



Department  
for Work &  
Pensions

# Great Britain New Enterprise Allowance Quarterly Official Statistics: April 2011 to September 2015

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## Summary

1. New Enterprise Allowance (NEA) aims to help unemployed people claiming out of work benefits who wish to start up their own business.
2. Initially, participants in NEA work with a business mentor to develop their business idea. Once they have started trading and left benefits, or reported a change of circumstance if they are on Universal Credit, they receive a weekly allowance.
3. The key findings are:
  - Since NEA was rolled out in April 2011, up to September 2015, **152,880** starts have been made where people have begun working with a business mentor;
  - During this period, **76,960** of those mentor starts have progressed to set up their own business
4. From the start of the 2015 calendar year new starts to NEA have been delivered by new providers. We refer to this as the 'Contracted Phase NEA', whereas previously it was 'Grant Funded NEA'. The process for participants remains the same. However, some eligibility and the way data is collected for these Official Statistics have changed:
  - Eligibility: Grant Funded NEA was available to claimants of Jobseekers Allowance (JSA), Employment Support Allowance (ESA) in the work related activity group and lone parents claiming Income Support. Contracted Phase NEA extends this to include Income Support claimants who are sick, dependant partners of JSA and ESA customers, and some Universal Credit customers.
  - Data collection: Data for the Grant Funded phase is taken from the Labour Market System (LMS). It is our intention that data for the Contracted Phase will be collected from the Provider Referral and Payment database (PRaP). At present, both data sources are being used to collect data, more detail on this is available in the Technical Overview.
5. The statistical tables are also available as a separate Excel document to enable users to engage with, and reuse the data. A geographical breakdown is included, which divides NEA starts into Jobcentre Plus group, Jobcentre Plus district, Local Authority and Parliamentary Constituency. The Excel document also includes more detailed demographic breakdowns, including gender and disability by age group, and a regional demographic breakdown.

# Statistical Tables

## Table 1: Take up of New Enterprise Allowance

	<b>New Enterprise Allowance: Mentor starts</b>	<b>New Enterprise Allowance: Business starts</b>
<b>Total</b>	<b>152,880</b>	<b>76,960</b>
Apr-Jun 2011	480	140
Jul-Sept 2011	3,840	770
Oct-Dec 2011	4,960	2,330
Jan-Mar 2012	5,890	3,470
Apr-Jun 2012	5,330	3,580
Jul-Sept 2012	6,630	3,230
Oct-Dec 2012	8,270	3,850
Jan-Mar 2013	11,640	5,520
Apr-Jun 2013	12,330	6,870
Jul-Sept 2013	12,730	6,860
Oct-Dec 2013	10,800	5,870
Jan-Mar 2014	11,940	6,110
Apr 2014	4,060	2,340
May 2014	3,670	2,210
Jun 2014	3,650	2,250
Jul 2014	3,910	2,120
Aug 2014	3,080	1,840
Sep 2014	3,200	1,970
Oct 2014	3,370	1,870
Nov 2014	2,970	1,630
Dec 2014	2,220	1,170
Jan 2015	2,870	1,310
Feb 2015	3,040	1,250
Mar 2015	3,790	1,270
Apr 2015	3,150	1,380
May 2015	2,880	1,140
Jun 2015	3,460	1,370
Jul 2015	3,190	1,210
Aug 2015	2,620	1,010
Sep 2015	2,910	1,010

**Notes:** Values are rounded to the nearest 10. Values less than 10 are suppressed and marked with a dash. Due to rounding totals may not be the sum of the individual cells. Months are calendar months. The monthly breakdown, here collapsed into quarters, is available from the accompanying Excel file which can be found at: <https://www.gov.uk/government/collections/pre-work-programme-and-get-britain-working#new-enterprise-allowance>

Following a trailblazer in January 2011, New Enterprise Allowance was introduced in target areas in April 2011, and rolled out nationally from 1<sup>st</sup> August 2011. This table only includes data from April 2011.

Data Source - DWP LMS opportunities evaluation database October 2015 for all quarters, DWP PRaP database October 2015 for Jan-Sept 2015.

**Table 2: Demographic Breakdown for the period April 2011 to September 2015**

		<b>New Enterprise Allowance: Mentor starts</b>	<b>New Enterprise Allowance: Business starts</b>
	<b>Total</b>	<b>152,880</b>	<b>76,960</b>
<b>Gender</b>	Male	97,030	48,450
	Female	55,730	28,480
	Unknown	120	30
<b>Age Group</b>	18-24	13,420	5,690
	25-49	106,450	53,180
	50+	32,880	18,060
	Unknown	120	30
<b>Disability<sup>1</sup></b>	Yes	33,250	15,500
	No	119,510	61,430
	Unknown	120	30
<b>Ethnicity<sup>2</sup></b>	White	121,950	63,950
	Black or Black British	13,240	5,220
	Asian or Asian British	3,030	1,240
	Mixed	5,260	2,130
	Other/ Chinese	2,500	1,050
	Unknown	6,890	3,380
<b>Region</b>	North East	10,140	5,600
	North West	21,270	11,760
	Yorkshire and The Humber	18,280	9,110
	East Midlands	8,830	4,720
	West Midlands	14,550	7,540
	East	12,670	5,470
	London	22,160	9,520
	South East	12,090	5,870
	South West	9,120	5,020
	Wales	7,450	4,320
	Scotland	14,490	7200
	Unknown	1860	840

**Notes:** Values are rounded to the nearest 10. Values less than 10 are suppressed and marked with a dash. Totals may not be the sum of the individual cells due to rounding.

Following a trailblazer in January 2011, New Enterprise Allowance was introduced in target areas in April 2011, and rolled out nationally from 1<sup>st</sup> August 2011. This table only includes data from April 2011.

For some claimants on Universal Credit, demographic or geographic details are not captured in the data presented here. As a result, breakdowns may show a small undercount in areas where Universal Credit has been introduced.

Data Source - DWP LMS opportunities evaluation and Client databases October 2015 for all months, DWP PRaP database October 2015 for Jan-Sept 2015.

1: Disability status is declared by the Jobseeker during a Jobcentre Plus interview. Disability status is according to the claimant's own assessment.

2: Claimants recording their ethnicity status as "prefer not to say" are categorised as unknown.

## New Enterprise Allowance – Policy Description

6. The New Enterprise Allowance (NEA), officially launched on 1 April 2011, aims to help unemployed people who want to start their own business. NEA is now available to claimants of Jobseekers Allowance (JSA), Employment Support Allowance (ESA) in the work related activity group, and lone parents claiming Income Support. Participants must be aged 18 and over.
7. On 22 October 2012, access to the NEA scheme was brought forward to day one of their benefit claim, until required to join the Work Programme.
8. From the start of the 2015 calendar year new starts to NEA have been delivered by new providers. We refer to this as the Contracted Phase NEA. Contracted Phase NEA extends eligibility to include Income Support claimants who are sick, dependant partners of JSA and ESA customers, and some Universal Credit customers. The process for participants on NEA remains the same.
9. Participants receive access to a business mentor who will provide them with guidance and support as they develop their business plan and through the first six months of trading. Once a claimant has demonstrated they have a viable business proposition with the potential for growth in the future, they are able to access financial support.
10. This consists of:
  - a weekly allowance worth £1,274 over 26 weeks, paid at £65 a week for the first 13 weeks and £33 a week for a further 13 weeks, and
  - if they need start-up capital, participants may also be able to access a start-up loan.
11. NEA was initially available to JSA claimants in specific areas as follows:
  - 31 January to 30 September 2011 - Trailblazing the NEA model in six local authority districts in Merseyside.
  - Between April and July 2011 - Staged rollout covering 17 target districts.
  - From 1 August 2011 - Great Britain rollout (completed at the end of August 2011).

## Technical Overview

12. These statistics are derived using a combination of data from the Jobcentre Plus claimant management systems (the Labour Market System) and the Client database for Grant Funded NEA. Statistics for Contracted Phase NEA are derived from the provider payment system (Provider Referral and Payment). While they also occur on the Labour Market System (LMS), the Provider Referral and Payment (PRaP) system also includes UC claimants and therefore is preferred as it gives a more accurate estimate.

13. Information on demographics is obtained by merging data across the LMS and PRaP system with the Client database, which sometimes results in unknown values. This is because either we are unable to find a match or the information has not been recorded for the particular claimant.
14. The PRaP system does include Universal Credit data. Currently we are only able to match these claimants on the PRaP system with historic records in the Client database (e.g., claimants with an entry for a legacy benefit like Jobseekers Allowance). As such we expect a higher number of unknown entries in the demographic breakdown Official Statistics.
15. There are slight differences in definitions between Grant Funded and Contracted Phase NEA – set out below – which means there is a break in the series. Before 2015 the Grant Funded definitions apply. The first few months of 2015 the Grant Funded and Contracted Phase definitions overlap because individuals referred to NEA prior to January 2015 (Grant Funded arrangement) may still progress to a mentor or business start after January 2015. Later in 2015 only the Contracted Phase definitions will apply.
16. For Grant Funded NEA a start on the New Enterprise Allowance scheme is defined as the date the claimant first met with their business mentor. This is input by a work coach to the Jobcentre Plus' LMS and shown in these statistics as 'Mentor starts'.
17. For Contracted Phase NEA a start on the New Enterprise Allowance scheme is defined as the date the provider accepted the claimant on the programme. This is input by the provider on the PRaP system and shown in these statistics as 'Mentor starts'. During the transitional stage from one system to another Contracted Phase NEA data has been cross-referenced to LMS to ensure consistency.
18. For Grant Funded NEA a business start is recorded when the claimant begins claiming the weekly allowance. The weekly allowance is only payable when the participant closes their claim to benefits and commences trading. The claim start date is input by the work coach into the Jobcentre Plus' LMS.
19. For Contracted Phase NEA a weekly allowance start is recorded when the claimant starts trading. This differs from Grant Funded NEA in that
  - a) A claimant who starts trading but does not claim the allowance will be counted by PRaP in Contracted Phase NEA, while Grant Funded NEA only counts those claimants that started trading and made a claim. This break has led to the change from counting from allowance to business starts.
  - b) The claim start date is input by the provider into the PRaP system, rather than the Work Coach. During the transitional stage from one system to another Contracted Phase NEA data has been cross-referenced to LMS to ensure consistency.
20. New Enterprise Allowance is a Great Britain wide scheme. It was initially rolled out in stages across 17 target districts between April and July 2011. Roll-out

across the remaining 20 districts was completed at the end of August 2011. Full details of the scheme can be found at:

<https://www.gov.uk/government/collections/new-enterprise-allowance-campaign>

21. Every effort has been made to ensure that the quality of these statistics is of the highest standard. However, it may be necessary to revise the statistics in subsequent publications when more complete data becomes available, particularly for more recent months, when there could be a high level of retrospection.

## Retrospection

22. Retrospection refers to the time period allowed for additional or updated information to be incorporated into DWP's data systems.
23. Work coaches may submit, correct or resubmit data relevant to a mentor or allowance start some time after the actual event occurred. This means that the data presented in each release is subject to some retrospection, and figures may be revised in subsequent releases.
24. Labour Market System (LMS) datasets are produced with a month delay. For example: data for September 2014 was available at the end of October 2014. Generally we see significant retrospection in the last reported month of the latest LMS dataset (to use the same example: we see significant retrospection in the data for September 2014, which was released at the end of October 2014).
25. Therefore, to ensure the data published in these Official Statistics are accurate and will not be subject to significant change in the future, the statistics are published 2 to 3 months after the reference period. That is: Statistics for September 2014 are produced using October 2014 data rather than September 2014 data and this is available at the end of November.
26. The Provider Referral and Payment database (PRaP) is a payment system and is not subject to the same delay as LMS datasets. However we still see retrospection where providers submit, correct or resubmit payment claims some time after the actual event has occurred.
27. Previously Official Statistics reported on Grant Funded NEA mentor starts (where people have started working with a business mentor) and allowance starts (where people have started receiving the allowance) as input on the Labour Market System (LMS) by work coaches. It is our intention that in future statistics on Contracted Phase NEA will just be collected from the Provider Referral and Payment database (PRaP).
28. Implications for these Statistical series: As Contracted Phase NEA is still in an early stage we may expect the data to be subject to a larger amount of retrospection in the next publication. This will diminish in the future as the new



data entries and the collection methodology will have undergone more quality assurance.

## Revisions Policy

In accordance with Principle 2 of the UK Statistics Authority's Code of Practice for Official Statistics<sup>1</sup>, statistics within this publication adhere to DWP's statistics revisions policy, which explains how we will make revisions and inform users of our statistics when they occur:

<https://www.gov.uk/government/organisations/department-for-work-pensions/series/dwp-statistics-policies-and-procedures>

## Rounding Policy

To reduce the risk of inferring the identity of a claimant from these statistics and other statistics, values are rounded to the nearest ten. Values less than ten, including zeros, are suppressed and marked with a dash. Therefore totals may not equal the sum of the individual cells.

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<sup>1</sup> <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/code-of-practice-for-official-statistics.pdf>

## Annex A: Publication Timetable

NEA statistics were previously released every six months as part of the Get Britain Working publication. They can be found here:

<https://www.gov.uk/government/collections/pre-work-programme-and-get-britain-working#youth-contract-statistics>

Since December 2013 NEA mentor and weekly allowance have been published separately.

Publication	Date	Notes
1 <sup>st</sup>	Tuesday 10 <sup>th</sup> December 2013	The first New Enterprise Allowance publication.
2 <sup>nd</sup>	Thursday 27 <sup>th</sup> March 2014	The second New Enterprise Allowance publication.
3 <sup>rd</sup>	Tuesday 17 <sup>th</sup> June 2014	The third New Enterprise Allowance publication.
4 <sup>th</sup>	Thursday 25 <sup>th</sup> September 2014	The fourth New Enterprise Allowance publication
5 <sup>th</sup>	Friday 19 <sup>th</sup> December 2014	The fifth New Enterprise Allowance publication
6 <sup>th</sup>	Wednesday 25 <sup>th</sup> March 2015	The sixth New Enterprise Allowance publication
7 <sup>th</sup>	Wednesday 24 <sup>th</sup> June 2015	The seventh New Enterprise Allowance publication
8 <sup>th</sup>	Wednesday 23 <sup>rd</sup> September 2015	The eighth New Enterprise Allowance publication
9 <sup>th</sup>	Wednesday 16 <sup>th</sup> December 2015	The ninth New Enterprise Allowance publication

Publication dates and content will be confirmed on the Government Statistics: release calendar website ( <https://www.gov.uk/government/statistics/announcements> ) at least four weeks before publication date.

For general enquiries regarding Pre-Work Programme measures please visit the DWP website: [www.gov.uk/dwp](http://www.gov.uk/dwp) or contact the DWP press office on 0203 267 5144.

For enquiries relating to the statistics in this publication please contact:

### DWP Analyst

Samantha Poole

[samantha.poole@dwp.gsi.gov.uk](mailto:samantha.poole@dwp.gsi.gov.uk)