Written Ministerial Statement

Tuesday 22 July 2014

THE DEPARTMENT FOR WORK AND PENSIONS

Remploy Employment Services

The Minister for Employment (Esther McVey MP): The Department will be launching a commercial process for Remploy Employment Services, a leading national provider of disability employment services. This will give the company the opportunity for a partner or investor to help develop it to its full potential and help more disabled people get into work.

Over the last few years Remploy Employment Services has gone from strength to strength in the support it provides disabled people to find and remain in work. It is one of the Department’s key providers of specialist support for disabled and disadvantaged people. By March 2015, it is estimated that Remploy Employment Services will have supported over 100,000 disabled and disadvantaged people into work since 2010.

The Remploy Board has expressed their desire for Remploy Employment Services to be given the opportunity to take on significant investment and the Department has been working with them to identify if there is opportunity to do this in line with the Sayce Review recommendations. We both agree that there is now an excellent opportunity for an investor or partner to acquire a significant stake in Remploy Employment Services and invest in its continued growth and development. This opportunity will provide the freedom and flexibility for the business to continue to grow and expand its mission by helping even more disabled people find sustainable employment.

The commercial process for Remploy Employment Services will be launched in the next week through the normal commercial channels and further details will be available then.

This process is seeking a partner or investor for Remploy Employment Services who will hold a significant stake in the business. We envisage that a Joint Venture will be created and employees will hold an interest in the operation of the company.

This could be through some shareholding held on the employees’ behalf in an employee benefit trust. However the specific structure and governance arrangement linked to the creation of a company will be subject to the negotiation undertaken as part of this process and the Department is interested in any proposals which will deliver the key objectives of this transaction.
The Department will have a contractual arrangement with the new company to continue Remploy Employment Services’ national delivery of Work Choice and other Departmental contracts and agreements which are expected to be transferred as part of this process. The Partner/Investor will need to demonstrate the commitment, capacity and capability to continue the delivery of Work Choice and continue to grow the business in line with Remploy’s mission.

We will ensure that the Remploy Pension scheme continues to be funded and that the accrued benefits of members are protected.

Our key priority during this process will be to ensure that Remploy Employment Services becomes an independent sustainable business which continues to support disabled people in finding and remaining in employment.