

# Reducing Re-offending: The Enterprise Option

Report to the  
Small Business Service

Del Roy Fletcher  
Centre for Regional Economic  
and Social Research

research

January 2004

URN 04/568

## CONTENTS

<b>1.</b>	<b><u>INTRODUCTION</u></b> .....	<b>1</b>
1.1.	<u>Background</u> .....	1
1.2.	<u>The aims of the study</u> .....	1
1.3.	<u>Definitions</u> .....	2
1.4.	<u>The structure of the report</u> .....	2
<b>2.</b>	<b><u>OFFENDERS AND ENTERPRISE</u></b> .....	<b>3</b>
2.1	<u>Introduction</u> .....	3
2.2	<u>The relationship between offending and self-employment</u> .....	3
2.3	<u>The entrepreneurial aptitude of offenders</u> .....	4
2.4	<u>Offender experiences of self-employment</u> .....	5
2.5	<u>Enterprise support for offenders</u> .....	5
2.5.1	<u>The role of prison industries</u> .....	5
2.5.2	<u>Self-employment and business start-up</u> .....	7
2.6	<u>Summary</u> .....	8
<b>3.</b>	<b><u>ENTERPRISE SUPPORT FOR OFFENDERS</u></b> .....	<b>9</b>
3.1	<u>Introduction</u> .....	9
3.2	<u>The attractions of entrepreneurial activity</u> .....	9
3.3	<u>Host institutions</u> .....	9
3.4	<u>Key features of support</u> .....	10
3.5	<u>Performance indicators</u> .....	11
3.6	<u>Main barriers</u> .....	12
3.7	<u>Emerging lessons</u> .....	13
3.8	<u>Planned developments</u> .....	14
<b>4.</b>	<b><u>CONCLUSIONS AND RECOMMENDATIONS</u></b> .....	<b>16</b>
4.1	<u>Introduction</u> .....	16
4.2	<u>Understanding the target group</u> .....	16
4.3	<u>The nature of host institutions</u> .....	17
4.4	<u>The weaknesses of current provision</u> .....	17
4.5	<u>Recommendations</u> .....	18
4.6	<u>Further research</u> .....	21
	<b><u>References</u></b> .....	<b>22</b>
	<u>Table 1: Key studies</u> .....	23
	<u>Table 2: Enterprise support for offenders</u> .....	24
	<u>Table 3: Type of Prison Providing Enterprise Support</u> .....	30

## **1. INTRODUCTION**

### **1.1. Background**

During May 2002 there were 71,012 people in prison in England and Wales serving either a custodial sentence, or on remand awaiting trial or sentence. Overall, the prison population has risen by over 50 per cent in the last decade (Social Exclusion Unit, 2002). Men comprise around 95 per cent of those in prison. While the number of women prisoners is relatively small, 4,380 in May 2002, this figure has nearly doubled since 1996. Black and minority ethnic men make up around 19 per cent of the male prison population, between two and three times the proportion in the general population. Black and minority ethnic women make up 25 per cent of the female prison population, three times the proportion in the general population. In 2001, 86,956 individuals were discharged from prison.

Previous research has shown that employment can reduce the risk of re-offending by between a third and a half. But two-thirds of prisoners arrive in prison from unemployment, and three quarters leave prison with no job to go to. Many face multiple labour market barriers. Some have individual attributes such as low self esteem, poor basic skills, and inadequate educational and vocational qualifications which damage their employment prospects. Drug and alcohol misuse may also mean that some find gaining and keeping a job more difficult. Furthermore, when fully implemented the Police Act (1997) will give employers access to the criminal records of all job applicants. This may compound the discrimination faced by those with a criminal record in the labour market (see Fletcher et al, 2001).

Despite the crucial role that employment can play in the reduction of offending, education and training have traditionally been seen in many prisons as a means of keeping prisoners occupied, rather than providing them with skills necessary for employment (Social Exclusion Unit, 2002). Similarly, few have hitherto received help and advice on finding a job or training on release. A number of positive developments are now underway in this area. However, much of the help that is being provided focuses on preparing individuals for work in the mainstream labour market.

For some prisoners self-employment may present the most practical way of re-entering the labour market (Social Exclusion Unit, 2002). It may also help to circumvent the discrimination faced by offenders applying for jobs. The present study also took place in the context of the UK Government's aim of promoting more enterprise in disadvantaged areas and amongst under-represented groups, including offenders, who may face particular barriers in setting up and running their own business. Positive work has begun in some prisons via initiatives such as the Phoenix Development Fund which seeks to encourage fresh thinking about stimulating enterprise and providing business support. However, very little is known about either the provision of enterprise support for offenders in England or its success in helping them into work. This research seeks to help fill this gap in our knowledge and help policy makers to adopt a more strategic approach towards the funding of offender enterprise activity.

### **1.2. The aims of the study**

It is in this context that the Small Business Service (SBS) commissioned the present research. The specific aims of which are to:

- Provide detailed information on enterprise activity for offenders in England (who is involved; where they operate; what services they provide; and for whom).
- Highlight the available evidence on which approaches are the most successful with which particular groups within the offending population.

The study was conducted over a five-month period, from June to October 2003, and consisted of two distinct components. At the outset, a literature review was undertaken to help the study team to explore what is currently known about enterprise support for offenders. The review focused on UK and international literature published in English since the 1960s. It sought both published evaluations of individual programmes (primary studies) and previous reviews of the literature.

The core of the research was a mapping exercise which aimed to identify and review the practical enterprise support for offenders in England. The study team targeted both pre-release (prison-based) and post-release (community-based) activities. In terms of the former, both Offender Learning and Skills Unit (OLSU) Advisers and Custody to Work Co-ordinators were utilised to highlight relevant initiatives. In terms of the latter, the study team contacted all of the English Probation Service areas and a range of other non-governmental organisations known to be active in this field. Key individuals were then surveyed by telephone.

### **1.3. Definitions**

There are no commonly accepted definitions of the terms 'offender' and 'ex-offender'. The present research is concerned with those in the care of the correctional services i.e. the Prison Service and National Probation Service. The term offender is used to denote such individuals. Similarly, enterprise is taken to mean any activity that encourages individuals to explore self-employment, start-up a business, and any aspect of entrepreneurship. The study team were also interested in social enterprises. These are defined by government as businesses with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profits for shareholders or owners.

### **1.4. The structure of the report**

The remainder of this report is structured as follows. Section 2 outlines the findings emerging from previous research which has explored the role of enterprise in resettling offenders. Section 3 presents the results of the mapping exercise. Finally, Section 4 presents the conclusions and recommendations emerging from the research. Annex 1 contains all of the tables mentioned in the text.

## **2. OFFENDERS AND ENTERPRISE**

### **2.1 Introduction**

This section considers some of the main findings emerging from previous research which has explored the role of enterprise in resettling offenders. Table 1 presents key features of the studies reviewed by the team (see Annex 1).

The literature review has revealed very little relevant material. This appears to be the result of two main factors. First, there is relatively little entrepreneurial support made available to offenders. Many believe that expecting offenders to run their own businesses is unrealistic. In addition, many countries place legal constraints on those that are allowed to become self-employed. A New Zealand practitioner, for example, pointed out that bankrupts are not allowed to run their own businesses. Furthermore, the provision of enterprise support for offenders is a politically sensitive issue. Sonfield, Lussier and Barbato (2001:92), for example, note that 'the [American] voting public is generally wary of spending monies in prisons beyond the most basic incarceration costs'. Second, the small scale, ad hoc nature of much activity in this field means that few evaluations have been carried out.

The review discusses:

- The relationship between offending and self-employment.
- The entrepreneurial aptitude of offenders.
- Offender experiences of self-employment.
- Enterprise support for offenders.

### **2.2 The relationship between offending and self-employment**

Fairlie (2002) used the US National Longitudinal Survey of Youth (NLSY) to examine the relationship between drug dealing as a youth and legitimate self-employment in later years. The NLSY is a nationally representative sample of 12,686 individuals who were aged between 14 and 22 years when they were first interviewed in 1979. Those surveyed were interviewed annually from 1979 to 1994 and in 1996.

In 1980 the NLSY included a special set of questions on participation in delinquent or criminal activities. Respondents were, for example, asked how many times they sold marijuana and hard drugs such as heroin, cocaine, or LSD in the previous year. The study defined drug dealers as those individuals who reported selling marijuana or hard drugs on at least six occasions.

The author found that drug dealing had a large, positive and statistically significant effect on the probability of self-employment. In addition, those who sold more frequently, used drugs less frequently, or reported receiving income from drug dealing were more likely to choose self-employment than other drug dealers. Fairlie (2002) interpreted these results as providing evidence that drug dealers possess unobserved characteristics that are positively associated with future self-employment e.g. low levels of risk aversion, high levels of entrepreneurial ability and a preference for autonomy.

However, this research has several limitations including:

- Drug dealers are defined in an unsatisfactory way. Individuals had only to report selling drugs on six separate occasions.
- The use of drug dealing as a proxy for entrepreneurial characteristics is problematical for those that sell drugs for reasons unrelated to risk aversion, entrepreneurial ability and preferences for autonomy. It is likely, for example, that some individuals sold drugs to help support their own habit.
- There are several alternative explanations for the association between drug dealing and self-employment. Individuals could be reporting selling drugs as a self-employed job activity. Self-employment may reflect limited employment opportunities. Alternatively drug dealing may provide the means for accumulating capital to start legal businesses.

### **2.3 The entrepreneurial aptitude of offenders**

Several studies have sought to measure the entrepreneurial potential of offenders. Sonfield and Barbato (1994), for example, compared a sample of 29 New York prison inmates to other groups. Sonfield, Lussier and Barbato (2001) extended this work and compared 59 inmates drawn from prisons in New York, Maryland and Massachusetts to 135 'normative entrepreneurs' (individuals who had started their own business); 50 entrepreneurs of 'fast growth' firms; 47 entrepreneurs of 'slow growth' firms and 37 'manager scientists' (managers of science oriented firms).

This research has used the Miner Sentence Completion Scale-Form test which measures five motivational factors associated with entrepreneurial success: a need for self achievement; a preference for avoiding unnecessary risks; a desire for feedback of the results of one's efforts; an aspiration for personal motivation; and a desire to plan for the future. Both studies found that, with the exception of entrepreneurs of high growth firms, inmates attained the highest scores. The later study also found that this was unaffected by factors such as the type of crime, number of convictions or enrolment in small business courses.

Rieple (1998) compared the General Entrepreneurial Tendency (GET) test scores of a sample of 138 prisoners and 55 probationers with previous data generated by Caird (1988) for entrepreneurs, civil servants and nurses. The GET test examines entrepreneurial personality characteristics across five dimensions: risk-taking; creativity; internal locus of control; need for achievement; and need for independence and autonomy. The researchers found that offenders achieved higher scores than both nurses and civil servants but lower than entrepreneurs.

It is, however, important to appreciate that this type of research has several weaknesses including:

- Small and unrepresentative sample sizes.
- The testing instruments are problematical for those with limited writing skills. The Miner test, for example, requires respondents to develop complete sentences from 40 short sentence beginnings or 'stems'. About a quarter of those tested failed to complete the sentences sufficiently for valid scores to be derived.
- There is no consensus on whether psychological characteristics are associated with entrepreneurial aptitude and success. Human capital, assets and opportunities in traditional employment may be more important determinants of who becomes self-employed.

## 2.4 Offender experiences of self-employment

A couple of studies have considered offender experiences of self-employment. Jansyn et al (1969), for example, found that just 30 individuals out of 3,500 parolees in New Jersey were self-employed. This low figure was felt to be due to a lack of the necessary capital and the high self-confidence needed to launch a new business which was often undermined by incarceration. More recently, Rieple (1998) suggested that around half of UK prisoner and probationer interviewees had previously been self-employed or run their own business.

Jansyn et al (1969) found that offenders cited three main reasons for going into business: independence (both in terms of self-reliance and in the sense of freedom from supervision); a desire to retain all the profit of one's labour; and to earn high wages. Most had some previous experience with small businesses and almost all received help from family and friends. The authors did not find any relationship between the length of time spent in institutions or number of crimes with business success but recognised that this may have been the result of sampling bias.

Jansyn et al (1969) showed that the risk associated with self-employment was lower for ex-offenders than the general population because their marginal position in the labour market meant they had less to lose. However, in spite of lower risk and apparently greater motivation, offenders were found to need more assistance and support. The authors concluded that a programme directed at rehabilitating ex-offenders by helping them to start small businesses would achieve good results at modest cost. However, this research was carried out nearly forty years ago.

## 2.5 Enterprise support for offenders

It is necessary to distinguish between two main types of study:

1. Research that has explored the potential role of prison industries in furnishing inmates with the skills needed to compete in the labour market.
2. Studies which have specifically focused on support for self-employment and business start-up.

### 2.5.1 *The role of prison industries*

Washburn (1987) discussed the historical development of US prison labour programmes and reviewed the experience of four prisoner entrepreneurship programmes. The latter were defined as economic ventures in which inmates were the organisers, managers and assumed the risk of running a business. They were contrasted with traditional labour programmes where the organisational and managerial responsibility is in the hands of prison authorities. The four programmes included:

- Con'Puter Systems Programming. This was a partnership created by inmate graduates of a prison-based computer training programme. The partners were both the managers of the business and were responsible for its organisation.
- The Inmate Novelty Program. This programme allowed prisoners to produce novelties for sale to tourists. In 1976 a new prison warden appointed a Novelty Committee controlled by inmates who promptly lifted restrictions on both production and the income that inmates were allowed to earn.

- The Law Enforcement Assistance Association's Free Venture Pilot Program. The Free Venture Program emerged out of research that sought to identify strategies to rehabilitate inmates. It culminated in the development of a model industries programme that aimed to mirror the outside world of work and provide an effective linkage for ex-offender employment in jobs related to their prison experience. The programme was piloted in six states.
- The Bureau of Justice Assistance's Private Sector/Prison Industry Enhancement Certificate Program. The goals of which were to place inmates in a realistic working environment so that they could acquire marketable skills, make payments of restitution to their victims and support their families, themselves and the institution.

Participants are reported to have derived several benefits from such programmes including improved feelings of self-worth; the chance to send money home to their families; and in a few cases the confidence to start their own business on release. However, implementation highlighted a number of difficulties. Con'Puter was closed amid charges of tax evasion. Restrictions were imposed on the Inmate Novelty Program amid concerns that a small group of inmates known as the 'novelty kings' had gained too much control over the day-to-day aspects of prison life. The Free Venture Pilot Program suffered from high labour turnover rates because of inmate transfers. Furthermore, a lack of adequate information meant that it was difficult to assess the performance of the pilot.

Goodman (1982) has contrasted US state-run prison industry with 'prisoner-run' industries. The former have been beset with problems including a lack of work to keep inmates occupied; insufficient funds to purchase modern machinery; inadequate training; and legislation which has severely limited their markets. Prisoner-run industry is an attempt to improve such activities by stimulating free enterprise in prisons. Inmates are hired and fired according to their qualifications and performance. They learn new trades, work regular shifts and earn wages significantly higher than in most state programmes. Private participation in such programmes has taken various forms. In some states, private industry has leased space and operated directly within the prison. Elsewhere prisons have instituted subcontracting arrangements with private industry. Business persons have served as consultants to prisons by investigating the most effective method for improving state industry programmes. Private entrepreneurs have also provided financial assistance and have served on the board of directors of one prisoner-run programme.

The author reviewed the experience of three states which had experimented with inmate-run industries in order to develop guidelines for how successful programmes should be structured. Goodman (1982) asserted that their purpose should be to help prisoners acquire the skills and attitudes necessary for successful reintegration into society. They should operate independently with minimal involvement by host institutions. Prison authorities might, for example, approve business plans, determine inmate eligibility, review financial reports and monitor earning allocations.

Initiatives may take several organisational forms including sole proprietorships, business partnerships, corporations or social enterprises. The structures differ primarily in the amounts of responsibility given to inmates and the degree to which they are able to share in profits. Sole proprietorships and business partnerships offer the most responsibility because they relegate the board to a purely advisory role. In corporations policy is set by an outside board of directors. Although represented on the board, inmates do not have a controlling voice. Prisons retain the most authority in social enterprises because they select a board that sets company policy. Regardless of the structure chosen, an outside board was recommended both to

provide independent assistance and reduce any stigma attached to conducting business with inmates.

Goodman (1982) discussed how the earnings of such initiatives might be distributed. The excess of gross income over wages and expenses equals net profit, 25% to 35% of which should be remitted to the institution. It is recommended that this should be used to enhance prison industry programmes, provide training opportunities or improve recreational facilities. The remainder can be distributed to owners, stockholders or employees or retained by the business. Each industry should attempt to pay competitive wages but a ceiling be set on the amount of earnings that prisoners can retain. This would help to prevent 'uncontrolled consumption'. Furthermore, participants should be required to relinquish their interests on release so that other prisoners are given the opportunity to manage and own the business.

Price (1973) contrasted the free market economy of La Mesa Penitenciaría in Tijuana with US prisons. In the latter, manifestations of free enterprise are often suppressed because they may undermine authority and discipline. In La Mesa inmates had to pay for their clothing, living quarters and additional food. This was done by receiving income and goods from friends and relatives; by working in a workshop or food shop or as servants for other prisoners; by bartering; or selling drugs. Consequently, inmates were involved in day-to-day economic decisions that mimicked life outside prison. However, the research also found that this generated marked inequalities in wealth with those who were too sick to work barely able to survive.

### **2.5.2 Self-employment and business start-up**

Rieple (1998) surveyed small business training and support within the correctional services in the UK. This research contrasted the long history of enterprise support within British prisons with the lack of enthusiasm or concern for such issues in the probation service. The author concluded, however, that existing prison-based provision was inconsistent and uncoordinated.

Researchers have also developed proposals for model offender enterprise support programmes. Jansyn et al (1969), for instance, felt that programmes should provide a combination of practical advice and business start-up loans. Such provision would have to be selective and might focus on those types of offender most likely to succeed in business including:

1. Married men or those with serious intentions to marry because they are more responsible and reliable than unmarried persons.
2. Those who have had some previous experience with self-employment.
3. The mavericks who want to work, show signs of social stability, but cannot come to terms with authority.
4. People who commit crimes of theft because they are usually self-rehabilitating.

Sonfield (1992) notes that only a small percentage of inmates would benefit from enterprise support. He proposed administering the Miner Sentence Completion Scale-Form test to measure entrepreneurial aptitude. The selection process would need to take into account the timing of an individual's release so that participants are released shortly after the end of the prison-based element of the programme. It might also consider the past history of applicants in order to identify relevant informal entrepreneurial experience.

The author felt that to be effective such initiatives must involve trainees both before and after their release from prison. Relevant programmes would need to include

training in small business topics such as record keeping, personnel management, marketing etc and help accessing finance. The latter was deemed crucial because of the difficulties faced by offenders gaining loans from US lending institutions.

## **2.6 Summary**

The original intention was to focus on international literature published in English since 1990. Yet this revealed so little relevant material that the study team widened the search to include literature published from the 1960s onwards. This, of course, raises questions about its relevance to the needs of contemporary policy makers and practitioners. Furthermore, much of the literature is from the US. Yet there are a number of significant differences between the US and the UK both in terms of criminal justice systems and economic trends which also makes the transfer of key lessons problematical.

### **3. ENTERPRISE SUPPORT FOR OFFENDERS**

#### **3.1 Introduction**

This section of the report discusses the results of the mapping exercise, the aim of which was to identify and review current enterprise support for individuals in the care of the correctional services and to draw out any elements of good practice. The focus was on English initiatives that specifically sought to address the needs of offenders. The review discusses the following:

- The attractions of entrepreneurial activity.
- Host institutions.
- Key features of support.
- Performance indicators.
- Main barriers.
- Emerging lessons.
- Planned developments.

#### **3.2 The attractions of entrepreneurial activity**

Respondents felt that offenders were attracted to self-employment for three main reasons:

- It is seen as a way of circumventing the discrimination that they face in the labour market.
- It offers the prospect of independence particularly in terms of freedom from supervision.
- It promises higher incomes than those generally available in the secondary labour market and to a lesser extent
- as a means of escaping past debt.

Personal characteristics, attitudes and experiences are general determinants of entrepreneurial activity. In terms of the latter, recent experience of running a business increases the chances of someone considering going into business. The providers of entrepreneurial support for offenders were, therefore, asked to estimate the proportion of offenders with such experience. Most put the figure at one in ten; although a few felt that it was between a quarter and a half. Many reported that it would be much higher if illegal activities such as drug dealing were included.

#### **3.3 Host institutions**

The mapping exercise identified 38 relevant projects (see Table 2). All except one were prison-based initiatives and, in the main, the majority of respondents were education providers. Table 3 shows the type of prisons providing some form of enterprise support.

There are currently 136 prisons in England and Wales classified according to the level of security required. The main types include:

- **Local prisons.** These are the largest prisons and subject to the greatest number of prisoner transfers in and out.
- **High security prisons.** These hold prisoners whose escape would be highly dangerous to the public or would have national security implications.
- **Closed training prisons.** These house medium-risk inmates and usually offer dedicated education and training support.
- **Open and semi-open prisons.** These hold the lowest-risk prisoners and have an emphasis on phased progress towards eventual release. Inmates may be able to work outside the prison.
- **Young Offender Institutions/Units.** These house individuals aged 18-20 years and can be open or closed.

Sentenced adult male prisoners are allocated to suitable prisons by one of four security classifications:

- Category A - suitable for maximum security only;
- Category B - suitable for closed but not high security conditions;
- Category C - not yet suitable for open conditions;
- Category D - suitable for open conditions.

As Table 3 shows, different classifications apply to women's prisons. The research revealed that enterprise support was made available at all of the different types of prison establishment and for individuals allocated to all four security classifications. However, closed training prisons and open and semi-open establishments provided more fertile ground for such initiatives with the majority of projects being located in these types of institution. In contrast, local prisons hold mainly short-term prisoners and this places constraints on the type of support that can be provided.

### 3.4 Key features of support

Projects can be classified into three broad types according to their focus and content. Although this suggests that there are a series of clear-cut divisions between projects, it is important to recognise that distinctions can be blurred. Many projects, for example, have an element of awareness raising. However, this may not be their primary focus. The key types are:

- Awareness raising: projects whose primary intention is to raise general awareness of self-employment and possible sources of business support. Five projects (13%) fall into this category.
- Business education: projects that seek to give participants an understanding of business but are not specifically directed at helping them start up their own business. Eight projects (21%) are of this type.
- Business start-up: projects that seek to give participants the necessary skills to start their own business. The production of individual business plans is usually a key feature of provision. Twenty five projects (66%) fall into this category.

Most projects provided support to between 30 and 50 individuals per year. A few awareness raising initiatives worked with several hundred offenders per year. The indications are that projects are currently assisting between 3,000 to 5,000 offenders in England. It is not possible to be more precise than this because many projects did

not provide relevant throughput data. A wide variety of partners were involved in delivery (see Annex 1 table 2).

Eligibility was not usually restricted to any particular group, although four, because of the nature of the institution in which the activity was based, focussed on meeting the needs specifically of young offenders, women or long-term prisoners. Many did not proactively market initiatives to inmates because they were oversubscribed. A few felt that the onus was on individuals to be pro-active and seek out relevant provision. Passive marketing materials such as posters, leaflets and notice boards on prison wings were the favoured methods. A few publicised initiatives during new intake interviews or as part of the sentence planning process.

Sentence plans aim to prepare prisoners for release and should be the cornerstone of work to tackle re-offending in prison. Recent research conducted by the Social Exclusion Unit (2002) has found that the sentence planning system does not always work well. Sentence planning staff, for example, are not always aware of what programmes and activities are on offer within the prison, and many complain about a lack of time and training for the role. Furthermore, it is too often a question of allocating a prisoner to what is available rather than what is needed. Nevertheless, it remains a useful starting point for drawing enterprise support activities to the attention of prisoners. Twenty four projects (83%) were integrated into the sentence planning process. In some cases, however, this appeared to be of limited effectiveness.

Seventeen projects (47%) operated a selection process. Relevant criteria usually included basic skill levels or length of remaining sentence. One provider utilised the GET test to help measure the entrepreneurial potential of inmates. Entrepreneurial support was usually delivered in small groups of between eight and twenty participants. Most included an element of one-to-one help usually at the business planning stage. A few awareness-raising initiatives provided support on an individual basis.

Twenty six projects (76%) had delivery processes that were formally accredited. This helps to ensure that provision meets nationally recognised standards for specified learning outcomes appropriate to the level of the programme, fair and relevant assessment methods and appropriate staffing and other resources. Most of these were accredited by Oxford Cambridge and RSA Examinations (OCR), National Open College Network (NOCN) or ASET. The Business in Prisons programme had met the requirements for the award of ISO 9001:2000 which is an internationally recognised quality standard.

US studies have shown that the first weeks following release are crucial in terms of subsequent labour market experiences and offending behaviour. The Social Exclusion Unit (2002) has, however, acknowledged that there is currently very little systematic and intensive employment-related support available to prisoners after their release. This pattern was mirrored for those participating in enterprise support activities with just eleven projects (33%) providing continuing support. The Prince's Trust, BEAT, the Probation Service, Inbiz Ltd, local enterprise agencies, Business Links and colleges were used to provide support in the community.

### **3.5 Performance indicators**

Performance data of some kind was available for twenty nine projects (81%). However, most providers sought to demonstrate that they had met contractual obligations and collated basic process data. This usually included information on numbers starting and completing courses, and individuals gaining particular

qualifications. There was little evidence that providers were routinely seeking feedback from prisoners or other key stakeholders to help inform continuous improvement strategies. Consequently, although twenty two (76%) canvassed views this was often limited to distributing course appraisal forms to trainees.

Very little outcome data was available. Only six projects (20%), for instance, sought to track employment outcomes once individuals were released into the community. In two cases this was limited to sending participants a follow-up letter one month after their release. Tracking periods ranged from just one month to two years. Many recognised this was a weakness but highlighted the practical difficulties. One consultee, for instance, reported that: *'Prisoners simply vanish into a black hole on their release'*. Those working with sex offenders noted that they were particularly keen to distance themselves from the correctional services. Only one of the courses had been externally evaluated. A report had been prepared for the Department for Education and Skills (DfES) but is not yet available.

Drop-out rates were low with most in the range of 5% to 25%. The captive nature of the target group had often encouraged providers to adopt a reactive approach to minimising drop-out rates. In addition, many believed that factors beyond their control e.g. the transfer of participants to other prisons was the main difficulty here. Those that adopted a pro-active approach often highlighted the ability of course staff to build close one-to-one relationships with participants that helped to minimise such problems.

A major finding was the lack of data on business starts. Only five providers were able to furnish any relevant information and in some cases this appeared to be anecdotal. The most comprehensive data was made available for the Business in Prisons initiative. This indicated that 3,535 individuals had attended initial awareness raising provision since its launch in 1998 and 875 of these had attended one-to-one sessions. This had resulted in 125 business starts with 92% still trading after one year. The latter figure had been established by following up participants in their home area or via contacting appropriate staff in the probation service or local enterprise agencies. (In comparison, recent research carried out by Barclays Bank found that 87% of general businesses were still trading after one year). The businesses created were reported to be diverse and included mobile catering, hairdressing, building trades, removal services, fast food takeaway, vehicle recovery, website design, gardening services, road haulage, graphic design, courier services and soft furnishings.

Providers were able to offer more information about the additional benefits experienced by participants. These included:

- Improvements in attitudes, confidence and motivation. One respondent felt that this was because: *'they are treated as individuals not numbers'*.
- The development of 'soft skills' i.e. reliability, the ability to work in teams and communicate effectively.
- Increased competence in using Information Technology.
- A greater awareness of the advantages and disadvantages of self-employment.

### 3.6 Main barriers

The main barriers to entrepreneurial activity within the general population are **financial**. Many individuals are not sure that they can get the necessary finances together and are afraid of debt. Similarly, the loss of their current income prevents many from starting a business or becoming self-employed. Offenders encounter similar barriers although their economically marginal position may mean that they are

less fearful of failure or personal loss. However, they encounter additional problems because of the nature of their criminal activity and confinement. Those convicted of certain crimes are not allowed to run their own business. Being confined long distances from home means that many are unable to fully test their business ideas. Sentenced prisoners are held an average of 53 miles from home (Social Exclusion Unit, 2002). The smaller number of prisons for women and young offenders mean that they are more likely to be held at even longer distances.

Those providing entrepreneurial support to offenders felt that the key barrier they faced was a lack of start-up finance. The high cost of insurance and problems opening bank accounts were also cited. There are two main types of start-up finance: equity and debt. The former is capital invested in the business that is not usually repayable until the business closes down. The available evidence suggests that offenders prefer to rely on self-help and informal sources of assistance rather than mainstream business support agencies such as enterprise agencies or Business Links. Yet imprisonment may mean that offenders are unable to raise significant amounts of their own equity or from family, friends and business contacts. They are, for example, much less likely than the general population to have mortgagable assets such as property. In addition, an inability to raise significant equity from their own resources can also compromise their success with other sources. Most financiers, for example, work on a 'matching funds' basis.

Debt is capital lent to a business that is usually repayable at a specified date. It is often the main option available to offenders but is difficult to obtain. A bank account is pre-requisite for raising debt from high street banks and finance companies. The Prince's Trust and the Fredericks Foundation are two charitable sources of funding. However, both have their own restrictions on eligibility and only make modest sums available to offenders. The Prince's Trust, for example, generally limits funding to young people aged between 18-30 years. Yet previous research has identified an 'age-launch window', an age group where the tendency to enter self-employment is high (IMS, 1991). This is usually between the ages of 35-44 years. Consequently, some reported that offenders often chose businesses that did not involve much capital e.g. window cleaning, car valeting or self-employed and labouring in the construction industry. In contrast, a few felt that the unrealistic ambitions of some offenders were a further barrier.

### 3.7 Emerging lessons

Four key aspects of good practice were identified. First, successful interventions are often built upon an assessment of individual need. Provision must, therefore, be flexible enough to accommodate the diverse needs of individuals. Second, the skills of delivery staff are vital. Tutors need to be able to empathise with participants and build relations of trust with them. Positive feedback and the use of non-confrontational approaches were cited as being particularly effective. Third, it is important that provision combines theoretical and practical elements. In terms of the latter, some thought tutors should have some experience of running their own business. Alternatively, courses should include an input from business people. Finally, effective partnership working is important so that offenders benefit from different expertise and experience.

Twenty four respondents (89%) reported that they were unable to provide offenders with some of the help needed to enter self-employment. Three main areas were highlighted. First, most identified **an absence of start-up finance** as a key weakness. Second, the **lack of continuing support once individuals were released** into the community. One respondent felt this was: *'like walking a young child to the side of the road and then walking off'*. Many pointed to the practical

difficulties of providing such support. The Business in Prisons initiative, for example, works with individuals that are released to 35 different counties including Wales. Finally, **the limitations of prison-based interventions** and in particular, the difficulties encountered giving trainees a thorough insight into the problems that they might face on release. One respondent reported that: *'Prison educators know very little of the business world'*.

Respondents indicated several key inhibitors to their ability to provide more effective entrepreneurial support for offenders. The main ones included:

- Difficulties securing continuing funding. Several felt that the newly ring-fenced prison education budget was a step in the right direction.
- The low priority that the correctional services give to enterprise support: *'By and large enterprise is not on the resettlement agenda'*.
- The challenging nature of the prison environment. A lack of internet access meant that: *'Conducting market research is a huge problem in prisons'*. In addition, courses were often disrupted by security measures.
- Cultural differences between prison and external provider staff. In broad terms, many external providers felt that prison staff were principally concerned with issues of security.
- The limited timescales in which to provide support especially to those on short sentences. This was especially acute in local remand prisons.

### 3.8 Planned developments

The UK Government's increasing focus on reducing the barriers to enterprise for disadvantaged groups and communities is being reflected at the local level. More than half (53%) of the initiatives identified by the study team, for example, had become operational within the last three years. Furthermore, several business support agencies were actively seeking to extend their support to offenders. Key planned developments include:

- Business Link North and Western Lancashire Ltd are extending its 'Starting Out in Business' programme from HMP Kirkham to HMP Wymott and HMP Garth.
- Enterprise Plymouth Ltd is about to deliver a pre-release programme at HMP Dartmoor that will include advice and help with self-employment.
- Inbiz Ltd is seeking further funding having conducted a small-scale enterprise support pilot at HMP Reading and HMP Winchester.
- Business Link Kent Ltd has piloted an enterprise seminar to 15 inmates at HMP Standford Hill. They are currently seeking to extend this service to other prisons in Kent such as HMP Elmley and HMP Canterbury.
- Sussex Enterprise is currently looking to develop tailored business support packages for underserved groups such as offenders.
- Southend Enterprise Agency Ltd has made several copies of their 'Starting Your Own Business' CD ROM available to HMP Chelmsford. Furthermore, they are currently exploring the possibility of making this product available to other prisons in the Essex area.
- Chamber Business is currently in discussion with Jobcentre Plus to establish a clinic for new start-ups possibly one day a month. In addition, they are discussing providing business advice to probationers with the Probation Service.

- The Building on the Best element of the Phoenix Development Fund is funding 2 projects from April 2004, focusing on offenders and ex-offenders:

The Dukeries Training Agency will be extending its 'Business in Prisons' provision to include the West Midlands and women's prisons nationally;

Stevenage and North Hertfordshire District Council's 'Enterprising Communities' project will establish a support network for women recently released from prison who are interested to setting up their own business. This will be developed in conjunction with the Dukeries Training Agency.

## 4. CONCLUSIONS AND RECOMMENDATIONS

### 4.1 Introduction

This final section of the report highlights some of the key conclusions emerging from the research in terms of understanding the target group; the nature of host institutions; and key weaknesses of current provision. It goes on to present a series of recommendations and outlines three main suggestions for further research.

### 4.2 Understanding the target group

At the outset, it is important to appreciate why self-employment is an attractive proposition for some offenders. First, it can bypass the discrimination that they face in the labour market. Second, it offers the prospect of independence. This can be very appealing to those deprived of their liberty. Finally, it is viewed as means of securing higher incomes than those generally available in the secondary labour market. However, an American consultee has warned that it is: *'too often a path to acute disappointment and failure'*. This is primarily because many offenders have unrealistic expectations and lack the objectivity, balance, support and resources to be successful.

Nevertheless, it is clear that self-employment represents the most practical way of re-entering the labour market for some offenders. We do not know, however, what proportion could usefully benefit from entrepreneurial support. The available evidence suggests that it may be appropriate to a modest percentage of inmates. It is vital, therefore, that selection processes identify those most likely to succeed. These might include:

- Those with some previous experience of self-employment.
- Individuals able to draw upon help from family and friends since this is often a key determinant of success.
- Individuals with informal entrepreneurial experience.
- People with psychological characteristics that are associated with entrepreneurial aptitude and success.

Effective selection processes are built upon a thorough assessment of the needs of individuals. At present sentence planning is the key process for assessing offenders' needs and connecting them with activities to reduce their re-offending. However, it does not always work well. The present research has, for example, found that sentence planning often failed to make offenders aware of entrepreneurial support. This problem will begin to be addressed when the Offender Assessment System (OASys) and other screening tools such as Prisoner Passports become operational. These screening tools will introduce, in due course, a more structured, evidence-based process for recording progress through sentence and for deciding the appropriateness of interventions both inside and outside prison. They may make identification of those who would benefit most from enterprise support activities easier and more reliable.

A key finding of the research is that current practice may be excluding some of those most likely to benefit from provision. Where selection processes were employed relevant criteria often included key skill levels. This helped to ensure that individuals could cope with written course materials. However, self-employment may be as

relevant to those with reading and writing difficulties as to any other offender groups. Furthermore, their exclusion would serve to compound their social exclusion. Similarly, although testing the entrepreneurial aptitude of offenders has not been used extensively in the UK the testing instruments are problematical for those with limited writing skills. All of which strongly suggests that selection procedures should be based upon in-depth interviews. Key questions might include:

- What type of business do you plan to start?
- What relevant experience do you possess?
- Who are your potential customers?
- What level of funding will you need to start and run your business for the first 12 months?
- Do you have this money or will you need to raise funding?
- Do you have any notion of what your turnover might be in your first year?

### **4.3 The nature of host institutions**

Prison is not an ideal environment in which to deliver enterprise support. Practitioners have highlighted several difficulties. First, the over-riding priority given to security means that many projects are regularly disrupted by lock-downs. Second, transfers and movements due to overcrowding can disrupt training courses. Third, suspicion and hostility between prison and external provider staff reflecting deep cultural differences may hamper partnership working. Fourth, a lack of internet access makes conducting business research problematical. Finally, the closed nature of some prisons makes it difficult for trainees to gain a thorough appreciation of the problems that they will face on their release.

Nevertheless, prisons are not all the same and some may provide an environment more conducive to the delivery of enterprise support. Training and open / semi-open prisons, for example, appear to provide more fertile ground for such initiatives. They are usually able to offer dedicated education and training facilities and may be less affected by the disruption caused by the transfer of prisoners to other institutions. In addition, the lower level of security means that there are fewer restrictions on prisoner mobility. Furthermore, open prisons have the great advantage of allowing inmates greater contact with the outside world. This is invaluable for those seeking to test their business ideas.

### **4.4 The weaknesses of current provision**

The study team have encountered major difficulties mapping current provision. Both OLSU Advisers and Custody to Work Co-ordinators were less productive sources of information than originally envisaged. Most initiatives were identified through direct contact with prison-based education and training staff. This problem reflects the difficulties gaining information from closed institutions and the fragmented nature of current entrepreneurial provision. In particular, it is dependant upon a relatively small number of committed individuals and is vulnerable to staff changes. The research has identified several additional weaknesses including:

- Provision appears to be programme-led rather than needs-led. It is often dependant upon the nature of host institutions and the particular skills and interests of local staff and education providers rather than the needs of inmates or the type of work they intend taking up on their release.

- Many projects place undue emphasis on individuals gaining qualifications rather than furnishing them with the necessary business skills to enter self-employment. In particular, prison-based education and training staff often view projects as a way of combating educational underachievement.
- There appears to be little integration with other vocational courses e.g. construction training. The latter is particularly appropriate given that it is a key area of employment for prisoners leaving custody and strongly associated with self-employment.
- Many projects do not operate selection processes. This makes it very difficult to target support at those most likely to succeed.
- There is an undeveloped evaluation culture. This means that although English prisons have a long track record of providing enterprise support there is very little evidence of its effectiveness at encouraging individuals to become self-employed or start up their own business.
- Similarly, few providers routinely seek feedback from key stakeholders to help inform continuous improvement strategies.
- A lack of continuing support offered to individuals on their release from prison characterises most projects. Yet ongoing support is vital if progress achieved in prison is to be maintained.

#### 4.5 Recommendations

This is a timely opportunity to consider enterprise support for offenders. The present study has taken place in the context of the UK Government's aim of promoting more enterprise in disadvantaged communities and amongst under-represented groups including offenders. Some work has already been undertaken to develop support for offenders through the first phase of the Phoenix Fund and offenders have been identified as one of the groups whose needs should be explored further under the second phase (April 2004 to March 2006) of the Fund. A major award has been made to The Dukeries Training Agency to extend the work that they have been doing in the East Midlands to the whole of the Women's estate. Similarly, a key performance indicator for the Prison Service is to ensure that 31,500 sentenced prisoners in 2003/4 have a job, education or training outcome within one month of release. These policy developments are being translated into increased activity at the local level. A high proportion of the projects identified by this research were established in the last three years leading one provider to complain that this area of work *'was becoming flavour of the month'*.

Despite this recent enthusiasm, enterprise support activities lack a strategic purpose and vision. Consequently, projects do not benefit from the coherence of being embedded within an overall strategy. The recommendations that follow seek to address that issue.

##### **1. A Joint Statement of Purpose be agreed and published at Ministerial level by key stakeholder departments and agencies.**

This Statement of Purpose needs to be closely linked with both the enterprise and resettlement agendas. It might address key areas such as quality of provision, links between prison and external employment and business support, access to finance for offenders, assessment and evaluation. It might also offer an opportunity to link or pool various sources of government funding under an enterprise heading. Key stakeholders include: Prison Service, SBS, DWP, DfES (LSC, OLSU) and the National Probation Service.

- 2. Heads of Learning and Skills, with the support of the OLSU, should review present provision for enterprise support in prisons and ensure that future provision caters for prisoner needs as well as contributing to the wider resettlement agenda.**
- 3. National Probation Service (NPS) regional managers should review and report on the contribution that the NPS makes towards linking enterprise support in prison with provision in the community.**

The NPS is responsible for supervising all prisoners released on license- young offenders and adults who have been sentenced to 12 months or more. Supervision involves not only the enforcement of licence conditions, but also building on any progress made while in custody and facilitating access to support - across a range of issues including employment. It is, therefore, well placed to direct offenders to local sources of business support.

- 4. Jobcentre Plus and business support providers such as Enterprise Agencies and Business Link should be active partners with 'in prison' providers and encouraged to be part of seamless provision before and after release.**

The present research was conceived as a means of helping policy makers adopt a more strategic approach towards the funding of such activity. The paucity of available performance data makes this very difficult. Nevertheless, the study team are able to highlight several principles of good practice. In particular, successful interventions are likely to:

- Proceed from a close identification of the needs of offenders for support and recognise that such needs may vary.
- Understand that offenders need intensive support which is time consuming and expensive to deliver.
- Be built upon genuine partnerships.
- Actively develop links with community-based organisations necessary to support individuals on their release.
- Employ staff with the right mix of technical and interpersonal skills.
- Combine both theoretical and practical elements of support.
- Help participants become more realistic about their business aspirations and highlight the advantages and disadvantages of self-employment.
- Address the difficulties faced by many offenders accessing start-up finance.
- Be forward thinking and able to embrace new ideas.
- Embrace performance measures and use evaluation as a key means through which 'continuous improvement' can be achieved.

Future initiatives must meet two key challenges. First, support must be provided to offenders in a seamless way both before and after their release. In particular, progress made within prison may be wasted if there is no follow through. However, there are practical difficulties with providing continuing support to individuals released to communities all over the country. Second, alternative sources of funding must be developed to address some of the financial difficulties experienced by offenders. In the US Community Development Finance Institutions (CDFIs) have been established to provide alternative sources of finance for enterprise in underserved communities. They are essentially non-bank financial service providers that seek a social as well as a financial return on their investments. The

recommendations of the Social Investment Task Force Report (2000) gave added impetus to the development of CDFIs in the UK.

- 5. The scope for loan provision for ex-offenders through the Community Development Finance Institution initiative (Phoenix Fund) should be explored with the SBS, current prison enterprise support providers and others.**

Almost £20million of revenue, capital and loan guarantee support has been made available to over 40 CDFIs through two previous rounds of the Phoenix Fund. This has enabled them to further develop their core activities of providing finance and associated business support to enterprises within disadvantaged communities. In particular, the role of CDFIs is to make loans to people who are unable to access part or all of the finance they require from conventional sources but nevertheless have viable business propositions. Further support for the work of the CDFI sector was identified as one of the priority areas for future activity when additional Phoenix Fund resources were announced as part of the 2002 Spending Review settlement.

- 6. The work undertaken by The Dukeries Training Agency (see 3.8) should be used as a test bed for motivating prisoners; for establishing benchmarks for quality of enterprise support provision; and for the evaluation of the impact and effectiveness of that provision, drawing on the experience of other providers and interested parties.**

- 7. An assessment should be made by SBS and OLSU of the quality and appropriateness of existing distance learning, enterprise and support materials with a view to formal accreditation and wider dissemination.**

Inmates move between prisons for a variety of reasons: overcrowding; progression to more open conditions; to return nearer home for the last part of their sentence; and to maintain good order and discipline. However, moving can disrupt training with courses only being completed if the receiving prison has similar provision. The availability of high quality distance learning materials could begin to address this particular problem.

- 8. The role of social enterprise as a model for 'in prison' 'real business' start-up should be explored further.**

The present research has found that some providers are currently promoting social enterprise at a number of prisons. Social enterprise, with its dual economic and social goals, offers a potentially powerful business model. In many instances, the major objectives of social enterprise are to provide goods and services that the market or public sector is either unwilling or unable to provide, to develop skills, create employment and foster pathways to integration for socially excluded groups.

- 9. The largely untapped potential of prison industries to provide opportunity for prisoners to acquire a whole range of business-related skills should be significantly developed.**

At present, there is a lack of clarity regarding the strategic purpose and vision for such industries. All sentenced prisoners are expected to work while in prison. However, much prison work is in low-skill, low capital workshop activities where as many prisoners as possible can be occupied in one place (Social Exclusion Unit, 2002). Their role should move away from merely keeping prisoners occupied towards helping them back into employment after release. American experience shows that this is possible given modernisation and if inmates are allowed to undertake a wider

range of roles and responsibilities in the running of prison businesses such as business planning, purchasing, stocking, book keeping etc.

**10. Clear linkages should be made between prison-based skills training and training for self-employment where this is a positive option on release.**

This may be particularly relevant to training in the construction trades such as bricklaying, painting and decorating and plumbing given that they are key areas of employment for prisoners leaving custody and strongly associated with self-employment.

**11. The expansion of the Intermediate Labour Market provision as a 'stepping stone' from prison into employment, further training or enterprise-related experience should be considered.**

ILMs provide a parallel (intermediate) labour market where the long-term unemployed can gain the necessary motivation, skills and work experience to compete effectively for mainstream employment. The combination of training and work experience available through an ILM constitutes a pathway back to the labour market that has several distinct benefits. It gives a period of employment in its own right and this helps to keep participants in contact with the habits of work and closer to the labour market. Trainees acquire up-to-date experience for employer references. In addition, training provides an opportunity for participants to improve their skills. Furthermore, ILMs offer payment at the rate for the job for a probationary period. This is a crucial element in motivating and providing the right disciplinary framework for participants. Remuneration can also help to break the culture of training being viewed as a punishment for unemployment.

#### **4.6 Further research**

The present research was conceived as a means of filling the gaps in our knowledge about enterprise support for offenders. Yet it has underlined just how very little we currently know about what works, for whom and in what circumstances. The study team would identify three key priorities for future research.

1. **An enterprise survey of prisoners nearing release.** This might identify offenders' past experiences of self-employment and examine their future plans. The latter might include the nature of businesses that they intend establishing and the types of support that they will need.
2. **A process evaluation of several different approaches to providing enterprise support to offenders.** Evaluations of labour market interventions for disadvantaged groups have consistently shown that the way in which activities are delivered is just as important as the activities themselves. This study would attempt to identify the strengths and weaknesses of various approaches and key aspects of good practice.
3. **A longitudinal study of beneficiaries.** This might allow policy makers to measure the success of enterprise support activities. Furthermore, it would allow us to look at what happens to such individuals over a longer period of time in terms of the obstacles that they face and strategies for overcoming them. However, it is important to recognise that problems of attrition can make longitudinal research very difficult to undertake.

## References

- Barclays SME Market Research Team. (2002). *Small Business Survey*. London: Barclays Bank.
- Fairlie, R.W. (2002). 'Drug dealing and legitimate self-employment'. *Journal of Labor Economics*, 20 (3): 538-563.
- Fletcher, D. Taylor, A. Hughes, S. and Breeze, J. (2001). *Recruiting and employing offenders*. York: Joseph Rowntree Foundation
- Goodman, S. (1982). 'Prisoners as entrepreneurs, developing a model for prisoner-run industry'. *Boston University Law Review*, 62: 1163-1195.
- Institute of Manpower Studies. (1991). *Self-Employment in the United Kingdom: IMS Report No 205*. Brighton: University of Sussex.
- Jansy, L. Kohlhof, E. Sadowski, C. and Toby, J. (1969). *Ex-offenders as small businessmen: opportunities and obstacles*. New Brunswick, New Jersey: Rutgers University.
- Rieple, A. (1998). 'Offenders and entrepreneurship'. *European Journal on Criminal Policy and Research*, 6 (2): 235-256.
- Rieple, A. Harper, M. and Bailey, A. (1996). 'Ex-offenders and enterprise'. *Howard Journal of Criminal Justice*, 35 (2): 131-147.
- Rieple A. and Harper, M. (1993) 'Ex-offenders and enterprise'. *Howard Journal of Criminal Justice*, 32 (4): 271.
- Price, J. A. (1973) 'Private enterprise in a prison - the free market economy of La Mesa Penitenciaría'. *Crime and Delinquency*, 19 (2): 18-27.
- Social Exclusion Unit. (2002). *Reducing re-offending by ex-prisoners*. London: Office of the Deputy Prime Minister.
- Social Investment Task Force. (2000). *Enterprising communities: wealth beyond welfare*. London.
- Sonfield, M. (1992) *From inmate to entrepreneur: a preliminary analysis*. Available on the web at: [www.sbaer.uca.edu/Research/1992/SBIDA/92sbi039.htm](http://www.sbaer.uca.edu/Research/1992/SBIDA/92sbi039.htm).
- Sonfield, M. and Barbato, R. (1994). 'Testing prison inmates for entrepreneurial aptitude'. *Journal of Small Business Strategy*, 5 (2): 45-51.
- Sonfield, M. and Barbato, R. (1995). Expanded data on prison inmate entrepreneurial aptitude. Proceedings of the 1995 SBIDA Regions I, II, III Annual Conference, 30-36.
- Sonfield, M. Lussier, R. and Barbato, R. (1999). New directions in the analysis of prison inmates' entrepreneurial aptitude. Available on the web at: [www.sbaer.uca.edu/research/1999/SBIDA/99sbi022.htm](http://www.sbaer.uca.edu/research/1999/SBIDA/99sbi022.htm).
- Sonfield, M. Lussier, R. and Barbato, R. (2001). 'The entrepreneurial aptitude of prison inmates and the potential benefit of self-employment training programs'. *Academy of Entrepreneurship Journal*, 17, (2): 85-94.

Washburn, J.J. (1987). 'Business behind bars: the case for prisoner entrepreneurship'. *New England Journal on Criminal and Civil Confinement*, 13 (1): 117-144.

# **Annex 1**

**Table 1: Key studies**

<b>Author(s)</b>	<b>Year</b>	<b>Geographical focus</b>	<b>Method</b>
Fairlie	2002	US	Examined the relationship between drug dealing as a youth and legitimate self-employment in later years. Utilised data from the National Longitudinal Survey of Youth
Sonfield, Lussier & Barbato	2001	New York Maryland Massachusetts	Compared a sample of 59 prison inmates to other groups with regard to entrepreneurial aptitude, as measured by the Miner Sentence Completion Scale-Form Test.
Rieple	1998	UK	Mapped provision of small business training and support for offenders. Compared a sample of inmates and probationers to other groups with regard to entrepreneurial traits, as measured by the General Entrepreneurial Tendency Test.
Sonfield & Barbato	1994	New York	Compared a sample of 29 prison inmates to other groups with regard to entrepreneurial aptitude, as measured by the Miner Sentence Completion Scale-Form Test.
Sonfield	1992	US	Developed a proposal for a model self-employment training programme for prison inmates. Discussed inmate selection, programme scheduling and content.
Washburn	1987	US	Outlined the history of US prison labour programmes. Reviewed the experience of four prisoner-run businesses.
Goodman	1982	US	Examined the historical development of US prison industries, and focused specifically on prisoner-run industry. Developed guidelines for a model prisoner-run industry programme.
Price	1973	Tijuana Mexico	Described the operation of La Mesa Penitenciaría. Contrasts the free market economy of La Mesa with US prisons.
Jansyn, Kohlhof, Sadowski & Toby	1969	New Jersey	Interviewed 22 ex-offenders who had become self-employed in order to learn about the characteristics of those that succeed and the problems that they faced.

**Table 2: Enterprise support for offenders <sup>1</sup>**

Ref No.	Provider	Project Title	Partners	Content	Prison
1	Amersham & Wycombe College Peter Morris (01296 443013)	Start Your Own Business	Prison Service	A 12 week course helping inmates to start their own business. The course covers the starting, funding and running of a business. Contact hours: 36. Operates a selection process. Key criteria: Key Skills Level 2	HMP Grendon
2	Amersham & Wycombe College Colin Morris (01795 884500)	Firm Start	Prison Service	A five unit course available at three different levels. Leads to the production of a business plan. Contact hours: 195. Operates a selection process. Key criteria: Key Skills Level 2	HMP Standford Hill
3	Amersham & Wycombe College Peter Morris (01296 443013)	Start Your Own Business	Prison Service	A 12 week course helping inmates to start their own business. The course covers the starting, funding and running of a business. Contact hours: 36. Operates a selection process. Key criteria: Key Skills Level 2	HMP Springhill
4	Business Dynamics Helen Baldwin (0151 5488176)	Business Dynamics Awareness Programme	Business Link North Manchester	A seminar programme which seeks to introduce participants to the basics of running a business. A key feature is the use of external business people to lead seminars. Contact hours: 12. Available to all.	HMYOI Thorn Cross
5	Business Enterprise, Advice & Training John Cobbold (0797 711 6270)	BEAT East Anglia	Prison Service	BEAT provides business advice together with support after release. Contact hours: minimum of 6. Available to all.	Various Eastern Area Prisons. See Table 3
6	Business Enterprise, Advice & Training John Aries Taylor (0796 747 8492)	BEAT London and South East England	Prison Service	BEAT promotes self-employment and social businesses at a number of prisons. Contact hours: not available. Available to all.	Various Kent, Surrey and Sussex Area Prisons. See Table 3
7	Business Enterprise, Advice & Training Roy Sharman (0797 393 1617)	BEAT South West England	Prison Service	BEAT encourages individuals to develop their own business or to participate in a social enterprise. Contact hours: not available. Available to all.	Various South West Area Prisons. See Table 3

<sup>1</sup> Every effort has been made to ensure that this summary is comprehensive, however, we acknowledge that there may be other projects working with offenders.

Ref No.	Provider	Project Title	Partners	Content	Prison
8	Business Enterprise Support Ltd Ian Carlier (01283 537151)	Part of the enterprise activity of Business Enterprise Support	Business Link Staffordshire. Prison Service.	Awareness raising and an 8 week business planning course. Seeking to develop a social enterprise within the prison to enable inmates to gain practical experience prior to their release. Contact hours: minimum of 21. Operates a selection process. Key criteria: enthusiasm.	HMYOI Swinfen
9	Business Link North & Western Lancashire Julia Stickley (01772 790200)	Starting Out in Business	Prison Service. Lancaster & Morecambe Chamber of Commerce. Council for Voluntary Services in West Lancashire. Local Colleges.	Awareness raising sessions and information on business support. A Business Plan training course has also recently been introduced. Contact hours: 21. Available to all.	HMP Kirkham
10	City College Mike Tee (01354 602350)	Business Studies	Prison Service	Business studies courses are available at A level, GCSE and NVQ level and include a self-employment component. All are intended to simulate 'real world' business scenarios. Contact hours: not available. Operates a selection process. Key criteria: Key Skills Level 2.	HMP Whitemoor
11	City College, Manchester Stephanie Hawkins (01630 636000)	Focus	Youth Justice Board	Pre-release course that includes an element of enterprise support. Contact hours: not known. Operates a selection process.	HMYOI Stoke Heath
12	City College, Norwich Joan Hubbard (01502 734500)	Cambridge Business Skills	Not known	Inmates may choose from 16 business skill areas including: business start-up, selling skills, marketing, business law, business finance, customer care, market research etc. Individuals must complete 5 units. Contact hours: not known. Operates a selection process. Key criteria: Key skills	HMP Blundeston

Ref No.	Provider	Project Title	Partners	Content	Prison
13	City College, Norwich Jackie Clifford (01440 823100)	Cambridge Business skills	Not known	Inmates may choose from 16 business skill areas including: business start-up, selling skills, marketing, business law, business finance, customer care, market research etc. Individuals must complete 5 units. Contact hours: not known. Operates a selection process. Key criteria: Key skills	HMP Highpoint
14	College of Law at Guildford Dick New (01903 663090)	Small Business Start-up	Prison Service Prince's Trust	A 6 week course that introduces inmates to the basics of starting their own business. Culminates in the production of individual business plans. Contact hours: 60. Available to all.	HMP Ford
15	Dudley College Ian Elliott (01949 859200)	Plan your own successful business	Probation Service	Course seeks to introduce inmates to the basic principles of running their own business. Contact hours: 30. Available to all.	HMP Whatton
16	Dukeries Training Agency John Lowe (01636 679991)	Business in Prison	Prison Service Local Enterprise Agencies Probation Service	Raises awareness of self-employment amongst inmates and provides necessary support. Contact hours: not available. Available to all.	Various East Midlands Area Prisons. See Table 3 Work extends to other areas in April 04 see para 3.8
17	Highbury College, Portsmouth Pat Philips (01962 723000)	Going Solo	Not known	A short course designed to introduce inmates to some of the principles in starting and running a business. Covers topics such as marketing and financial management. Contact hours: 60. Operates a selection process. Key criteria: length of remaining sentence.	HMP Winchester
18	Hull City Council Mike Lusby (01482 282200)	Business Studies	Prison Service	A 10 module programme designed to give inmates an insight into running a business. Contact hours 100. Available to all.	HMP Hull
19	Inbiz Ltd Paul Wiltshire (01380 814250)	Part of enterprise activity of Inbiz Ltd	Prison Service JobCentre Plus	Provides advice and guidance to inmates considering setting up their own business. Post-release support is also made available. Contact hours: not known. Available to all.	HMP Erlestoke

Ref No.	Provider	Project Title	Partners	Content	Prison
20	Isle of Wight College Yvonne Rowles (01983 556300)	Firm Start	Prison Service	A 5 unit course that helps inmates provide a business plan and test setting up a business. Full-time course for 15 weeks. Contact hours: not available. Operates a selection process. Key criteria: Key Skills Level 2.	HMP Albany
21	Learning Partners Denise Jones (01242 604060)	Opportunity for Enterprise	Not known	Self-assessment study pack to help ex-offenders test out their business ideas Sections cover: business ideas; assessing your own skills; undertaking market research; finance and funding.	
22	Lincolnshire Action Trust Alison Goddard (01522 806611)	Back on Track	Prison Service JobCentre Plus	Provides advice and guidance about employment, training and self-employment. Contact hours: variable. Available to all	Two Prisons in Women's Estate and East Midlands North Area. See Table 3.
23	Manchester Library and Information Service Dorothy Connor (0161 234 31923)	Business Inside Out	Toucan Europe Ltd Apex Trust Prison Service	Encourages inmates to explore self-employment as an option. Seminars have explored enterprise/social enterprise opportunities and a training day has been run. A Business Club has been established which regularly meets in the prison library. Contact hours: not available. Available to all	HMP Manchester
24	Matthew Boulton College Ray Bradbury (01933 232700)	Going Solo	Not Known	A short course designed to introduce inmates to some of the principles in starting and running a business. Covers topics such as marketing and financial management. Contact hours: 60. Available to all.	HMP Wellingborough
25	Milton Keynes College John Haggerstone (01442 836300)	Firm Start	Prince's Trust Probation Service. North Herts College	A 12 week programme designed to give inmates the skills and confidence to enter self-employment. Contact hours: 90. Operates a selection process. Key criteria: length of remaining sentence.	HMP The Mount
26	New College, Durham Rhona Dunne (01670 762300)	Business Administration	Not known	Seeks to teach inmates how to administer a business. Contact hours: not available. Operates a selection process. Key criteria: Key Skills.	HMP Acklington

Ref No.	Provider	Project Title	Partners	Content	Prison
27	New College, Durham Chris Holroyd (01833 633200)	Welfare to Work	Not known	A 4 week course seeking to give inmates an understanding of the workplace. Provides information on self-employment. Contact hours: 100. Available to all.	HMYOI Deerbolt
28	Nottinghamshire Business Venture Norman Allcock (0115 970 5550)	Part of the support provided by NBV	Business in Prisons	Provision of counselling and mentoring to assist those recently released from prison to develop their business ideas. Contact hours: unlimited. Available to all those released into Nottinghamshire.	
29	Prince's Trust Chris Holroyd (01833 633200)	Baliol Learning Centre	Prison Service	Advice and help on self-employment to inmates in the prisons learning centre. Contact hours: not known. Available to all.	HMYOI Deerbolt
30	Prison Service Ian Sykes (01422 282200)	Custody to Work	Not known	A 2 week course that provides advice about employment (including self-employment) and training opportunities on release. Those with viable business ideas are referred to the Business Studies Programme. Contact hours: variable. Available to all	HMP Hull
31	Prison Service (01925 605121)	Prison Service Plus	Probation Service Connexions. NACRO. SOVA.	Seeks to improve the employability of offenders. Provides an element of enterprise support. Contact hours: variable. Operates a selection process. Key criteria: length of remaining sentence and barriers to employability.	A national initiative
32	Probation Service Judith Flanagan (01795 882215)	Employment Advisor	Prison Service	Provides advice about employment issues including how to set up their own business. Contact hours: variable. Available to all	HMP Elmley
33	Project North East Tracy Gee (08457 573252)	Livewire	Prison Service	Delivery of self-employment awareness raising sessions for inmates. Contact hours: not available. Available to all.	HMP Durham
34	SOVA Valerie Abell (0114 270 3700)	Part of the support provided by SOVA	Prince's Trust	Delivery of employment training and education services. Advice on self-employment is often included.	Various prisons. See Table 3.

<b>Ref No.</b>	<b>Provider</b>	<b>Project Title</b>	<b>Partners</b>	<b>Content</b>	<b>Prison</b>
35	Strode College Roger Loisselle (01305 825541)	Firm Start	Prison Service	A five unit course available at three different levels. Directed at helping inmates to produce their own business plan. Contact hours: 195. Operates a selection process. Key criteria: Key Skills.	HMP Weare
36	Strode College Graham Quick (01803 814670)	Firm Start	Prison Service	A five unit course available at three different levels. Directed at helping inmates to produce their own business plan. Contact hours: 195. Operates a selection process. Key criteria: length of remaining sentence and Key Skills Level 2.	HMP Channings Wood
37	Strode College John Jones (01749 823308)	Firm Start	Prison Service	A five unit course available at three different levels. Directed at helping inmates to produce their own business plan. Contact hours: 195. Operates a selection process. Key criteria: length of remaining sentence and Key Skills Level 2.	HMP Shepton Mallet
38	Wiltshire College Paul Wiltshire (01380 814250)	Firm Start	Not known	A five unit course available at three different levels directed at helping inmates to produce their own business plan. Contact hours: 195. Operates a selection process. Key criteria: Key Skills	HMP Erlestoke

NOTE: Many of the contacts given are prison service personnel.

**Table 3: Type of Prison Providing Enterprise Support**

<b>Region</b>	<b>Prison</b>	<b>Category</b>	<b>Table 2 Reference Number</b>
<b>Eastern</b>	HMP Edmunds Hill	Local Prison, Female	5
	HMP Littlehey	Training, Category C	5
	HMP Blundeston	Training Category C	5
	HMP Hollesley Bay	Category D, Open	5
	HMP Highpoint South	Training, Category C	5
	HMP Wayland	Training, Category D	5
	HMP Blundeston	Training, Category C	12
	HMP Highpoint	Female	13
HMP The Mount	Category C	25	
<b>East Midlands</b>	HMP Ashwell	Training, Category C	16
	HMYOI Drake Hall	Semi-open, Female	16
	HMP Foston Hall	Training, Female	16
	HMP Morton Hall	Semi-open, Female	16
	HMP Dovegate	Training, Category B	16
	HMP Sudbury	Open Training, Category D	16
	HMP North Sea Camp	Category D, Open	16
	HMP Ranby	Training, Category C	16
	HMYOI Rye Hill	Closed, YOI	16
	HMP Lowdham Grange	Training, Category B	16
	HMYOI Glen Parva	Remand Centre, Males under 21	16
	HMP Wellingborough	Training, Category C	16
	HMP Whatton	Category C, Vulnerable	16
	HMP Stocken	Training, Category C	16
<b>East Midlands North</b>	HMP North Sea Camp	Category D, Open	22
	HMP Whatton	Category C, Vulnerable	15
<b>East Midlands South</b>	HMP Wellingborough	Training, Category C	24
<b>High Security Estate</b>	HMP Manchester	Local Prison, High Security	23
	HMP Durham	Category A&B Males, Local, Category A Female	33
	HMP Whitemoor	Maximum security, Category A&B	10

Region	Prison	Category	Table 2 Reference Number
<b>Kent, Surrey &amp; Sussex</b>	HMP Pentonville	Local Prison	6
	HMP Canterbury	Local Prison	6
	HMP Chelmsford	Local Prison	6
	HMP Standford Hill	Category D	6
	HMP Swaleside	Training, Category B	6
	HMP Blantyre House	Training, Category C	6
	HMP Rochester	Local Prison	6
	HMP Maidstone	Training, Category B	6
	HMP Ford	Training, Category D	6
	HMYOI Dover	Closed, YOI	6
	HMP Lewes	Local Prison	6
	HMP Coldingley	Training, Category C	6
	HMP Elmley	Category C	6 & 32
	HMP E. Sutton Park	Open Training, Female	6
	HMP Holloway	Local Prison, Female	6
	HMP Downview	Semi-closed, Female	6
	HMP Ford	Training, Category D	14
	HMP Standford Hill	Category D	2
	<b>North East</b>	HMP Acklington	Category C
HMYOI Deerbolt		Closed, YOI	27 & 29
<b>North West</b>	HMYOI Thorn Cross	Open, YOI	4
	HMP Kirkham	Training, Category D	9
<b>South West</b>	HMP Shepton Mallet	Lifer, Category C	37
	HMP Channings Wood	Training, Category C	36
	HMP Erlestoke	Category C	7, 19 & 38
	HMP Weare	25 + with 9 months or more left	35
	HMP Leyhill	Open Training, Category C	7
	HMP Bristol	Local Prison	7
	HMP Dartmoor	Training, Category B	7
	HMP Channings Wood	Training, Category C	7
	HMP Shepton Mallet	Lifer, Category C	7
HMP The Verne	Training, Category C	7	

<b>Region</b>	<b>Prison</b>	<b>Category</b>	<b>Table 2 Reference Number</b>
<b>Thames Valley, Hampshire &amp; Isle of Wight</b>	HMP Winchester	Local Prison, Category B	17
	HMP Grendon	Secure, Category B	1
	HMP Albany	Closed Training, Category B	20
	HMP Springhill	Open Prison	3
<b>West Midlands</b>	HMYOI Swinfen	YOI	8
	HMYOI Stoke Heath	YOI	11
<b>Women's Estate</b>	HMP Morton Hall	Semi-open Female	22
<b>Yorkshire &amp; Humberside</b>	HMP Hull	Local Prison	18
<b>National</b>	Prison Service Plus	Various	31
	SOVA	Unable to identify Prisons	34

**Del Roy Fletcher**

**Centre for Regional Economic and Social Research  
Sheffield Hallam University  
City Campus  
Howard Street  
Sheffield S1 1WB**

**Tel: 0114 225 3073**

**Email: [D.R.Fletcher@shu.ac.uk](mailto:D.R.Fletcher@shu.ac.uk)**

**Reports are available electronically via the SBS Website:  
[www.sbs.gov.uk/research/](http://www.sbs.gov.uk/research/)**

**URN 04/568**