Background

Remploy was created in 1945, under Section 15 of the Disabled Persons (Employment) Act 1944 to provide sheltered employment, rehabilitation and training, for disabled ex-servicemen. The first Remploy factory opened in Bridgend in 1946. A Non-Departmental Public Body (NDPB) and a Public Corporation, Remploy provides specialist employment services for disabled people and those experiencing complex barriers to work.

Remploy receives Grant-in-Aid each year to deliver a range of employment and development opportunities to disabled people under the Government’s Work Choice programme. The company has also bid for and is contracted to deliver other Disability Employment Programmes for DWP.

Remploy also hold commercial contracts, including a number with other public authorities for services to disadvantaged people.

Remploy offers support to disabled people through the two different arms of their organisation:

- **Remploy Employment Services** supports disabled people into work with mainstream employers. They operate through a branch network, offering support and guidance to disabled people and employers. Employment Services has secured a number of commercial contracts to provide other employment programmes for disabled people and others facing complex barriers to work. All commercial contracts are organised and accounted for separately from the grant-in-aid given to Remploy for delivery of the Work Choice programme.

- **Remploy Enterprise Businesses** (the factories), currently operate in nine business sectors including service, logistics and recycling sectors as well as extended supply chain and higher added-value manufacturing. Work is carried out in a network of 54 local business sites and CCTV services spread across Great Britain. They cover both manufactured products and managed services.

In 2005, a National Audit Office report concluded that many of Remploy’s factories were not sustainable in economic terms and that Employment Services offered a more cost-effective service.
In 2007 a five-year restructuring plan was agreed by the previous administration starting from April 2008 that:

- supported substantially larger numbers of disabled people into work delivering 20,000 job entries each year by 2012-13;

- limited DWP operational funding to £555m over 5 years to 2012-13, plus an extra £111m ‘modernisation funding’;

- set highly ambitious targets for increasing income from public sector procurement;

- avoided compulsory redundancy for disabled employees.

Eighteen factories closed and 11 factories merged. The 54 factories remaining were to make satisfactory progress towards a target of a loss per disabled employee of £9,000 (at the time this was calculated as approximately the benefit to the taxpayer of having a person employed rather than on Incapacity Benefit).

The one-off cost of supporting a disabled person into a mainstream job was £5,300 in 2007, by contrast the average cost of supporting a disabled person in a Remploy factory increased from £11,400 per annum in 1994 to over £20,000 per annum in 2007. In 2007, the company was receiving one-third of the budget available for supporting the UK’s nine million disabled people into work.
Results

The source of this data is Remploy.

Table 1 shows Remploy's achievement against performance and resource agreement targets for 2009/10 and shows that Remploy met all of their PRA targets for the year.

Table 2 shows Remploy's performance and resource agreement targets for 2010/11. Results against these targets will be published after the 2011 accounts have been published.

Table 3 shows Remploy's Job Outcomes 2009-10 by primary disability as notified by the customer.
Glossary

The Modernisation plan was Remploy's 5-year restructuring plan, agreed in 2007, which aimed to support substantially larger numbers of disabled people into work, at a much lower cost per person. As part of the plan it was agreed that Remploy will receive £555m operational funding over the 5 years between 2008-09 and 2012/13. An additional £111m extra 'modernisation funding' was also agreed. Modernisation plan targets were agreed as part of the modernisation plan.

Remploy's performance and resource agreement sets revised targets, agreed at the beginning of each financial year. These targets are based on the forecasted outlook and sales projections for the year.

Operational funding is the cash revenue received from the Secretary of State for the Department for Work and Pensions in the form of Grant in Aid to support the operational aspects of Remploy’s Enterprise Businesses and Employment Services WORKSTEP/ Work Choice provision.

Modernisation funding is the cash revenue received from the Secretary of State for the Department for Work and Pensions to support the delivery of the changes detailed in the modernisation plan.

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