

## Self-employment support pathway

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This document was developed by IES as part of a research project, funded by Youth Futures Foundation and delivered in collaboration with University of Westminster, that sought to explore whether self-employment has the potential to provide opportunities to young people who are NEET.

The intervention outline presented here was informed by insight shared by individual self-employment support providers shared via consultation and is underpinned by evidence from a literature review and secondary data analysis.

The conversations covered the timing and nature of support, with emphasis on format, content, and cost to understand how the support intervention would need to be delivered in practice. Providers shared insight based on the self-employment support interventions which they deliver in their organisations.<sup>1</sup>

From the insight shared by individual providers, the research team has developed an intervention model synthesising the key components of an ideal support journey, integrating best practice elements from existing programmes including those in the literature to provide a comprehensive support pathway. The pathway outlined in this document focuses on programme delivery, the development of programme infrastructure is not included.

The intervention at this stage does not include a component of direct finance to young people to inject into business start-up. This is because providers indicated not all young people need it and it can create risks for young people to receive financing too soon. Providers also noted the availability of business financing options from other sources. For providers or Youth Futures Foundation to be able to administer business financing may require Financial Conduct Authority (FCA) authorisation.<sup>2</sup>

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<sup>1</sup> The organisations which took part in the consultations included: The Prince's Trust, TEDCO Business Support, Momentic, RIFT Social Enterprise, Apex Project, Ingenuity, Launch It

<sup>2</sup> Most organisations providing financial services need to be authorised by or be registered with the FCA, the regulatory body for financial services firms in the UK.

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## Overview

The support pathway focuses on supporting young people, aged 18-24, from disadvantaged or minoritised backgrounds, who are not accessing good quality work opportunities through traditional routes<sup>3</sup>. Across providers, there was a shared view that disadvantaged young people, and particularly young people NEET (unemployed or economically inactive), sit across a spectrum ranging from those who may not be familiar with self-employment, to those who already have knowledge of or are at the start of a self-employment journey. In particular, the latter group may include those who have caring responsibilities, a health condition or disability, and may be looking for more flexible forms of employment due to the constraints in their personal context. It may also include those who recently completed a vocational qualification for which the common route into work is self-employment, such as construction or hairdressing.

As a result, the support model for the intervention should acknowledge potential differences in the diverse starting points and needs of the target population.

- Young people who have little or no familiarity with self-employment, are likely to need a stronger focus on foundational support and confidence-building (we are calling this group 'Fresh Starts').
- Young people with existing knowledge, relevant skills and interest in self-employment, may be ready to move at a faster pace, requiring more targeted support (we are labelling this group 'Ready for Starting-up').

As a result, an intervention should allow for different entry points and flexibility in delivery, particularly in the configuration of learning and training, and financial support. This will mean it can offer differentiated routes.

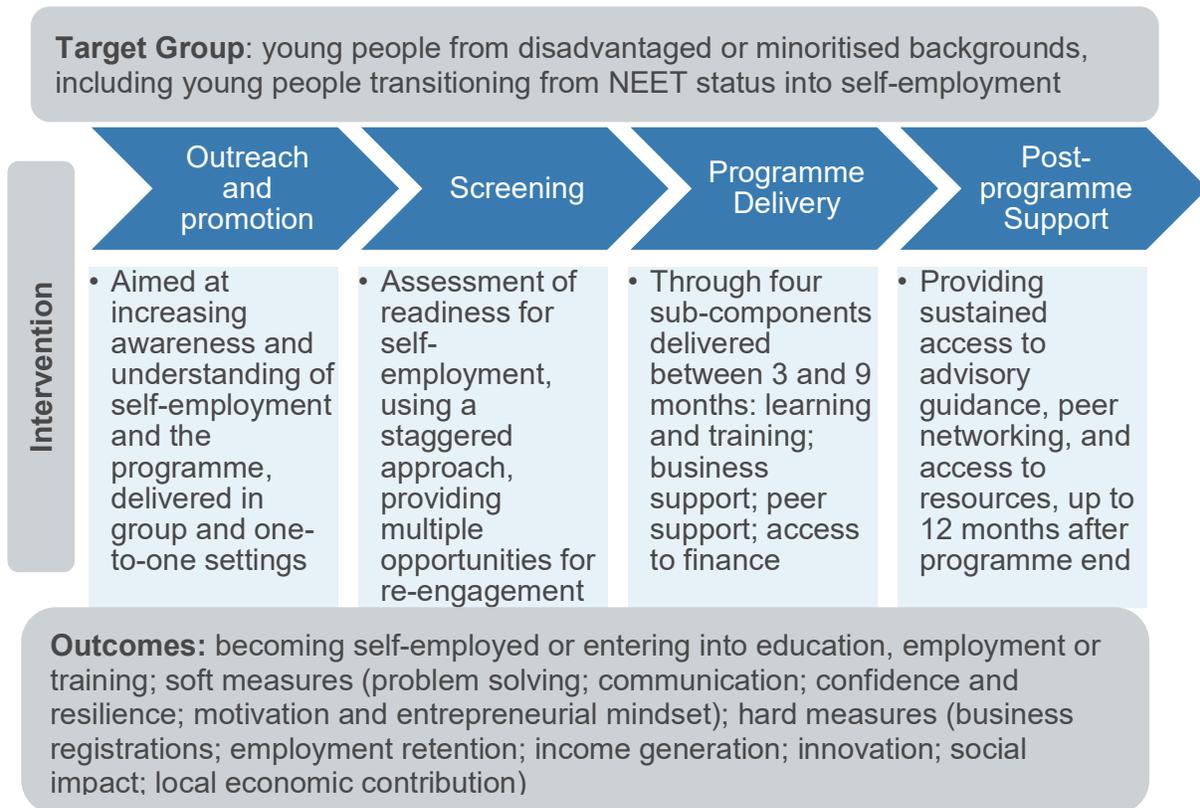
This document provides an overview of the key components that inform the structure of the intervention support model, distinguishing, where relevant, between the three routes, and different types of support that young people may require at different stages of their journey.

The participant journey for all young people includes four key components: promotion and outreach, screening, programme delivery and post-programme support, as outlined in the participant journey below (Figure 1).

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<sup>3</sup> Providers acknowledged that self-employment might not be young people's sole focus or source of income during the support phase and some shared that part-time work, alongside self-employment, may be a preferred, and safer, way for some to provide a regular and predictable source of income.

**Figure 1: Participant journey for a self-employment intervention**



# Intervention model

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## Population

Young people, aged 18-24 who are NEET including:

- short and long-term unemployed
- transitioning from education to work
- with health conditions and disabilities
- from disadvantaged or minoritised backgrounds (socio-economic, race, low educational attainment, care responsibilities).

Within this target group, there is further distinction between:

Fresh Start	Ready for Starting-Up
<ul style="list-style-type: none"> <li>■ Limited to no work experience</li> <li>■ Low entrepreneurial awareness</li> <li>■ Lack of technical and business skills</li> <li>■ Limited networks and role models</li> <li>■ Low confidence and motivation</li> <li>■ Lack of access to resources</li> <li>■ Challenging personal circumstances</li> </ul>	<ul style="list-style-type: none"> <li>■ Higher confidence and motivation</li> <li>■ Basic business knowledge and technical skills</li> <li>■ Some entrepreneurial or self-employment experience</li> <li>■ Proactive in seeking opportunities and independent in learning</li> <li>■ Some industry networks – may have connections but need guidance to leverage them effectively</li> <li>■ A business idea or specific self-employment ambition</li> </ul>

## Intervention

The aim of the programme is threefold:

- Upskill participants with self-employment knowledge
- Support them to start the self-employment journey
- Support them to progress in their self-employment journey
- Support them to progress into an employment, education, or training (EET) destination

The intervention caters to a diverse group of young people who may have differing needs depending on their context, the sector of interest to them, and the maturity stage of their self-employment journey, so prioritises flexible and adaptable approaches. The programme should last between three and nine months (three for Fresh Starts, six for Ready for Starting-up, and up to nine for those who go through Fresh Start and Ready for Start-up), followed by at least 12 months of post-programme support for those who start up a business or scale up existing entrepreneurial activity. Programme components include awareness-raising, screening, learning and training, business advice and mentoring, group work and peer support, access to finance, and post-programme support. Each of these is discussed below.

## Promotion and outreach

The promotion and outreach component provides the first core component to the support intervention and introduces all young people to the realities of running a business to enable them to make informed decisions about participating. The aim is to provide inspiration while ensuring a balanced, honest view of both the benefits and challenges of self-employment, dispelling myths and addressing common misconceptions. This component provides an overview of the support available, both within the programme and through wider networks, and sets realistic expectations. Once they have made an informed choice young people will be randomised either to treatment or to 'business as usual' (BAU).

### Component aims

Participants should gain a clear understanding of:

- The meaning of 'self-employment' and forms it can take, and how it differs from other forms of employment.
- Why young people might consider self-employment, including flexibility, a sense of accomplishment, independence, and earning potential as their business grows
- Key challenges, such as work-life balance, transitioning from benefits to financial independence, administrative responsibilities, lack of paid leave, and pension considerations.
- The next steps in support, the aims and components of the Realising Your Ambitions workshop, and expectations regarding time commitment and requirements if they decide to engage in the full programme.
- An overview of the evaluation and what it means to be part of a trial, including being randomised to treatment or control.
- Young people are fully informed about self-employment, and the trial and its evaluation to be able to consent to randomisation.

### Leveraging partnerships in the community

To maximise engagement, promotion activities will be integrated into existing networks where young people already seek guidance and support. Providers will determine the best networks to work through, and this may depend on their existing networks in a particular place. These partnerships may include:

- **Local government:** including Local Authorities and Combined Authorities, linking with statutory youth services
- **Further education institutions:** delivering information sessions in schools, colleges, and sixth forms to help young people assess the viability of self-employment as a career choice.
- **Youth organisations and libraries:** partnering with youth services, community groups, and libraries to offer workshops and taster sessions that showcase available support.
- **Housing associations:** leveraging newsletters and resident-facing staff to promote initiatives, particularly to NEET clients.
- **Jobcentres and employment services:** collaborating with Jobcentre Plus and the Restart scheme to provide targeted support. These are key partners for programmes targeting benefit recipients, providing strong support for self-employment initiatives which are fully funded and target young people.
- **Prisons and probation services:** adapting the intervention model to support young offenders.

### Social media and broader outreach

Though some aspiring young entrepreneurs will already be engaged with local services and support through these partnerships, others will not be and reaching them requires a broader, more proactive awareness strategy:

- **Social media** campaigns can play a crucial role in reaching young people where they are most active.
- **Local visibility** and networking events increase programme awareness, ensuring those with business ideas are aware of available support. For example, collaborations with local councils enhance credibility and help embed the programme within existing enterprise ecosystems.
- **A clear, recognisable brand** is essential, particularly in a national market where online searches can lead to information overload.

### Group outreach session

An introductory session will be run in group settings by the selected providers. They will use staff experienced in offering self-employment support to young people to deliver the sessions including later peer support. These short, one to two hour sessions, will give young people an overview of what 'financial independence' means, what it can look like for young people, steps to becoming financially independent, and potential benefits and pitfalls. Talking about 'working for yourself' and 'financial independence' at this stage is preferred to 'self-employment', which may feel overwhelming or off-putting to some, and be associated to fixed notions around self-employment.

The sessions will also cover the trial and the evaluation, specifically the implications for young people in terms of the likelihood of receiving support as well as data collection plans. Written information about the trial will be supplied by the evaluation team which providers will use to lead this briefing. A written consent form will also be supplied.

The sessions can be delivered in a mix of formats will cater to different learning preferences and engagement levels. These should include in-person and online options.

- **Community-based outreach:** can include drop-in sessions, informal events, and casual engagements in spaces frequented by young people (community centres, libraries, youth centres, and specific settings such as housing associations, JCP, etc.). These should be delivered by business advisers or outreach/ engagement officers, using a friendly and approachable style to make self-employment feel accessible.
- **Short online webinars:** should provide concise, engaging overviews, covering both the benefits and potential challenges of financial independence.

## Induction phase

This constitutes the second core component of the intervention. Following the outreach stage, interested young people are randomised and if allocated to treatment are referred to the next stage of the intervention, which covers induction and assessment.

### Aims

The goal is to ensure young people have a full and realistic understanding of self-employment, and the motivation and willingness to engage with potential challenges by this stage. Many young people will move into the Fresh Start track.

For young people who have progressed further in their entrepreneurial journey (e.g. have a business plan), a second stage of assessment, focusing on financial readiness and maturity of business plans, will identify those who may be ready to move into the Ready for Starting-up track.

## Format

Assessments should be conversational and personalised, focusing on understanding the young person's context, aspirations, and readiness. They should minimise the risk of turning motivated young people away but ensure those with clear self-employment intentions can be supported with a tailored pathway based on their needs and stage of development. Those not yet suitable for self-employment can be signposted to further preparatory steps. The learning objective for this stage is ensuring young people have sufficient information to be able to make an informed choice to participate.

Assessments will take place through an individual, one-on-one session with a business adviser. This session will focus on the individual's profile and needs, to explore fit and suitability for the programme and pathway (Fresh Starts , Ready for Starting-Up). This session will take the form of a 'discovery meeting', and focus on areas such as:

- Commitment to starting or progressing self-employment
- Maturity stage (idea phase vs. active planning)
- Personal circumstances (education, employment, benefit status, personal and household context including caring responsibilities or health issues)
- Viability of self-employment based on financial and lifestyle needs
- Feasibility of business idea, for those who already have one (evidence of market demand and income potential)

Assessment can be supported through three steps:

- **Initial Diagnostic:** A diagnostic checklist<sup>4</sup> will enable an evaluation of key entrepreneurial traits, skills, and readiness (e.g. ability to develop a business plan; understanding of HMRC registration requirements; notifying Job Centre Plus of self-employment plans). Focus is placed on financial goals, time availability, and lifestyle aspirations to set realistic three, six, and 12-month goals.
- **Filtering and Progression Model:** A tiered progression system will be used to match support levels with readiness and commitment.
  - A *Fresh Start track*, providing entry-level learning and training modules, and financial education, will be provided to those who are new to knowledge and experience of self-employment (see Learning and Training; Support around finance). This track has a duration of **three months**.
  - A *Ready for Starting-Up track* with more advanced and more specific learning and training modules will be provided to those who already have or are working on a business plan, as they need support around specific areas to be ready to start as self-employed. This track has a duration of up to **six months**.

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<sup>4</sup> The providers consulted already have examples that could be reviewed for suitability. We suggest that the evaluator draft the checklist to assess readiness, so there is a common standard across providers and there are consistent indicators to assess participant suitability for the intervention.

- Once assigned to the suitable track, young people will give their informed choice to participate and be required to agree to randomisation
- **Second-stage Assessment:** Some of those who complete the Fresh Start track will choose to continue to develop their self-employment plan since they have moved closer to self-employment – having developed the skills and knowledge to be ready for the more advanced stages of support. These young people will be offered a second ‘differentiated assessment’, after completion of these elements, to assess their suitability for Ready for Starting-up. The assessment should be at the discretion of the business adviser and based on clear milestone achievement.

The intervention should also include a formal ‘**pause and re-engage**’<sup>5</sup> policy that recognises fluctuating capacity among participants, and allows them to pause participation, with a clear plan for re-engagement agreed with their business advisor, and regular check-ins during the pause, with the aim of supporting retention.

## ‘Realising Your Ambitions’ workshop

This component acts as a bridge to the intervention for both tracks. The aim is to help participants build confidence, understand the options available to them, and reflect on their own skills and motivations. By the end of the workshop, each young person will be better equipped to start on the support pathway.

Delivered at service providers’ or community premises, the workshop is delivered in-person, through small group sessions (max. 15 participants per session). The workshop should focus on introducing the concepts of entrepreneurial thinking without heavy business jargon, inspire self-belief in young people, tackle fears of failure, and help them think of pathways out of unemployment, as well as clarifying the real-world implications of pursuing income through self-driven routes (e.g. impact on benefits). The sessions should be led by business advisors, and overseen by a lead facilitator. An example structure could include the following themes:

- **Discovery and Connection.** The focus can be on confidence-building, self-awareness, and thinking about possibilities. It can include ice-breakers, reflective activities (on values and goals), and talks by relatable role models.
- **Building and Exploring.** The focus can be on exploring income-generating options, problem-solving, and mapping key steps. It can include sessions on skills mapping, creative problem solving, introductions to some key topics (personal branding, digital tools), and drop-ins with advisors to ask questions and build familiarity.

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<sup>5</sup> This component is introduced as providers appreciate the challenges in individual contexts, meaning some young people may need to pause. The duration of agreed pauses will be flexibly determined depending on the young person’s context and need, but we suggest pauses do not last longer than four weeks as a rule. The intervention envisages that anyone not responding after 3 approaches by the providers would be considered withdrawn. Providers would only be paid for the intervention components young people completed up until the point of withdrawal.

- **Planning and Acting.** The focus can be on next steps planning, confidence in presenting ideas, and accessing support. Sessions can include pitching, creating a personal next-step plans, and a 'Benefits and Universal Credit' talk (covering themes, like permitted work, income thresholds, reporting obligations)

## Delivering the intervention

### Individualised business advice

The business advice component provides personalised, practical support to young people as they progress through the self-employment journey. Advisers work alongside participants, focusing on problem-solving, building confidence, and developing their (self)-employment mindset. The support period should extend for the duration of young people's participation on the programme, allowing participants to build confidence and readiness at their own pace.

Business advisers provide personalised one-on-one support, which runs alongside the learning and training component (see Learning and training). These individual sessions help assess learning needs, tailor support, address concerns, provide specific feedback, and set clear actions and milestones for progression through the programme.

Support provided by advisers can include assisting young people as they progress through structured learning modules (see Learning and training), and milestone tracking, with each session setting tasks and activities to complete before the following session. Session length and frequency should be adapted to suit individual needs, with a minimum of one session per month. Depending on their progress stage and distance from self-employment, some young people may need frequent, incremental support, while others may thrive with monthly check-ins. Initial sessions may be longer and more intensive, while follow-ups can be shorter and less frequent, ensuring time is used productively. Open communication between meetings is essential for success, with short calls or messages to check in with participants. The format, whether in person or online, should be agreed with participants – some young people may prefer engaging online due to personal circumstances (e.g. caring responsibilities, health conditions, study).

### Business Adviser person specifications

For business advisers working with **Fresh Starts**, it is key to be skilled in guiding participants towards solutions, recognising that their circumstances and ambitions may evolve over time. In a person specification, project management skills, adaptability, and real-life enterprise/entrepreneurial experience should be prioritised.

For business advisers working with **Ready for Starting-up** participants, it is important to understand the complexities of the business start-up process and the personal journey of the young person to provide effective support. Business advisers for these groups need to be able to provide more technical support, so it is recommended they have direct business experience or be skilled in giving advice to businesses.

All business advisors should be trained in mental health-informed practice, recognising burnout, trauma, anxiety and other mental health struggles which participants may experience during their self-employment journey.

### Industry Mentor Support

Dedicated mentoring will run alongside business advice to provide sector-specific expertise and additional guidance as an optional element. Mentors will be introduced into the support journey as part of the Ready for Starting-up support, when young people have progressed to a stage where they have specific mentoring needs. Business advisers will focus on maintaining engagement and tracking progress, while mentors can be recruited for specific skills (e.g. business strategy, digital tools, pitching).

Mentors will be experienced entrepreneurs who support participants and offer practical insights in specific areas of business development and in relation to specific sectors or occupations. This mentoring can be short- or longer-term, depending on individual needs, and sessions should be flexible in format (in-person or online)<sup>6</sup>.

### Learning and training

The training component for all young people balances interactive, facilitated learning with flexible, self-paced resources, ensuring that young people receive engaging, practical support tailored to their stage in the self-employment journey. The focus evolves from building confidence and refining business ideas to technical and operational skills as participants progress.

### Format for learning sessions

Sessions will be delivered in a gradual, engaging way, integrating interactive exercises and traditional learning and be suitable for group delivery. Key elements include:

- Live, weekly group sessions led by subject experts form the core of the programme, with recordings available asynchronously for flexibility. Groups should not exceed 15 participants.
- Sessions use real-life examples from both major brands and small, local businesses that participants can relate to.

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<sup>6</sup> During consultations with providers, it was suggested mentors should join as volunteers, to ensure quality of support and alignment with the intervention values. Providers are anticipated to secure committed mentors (where applicable to young people's needs) who will stay for the duration of the programme and continue into post-programme support. We anticipate that it may not always be possible to recruit industry specialised mentors for all geographies where the programme will operate – in this case a 'mentor-sharing' system, where mentors work with young people from different providers (using the online format) may be appropriate.

- Technology tools (e.g. online fora, platforms, and apps) support learning but do not replace in-person engagement, ensuring that participants benefit from group discussion, clarification, and real-time interaction.

**Ready for Starting-up participants** may be at different maturity stages compared to **Fresh Starts**. As a result, the learning and training component (see Table 1) will need to be more flexible and adaptable, as well as catering to more specific needs (e.g. industry-specific learning, advanced or technical business skills). It is likely that Fresh Starts would spend longer in the *Core business skills* modules, whereas Ready for Starting-up participants would move to the *Technical and advanced* modules sooner. This might have implications for how learning is delivered (e.g. asynchronous webinars alongside business adviser and mentoring support, to flexibly support completion at different speeds).

Business advisers should work closely with participants to assess whether some participants may skip early-stage learning and/or only attend modules relevant to their needs. Alternatively, providers may decide to provide mandatory training in the early stages, for all groups, while increasing flexibility in later phases as participants progress at different speeds and develop differing business needs.

**Table 1: Stages and content of the learning and training component**

STAGE	FOCUS	EXAMPLE TOPICS	EXAMPLE FORMATS
<b>Early-stage learning</b>	Building confidence, exploring business ideas, and assessing viability	<ul style="list-style-type: none"> <li>- Business idea generation &amp; validation</li> <li>- Market &amp; industry analysis</li> <li>- Impact planning &amp; defining value proposition</li> <li>- Branding fundamentals</li> <li>- How Universal Credit and benefits interact with self-employment</li> </ul>	<ul style="list-style-type: none"> <li>- Interactive group sessions with subject experts</li> <li>- Live, in-person or online, with recordings available</li> <li>- Casual, informal setting</li> <li>- Food/snacks provided to boost engagement</li> </ul>
<b>Developing core business skills</b>	Practical knowledge for launching and managing a business	<ul style="list-style-type: none"> <li>- Business planning essentials</li> <li>- Accessing finance</li> <li>- Customer engagement &amp; sales techniques</li> <li>- Digital marketing, branding, &amp; social media strategy</li> <li>- E-commerce &amp; website development</li> </ul>	<ul style="list-style-type: none"> <li>- Real-world case studies for relatable learning</li> <li>- Hands-on activities (e.g., market research exercises, pitch practice)</li> </ul>

		- Effective networking & elevator pitches - Industry-specific learning (e.g., construction, beauty)	
<b>Technical and advanced business skills</b>	Managing legal, financial, and operational aspects effectively	- Financial management (bookkeeping, tax returns, VAT registration) - Intellectual property, copyright, & trademarks - Business growth strategies - Seasonal fluctuations & business pivoting - Managing rejection & burnout prevention	- Practical workshops & Q&A sessions with experts - Webinars and self-led e-learning, - On-demand resources for participants to revisit as needed

## Group work and peer support

The group work component provides participants with opportunities to network, exchange ideas, and collaborate, reinforcing the value of peer support in the self-employment journey. Sessions will take the form of workshops, each with a clear purpose and tangible takeaways. Workshops will foster a sense of community, encourage best practice sharing and skills exchange, supporting participants to feel they are not alone in their challenges.

### Format and frequency

In terms of delivery, a blended approach combining in-person and online sessions will ensure accessibility for participants with diverse needs. For in-person sessions, group size should not exceed 15 participants. For those entering Ready for Starting-up, business maturity stages will vary, and so there may be a need for greater flexibility in format to suit their needs.

Group work activities should take place with regular frequency (e.g. monthly) and, for those happening in-person, at the same, community/easy-to-get-to location to build confidence and strengthen peer connections. These meetings can be complemented by webinars, networking events, use of shared working spaces, and online communities (e.g., WhatsApp and Facebook groups) to extend engagement beyond formal sessions.

In terms of design, key elements include:

- **Structured and Flexible:** Sessions should begin and end with clear guidelines to encourage meaningful discussions while maintaining a positive and inclusive atmosphere.
- **Time-Efficient:** Each session should aim to run for 60 to 90 minutes, striking a balance between depth of engagement and participants' availability.

- **Thematic Discussions:** Sessions should be segmented into smaller discussion topics or breakout groups to sustain engagement and keep conversations focused.
- **Facilitated Peer Learning:** While expert-led workshops have value, some sessions can prioritise informal peer discussions where participants share lived experiences and practical insights.

### Support on business financing

Support needs on business financing will likely be different for young people depending on their proximity to self-employment. Regardless of this, participants should be encouraged to progress in a structured sequence, from idea validation to small-scale sales, and only then to larger financial decisions, to avoid premature spending and the accrual of financial risk at a too early stage. This support theme will help participants build financial resilience and financial literacy, to build their confidence in managing budgets, assessing financial needs, and understanding funding options. Case studies and practical examples of successful businesses launched with minimal capital can help inspire participants and offer realistic pathways.

For **Fresh Starts**, the business financing components will focus on promoting a cautious, step-by-step approach, helping young people build sustainable businesses with minimal upfront costs. The component will enable them to develop business knowledge, testing ideas, and leveraging free or low-cost resources before seeking external funding. These components will be a feature of training and business advice given centrality to sustainable self-employment.

**Ready for Starting-up** participants will access financial support inputs designed to accommodate different business needs, whether their business requires immediate funding to start or scale, or aims to grow from an existing 'side hustle'. Support will be flexible and adapt to individual needs as participants are likely to be at different stages – some will need to improve their financial education and resilience first, some may be ready for small-scale funding or support with low-cost business models, some may be looking for creative capital-raising strategies, and others still may be ready for larger-scale capital raising and support to scale the business for sustainably.

While the financial education component (see below) will be delivered as part of learning and training, business advisers will play a crucial role in helping young people assess their individual needs and pursue the right opportunity for them. Alongside what young people learn through the financial education component, business advisers will help participants:

- Understand how the financial education learning modules apply to their specific situations.
- Assess funding options based on their business needs and maturity stage.
- Make an informed decision about whether and when to seek external finance.
- Understand the difference between grants and loans, their long-term implications, and what is most suited for their needs.

## Financial education

All young people participating in the programme will receive an element of financial education and this will be a feature of training as well as individualised support to ensure young people will be able to start up in a secure, sustainable way. Business advisers will establish their differing needs. For participants in **Ready for Starting-up** business advisers will consider whether they need the early-stage financial guidance (or any element of this) or whether they can jump ahead to building financial readiness – see below.

### *Early-Stage Financial Guidance*

This stage focuses on financial education before funding receipt, to ensure participants understand their business model and financial needs before seeking investment. Components can include:

- **Core Financial Education:** Participants are supported to understand business finances, budgeting, and cost management before seeking funding.
- **Personal Survival Budgets:** Young people review their personal finances to prioritise essential spending and identify funds they could invest in their business.
- **Low/No-Cost Start-Up Strategies:** Guidance includes starting businesses with minimal investment (e.g. online services, drop-shipping, or concession selling) using free or affordable tools.
- **Small-Scale Funding for Testing:** For those needing initial funds (e.g., for prototypes), small grants or stipends are considered, with an emphasis on careful financial planning and iterative business development.

### *Building Financial Readiness*

This stage focuses on building financial resilience and accessing small-scale funding for early-stage needs, such as prototyping, marketing trials, or supplementing personal income. Components can include:

- **Business Model Validation:** Participants are encouraged to refine and test their business ideas before accessing larger funds. Support focuses on learning to generate early revenue and reducing unnecessary expenses.
- **Phased Investment:** Incremental financial decisions are encouraged, based on business progress and learning.
- **Resource Navigation:** Participants are provided with learning resources and guidance on procurement, grants, and fundraising while maintaining a primary focus on self-sufficient and cost-efficient business-building strategies.
- **Funding Linked to Progress:** Access to larger funding opportunities could be introduced in the last stages of the programme, once participants have demonstrated commitment, a well-validated business model, and clear financial planning. Support for

larger capital raising should be introduced only when the business is ready to scale to avoid financial risk to young people who are not ready to take it on.

### Access to finance

Providers indicate that existing funding options can include: loans (e.g. through partnership with government-backed Start-Up Loans scheme), grants, and test grants (to trial and refine business ideas before full commitment). Not all participants will need or qualify for loans, particularly those with no or a poor credit rating, so funding needs to be tailored to individual circumstances.

If access to finance is provided directly through the programme, offering a long-term support package (e.g. three years) will allow participants to apply for funding at different stages, whether to start, stabilise, or scale their business.

## Ongoing self-employment support

Ongoing support, following transition into self-employment, is essential. Financial constraints, which young people starting out in self-employment often encounter, limit access to professional expertise, so structured advisory sessions help bridge this gap.

While long-term support beyond the three-year business failure point is ideal, a minimum of twelve months of structured support is recommended. The first year is often the most challenging, especially for individuals who have been long-term unemployed or NEET, making sustained advice and mentorship critical. Young people previously on benefits, may also need support around providing proof of gainful self-employment, preparing for the application of Minimum Income Floor and the rolling back of benefits, and any other hurdles around this process<sup>7</sup>. Coverage will include:

- **Signposting to further pathways:** for young people who may not enter self-employment, and may benefit from additional support from other, complementary services, to enter another employment, education or training destination.
- **Ongoing advisory support:** One-on-one support is particularly valuable for addressing complex or sensitive issues that may not be suitable for group discussions. Regular check-ins (every two weeks to a month, which can be scaled down as young people become more independent in their journey) keep participants engaged, ensuring they stay on track and receive timely guidance. Alongside this, participants should be able to access business advisers at any time, through online and telephone support, to help troubleshoot issues and seek motivation.
- **Peer networking and community engagement:** The peer-led, group-based model will continue to foster collaboration, shared learning, and mutual, social support. These could take the form of regular (e.g. every month or two months) peer networking sessions formed of young people engaging in the support offer and/or ongoing

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<sup>7</sup> <https://www.gov.uk/government/publications/universal-credit-and-self-employment-quick-guide/universal-credit-and-self-employment-quick-guide>

support, to help form and strengthen business relationships, encourage collaborative problem-solving, and provide a sense of community. Online platforms (e.g., WhatsApp, Facebook groups) can help facilitate continued knowledge-sharing and collaboration. Group-based support can also include issue-specific ‘surgeries’ (e.g. legal or financial drop-in sessions) to provide targeted, expert-led support.

- **Access to resources:** including access to finance, once young people are at the appropriate maturity stage, through information and opportunities for funding, including grants, loans, and tailored financial guidance; learning and workshops for ongoing skill development (e.g. issue-specific ‘surgeries’ to provide targeted, expert-led support); and access to workspace such as hotdesking, meeting rooms, and shared spaces to alleviate financial pressures and reduce isolation for those who may require it.

## Costs

This section reflects commentary from providers on the nature of financing currently available for self-employment support programmes. It is provided to offer an insight into the indicative level of investment that would be necessary to support the extensive programme above.

The consultations indicated that programme budgets currently vary in nature and scale depending on the funder, expected volumes, and the level of payment-by-results (PBR).

Providers believe that less reliance on PBR would make the programme more affordable from their perspective, as this allows investment in intensive, personalised delivery that is essential for success with this group of young people. Intensive delivery requires high unit fees (approx. £3,500), especially for a smaller-scale programme (12 months). High-volume programmes can operate with lower unit fees due to economies of scale (e.g. Restart programme £1,000–£2,000 per participant).

Providers believe it is essential that the funding model would prioritise flexibility and sustainability, ensuring support is individualised rather than tie delivery to rigid outputs that lead to homogenised delivery. This will allow each participant to receive the level and frequency of support they need without compromising quality.

It is particularly important that contracts are long-term as the aim is to support (mainly) young people NEET, inactive or unemployed or in precarious or low-quality forms employment. Outreach and initial engagement takes time, so if programmes run for less than 12 months there is a risk of insufficient time to deliver high quality support, and successively see impact.

Providers agreed that a comprehensive programme may cost up to £3,500 per participant<sup>8</sup>, depending on the length of engagement (ie. whether participants join Fresh Start, Ready for Starting-up, or both tracks) and overall contract volume. They felt this pricing level allowed resourcing at a level that enables meaningful delivery – including

<sup>8</sup> YFF will need to consider the cost of self-employment support it is willing to commit to, relative to its other employment support/employability programmes

staffing, structured engagement, and ongoing support. Most providers felt breaking down costs by programme elements is challenging at this stage, but two providers suggested a breakdown of : 20-30% for outreach, including the Realising Your Ambitions workshop; 40-60% for core delivery, including 1:1 business advice, training, and peer support activities for each track; and 20-30% for ongoing support after entry into self-employment.

## Outcomes

The programme should not be solely driven by hard outcomes; instead, it should prioritise the quality of support over the volume of interventions, ensuring that no one falls through the cracks. Success should be measured by a broad range of positive outcomes, not just business start-ups.

### Holistic definition of success

Providers recommend that the intervention outcomes acknowledge that not all participants will start a business, but will still gain valuable skills, confidence, and knowledge. Similarly, they noted that a traditional view of business success (scaling, hiring, high turnover) is outdated as many young people prefer flexible, lifestyle businesses as part of a portfolio career. Multiple income streams are becoming the norm for young people, and self-employment can be one component of a broader financial strategy. Additionally, risk management is key to safeguard young people and providers noted that the outcome measures must avoid creating incentives to pressure individuals to start businesses prematurely, following programme participation, so that outcome payments can be claimed.

On this basis, a trial would have two primary outcomes – one focused on self-employment/enterprise and the other on EET:

- **Self-employment outcomes** would include start-up of enterprises, scaling of enterprises, and more sustainable underpinnings for enterprise (to reflect the differing start points for young people). Based on consultations with providers, up to 30% of participants are expected to achieve a self-employment outcome, depending on their start point and circumstances.
  - We do not recommend an outcome weighted on business success since a business not lasting in the long-term does not necessarily constitute a failure – entrepreneurial experience can lead to future career success in other areas.
  - Measures that should be tracked are provided below.
- **Education, employment, or training (EET) outcomes** would be recognised alongside self-employment outcomes. Success includes progression into these other positive destinations since self-employment may not be the right fit for all, and some may want to pursue vocational learning or training ahead of business/self-employment start-up.
  - As use of EET outcomes is well-established, we do not explore them further below. We recommend the measure used would draw on definitions from the YFF Outcomes framework that is in development.

- **Secondary and intermediate outcomes** will cover distance travelled and essential skill gains. These are explored below.
- The intervention could measure **hard impact** longitudinally at key milestones – one year, two years, and three years on – to assess whether businesses remain active. Although three-year tracking is challenging, it is key to understand long-term sustainability.

### Self-employment outcomes

For **Ready for Starting-up participants**, self-employment is a key outcome, and some impact on this would be expected. Impact on self-employment will also be explored for **Fresh Starts** but this group might be more likely to see EET and intermediate outcome gains.

'Hard' measures for self-employment outcomes can include:

- Business registrations – the number of new businesses formally created.
- Employment generation – the number of people employed by the business
- Innovation – the number of new products or services launched.
- Income/revenue gains and increases.

Self-employment outcome measurements can extend to wider impact, particularly on communities. Indicators can include:

- Social impact – the number of enterprises that operate as social enterprises/ CIC etc.
- Local economic contribution – assessment of the enterprise's trade with or supporting local suppliers, as a measure of strengthening community ties for social value.

### Measuring 'distance travelled'

Intermediate outcomes (e.g. confidence, problem-solving, communication) should be included in impact measurement. For all participants, and particularly for **Fresh Starts**, tracking personal progress towards self-employment and EET is crucial, recognising improvements in:

- Confidence and resilience
- Problem-solving skills
- Communication skills
- Agency and self-advocacy
- Improved motivation and entrepreneurial mindset
- Financial literacy and self-employment knowledge
- Achieving key business development steps before launch
- Business planning and execution skills