

Youth Enterprise in Hull

Young People's view on a proposed
Local Enterprise Growth Initiative bid for Hull

**University Students discussing
Enterprise issues**

**Young Women discussing
Enterprise issues**



Members of the Hull Youth Enterprise Partnership

Final Report

December 2005



Hull Youth Enterprise Partnership Report to inform a possible LEGI bid

This report has been produced by Hull Youth Enterprise Partnership to help inform a possible Local Enterprise Growth Initiative (LEGI) bid from Hull.

Survey of Young Entrepreneurs

The Hull Youth Enterprise Partnership carried out an enterprise survey in November 2005. **95** young people, aged under 25 and who had or were thinking of establishing a business, responded. We also facilitated five Focus Group meetings with young people to gain a more in depth understanding of their needs. A quarter of respondents to the survey had started their own business.

The main summary points are as follows:

31% of respondents believe that the ambition to make money is one of the most important factors for young people starting a new business, followed by:

76% of respondents believe that Lack of own money is the main barrier affecting young people starting a new business followed by:

65% of young people responding believe that tenacity, determination and vision are the most important attributes in an entrepreneur.

72% believe it is very important to promote enterprise to young people.

74% believe all businesses not just those with high growth potential or deprived wards should be supported.

Only **12%** believe there is not enough friendly business support.

60% of respondents said that more promotion of youth enterprise would benefit young people to start up their own business

57% of respondents said that availability of incubation/ business premises would help young people e.g. a youth enterprise academy. **62%** of respondents also said that training would also help survival rates.

Only **9%** of young people responding said that there was enough business support for young people

73% of young people responding said that grants and loans would help young people's businesses survive

70% of respondents said that if they were to set up a business, they would set up in Hull. **81%** of respondents said they would expect their businesses to grow in the City.

55% of respondents said that the development of a young people's business building would help young people set up their own businesses.

40% of young people responding said that improving the image of the City would encourage more young people to start a business in Hull.

Youth Council Focus Groups

The Hull Youth Council, through its five Focus Groups, found that teenagers and young adults have a desire for control, creativity and a longing to make their mark. These are all qualities that are highly desirable for a young person's enterprise to flourish. However, while the young people involved expressed the desire to be enterprising, only a fraction of them were actually seriously considering running their own business as many of them did not know how or where to get started.

The findings from the Focus Groups also highlighted key barriers and triggers to starting a business. A desire for independence appeared to be the biggest spur to developing a business opportunity. However, inspiration, education, the desire for recognition and parental influence also appeared to spark a desire for young people to begin to establish an enterprise. It is not surprising that the Focus Groups identified that some of the biggest barriers were a lack of knowledge, education, advice and support, financial security as well as poor self confidence in relation to enterprise and a fear of failure.

The young people involved in the Hull Youth Council Focus Groups did not have to be convinced that enterprise was a good thing. However, they had to be convinced that it was a realisable goal (this was especially the case of those young people from some of the City's most deprived areas) Young people's feedback in Focus Groups also identified issues around low aspirations in other areas of their lives as a reason for not developing their enterprising idea.

To conclude young people taking part in Focus Groups highlighted that a combination of practical and attitudinal barriers need to be addressed through integrated approaches. These concerns helped the Youth Enterprise Partnership draw the conclusion that there was a need to develop an "Enterprise Academy" for potential and current entrepreneurs. This resource would enable young people to be linked into accessible support with managed workspace units and where young people could influence the management and delivery if the unit to ensure the provision was meeting needs and aspirations.

Young People identifying their issues at Focus Event on enterprise



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The partnership also called for:

- Any bid to be programme based rather than project orientated
- Careful targeting of resources on a small number of key activities, building on the current programme and that meets the needs of the 'Strategy to Support Hull's Enterprising Young People', developed with Yorkshire Forward.
- Focus on support at key stages in an enterprises development e.g. start up stage, first employee stage, VAT etc
- Emphasis on promoting an entrepreneurial culture accessible to a wide range of young people
- Development of a mentoring programme linked to current Young Enterprise and Prince's Trust activity in the City
- Advice comes from young people who have 'done it'.

Increasing business start-ups

The findings of the survey and Focus Groups reveal a range of issues relating to the LEGI objective of increasing the rate of business start-ups. It was felt the key drivers behind enterprise were issues such as the strength of the local economy, local business environment, education and entrepreneurial culture.

In terms of business support measures, there was broad agreement from the research that support should be available to all businesses, primarily in the form of grants/loans supported by mentoring. There was also very strong support for a focus on young people, especially in relation to entrepreneurial culture and the expansion of the recently established Youth Enterprise Bank that gives grants of up to £1,000 for young people aged under 25. Help for young businesses with premises and business rates were also advocated.

Improving business survival rates

The barriers to existing companies run by young people in deprived areas were different from start-ups. Crime and a poor business and trading environment were considered to be key problems for those young people who applied to the Youth Enterprise Bank to cover security costs in the last six months. Cost of insurance was also raised as a consistent issue through the five Focus Groups. A number of young entrepreneurs stated they would consider making a donation to the Youth Enterprise Bank in order to put something back.

There was broad support in the Survey and the Focus Groups for grants from the Youth Enterprise Bank, loans and mentoring/workshops and also for support on accessing the Council's procurement opportunities.

Help to 'sell' was also priority in terms of assistance for young people to market and promote themselves through 'word of mouth' and networking opportunities (which businesses in deprived communities were less likely to be plugged into).

Attracting investment

Stigma was not identified as a major barrier to start ups or running businesses in deprived areas by young people. However, improving the image of Hull was seen as a positive way to attract investment, to grow the economy and capture the enterprise opportunities that growth would bring to young people.

Conclusions

The key conclusions from this report based on desk research, the survey of young entrepreneurs, Focus Groups of young people and the meeting of the Hull Youth Enterprise Partnership include:

- That young people are a key driver to developing and expanding Hull's Entrepreneurial Spirit.
- LEGI is central to Hull's Youth Enterprise Strategy, developed over the last year
- Culture and attitude of young people is key to them successfully developing their enterprising ideas.
- Grants/loans, mentoring and training are also key
- There is a need to build on the innovation of the John Cracknell Youth Enterprise Bank, targeting our most deprived areas.
- Need to develop basic skills support in a discreet way for young entrepreneurs within some of our most deprived communities
- Aspirations are key in developing young people's interest in enterprise
- Need to establish an "Enterprise Academy" linked to the City's Managed Workspace Programme.

To conclude, the Focus Groups and the results of the survey certainly indicated that it was a combination of practical and attitudinal barriers that needed to be addressed through integrated approaches. Such approaches are needed if we are to develop and support Hull's potential young entrepreneurs living within our most deprived areas.

Recommendations

In light of the conclusions a series of recommendations can be made which are similar in tone and direction to those found by the Hull Business Forum and the work carried out by the Women in Enterprise Group.

- Hull should focus on being as 'business friendly' as possible (e.g. skills, procurement, transport, planning) to grow the economy and enable young people to feel supported in making the leap to becoming an entrepreneur.
- Focus on a small number of key interventions rather than scatter it on lots of projects as always happens in Hull.
- LEGI to support specific economic and business projects such as promoting a more entrepreneurial culture and establishing a central base to develop the entrepreneurs of the City i.e. develop an "Enterprise Academy" for young people.
- Help new businesses by targeting support at key stages of their development giving them soft loans as well as basic skills support.
- Funding for more grants and soft loans, supported by mentoring/training programmes should take priority in business support measures, building on the experience of the Youth Enterprise Bank.
- Improve access for businesses in deprived areas to key business networks.

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- Premises issues should form part of the package in deprived areas, either enterprise centres, or rent/rate support for new enterprises for young people. Look to refocus the remit of facilities such as the BeSPoKe Community Enterprise Centre in Bransholme, targeting support to 16-19 year olds.
- Improve Hull's image to raise aspiration, investment and in turn enterprise.



Primary School Children at Enterprise Awareness Event during Enterprise Week

Introduction

The Hull Youth Enterprise Partnership

The Hull Youth Enterprise Partnership was established in 2004 to enable young people to engagement Hull's CityVision (Local Strategic Partnership.) on enterprise issues. Alan Johnson, MP for West Hull and Hessle and Secretary of State for Trade and Industry is our Patron. The partnership provides a business 'voice' as well as a source of news and information for organisations supporting young entrepreneurs. Partners believe enterprise should be at the core of Hull's regeneration and have consistently argued this point in local, regional and national strategic consultations.

The partnership was established as members felt the City would be frequently faced with new situations requiring new ways of doing things. Partners believe we will need, more than ever, to cultivate the capacity of our young people to be enterprising. To enable young people to have ideas and the tools to make ideas happen as the City's economic success depends on them.



**Alan Johnson Patron of the
Hull Youth Enterprise
Partnership**

The partnership is committed to the shared vision of growing the City's economy for the benefit of our young people. By working in partnership, it is creating and facilitating opportunities to widen the entrepreneurial spirit in the City. The Chair of the Group is Councillor Sheila Waudby, Portfolio Holder for Young People.

The primary purpose of the partnership is to support and encourage young people aged 14-25 to become more enterprising in order to make a contribution to the City's target of creating 1,200 new businesses. Also to enable young people to overcome economic and social barriers that deny them the opportunity of economic inclusion, progression and choice. Developing young people's enterprising behaviour also supports the Government's Every Child Matters outcomes framework, specifically young people making a positive contribution and achieving economic well being.

Significant achievements of the Partnership to- date

- Held Youth Enterprise Conference's during Enterprise Week 2005 for Secondary and Primary schools pupils that attracted high profile Regional Speakers.

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- Secured funding from Yorkshire Forward to enable us to develop a 'Strategy to Support Hull's Enterprising Young People' and an agreed Action Plan that is monitored by the Local Strategic Partnership.
- Produced a wide range of publicity material focussed on young people, including adverts in community magazines and sponsoring the Youth Council's successful magazine.
- Positively promoted companies established under the Young Enterprise Company Programme in Hull and East Riding.
- Developed an enterprise programme for young people in care or who have left the care system, facilitated by The Prince's Trust.
- Established extra capacity for both The Prince's Trust and Young Enterprise Humber to promote their activities to the young people.
- Sponsored and promoted two whole school Enterprise Programmes
- Established the John Cracknell Youth Enterprise Bank (that has attracted financial support from public and private sector organisations) that gives grants to 13-25 year olds who have an enterprising idea. We have also established a discreet fund within it to promote Wilberforce 2007 and support Black and Ethnic minorities and Refugees who wish to develop their enterprising idea.
- Sponsored Hull's 2005 Fair-trade Fortnight and now supporting young people who want to sell or promote Fair trade products through the Youth Enterprise Bank.
- Embedded the concept of a "sign posting" Youth Enterprise Service at the BeSPoKe Centre in Bransholme, within the local community. Ensured the service is open 5 days a week, delivered by private sector agencies.
- Mentored over 200 young people over the last two years wishing to develop their enterprising idea
- Enabled the establishment of nearly 50 business mainly within our most deprived communities run by young people aged under 25 and assisted with general support to many more on an ongoing basis
- Developed a partnership with Yorkshire Bank that enables new start-up businesses to receive 12 months free banking. Individuals introduced to the bank will have access to the full range of business and personal services, and they will also be introduced to a dedicated Business Manager who will provide assistance and support with their banking facilities.
- Has enabled young people supported by the partnership that live within our most deprived communities to be given free membership of the Forum of Private Business. In return Yorkshire Bank will sign post young people interested in establishing a business to the Youth Enterprise Partnership.

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- Established and enhanced a website www.youthenterprise.co.uk with the facility to update every month and appointed a young person to administer it in a voluntary capacity

Background

This report has been commissioned by Hull City Council's Development and Renewal Services, in partnership with Hull Youth Council as part of the process to identify programme areas for a possible Local Enterprise Growth Initiative (LEGI) in Hull and for other appropriate funding opportunities in the future.

It is one of a series of pieces of work being carried out by key organisations in the City as an 'Ideas and Knowledge Exchange' on the barriers and solutions to local enterprise within deprived communities. Also amongst those individuals that are underrepresented in Hull's business community as proposed in mtl's LEGI Scoping Study.

LEGI was announced by the Chancellor of the Exchequer Gordon Brown MP in March 2005 as a further scheme to tackle the business and enterprise gap in deprived communities. As a partnership we have noted the three key objectives for LEGI schemes that form the basis of this report are:

- increase business start-ups
- Improve business survival rates
- Increase investment

Methodology

The purpose of this piece of work is to tap into the knowledge and experience of Hull's current and potential young entrepreneurs. A five-stage process was adopted following the Hull Business Forum:

1. Review of previous consultations e.g. 2005 Community Strategy, to capture existing relevant data and apply to LEGI objectives. Reviewing the 'Strategy to support Hull's Enterprising Young People' as well as examining what other parts of the Country have achieved through our established links with Rotherham Youth Enterprise, Wandsworth's Youth Enterprise, East Riding of Yorkshire and the Young People's Enterprise Forum.

2. Request for qualitative views from current and future young entrepreneurs to key LEGI questions to provide an open ended opportunity to express views, opinions and experiences via email or other written means.

3. Young Entrepreneur's Survey, carried out in November 2005, of those young people who had received support from the current programme in Hull to constitute main primary quantitative research to this report

4. Youth Enterprise Partnership Focus Group held on 2nd December 2005, to discuss the emerging outcomes of the research and distil the key barriers and solutions for inclusion in this report.

5. Hull Youth Council Focus Group's held to identify in depth relevant issues to young people, to discuss emerging outcomes of the research, identify the key

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barriers and solutions for inclusion in this report and market test some of the ideas with young people.

This report sets out the key findings of the research stages of this process and conclusions to inform a possible LEGI bid from Hull that will support Hull's current and future young entrepreneurs. Also to complement a similar exercise performed by the Hull Business Forum and Women in Enterprise, who we liaised with.

Like the Business Forum Report we have not attempted to set out a statistical analysis of Hull's current economic, enterprise culture, business formation and investment performance or the educational benefits of enterprise educational programmes. Much of the relevant data is included in the LEGI Scoping Study produced by mtl and other published sources.

Just to note that the Hull Youth Enterprise Partnership has set itself a stretched target of ensuring that at least 10.5% of 18-24 year olds in the next census consider themselves self employed. This report reflects current views and opinions from current and future young entrepreneurs and those who support them in the field, for consideration in the proposed LEGI bid for Hull.

The LEGI bid for Hull needs to have, as one of its aims, the need to support and nurture young people who wish to be entrepreneurs therefore further developing Hull's entrepreneurial spirit.

Hull Youth Enterprise Partnership's desk review

Hull Youth Council and the Hull Youth Enterprise Partnership have been very active in consultation exercises over the years relating to economic development across the City. Work has included the Economic Regeneration Strategy, Employment Strategy and its five area plans which have led to the demand for a Strategy and Action Plan to support Hull's enterprising young people and a key deliverable for Hull City Council.

All of the above impacts on the City's enterprise and business performance. Hull Youth Enterprise Partnership also led, on behalf of CityEconomy, input into the Local Strategic Partnership's new Community Strategy specifically the economic well being of young people. This section details some of the key messages of these consultations in the context of LEGI.

Community Strategy Vision for Hull

Young people, organisations and agencies response to the draft Community Strategy showed that Hull is a great City which is suffering from some major issues as far as young people are concerned.

The Youth Enterprise Partnership advocated in its response that the Community Strategy should focus on tackling the fundamental causes of Hull's socio-economic problems that affect young people in order that they can enter the broader Labour Market. This means a clear emphasis on creating a stronger economy, which can only be achieved in parallel with radical improvements in education and skills. Also that includes enterprise education from an early age through to further and higher education. That's why partners organised and led on two highly successful Regional

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Events during Enterprise Week 2005 involving Primary, Secondary Schools, local Colleges and the University of Hull.

Conclusions

The range of consultation and survey evidence, both formal and informal, undertaken prior to this LEGI process reinforces some of the key messages already explored by the Youth Enterprise Partnership. It clearly demonstrates that young entrepreneurs believe economic development in terms of enterprise, business survival and investment should be Hull's top priority, along with improvements in the City's human potential through education and skills provision.

The support and commitment of Hull's young people and the Youth Enterprise Partnership to the LEGI bid is not just about simply bidding for additional resources. It is borne out of a fundamental belief that LEGI objectives are central to the broader City objectives and a key part of Hull's future development set out in the Community , Economic and Regeneration, Employment strategies and the 'Strategy to Support Hull's Enterprising Young People'.

Young Entrepreneur's Survey

Introduction

The core primary research element of this report comprised a survey of local businesses owned or managed by young people who had received support under the current youth enterprise programme in the City (carried out between 10th November and 30th November 2005). The survey was also sent to members of Hull Youth Enterprise Partnership for consultation purposes. The purpose of the survey was to collate the views and opinions of current young entrepreneurs on the barriers and solutions to start-ups, business survival rates and investment in Hull and its most deprived communities. 21 young people who have established businesses responded to the survey along with 74 young people aged 11 to 25 who attended Focus Groups organised by Hull Youth Council.

Companies of all sizes and sectors responded to the survey from postcodes across the City and its immediate economic hinterland. One-quarter of respondents had started their own business and so the following results are a good reflection of young entrepreneurs' views and perspectives on entrepreneurial issues in general and LEGI issues in particular.

The survey began by asking young people;

- if they had ever started their own business,
- if not would they consider doing so
- had helped someone to establish a business

We then asked a series of questions to help identify the needs and aspirations of those that responded to the questionnaire current young entrepreneurs and young people who haven't, as yet, decided.

Q1. Most important factor for young people starting a new business.

Respondents were asked to choose the single most important of five options only and the results as follows:

- Satisfaction of working for yourself **26%**
- Young People friendly enterprise advice and support **22%**
- Availability of finance **20%**
- Ambition to make money **31%**
- Other **1%**

The survey suggests that two factors were significantly more prominent for young people to consider when they are considering starting a business - ambition to make money and satisfaction for working for you. 'Availability of finance was at the bottom of the rankings.

The top two responses are very much related to the characteristics which shape entrepreneurs in terms of their main motivations and attitudes to risk.

The other two less popular stated options were more practically orientated around the 'availability of finance' (20%), and the provision of friendly 'enterprise advice and

support' (22%) and the most popular other factor was that their family was already in business (1%).

It is worth reiterating that the question asked for a single most important factor. No doubt current and future young entrepreneurs, based on the feedback given, believe more than one factor affects promotion of a business start-up.

Q2. What is the major barriers affecting young people starting a new business?

The survey asked about the major barriers to young people starting a business in Hull. Multiple responses were permitted and four stated options were offered with the option of naming an 'other' one as follows:

- Lack of own money **76%**
- Family commitments **6%**
- Lack of childcare availability/assistance **6%**
- Not enough friendly business support **12%**
- Other (please specify)

There was a clear consensus amongst respondents and those involved in the Focus Groups that lack of own money was the major barrier to young people establishing a business in Hull. Not enough friendly business support came in at second place

Enterprise is clearly a complex issue. Feedback from Focus Groups also highlighted that there are many different barriers for potential young entrepreneurs. Young people identified the following broad areas:

- **Cultural issues to enterprise** such as ambition and aspiration.
- **Financial barriers** either a lack of individual wealth and/or ability to raise finance.
- **External factors** such as the relative weakness of the economy or the quality of advice

Q3. Which type of new enterprise should the public sector focus their funding and support?

Respondents were asked to choose the single most important of four options only, with the following results:

All business types **74%**
Only business with high growth potential **6%**
Only business in the most deprived areas **4%**
Young people owned businesses **16%**

Respondents clearly expressed the view that 'all businesses' should be the focus of public sector funding and support. Naturally the second highest was young people owned businesses particularly those that do not receive financial support e.g. lifestyle businesses and retail not to mention those that are currently working in the "Underground" economy and want to become legitimate businesses. This would

include many previously excluded sectors which have the potential to play a major role in boosting enterprise in deprived communities.

Significantly more respondents believed that business with 'high growth potential' (6%) should receive public support and 'only in the most deprived Wards' (4%), this we feel is significant in the LEGI context.

Q4. How important is it to promote a more entrepreneurial culture to young people?

Respondents were asked to choose the single most important of four options only, with the following results:

- Very important **72%**
- Quite important **26%**
- Not very important **0%**
- Unimportant **2%**

Respondents regarded it as crucial to promote an entrepreneurial culture to young people with 72% regarding it as important and 26% of those regarding it as 'very important'. Only 2% of respondents it was 'not very important' or 'unimportant'. This is not surprising when the target group surveyed was a wide range of young people including those excluded from services.

It is interesting to note that the Hull Business Forum's survey reports that 94% of their respondents regarded it as crucial to promote an entrepreneurial culture to young people and 75.8% of those regarding it as 'very important'. Only 6.4% in the Business Forum Survey believed it was either 'not very important' or 'unimportant'.

Q5. What are the most important personal attributes possessed by young people starting up in business? (tick high/medium/low for each)

Respondents were asked to choose how they rated each statement the single most important, ranging from High to Low of four options only with the following results:

| | High | Medium | Low |
|-----------------------------|------------|------------|------------|
| Communication. presentation | 59% | 26% | 1% |
| Tenacity and determination | 65% | 2% | 1% |
| Administrative/managerial | 28% | 42% | 23% |
| Creative/new ideas | 62% | 26% | 1% |

Tenacity/determination and Creative/new ideas were seen as the two most important attributes in entrepreneurs with 65% and 62% respectively. Only 28% of respondents felt that 'Administrative and managerial' attributes were the highest attribute needed. Respondents offered a number of further attributes they believed to be important including sense of humour, enthusiasm, contacts, hard work, experience, risk-taking, leadership, 'gift of the gab', prepared to take advice and listen to customers.

There appears to be no significant difference in rankings between those respondents who had started a business and those who had not.

Q6. What measures do you believe would do most to help more young entrepreneurs to start up in Hull? (tick all that apply)

Respondents were asked to choose the ones they thought applied single most important of four options only with the following results:

- Focus on promoting youth enterprise **60%**
- Expand the John Cracknell Youth Enterprise Bank **33%**
- Availability of incubation units/premises i.e. Enterprise Academy **57%**
- Networking opportunities **35%**
- Mentoring & Workshops **49%**
- A buy local approach to procurement **23%**
- Providing a safe and pleasant working environment **41%**
- Convert business from “Underground” Economy **1%**
- Funding for Outreach workers on the Estates **4%**
- Establish local enterprise awards scheme **0%**

In terms of Hull’s LEGI bid, at least in relation to the business start-ups objective, this was considered to be perhaps the surveys most relevant question. The two most prominent factors are a focus on promoting youth enterprise at 60% and the availability of incubation units/premises i.e. Enterprise Academy 57%

The three most significant LEGI ‘influencable’ measures identified in the survey are ‘more grant and soft loan funding’ e.g. John Cracknell Youth Enterprise Bank and the ‘Acorn Fund’ with 33%. ‘Mentoring from successful entrepreneurs’ and ‘workshops’ stood at the third highest and ‘focus on promoting enterprise to young people’ stood at 60%.

Amongst respondents who had started up their own business, ‘more grant and soft loan funding’ e.g. Youth Enterprise Bank’ and ‘Mentoring/Workshops’ stood at 65%. In the Focus Groups 41% of Young people felt that if Hull Youth Enterprise Partnership provided a safe and pleasant working environment, it would help more young people to consider being entrepreneurs. The Partnership considers this as further evidence to support the establishment of an Enterprise Academy to support young people.

Amongst the remaining options, ‘a buy local approach to local procurement’ was the lowest favoured option with 23%.

The three measures suggested in the Government’s LEGI consultation paper were the bottom three of the ten stated options young people chose from. ‘Support to convert businesses from black economy’ at 1%, ‘fund local enterprise agencies/outreach on the high street’ with 4% and ‘establish local enterprise awards scheme’ did not even register. Respondents to both the Survey and at the Focus Groups were asked to highlight any further measures they believed could be taken locally to increase business start-ups for young people. These suggestions are detailed in full from at the end of this report.

Q7. Is the provision of young people dedicated business support provision adequate?

- Yes **9%**
- No **65%**
- Don't know **26%**

Respondents made it quite clear that they felt that current provision was not adequate both in terms of what available to raise the issues of enterprise in schools, colleges and the University and the actual support available to young entrepreneurs.

Therefore, as a City if we are to reach our target under the Every Child Matters Framework of increasing the number of 18-24 year olds who consider themselves self employed and the Community Strategy's commitment to providing enterprise support to 14-19 year olds we have a long way to go.

Q8. What sort of services from business support providers would improve survival rates of young people owned businesses? (Tick three)

Respondents were asked to choose the top three of the 9 named options only.

- Grants and loans **73%**
- Procurement advice **13%**
- Marketing/sales **32%**
- Training **62%**
- General advice **27%**
- Mentoring **31%**
- Workshops **18%**
- Networking **17%**
- Young People only groups **12%**

The respondents to this question have clearly identified that Grants and loans are an important service for development. 62% felt that training was important with 66% of respondents saying that Mentoring, Workshops and Networking opportunities would also improve survival rates of young people owned businesses.

Q9. If you were to set up a business or have already done so would you/have you done it in Hull?

- Yes **70%**
- No **26%**
- Maybe **4%**

Q10. Do you expect your business to grow in the future in Hull?

- Yes **81%**
- No **19%**

It is quite gratifying that young people that responded have a confidence in Hull's Economy in the future. They not only want to set up a business in Hull but clearly believe that if they do it should continue to grow in the City.

Q11. What impact would the following actions have on young entrepreneurs in Hull?

Respondents were asked to choose the single most important of four options only, with the following results:

- Development of a young business community **54%**
- Investment to improve skills **43%**
- Remove red tape/reduce bureaucracy **37%**
- Development of a young people's business Complex **55%**

Respondents clearly felt that the development of a young people's 'Business Complex' and a young business community would have a high impact on increasing the number of young entrepreneurs in Hull.

Q12. What do you think will encourage more young entrepreneurs to start up in Hull? (tick one)

Respondents were asked to choose the single most important of three options only, with the following results:

- Improve image of the City **40%**
- Better business support and advice **55%**
- Improvement of childcare facilities **5%**

The final question aimed to highlight the potential measures to encourage more young entrepreneurs to start-up or invest in Hull. Three stated options were given to respondents who were invited to approve as many as they felt were appropriate.

40% of respondents believed that an 'improved external image of the City' would help encourage more young entrepreneurs to start up in Hull. This is certainly an objective that partners in the City need to look at through the Children and Young People's Strategic Partnership and Community Strategy. We also need to focus on how we encourage young people to start up in Hull, both those that live already in the City or those that might wish to relocate here, once we have the right measures in place to support young entrepreneurs

Measures to encourage enterprise and increase the numbers of young people within deprived communities to become entrepreneurs.

Suggested local authority actions.

“Lower rates and enable more young people to bid for Council contracts – its always the same people that get them”

Plumber, 1 employee, Aged 24

“Funding for advertising and promoting a new business and I will state that Council has supported me, ‘win win’ all round.”

Manufacturer, 3 employees, Aged 23

“Free rates for one year. Third rates for second year and two thirds for third year. Then pay full rates providing we give money to support the Youth Enterprise Bank and agree to employ Hull kids.

Retail, 4 employees, Aged 25

“Better local government support and co-operation for 16 to 18 year olds. Only the John Cracknell Youth Enterprise Bank would support me and that was only for £1,000

Motor trade, 10 employees, Aged 24

“Time out from paying rates and help with rents when employing other young people.”

Haulage, Sole Trader, Aged 25

“Support and promote enterprise in Youth Clubs and on street corners – more centres like one I went to Bransholme last year. They were great and saw me at home.”

Horticulture, 5 employees, Aged 17

“Have business packs for young people and visit youth clubs”.

Female Aged 15

“Someone to listen to ideas”

Female Aged 14

Suggested Government Actions

“To encourage young entrepreneurs and the council to work together for young people. We can help them by going into schools, hand in hand rather than business feeling its a battle.”

Garage, 4 employees, Aged 21

“Get rid of all red tape for small businesses under five employees and run by young people as an incentive to trade.”

Leisure, 4 employees, Aged 22

“Allow all under 18 year olds that want to have a business to get a loan by encouraging Banks to let us have one. Students can get a loan to study, I could not for my business as only 16 at the time”

Painter , 4 employees, Aged 19

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“Develop an integrated enterprise support package for aspiring young entrepreneurs and develop a tracking system similar to Connexions in order to identify the changing trends in young people wanting to be an entrepreneur”.

Manufacturer of Baby Food, sole trader Aged 24

“More contact with other young people led business to have a chance to talk and get advice”

Female Aged 16

Suggested Business Support activities

“Easy access to information on the Estates like Bransholme as I had to go across the City to get it. Nothing local in West Hull

Business services, 1 employee, Aged 25

“Better funding available to all start-up businesses, more money for Youth Bank that was great!”

Office supplies, 3 employees Aged 18

“A degree of targeted grant support coupled with mentoring and ongoing support in doing the paperwork .I can not write proper and need help”

Beautician sole trader Aged 21

“From the advice from free business support organisations there is contradictory information and advice being handed out. But the Youth Enterprise and John Cracknell Youth Enterprise Bank are doing a great job, keep up the good work”

Designer, 1 employee Age Unknown

“Finding somewhere to go where people won’t laugh at your ideas”

Male aged 15

“ Confidence. Access to areas of mentoring which help people know what aspects they need to acquire to be an efficient business manager”

Female aged 17

Changing Culture

“Development of workshops to create a greater business youth culture in Hull, based in a centre using Kingston Interactive TV with programmes made by and for Hull’s Business Youth Culture”

Life Coach sole trader Aged 24

“Teach young people to believe in themselves like I got when I did Young Enterprise.”

Services, Sole trader, Aged 21

“Encourage ambition, aspiration and entrepreneurial learning at Schools and colleges.”

Beautician sole trader Aged 21

Hull Youth Enterprise Partnership Report to inform a possible LEGI bid

“Embed enterprise into the school curriculum at an early age, I never had any support at School and Connexions said they did not do support for entrepreneurs.”

Sole trader, Aged 21

“Acceptance of failure. Encouragement of success.”

Health and Fitness , 2 employees Aged 19

“Education and awareness that young people can start their own business. That society and local community wants them to and that they will be supported if they fail and encouraged to try again.”

Business services, 1 employee, Aged 25

“I personally think that doing all sorts of enterprise workshops with young people, actually makes them realise what they want to do”

Dance and Performance Company, 3 employees Aged 25

General Comments

“Go For it – I started 6 months ago, I am happy how its going”

Pluming-Gas Service, 1 employee Aged 25

“The John Cracknell Youth Bank was a huge help to us and enabled us to expand our business and double our stock. Thank You!”

Plants/Hanging baskets and Table Decoration Company, 5 employees Aged 17

“Free work experience placements should be offered to people following Higher Education, this would improve skills and experience, increase their likelihood of finding work and show them how an enterprise works”

Photography, sole trader Aged 25

Promoting networking would be a very valuable impact on young businesses. 70% of my work is referrals. Discourage advertising in favour of networking”

Graphic Design, 3 employees Aged 24

“We need to establish an enterprise culture, one that promotes pride in the City. Hull’s young people are proud to be from Hull and want to look after themselves”

Female Aged 20

“Have someone who believes in you”

Female Aged 14

“Most young people do not know the laws around starting up a business, e.g. ages, opportunities. They also don’t know what help is available to them – there should be a lot more help and support available with more adverts to let us know they are there”

Male Aged 13

“Someone to go into business with so I wouldn’t be on my own”

Female Aged 19

Conclusions & Recommendations

Conclusions

This report provides a great deal of information, as seen by young entrepreneurs and those young people that might be interested in becoming an entrepreneur. The purpose of the report was to share knowledge and make key recommendations to Hull City Council in relation to a potential LEGI bid for Hull that could and should benefit young people within our most deprived communities.

The key findings are as follows:

The wider economy matters

The biggest driver of start-ups, more successful businesses and new investment in Hull will be a thriving and growing economy that young people feel part of. This will create the business opportunities for young people, improve Hull's image and raise the ambition threshold of young people that live within Hull's most deprived communities.

This has been recognised in the development of Hull's new Community Strategy, which puts the economy at the centre of the City's development and stresses the importance of young people in helping to develop it. We should therefore recognise that LEGI can support this broader agenda.

Like the Hull Business Forum, the Women in Enterprise Group and those that are supporting Hull's young entrepreneurs, we believe any additional funding cannot itself change Hull. However, LEGI funding drawn in to the City, which has as a focus on young entrepreneurs, would be a further investment in the City's strategy to support Hull's Enterprising Young People.

The Youth Enterprise Partnership strongly advocates that where LEGI objectives are shared by the entire City it needs to be matched up to other relevant Area Based activities focussed on our most deprived communities such as NRF (that current supports the youth enterprise programme in Hull). Then used to encourage other funding resources within the public, private and voluntary sectors to realign behind those that are the hardest to reach and develop the enterprise agenda.

Culture and character of entrepreneurs is key

Hull needs more young entrepreneurs and it needs to support its existing entrepreneurs better. The survey provides evidence that it is the culture and attitudes of young people, not just the amount of business support, that will determine enterprise success.

Promoting an entrepreneurial culture through LEGI will not necessarily provide the short term outputs the Government may expect from LEGI, but in conjunction with Hull's other activities to support its economy, changing the culture is the outcome which could deliver the most long term benefits.

Grant/loan, mentoring, young people

In terms of business support priorities which LEGI could fund there was strongest support for grants and loans which were seen as the best action to help start-ups and to boost survival rates. This finding was supported in particular, as one would expect, from those young people that had received support from the John Cracknell Youth Enterprise Bank and the Youth Council in the past (via the Bransholme Youth Bank).

Mentoring from entrepreneurs who have 'been there' and 'done it' was favoured by 31 % of respondents. There was also strong recognition of the need to promote enterprise to young people, partly to boost start-ups but also to raise aspirations and build an 'enterprise culture' in the City.

Incubation and premises barriers came across strongly in the focus group and written comments. Safe and cheap premises in deprived areas can stimulate enterprise, supported by key interventions such as grants and mentoring or perhaps employment/apprenticeship support. Start-ups in incubation need to be encouraged to grow and move on, not get 'stuck' long term in 'enterprise centres'. The possibility of providing rent/rate support was thought to be important by respondent businesses to nurture enterprises in their early development.

Image

The issue of stigma and image are seen as central to policy makers that are leading on the investment agenda within our most deprived communities. However, the survey of young people suggested that for start-ups, survival rates and investment, stigma was not seen as a major barrier for them.

40% of young people felt that the City's external image needed to be improved to attract new entrepreneurs into the City. It is interesting to note that at the recent event in London to promote Hull to potential investors, no young entrepreneurs from our most deprived communities were asked to be an Ambassador for the City.

Comments also highlighted that image was not just about the PR and marketing of the City, but that the key was improving and then selling the City's assets. Alan Johnson MP stated, in a recent interview for the Youth Enterprise Partnership, that Hull's three major assets are its people, its people its people. Only by delivering tangible improvements will the City's image and investment potential increase.

Recommendations

The Hull Youth Enterprise Partnership considered responses from young people, results of the Hull Business Forum and Women in Enterprise reports.

The partnership was particularly interested and pleased to note that in the Hull Business Forum Survey a significant proportion of respondents supported the promotion of enterprise to young people. Also the high score associated with the need to develop youth enterprise programmes within our most deprived communities.

In light of the conclusions, a series of recommendations can be made which are similar to those found by the Business Forum and the Women in Enterprise Group.

- Hull should focus on being as 'business friendly' as possible (e.g. skills, procurement, transport, planning) to grow the economy and enable young people to feel supported in making the leap to becoming an entrepreneur.
- Focus on a small number of key interventions rather than scatter it on lots of projects as always happens in Hull.
- LEGI to support specific economic and business projects such as promoting a more entrepreneurial culture and establishing a central base to develop the entrepreneurs of the City i.e. develop an "Enterprise Academy" for young people.
- Help new businesses by targeting support at key stages of their development giving them soft loans as well as basic skills support.
- Funding for more grants and soft loans, supported by mentoring/training programmes should take priority in business support measures, building on the experience of the Youth Enterprise Bank.
- Improve access for businesses in deprived areas to key business networks.
- Premises issues should form part of the package in deprived areas, either enterprise centres, or rent/rate support for new enterprises for young people. Look to refocus the remit of facilities such as the BeSPoKe Community Enterprise Centre in Bransholme, targeting support to 16-19 year olds.
- Improve Hull's image to raise aspiration, investment and in turn enterprise.