



## **The New Enterprise Allowance Scheme**

The Social Enterprise Coalition and Co-operatives UK welcome the Government's announcement of extra help to unemployed people who want to start their own business through the New Enterprise Allowance Scheme. If developed appropriately, we see potential for the scheme to encourage the development not just of regular businesses but also of social enterprises.

We understand that the scheme will consist of:

- financial support for 12 months
- access to a loan of up to £1,000 to help with start-up costs
- access to a business mentor

We also understand that this will be conditional on the beneficiary having a viable business proposition. There are a few areas where the scheme could be developed in such a way as to encourage the development of social enterprises and we wish to highlight these to the Department for Work and Pensions (DWP):

### **Enterprises established by groups**

We would like to see the New Enterprise Allowance Scheme operate in such a way that does not exclude the establishment of particular legal forms. For example, the eligibility of members of an Industrial and Provident Society (IPS), or other legal form which allows a group of people to run a business, should be ensured. This should be on the basis that a majority of the group are beneficiaries of the New Enterprise Allowance Scheme and are therefore in control of the business.

### **Mentoring**

Within the social enterprise sector there are support resources which could help people in the development of social enterprises. These include online resources at [SETAS](#), and organisations including [Co-operatives UK](#), the [School for Social Entrepreneurs](#) and [CAN](#). We can provide pointers to these and other resources.

### **Information and publicity**

The Social Enterprise Coalition and Co-operatives UK can help with dissemination of information and publicity about the New Enterprise Allowance Scheme amongst our respective networks, encouraging take-up amongst those wishing to establish social enterprises. We are also keen to see provision of information about social enterprise contact points to job-seekers, including specialist information and guidance on setting up enterprises, at Job Centres and in relevant literature.

### **Money**

The role of specialist lenders, such as Community Development Finance Institutions, should be considered in the development of the scheme. They could offer loans to help with start-up costs for eligible enterprises.



### Eligibility

We would like to see the scheme extended to people who are on Incapacity Benefit or Employment Support Allowance who may have difficulty in getting a job but may wish to, and be able to, establish their own enterprises.

We would like to work with the DWP to ensure that the scheme is rolled out in such a way that encourages the establishment of social enterprises.

For more information, please contact:

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