.

(Source: homeboyindustries.org; and Dellot and Thompson 2013)
**Are informal workers immoral and greedy?**

Again, there is contrasting evidence about motivations for informal working. Two UK based surveys support the claim that most people work informally for reasons of ‘need not greed’ (Katungi et al. 2006) but from different perspectives:

Firstly, a survey conducted by RSA (2012) found that of those who had traded informally, the two most popular reasons given for doing so was that ‘they first wanted to see if their business would be viable (64%) and that it gave them the breathing space before they had the capacity to register their business (40%)’. Working informally at first allowed them to sidestep the bureaucracy and high taxes temporarily. In this case, a small minority only said they traded informally to avoid tax on extra income.

By contrast, a study in Salford conducted by Salford City Council et al. (2010), indicated that income was more central in people’s motivations for working informally; low income and debt were stated as the overriding reasons. In this, 43% of those working informally were claiming out-of-work benefits and 18% of JSA claimants said that they had worked informally in the previous year.

This indicates that there is a spectrum of reasons for working off the books - from enterprise ambitions, at one end, to survival at the other.

This has implications for dealing with people acting informally for reasons of need. The general UK public seem to sympathise with people engaging in informal activities as a means of supplementing low incomes (Katungi et al., 2006).

**Does formalising self-employment help marginalised people?**

Self-employment and entrepreneurial promotion have been key policies for tackling worklessness in deprived areas in the UK (Howorth et al., 2009). Llanes and Barbour (2007) suggest that worklessness is especially high among black, Asian and minority ethnic communities in deprived areas. They suggest that lower educational attainment and specific cultural attitudes towards female employment and to the care of children, the elderly and the disabled communities may impact. Self-employment in deprived areas is less than half the average for England (Evans and Syrett 2006). If anything, these figures are likely to be underestimated (SEU, 2004) and a proportion of those ‘officially’ economically inactive or unemployed and receiving benefits might be engaged at the same time in independent informal activities (Llanes and Barbour 2007).
Experts challenge presumptions that certain types of enterprise activity (BME enterprise, social enterprise, informal enterprise) i) are concentrated in deprived neighbourhoods and ii) are key to helping people in those communities out of inequality or worklessness (Jones and Ram 2011, Southern 2011). In many cases, evidence suggests that for certain sections of the community, entering into self-employment is problematic and can lead to exploitation and deepening inequality (MacDonald 1998). Parkinson (2011) explains the complexities of engagement with enterprise in deprived communities, where people weave between a strong positive attachment to place and negative perceptions summed up as ‘no place for business’.

While there is great work going on in developing enterprise skills and aspirations, caution needs to be exercised, particularly when it comes to encouraging young people to formalise their activities, and especially where they are NEETs. Where markets or

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**Women in the informal economy pilot, Salford**

Following a research exercise in 2010 with Salford City Council and local partners, Oxfam commissioned a pilot project in Salford in 2012 to help women living on a low income and involved in the informal economy. Most of the women in this project were working on a self-employed basis. The Seedley & Langworthy Trust (SALT) co-ordinated the project, which ran to the end of June 2012 and brought together a range of local organisations working with women. Through the pilot, three workshops were delivered, exploring possible ways they could be supported to improve their situation.

The workshops aimed to:

- Increase participants’ knowledge of relevant support structures, so they could make informed decisions regarding formalisation and/or self-employment.
- Increase our understanding of barriers faced by women informal workers and ways in which these barriers could be addressed.
- Explore the scope and potential opportunities for women to work together in self-employment/social enterprise.

The first session was delivered by workers from SALT and Oxfam. The other workshops were externally facilitated, with sessions delivered by Salford Welfare Rights Advice Service (Salford City Council), Salford Hundred Venture¹ and an independent facilitator experienced in business planning. Salford Hundred Venture was a third sector organisation offering training and support in enterprise development to Salford residents which has now ceased trading. The project was supported by a steering group made up of representatives from Oxfam, Salford City Council, Salford Community and Voluntary Services (CVS) and SALT.

*Source: SALT 2012*
infrastructure are lacking, as they often are in deprived communities, an ill-thought out enterprise programme could be setting up young people to fail (Southern and Parkinson, 2011).

Aspiring Leaders Programme

Aspiring Leaders is a ground-breaking programme to support young people in Cumbria and North Lancashire to become the community leaders of tomorrow. It is a collaboration between the Francis C. Scott Charitable Trust, University of Cumbria and national charity the Brathay Trust. The programme gives 18 young people from deprived communities the opportunity to develop their skills over a 3 year ‘leadership’ course. The intent behind the programme is a snowballing effect so young people are selected who are especially influential within their communities.

Participants, aged 18-30 years, are nominated by an organization. They are inspirational young people generally with few or no qualifications. Completing the programme results in a Foundation Degree in Professional Practice for Business. The degree programme includes modules on everything from ‘Managing people in Not-for-Profit settings’ to ‘Financing Social and Community Enterprises’.

The programme combines 1 day within University every 6 weeks, at least 4 intensive residential at Brathay Hall every year, meetings with business mentors every 6-8 weeks and on-line research 4 days a week. Participants also benefit from ‘Inspirational Visits’ where they visit projects that are making an outstanding contribution to the sector.

The Francis C. Scott Charitable Trust underwrites all programme costs in return for a 10 year commitment from the partners and business mentors and a high target of young people in jobs.
Measuring local informal activity

There is very limited hard data on informal economies at neighbourhood or local level in the UK; ‘Efforts are well under way to address national level methodologies, but there has not been a similar effort to assess initiatives to quantify the informal economy at the neighbourhood or micro market level’ (Alderslade et al. 2006). What is certain is that the informal economy is not fully represented in official labour market statistics.

Measuring local informal activity at the Local Authority level

Community Links and partners have started developing a research method to analyse informal economic activity at a borough-wide level. Research confirms that the informal economy is a major area of employment in certain local authority areas.

A survey for the London Borough of Haringey found that 23% of survey respondents had been involved in informal sector jobs (Community Links, 2006). Earlier research in North London (Davis, Colgan and Jefferys, 2001) indicated a marginally higher proportion of informal work in the retail sector, with cleaning, childcare, catering and hospitality the other common sectors. Work in these sectors is often low paid, of uncertain hours and periods and paid cash-in-hand.

Another Community Links study in the London Borough of Brent, reported in CLES (2010), suggests that:

- 13% of survey respondents in some of the borough’s most deprived wards had been involved in the informal economy in the previous year.
- 82% of these said they had earned less than £300 the previous week from informal economic activity
- 50% were working in the following sectors: catering and hospitality, cleaning, children and care, and sales
- 25% of those working cash-in-hand considered themselves to be unemployed
- 50% of those who were working cash-in-hand said they would be willing to make the move to formal employment.

Alderslade et al. (2006) reviewed various methods of measuring informal economic activity locally in the US, including surveys, tax auditing, labour market analysis, currency demand analysis, electricity consumption, and neighbourhood proxies. Labour market analysis can work at regional level but is not unproblematic. Research in Los Angeles combined methods to estimate the size of the county’s informal labour market (Joassart-Marcelli and Flaming 2003, cited in Alderslade et al. 2006). They used multiple
datasets to measure the residual between the number of jobs and the number of people working. The research also used U.S. Bureau of Economic Analysis data to compare the number of businesses from a particular industry with the reported number of workers in that particular industry. Where larger, it was inferred that informal workers were present (in Alderslade et al. 2006).

Proxies at the neighbourhood level can be used to estimate the income generated by informal activity missed in census and other mainstream data. Again, the methodology has drawbacks. Alderslade et al. (2006) review the informal economy model by Social Compact in the US, which estimates income not captured by mainstream analyses. Social Compact’s model measures eight proxies (identified through surveys of local residents and interviews with local community development practitioners in Chicago):

- % of households with a total income of less than $30,000
- Ratio of household expenditures over income
- % of households with no banking relationships or credit histories
- % of utility payments made in cash
- The prevalence of check-casher operations per acre in the profiled neighbourhood
- The prevalence of check-casher operations per household in the profiled neighbourhood
- Modeled versus actual housing costs
- % of the neighborhood’s population that is foreign born

Once collected, these eight proxies are then weighted using a points scoring system based on Social Compact’s work in four diverse Chicago neighbourhoods.

Source: Alderslade et al. (2006)

Many approaches rely on qualitative assessments of local issues and support needs. Any figure for the extent of informal activity will always be a best guess. A rough calculation could be made but the range will be very wide: official statistics estimate that the informal economy could be 1.6% of GNP or it could be 16%4. From a pragmatic

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4 Although almost impossible to quantify, indications are that informal activity is prevalent in Bradford:

- From ONS figures for 201-12, it would appear that over 41% of total employment is in the two major group SOC codes that are generally lower skilled and lower skilled sectors are known to have higher incidences of informal working.
- As noted earlier, some of the industry sectors most commonly linked to informal activity sit in SIC codes that together make up over 50% of Bradford’s business units (ONS 2012); those sectors are also forecast to lead employment growth in the district.
- The concentration of employment in those sectors in terms of number of jobs by sector, appear roughly to be concentrated in Bradford City, followed by Airedale (incl Keighley) and South Bradford. As these are the areas with the most industry of any sort this is not surprising.

Note that these statistics do not capture unrecorded or undeclared activity. Very broadly, however, the concentration of informal activity likely sectors appears to map loosely on to the same areas that feature highest deprivation, unemployment and NEET figures.
perspective, even if a reliable measure could be taken, no initiative will be setting out on the probably unachievable task of tackling all informal activity.

4. Young people in the economy

Young people and youth (un)employment

Catch22 (2012) set out a number of issues for young people accessing the labour market:

- decline in traditional industries and growth in the knowledge economy, raising the level of required qualifications for the labour market
- youth unemployment rate increased well before the recession and then rose from 14.7 per cent in the first quarter of 2007 to 21.9 per cent in the first quarter of 2012.
- shift to a flexible labour market means jobs available to marginalised groups are increasingly insecure and short-term

Researchers suggest we are now in a post full-employment society, in which high levels of unemployment are a necessary evil. Youth unemployment is so high that young people from a wide range of family backgrounds, skills and abilities will be experiencing worklessness. The reality is harsh. More than a third of unemployed young people (34 %) feel isolated all or most of the time, increasing to 45% of those who have been out of work for a year or longer (source: GovToday, 13 June 2012).

NEETs are of course a heterogeneous group. Yates and Payne (2006, in Denny et al. 2010) defined three potential NEET subgroups:

(1) “transitional” i.e. those who are temporarily NEET due to individual circumstances but who quickly re-engage with employment, education or training;
(2) “young parents” i.e. those who are young parents and make a conscious decision to disengage with employment, education or training in order to look after their children and
(3) “complicated” i.e. those young people who are NEET and who also exhibit a number of “risks” in their lives that contribute to them being NEET, for example, being homeless, engaging in criminal behaviour, having emotional/behavioural problems (Yates and Payne. 2006).

Source: Denny et al. 2010.

The Engaging Youth enquiry in 2007 found that:

- NEETs’ aspirations are similar to other young people;
- NEETs see their problems more as a result of authority than the curriculum per se;
- most NEETs want to work rather than go into education.
The latter point is supported by Community Links research (2010) which found that all of the young people they interviewed were ‘actively seeking work and in nearly all cases, when asked about their aspirations, work and a career took centre stage.’ Evidence suggests that NEET young people share the same pride in achievement and share the same goals as others in wanting to work, get on and fit in.

Within the NEETs group, there are nevertheless very different needs in terms of training and education – from appropriate work experience to basic education and social skills. Aspirations to engage in work or enterprise activity might be tempered by associated problems such as substance misuse, criminal/anti-social behaviour or having dependents at a young age. These issues are often normalised by young people, partly due to the normative environment around them. These issues can be real and significant barriers to engaging in any mainstream activity and therefore support for NEETs is delivered on a case by case basis.

**Enterprise and young people/NEETs**

As noted, governments are encouraging young people to become more entrepreneurial (Matlay 2008), especially young people classified as NEET. This has led to a rise in the number of enterprise skills programmes aimed at the young (Matlay 2008), some of which are targeted at NEETs. This appears to be having an impact. Analysis of GEM survey data suggest 5-7% of 18 to 29 year olds in the UK are now either nascent or new entrepreneurs (Hart et al. 2012, cited in Dellot and Thompson 2013). Entrepreneurial activity among young people appears to have risen sharply since 2010 possibly because of lack of employment opportunities (see figure 2 below). The number of NEETS engaging in enterprise is not known.

A study of the Prince's Trust business start-up programme in 2001 found that 68 per cent of the businesses studied had survived beyond the first year. It also found that 74 per cent of those who had ceased trading found the experience of running their own business a positive and useful one (ERBEDU 2001). Young people who have undertaken entrepreneurship have a better chance of entering the labour market, even if their business or self-employment activity fails (Kellard et al. 1998).

According to Dellot and Thompson (2013), young enterprise in the UK faces two main challenges:

- only a minority of the young people expressing a desire to start a business take it forward (9.5 percent of 18–24 year olds say they intend to start a business, only 3.6 percent do so).
- drop-out rates at the early stage of business creation are high for 18 – 29 year olds (in 2010, 35 % ceased trading within one year, much higher than older age groups).
There are risks in encouraging young people into enterprise, particularly the less advantaged. Raising expectations and setting young people up to fail is a major concern for youth support organisations (Infed 2002). Short-termism and the ‘self-exploitation’ of self-employment are concerns highlighted by a study of young enterprise in Teesside (Infed 2002, MacDonald 1998). Moreover, the types of enterprises set up by young people are often typical of the local economy and therefore likely to be marginal.

Nevertheless, enterprise remains a growing activity among schools and youth work organisations. The potential of young enterprise for alternative learning, personal and career development and routes into work is significant. Managing the risks is a central occupation of any initiative working with young people of any background.

**Young People and attitudes to enterprise and informal work**

Research has shown that most young people do not relate becoming an entrepreneur to their own futures (Athayde 2009, Harding and Bosma 2006). Recent research by the Carnegie Foundation showed that almost 60% of young people interviewed could name famous entrepreneurs from popular TV shows but only a very few knew of any local business people (see Dellot and Thompson 2013). Identifying local, young business people who can share their experiences is an important part of engaging young people with the prospect of enterprise.
The importance of local young role models in changing attitudes is central in the recommendations from this report. Local role models can help to divert young people’s images of entrepreneurs away from these celebrated entrepreneurs. Many NEETs will have grown up in an environment that lacks the norms that might inspire people to set up a business, e.g. friends and family members in business or family members backing each other’s businesses. Moreover, serious issues that create real barriers to enterprise are often ‘normalised’, as noted above. Contact with real local role models could help change the normative world for some NEETs.

Supporting unemployed graduates into enterprise, London Borough of Barnet

The London Borough of Barnet is planning a £100k series of initiatives to support unemployed graduates and encourage a greater number of young entrepreneurs. The programme sits under a £1m package of targeted, time-limited support in 2012-13, to support 16 – 24 year olds into employment, including NEETs. It forms part of the Barnet Skills, Employment and Enterprise Action Plan 2012 – 2015.

Developing the enterprise offer to young people aims to ensure self-employment is seen as a viable employment option and will foster economic development within the borough.

• Graduate support – funding to develop graduate employability support through workshops, 1-1 guidance, a graduate job club and coaching

• Enterprise training and support – funding to deliver enterprise training and offer ongoing support

• Young entrepreneurs mentoring scheme – developing a Barnet mentoring scheme which matches young entrepreneurs with successful business people in the borough

• ‘Business Angels’ – developing a scheme to identify and encourage local businesses to become ‘Business Angels’ through wider mentoring support.

This option will also develop relationships and networks with local businesses to enhance employment and skills programmes for the wider benefit of Barnet residents.
Evidence suggests that entrepreneurs, far from the heroic image of those famous entrepreneurs on TV, are often under-qualified, did not fit in at school and many suffer disorders such as dyslexia or ADD. Many entrepreneurs also find the idea of working for themselves not only more appealing than working for an employer but, importantly, less risky because they are in charge of their own destiny. Many NEET young people might display some features of this profile and relate to real entrepreneurs. Promoting self-employment or enterprise might be an important fourth option to education, employment or training.

Access to basic information is also key in educating young people about enterprise- and about doing things legitimately. Knowledge about income tax thresholds, business accounts or how earnings affect benefits might be beneficial for young people who could be financially better off by formalising their enterprise activity. The challenge for enterprise training is in engaging disengaged young people who may have a mistrust of authority and be intimidated by educational institutions.

**Barnet Youth Business Incubator (BaYBI)**

The Barnet Youth Business Incubator was established in 2012 by Novo Solutions, a charitable Trust, as the result of a collaboration between London church Jesus House, youth-led charity Elevation Networks and Barnet Council. BaYBI is a nurturing centre that enhances entrepreneurial talent in young people living in Barnet. It assists NEETs with a business idea, product or service. The aim is to accelerate the emergence of physical or virtual businesses owned and run by young people by offering extensive support and practical advice. The incubator provides:

- free hot-desking Space, with fully equipped desks and multimedia suite with headsets for e-training or conference calls
- call answering service and free wi-fi
- seminars and workshops providing business support
- Access to: fully equipped Training Suite, business library, a business mentor from church volunteers and other pools
- Stand-alone offices are available to rent at reasonable prices (free to local qualifying NEETs)

Many of these services are free for the first six months after being accepted into the Business Incubation programme.

The Centre Manager is an ex-NEET. Early on they had budding entrepreneurs wanting to set up businesses such as a web design consultancy, a music studio, a hair dressing salon, an employment agency and a leaflet distribution company. BaYBI is looking to attract up to 100 young people in its first year and expects to see at least 20 of them set up profitable businesses.

Source: [www.baybi.org.uk](http://www.baybi.org.uk) (accessed May 2013)
The Trade School educational project was developed through a federal-provincial partnership and piloted in New Brunswick and British Columbia. It taught business skills to students in the construction and renovation industry, where ‘working on the side’ was thought to be common. Students were informed on tax credits, financial discounts such as the tradesperson’s deduction for tools, apprenticeship incentive grants and the apprenticeship completion grant. A website, www.tradelinks.ca, was created with links to career opportunities, bookkeeping, employee rights and employer responsibilities.

The pilot showed good results overall. However, it demonstrates interesting reactions to the underground economy at a very pragmatic level:

Very few students said they would click on the links related to the underground economy (UE). Participants did notice the links, so lack of visibility was not the issue. *Too many or overt UE references suggested the primary aim was to convey anti-UE messages.*

_Virtually all of the students viewed doing “side jobs” as acceptable._ Indeed a few explicitly said they did such jobs. The instructors concurred that this is commonplace.

_Most did not click on the UE links because they expected they would be told that cash jobs are bad for society/economy and were not interested in reading this._

_When they looked more closely, the majority of participants identified UE-related content that they felt is useful, i.e. the consequences of getting caught, and of getting hurt while working informally._

Several principles emerged for engaging young people on informal economy content:

- **Make it personally relevant:** Most of the participants did not want to read general arguments about why the underground economy is bad for Canadian society.
- **Don’t be preachy:** Do not portray anyone doing any cash jobs as a bad person, basically because virtually none of the participants viewed tradespeople doing side jobs as “bad people.”
- **Try to frame the information positively:** Quite a few participants suggested framing the UE information in a more positive way, by also pointing out the advantages of doing jobs legitimately. Demonstrate by example how easily the tax aspects of doing a job legitimately can be handled.
- **Place the information in a relevant context that people are interested in for other reasons.**

*Source: www.tradelinks.ca*
5. Support for young people and NEETs in the Bradford district

There is a wide variety of activity supporting young people and businesses across the district, much of which is long standing and delivering well evidenced outputs and impact. As might be expected, services provided by local stakeholder organisations seem to be located predominantly in either youth services or enterprise support, with fewer providers having formal responsibilities spanning both areas. The Appendix lists a large number of these to give a flavour of the current provision.

Currently youth provision is considered to be good for this age range – consisting of: EFA Foundation Learning (soon to be Study Programmes), 16-18 Apprenticeships, Youth Contract and ESF NEET provision – all aimed at 16-17 year olds as a clear ‘target’ group. The Raising of the Participation Age coming into force in UK schools this year will also impact provision to 17 year olds. In Bradford, the youth provision is delivering results in terms of lowering NEET rates for 16-18 year olds particularly. There are highly successful, long established grass roots organisations delivering support to some of the hardest to reach young people in the district. As anywhere, there are issues around joined up working and a cliquey infrastructure, mainly driven by non-local issues like the competitive funding environment and nature of public sector commissioning.

Enterprise provision is also strong in the district, with multiple support and network initiatives delivering successes. However, provision tends to be broadly split between provision aimed at the general population (mostly delivered in deprived areas and in target communities) and young enterprise activities aimed at young people generally and delivered through schools related programmes. Some of the latter are linked to the curriculum as noted above.

The tables in the appendix capture the main local providers identified by this brief research, categorised under employability and enterprise support. The mapping provided in these tables is likely to be constantly changing and incomplete at this stage. Any gaps could be filled in as future research into the programme develops.

There is encouraging evidence that some providers are linking youth work with enterprise support and guidance, on an ad hoc and case by case basis. This is an asset that can be built on and is central to the guiding recommendations of this report.

It is known that many schools across the district are actively engaged in enterprise activities with young people. It was not in the remit of this research to map school provision but enterprise education and school enterprise delivery is an important and prominent theme within the recommendations for a future programme.

Not surprisingly, there are no organisations in Bradford expressly working, at a strategic level, with young people on issues around informal working or informal enterprise activity, other than possibly the Prince’s Trust. This is the reason for this
research, which has sought to understand if there is a need for a future programme around young people and informal activity. If there is a need, the research tried to gauge whether a new service delivery model would be appropriate, or joined up activities working through the existing provision.

Life Space Mentoring, Warwickshire

Enterprise mentoring initiatives for local young people in Key Stages 4 or 5 (age 14-19) and wanting to move on and into work. The scheme has three individual elements:

(1) **Structured interview skills** for Secondary School years 10 & 11 (age 14-16) delivered by trained Enterprise Mentors (local business people);

(2) **Mentoring support** for those at risk of becoming, or already ‘NEET’ aged 16-19; trained mentors work with young people from ‘where they are’ and assist in dealing with background issues (e.g. sleep, motivation, routines) as well as creating access to jobs, courses, apprenticeships, Prince’s Trust schemes etc.

(3) **Enterprise opportunities** for young people either excluded from or finished with mainstream education. They may be on the NEET Register with CSWP Ltd’, aged 16-19. Lifespace works with local business owners to create employment opportunities. In some cases this also leads to completing relevant Level 2 accredited units with the Institute of Leadership & Management (ILM) regarding enterprise and work.

<table>
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<tr>
<th>Element</th>
<th>Age 14</th>
<th>Age 15</th>
<th>Age 16</th>
<th>Age 17</th>
<th>Age 18</th>
<th>Age 19</th>
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</thead>
<tbody>
<tr>
<td>Interview Skills</td>
<td>Delivered in school to Key Stage 4</td>
<td>As part of individual Mentoring support</td>
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<tr>
<td>Mentoring NEETs</td>
<td>N/A</td>
<td>For those in year 11 or out of school / seeking College or work / on NEET Register</td>
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<tr>
<td>Enterprise Opps</td>
<td>N/A</td>
<td>For those excluded from or finished with mainstream education</td>
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There is a cost per day of provision for the school for the interviews element. Access to the rest of the support depends on external funding being available.

Source: www.lifespace.org.uk
**Raise the Youth Foundation, Bolton**

A social enterprise based in Bolton, Raise the Youth Foundation works with 13 to 24-year-olds, providing education, training, work experience, apprenticeships and job placement through ventures including gardening and tree surgery, painting and decorating and web/graphic design. The Foundation couples this with support for young entrepreneurs and one-to-one mentoring for gang-involved young people linked to employment opportunities within the social enterprises.

**Community Space Challenge micro-enterprises**

Based in existing youth projects and developed with support from the Aldridge Foundation, these 4 micro-enterprises are focused on supporting young people to develop viable environmental businesses in areas including food growing, grounds maintenance, graffiti removal, maintenance and repairs.

Source: Dellot and Thompson 2013
6. Thoughts and issues from local stakeholder organisations

As part of the desk research, the researchers spoke to a number of stakeholders with current or previous experience of working with either young people or enterprise support in the district. Some meetings were face to face, others over the telephone. In total we consulted four stakeholders delivering services in the district and six representatives in the local authority and university involved with enterprise or NEET provision. A further three local stakeholder organisations were contacted and were emailed some questions on request. Schools and colleges were not included in the stakeholder list due to the limited timescale but clearly it is important to engage them in future scoping/feasibility research.

The main thoughts and issues emerging from those conversations are set out below:

**Provision**

Overall, there is good support from youth service providers in the district, although many of the usual issues arose such as: there is need for more joined up working; the infrastructure can be a bit ‘cliquey’.

There is little strategic relationship between enterprise and youth providers in the district. The enterprise coaches for example have limited contact with youth services and do not see referrals coming from them. There is believed to be clear potential for a targeted programme to bridge this. The schools seem to be the most common link for most stakeholders.

Schools are central to the delivery of a future programme and also to identifying individual young people with enterprising potential. Many organizations feel they have very good relationships with primary and secondary schools, sometimes in specific areas, and that certain schools are very proactive, sometimes where there is no specific remit for them.

The perceived role of HE and FE is slightly less clear. This is not surprising as the emphasis is on the under 18 age group for most local providers. Joint working around enterprise has been good in the past and there is a sense that students could be involved in delivery somehow.

Interestingly, the consensus seems to be that the minority of young people that are working informally and have enterprising potential are already being spotted by the appropriate local organizations (including schools). There is not an issue in the supply of young people.

Instead, the main gap identified is in the brokerage between enterprise interest among young people and taking action. Stakeholders feel there is no mechanism for referring young people onto for real enterprise support in the area, certainly under 18. A future programme could develop a fit for purpose mechanism.

The biggest gaps in direct provision are in the under NEET age and 19+. Also self-employment is not often talked about but could be a ‘fourth option’ particularly for this age group.
There is some hesitance among stakeholders to engage too far in enterprise support, from a lack of understanding of any legal or ethical risks to the young person or their own organization.

Referral models generally work well.

Provision needs to understand and take account of generational and family issues.

Developing capacity in NEETs is a long, slow process with multiple issues but providers should not assume that young people don’t have the passion or potential to commit to more than humdrum businesses or working illegally.

**Programme design**

Longevity of funding and lack of sustainability is a real and ongoing problem. Organisations are tired of initiative after initiative reinventing the wheel. Any programme that is developed must be sustainable from the outset so that lasting impacts can be achieved.

**Bradford has assets that are working well and should be built on in any future programme.** The Market Challenge in particular stood out in stakeholder’s views of a scheme that engages widely and delivers good impacts. The 12 enterprise coaches are also widely considered to be a strong asset in enterprise provision.

Bradford has other untapped assets, some to do with the district’s cultural base, some to do with initiatives and infrastructure. The general mood seemed to be that a programme engaging the right young people in relevant industries could really help ‘put Bradford on the map’. And the timing is right for that.

Various things on the horizon are considered to be excellent enterprise-related opportunities that should be exploited by any future programme. ICE, 3E and the new re:centre are at one end of the spectrum. At the other are more local initiatives and individuals that the programme should connect with.

Most contacts could name at least one person who has strong connections with the youth community in Bradford, outside of the conventional youth provision. Some are in business in some form, others simply dedicated to engaging and supporting young people. These individuals and their networks could be an important asset in future and some could be good role models.

There is no clear consensus around whether to concentrate on NEET hotspots or other spatial target areas in terms of piloting a future programme, or cover the whole district.

There is also no consensus whether the programme should focus on key themes/industries or take a more inclusive approach to enterprise generally.

Some stakeholders already hold funds, equipment etc on behalf of young people who have won enterprise related awards, and would be happy to work with a new programme on such as basis.

There is little visibility at present across all of the great things being delivered in terms of young people and enterprise. A single point where any successes in the district could be seen – a successful award from UnLtd to a young person for instance - would be useful in raising profile, understanding and engagement all round.
Any locations used beyond the existing provider settings need to be very informal and ‘not posh’. This alone can be a major barrier to Young People who can tend to be parochial and territorial, therefore travelling outside their immediate area can present difficulties.

7. The Voice of NEET Young People in Bradford

Interviewees were identified by Barnardo’s and other local organisations who already had developed a relationship of trust with the young person. Trust was forefront because of potential problems with asking interviewees to discuss undeclared earnings or activities that might jeopardise benefit claims, for example. Interviewees were briefed beforehand about the research and use of the data by the organisation and assured that their identities would be protected and any sensitive material would not be used. All names have therefore been changed for the case studies.

<table>
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<tr>
<th>Young People interviewed</th>
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<tr>
<td>Name (alias)</td>
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<tr>
<td>Anna</td>
</tr>
<tr>
<td>Baz</td>
</tr>
<tr>
<td>Casey</td>
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<tr>
<td>Darlene</td>
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<td>Ed</td>
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<td>Finn</td>
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<td>Gabi</td>
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<td>Imran</td>
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<tr>
<td>Joe</td>
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<td>Kellie</td>
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<td>Loz</td>
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A total of 12 interviews were conducted, lasting 30-60 minutes each. The recorded interviews were not transcribed but listened to repeatedly before the researcher from Barnardo’s developed five case studies.

In addition, each interviewee was asked to plot themselves on a work start assessment tool. This tool was the closest to an enterprise readiness star; ideas for the development of a specific enterprise readiness diagnostic are provided in the final section.
About the participants

- The group is made up of five women and seven men.
- One participant was of Black Caribbean origin, three were of Asian British origin and eight were of White British origin. Eight of the sample classed themselves as NEET – two of the other four are in full time education (aged 16 and 19) and this is presumed to be the case for the remaining two. Ages ranged from 16-22.
- 10 of the participants stated that they were currently working ‘on the side’ or ‘cash in hand’. Of the other two, one is in full time education, the other on a foundation learning programme and both have worked informally in the past.
- Three had been involved in substance use. Two of these are known to be in full time education now.
- Only one participant lives independently. Five participants have dependents.
- Seven confirmed they had a record of offending or ASB.
- Six had experienced some disruption in their education.

The purpose was not to be representative in any way but to capture the voice of a group of young people/NEETs. Nevertheless, the composition of the group is felt to be broadly reflective of the target group for the programme.

Findings

Outcomes star assessments

Overall, the young people see themselves as motivated but lacking basic skills and job search skills. In contrast, job specific skills receive the second highest rating across the group. Social skills are also quite high across the group.

Job specific skills - all of the young people involved in informal enterprising activity scored themselves highly on job specific skills i.e. hairdressing, mechanics, sales. The young people with these skills also demonstrated high levels of pride in their skills, and this loosely correlated with a desire to 'work' and a pride in doing so.

Basic skills - an area that nearly all the young people required additional support with. This was particularly key when asked about keeping records and finances.

Job search skills - all young people felt that they needed support in finding work, and advice to support the development of their business. Many believed that they might need equipment or resources but were quite vague about anything specific.

Aspiration and Motivation is relatively high amongst the young people interviewed and this was also established in the interviews and case studies that were undertaken. The
key to service development is how agencies can capitalise this highly scoring area and redirect it into further developing entrepreneurship skills

All these findings are consistent with evidence from elsewhere. Most young people are keen to get on and want to work. A lack of basic skills is the main barrier for NEETs.

Drilling further down, it is interesting that only one of participants scored themselves low on every count (Imran, aged 19) indicating lack of ‘work readiness’. And, only one participant scored themselves consistently high across all seven counts (Anna, aged 17) indicating high ‘work readiness’. Imran’s case study indicates that he has very low aspirations in terms of developing a business in future, comes from a history in selling drugs and talks of himself as a product of his locality. Anna’s case study reveals that she has been working on the side hairdressing while living at home to create her own income for herself and child— and might be more work than enterprise ready.

Otherwise there is little sign of any pattern, with high and low scores randomly distributed across the participants.

Together this all indicates that:

- There are a range of motivations, aspirations and support needs even within this small group of interviewees. No single or uniform approach will apply to them all.
- All seem to be at different points in their lives but most are likely to be or have been involved in some form of activity that demonstrates an element of resourcefulness, risktaking and independence, even if in an informal or even illegal capacity.
- At the same time, many are probably facing issues that could present serious barriers to engaging with formal enterprise or self-employment; these need joined up support if the young person is to explore enterprise options.
- There is also a spectrum of potential – most of these young people are probably at the extreme end in terms of enterprise readiness. That does not mean, however, that they do not have enterprising potential, and certainly not that self-employment should be discounted as a fourth route to a more positive future. Dedicated support will be required.

Themes from the case studies

Building Motivation

- Most of the young people are desperate to make money and the lengths they would go to are striking from their stories. A sense of pride and desire to be seen to be working is a recurring theme that could be capitalised upon in any service development and would be critical to promoting change.
• Others require more confidence and aspiration building work. This needs to be realistic, setting realistic goals and ensuring that young people have an awareness of all the options open to them, in their position. Access to ongoing support and advice is central in this.
• Some have motivation to make money but lack the tools and guidance. Money could be a strong incentive to change in young people generally and act as an on-going motivating factor, particularly among the NEET group. However, stakeholders warn against providing monetary support. Creative provision of resources could remove the early barriers to business start-up.

Finn, aged 17, living at home.

Finn struggled at school with learning and played up because he didn’t get the help he needed. He has been NEET on and off since leaving school. He has had short spells of training, but hasn’t sustained any of these courses. He and his girlfriend were expecting a baby and he was proud of providing for them through his money making “enterprises”.

He does scrapping with a friend and his dad comes occasionally. He got into it through his dad: ‘when we cleared our garden of scrap metal, an old cooker etc. We got £130 for nothing so I started going around people’s houses, I always ask, I’m not someone who robs it, I’d never do that”. He enjoys it because its free money, they go out once a week.

Finn also buys and sells bikes. He is a good mechanic and can do bikes up that other people throw away or can’t mend. Again he is very careful to point out he doesn’t steal them. “I get offered them from mates; first thing I ask, is it robbed? Then I’ll go and ask their Dad the same thing and if he says no he’s had it for ages then I buy it. I’ll even buy from a shop if I think I can do it up, add extra speed, clutch like and make a profit”.

He aspires to be a mechanic and has just applied for an apprenticeship after applying for around 17 jobs. He feels he never gets an interview as they think he is not smart enough and he has little hope of getting a job in the future. He said “I’d love my own business, always wanted one, I’ve always said it. I don’t know what would help, I’d need to find out about it, guess I’d need a van”. He knew he would also need money to get started and someone to help him understand how “it all worked”.

Finn can see that there may be legitimate more formal ways he can do what he loves and get paid for it. He has a clear sense of what he and his peers would see as legitimate work and this is important. His motivations are to be “useful”, “earn the money”, “get off my arse”, “feel like I’m doing something “ and “be active”. 
Confidence building

- Confidence building is required for some young people in their abilities to deal effectively with responsibility. Most would benefit from ongoing one to one mentor/support to assist in providing motivation, confidence and ability to work through problems as they arise.
- Young people’s aspirations can be built to include the possibility of actually running their own business. General work to support young people with reviewing options and plans would be beneficial.

Gabi, aged 21, living at home.

Gabi is a quiet young man who can struggle socially. He has done a small amount of cash in hand work and it has “come to him” rather than him seeking it. He had a friend working in a shop who asked Gabi when he was about 17 to come in and work occasionally when they were busy. “I got about £5 an hour. It was alright getting that money. I actually felt like I was doing something. It was important to me that I actually worked for the money”. It ended when his friend stopped working there.

Gabi didn’t feel he needed the money to live, just to give him access to activities. “The income meant that I could go out and hang out with my friends, go to the cinema, go to town”. “I guess that it wasn’t secure was the downside”.

He currently helps his Uncle who runs an “odd job” business doing handyman work around people’s houses. This is only occasional work. He enjoys the extra cash for activities but doesn’t want to do this work in the longer term.

Gabi is very focussed on his career objective to be a mechanic, and he is hoping his volunteer work will provide him with the experience to do this as a full time job.

Gabi has been through a social enterprise project start up and has experienced key aspects of setting up a bike workshop and business.

Changing attitudes

- Significant work would be required to shift attitudes about how participants view and experience their work on the side. Life changes such as becoming a first time parent have changed the emphasis for some.
- Helping young people to focus on expanding the more legitimate aspects of their work may be key. For many young people, taking on what can seem to be an enormous responsibility requires a change in mindset and will be central to any service support.
• Peer groups and the need to “fit in” have a big impact on young peoples’ decisions. Appropriate role models would be critical in attempting to establish business start-up as an achievable and relevant option.

Hana, aged 16, living at home
Hana started selling drugs at approx 13 years of age (3 years ago) and made around £800 per month over a 4 month period. She has a sibling in prison, has a history of going missing and is working with other agencies around risk of child sexual exploitation. Hana was introduced to the drugs game by a female friend who is 10 years older and had a professional day job. Her older friend “looked after me and I had a choice of what I wanted to do”.

Hana saw the money and trappings her friend had and looked up to them as a role model. She wasn’t bothered about consequences or getting caught. Overall the young person is largely unaware of the consequences of the illegality of her ‘work on the side’ and this feels more like youthful bravado.

Hana sees the proceeds from her trade as ‘dirty money’ that is kept separate from family (religious reasons). But she enjoyed the “buzz” earning money and learnt a lot about life and not getting caught. Her motivations were to be part of the gang and earn some money. She feels education is important and still uses her older friend as a role model, who she referred to being “clever”. She aspires to pursue the same profession as her friend but lacks the qualifications.

Imran, Age 19, Living with parents.
At 16, Imran had been involved in selling cocaine and cannabis for 2 years. Imran did this alone, although his siblings seem to be connected and one sibling in prison. He saw a money making opportunity and wasn’t concerned about getting caught. He expressed that “it’s just something we do around my end”. His Dad found out and gave him a telling off, “Don’t do what your brother did”. He claims this made him realise the consequences, though case workers are not sure he has stopped selling drugs.

Imran said he didn’t make much money but he did feel ‘it kept me out of trouble’. He referred to profit as ‘dirty money’ and expressed how it cannot be given to family members, so he was always careful that his parents didn’t find out. ‘Dirty money’ is bad luck and he felt that he was receiving bad luck as he had handled this cash.

Imran also worked in his Uncle’s takeaway, serving food. He says he does this just to help out his Uncle, who in turn gives his mum money. Imran doesn’t see any of this money and isn’t bothered about it, he sees it as just something he should do.

Imran is now in education to gain job specific skills and basic skills in order to pursue his career choice. He aspires to get a good job and settle down. He wants to work hard for legitimate money.
Services

- One participant seemed like he would benefit from a ‘pre business start-up’ programme, almost a preparation course/service – developing skills and knowledge before making a more detailed leap to start up. Key to this would be work experience so he had to relate to colleagues and had access to mentor support.

- Access to realistic and accessible business advice, information and guidance i.e. some would need specific financial advice on how he could set up his own business – for some this seems like a “dream”. At least retrospectively, general information and guidance might have helped change directions earlier. One said, ‘if I knew what I know now about the law...well I may not have got so involved in the drug stuff, and I’d have definitely made different choices when I left school.’

- Although, in the outcomes star assessment, job specific skills are rated highly across the group, nevertheless some young people would need support with obtaining or updating industry specific qualifications.

- The family is present in many of the stories, with the whole family sometimes working together. There are opportunities for supporting some of the other family members with education and training.

Anna, aged 17, living at home.

Anna chose to do mobile hairdressing as she had just finished her L2 hairdressing and it was the skill she had that people would pay money for. She felt really positive about the work she had done. She started doing her mum’s hair and her mum’s friend and they ‘told other people how much they liked what I did, and then word got round and then I did more and more, and soon I had loads of regular customers. I got a good reputation’.

She was expecting a baby and quit college when she found out she was pregnant as she ‘felt too embarrassed really’, told friends to start passing on the word and Anna soon built up some regular customers. Anna said this was also partly because ‘I only charged cheap, you know a tenner to 15 quid, but I did get more and more clients, and I was making a good bit of money.....I was probably making about £100-130 per week’.

She did the informal work to get cash for her own needs i.e. clothes, hanging out with friends, and ‘doing everyday things’. Her motivation was to avoid ‘stress’ between her and her mum if she was having to ask for money for clothes and going out.

Anna does want to start her own mobile hairdressing business. However, it would require some quick tangible outcomes if she were to develop this ‘work on the side’ into a legitimate business. She said she never got any help at school or college with finding work or setting up her own business, she just ‘did it myself’. She didn’t really know what support she could get to run her own business, and didn’t have a good view of what help she would need and or what was available.
8. Recommendations and guiding principles

There is a gap in provision for enterprising young people who are currently operating in the informal economy. The main conclusion of this research is that there is potential for CBMDC to develop a better programme of support specifically targeted at young people who undertake informal enterprising activity. From listening to the voice of some young people/NEETs in Bradford and local stakeholders, the following guiding principles have been developed for the pilot project:

Recommended guiding principles:

- Programmes targeting the informal economy should avoid conventional classroom based approaches to enterprise education or business training. Learning should be through action and in real time with tailored support wrapped around individual needs.
- Any initiative needs to be inspirational, visionary, dynamic and use local role models and local animateurs, wherever possible. The message is to lead by example – to be enterprising!
- Whilst the tier 1 programme and pilot might target the 16-24 year old bracket, particular attention should be focused on 18-19 year old NEETs, as this is where there is i) a lack of provision and ii) a growing problem in Bradford and iii) often higher motivation and commitment.
- The tier 2 programme should try to be broad spectrum, focusing on young people beyond specific sectors of the youth community.
- It is crucial that the young enterprise support programme works very closely with NEET providers to provide 1:1 support and address complex needs.
- Profiling and recruitment needs to be inventive; NEET and other hard to reach youngsters are most likely to be engaged through new social rather than conventional media and word of mouth among peers.
- Focus on enterprise rather than the informal economy – terminology should emphasise engaging young people and NEETs in enterprise or starting a business. Evidence suggests that even mention of informal (grey, shadow working or any other term) prevents people from engaging, even on a website. Specific support for dealing with issues arising from ‘on the side’ or ‘cash in hand working’ can be dealt with case by case. The young enterprise support programme should not deal directly with criminal or illegal activities.

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5 The brief for this research was to capture the voice of some young people/NEETs known to be working ‘cash in hand,’ alongside conversations with local stakeholders and research into theory and practice elsewhere. General recommendations and guiding principles were required and developed. Fundamental to this is that further scoping and feasibility work will be required as part of ongoing programme design and development.
any specific focus beyond engaging young people and NEETs in enterprise should be allowed to fall out of the experiences on the programme – a mid-term evaluation should capture if there is demand for a particular support around, for example, young Muslim women or second generation EU migrants.

An enterprise programme for young people needs to build in learning from failure – entrepreneurship is a journey and enterprise is often short term for this age group. Working with an enterprise readiness diagnostic that allows participants to recognise progress would provide a realistic and positive view of failure(s). Programme evaluation should emphasise engagement, learning and progression rather than business longevity.

opportunities need to be real and connected with inspiring local businesses, in relevant trades or industries. Schools’ and colleges’ careers services could help to provide relevant work placements and shadowing of entrepreneurs.

Provision of resources is key to start-up and a strong motivator for young people. The programme should provide access to resources. Creative sharing of resources could be considered. Resources are a constraint to scaling up operations from the informal economy. Access to resources for equipment, marketing etc would be particularly important to young people without support from family or other traditional sources.

Moving forwards

run a pilot to test the model and build some early ‘wins’. There are some arguments for piloting in an area where NEET/deprivation rates are high but where schools, colleges and other local stakeholders are proactive and engaged with enterprise already. Resources would also be spread less thinly between providers. Alternatively, the pilot could operate district-wide, depending on best fit for the local infrastructure. This would require more resource at the outset and involve a more intensive monitoring and evaluation.

identify and connect with existing opportunities: 3E (November summit), ICE, the re:centre at Bradford University. Also connect with existing opportunities nationally e.g. Start-Up Loans Co, TeenBiz, Young Enterprise.

connect also with young people in Further and Higher Education who might be well placed to help deliver some work ‘on the ground’. Bradford University has one of the largest local student bases in the UK (Over 33% of Bradford University students in 2010-11 were from the local area and managed to find employment in the area after graduating), therefore a resource that knows the district and may have intentions of staying in the area as graduates.

Possible models for programme delivery:

Appropriate models for the delivery of support to young people in the area might include any or all of the options below. This would depend on resources and all would
be subject to feasibility testing through, for example, pilot programmes. These are presented as Tier 1 (the priority focus for a future programme around NEETs, as determined by the funding source) and Tier 2 (a broader programme dependent on linkages and leveraging other existing funding streams).

**Tier 1 – Priority programme targeting NEET young people in Bradford (to pilot)**

- **Young People’s Enterprise Broker:** an enterprise focused role (or small team) to work on a peripatetic basis, in the field, with youth services providers in the pilot area. The young people’s enterprise broker/s will work with case workers and young people who are referred on a case by case basis. This role is to bridge the gap between youth provision and enterprise support for this age group (specifically NEETs). The broker will help deliver pre-enterprise development work as well as supporting individual young people in accessing relevant enterprise expertise. The presence of the young people’s enterprise broker/s will raise the profile of enterprise within youth service providers and act as a central point of reference for youth workers, case workers, school staff etc who wish to refer a young person for enterprise support. The broker could also take some responsibility for setting up other elements of the programme, as deemed appropriate.

**Key requirements:** A dedicated person with local area knowledge, up to date knowledge of business/enterprise issues and practice and a broad understanding of youth services provision. Ideally, the person should be appointed by a panel of Key worker(s) and Enterprise Coach(es) (or other enterprise workers). It is important that the ‘broker’ is in the field and therefore ‘hot desking’ arrangements would be required at providers’ premises (this model has been successfully used by youth service providers in Bradford to bring in other areas of specialist expertise). It is critical that this function is focused on enterprise related outcomes and independent of the youth services provider network.

**Key benefits:** maximum spread of resources, quick to put in place, central coordination and profiling

**Complementarity:** cutting across other current Government provision and hence other commissioned work such as Troubled Families, ESF Families with Multiple Problems, DWP – Work Programme. All these have employment as a targeted outcome (financially incentivised to the provider) therefore it seems sensible that the ‘offer’ would run in tandem with these areas of already existing Government/LA commissioned work.
- **Upskilling Bradford’s Key Workers:** a ‘training the trainers’ approach, building a dedicated network of existing youth/case workers who receive training to deliver enterprise support at the point of need, from within their own organization/catchment. This would be delivered through skilled specialists working with key workers (as a separate intervention to, but with involvement from, the Young People’s Enterprise Broker/s), to develop awareness of key aspects around diagnosing ‘enterprise readiness’, enterprise planning and start up, self-employment registration, taxation and income thresholds, benefits etc. This training could be linked to the development of Junior Enterprise Coaches in Tier 2.

  **Key benefits:** capacity kept within existing provision, resource efficient, enhance joined up services, reach into the community

  **Complementarity:** as above

Depending on resources and further research/consultation, the Tier 1 programme might also draw on any of the elements listed below under Tier 2. Recommendations are complementary, rather than alternative, and a comprehensive programme could incorporate them all.

**Tier 2 – Broader enterprise readiness programme for young people in Bradford**

- **Team of Junior Enterprise Coaches.** Coaches would work on a case by case basis like the existing Enterprise Coaches and could have a formal link through ‘shadowing’. Junior Enterprise Coaches could be drawn from the NEET group and should be area based. Coaches would work directly with young people from the point of them wanting to develop an enterprise, providing a connection with the case work done by the Young People’s Enterprise Broker/s.

  This would involve developing (and ideally accrediting) a few exceptional young people in the NEET group across Bradford (possibly to be identified from young people mandated to the Work Programme). A programme like the Aspirational Leaders detailed above might be appropriate to build skills, individual careers and business acumen. Some attrition might be expected. Local businesses could be approached to provide sponsorship and mentoring.

  **Key benefits:** early tangible outputs, generate a growing cohort of local young role models, developing future leaders, generating potential jobs/careers in the long term, development of new accreditation, reach into the community. Larger resource requirement.
• **Pop Up Enterprise Space**, with 6 months pre-business training as a prerequisite – acting as a short term incubator for young enterprises to set up real businesses without the commitment of leases, insurance and other factors that are barriers to entry. Pop-Up Enterprise Space will allow young people to try formal enterprise, expand their market, test new ideas and conduct market research into their products, as well as learning enterprise skills. This would be possible where the Council has ownership of vacant premises (or indoor market type facilities). It is crucial that Pop-Up Enterprise Space is provided in locations where there is sufficient market e.g. footfall, so that young people are given every chance of success. At the same time, many of the targeted young people have a very strong attachment to a small locale and they are severely intimidated by ‘posh’ buildings. Considerable work in confidence building and familiarization would be needed with many of the targeted young people before they access Pop-Up Space. Creative solutions to provide resources for start-up could include shared resources and communal plant, tools or equipment.

**Key benefits:** medium term tangible outputs, scale, interim use of vacant properties, high public visibility, cost effective where property in council’s ownership.

• **Knowledge Transfer Enterprise Associate:** possibly funded under the KTP scheme. This is a longstanding part government-funded scheme to assist in transfer of knowledge from universities into other organisations. A KTP Associate should be a graduate with expertise in Enterprise Development or Entrepreneurship and a particular affinity for working with marginalized young people. The Associate could lead on programme design, research and evaluation.

**Key benefits:** cost effective for the council, (inter)national profile, long term research and evaluation built into the post.

The Young People’s Enterprise Support Programme in its entirety could develop in future into a social enterprise model, depending on priorities and resources. The Social Enterprise’s remit would be overall programme management, delivery of individual elements, holding external funds, resources such as equipment, tools and plant on behalf of young people, conduct and commission evaluation work and strive to create sustainable revenue streams for the long term.
Considerations for an evaluation framework

Clearly, evaluation will depend on the programme or model that is developed. However, certain guiding principles can be given at this stage to help inform evaluation parameters in future. These are:

- the pre-enterprise development work required for the Tier 1 programme in particular means that hard enterprise outcomes (such as number of business start-ups) are not likely to be as appropriate as soft, personal development measures such as confidence, outlook, self-efficacy or aspirations.
- Tier 2 elements will lend themselves to more hard outcomes oriented evaluation but will still benefit from some qualitative evaluation around that.
- attitudes to informal working, changes in enterprise culture, perceptions of entrepreneurs, entrepreneurial learning etc are complex and require good quality, qualitative research as well as output counts.
- asking young people to evaluate their own experience or sense of progress (based possibly on a diagnostic that could be developed for this programme around enterprise readiness) should be a key part of this. This will give rich insights and further develop ownership among the young people participating.
- this may involve capturing and working with ‘soft’ indicators that may be non-standard and individual to this programme – for example, if and how young people are spreading the word about enterprise among their own peers (via social media for example), extensions to their personal networks, effect of role models and so on.
- since families are an important aspect in this research, conducting some evaluation with family members and key workers might be beneficial to understanding the impacts.
- some baseline work at the outset will be instrumental at later stages to capture basic impacts such as concrete changes to individuals’ circumstances, changes in levels of informal and formal activity, and geographic/demographic shifts, upskilling outcomes, any sensitive changes in the district and impacts on enterprise readiness, for example. From this.
- longitudinal research around the programme could play a strong role in gathering continuous evaluation data, alongside any standard programme/commissioning monitoring that is required. Commitment from a research and evaluation partner would be best secured during the programme design stage.
- mid term evaluation at around 18-22 months would allow time over a 3 year programme for sufficient impacts to be developing but also small adjustments to be recommended with enough time for their effect to be measured.
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