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POLICY BRIEF

Breaking Barriers to Entrepreneurship in Cornwall

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Executive Summary

Entrepreneurship – encompassing small business start-ups, self-employment, and community enterprises – can offer a pathway for economic empowerment and self-sufficiency for low-income households, while also addressing local challenges and fostering social impact. However, barriers such as financial insecurity, lack of business-related knowledge and confidence, bureaucracy and place-based challenges (e.g. sense of remoteness) prevent many individuals from pursuing entrepreneurial opportunities. Our research – based in Cornwall – identified several key significant and interconnected barriers, as well as possible solutions, for those from low-income households. Despite strong entrepreneurial aspirations and innovative ideas among low-income individuals, inadequate access to start-up capital, training, mentorship, and wider networks often prevents these ideas from being realised.

Key takeaway messages include:

- The need to embed accessible entrepreneurial support within trusted community ‘hubs’.
- The importance of building confidence and practical knowledge through tailored, local training and mentorship schemes.

- A call to simplify bureaucratic processes and improve the visibility and coherence of support services.
 - Strengthening social and institutional capital through bridging networks and inclusive role models.
 - Addressing the sense of remoteness by linking entrepreneurs to external markets, digital tools, and regional opportunities.
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Background

A study by the University of Exeter, in collaboration with Coastline Housing (a large housing association in Cornwall), explored the barriers preventing low-income households in Cornwall from starting or growing their own businesses or community enterprises. The research included a review of 46 UK-based studies, interviews and focus groups with 14 housing association customers, a stakeholder workshop, and discussions with regional policymakers. The study identified key challenges, including financial constraints, skills gaps, limited professional networks, bureaucratic complexity, and geographic isolation. Despite these obstacles, many individuals expressed a strong desire for self-employment and had innovative business and community enterprise ideas. However, inadequate financial support, training, and networking opportunities hindered their ability to establish entrepreneurial ventures. While some support services exist, participants identified that these failed to effectively reach those in low-income communities, highlighting the need for more accessible and targeted support.

Key Challenges Identified and Policy Recommendations

1. Financial Insecurity

Challenges:

- Lack of access to start-up capital and affordable credit options.
- Perceived financial risk and concerns about financial stability.

Recommendations:

- Increase awareness of existing financial support and guidance for start-ups and other entrepreneurial ventures in Cornwall.
- Improve access to financial support by simplifying grant application processes and providing advice through local hubs or housing associations.

2. Confidence and Knowledge Gaps

Challenges:

- Low confidence in personal ability to start and sustain a business or other enterprise.
- Limited access to information about venture creation and business skills training.

Recommendations:

- Offer localised, low-cost or free business training programmes, designed to build both skills and confidence, delivered in accessible community venues or online, flexibly.

- Establish mentorship programmes pairing aspiring entrepreneurs with successful local businesspeople.

3. Strengthening Social Capital

Challenges:

- Entrepreneurs often rely on family and friends for advice and support, which can limit exposure to diverse perspectives and resources.
- Lack of access to wider “bridging networks” that connect individuals to new opportunities, mentors or customers.

Recommendations:

- Foster bridging networks by creating opportunities for entrepreneurs to engage with diverse stakeholders through workshops, networking events, and mentorship schemes.
- Partner with business organisations and councils to facilitate access to regional, national, and digital networks.
- Highlight relevant role models, especially from disadvantaged backgrounds, to inspire new entrepreneurs, and encourage local business owners to act as ambassadors.

4. Leveraging Institutional Capital

Challenges:

- Bureaucratic processes and rigid administrative systems create barriers, particularly for entrepreneurs unfamiliar with formal processes.
- Limited awareness and accessibility of existing institutional resources (funding, training and advisory services).
- Fragmented support systems with insufficient collaboration between local councils, business support organisations, and other institutions (e.g. housing associations, charitable organisations).

Recommendations:

- Simplify processes, with clear purposes (e.g. grant applications) and easy-to-follow instructions – consider the use of common sections that are carried forward, to avoid the need for duplicate forms.
- Increase outreach and visibility of institutional resources through trusted intermediaries like housing associations and community groups.
- Build trust by embedding services within local communities, enhancing approachability and accessibility.

5. Local Economy & Sense of Remoteness

Challenges:

- Many low-income entrepreneurs rely heavily on Cornwall’s local economy, which can limit growth opportunities and make businesses vulnerable to regional economic fluctuations.
- Entrepreneurs often feel disconnected from larger markets, professional networks and institutional resources, exacerbating a sense of isolation.

- Entrepreneurs may struggle to connect with external resources, including national funding bodies or broader business ecosystems.

Recommendations:

- Facilitate programmes that connect Cornwall-based entrepreneurs to external markets through digital platforms, trade fairs and partnerships.
- Embed business support services within community hubs and promote collaborative local projects to strengthen trust and access to resources.

Conclusion

Addressing the barriers to entrepreneurship for low-income households in Cornwall requires a coordinated, inclusive approach that recognises the complexity of individual and place-based challenges. While the entrepreneurial ambitions of many residents are strong, too often these are constrained by limited access to funding, networks, and accessible guidance. This brief highlights the need for more integrated, community-based support systems that embed business advice, training, and mentoring into trusted local spaces. By simplifying access, strengthening networks, and fostering confidence, stakeholders can enable a more inclusive entrepreneurial ecosystem.

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