

New Enterprise Allowance (JSA claimants)

Guidance Queries and Help

1. If you are unable to find an answer to a particular question regarding the policy within this guide you must contact the Jobcentre Plus Live Support Advice Line. Do not give the Advice Line number to claimants or outside bodies under any circumstances, it is for the use of Jobcentre Plus staff only. Details of how to contact them can be found on the DWP Advice Line Home Page.
2. Please do not use the 'E-mail page owner' and 'Page information' links at the bottom of each page of guidance to raise policy queries, these should only be used to report broken hypertext links.

Overview

3. New Enterprise Allowance (NEA) aims to support up to 40,000 claimants to start their own business.
 4. NEA will support the creation of a business under any structure (e.g. sole-trader, partnership, co-operative, franchise, limited company) as long as the claimant has a genuine aspiration to build a sustainable business.
 5. Through NEA, eligible / suitable JSA claimants will receive the support of a local business mentoring organisation. The mentoring organisation is responsible for assessing the quality of the claimant's business idea and its suitability for support through NEA.
 6. Claimants who have a viable business idea will receive the support of a mentor to develop a business plan.
 7. The claimant is able to apply for NEA financial support once they have a business plan approved by the mentoring partner organisation and ended their JSA claim to commence trading.
 8. The financial support available is a NEA weekly allowance* from Jobcentre Plus and a start-up loan administered by an external provider.
 9. Claimant engagement with NEA is entirely voluntary. However, once the claimant has agreed to participate and had their first mentor meeting, specific conditions are attached to their NEA participation and a failure to participate may lead to sanctions being applied to the claim.
 10. Travel and childcare costs are not available via NEA funding, although you may decide these can be funded from your local Flexible Support Fund budget. Reasonable adjustment costs can be met via Access to Work .
- *Lone parents on JSA may qualify for In Work Credit if they become self-employed. Those that do must choose between the NEA weekly allowance and In Work Credit, they cannot claim both.

Advisory team's role

11. The key responsibilities of advisory teams are:
 - Identify eligible / suitable claimants
 - Ensure claimants understand the conditionality attached to NEA participation
 - Refer claimants to the mentoring partner organisation
 - Ensure the sanctions regime is followed

- Monitor and review claimant's progress
- Update LMS promptly and accurately
- Process claims for the NEA weekly allowance
- Review eligibility for the weekly allowance
- Confirm the status of claimants approaching the loan provider
- Consider reasonable adjustments for disabled claimants

Mentoring organisation's role

12. The key responsibilities of the mentoring organisation are:

- Carry out an initial assessment of the claimant's business idea
- Match claimants with a business mentor
- Approve the claimant's business plan
- Update Jobcentre Plus advisory teams on claimant's progress
- Refer claimants to the loan service provider

13. The mentoring organisation operates under an agreement managed by District Employer and Partnership Teams.

Loan service provider's role

14. The key responsibilities of the loan service provider are:

- Process claimant's loan applications
- Check claimant's status with Jobcentre Plus
- Administer loans

15. The loan service provider operates under contract to DWP. The provider has sole responsibility for making the decision on whether to lend or not. The maximum loan is £1000.

Eligibility / suitability to join NEA

16. New Enterprise Allowance (NEA) targets JSA claimants aged 18 and over.

17. Eligibility commences from the date JSA is awarded in all but the following instances:

- A claimant sanctioned for leaving their last employment voluntarily or for dismissal due to misconduct, is not eligible for NEA until they have a continuous claim of 13 weeks (NB where such doubts have been raised at the NJI, a referral to NEA must not be considered until the decision is received)
- A claimant who ceased running their own business at any point in the 3 months prior to the claim date is not eligible for NEA until they have a continuous claim of 13 weeks. Additionally, their proposed business idea must be demonstrably different from the business that had ceased trading before they made their claim.

18. For all claimants, eligibility for NEA ends at the point they are referred to Work Programme (ie a claimant taking part in Work Programme provision is **not** eligible for NEA).

19. A claimant taking part in Work Choice provision is **not** eligible for NEA.

20. A claimant already running a business, on a part-time basis, and claiming JSA must **not** be helped through NEA unless they are proposing to set up a new full-time business in an entirely different sector.

21. JSA claimants in receipt of 'credits only' are eligible for NEA providing they meet the above criteria. Non-claimants are **not** eligible for NEA.

22. Because the weekly allowance is designed to help the claimant build up their business, NEA is **not** appropriate for a claimant who is taking a job offered by an employer on a self-employed basis.

23. Claimants suitable for referral to the mentoring partner organisation are those with a clear idea of the business they want to start and are ready to commit to exploring how to turn the idea into a reality. The mentoring organisation is responsible for assessing the viability / suitability of the claimant's business idea; Jobcentre Plus staff must **not** venture an opinion in this regard.

24. A claimant who is not clear about what sort of business they want to set-up should be signposted to other, more appropriate, sources of help.

Training for Work (Scotland)

25. TfW leavers and completers are eligible for NEA if, at the point of referral to the NEA mentoring partner organisation, they have an established claim to JSA.

26. Under no circumstances can TfW provision and NEA be accessed at the same time.

Joint claims and dependant partner cases

27. Each member of a joint claim can access NEA as long as each meets the eligibility criteria. The two individuals can start a business together as long as each will be engaged, for a minimum of 16 hours per week, in running the business.

28. A dependant partner of a JSA claimant is **not** eligible for NEA.

Features of NEA

29. Advisory teams must be familiar with the key features of the New Enterprise Allowance programme and ensure these are communicated clearly to claimants before referring them to the mentoring partner organisation. The key features are:

- Jobcentre Plus can only support a claimant whose proposed business will be registered for tax in Great Britain.
- NEA will support the creation of a business under any structure (eg sole-trader, partnership, co-operative, franchise, limited company) as long as there is an aspiration to build a sustainable business.
- Access to NEA support is dependant upon the claimant giving consent for Jobcentre Plus and the mentoring partner organisation to share relevant information.
- The mentoring partner organisation will carry out an initial assessment of the claimant's business idea.
- If the idea is considered viable, the claimant is matched with a suitable business mentor.
- A claimant with a viable idea works to develop a business plan with the support of their mentor – claimants must understand that NEA is **not** a training programme; the emphasis is on them to develop a business plan with advice / guidance from a mentor.

- Subject to certain limits, while working with their mentor, the claimant does not have to be actively seeking work. The claimant will, instead, be subject to NEA specific participation conditions.
- A claimant must aim to complete their business plan within 8 weeks. In exceptional circumstances, this may be extended at the discretion of the personal adviser and supported by the business mentor. If the business plan is not approved within 12 weeks, a claimant can continue to work on it but they must again actively seek employed earners employment
- JCP consult mentor provider organisation after 8 weeks to discuss progress and consider next steps for claimant.
- Throughout the mentoring process the claimant remains on JSA and attends jobsearch reviews as normal.
- Once completed, the claimant's business plan will be assessed by the mentoring partner organisation.
- Having a business plan 'approved' by the mentoring partner organisation is a condition for claiming the weekly allowance and applying for a start-up loan.
- Financial support is only available to a claimant who has signed an EU de minimis statement with the mentor partnering organisation (EU regulations limit the amount of financial aid that can be given to commercial undertakings; NEA participants must, therefore, sign a statement confirming that receipt of the weekly allowance / loan will not take them over permissible limits).
- Financial support is only available to a claimant who ends their claim to JSA to commence trading their business on a full-time basis (i.e. 16 hours or more per week):
 - the JSA claim end date must be within 13 weeks of the date the business plan is 'approved' (NB 13 weeks is a maximum; a claimant may have less time if they reach the Work Programme trigger point and the decision is made to refer them to Work Programme provision), **and**
 - the claim for the NEA weekly allowance must then be submitted no more than 5 weeks after the JSA claim is closed.
- At prescribed intervals, a claimant awarded the weekly allowance must provide evidence that they remain meaningfully involved in running their business.
- The loan service provider is independent of Jobcentre Plus; lending decisions are taken by the loan provider under their normal lending rules. Although the loan provider is encouraged to be as inclusive as possible when considering loan applications, there is no guarantee that an application will be successful.
- Payment of the loan is dependant upon the claimant claiming the NEA weekly allowance (or In-Work Credit for lone parents) and not having reclaimed benefit.

30. Advisory teams must also understand the relationship between NEA participation and eligibility for the Work Programme and ensure this is communicated clearly to claimants where appropriate.

Passported benefits

31. It must be made clear to claimants that ending their claim to JSA means automatic entitlement to Housing Benefit, and other passported benefits, will also cease. As those in receipt of the NEA weekly allowance are considered to be working (i.e. no longer unemployed), claimants with payment protection plans (e.g. on a mortgage) must be advised to contact their insurance company about the potential impact so that they can make a fully-informed decision about the appropriateness of NEA.

Referral process

32. Once an adviser is content that the claimant is eligible / suitable for NEA and the claimant, having been made aware of the programme's features and conditions of participation, wishes to pursue matters further, the following steps must be taken:

Step	Action
1	Obtain the claimant's signature on the data sharing consent form and retain the form. NB If the claimant is unwilling to provide the necessary consent explain that we are unable to support them with any aspect of NEA.
2	Book an appointment for the mentoring partner organisation to carry out an initial assessment of the claimant's business idea. (Details will be held on the District Provision Tool or local equivalent)
3	Forward details of the claimant to the mentoring partner organisation on form NEA1. NB The processes used in relation to the NEA1 must conform to DWP data security policy.
4	Record the referral via the 'NEA Mentor Support Referral' opportunity on LMS.

Monitoring claimant's progress during mentoring stage of NEA

33. From the point a claimant is referred to the mentoring partner organisation, it is important that their progress is monitored closely by the advisory team. The mechanisms that facilitate this monitoring process are:

- tailored Jobsearch Reviews
- notifications received from the mentoring partner organisation
- 8-week Progress Review.

34. Understanding the role these mechanisms play and how they complement each other is crucial to the successful delivery of NEA.

Jobsearch Reviews following NEA referral

35. Claimants referred to the mentoring partner organisation will continue to attend Jobsearch Reviews.

36. The nature of the review will alter somewhat if the claimant continues the NEA process beyond their first meeting with the mentor appointed to them by

the mentoring partner organisation. This is because revised conditionality criteria will apply from that point.

37. When those revised criteria apply, the need to check that the claimant is actively seeking employment is no longer required. Instead, the focus shifts to checking that the claimant is taking steps each week to develop their business proposal and attending appointments with their mentor.

38. The steps an individual needs to take to develop their business proposal, and the sequence in which they take them, will vary considerably depending on a host of factors, e.g. type of business being started, the claimant's existing level of skills/knowledge. Therefore, it is not possible to produce an exhaustive list of the activities a particular claimant may undertake, but here are some of the more likely ones:

- Researching the market – e.g. potential customers; competitors
- Researching potential suppliers
- Researching company structures
- Researching legal obligations e.g. health and safety, tax and insurance
- Applying for licences
- Investigating potential funding streams
- Opening business bank accounts
- Setting up bookkeeping systems
- Producing a costs and pricing strategy
- Producing a sales strategy
- Producing a marketing plan
- Attending business seminars
- Attending an Enterprise Club
- Attending trade fairs and business network events
- Developing their business skills eg bookkeeping, sales techniques
- Acquiring premises / equipment
- Arranging utilities for premises

39. The revised criteria will last until the claimant moves off benefit or is notified, in writing, that they are no longer taking part in a 'scheme for assisting persons to obtain employment', whichever is the sooner. That notification will be issued no later than 12 weeks after the claimant's first contact with their mentor.

40. If the Jobsearch Review throws up doubts about the claimant undertaking activities to develop their business proposal or keeping appointments with their mentor, the claimant must be referred to their Personal Adviser for further action.

Notifications from the mentoring organisation

41. The mentoring partner organisation will provide Jobcentre Plus key notifications to update us on the claimant's progress. When such notifications are received, by NEA1, it is imperative that advisory teams take appropriate action.

42. The key notifications, along with corresponding actions, are set out below.

Initial assessment outcome

43. When this outcome is notified, the advisory team must take specific actions depending on the outcome.

Claimant attended initial assessment and is progressing to mentoring stage

44. In this scenario the claimant must be contacted and arrangements made for them to attend a NEA Conditionality Interview shortly after the date of the first mentor meeting and no more than 5 days after.

45. It must be recorded, as an LMS conversation, that the claimant attended the initial assessment and is progressing to the mentoring stage (this allows district staff to reconcile numbers with the mentoring partner organisation)

NB At this point, **do not** update the 'NEA Mentor Support Referral' opportunity.

Claimant attended initial assessment but is not progressing to mentoring stage

46. In this scenario, enter the result 'Did Not Start' on the 'NEA Mentor Support Referral' opportunity and review next steps with the claimant as part of normal business. As NEA is voluntary, no action can be taken against the claimant for not progressing NEA further.

Claimant did not attend initial assessment

47. In this scenario, enter the result 'DNA (Interview)' on the 'NEA Mentor Support Referral' opportunity and review next steps with the claimant as part of normal business. As NEA is voluntary, no action can be taken against the claimant for failing to attend the initial assessment.

First mentor meeting outcome

48. When this outcome is notified, the advisory team must take specific actions depending on the outcome.

Claimant attended first mentor meeting

49. In this scenario, enter the result 'Started Opp' on the 'NEA Mentor Support Referral' opportunity. The start date is the date the meeting took place.

50. If a NEA Conditionality Interview with the claimant has not already been arranged, it must be arranged and conducted within 5 working days of the claimant's first mentor meeting.

Claimant failed to attend first mentor meeting

51. In this scenario, enter the result 'Did Not Start' on the 'NEA Mentor Support Referral' opportunity and review next steps with the claimant as part of normal business.

52. If a NEA Conditionality Interview has been arranged, the advisory team must decide whether to cancel it or use the appointment to discuss non-attendance and next steps with the claimant. As NEA is voluntary, no action can be taken against the claimant for failing to attend the first mentor meeting.

8-week progress report

53. The information received from the mentoring partner organisation will feed into the 8-week Progress Review.

End of mentoring relationship before business plan is approved

54. In this scenario, the claimant's NEA participation must be ended appropriately.

Business plan ‘approval’

55. When this notification is received the ‘NEA Mentor Support Referral’ LMS opportunity must be updated. Record the date the business plan was ‘approved’ as the end date and ‘Provision Completed – Other Reason’ as the end reason.

56. The NEA1 must be retained by the advisory team as it is required to progress a claimant’s application for the NEA weekly allowance.

57. Appropriate end of NEA participation action must be taken.

NEA Conditionality Interview

58. Within 5 days of meeting their mentor for the first time it is crucial that the claimant is interviewed by the advisory team. At this interview the following actions must be taken:

Step	Action
1	Check that the claimant wishes to continue with NEA. If not, the process ends – DMA action is not appropriate in these circumstances.
2	Complete letter NEAL5 / NEAL5W on screen and print two copies. The ‘from’ date on the letter will be the date of issue.
3	Issue one copy to the claimant and explain each section of it clearly. The second copy should be retained in the claimant’s LMU (or local equivalent)
4	Record, as an LMS conversation, that letter NEAL5 / NEAL5W has been issued.
5	Make arrangements to review claimant’s progress after 8-weeks e.g. by setting an LMS workflow.
6	Amend the claimant’s JSAg as follows: Record 0 as the number of things the claimant will do each week by way of actively seeking work. In the section ‘what I will do to identify and apply for jobs’ leave all boxes blank. Cut and paste the wording below into the ‘other activities I will do to improve my chances of finding a job’ section: <ul style="list-style-type: none">• Attend all appointments with NEA mentor / mentoring provider organisation• Do things each week to develop my business proposal• Tell Jobcentre Plus within 2 working days if my business idea is no longer being pursued and/or the NEA mentoring relationship ends.

JSA conditionality during the mentoring stage of NEA

59. From the point a claimant is issued with letter NEAL5 / NEAL5W at an NEA Conditionality Interview they are participating in a ‘scheme for assisting persons to obtain employment’ and no longer subject to the actively seeking

employment condition normally attached to a JSA claim. All other JSA claim conditions, including availability, must continue to be met and all existing JCP processes applied.

60. The actively seeking employment condition is replaced by a requirement to participate in the NEA mentoring stage.

61. Details of the participation requirement can be found in the NEA conditionality and sanctions regime section.

62. Details of the mechanisms to review the claimant's progress can be found in the Monitoring claimant's progress during mentoring stage of NEA section.

63. This revised conditionality can last no longer than 12 weeks from the date of the claimant's first meeting with their mentor.

64. As well as being subject to possible sanctions and disallowances attached to the normal JSA regime (e.g. availability, fail to attend interviews etc), the claimant will also be subject to sanction if, without good cause, they fail to participate in the NEA mentoring stage.

NEA conditionality and sanctions regime

65. A claimant taking part in the mentoring stage of NEA is subject to a sanction if, without good cause, they fail to fulfil the participation requirements notified to them on letter NEAL5 / NEAL5W. Those conditions are:

- Attend all appointments with mentor / mentoring provider organisation where given at least 24 hours notice of the appointment.
- Do things each week to develop the business proposal.
- Tell Jobcentre Plus within 2 working days if the business idea is no longer being pursued and/or the mentoring relationship ends.

NB A claimant under the NEA conditionality remains subject to all the usual JSA conditions except the requirement to be 'actively seeking work'. Any infringement of those conditions (availability doubt, fail to attend interview etc) must be handled as normal business.

66. NEA conditionality falls under the 'schemes for assisting persons to obtain employment' umbrella and the sanction regime is consistent with other programmes under that umbrella (e.g. sector-based work academies), that is:

- 4 weeks if claimant has not had a 'lower' level sanction applied in the previous 12 months, and good cause has not been shown.
- 13 weeks if this is the claimant's second, or subsequent, 'lower' level sanction in a period of 52 weeks from the date of the previous failure (but not within 2 weeks), and good cause has not been shown.

67. A sanctioned claimant will have the right of appeal and be able to apply for JSA Hardship in line with existing guidance.

Considering DMA referral and the referral process

68. A doubt about a claimant's NEA participation may occur at any time; whichever requirement the doubt relates to and whenever it occurs, it must be handled promptly by the claimant's Personal Adviser.

Claimant fails to attend an appointment with their mentor or the mentoring partner organisation

69. If a claimant states clearly that they have failed to attend an appointment with their mentor or the mentoring partner organisation, form NEA4 / NEA4W must be completed and the claimant asked to give their reason(s) in Part 4.

70. If the reason given also casts a doubt on the claimant's availability for work, the availability doubt must be addressed first through the normal business process. If the reason is sickness, consider taking JSA28 action.
71. If the reason given has an impact on the claimant's availability for work and that case is treated as straightforward, it would not be appropriate to make a DMA referral in relation to the NEA participation doubt.
72. If the reason given does not cast a doubt on the claimant's availability, or it does but cannot be treated as straightforward, then the NEA participation doubt must be referred to a Labour Market Decision Maker for a decision on good cause.
73. It must be explained to the claimant that their reason(s) will be considered by a Decision Maker and that they will be informed of the outcome.
74. If, at this point, the claimant decides they would like to withdraw from NEA participation, appropriate action must be taken to end their participation.

Claimant does nothing to develop their business proposal

75. If a claimant states clearly that, in a particular week, they have done **nothing** to develop their business proposal, form NEA4 / NEA4W must be completed and the claimant asked to give their reason(s) in Part 4.
76. Refer the doubt to a Labour Market Decision Maker for a decision on good cause. Explain to the claimant that their reason(s) will be considered by a Decision Maker and that they will be informed of the outcome.
- NB If, at this point, the claimant decides they would like to withdraw from NEA, appropriate action must be taken to end their participation.
77. In circumstances where a claimant states that they have done something, however little, to develop their business proposal, the case should not be referred to DMA. However, if the level and/or nature of activity being undertaken gives the adviser concern about the claimant's commitment to starting their own business, the adviser should consider whether NEA is the most appropriate option for the claimant.

Claimant fails to tell Jobcentre Plus, within 2 working days, that they are no longer pursuing their business idea and/or their mentoring relationship has ended

78. In this scenario, form NEA4 / NEA4W must be completed and the claimant asked to give their reason(s) in Part 4.
79. Refer the doubt to a Labour Market Decision Maker for a decision on good cause. Explain to the claimant that their reason(s) will be considered by a Decision Maker and that they will be informed of the outcome.
80. In these circumstances, appropriate action must be taken to end the claimant's NEA participation.

DMA outcomes

81. Normal business processes apply to both favourable and unfavourable decisions.
82. A claimant who is sanctioned will have the right of appeal and be able to apply for JSA Hardship in line with existing guidance.

8-week Progress Review

83. A claimant without an 'approved' business plan and who is still working with their mentor 8 weeks after their first mentor meeting, must have their progress reviewed by the advisory team.

84. The mentoring partner organisation should have provided Jobcentre Plus an update on the claimant's progress to support the review, including an estimate of when the claimant's business plan is likely to be completed; if no update has been received the mentoring partner organisation must be contacted for a progress report.

85. Depending on the feedback received the advisory team must consider next steps.

86. If business start-up no longer appears to be a realistic goal, the situation must be discussed with the claimant. If it is agreed that business start-up is no longer a realistic goal, the claimant's NEA conditionality must be ended and the mentoring provider organisation notified that the claimant is no longer participating in NEA.

87. If the claimant maintains that business start-up remains a realistic goal but the adviser has doubts, the adviser must consider if NEA remains the most appropriate option for the claimant.

88. If business start-up remains a realistic goal, the claimant may remain under the NEA conditionality regime for a while longer. The advisory team must put in place arrangements to ensure that this extra time is managed effectively. Under no circumstances must a claimant spend more than 12 weeks under the NEA conditionality regime – that is 12 weeks from the date of their first mentor meeting. If that limit is reached, without a Business Plan being approved, the appropriate actions must be taken.

Concern that, during the mentoring stage of NEA, a claimant is not committed to, or is unrealistic about, setting up a business

89. A claimant covered by NEA conditionality will have their case referred to Decision Making and Appeals, for possible sanction, if it is established that, in a particular week, they have done **nothing** to develop their business proposal.

90. There may also be cases where a claimant, though meeting NEA conditionality (i.e. doing something), is not doing enough to convince the advisory team that they are committed to starting a business. In such cases the claimant's personal adviser must consider if NEA remains the most appropriate option for the claimant.

91. The same will also apply to cases where, despite a claimant's commitment, their personal adviser feels the claimant's self-employment ambitions are unrealistic and that they should, instead, be looking for paid employment.

92. Removing a claimant from NEA will mean that they no longer have access to either the mentoring or the financial support available as part of the programme; it is, therefore, important that advisers consider such action carefully.

93. As part of that consideration process it is strongly recommended that advisers gather information from, and seeks the views of, the mentoring

provider organisation. Form NEA3 has been developed to support this process.

94. If the decision is taken to remove the claimant from NEA, appropriate action must be taken.

NEA participation and eligibility for Work Programme

95. If a claimant working with a NEA mentor, or holding an 'approved' business plan, reaches their mandatory referral point for the Work Programme, their Personal Adviser has the discretion to defer the referral for up to 13 weeks.

96. This discretion must only be applied if the adviser believes that starting the business is a realistic possibility in that period. The reason for deferral must be recorded in line with Work Programme guidance.

97. The full deferral period must not be applied automatically; rather it must be agreed in stages up to the maximum of 13 weeks.

98. If the decision is taken to refer the claimant to the Work Programme, it must be explained to them that they will not be able to claim either the NEA weekly allowance or the NEA start-up loan should they subsequently start a business.

99. If, at the point it is decided to refer them to Work Programme, the claimant is subject to NEA conditionality that must be ended before the Work Programme referral is made.

Ending NEA conditionality

100. A claimant taking part in the mentoring stage of NEA is subject to a revised conditionality regime designed to help them progress their business proposal. That revised conditionality commences when they are issued letter NEAL5 / NEAL5W at a NEA Conditionality Interview and will continue until they either end their claim to JSA or we notify them otherwise, whichever is the sooner and subject to an absolute maximum of 12 weeks from the date of their first mentor meeting.

101. The actions to take will vary depending on the scenario but in all cases (except where the claimant ends their claim to JSA) a standard notification, NEAL6 / NEAL6W, must be issued promptly within either a Jobsearch Review or adviser interview.

102. The scenarios and corresponding actions are set out below.

Claimant informs Jobcentre Plus that they no longer wish to pursue starting a business

103. As long as there is no DMA action pending or no NEA-related sanction being served, a claimant may withdraw from the NEA mentoring stage at any point by notifying their Personal Adviser immediately, and they can do so without fear of sanction.

104. In this scenario, advisory teams must take the following actions:

- Issue the claimant letter NEAL6 / NEAL6W and record its issue as an LMS conversation. End date will be the date of issue.
- Explain to the claimant that they must resume actively seeking work and update their Jobseeker's Agreement accordingly

- Update the 'NEA Mentor Support Referral' LMS opportunity with the end date and reason.
- Notify the mentoring partner organisation that the claimant's participation in NEA has ended.

105. If, at the point the claimant wishes to withdraw from NEA, there is DMA action pending, in addition to the actions in paragraph 107 above, advisory teams must continue with the DMA referral and inform the claimant that a sanction may be imposed.

Mentoring provider organisation notifies JCP that claimant is no longer engaged in NEA (no business plan approved)

106. In this scenario it is important to check if the claimant has already informed their Personal Adviser and, if they have, ensure that the appropriate actions were taken.

107. If the claimant has not informed their Personal Adviser, advisory teams must take the following actions:

- Interview the claimant and, from the information gathered, consider if DMA action is appropriate and, if so, take it. (Informing their PA within 2 working days if the mentoring relationship ends is a requirement of NEA conditionality. Failure to do so, without good cause, places the claimant at risk of sanction).
- Issue the claimant letter NEAL6 / NEAL6W and record its issue as an LMS conversation. End date will be the date of issue.
- Explain to the claimant that they must resume actively seeking work and update their Jobseeker's Agreement accordingly
- Update the 'NEA Mentor Support Referral' LMS opportunity with the end date and reason

Mentoring provider organisation notifies JCP that claimant's business plan has been approved.

108. In this scenario, if the claimant's JSA claim is still live advisory teams must take the following actions:

- Establish when the claimant will be ending their claim to commence trading their business on a full-time basis (ie 16 or more hours per week)
- If that date is unknown or will be more than a week away, issue the claimant letter NEAL6 / NEAL6W and record its issue as an LMS conversation. End date will be the date of issue.
- Explain to the claimant that they must resume actively seeking work and update their JSAG accordingly.
- Update the 'NEA Mentor Support Referral' LMS opportunity with the end date and reason.
- Remind the claimant about the NEA weekly allowance claim conditions.

NB If the claimant says they will be ending their claim within a week arrangements must be made, e.g. LMS workflow, to check this. If the claim remains open the claimant must be issued letter NEAL6 / NEAL6W, told that they must resume actively seeking work and have their JSAG updated accordingly

TfW in Scotland

109. If a claimant with an approved business plan requires further support to develop their business idea they may be referred to TfW self-employment provision if they meet the eligibility criteria.

110. In such cases, it is important that the weekly allowance claim conditions are explained clearly to the claimant.

NB Under no circumstances can a claimant participate in both TfW and NEA (any element) at the same time.

8-week review establishes that business start-up is no longer a realistic goal for the claimant

111. In this scenario, advisory teams must take the following actions:

- Issue the claimant letter NEAL6 / NEAL6W and record its issue as an LMS conversation. End date will be the date of issue.
- Explain to the claimant that they must resume actively seeking work and update their Jobseeker's Agreement accordingly.
- Update the 'NEA Mentor Support Referral' LMS opportunity with the end date and reason.
- Notify the mentoring partner organisation that the claimant's participation in NEA has ended.

112. DMA action is not appropriate in these circumstances.

Decision is made to mandate claimant to Work Programme

113. In this scenario, the following actions must be taken **before** the Work Programme referral is made:

- Issue the claimant letter NEAL6 / NEAL6W and record its issue as an LMS conversation. End date will be the date of issue.
- Explain to the claimant that they must resume actively seeking work and update their Jobseeker's Agreement accordingly.
- Update the 'NEA Mentor Support Referral' LMS opportunity with the end date and reason.
- Notify the mentoring partner organisation that the claimant's participation in NEA has ended.

After 12 weeks

114. Twelve weeks from the date of their first mentor meeting is the absolute maximum time a claimant can spend working on their business plan under NEA conditionality. If this point is reached, advisory teams must take the following actions:

- Issue the claimant letter NEAL6 / NEAL6W and record its issue as an LMS conversation. End date will be the date of issue.
- Explain to the claimant that they must resume actively seeking work and update their Jobseeker's Agreement accordingly.
- Explain to the claimant that they can continue with mentor support towards getting their business plan approved, but that this must be done alongside actively seeking work.
- Put in place arrangements to continuously review claimant's situation ensuring that, where appropriate, referral to Work Programme is

considered and that the 'NEA Mentor Support Referral' LMS opportunity is updated when the mentoring stage of NEA ends.

Adviser decides to remove claimant from NEA programme

115. The circumstances that lead to this scenario can be found in the Concern that, during the mentoring stage of NEA, a claimant is not committed to, or is unrealistic about, setting up a business section. The actions to take are as follows:

- Issue the claimant letter NEAL6 / NEAL6W and record its issue as an LMS conversation. End date will be the date of issue.
- Explain to the claimant that they are no longer eligible for mentoring support and will not qualify for NEA financial support should they subsequently commence self-employment.
- Explain to the claimant that they must resume actively seeking work and update their Jobseeker's Agreement accordingly
- Update the 'NEA Mentor Support Referral' LMS opportunity with the end date and reason
- Notify the mentoring partner organisation that the claimant's participation in NEA has ended.

NEA mentoring participant transfers their JSA claim to another office

116. During the first intervention at the claimant's new office, the advisory team must establish if the claimant is able to maintain their existing mentoring relationship.

117. If they can, the advisory team will simply need to inform the mentoring provider organisation to provide future updates to them, rather than the claimant's previous office and ensure that arrangements are put in place to manage the claimant's participation in line with NEA policy.

118. If the claimant is unable to maintain their existing mentoring relationship the advisory team must firstly take action to end the claimant's existing NEA participation, the actions are as follows:

- Issue the claimant letter NEAL6 / NEAL6W and record its issue as an LMS conversation. End date will be the date of issue.
- Explain to the claimant that they must resume actively seeking work and update their Jobseeker's Agreement accordingly
- Update the 'NEA Mentor Support Referral' LMS opportunity with the end date and reason
- Notify the mentoring partner organisation that the claimant's participation in NEA has ended.

119. The advisory team must then consider, following discussion with the claimant, if NEA is still the most appropriate provision for the claimant. If it is, the claimant will be treated as a new referral to the local mentoring partner organisation and the standard processes will apply to all aspects of the programme.

NEA mentoring participant wants to end their claim and commence trading before their business plan is approved

120. Although this is not prohibited it is certainly not something advisers should encourage. If the claimant takes this course, they run the risk of their business plan not being approved within 5 weeks and so missing the deadline for submitting a claim to the NEA weekly allowance which would, in turn, mean them not qualifying for a NEA loan.

NEA mentoring participant has a break in their claim

121. In such circumstances the claimant may continue, or restart, NEA immediately unless the break in claim was due to waged employment **and** the claimant was either dismissed from that employment or left it voluntarily.

122. If the mentoring relationship has been maintained during the claim break the advisory team must:

- Explain to the claimant that the time previously spent on NEA will count towards the total time allowed under NEA tailored conditionality and make arrangements (e.g. set a LMS workflow) to ensure the maximum allowed period is not exceeded.
- Issue letter NEAL5 / NEAL5W to the claimant and explain the content.
- **Not** record a new referral against the LMS opportunity.

123. If the mentoring relationship has not been maintained, and the claimant wishes to pursue the same business idea, the advisory team must ring the mentoring partner organisation to explain the circumstances of the case and discuss the feasibility of the claimant resuming the mentoring relationship at the point they left.

124. If it is feasible, the advisory team must:

- Record the re-referral as an LMS conversation. (NB **Do not** record a referral against the LMS 'NEA Mentor Support Referral' opportunity as this would distort the MI gathered)
- Agree arrangements for resumption of the mentoring relationship.
- Explain to the claimant that the time previously spent on NEA will count towards the total time allowed under NEA tailored conditionality and make arrangements (e.g. set a LMS workflow) to ensure the maximum allowed period is not exceeded.
- Issue letter NEAL5 / NEAL5W to the claimant and explain the content.
- Send the mentoring partner organisation a new NEA1 ensuring it is annotated 're-referral' and that sections 3, 4, 5 and 6 are scored through as not applicable.
- Make appropriate arrangements with the mentoring partner to review the claimant's progress.
- Subsequently ensure that NEA conditionality is ended in the manner appropriate to the circumstances of the case.

125. If, for whatever reason, it is not feasible, the advisory team may, at their discretion and taking into account the full circumstances of the case, make a new referral.

126. If the claimant wishes to pursue a different business idea, it is for the advisory team to decide whether or not to make a new referral.

Mentoring stage drop-out wishes to re-join

127. If a claimant who previously dropped-out of NEA during the mentoring stage enquires about returning to the programme, assuming they remain eligible, advisory teams must use their discretion in deciding whether or not re-referral is appropriate.

128. If re-referral is considered appropriate the actions to take will depend on whether the claimant wishes to develop the same business idea or a different one.

Claimant wishes to develop a different business idea

129. In this scenario, the claimant will be treated as a new referral to the mentoring partner organisation and the standard processes will apply to all aspects of the programme.

Claimant wishes to develop the same business idea

130. In this scenario, the advisory team must ring the mentoring partner organisation to explain the circumstances of the case and discuss the feasibility of the claimant resuming the mentoring relationship at the point they left.

131. If it is feasible, the advisory team must:

- Record the re-referral as an LMS conversation. (NB **Do not** record a referral against the LMS 'NEA Mentor Support Referral' opportunity as this would distort the MI gathered)
- Agree arrangements for resumption of the mentoring relationship.
- Explain to the claimant that the time previously spent on NEA will count towards the total time allowed under NEA tailored conditionality and make arrangements (e.g. set a LMS workflow) to ensure the maximum allowed period is not exceeded.
- Issue letter NEAL5 / NEAL5W to the claimant and explain the content.
- Send the mentoring partner organisation a new NEA1 ensuring it is annotated 're-referral' and that sections 3, 4, 5 and 6 are scored through as not applicable.
- Make appropriate arrangements with the mentoring partner to review the claimant's progress.
- Subsequently ensure that NEA conditionality is ended in the manner appropriate to the circumstances of the case.

132. If, for whatever reason, it is not feasible, it must be explained to the claimant that re-joining NEA is **not** an option. (NB Under **no** circumstances must a new NEA referral be made)

Reasonable adjustments

133. A disabled claimant participating in the NEA mentoring stage who requires additional support should be referred to Access to Work.

134. If the participant progresses into full time trading, usual Access to Work eligibility applies.

NEA weekly allowance

135. The NEA programme includes, for those who make the transition from JSA to running their own business, a NEA weekly allowance of £65 for the

first 13 weeks of trading followed by a weekly allowance of £33 for the next 13 weeks.

Note: Lone parents on JSA may qualify for In Work Credit (IWC) if they become self-employed. Those that do must choose between the NEA weekly allowance and IWC, they cannot claim both.

136. The NEA weekly allowance aims to support the claimant in the early months of trading. It is disregarded by HMRC for income tax, NI (but not Class 2 contributions) and tax credit purposes. It will also be disregarded for the purposes of Housing Benefit, Council Tax Benefit and child maintenance.

137. The allowance is payable subject to **all** the qualifying conditions being met.

Qualifying conditions

138. Eligibility for the NEA weekly allowance is dependant upon the claimant meeting **all** the following criteria, they must:

- have closed their JSA* claim and commenced trading their business on a full-time basis (ie at least 16 hours per week). Extra care must be taken if the claimant has also taken-up waged employment, or intends doing so
- have progressed through the mentoring stage of NEA and hold a valid business plan; that is one that has been 'approved' by the mentor partnering organisation within the last 13 weeks
- have signed an EU de minimis statement with the mentor partnering organisation; this will be confirmed by the NEA mentor partner organisation on form NEA1 (EU regulations limit the amount of financial aid that can be given to commercial undertakings; NEA participants must, therefore, sign a statement confirming that receipt of the weekly allowance will not take them over permissible limits)
- have submitted their application for the weekly allowance to Jobcentre Plus within 5 weeks of the JSA* claim termination date
- have a bank, building society or post office account. This can be either a personal account or a business account. Payments of the NEA weekly allowance can only be made direct to an account; a Post office Card Account meets this criteria
- not be participating in Work Programme or Work Choice provision.

*Includes JSA-based Training Allowance paid in relation to TfW (Scotland).

139. The weekly allowance must only be awarded if the claimant's business will be registered in Great Britain for tax purposes. The registration process can take several months so, in this regard, we must accept the claimant's word; advisory teams must not insist on proof of registration before actioning claims for the NEA weekly allowance.

140. If the claimant is trading as a limited company, they must provide their certificate of incorporation issued by Companies House. Note LMS conversations that the certificate has been produced; there is no need to take a copy of the certificate.

141. The clear policy intent of the allowance is to support claimants who are meaningfully engaged in running their own business. Any doubts about this, arising from the claimant working away from home or taking a holiday, must be addressed appropriately.

Note: It is expected that most NEA participants will commence full-time trading as soon as their business plan is approved, and apply for the NEA weekly allowance straight away. Where this is not the case please see the 'delays and claim breaks' guidance below for handling issues regards awarding the NEA weekly allowance.

Delays and claim breaks

142. Below are some scenarios that might be encountered in handling claims for the NEA weekly allowance along with guidance on action to take. If advisory teams require support in interpreting this sub-section of guidance, or encounter a scenario not covered, they should consult the operational lead team.

Delay between claim ending and application for NEA weekly allowance

143. If there is a gap between the JSA claim ending and the application for the NEA weekly allowance being received, the reason for the delay must be considered.

144. If the application for the NEA weekly allowance is delayed but full-time trading commenced immediately after the claimant closed their claim, the application should be treated as straightforward assuming, of course, it is received within the 5 week limit and all the other qualifying conditions are met.

145. If full-time trading did not commence immediately after claim closure a little more care needs to be taken to ensure policy intent is delivered. If, for example, the claimant took a holiday or simply needed some intensive preparation time (and signed off because being tied to the JSA regime might hamper those preparations), the application should be treated as straightforward assuming, of course, it is received within the 5 week limit and all the other qualifying conditions are met.

146. If the claimant took waged employment at any point between signing-off and starting trading things become a little more complex. If the waged employment is continuing and is for more than 16 hours per week the claimant is **not** eligible for the NEA weekly allowance. If the waged employment has ended, eligibility for the NEA weekly allowance will depend on the reason for it ending – if the job was of a short-term temporary nature, and the claimant saw out the full term, the claimant will be eligible for the NEA allowance (assuming, of course, application is received within the 5 week limit and all other qualifying criteria are met); if, however, the claimant left the employment (whatever its expected duration) voluntarily, or was dismissed, then it would **not** be appropriate to award the allowance.

Claim break occurred between business plan 'approval' and claimant signing-off to commence trading

147. If, following business plan 'approval' but before signing-off to commence trading, the claimant stopped and then restarted claiming JSA, they will, usually, retain eligibility for the NEA weekly allowance (assuming, of course, all the qualifying criteria are met – the 5 week window in which to claim the allowance runs from the most recent claim closure date).

148. The exception here is if the claim break was due to waged employment **and** the claimant was either dismissed from that employment or left it voluntarily; it would **not** be appropriate to award the allowance in such a case.

Claim process

149. To process claims for the NEA weekly allowance accurately, the following steps must be taken:

Step	Action
1	Check that the claimant has taken claim closure action
2	Ask the claimant to complete Part 1 of the NEA2 / NEA2W claim form. Ensure they have read, and understood, the terms and conditions before signing the form.
3	<p>Explain to the claimant that they will be required to provide evidence that they are meaningfully engaged in running their business at weeks 6, 11 and 19 of the claim period.</p> <p>Discuss how these post start-up checks will be undertaken and the sort of evidence required.</p> <p>Make it clear to the claimant that failure to provide acceptable evidence will result in payments ceasing.</p>
4	<p>Issue the claimant a NEAL7 / NEAL7W and explain its contents. Tell the claimant that the payment rate is £65pw for the first 13 weeks. Explain that the first payment should go into their account in approximately 10 days time (NB this assumes Steps 6 - 10 are undertaken promptly and accurately) and may, therefore, be for 2 weeks* (ie £130). Explain that subsequent payments will arrive at weekly intervals on the same day of the week.</p> <p>*This assumes the claimant applies for the allowance immediately they start their business; if they delay, the first payment will vary accordingly.</p>
5	Explain that the rate will drop to £33pw for weeks 14 – 26 and that this will be discussed again during the week 11 check.
6	Confirm eligibility by completing Part 2 of the NEA2 / NEA2W claim form
7	Ask the Advisory Team Manager to authorise the claim by completing Part 3
8	<p>Set up the claimant's first set of payments by completing an RM2 Recurring Payment Authority form:</p> <ul style="list-style-type: none"> • Claim type = New Enterprise Allowance • Payment method = Direct Payment • Account name = as provided by the claimant (can be either a personal or business account) • Number of payments = 13 • Frequency = weekly • Recurring amounts = £65 • Start date = Date claimant commenced trading their business. • Total to be paid = £845 • Company Number / Cost Centre Code and Account Code = Use the Account Codes Made Easy tool
9	Send the completed RM2 to the authorising officer by clicking on the 'Send Form to Authoriser' button.

10	Authorising officer checks the form and sends to Shared Services by clicking on the 'Send Authorised Form to Shared Services' button
11	Record, on LMS, a referral to the 'NEA Financial Support Approved' opportunity and record the 'start date' as the date the claimant commenced trading.
12	Record, as a conversation on LMS, that NEA weekly allowance is in payment and that immediate steps must be taken to end payments if the claimant makes a new claim to benefit within the 6 month NEA payment period.

Working away from home and taking holidays

150. Advisory teams must recognise that running a business can, in some cases, involve spending time away from home (including trips abroad) and that those running a business are, like everyone else, entitled to take a holiday (in GB or abroad). Advisory teams must also be mindful of the need to ensure public funds are spent appropriately.

151. Once a NEA weekly allowance claimant has passed their 6 week review (i.e. we are satisfied that they have established, and are meaningfully engaged in running, their own business), payments of the allowance will, generally speaking, be unaffected by time spent away from home. In the case of non-business trips, when conducting further checks advisory teams simply need to be satisfied that the duration of the trip was reasonable in the circumstances, and that the claimant resumed meaningful engagement in running their business immediately upon their return.

152. Before the 6 week review there is a risk that a claimant may seek to use NEA as a means of funding a break without undertaking any meaningful business activity. Advisory teams must be alert to this possibility and respond proportionately.

153. If, at the point the claimant applies for the NEA weekly allowance, it becomes apparent that they are intending to spend time away from home within the next 6 weeks, advisory teams must use their discretion and judgement in deciding whether, or not, to award the allowance.

154. If the claimant is going on holiday (home or abroad), advisory teams must consider if it might be more appropriate for the claimant to delay launching their business, and therefore their claim for the allowance, until they return.

155. If the claimant intends going away on business, advisory teams must be satisfied that the nature and duration of the trip are commensurate with the claimant being meaningfully engaged in running a business.

156. There are no hard and fast 'rules' in regard to the scenarios set out above. Advisory team members with concerns should discuss the case with their line manager; consultation with national tier policy colleagues may also be considered appropriate but the final decision on awarding the allowance, or not, is one that must be made locally.

Weekly allowance applicant, or recipient, takes waged employment

157. To supplement their income while the business builds up, a NEA weekly allowance applicant / recipient may also wish to take-up waged employment.

158. If the waged employment starts, or started, **after** full-time trading commenced, there is no limit to the number of hours of waged employment as long as the claimant continues to trade their business for at least 16 hours per week.

159. However, if the waged employment starts, or started, **before** trading commenced and that employment exceeds the JSA threshold of 16 hours per week, the claimant will not be eligible for the NEA weekly allowance as the waged employment would be the reason for their transition from benefit.

Claimant moves during trading

160. If, after commencing trading, a claimant moves area and will continue to trade, their NEA weekly allowance will continue to be administered by the Jobcentre they dealt with initially.

161. Post start-up checks will need to be handled by post where the claimant can no longer attend in person.

Post start-up checks

162. At three specific points in the weekly allowance claim period (during weeks 6, 11 and 19) the claimant must provide evidence that they are still meaningfully engaged in running their business for at least 16 hours per week. In discussion with the claimant, when they apply for the allowance, arrangements must be made to facilitate this.

163. Wherever possible, the evidence should be presented at face-to-face meetings. If it is not possible for the claimant to attend in person they will need to submit the evidence, by the due date, by post.

164. Evidence presented may take the form of:

- A bank statement showing details of recent transactions/earnings
- Recent entries in the company cash book
- Invoices, purchase orders received/sent recently
- Job sheets, diary bookings

165. The above list is neither prescriptive nor exhaustive and there is no hard and fast rule about how many pieces of evidence must be produced. It is important a light touch approach is adopted; Jobcentre Plus is not prying into the claimant's business affairs, we simply need to be satisfied that the claimant is meaningfully engaged in running their business. There is no requirement to copy or retain the evidence provided.

166. Letter NEAL1 / NEAL1W or NEAL1a / NEAL1aW (the former if the evidence is to be presented at an adviser interview; the latter if evidence is to be posted) must be sent to the claimant two weeks before the evidence is due to be presented setting out arrangements for the check to be completed.

Appointments must be booked via LMS and, while not prescriptive, we recommend using the 'ad-hoc' interview type. LMS workflows are also recommended as best practice for reminding advisory teams when the letter should be sent to the claimant.

167. If the claimant attends (or complies with alternative postal arrangements) and the evidence submitted is satisfactory, the actions prescribed in the following links must be adhered to:

- 6 week check
- 11 week check
- 19 week check

168. If the claimant fails to attend a face to face meeting (or fails to comply with alternative postal arrangements) immediate steps must be taken to end payment of the NEA weekly allowance (RM3 process) – the end date will be the date the evidence was due to be presented. The claimant must be advised accordingly using letter NEAL3 / NEAL3W. Do **NOT** record the cessation of NEA payments on the LMS opportunity at this point.

169. Those who fail to attend a meeting (or comply with the alternative postal arrangements) should be informed that they have two calendar weeks from the date of the letter to do so if they want NEA payments to be reinstated.

170. If the claimant does subsequently attend (or comply with alternative postal arrangements) and the evidence submitted is satisfactory, calculate the number of NEA payments that the claimant will be eligible for (i.e. deduct the number of payments already made/pending from thirteen) and record this figure as part of the RM2 process required to re-establish payments. Do **NOT** record a new submission on the LMS opportunity as this would distort the MI being gathered.

171. A claimant that subsequently fails to attend (or comply with the alternative postal arrangements) or takes longer than 2 weeks to do so must be sent letter NEAL4 / NEAL4W informing them that NEA payments have been terminated and the end date (i.e. the date the check was originally due to take place) recorded on the LMS opportunity.

172. If, subsequently, the claimant asks for a review of the decision to terminate payments, full details of the case must be passed to the Advisory Team Manager. The Advisory Team Manager will consider if the circumstances are of such an **exceptional** nature that reinstatement of the allowance is warranted, and proceed accordingly.

Evidence submitted is not satisfactory

173. In cases where the claimant's evidence is insufficient to confirm meaningful engagement in running a business, advisory teams must use their judgement on how best to proceed.

174. If it is felt that the claimant may have genuinely misunderstood the requirement or that the evidence goes some way, but not quite far enough, to confirm meaningful business activity, it may be appropriate to give them a short extension period (no more than one week) in which to fulfil the requirement.

175. If, on balance, it is felt that the claimant is simply not meaningfully engaged in running a business, NEA payments must be terminated immediately (RM 3 process) – the end date will be the date the check took place. The claimant must be informed accordingly using letter NEAL4 / NEAL4W. The end date (i.e. the date the check took place) must be recorded on the LMS opportunity.

176. In cases where NEA payments end due to lack of evidence, any further entitlement is lost.

177. Any complaints in regard to this issue should be handled via the normal Jobcentre Plus complaints procedure. It is not appropriate to refer cases to Decision Makers and the claimant has no official right of appeal against the decision as the NEA weekly allowance is a discretionary payment made under the Employment and Training Act 1973.

Additional safeguards

178. Jobcentre Plus must take steps to mitigate the risk of weekly allowance payments continuing in cases where a recipient returns to benefit. It is for advisory teams to decide what steps they put in place.

Week 6 check actions

179. Where satisfactory evidence of trading is provided, the following actions must be taken:

Step	Action
1	Record on an LMS conversation that the check has taken place including a brief description of the evidence seen
2	If the evidence was provided by post, send letter NEAL2 / NEAL2W to the claimant and enclose the evidence provided
3	Remind the claimant that further evidence will be required for the 11 week check. Stress to the claimant that attending, and passing, the week 11 check is necessary to qualify for NEA payments between weeks 14 and 26
4	Make arrangements (e.g. set LMS workflow) to prompt sending the week 11 check appointment letter

Week 11 check actions

180. Where satisfactory evidence of trading is provided, the following actions must be taken:

Step	Action
1	Record on an LMS conversation that the check has taken place including a brief description of the evidence seen
2	If the evidence was provided by post, send letter NEAL2 / NEAL2W to the claimant and enclose the evidence provided
3	Remind the claimant that the payment rate for weeks 14 – 26 drops to £33 per week.
3	Complete an RM2 Recurring Payment Authority form to cover NEA payments for weeks 14 – 26: <ul style="list-style-type: none">• Claim type = New Enterprise Allowance• Payment method = Direct Payment• Account name = as provided by the claimant previously• Number of payments = 13• Frequency = weekly

	<ul style="list-style-type: none"> • Recurring amounts = £33 • Start date = 13 weeks after first day of self-employment • Total to be paid = £429 • Company Number / Cost Centre Code and Account Code = Use the Account Codes Made Easy tool
4	Send the completed RM2 to the authorising officer by clicking on the 'Send Form to Authoriser' button. Authorising officer checks form and sends to Shared Services by clicking on the 'Send Authorised Form to Shared Services' button
5	Remind the claimant that further evidence will be required for the 19 week check if payments are to continue beyond that point.
6	Make arrangements (e.g. set LMS workflow) to prompt sending the week 19 check appointment letter

Week 19 check actions

Step	Action
1	Record on an LMS conversation that the check has taken place including a brief description of the evidence seen
2	If the evidence was provided by post, send letter NEAL2 / NEAL2W to the claimant and enclose the evidence provided
3	Make arrangements (e.g. set LMS workflow) to prompt recording of the payment period end date against the 'NEA Financial Support Approved' LMS opportunity.

Overpayments

181. If correct procedures were followed to initiate NEA payments and post start-up checks (including prompt RM3 action to terminate payments in appropriate cases) are conducted promptly, overpayments of NEA allowances will not occur.

182. As a contingency, upon receipt of the Termination of Payments form (RM3) Shared Services will check whether an overpayment has occurred and, if so, initiate recovery action.

NEA weekly allowance recipient makes a new claim to benefit

183. If a NEA weekly allowance recipient makes a new claim to JSA, payments of the NEA weekly allowance must be ended immediately (RM3 process) – the end date will be the day before the treat as made date on the JSA claim. The same end date must be recorded against the LMS opportunity.

184. It must be explained to the claimant that for any future access to NEA they would be treated as a new referral (i.e. must again meet eligibility criteria and undertake the mentoring process afresh – for JSA claimants there is no 'balance of time' in relation to the NEA weekly allowance).

185. If a NEA weekly allowance recipient makes a new claim to Employment Support Allowance, payments of the NEA weekly allowance must be ended

immediately (RM3 process) – the end date will be the day before the ESA claim date.

186. This same end date must be recorded against the LMS 'NEA Financial Support Approved' opportunity.

187. If the claimant resumes running their business within 13 weeks of the ESA claim date, they will be entitled to claim the balance of NEA weekly allowance payments. In this scenario the advisory team will need to calculate carefully the number of weeks to be paid (and at what rate) before putting payments back in place (RM2 process). The advisory team will also need to ensure reviews are carried out at the correct time and, if appropriate, reduce the payment rate at the correct time.

(NB In these circumstances a new referral to the 'NEA Financial Support Approved' LMS opportunity type must **not** be made)

Liaison with loan provider

188. A claimant with an approved business plan will be told, by the mentoring partner organisation, that they can apply for a start-up loan from a DWP contracted loan provider and that they have 6 months, from the date trading of 16 hours or more commenced, in which to do so.

189. To confirm that a loan applicant is eligible for support, the loan provider must check with Jobcentre Plus that the loan applicant is in receipt of the NEA weekly allowance (or In-Work Credit for lone parents) and has not reclaimed benefit. Where a NEA weekly allowance / In-Work Credit application has been authorised on RM, but first payment has yet to be made, the claimant must be treated as being in receipt so as not to delay the award of vital start-up funding from the loan company.

190. It is suggested that districts give their local loan provider a single point of contact so that a faxed request form can be actioned and returned promptly. Failing to return a form promptly will mean a delay in the applicant being able to access vital loan finance.

Forms and letters

ID	Description
NEA1	Referral and feedback form
NEA2 / NEA2W	Weekly allowance claim form
NEA3	Additional feedback form
NEA4 and NEA4W	DMA referral form
NEAL1 and NEAL1W	Letter to claimant requesting evidence of trading be presented at an interview
NEAL1a and NEAL1aW	Letter to claimant requesting evidence of trading be sent by post
NEAL2 and NEAL2W	Letter to claimant returning evidence
NEAL3 and NEAL3W	Letter notifying claimant that payments are suspended until evidence is provided
NEAL4 and NEAL4W	Letter notifying claimant that they are no longer eligible for weekly allowance payments
NEAL5 and NEAL5W	Letter notifying claimant that they are participating in NEA / (JSA (SAPOE) Regs

NEAL6 and NEAL6W	Letter notifying claimant that NEA / (JSA (SAPOE) Regs participation has ended
NEAL7 and NEAL7W	Letter confirming eligibility for the NEA weekly allowance and setting out payment arrangements.
NEA Consent Form & NEA Consent form W	Data sharing consent form