

Big Ideas

HULL'S YOUTH ENTERPRISE BANK: "Supporting Young Entrepreneurs through joint Council and private sector partnership"

Summary of policy

Hull's Youth Enterprise Bank (YEB) is an informal public/private/community partnership that facilitates grants to develop young people's enterprising ideas. It reports into Hull's Youth Enterprise Partnership (HYEP) that has 63 members both the YEB and HYEP is chaired by Yorkshire's Women's enterprise champion Maureen Foers OBE.

Description

The Youth Enterprise Bank was set up with the support of the Council officers and members, Hull Youth Council, Chamber of Commerce, University of Hull, local entrepreneurs. Its purpose is to give out grants and interest free loans, at "risk", to the city's enterprising young people and to

influence major partners in supporting Hull's enterprising young people, either in terms of grants or mentoring support through other programmes and activities. It is committed, as a partnership, to the shared vision of growing the City's economy for the benefit of young people and facilitating opportunities to widen the entrepreneurial spirit in the City.

The Youth Enterprise Bank itself operates as a "Youth Club cheque book account" and therefore is independent of the Council's systems but is audited each year. The programme includes a contract between the young person and a business adviser (who is currently running a business) with a potential "flexible" grant or a no interest loan attached. During this process the young person gets up to 40 hrs worth of support on a one-to-one as long as they agree to undertake a similar amount of time on their own research. The three key words in our approach are "speed", "flexible" and "trust", none of which precludes a lack of accountability. We feel this approach is not only workable but essential if we are to help our young people to develop their enterprising idea.

As a city we are trying to also create a "Pipeline of Entrepreneurs" for future support. We have established a programme to stimulate enterprise in our primary schools via loans from the business community given to the school that the young people turn into a profit. In two rounds the schools have raised £20,000 and through Hull FC and Hull City AFC they run an enterprise academy to support 600 young people at school. One of our most successful activities in creating the



“Pipeline of Entrepreneurs” is using the Youth Enterprise Bank to purchase products and services directly from companies involved in Young Enterprise. In turn, when they cease to be involved in the programme we have supported them to continue to develop their business idea and to purchase their products and services.

What problems does the policy solve?

The partnership is chaired by a representative from the private sector with Council support. This has enabled the allocation of grants to be achieved through a semi independent group made up of representatives from the public/private and community sectors that can, for example, make a decision on a Monday, inform the applicant within two days, and allow them to collect the grant made out to their business or school/college or individual (whichever is best). Grant allocation therefore meets the young person’s needs and aspirations with a flexible and responsive service based on passion, commitment and knowledge - not on process. It is resourced to maximise the benefits of developing a sustainable enterprise culture, with the ongoing support of a business adviser, who is currently in business and who is paid to give their time as well many hours of in-kind support.

One of the main benefits of our approach through the Youth Enterprise Bank is how we have attracted private sector funding as well as private sector business advisers. The private sector can see that it as a project that is supported and enabled by the Council, and the joint support has led to a wider coalition to support the city’s enterprising young people.

The challenge that it solves is the need to give mentoring support from people in business and grants to young people aged 19 and under. These young entrepreneurs tend not to get the support of other funding regimes and organisation in a speedy and flexible way; and the YEB project also provides the addition of access to a business adviser.

Can it be adopted elsewhere?

The Hull Youth Enterprise Bank Management Group, with the support of the Council, believes that there is no reason why the concept cannot work in other areas of the country. Indeed, we have already had meetings with colleagues in other areas about its potential (it’s all about keeping it simple and avoiding unnecessary bureaucracy often associated with business

support programmes in the UK).

We are therefore very keen to share our experience of the project, warts and all, with other local authorities and would expect to also learn from others who may wish to develop their own local grant funds that could be topped up national funding regimes to met local need.

We have used the Youth Enterprise Bank as the corner stone of our activity. With private sector support it has, this year alone, helped us source £34,000 for our activities in Global Entrepreneurship Week (with support from such organisations as the Co-operative, St Stephen’s Centre, Hull Truck, KCOM, Arco, BAE Systems, Hull Truck, the Insurance Partnership, Reckitt Benckiser as well as a number of local companies and young entrepreneurs such as Hertz Web solutions, Force-7, Amanda’s Blue Orchid, Garbera Enterprise, Xing Health and some local social enterprises and educational institutions). Again we promote young people who we have supported not only as case studies but also as providers of products and services such as event support, mementoes for speakers, web design and IT support, floral decoration and evaluation.

What difficulties had to be overcome?

The main challenge we have had is ensuring the ongoing support for the Youth Enterprise Bank from the main funding regimes. Although it has recently secured funds through the school gates programme to help young parents to develop their enterprising idea in one of the city’s most deprived area. However, even with this we had to spend three months in discussions and identify a flexible funding package as the funders would not finance up-front £5,500 to the Youth Enterprise Bank as it was not a legal entity (even though our accounts are audited each year). It was decided to go ahead on the basis that the outcome was more important and it enabled a number of our private sector colleagues to be paid on an hourly basis for coming out of their businesses to help a person develop their enterprising idea,

In terms of it’s funding this year to-date; it has received £5,000 for a local business (ring fenced to young people in East Hull). It has signed an agreement for 30% of net profits from the books produced by Dave Garbera (He is a young entrepreneur writing a trilogy about his enterprise journey). It has secured £5,000 from Hull Training to support Young People aged 16-21 who go into business who are on apprentice schemes and a further £2,350 from fundraisers. The YEB has, through its Chair, secured involvement in the enterprise related Schools

Gate project, via Yorkshire Forward, which will enable it to give grants to parents and guardians in the North Carr area for them to develop their enterprising idea.

What financial implications?

The Youth Enterprise Bank currently has £43,911.88 (£25,401.88 is held in a High Interest Account). The Youth Enterprise Bank relies on contributions from its partners and the young people as well as the business community it has supported. Unfortunately it does not gain programme funding as that tends to go into regional rather than local programmes.

Has it proven successful?

In terms of direct outcomes since the Youth Enterprise Bank was established in 2003, it has awarded £137,000 to 98 young entrepreneurs, 12 social enterprise projects and 9 young enterprise projects in schools in the City. The last time an evaluation was carried out last year 82 of them were still trading. The success of this programme has led to four of the young people we have supported becoming Ambassadors for Enterprise UK.

We have established a local young entrepreneur's speaker's programme, through which we secure the involvement of four young entrepreneurs, currently running their own businesses, who can offer advice to the partnership in the planning and development of enterprise support. They also get involved in a range of activities, including telling their stories to other young people. Each young person is paid a retainer of £1,000 to invest in their business; this retainer equates to 50 hours support, and in the last two years the young people have easily done more than the minimum amount.

All our enterprise education programmes run in the city, such as Hull Ready and the Premier League enterprise academy, are about raising aspirations, as is the city's commitment to involving young people in Business Week and Global Entrepreneurship Week. They aim to help young people consider self employment as a route into the labour market or become more enterprising students and employees of the future. Therefore we are about to launch, with funds from the Youth Enterprise Bank, the 'Badgers Set Enterprise Challenge' whereby, young people aged under 19 who have an enterprising idea or a co-operative/ community enterprise project can compete to gain financial investment, which in turn will be doubled in a 'Dragons' Den' style activity led by Ruth Badger.

What advice would you give to those adopting the approach?

We have found, as is often the case with flexible projects, that there is much to consider in terms of unpicking process. The scale and sheer complexity of current business support programmes, and processes associated with them, means much time and resource can be used in helping a young person through them instead of giving advice based on experience.

It's best to establish a coalition of the willing who have a real commitment to what you want to do at an early stage and make sure that you identify at an early stage what each of the partners wants to get out of being involved. In terms of private sector partners, ensure that you recognise their input at all stages and do not take them for granted, or there is a danger that they will walk away. Throughout the development of our programme we have consulted with partners on the programmes and activities in order to get their feedback.

If the Council is going to take the lead it is important that the Council is committed to transactional outcomes at a local level and that who ever is leading has the capacity to campaign at all levels for the young people, therefore ensuring real outcomes and benefits.

The importance of staying focussed on your ideals and aspirations for young enterprising people cannot be overstated and there is a need for them to have access to your services via social media networks as well as a hotline that guarantees that they will be rang back within 24 hours and an appointment made.

Any other comments.

As a partnership we are very keen to see the model delivered elsewhere. Not only will this hopefully be of benefit to young people outside of Hull, but there will undoubtedly be benefits for Hull in seeing how the model can be applied differently, so that we can adapt in order to ensure continued improvement. With this in mind we have worked with colleagues in St. Helens in setting up a similar fund but managed by the Chamber of Commerce. The current economic situation is one in which innovation and flexibility is required for success and therefore it is essential young people get the correct support in developing their enterprising idea delivered in partnership with the local authority and private sector.

Hull has a commitment to internationalism and so the Youth Enterprise Bank and the wider partnership are members the European Confederation of Young Entrepreneurs and play

a full part in both Business Week and Global Entrepreneurship Week, promoting those young people that we have helped. Last year saw the City of Hull hold over 33 activities involving over 2,900 young people, aged 8 to 21, including five major conferences aimed at young people.

Without the coalition of 63 organisations, and an agreed strategy and action plan, we would not have contributed successfully to Hull being seen as an enterprising place that supports its young people. This in turn ensured that our full Council with all part support accepted a Conservative resolution to support the city's young people in general at this time of high unemployment but in turn agreed to campaign and lobby the UK government to look to make working capital available to young people taking on board Hull's experience of its Youth Enterprise Bank. At the same time we aim to work with the banks, in particular those the British taxpayer has an interest in, to allow young people aged 16-18 to be able to open a business account. The Council also in the same resolution agreed to positively promote the procurement opportunities available to our young entrepreneurs and, where possible, positively encourage them to tender. The Banks activities have significantly contributed to Hull's developing and expanding entrepreneurial culture and was a significant factor in the city becoming the UK's second most enterprising place in 2009 and in turn getting short listed to be one of Europe's most enterprising places.

For more information

For more information on the Hull's "Young Enterprise Bank" Initiative please visit, www.youthenterprise-hull.co.uk.

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