

# Freedom of Information request 1718/2014

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## Information request

Please provide me with the following information:

How many unemployed people have applied for the Government's New Enterprise Allowance since 2011?

- Please provide a regional breakdown

How many unemployed people have started a business using the Government's New Enterprise Allowance since 2011?

- Please provide a regional breakdown

Since 2011, how many businesses have stopped trading, after using the Government's New Enterprise Allowance?

- Please provide a regional breakdown

Since 2011, how many people who started a business, using the Government's New Enterprise Allowance, have returned to claiming benefits?

- Please provide a regional breakdown

## DWP response

(1) New Enterprise Allowance is available to claimants of Jobseekers Allowance (JSA), Employment Support Allowance (ESA) and lone parents claiming Income Support. Those claimants deemed suitable for participation in New Enterprise Allowance (NEA) are referred to start working with a NEA mentor by a Jobcentre Plus Work Coach - they do not apply for it.

The table below shows a regional breakdown of the number of mentor starts, where mentors have worked with unemployed people and other claimants to develop their business ideas between April 2011 and December 2013.

**Table 1: Regional Breakdown of NEA Mentor starts for the period April 2011 to December 2013**

	<b>NEA Mentor starts (GB)</b>
<b>Total</b>	<b>82,060</b>
Central England	15,990
London and the Home Counties	17,680
North East	15,850
North West	11,650
Scotland	7,490
Southern England	9,030
Wales	3,580
Unknown	800

**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.

Data Source - DWP LMS opportunities and DWP Clients evaluation databases January 2014.

**(2)** The table below shows a regional breakdown of the number of NEA allowance starts between April 2011 and December 2013. The Department does not collect the number of trading starts centrally, however allowance starts provide an accurate proxy for the numbers which start to trade.

**Table 2: Regional breakdown of NEA Weekly Allowance starts for the period April 2011 to December 2013**

	<b>NEA Weekly Allowance starts (GB)</b>
<b>Total</b>	<b>40,240</b>
Central England	7,980
London and the Home Counties	7,470
North East	8,210
North West	6,680
Scotland	2,940
Southern England	4,450
Wales	2,130
Unknown	380

**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.

Data Source - DWP LMS opportunities and DWP Clients evaluation databases January 2014.

The figures in table 1 and 2 are taken from New Enterprise Allowance Official statistics published in March 2014. They can be found using the following link:

<https://www.gov.uk/government/publications/pre-work-programme-support-new-enterprise-allowance-march-2014>

**(3&4)** Data is not held centrally on the number of businesses that cease trading following access to the NEA allowance or the number of these who return to claiming benefits. However, an ad-hoc piece of analysis was published in July 2013 assessing the benefit status of NEA participants in the year after taking up the allowance. A regional breakdown of this information is unavailable but the analysis of 2,960 starts to the weekly allowance between April and December 2011 suggests that:

- 78% of individuals were continuously off benefit for 52 weeks after their allowance start; the proportions at 13 and 26 weeks were 97% and 90% respectively. As discussed in the introduction, this is a high-end *proxy* for sustained self-employment; there may be other reasons for remaining off benefit.
- 85% of individuals were not in receipt of out-of-work benefits 52 weeks after starting the allowance; the proportions at 13 and 26 weeks were 97% and 91%.

The full analysis can be found using the following link:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/225167/NEA\\_benefit\\_status\\_ad-hoc\\_v3.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/225167/NEA_benefit_status_ad-hoc_v3.pdf)