



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Menter a Busnes **The Enterprise and Business Committee**

Dydd Mercher, 26 Mehefin 2013
Wednesday, 26 June 2013

Cynnwys **Contents**

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

Cynnig o dan Reol Sefydlog Rhif 17.42 i Benderfynu Gwahardd y Cyhoedd o'r Cyfarfod
Motion under Standing Order No. 17.42 to Resolve to Exclude the Public from the Meeting

Cyflwyniad, Ymddiheuriadau a Dirprwyon (Parhad)
Introductions, Apologies and Substitutions (Continued)

Ymchwiliad i Entrepreneuriaeth ymysg Pobl Ifanc—Craffu ar Waith y Gweinidog
Inquiry into Youth Entrepreneurship—Ministerial Scrutiny

Cynnig o dan Reol Sefydlog Rhif 17.42 i Benderfynu Gwahardd y Cyhoedd o Weddill y
Cyfarfod
Motion under Standing Order No. 17.42 to Resolve to Exclude the Public from the Remainder
of the Meeting

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal,
cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Byron Davies	Ceidwadwyr Cymreig Welsh Conservatives
Keith Davies	Llafur Labour
Yr Arglwydd/Lord Dafydd Elis-Thomas	Plaid Cymru The Party of Wales
Julie James	Llafur Labour
Alun Ffred Jones	Plaid Cymru The Party of Wales
Eluned Parrott	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Nick Ramsay	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
David Rees	Llafur Labour
Joyce Watson	Llafur Labour

Eraill yn bresennol
Others in attendance

Edwina Hart	Minister for Economy, Science and Transport Gweiniodg yr Economi, Gwyddoniaeth a Thrafnidiaeth
Glynn Pegler	Hyrwyddwr Entrepreneuriaeth Busnes Business Entrepreneur Champion
Sue Poole	Rheolwr Menter, Canolfan Rhanbarthol Entrepreneuriaeth Addysg Bellach ac Addysg Uwch De Orllewin Cymru Enterprise Manager, South West Wales FE/HE Regional Entrepreneurship Hub
James Taylor	Hyrwyddwr Entrepreneuriaeth Busnes Business Entrepreneur Champion

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Ffion Emyr Bourton	Dirprwy Glerc Deputy Clerk
Siân Phipps	Clerc Clerk

Dechreuodd y cyfarfod am 9.15 a.m.
The meeting began at 9.15 a.m.

**Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions**

[1] **Nick Ramsay:** I welcome Members to this morning's meeting of the Enterprise and Business Committee. We have one apology this morning—from Eluned Parrott, who will be arriving a little later—and no substitutions.

**Cynnig o dan Reol Sefydlog Rhif 17.42 i Benderfynu Gwahardd y Cyhoedd o'r
Cyfarfod
Motion under Standing Order No. 17.42 to Resolve to Exclude the Public from
the Meeting**

[2] **Nick Ramsay:** This morning, we were going to be looking at the Further and Higher Education (Governance and Information) (Wales) Bill in a ministerial scrutiny session. Due to the events of yesterday evening, that cannot go ahead, because we do not have a Minister at the moment. Therefore, I propose that we move into private session to discuss other committee issues. Will a Member move a motion accordingly?

[3] **David Rees:** I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 17.42(ix).

[4] **Nick Ramsay:** I see that the committee is in agreement.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 9.16 a.m.
The public part of the meeting ended at 9.16 a.m.*

*Ailymgynullodd y pwyllgor yn gyhoeddus am 10.33 a.m.
The committee reconvened in public at 10.33 a.m.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon (Parhad)
Introductions, Apologies and Substitutions (Continued)**

[5] **Nick Ramsay:** I welcome Members and our witness back to this morning's meeting of the Enterprise and Business Committee. The meeting is bilingual; headphones can be used to hear the simultaneous translation from Welsh to English on channel 1, or for amplification of sound on channel 0. The meeting is being broadcast; a transcript will be published. Can Members please turn off their mobile phones? There is no need to touch the microphones; they will work automatically. In the event of a fire alarm, please follow the ushers. We have no apologies for this session and no substitutions.

**Ymchwiliad i Entrepreneuriaeth ymysg Pobl Ifanc—Craffu ar Waith y
Gweinidog
Inquiry into Youth Entrepreneurship—Ministerial Scrutiny**

[6] **Nick Ramsay:** I welcome our witness. Joining us today is the Minister, as we look further into our inquiry into youth entrepreneurship with our ministerial scrutiny session. Would you like to give—as if we need it—your name and position for the record?

[7] **The Minister for Economy, Science and Transport (Edwina Hart):** My current title is Edwina Hart, Minister for Economy, Science and Transport. [*Laughter.*]

[8] **Nick Ramsay:** There is no answer to that, is there, really? [*Laughter.*]

[9] **Lord Elis-Thomas:** If you are called during the meeting—

[10] **Nick Ramsay:** If you need to keep your phone on, Minister, make sure it is on ‘silent’ mode. [*Laughter.*] And that goes for—well, it does not go for the Members as well. [*Laughter.*]

[11] I propose that we go straight into questions. I know that you have some officials with you; they are joining us as we speak. We will make a start while they get settled.

[12] The first question for the Minister and her team is from Byron Davies.

[13] **Byron Davies:** Good morning. It is about Welsh Government policy and embedding an entrepreneurial culture in Wales. Could you tell us what progress has been made to date by the Welsh Government’s ‘Youth Entrepreneurship Strategy: An Action Plan for Wales 2010-15’?

[14] **Edwina Hart:** On the YES action plan, as everybody knows, the strategy was launched in 2010. I think that it was a very innovative strategy when we launched it, and we certainly had a lot of compliments from the European Commission about the way that we have dealt with it, and other countries are also looking at it. The issue for me, in terms of embedding it, is how you deal with some of the cultural issues around entrepreneurship, which are difficult to look at; what do people feel about entrepreneurship and what more do they feel we can do? Sometimes, it is about how we get at the individual who wants to be an entrepreneur. If they always come from a background, say, where everyone has worked in the public sector, or in industry and so on, and no-one has ever worked in a business, sometimes people do not have that experience of family life, culturally, to say, ‘Go on, take that punt’. Furthermore, there is nervousness—and this came out in yesterday’s discussion on lending, and the position of the banks and financial institutions—about whether people really understand your business and so on.

[15] However, I believe that I would be better placed, if I may, Chair, to introduce two real people in terms of entrepreneurship, who may want to comment on the wider issues about how our strategy has embedded. We have seen good results in terms of entrepreneurship, and its increase in Wales, and we have seen good examples in terms of further education. We make up 5% of the university population, but our entrepreneurship and start-up business figures are much higher than that percentage in terms of graduates. Glynn and James may wish to comment on this issue.

[16] **Nick Ramsay:** Would you guys like to give your names and your position for Members and for the record?

[17] **Mr Taylor:** I am James Taylor. I run a business called SuperStars. I started with Welsh Government support through the knowledge exploitation fund at the time. I had £1,000, and I have grown the business to 180 people in the last six years.

[18] **Mr Pegler:** I am Glynn Pegler. I am the chief executive of Culture Group. I, too, have received different parts of the Welsh Government’s business support in growing my business. I also act as a business entrepreneur champion.

[19] **Ms Poole:** Good morning, again. I am Sue Poole, of Gower College Swansea. I am

an enterprise education manager, as well as being the lead on the south-west Wales FE/HE regional entrepreneurship hub.

[20] **Nick Ramsay:** It was remiss of me as well not to thank you for your written paper. Do you wish to start, James?

[21] **Mr Taylor:** I believe that culture is the key here. From my point of view, and from what I have seen in this arena, we are very good at raising awareness of entrepreneurship, of being your own boss, and of business—that is done through the Dynamo role model. The numbers speak for themselves, as Wales is far ahead of the rest of the UK in terms of the number of young people who want to be their own boss. What is also the key to this is not just raising awareness—because it is an aspirational thing to want to own your own business—but it is also about giving young people the chance to give it a go. As much as we can teach people about business and entrepreneurship in a classroom, and you can also read about it in a book, it is all about giving it a go, taking a leap of faith to grow your confidence, and to find out what you are good at.

[22] On the youth entrepreneurship strategy, I believe that Wales is doing that well, and is ahead of what England, as well as other parts of Europe, is doing. We have the young enterprise challenges, and the Global Entrepreneurship Challenge, but we are doing much more than that. We are just launching a 16 to 24-year-old challenge, where young people are going to go through a boot camp and an academy, and different things like that. That will be groundbreaking; it is extremely innovative. I believe that we are extremely well at linking the two—the awareness and the ‘giving it a go’ aspect—and that gives youngsters the encouragement and the confidence to realise that they can make something happen.

[23] However, where it does not fit in is in our culture—not just in Wales, but in the UK. In America, if someone fails and then succeeds, they are hailed as an entrepreneur champion. However, over here, if someone fails, they are barely given a second chance to go to do it. This is where we hit a block every single time. People want to set up a business, they are keen, and they have the skills sets to do it, but they are so afraid of what mum and dad, or Joe down the road, will say when they say, ‘I want to do it’. I know from personal experience that, when I decided to take the leap of faith, I had floods of people telling me to get real, to go to get a proper job, and to stop being crazy. Nowadays, they do not say that; once you are successful, they say, ‘It’s alright for some’.

[24] **Byron Davies:** Could I pick up on what you said there, before Glynn Pegler comes in? What you say is very interesting. You started off by saying that we are good at raising awareness here in Wales. However, many people have come to this committee—since I have been a member—and have said that, as a nation, we are risk averse. How would you argue in favour of what you have just been saying?

[25] **Mr Taylor:** That is the problem, is it not? The problem that I am trying to allude to is that, as much as we are raising awareness—and I believe that we are doing a really good job of that, and the numbers speak for themselves—once you take a young person out of the environment of positivity and talking about what they can aspire to and what they can achieve, you then put them back into our standard environment of people saying, ‘Starting up your own business? Are you sure, sunshine? Why don’t you go to get a proper job?’ Then you have everyone else going for the safe option, which, traditionally, over the last 40 years, was always the advisable thing to do: get a good education and go into a secure company with benefits. Of course, that is no longer secure. In fact, I would argue that you are the most secure by controlling your own destiny.

[26] **Byron Davies:** Where does the culture issue start, do you think?

[27] **Mr Taylor:** It is a wider society thing, is it not? That is the billion dollar question. We can push it at Government level, and try to push it into the curriculum, but the difficulty then is that you must have other stakeholders on board, such as teachers and people who are in charge of pushing the curriculum. It has to come from every angle.

[28] **Mr Pegler:** Perhaps I could add to that. I think that there is a really interesting piece here. It is very much a cultural piece. I would identify that young people in Wales in particular do not lack any mode of self-confidence, but they do lack the instilling of self-belief. To keep this as factual as I can in terms of the experiences that I have had from this, the Welsh Government has made tremendous leaps and bounds in leading the youth entrepreneurship strategy. There have been huge periods of trial and error with initiatives. I have just come back from a worldwide summit on entrepreneurship for the G20 nations, where the Welsh Government's business support was held up as models of best practice. The actual figures of what the Welsh Government is achieving are by far above and beyond what other Governments are doing in jumping forward with things. It has been quite exciting to see that what we may perceive here to be lots of different types of projects and considering whether one or the other works, other countries around the world are actually turning to Wales to look at those models of best practice. That made me feel incredibly proud of what we have been doing here and what we are doing in going forward.

[29] **Byron Davies:** Shall I continue with my questions?

[30] **Nick Ramsay:** Alun Ffred has a supplementary question. Do you want to come in on that point, Alun, before we go back to Byron?

[31] **Alun Ffred Jones:** Byddaf yn gofyn yn Gymraeg. Ar ba sail ydych yn dweud bod agweddau pobl ifanc yng Nghymru yn *risk averse*? Pa dystiolaeth sydd gennych fod hynny'n wir neu'n fwy gwir yng Nghymru nag yn unlle arall?

Alun Ffred Jones: I will ask my questions in Welsh. On what basis do you say that the attitudes of young people in Wales are risk averse? What evidence do you have that that is the case or is truer of Wales than anywhere else?

[32] **Edwina Hart:** You are younger than me to answer the question.

[33] **Mr Pegler:** In terms of the question of what quantifies saying that the attitudes of young people in Wales are more risk averse—that is what I got from that—I do not think that it is necessarily the case that it is more the case in Wales than in any other part of the UK. I think that we have statistics back from the Global Entrepreneurship Monitor that show that the number of young people in Wales are actually more open to starting up a business at an early stage than those in other parts of the UK, and that is fantastic. I think that there is a societal piece around what needs to be done—as James covered before me—in the later stages to ensure that that converts into actual start-up figures and amounts.

[34] Worldwide levels of entrepreneurship and the numbers of start-ups are decreasing. It is not just a problem that Wales faces. We have to crack a model of support across the board that is built in across the long-term support that we provide to young people to start up a business.

[35] It is a massive cultural change. For me, it links wholeheartedly to the education system and what we need to do to embed a culture of entrepreneurialism—not necessarily entrepreneurship—across the education system in addressing young people's attitudes. So, we need to look at having a solution-driven culture across the board—encouraging people to come up with solutions to problems, rather than necessarily saying, 'This is a set path that you must follow'. Let us face it, not everyone will be entrepreneurs, and we would not want everyone to be an entrepreneur. There would not be jobs for everyone else. In my opinion, we

have to create a wider, solutions-focused culture of entrepreneurialism, which comes from addressing how we deal with the education system that is supporting this.

10.45 a.m.

[36] **Mr Taylor:** Perhaps I could add to that. Glynn is absolutely right. If you look at the situation you will see that we have a huge amount of young people that aspire to set up in business, and you have people going through give-it-a-go experiences, but then it is a question of whether that converts into start-up companies as much as we would like. It is not. Another question is why these people who want to set up in a business do not go through with it. Is it money? In some examples, that may be the case but, largely, I would argue that it is fear. Our job, I think, is to get among these young people. We need to prepare these young people by telling them that, when they actually go out into the big wide world, they will get hammered and they will be told that theirs is not necessarily a wise idea. There are many people in our society who do not want to see other people do well because it makes them feel worse about themselves. That is the reality of it. It is the old analogy of the bucket of crabs. If one crab tries to get away, down the shore and to pastures new, all of the other crabs are pulling it back into the bucket because they do not want to feel worse about their life in the bucket. That is the society that, unfortunately—

[37] **Nick Ramsay:** That is definitely going into the transcript. [*Laughter.*]

[38] **Mr Taylor:** I like the analogies.

[39] It is about having a support network. The Government, obviously, has its part to play, but I believe that the wider business community also has a part to play. People like me and Glynn have been through it and can share our experiences. So, it is about entrepreneurs and businesspeople that are succeeding and have been through the mill going back in and supporting the next generation of entrepreneurs coming through and supporting the economy. For me, that is putting a peer support network around them, which is what we are trying to do with the 16 to 24-year-old challenge, so that they are embraced and protected. For every Glynn and me there must be I do not know how many people who have thought, ‘Okay; he’s told me that I can’t do it; another has told me that I can’t do it; and she’s told me that I can’t do it. I’m going to do it anyway’. How many people who could have made it and created jobs like we have done have been put off at that early stage?

[40] **Nick Ramsay:** We need to make some progress. Byron, did you want to finish your line of questions? I will then bring in Mick Antoniw.

[41] **Byron Davies:** Having heard what we have from Glynn and James, do you think that the Welsh Government has the understanding and the levers available to influence this change?

[42] **Edwina Hart:** I think that the levers that we have are used wisely and creatively. I think that that has been borne out by the two entrepreneurs who are with us today. In terms of the wider society issues, I think that there is a job of work to be done across Government. I very much take up the point made about America. If someone goes bankrupt in America, they shake themselves down, get up and carry on. It is that type of thing that we have to get society to understand. You might have failed at one thing, but you will be successful at others. There is also a wider issue here. People talk about entrepreneurs and will say, ‘You will never be like Richard Branson’. They do not know that. On the other hand, not all entrepreneurs are going to be like Richard Branson; they will be entrepreneurs in their own way. They might employ five or 10 people, or there might be two of them in the company that could really be entrepreneurial.

[43] We also have to say to parents that, although some youngsters will stay and do their education and go to university, some people have brilliant ideas at 16 years of age that you should allow them to fly with and get on with. I have met people of that age group who have actually flown with ideas at that age. For them, perhaps the route is not into degrees and full-time education; it is actually to get out into the world, make money and create job opportunities.

[44] Therefore, there is a job of work to be done in my department—a continuing job. However, we have tried to bring in people like these to advise us. They are the ones that talk; it is not my officials or me who go to talk. I am only drawn out if there is a cheque to be written, probably, at the end of the day, in terms of what we do as Government. The other job done is where we have had enormous co-operation from the education side in terms of looking at the issues within the curriculum and getting that feeling of entrepreneurship along, but I think that it is a duty for us all to preach the message that it is a good thing to be an entrepreneur and that it is a good thing to take a risk. If only I could tell the banks that. Perhaps we will have further discussion on that when we have the further reports, and I think that we will also be better off.

[45] **Mick Antoniw:** To follow on from that particular point, the statistics show that Wales has been quite successful in developing youth entrepreneurialism and so on, by quite a significant degree. Whatever the concerns, we seem to be very successful in the creative and service side of entrepreneurialism. Are there different issues or challenges that we are not addressing in respect of the manufacturing side, in that particular part of job creation? Is that an area of concern or is that just the nature of the difference between that type of entrepreneurialism and the other?

[46] **Edwina Hart:** May I say that I do not think that that is the case? I meet some people who are very entrepreneurial in spirit who are on that side of the house, but if you look at the experience that we had with Alacrity Foundation UK in Newport, which has been taking in graduates for them to establish quite high-tech businesses, who might go on to manufacturing and whatever after, you can see that we have the balance just about right. We have to recognise as well that some of our major anchor companies encourage that spirit of innovation in people who then go on to springboard other businesses out of those companies, which takes on that entrepreneurial spirit, even within that context. They might not be self-employed, but they are doing good from that perspective. I do not think that that is so from your experience in education, Sue; I think that it goes across the piece.

[47] **Ms Poole:** Absolutely. You brought up Alacrity Foundation UK, which is run by Simon Gibson, where the students are given a year to come up with some new business ideas, and a lot of them go into manufacturing. So, I agree with the Minister, as there are a lot of creative and service jobs, but we are also looking to manufacturing.

[48] **Mr Taylor:** There are some great success stories. We are all familiar with what is going on in Sony with Raspberry Pi, for example, which has just hit its millionth unit in fewer than 18 months. That was going to be produced in China, but Sony championed it and, as a result, more than 60 people are working on that project here. That is an example of the kind of stuff that is happening within manufacturing.

[49] **Mr Pegler:** To go back to your main point about the approach that is taken and whether that is across the board in terms of the entrepreneurship strategy and how that works, no matter what level you are at as an entrepreneur or what sector you are in, as an entrepreneur, you face the same type of challenges, albeit to varying degrees. You face the same kind of issues. So, I do not think that it is necessarily anything to do with a focus on a particular sector. It is much more about the type of support that we provide. If there is anything that I have learned from the recent event that I attended, along with 500

entrepreneurs from around the world, it is that everybody goes through the same struggles but that, in Wales, we are doing much better than other nations at supporting entrepreneurs.

[50] **Mick Antoniw:** To follow on from that, one of the issues that arises once businesses are set up is that of retaining them in Wales. I know, Minister, that you will be visiting Concrete Canvas Ltd in my constituency, which is an interesting example. Are there issues there in terms of how we nurture companies once they have been set up and retain them in Wales as opposed to their being taken over and so on? Is that a challenge that you see arising?

[51] **Mr Pegler:** Speaking from my experience, being in Wales has given me a competitive edge. The companies that are my clients have come to me because they see a wider freedom to create our own structures and processes, and I do not know whether there are any fundamental problems in the ways that businesses are challenged on whether they base themselves here or not. We have some fantastic examples of anchor companies. There is just a wider challenge across the board now about how we make the Wales voice heard among all the other voices that are out there. I know that there is an ongoing piece of work happening around that.

[52] **Nick Ramsay:** I am going to stop you there. This is fascinating stuff, but we are still quite early on in the questions, and we need to make some progress. Keith will ask a brief supplementary question, and feel free to be brief in your answer.

[53] **Keith Davies:** I am moving on to the questions that I wanted to ask, because they fit in quite nicely, Chair.

[54] Rwy'n mynd i ofyn fy nghwestiwn yn Gymraeg hefyd. Wythnos diwethaf, roedd y Ffederasiwn Busnesau Bach gyda ni, a dywedodd ei gynrychiolwyr ddau beth, sef bod diddordeb mawr gan bobl ifanc i sefydlu eu busnes eu hunain a bod nifer fawr iawn ohonynt, ond nad oeddent yn y pen draw yn llwyddo i ddechrau busnes. Dywedodd cynrychiolwyr y Ffederasiwn Busnesau Bach bod eisiau mwy o gymorth oddi wrth Lywodraeth Cymru. A ydych yn cytuno y buasent, o gael mwy o gymorth wrth y Llywodraeth, yn llwyddo, a beth fyddai'r cymorth hwnnw? Beth yw'r cymorth roeddynt yn credu oedd ei eisiau? I am also going to ask my question in Welsh. Last week, Federation of Small Businesses representatives were before the committee, and they said two things, namely that there was great interest among young people in establishing their own business and that there was a very high number, but, at the end of the day, they were not succeeding in starting up a business. The FSB representatives said that more Welsh Government support is needed. Do you agree that, if they had more support from the Government, they would succeed, and what would that support be? What is the support that they believed was needed?

[55] **Edwina Hart:** May I say something before you address that to the practitioners? Everywhere I go, the FSB asks for more support in terms of Government resources. It does not matter what inquiry a committee is doing or whatever questions are raised. We have to put it in perspective: there is a lot of support out there, but there will never be enough for some individual organisations. In terms of budgetary pressures, we have to define clearly where support is. I have to say, in terms of support here, we are protecting the budget for youth entrepreneurship and the support that we are giving here, and I have no doubt that Glynn and James would tell me that I could spend more money on the process, but they might tell me that I need to spend my money 'smarter'—I will leave those comments to them.

[56] **Mr Taylor:** Personally, I think that the support is great. I have benefited from it. The banks would not lend me—who was I? I was fresh out of university and I had no track record. I had £1,000 to spend, and that did not go very far. So, I was really looking at getting something going by being smart. The support that I had was great, in terms of mentorship.

The key is mentorship. You can throw money at things, but if you have not been there and done it before, and unless you have somebody who has been there, done it, is wearing the T-shirt and has worn it before, then you will struggle. It is about having people around you who have been there doing it.

[57] **Nick Ramsay:** David Rees, since we have touched a mentoring, do you want to ask your questions about that?

[58] **David Rees:** I have some questions that relate to this whole idea of support and mentoring in that case.

[59] You mentioned that the culture could be damaged. That was the important thing; the culture of society, effectively. However, can that be damaged by a lack of clarity in support? You have talked about a great business model, but we have heard evidence that people are in fact not clear about where to get that support from. Are there too many advice centres around? Should there be a one-stop shop? What is the position on the Welsh Government's view on a one-stop shop, to give the clarity of support, and did you find the same problem when you were starting up, in that, actually, there was support there, but you had to go looking for it rather than it coming to you?

[60] **Mr Taylor:** My experience is that it has improved significantly from five or six years ago, when I started. The thing with entrepreneurs is that they will find what they need. Also, we have been doing a piece of work on the youth entrepreneurship strategy, on a route-map. That is something that we have targeted as something that needed to be really nailed—simplicity in terms of where to go and where that route-map of support is for the stage that you are at. That is something that we have addressed.

[61] The regional one-stop shops that we now have are, by all accounts, working really well. So, you are absolutely right—it is about the clarity of where the support is. That is something that we have worked hard on over the past 12 to 18 months to get right. People who are starting up businesses are telling me that it is a lot clearer, and at every level; it is not just at the start-up level, but in growing businesses and for people who are looking to take on more people as well.

[62] **Edwina Hart:** You have the six regional FE-HE hubs that work in partnership, and this has all been devised by the group with regard to how they wanted to see the structures put in place. We are currently scoping what we can deliver under the next round of European structural funds as part of this project in terms of support. So, it is ongoing work; it develops as it goes along, and we take advice from the entrepreneurs that have kindly agreed to help and assist us.

[63] **David Rees:** In relation, therefore, to support on the side of the mentoring aspects, how important and critical do you see your role as people who, as you say, have got the T-shirt and have been there and done it, in encouraging and in giving, I suppose, that self-belief to individuals to go forward?

[64] **Mr Taylor:** I think that it is key. We really need to draw on that, because people like Glynn and me do not go and support other entrepreneurs for money; we do not get paid to do things like that. We do it for the buzz that we get from it; it is infectious, and it rubs off. So, for example, we want to be part of the 16 to 24 year-old challenge that we have come up with. When they are in their three-day boot camp, we want to be there with them, but not for financial reasons—we are remunerated through our businesses. We do it because we get a buzz from it and because we want to give back. So, it is about engaging. Welsh Government has obviously done a good job at engaging people like Glynn and me. It is about engaging on a larger scale, because we can be very good at supporting people who have businesses of 10,

20 or 30 and want to grow them. We also need those people who aspire to have just one, two or three members of staff, and that is key for the economy. The best people to support those people are the people who also aspire to that and have achieved it. It is about engaging everybody.

11.00 a.m.

[65] **Nick Ramsay:** We need to make some progress. David, do you want to ask the Minister about Dynamo Role Models?

[66] **David Rees:** I have two questions. I want to ask the Minister about Dynamo Role Models and the Welsh Government's views on that, so I will give you a couple of seconds to think about that. However, you have mentioned raising awareness, and we have talked about support, so I suppose the question is: where do you see the priority? Do you believe that you have dealt with support? Is there still work to be done on support, or is the priority now raising awareness?

[67] **Mr Taylor:** Awareness is at a good level, but you do not take your foot off the gas. It needs to be consistent, because, the moment you take your foot off the gas, it drops, and the awareness side of it is where the foundation for everything comes from. Where we have identified the gap is in bridging between someone saying, 'I want to set up a business' and them saying 'I have set up a business'. That is what we are doing with the 16 to 24-year-old challenge for young people. That is an extremely innovative thing to come from Government. I would say 'watch this space' on that one. We have plenty of other things that can supplement that when they come out of that challenge, when they will be going into environments of peer networks and support networks. We have a system in place that will bring in the wider business community. There will be a pledge and we will have a campaign that will reach out to the wider business community to pledge support, time and advice—not money; it is about tailored support for the individual setting up a business. If they are setting up a marketing business, then we will match them up with somebody who has expertise in that. So, it is a matter of bringing all of that in. That is what we are really focusing on at the moment: keeping the awareness there, but also bridging the gap between someone saying, 'I want to set up a business' and them saying, 'I have set up a business—look at me; I'm off'.

[68] **David Rees:** Thanks for that.

[69] **Edwina Hart:** On the Dynamo Role Models, we are very pleased with this. Three of our entrepreneurship champions go out and about to colleges and schools to talk about it. We have the Flintshire business entrepreneurship network, which is led by another of my entrepreneurship leaders. That is working very well and is likely to be extended to Wrexham. There are ongoing discussions, so all of this is working on the road. However, I would not want to underestimate the role that we have in terms of the Dynamo Role Models, because they are someone real for people to talk to, they can give their real experience and they can give that level of motivation, which is important, Sue, when they come and talk to people.

[70] **Ms Poole:** Yes, absolutely. We use the Dynamo Role Models really heavily in further and higher education. They are a resource; they are people who have been out there and done it. I mentioned last week the Entrepreneurship Academy Wales, and you asked whether mentors are important and I would say that, yes, absolutely, they are crucial. They come in, they mentor a student over the course of the year, and work with them. When they are down, they lift them, when they are having problems, they talk them through those problems. So, having a mentor, a person whom a student can pick up the phone and call, or meet and have a coffee with, is crucial to keep them motivated and to help them. So, I would certainly agree. One of the committee members asked me last week whether this is something that could be rolled out across Wales. The answer is, 'Yes, and it should'. It is a crucial part of this: having

a partner out in business who has been there and done it is crucial to the success of the young businesses.

[71] **Nick Ramsay:** Okay. I want to move things on. I will call Alun Ffred Jones, very briefly, for a supplementary question and I will then go to Julie James, who wanted to come in with her questions.

[72] **Alun Ffred Jones:** Rwy'n gobeithio nad wyf yn gofyn cwestiwn rhywun arall. Rydych yn dweud, Weinidog, eich bod yn gweithio'n dda gyda'r adran addysg i godi ymwybyddiaeth. Clywsom gan Young Enterprise yr wythnos diwethaf ei fod, oherwydd newidiadau i Gyrfa Cymru, wedi colli ei gyllid o £120,000 ac felly, ar hyn o bryd, nid yw'n gallu parhau gyda'i waith, sydd wedi bod yn llwyddiannus iawn, hyd y gallwn ei weld, yn denu diddordeb o fewn ysgolion ac yn y gystadleuaeth. A ydych yn ystyried bod rôl Young Enterprise yn bwysig? Os felly, beth fydd yn digwydd i'r dyfodol?

Alun Ffred Jones: I hope that I am not going to take anyone else's question. You say, Minister, that you are working effectively with the education department to raise awareness. We heard from Young Enterprise last week that, because of the changes to Careers Wales, it has lost its funding of £120,000 and therefore, at present, it is unable to continue with its work, which has been very successful, as far as we can see, in generating interest within schools and in the competition. Do you believe that the role of Young Enterprise is important? If so, what will happen for the future?

[73] **Edwina Hart:** This is treading into another portfolio, where spending decisions will have been taken. I can only say, from our point of view, that we have worked very hard with the department. We, as a department, also sponsor the Young Enterprise Welsh national competition, because it is an opportunity for us to demonstrate what is going on. However, the funding matters that you referred to are strictly outside my portfolio.

[74] **Julie James:** Good morning, everyone. I want to address the issue of endemic youth unemployment and the contribution that entrepreneurship can make to help with that, both in encouraging entrepreneurs and employing some of the young unemployed people. The committee has had some mixed evidence, I have to say, about the difficulty of getting some seed funding to get yourself going. I think that you mentioned it a little bit, James. The two of you look very impressive and business-like, but a large number of people that have these ideas do not really look the part—they look rather more eccentric, if I could use that word. How much of a barrier is it to starting up if you do not have that business-like approach? Many of them have very good ideas, but they do not have any idea about presentation or how to get the support in the first place.

[75] **Edwina Hart:** We have looked at the unemployed in terms of bursary schemes through Jobs Growth Wales, which has been very successful in attracting people of a certain age profile, and there has been a lot of interest in it. I think that 59 or 60 bursaries were awarded in 2012-13. You make a good point about whether they are capable of making their sell. Glynn, you would be best placed to comment on this.

[76] **Mr Pegler:** I set up my business when I was 15, and the case in point for me was that I did not go to college or university. So, I come from that part of the demographic that you talk about. I was so shy when I was 15 that I would not even pick up the phone when it rang, for fear that the person at the other end of it would want to speak to me. It was a case of looking at how I was able to access resources to skill myself up. I was able to access those resources through the systems around me; I went through the Prince's Trust, in particular, when I started up my business.

[77] It is very easy to be critical of whether any particular government is signposting

people in the right way. There are a few fundamental challenges, namely: what core skills are you given to start up your business? For me, that genuinely comes from having a look at what the education system is doing. There is then a wider piece around the whole topic of access to finance, which everyone sees as the main challenge to entrepreneurs in starting up. What we have in Wales is more of a piece around access to finance at the right point in time. We have a great abundance of finance. We now have a fantastic portfolio of new initiatives coming into play, and time will see how those play out. The key part is that we genuinely have a world-class offer of support to any entrepreneur that wants to start up. It is now about looking at how we effectively strategise that going forward.

[78] **Edwina Hart:** Glynn mentioned the Prince's Trust, which we have been funding in the short-term to do some work for us on people who were previously not in education, employment or training. It is looking to support around 98 new businesses as a result of our funding.

[79] **Nick Ramsay:** Do you have any plans to increase that involvement with the Prince's Trust?

[80] **Edwina Hart:** Well, yes, I will look at the budget provision. We find that the Prince's Trust is a very good partner, because it seems to be able to get at other parts of the population that we cannot get at. We have funded it until March 2014, and I will look favourably at any other requests that come from the Prince's Trust. It is working with a discrete group, and, if you can get 98 new business opportunities out of people with limited educational achievement, it will be really very successful.

[81] **Julie James:** To follow that up, what I was talking about was someone who has the stirrings of an ambition, but does not have the tools to follow that through. Some of the groups that we have spoken to have had little ambition, shall we say, for quite a while, due to a series of knockbacks. It goes back to this cultural thing that, if you have failed once, what happens to you? Do we have any plans to get organisations such as the Prince's Trust and others to work on that ambition? That is the wrong word, but you see where I am trying to go with that—if there are no jobs in your locality, as there are not in a number of locations in Wales, that you have the drive to see what is wrong in your neighbourhood and try to fix it yourself via a business, for example.

[82] **Ms Poole:** The regional hubs that have been in put place across Wales do not just work within FE and HE; we also work with organisations such as the Prince's Trust and the YMCA to share resources and look at working in partnership with them. We are supporting them to try to engage with not just those students who are in higher and further education, but all students across Wales. So, we are working with them and looking to develop that further.

[83] **Mick Antoniw:** Minister, do we have the same success rates and do the same sorts of issues arise, in respect of new entrepreneurs, for those people who may change career later in life, or may lose their job or move? Do the same sorts of issues apply, or do we need to keep them separate?

[84] **Edwina Hart:** What we have concentrated on has been the youth entrepreneurship strategy, which is the subject of your inquiry. We do try to encourage entrepreneurship more generally, through the funding schemes which are open across Government. If the committee thinks that there are any particular issues that might arise from its inquiry about encouraging people who have had a previous career to become entrepreneurs, that is certainly something that we could look at as a department.

[85] **Julie James:** On that point, a number of other witnesses have made the point that, although they are young, they do not fall into the 16-24 age bracket; they are 25 or 26,

perhaps. They talked about finding themselves in an existing business in Wales, which they could see could grow, but the current owner lacked the ambition to do it, but then having problems accessing things because it is not seen as creative or new but as a revitalisation, if you like.

[86] **Edwina Hart:** We would help in terms of employee/management buy-outs, giving the necessary advice. We are very flexible in terms of understanding what it means to be an entrepreneur. I think it is a question of asking the right questions and making the right approaches. If somebody said to me, 'I have a good idea. This person is retiring, I want to carry on with this business and encourage it', then the funding schemes are available for us to assist.

[87] **Julie James:** I wonder, Minister, whether we have a publicity issue there. We have had evidence given to us that people have struggled in those particular circumstances.

[88] **Edwina Hart:** It would be very handy to have specific examples; I have read some of the stuff from the committee that has been made public. It would be interesting to see where they enquired and what they undertook.

[89] **Julie James:** Yes.

[90] **Nick Ramsay:** Great. Very quickly, Alun Ffred, and then I will bring Joyce Watson in.

[91] **Alun Ffred Jones:** Cyfeiriau fy nghwestiwn at Sue Poole. Rydych yn dweud bod yr *hubs* i gyd o fewn sefydliadau addysg bellach ac uwch. Rydych yn dweud hefyd eich bod yn gweithio â Prince's Trust a chyrrff eraill, ond beth am yr unigolion sydd y tu allan i'r system addysg? Sut mae nhw'n gallu cysylltu â chi am gyngor neu beth bynnag? Rhaid i mi ddweud nad oeddwn i'n ymwybodol bod *hub* yng ngogledd-orllewin Cymru, ac nid ydwyf yn siŵr sut y gallwn gyfeirio pobl ato, neu, yn wir, a ddylwn i fod yn cyfeirio pobl ifanc ato, os oes syniad ganddynt neu eu bod eisiau ehangu neu ddatblygu busnes.

Alun Ffred Jones: My question is directed to Sue Poole. You say that these hubs are all within further and higher education institutions. You also say that you work with Prince's Trust and other organisations, but what about those individuals who are outside the education system? How can they contact you for advice or whatever? I have to say that I was not aware that there was a hub in north-west Wales, and I am not sure how I could refer people to it, or, indeed, whether I should be referring people to it, if they have an idea or want to expand or develop a business.

[92] **Ms Poole:** Obviously, I can speak from the south-west Wales regional hub perspective; we are not the only hub across Wales. We work with partners, with the regional learning partnership—I have mentioned the YMCA—with the Prince's Trust and a wide range of agencies. We want to develop entrepreneurial skills across the whole of the region. May I make a comment relating to the last question? Gower College Swansea has 11,000 part-time students, who are not just age 18 and under; they can be of all ages. So, we offer facilities, support, training, help and guidance for entrepreneurship across all ages. It does not matter how old they are: if they are coming back in to retrain perhaps, looking at a different career, we will offer them the same opportunities for entrepreneurship. I can talk only from my perspective, and we have a huge amount of press within the region, we have a lot of support networks and students will and do come to us if they have an idea and are not getting the support. It is all about partnership working, and making sure that people are aware of what is available. The comment that Emlyn made last week was that the hubs need to work together more closely. It is quite difficult, when we are spread out all over Wales, but that is something that we are looking to develop. We have only been nine months in the making, so

it is still very early days, but it is something that we are looking to develop and to share best practice right across Wales.

[93] **Alun Ffred Jones:** Nid wyf yn deall yn iawn a oes croeso i unigolion tu allan i'r system addysg fynd i'r *hub* i ofyn am gyngor neu hyfforddiant, neu beth bynnag, a sut mae gwneud hynny. Pwy sydd yn eu cyfarwyddo at yr *hub*? **Alun Ffred Jones:** I do not quite understand whether individuals from outside the education system are welcome to approach the hub for advice, training, or whatever, and how they would do that. Who directs them to the hub?

[94] **Ms Poole:** Yes, absolutely, they would be welcomed. There is not a closed door, if people come to us for advice. I had a phone call from a young man from Merthyr last week who had a business idea and wanted to come down and have a chat with me. He went on to the website, Big Ideas Wales, and all the champions' contact details are there, as are the telephone numbers and the e-mail addresses. So, people can contact us through the Big Ideas Wales website. Our academy is very high profile. I keep my phone number on there and my e-mail address so that people approach me in that way. We are very much trying to engage with everybody across Wales. Yes, there is more work to be done to have a little bit more perhaps. I know that the Big Ideas Wales website is going to be re-launched and revamped; so, that may be something that we will take on board and work on that. Thank you for bringing that to our attention.

11.15 a.m.

[95] **Nick Ramsay:** We have to make some progress, Keith. I will bring you in as soon as I can.

[96] **Keith Davies:** I just had a question to follow on from that.

[97] **Nick Ramsay:** Very quickly.

[98] **Keith Davies:** On the Big Ideas Wales website, and in the stuff that we have had on Big Ideas Wales, it does not seem to me that there is much there for secondary school pupils, as there is for the 16 to 24 category, further education and higher education. Should we, when re-launching the Big Ideas Wales website, do more for youngsters who are in secondary schools?

[99] **Edwina Hart:** Or in primary schools? Some of the good programmes that we have in terms of entrepreneurship are actually now in the primary school sector and the links that are made between the hubs that link FE and HE into primary education where they are working in schools across the piece by making people understand how to run a business in school. I have been enormously privileged to see some of these schools, and to see what they have been undertaking. That gets embedded in them. What happens a lot between primary school and secondary school is that behaviour patterns change. They seem to change between ages 11 and 12. Let us hope that the good lessons that pupils learn about entrepreneurship, and some of the work that we do in the primary schools, are not lost when they go into secondary school. In terms of what we are doing, we are looking at the challenge primarily in the 16 to 24 provision, but there are wider issues here. If you are doing work in primary, it is a matter of how that continues into the earlier years of secondary school to make them take more responsibility for doing things, working things and making money. I do not know whether Sue has any further ideas about the work in secondary schools.

[100] **Ms Poole:** The Welsh baccaulaureate, when it is launched next year, will be rolled out across all secondary schools. So, all students will undertake the Welsh baccaulaureate. An element of the Welsh baccaulaureate is enterprise, with 15 or 30 hours of enterprise. So, all

students will then engage with entrepreneurship. I mentioned our Young Business Dragons challenge, which takes place across south-west Wales, where all secondary schools across Pembrokeshire, Carmarthenshire, Swansea and Neath Port Talbot will be taking part in this competition. So, all year 9 students will be engaged in the Young Business Dragons challenge. It is a nine-month competition across south-west Wales. So, we are engaging with secondary schools. It is vitally important, as the Minister has said.

[101] **Nick Ramsay:** Good. Thank you, Keith. I now call on Joyce Watson, and then Eluned Parrott.

[102] **Joyce Watson:** Good morning, all. I want to bring the discussion to resources now. Perhaps I could ask the Minister for some clarification on the £4.4 million that was recently announced for the new youth entrepreneurship service, and how that might be used.

[103] **Edwina Hart:** That is the awarding of the contract. It is for a four-year period. It provides a range of services to nurture and develop entrepreneurs. That is, of course, on top of my normal budget, which is direct youth enterprise activity, to which I have allocated £2.6 million.

[104] **Joyce Watson:** Thank you. You pre-empted my second question, which was whether it was additionality. Clearly, you have answered that it is. You have also answered the following question, which would be the total amount. Thank you very much.

[105] **Eluned Parrott:** I would like to talk about how the success of these programmes are evaluated by your department. The YES action plan does have targets and an annual reporting mechanism, which are very welcome, but a number of consultees have said that they are concerned that the focus is on measuring outputs rather than outcomes. In other words, we are measuring the amount of work that we are doing, but not necessarily how effective that work is. Do you think, given the fact that structural funds monitoring in the future is going to move towards an outcomes-based monitoring structure, that now is an opportune time for you to look at redeveloping those targets, so that they help you to assess the effectiveness of the work that is being done?

[106] **Edwina Hart:** I think that the proof of the pudding and the effectiveness is in the eating. We have actually had two entrepreneurs here. So, I think that we will see it in terms of the development of entrepreneurship. I am not averse to looking at other targets, but I will do it in discussion with those who advise me in the sector.

[107] **Eluned Parrott:** Obviously, we welcome the successful case studies that you bring forward, and they are evidence of success in their instances, but do you think that there is a case for actually tracking the progress of young entrepreneurs more carefully—the ones that you have had contact with—so that you are able to say not only how many business start-ups have been created, but how well those businesses are progressing six months, 12 months or two years down the line?

[108] **Edwina Hart:** There is a high level of interest at the beginning in terms of what happens with start-ups; so, I think that we will have to look at that as part of the challenge of the European structural programmes.

[109] **Eluned Parrott:** Do you think that those kinds of targets in terms of start-ups, business deaths and those kinds of things ought to be reported in the programme for government annual report, so that there is a greater range of economic indicators reflecting the work that your department is doing?

[110] **Edwina Hart:** I am content with the current arrangements.

[111] **Eluned Parrott:** Thank you.

[112] **Nick Ramsay:** Mick Antoniwi has some questions on the quality of support.

[113] **Mick Antoniwi:** Of the people whom we have had before us, one thing that is universally clear is that they have impressed. One of the impressive things is them, obviously. One of the things that has arisen is that nearly everyone, across the board, has said that the key to the systems, bearing in mind that the systems need to change as we evolve, is simplicity. How are the various financial packages and so on reviewed on an ongoing basis? Is there scope for simplicity and greater clarity in the road map? I know that you made some comments earlier on that. How do you see the future developing?

[114] **Edwina Hart:** James, as part of the group that advises me, you will look at whether we require any greater clarity. I do not know whether you want to comment on that as part of a group that will review what we are doing, because you are constantly looking at improvements.

[115] **Mr Taylor:** Yes, it is part of what we do on a continual basis. We have identified previously that the simplicity and clarity of the support was an issue. We have done a lot of work to promote the one-stop shops so that people have somewhere to go where it is all under one roof. We have just come up with a new route-map for youth entrepreneurship, which has not been launched yet, but will be in the very near future. We will get some feedback from the young people involved, following that, and then do a 360 degree review on it.

[116] **Mick Antoniwi:** Chair, I think that everything else that I wanted to ask has been answered in response to earlier questions.

[117] **Nick Ramsay:** Okay. Minister, on the issue for value for money, are you content with the Welsh Government's approach to assessing value for money in terms of the existing funding structures?

[118] **Edwina Hart:** I think that I am in this instance with this particular strategy.

[119] **Nick Ramsay:** From what has been said already, it is not a straightforward thing to assess, as compared with other types of funding.

[120] **Edwina Hart:** No, it is not.

[121] **Nick Ramsay:** Julie James has a supplementary question.

[122] **Julie James:** In terms of some of the really interesting things that you told us about how entrepreneurship works, departmental support and some of the drivers for the two people we have in front of us, who are very impressive, we also hear from people who have good ideas, but are interested in a more social enterprise way than a traditional business—I know that they are the same thing. I wonder if we address them. I have been speaking to some young people in my area, for example, who do not have the understanding or knowledge of business, if you like, but they can see issues in their community and they have the same fix-it approach. Is there something that we could do to encourage that entrepreneurship in a sort of social enterprise model?

[123] **Edwina Hart:** Yes, a social enterprise is a business. We always have to remind ourselves that it is not the sort of soft, cuddly thing that the world sometimes thinks that it is. It is actually quite hard-nosed. I do not know whether Glynn and Jim have any comments about what more—

[124] **Mr Pegler:** To add to that, I was a director of UnLtd the Foundation for Social Entrepreneurs. Via my company, I was its director of communications. I directly worked with a few thousand different social entrepreneurs each year in terms of the outreach and support that that did. My company counts social outputs as one of the main things that we do. It is no longer badged as a piece of corporate social responsibility, as it traditionally was for larger organisations. It is now a mainstay of business that a lot of young people, in particular, approach business with this idea of how they can be the solutions to a social issue around them. The reason that I started my business was a lack of opportunities for young people in my area. I wanted to promote talent and give other young people an opportunity to have a platform. So, that was the output that I looked at when I started my business. It is something that is now fundamentally embedded in business. Traditionally in Wales, we have had quite a good culture of supporting social entrepreneurial activities without identifying them as that, and it has now become the badge that people have put on things, but it is a thing that mainstream business is now approaching. Richard Branson judges his business outputs by social good and social benefit; Diageo does the same across its programming; and Coca-Cola has created the world's first social return-on-investment scale. It is a larger piece of work. I know that the Welsh Government has taken tremendous leaps forward in terms of supporting that approach.

[125] **Lord Elis-Thomas:** I was interested in the—[*Inaudible.*]—of entrepreneurship and entrepreneurialism earlier on. It also relates to what you just said about social entrepreneurship—or -ism—and the economic consequences of that. Would you say that the creative spirit in all forms of entrepreneurial activity is fairly similar?

[126] **Mr Pegler:** I would, yes. There is a wider piece. I challenged some of the financial institutions—worldwide financial institutions—on this recently as a piece in terms of what we should be looking to do in the long-term culture we should be trying to instil in people. I think that there is much more of an attitude that, if you create something that is solutions-focused, you also address a lot of societal issues, and being solutions-driven is an entrepreneurial trait in itself. It is quite easy for people to say, 'You're an entrepreneur', or, 'You're badged as an entrepreneur', and quite often it is the entrepreneurs who would never see themselves as entrepreneurs in the first instance. However, there is this idea that you can foster a culture of entrepreneurship across organisations by creating people who are mentors—using things like the Dynamo role model initiative has been a fantastic way of doing that for people, some of whom are not necessarily running their own businesses, but they do it within other companies. There is definitely a great legacy of that happening in Wales.

[127] **Nick Ramsay:** It is interesting that you mentioned Richard Branson—he has been mentioned several times. We took evidence last week from an entrepreneur who said that being an entrepreneur does not mean being a millionaire.

[128] **Edwina Hart:** Exactly.

[129] **Nick Ramsay:** You can actually be an entrepreneur, but earn a comfortable wage. It does not have to be about the big bucks; too many people, I think, see it as that.

[130] **Mr Taylor:** I think that there should be no distinction between social enterprise and enterprise. What is the difference? There is no difference. I echo Glynn's comments completely. What I do has a positive impact on children; that is what my business does. So, when I started, I was confused whether to set up a charity or a business. There is a myth that you have a charity on the one side that is for doing good, and then you have a business over there that is for making money. Why can the two not mix? Why can you not put them both together? In our business success, our two main key performance indicators are, first of all, the commercial success of the business—revenue and profit—and, secondly, the number of

children we have a positive impact on per week. They are intertwined, because you cannot create a business unless it gives value to society, to somebody; otherwise, it is a scam.

[131] **Nick Ramsay:** We are into the last three minutes. Can I just ask you something, Minister? We have received criticisms that the criteria for the graduate start-up bursary are unrealistic for many potential applicants. I think that there is a criterion of a minimum annual turnover of £80,000.

[132] **Edwina Hart:** Well, I actually have not had any correspondence on or criticism of the scheme, so I would be interested to receive it.

[133] **Nick Ramsay:** That has just come through in evidence sessions that we have had. Perhaps we can—

[134] **Edwina Hart:** We have had nothing directly on that at all at official level. So, we would be more than happy to take anything up.

[135] **Nick Ramsay:** Okay. We will pass that on to you. Do any Members have any further questions for the Minister? There are two minutes left.

[136] **Alun Ffred Jones:** A gaf un cwestiwn eto? Roedd y cynllun *Young Enterprise* yn gynllun cenedlaethol a oedd yn gweithredu mewn ysgolion, gyda llwyddiant eithaf amlwg yn ôl y dystiolaeth gawsom ni. Mae hwnnw mewn perygl o ddiflannu. Clywsom gynnu gan Sue Poole fod ganddi gynllun yn y de-orllewin—*young enterprise challenge*—hefyd mewn ysgolion. A yw'r cynllun cenedlaethol yn mynd i ddiflannu ac yna fe fydd cynllun rhanbarthol yn digwydd yn un rhan o Gymru? Nid yw hynny'n ymddangos i mi fel strategaeth genedlaethol o ran hyrwyddo entrepreneuriaeth mewn ysgolion. A ydw i wedi camddeall rhywbeth?

Alun Ffred Jones: May I just ask one further question? Young Enterprise was a national scheme that was operational in schools, and it was successful, according to the evidence that we received. That is in danger of disappearing. We heard earlier from Sue Poole that there is a scheme in the south-west—*young enterprise challenge*—that also works in schools. Is it that the national programme is to disappear and then there will be a regional programme happening in one part of Wales? It does not appear to me that that is a national strategy for promoting entrepreneurship in schools. Have I misunderstood anything here?

[137] **Edwina Hart:** I do not think that you have misunderstood anything. I have a national strategy, which I developed through my department. The other matters that you have raised will now form part of the discussion with the new Minister for education about the responsibility of the careers service and how it liaises with the work that we undertake.

[138] **Alun Ffred Jones:** Ie, ond mae'r cynllun y cyfeiriodd Sue Poole ato yn amlwg yn cael ei ariannu gan rywun—gan yr *hub*, mae'n debyg, sy'n arian gan eich adran chi, Weinidog, fyddwn i'n meddwl. Neu, a yw'n dod o rywle arall?

Alun Ffred Jones: Yes, but the scheme that Sue Poole referred to is clearly being funded by someone—by the hub, I would suppose, which is funding provided by your department, Minister, I would assume. Or does it come from somewhere else?

[139] **Ms Poole:** That funding is supplied by sponsors. We have gone out to large industry—Tata Steel and Wales and West Utilities, to name but two—and we have brought in sponsorship money of £20,000 to run it in schools. We are not reliant on Government funding; we are looking outside for external income to supply different types of activities for schools. So, that is not out of the education budget; it is all from sponsorship money.

11.30 a.m.

[140] **Edwina Hart:** I understand that Young Enterprise is going to follow your model now and look for corporate sponsorship.

[141] **Mr Taylor:** Absolutely. I spoke at the Welsh finals last week, and Young Enterprise was very much alive and kicking and spoke a lot about its new model.

[142] **Nick Ramsay:** Great.

[143] **Alun Ffred Jones:** It was not alive and kicking last week, because it said specifically that it was in great danger of not being able to carry on with its work and so on.

[144] **Mr Taylor:** Perhaps that was part of its marketing and sales campaign to get some corporate sponsorship. [*Laughter.*]

[145] **Nick Ramsay:** Fancy that. [*Laughter.*] I was going to say, 'On that positive note', but things went slightly cynical at the very end. [*Laughter.*] I will let you get back to your phone, Minister. Thank you, Edwina Hart, the Minister for Economy, Science and Transport for being with us today, and Sue Poole, Glynn Pegler and James Taylor. The session has been very helpful and we will feed your comments into our inquiry. I will now close the public session of the meeting, so that we can have a debrief.

11.30 a.m.

**Cynnig o dan Reol Sefydlog Rhif 17.42 i Benderfynu Gwahardd y Cyhoedd o
Weddill y Cyfarfod**

**Motion under Standing Order No. 17.42 to Resolve to Exclude the Public from
the Remainder of the Meeting**

[146] **Nick Ramsay:** I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 17.42(vi).

[147] I see that the committee is in agreement.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11.30 a.m.
The public part of the meeting ended at 11.30 a.m.*