

## **The Enterprise and Business Committee Inquiry into Youth Entrepreneurship.**

### **Background**

The Youth Entrepreneurship Strategy (YES) Action Plan launched in November 2010 builds on what has been demonstrated to be successful from the original strategy launched in 2004, whilst developing solutions to meet changing needs and demands and to help overcome current challenges. The YES Action Plan 2010-15 was developed in collaboration with public, private and voluntary sector partners across Wales, following an extensive consultation process during 2009-10. The input of key stakeholders was critical in shaping the proposals.

This is a joint strategy between DEST and DfES. The plan has also benefitted from collaboration with other departments across the Welsh Government and with partners and will continue to develop areas of synergy which have been identified.

The YES Action Plan focuses on young people and how they are taken forward on a journey of entrepreneurship – raising their awareness, developing their entrepreneurial skills, sparking ideas and providing practical information and support for those seeking to start up in business. In addition, three strategic audiences – education, business and the community – will all have a critical role to support young people.

YES has been selected by the World Economic Forum as a good practice example of a national strategy in entrepreneurial learning. It is one of four case studies chosen as good practice.

There are three delivery themes:

- Engaging – Promoting the value of entrepreneurship to create opportunities and develop young people
- Empowering – Providing young people with entrepreneurial learning opportunities.
- Equipping – Supporting young people to create and grow businesses.

### **Terms of Reference:**

- How effective is the Welsh Government's approach to promoting youth entrepreneurship?
- What steps can be taken to improve or strengthen support for potential young entrepreneurs in Wales?

## **1 What are the experiences of young entrepreneurs in Wales?**

The feedback to date regarding the level of support offered for entrepreneurship Under the Jobs Growth Wales programme (see description in question 2) has been positive. There are four strands of delivery, one of them being “supporting young people to become self employed”. A discretionary bursary of £6000 may be given to the individual to start up a business. To date 55 people have accessed this bursary, which exceeded the target of 50 which was set for the first year ending March 2013.

## **2 What is the scale of Welsh Government resource and funding targeted at the promotion of youth entrepreneurship? Is it sufficient?**

Enterprise and entrepreneurship activity is embedded into three key strands of education policy and delivery and available to all young people in school in Wales, namely:

- 1 The Careers and the World of Work Curriculum Framework (11-19);
- 2 Learning Pathways 14-19; and
- 3 The Welsh Baccalaureate (See below).

Primary responsibility for delivery of these three strands lies with schools and is included in schools core funding. This funding is unhypothecated as regards support for enterprise and entrepreneurship.

14-19 Learning Pathways grant totalling £62,500 is being used to support Entrepreneurship and Enterprise Activities across Wales in 2013/14.

Jobs Growth Wales is a £75m scheme, which aims to create 12,000 jobs over three years of delivery for young people aged 16-24. It provides a package of support to assist job ready young people into employment for a period of six months, paid at or above the National Minimum Wages for a minimum of 25 hours per week.

Other programmes operated through JobCentre Plus, offered by the Prince's Trust and the other Welsh Government departments, such as Department for Economy, Science and Transport (DEST) are also linked with JGW to enhance the individual's support for a career into entrepreneurship.

### **The Welsh Baccalaureate**

The Welsh Baccalaureate Qualification (WBQ) sits alongside, incorporates and complements existing qualifications. It is designed to prepare students for higher education and employment. It has two elements - the Options and the Core. Both must be successfully completed for the award of the WBQ. The options can be chosen from the range of academic or vocational qualifications that are approved for use

with learners in Wales. All students must achieve a minimum number of the options qualifications in order to complete the requirements of the WBQ.

As part of the Core all WBQ learners must complete a Work Related Education component. As part of this learners take part in a Team Enterprise Activity. This involves 30 Guided Learning Hours (GLH) at the Advanced Level and 15 (GLH) at the Foundation and Intermediate levels and is intended to help learners understand how businesses work and to develop entrepreneurial skills. Learners have a choice as to what sort of activity they do; it may be a National initiative such as the Student Investor challenge, or they may choose to set up a business, developing and selling a product or providing a service.

The Review of Qualifications for 14-19 year olds in Wales (RoQ) recommended that a revised and more rigorous Welsh Baccalaureate should be developed. The RoQ also recommended that the revised qualification should sit at the heart of the qualifications system for full-time learners at 14 to 19 and that the Welsh Government should encourage universal adoption of the qualification. Key stakeholders are now working with officials to ensure that the revised Welsh Baccalaureate is a robust and world class qualification, which meets the needs of learners and of the economy of Wales.

### **Work Based Learning**

The Work Based Learning (WBL) programme includes the delivery of Traineeships, Apprenticeships and the private sector strand of Jobs Growth Wales.

For the specification for the delivery of the **Traineeships** element (for young people 16-18), providers have incorporated the Youth Entrepreneurship Strategy (YES) into their delivery. YES materials were given to providers to teach entrepreneurship skills as stand alone modules. The Traineeship programme incorporates three strands of delivery: Engagement; Level 1 and Bridge to Employment.

Traineeship providers look for opportunities to encourage young people to consider self-employment as an option and an accredited enterprise qualification has been built into the programme as an option.

To date, the numbers who went into self-employment from the Traineeship programme for 2011/12:

- Engagement – 10
- Level 1 – 15

**Total – 25**

Funding for the Traineeship programme, based on 2012/2013 Provider profiles, the programme will support approximately 7,500 16-18 year old

learners and constitutes a total investment of around £32.9 million (including training allowances) during the contract year from 1 August 2012 to 31 July 2013.

In addition, all providers delivering WBL programmes were given resource packs. These packs included information on developing enterprise skills, and were distributed to the 25 organisations that deliver the WBL programmes for the Welsh Government.

### **Teachers and Schools**

New professional standards were introduced from 1 September 2011. The Learning Wales website, with a range of materials to support teachers, was launched in September 2012. A secondee who is leading the development and selection of the materials to support teacher CPD is working with practitioners to identify appropriate materials. From September 2012 the induction arrangements for newly qualified teachers (NQTs) will be strengthened and all NQTs will be able to study for a Masters in Educational Practice.

In 2012 all schools and colleges have met the requirements of the learning and Skills Wales Measure which required all learners to be offered a minimum of 30 options to choose from at Key Stage 4 and post-16. A number of Entrepreneurship courses are available on the Database of Approved Qualifications Wales (DAQW) for use by schools and colleges. In addition a number of schools and colleges offer Business Studies/Communication/Administration to students at both KS4 and post-16.

### **Careers Wales**

Careers Wales undertook four pilot entrepreneurship groups with 16-18 year old Youth Gateway clients in 2010-12. Although evaluation and outcomes appeared positive the change in remit of Careers Wales from April 2013 means that Youth Gateway will no longer operate. It is planned that the lessons learned in these pilots can be used effectively with the Traineeship programmes that will deal with such clients in the future.

### **Department of Works and Pensions (DWP)**

The Department of Works and Pensions (DWP) New Enterprise Allowance (NEA) scheme offers limited mentoring and an allowance for individuals in receipt of Jobseekers Allowance who wish to set up a business. NEA participants are also able to access Welsh Government's Business Start Up service.

The DWP Work Programme commenced in September 2011. It has been agreed with the Welsh European Funding Office (WEFO) that participants on the Work Programme can take part in business start up support offered by the Welsh Government's Start Up service.

### **3 What progress has been made in implementing the Welsh Government's Youth Entrepreneurship Strategy and Action Plan?**

**Engage** – We are delivering targeted activities and events to stimulate interest and participation in entrepreneurship, particularly to those who are unemployed or economically inactive.

To this end, entrepreneurship has been included within the Traineeship programme contract requirement. This includes an option to undertake an accredited enterprise qualification.

Also the Deputy Minister for Skills issued a Written Statement in January 2013 on the transition from the current Youth Engagement and Employment Action Plan published in January 2011, to a Framework for Youth Engagement and Progression.

The Framework is being developed around the needs of young people, strengthening the accountability of different agencies in the system for delivering better outcomes for young people. Ministers will set out requirements to Local Authorities for the implementation of this Framework from September this year.

In addition, the Welsh Government published on-line entrepreneurship guidance and guidance to schools and other partners regarding Careers and World of Work (CWW) roles and responsibilities. This was published on December 2012. Information also provided in Dysg newsletter. This guidance lays out what should be provided by schools and their responsibilities and the role of organisations that support the delivery such as Careers Wales. Careers Wales have submitted a separate paper to the enquiry which notes the type of services they have provided from 2001-2012.

**Empower** – compulsory inclusion of the Wider Key Skills qualifications in Working with Others; Problem Solving; and Improving Own Learning and Performance within the Welsh Baccalaureate has meant that significant numbers of learners have developed and improved these skills which support more effective enterprise and entrepreneurial mindsets.

Also, all Welsh Baccalaureate learners have completed a Team Enterprise activity developing attributes and experiences which foster more creative approaches to learning and employability, including business start up.

### **4 How does the Welsh Government's approach to promoting youth entrepreneurship incorporate issues such as equality, social enterprise and regional variations in skills and training opportunities?**

Welsh Government is committed to embedding an entrepreneurial culture in Wales through the **YES Action Plan**, a joint DFES and DEST strategy.

YES actively promotes partnership working with young people, business, education and community and third sector organisations.

Equality Impact Assessment screening has been completed for both the Jobs Growth Wales and Traineeship programme. These screening assessments have been published on the Welsh Government website. Strengthening Equality and Diversity within WBL for the next round of contracts will be an ongoing theme.

Where entrepreneurship or an interest in establishing a business are raised during young peoples careers guidance interviews (or other interactions) with Careers Wales they will be provided with suitable advice and guidance, such as signposting to the supporting programmes provided by DEST etc. Suitable links and generic careers information and advice is available via the Careerswales.com website for clients wishing to self serve.

**5 What opportunities are presented by increasing youth entrepreneurship as a means of tackling youth unemployment and inactivity?**

The vast majority of Welsh headquartered companies are classified as small or medium sized enterprises (SME's). As such many young people may express a desire to start their own business sometime in the future after working for an SME or larger organisation to gain experience and knowledge of the sector. Thus establishing an entrepreneurial spirit at a young age sows seeds for the future.

As highlighted under question 1, the Jobs Growth Wales programme provides for a strand of delivery to support young people to become self employed”.

Youth Engagement and Employment Action Plan published in January 2011, to a Framework for Youth Engagement and Progression. The Framework is being developed around the needs of young people, strengthening the accountability of different agencies in the system for delivering better outcomes for young people.

There are six themes within this plan one of them being “Employability of Young People”. DfES is in the early stages of planning to put together an ESF bid to take forward actions such as improving schools delivery of Careers and the World of Work and thus enhancing young people’s knowledge of the world of work, fostering employability skills and raising aspirations such as entrepreneurship. This will include building up schools capacity to deliver such things as enterprise awareness packages that are no longer directly delivered by Careers Wales since their revised remit and becoming a wholly owned subsidiary of the Welsh Government came about on 1<sup>st</sup> April 2013. Careers Wales remit in this area is to build the capacity of partners such as schools to deliver. The

detail of the ESF bid will be worked up through a series of workshops incorporating all relevant partners.

DfES are also working with 8 Local Authorities and trialling work relating to the Youth Engagement and Progression Framework to develop and trial effective approaches to engagement and progression and provide evidence of what works and why. These trials will provide an opportunity to fully test the approach and inform final implementation across Wales in September 2013. One of the strands within this Framework is strengthening employability skills and opportunities for employment.

The development of ACRO (Attitude, Creativity, Relationships, and Organisation) skills, competences and attributes are excellent effective ways of engaging the disengaged and disaffected, as would be use of the Dynamo materials (resources for teachers and tutors to support curriculum, focussing on developing young people's entrepreneurial skills and attitudes)

The ACRO model was introduced to focus on the attitudes, skills and behaviours needed to enable young people to meet the needs of business in the 21st century. Initial research conducted by the Welsh Government identified the characteristics commonly displayed by entrepreneurs. The model breaks the characteristics down into four key dimensions and is summed up by the acronym ACRO – this covers all the important aspects of entrepreneurial behaviour.

In this way it is possible to holistically develop a set of skills and attitudes which would support young people to make good progress in learning and/or gaining employment.

The development of these skills can also lead to qualifications in Key Skills/Essential Skills so sought after by employers which in turn build confidence and promote further engagement.

## **6 To what extent is entrepreneurship embedded within secondary education, further education and higher education institutions in Wales?**

Careers and World of Work (CWW) and thus entrepreneurship, which is included in CWW) is embedded throughout the school curriculum. The programmes of study for all subjects identify opportunities for children and young people to learn about CWW and key entrepreneurial skills in readiness for their future working lives.

Entrepreneurship is a key component of the CWW framework. Schools are encouraged to provide opportunities for learners to explore the attributes of entrepreneurs and the role of enterprise in wealth creation. They should also provide opportunities for learners to develop their own ability to act in entrepreneurial ways.

Estyn completed a thematic inspection of schools delivery of the Careers and the World of Work Curriculum Framework, this resulted in the report: ***Informed Decisions: The implementation of the Careers and the World of work framework – October 2012***. This report highlighted the good work that Careers Wales provided in support of schools delivery of the framework but noted that school delivery was variable. This report is one of the drivers behind setting up of an ESF project to assist schools in improving their delivery and thus the entrepreneurship and employability of young people.

### **Welsh Baccalaureate**

The Welsh Baccalaureate Qualification aligns closely with the Learning Core element of Learning Pathways. The Welsh Baccalaureate Core programme is designed to provide a more rounded experience that prepares a learner for life within family, community and workplace. It presently includes Key Skills/Essential Skills Wales, Wales, Europe and the World, Work-Related Education (including an enterprise activity), Personal and Social Education, and an individual investigation

Careers Wales is now taking forward implementation of the remit set by Ministers for its operation in 2013-14. It recognises that the links between employers and education continue to be essential and this area of work will need to be enhanced in the future. Careers Wales will support employer engagement with education and provide capacity building support to schools and others to help institutions develop the Careers and the World of Work framework, including the Careers Wales (Quality) Mark and schools delivery of enterprise education. Careers Wales have been directed to disengage from direct delivery of activities such as enterprise to clients, as this is the responsibility of others such as schools, and investigate partnership working with other members of the 'careers family' with a view to building the capacity of those partners ability to deliver in line with their own responsibilities.

## **7 What is the evidence base for the Welsh Government's approach to supporting and encouraging youth entrepreneurship?**

The evidence base for the Welsh Government's approach to supporting and encouraging youth entrepreneurship can be seen throughout the answers supplied in this report.

The answers clearly demonstrate that the Welsh Government recognises the importance of entrepreneurship and of embedding a culture of enterprise into our educational structures in Wales.

The Welsh Government wants to ensure it remains at the leading edge of enterprise education and that it fosters a culture of entrepreneurship amongst the young people of Wales. As seen, there is already a great deal of activity in this area being undertaken in Wales.



## 8 How does the Welsh Government monitor and evaluate its youth entrepreneurship activities?

The Youth Entrepreneurship Strategy (YES) and Action plan is monitored regularly.

The YES Officials Group has responsibility for actions within YES and is shared across a number of areas within Welsh Government. Lead officials, with specific responsibility for YES actions meet on a bi-annual basis. The group considers progress to date, identifies areas of synergy and discusses how best to engage with each other and with external stakeholders on the YES Action Plan and future developments.

The YES Action Plan Panel was established in 2011 to receive updates on progress, provide strategic guidance and expertise and to advise on how best to build on what has been achieved. Following an open competitive application process, 12 enthusiastic panel members have been appointed. They include representation from economic development, education entrepreneurs, business and third sectors organisations. The YES Action Plan Panel meets quarterly.

Under Jobs Growth Wales the “supporting young people to become self employed” strand, to date monitored 55 people that accessed the bursary, exceeding the target of 50 for the first year ending March 2013.

Traineeship providers look for opportunities to encourage young people to consider self-employment as an option and an accredited enterprise qualification has been built into the programme as an option. To date, the numbers who went into self-employment from the Traineeship programme for 2011/12 are as follows:

- Engagement – 10
- Level 1 – 15
- Total – 25**

Careers and World of Work and entrepreneurship is inspected as part of Estyn’s Common Inspection Framework and guidance to secondary schools states:

- *Inspectors should assess the coherence and effectiveness of the provision for personal and specialist support. A carefully-structured and co-ordinated guidance programme includes careers education and guidance, and should take account of the Frameworks for Personal and Social Education and for Careers and World of Work Guidance*

The compulsory use of the Tracio tool to monitor and evaluate the development of softer skills and attributes as a part of the Traineeship programme provides data around distance travelled in relation to this progress.

**9 What impact has it had on the number of people starting a business?**

As stated in questions above the strand for supporting young people to become self employed monitored, to date 55 people that have accessed the bursary, exceeding the target of 50 which was set for the first year ending March 2013.

**10 What examples of good practice in youth entrepreneurship policy can be identified within Wales, more widely within the UK and internationally?**

Inclusion of Enterprise and Entrepreneurship within the three strands of education in Wales:

- 1 The Careers and the World of Work Curriculum Framework (11-19);
- 2 Learning Pathways 14-19; and
- 3 The Welsh Baccalaureate.

Inclusion of Enterprise and Entrepreneurship as a cross-cutting theme.