

## REPORTS AND INQUIRIES

# Remploy: An Experiment in Sheltered Employment for the Severely Disabled in Great Britain

by

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*The highest goal of vocational rehabilitation is attained when it permits a disabled person to secure and retain suitable employment alongside able-bodied workers; but in some cases such complete rehabilitation cannot be hoped for, at least for a certain time, and employment under sheltered conditions is necessary. It was to meet the needs of these cases of severe disablement that the Disabled Persons Employment Corporation (Remploy) was set up in Great Britain by Act of Parliament in 1945.*

*In the following pages Mr. Edwards describes the origins and progress of this remarkable social experiment and shows what part it plays in the general scheme of vocational rehabilitation.*

Remploy is the largest single agency providing sheltered employment for the severely disabled in Great Britain. It was set up in 1945 as a non-profit-making company, financed by the central Government; today, it runs 90 factories and employs over 6,000 severely disabled workers. This article sketches briefly the historical development both of other forms of sheltered employment and of Remploy itself. It goes on to describe how the corporation is organised, what it does and the kind of people it employs. Finally, it attempts to estimate the contribution which Remploy has made, and can make in the future, as a part of the general scheme of employment services for the disabled.

### OTHER FORMS OF SHELTERED EMPLOYMENT

Sheltered employment has a long history in Great Britain. Special workshops for the blind began to be set up by voluntary societies well over a hundred years ago and the first of them—the Royal Blind Asylum in Edinburgh, which was established in 1793—is still operating. Since 1920 local authorities have been empowered to provide workshops for the blind, and since 1948 they have had an obligation to do so

under statutory schemes approved by the Minister of Health or the Secretary of State for Scotland.<sup>1</sup> Today there are about 70 such workshops providing training or employment for over 4,000 blind people; of these, one-third are run directly by local authorities and the rest by voluntary organisations acting as their agents.

For the sighted disabled much less had been done up to the end of the Second World War. Local authorities were not required, or even empowered, under statute to provide sheltered workshops for disabled people other than the blind. However, in this field, too, invaluable pioneer work was done by voluntary effort from about the beginning of the present century. Among the earliest examples were the Lord Roberts Workshops, which were set up during the Boer War to provide training and employment for disabled soldiers; they are still doing so today. Others catering for the disabled generally were the Sir Robert Jones Memorial Workshops in Liverpool and the Hostels for Crippled and Invalid Women Workers, London. In 1915 Papworth Village Settlement was founded—the first centre specially designed to provide training and employment for the tuberculous under sheltered conditions.

After the First World War several ex-service organisations opened new workshops to cater for the large number of war disabled. At the same time, increasing interest in the rehabilitation and care of the disabled generally led, over the years, to the establishment by other voluntary bodies of more sheltered workshops not confined to ex-servicemen. At present there are in all about 40 workshops run by voluntary bodies for the sighted disabled (including those in village settlements for the tuberculous); most of these are relatively small and the total for whom training or employment is provided is about 800.

Comparatively recently, under the National Assistance Act, 1948, local authorities were empowered, though not obliged, to set up sheltered workshops for the disabled other than the blind. So far little use has been made of these powers, mainly owing to restrictions on capital expenditure. But a number of local authorities have, with the encouragement of the Ministry of Labour, admitted sighted disabled to their workshops for the blind wherever space is available and there is no risk of prejudicing the employment of the blind people themselves.

The central Government, through the Ministry of Labour, gives financial help to all these different types of workshop, whether for the blind or sighted and whether run by local authorities or by voluntary bodies. Such help takes the form of training allowances and fees, a contribution towards trading losses and advances to assist capital development. The Ministry's expenditure for all these purposes is at present running at about £670,000 a year; this probably represents rather less than half the total cost of the services, the rest being met from local authority or voluntary funds.

### THE ORIGIN AND DEVELOPMENT OF REMPLOY

Remploy owes its origin to an official Committee (the Tomlinson Committee) which was appointed by the Government in 1941 and issued its report in 1943.<sup>2</sup> The Committee made far-reaching recommen-

<sup>1</sup> Under the Blind Persons Act, 1920, and the National Assistance Act, 1948. Cf. *I.L.O. Legislative Series*, 1948 (U.K. 1).

<sup>2</sup> See "The Rehabilitation and Resettlement of Disabled Persons in Great Britain", in *International Labour Review*, Vol. XLVIII, No. 1, July 1943, pp. 43-55.

dations which were accepted by the Government and set the general pattern of employment services for the disabled as they exist today; one of these was that a government-financed public corporation should be set up to provide sheltered employment on a larger scale than would be possible through local and voluntary effort alone.

Provision for this to be done was included in the Disabled Persons (Employment) Act, 1944<sup>1</sup>, and in March 1945 the Disabled Persons Employment Corporation came into existence with a Board of Directors appointed by the Minister of Labour under the chairmanship of Viscount Portal and consisting of members drawn from industry, the trade unions and those with a knowledge of the problems of employing the disabled. Later the same year a full-time Executive Director was appointed, and in April 1946 the first factory was opened at Bridgend, Glamorganshire; three more followed in the same year, 11 in 1947, 21 in 1948 and 35 in 1949, making a total of 71 factories in operation at the end of that year. Thereafter the rate of expansion was drastically reduced, and since 1952 the number of factories has remained at or about the present figure of 90.

There were many problems to be overcome in these early days. The provision of sheltered employment by a public corporation and on this scale was something that had never been attempted before, either in the United Kingdom or in any other country. Although those responsible did their best to learn from the experience of existing sheltered workshops, there was bound to be a good deal of trial and error in discovering the best techniques and the most effective form of organisation. The great majority of the corporation's disabled employees had had no previous experience at all in the trade for which they were recruited and this was a serious obstacle to efficiency. Then, too, British industry as a whole suffered in the immediate post-war period from acute shortages and restrictions and these added to the difficulties of setting up an entirely new trading organisation such as Remploy.

Even more serious, however, was the temptation to expand too rapidly. The launching of this unique social experiment aroused widespread interest both in Parliament and throughout the country, and there was understandable anxiety to see it produce quick results. In retrospect it is likely that the long-term interests of Remploy—and thus of the disabled themselves—would have been better served by a slower rate of growth and by establishing the foundations of the corporation more securely before building it up to its full size. This was recognised in 1949 when, as already mentioned, the phase of rapid expansion was brought to an end and the then Minister of Labour announced, with the full agreement of Sir Robert Burrows (who had succeeded Lord Portal as Chairman in the previous year) that the immediate policy of Remploy was to be one of consolidation. In fact the only factories since opened have been those which were already in the course of erection or adaptation at the time of the Minister's announcement.

During this initial phase the number of Remploy's severely disabled employees<sup>2</sup> rose from 300 at the end of 1946 to over 4,000 at the end of 1949, and sales increased from £12,000 a year to nearly £400,000. At the same time costs remained high and well above the average for

<sup>1</sup> Cf. *I.L.O. Legislative Series*, 1944 (G.B. 1).

<sup>2</sup> Including homeworkers and factory supervisory and clerical staff, as well as production workers.

other sheltered workshops, despite the closing down of unprofitable ventures and several attempts to strengthen the management and improve the organisation of the corporation. The weekly loss per worker, which was nearly £9 in 1946, still stood at over £7 at the end of this period.

The next stage in Remploy's history (1949-54) saw a persistence of these difficulties. At first expansion continued, though at a much reduced rate. By 1952 the number of severely disabled employees had increased to nearly 6,000 and output was about £1,800,000 a year, but the weekly loss per head had risen to over £8. This remained a matter for concern, and in the same year the Select Committee on Estimates of the House of Commons issued a report on Remploy which recognised the valuable work done by the corporation for the disabled but urged that its costs should be reduced and the management reorganised. A number of steps were taken to meet the criticisms made, including the strengthening of the sales organisation and a drive for increased productivity. The Board had already decided to appoint a full-time Managing Director with industrial experience, and this was done in September 1952. By 1954 the reorganisation had been completed; in the financial year 1954-55 output reached £2,815,000 and the number of severely disabled employees nearly 6,600—both record figures—the value of output per man being more than double that of 1950-51.

These were encouraging signs, but it soon became clear that Remploy was outrunning its financial resources, and that more workers had been taken on than the volume of orders justified. Insufficient provision had been made for the additional working capital needed and for the higher raw material and other costs which inevitably followed increased production. The loss per head did not, as had been hoped, go down but actually rose again to £7 18s. 0d. a week. It was necessary to cut expenditure drastically; recruitment was curtailed and the number of severely disabled employees allowed to run down to about 6,000. Early in 1955 the Board invited the Organisation and Methods Division of the Treasury to carry out a thorough survey of the corporation's structure. The main recommendations made were that the higher management should be strengthened by the appointment to the Board of industrialists with current manufacturing experience and of full-time production and sales directors, that there should be a further degree of decentralisation and that the system of financial control should be overhauled and improved. With the adoption of these and other measures recommended in the survey, Remploy may be said to have entered on a new phase in its history and one which is still in progress.

#### PRESENT ORGANISATION

The Board of Directors now consists of a Chairman (Sir Alec Zealley, a former industrialist), a Deputy Chairman (Sir Brunel Cohen, who is himself disabled and besides serving continuously on the Board since its constitution acted as Chairman for a time after the resignation of Sir Robert Burrows in 1955) and five salaried and six unpaid Directors. Of the former, the Managing Director, the Executive Director, the Production Director and the Sales Director are full-time officers, while the Financial Director serves on a part-time basis. The unpaid Directors are drawn from those with experience of industrial or commercial management and from the trade union movement. All members of the Board are appointed by the Minister of Labour, and the Board is responsible

to the Minister for the efficient management of the corporation within the general lines of policy laid down by him.

The head office in London is organised on normal commercial lines. The Managing Director exercises a general oversight over the corporation's operations; the Executive Director is responsible for personnel and establishments questions, and the other salaried Directors bear the specific responsibilities indicated by their titles. There is close contact between Remploy and the Ministry's officers, one of whom attends meetings of the Board as an observer; but the Ministry does not intervene in matters of day-to-day management, which are entirely the Board's responsibility.

Remploy's 90 factories are necessarily sited not in the places which would be most advantageous economically but in those where the need to provide employment for the severely disabled is greatest. In consequence, they are distributed throughout Great Britain, with the main concentrations in the industrial areas of Lancashire, Yorkshire, North-East England and South Wales. Besides raising transport and other costs, this poses some difficult problems of management. Quite early in Remploy's history it was found that considerable decentralisation was necessary, and under the present arrangements this is achieved in two ways. For general administrative purposes the country is divided into six areas each under the charge of an Area Liaison Officer, who is responsible for the factories in his area. For production purposes, on the other hand, the factories have been formed into trade groups regardless of geography. These are headed by Group Controllers who are responsible to the Production Director but who exercise a considerable amount of delegated authority. They are generally based on London but spend much of their time visiting the factories in their group.

The present trade groups with the number of factories in each are as follows:

Trade group	Number of factories <sup>1</sup>
Domestic furniture . . . . .	20
General woodworking . . . . .	17
Cardboard box, printing and bookbinding . . . . .	12
Protective clothing and textile sewing . . . . .	12
Engineering . . . . .	9
Knitwear . . . . .	7
Preservation, identification and packaging . . . . .	7
Orthopaedic and leatherwork . . . . .	6

In addition to these trade groups there is a separate home-work group, the function of which is to provide employment for those disabled people who are incapable of working, even in sheltered conditions, outside their own home. Under the general oversight of a Group Controller there are six home-work supervisors, each in charge of a home-work centre which is based on a Remploy factory.

Remploy's sales organisation covers the whole country, with area sales offices at a number of provincial centres in addition to the headquarters staff. The Sales Director is in charge of the organisation as a whole, but some Group Controllers have responsibility for sales within their own groups—for instance, where the product is sold locally.

<sup>1</sup> Normally each factory is confined to a single trade; in the few cases where there are two the factory is counted in the group to which its main activity belongs.

The numbers of staff (as distinct from factory production workers) have grown considerably since the early days. The total headquarters staff, including that of the Group Controllers' offices, is now about 370. With the addition of those in the sales organisation and of supervisory and office workers employed in the factories, the total staff on Remploy's books is over 2,000. Of these about 200 are severely disabled, for it has always been Remploy's policy to provide employment for such people so far as possible on the staff as well as on the factory floor.

### THE LABOUR FORCE

The number of Remploy's severely disabled employees now stands at just over 6,000 (including about 500 women), of whom about 40 per cent. have served in the armed forces (though their disability is not necessarily due to such service). This labour force tends to be more elderly than that of an ordinary industrial concern. An analysis made at 1 January 1957 showed that the average age was 46, 40 per cent. of the men being aged 50 or over. For women, as would be expected, the age distribution is quite different; the average age was only 34 and over two-thirds of them were under 40. In common with other sheltered workshops Remploy factories also employ a proportion of fit (or less severely disabled) labour for heavy work or as skilled craftsmen. A maximum of 15 per cent. of such labour has been authorised, but in practice the proportion employed is well below this.

Practically every type of disability is to be found among Remploy's workers, though the corporation does not normally recruit blind people, who, as we have seen, have their own special workshops, which were in existence long before Remploy was set up. The following figures, compiled from a complete analysis at 1 January 1957, show the ten largest disability groups which together account for nearly 70 per cent. of the severely disabled employees:

Disability group	Percentage
Pulmonary tuberculosis . . . . .	11.4
Injuries and diseases (except tuberculosis) of lower limb . . . . .	8.9
Diseases of the heart or circulatory system . . . . .	8.3
Diseases of the lungs (except tuberculosis) . . . . .	8.2
Epilepsy . . . . .	7.7
Amputation of one leg . . . . .	5.9
Nervous and mental disorders (other than neurosis, psycho-neurosis and epilepsy) . . . . .	5.2
Injuries and diseases of the spine (other than paraplegia and tuberculosis), curvature of the spine, spondylitis . . . . .	4.8
Paraplegia . . . . .	4.5
Arthritis and rheumatism . . . . .	4.5

Seven of Remploy's 90 factories are specially reserved for infectious cases of pulmonary tuberculosis.

Recruitment takes place entirely through the Ministry of Labour's employment exchanges, which keep a record of unemployed men and women who are registered as disabled under the Disabled Persons (Employment) Act and who are considered unlikely to obtain employ-

ment except under sheltered conditions. Only such people are eligible to be considered for employment in a Remploy factory. When vacancies occur the Disablement Resettlement Officer at the local employment exchange submits possible candidates and these are interviewed at the factory by a panel consisting of the Works Manager, the Factory Doctor and sometimes the Area Liaison Officer. The Disablement Resettlement Officer is consulted as necessary, but the final decision whether or not to take any individual into employment rests with Remploy and not with the Ministry. This applies equally to dismissals, but there is a special procedure under which Works Managers must obtain the sanction of Remploy headquarters before terminating the employment of a severely disabled worker.

The question of productivity has been much discussed at various times during Remploy's history. On the one hand the corporation exists to provide employment for the severely disabled and must obviously make due allowance for the handicaps with which its employees have to contend. On the other hand it has recognised from the start that charity ought to play no part in its operations and that, in the interests both of the community and of the disabled themselves, its factories should be run so far as possible on ordinary commercial lines, with a proper emphasis on efficiency and productivity. In the past some workers have undoubtedly been recruited who were capable of making only the smallest contribution to production, and this was commented on both in the Select Committee's Report of 1952 and in the Treasury Survey of 1955. Recently an experimental arrangement has been made under which possible recruits for some Remploy factories are given a short course of "toning up" and assessment at a Ministry of Labour Industrial Rehabilitation Unit<sup>1</sup> before being taken into the corporation's employment.

Remploy has, of course, to face a number of other difficulties which are inherent in the nature of its labour force. The rate of absenteeism is inevitably much higher than among able-bodied workers, especially during the winter, and some of its employees must work shorter hours for medical reasons. The high average age and initial lack of training both tend to limit flexibility, though to some extent this difficulty can be—and has been—overcome by increased mechanisation and by breaking down the work into simple operations.

It is no part of Remploy's function to retain in its factories those who, although still disabled, have recovered to the extent of no longer requiring employment under sheltered conditions. Accordingly, it has been the corporation's policy to encourage such people to return to open industry, and each year about 240 men and women do so. This positive contribution towards full rehabilitation is a valuable by-product of Remploy's activities.

#### CONDITIONS OF EMPLOYMENT

As has already been mentioned, the general aim of Remploy is to run its factories, so far as possible, on commercial lines and to reproduce closely the atmosphere of ordinary industry. Except where there are special medical reasons (as in the case of some tuberculous) all employees

<sup>1</sup> See W. L. Buxton: "Industrial Rehabilitation Units: A British Experiment", in *International Labour Review*, Vol. LXVII, No. 6, June 1953, pp. 535-548.

are expected to work a 44-hour week and to contribute fully to production within the limits set by their disability. At the same time care is taken to avoid undue strain. At its London headquarters the corporation employs a full-time principal medical officer to advise on general medical questions and, where necessary, on individual cases. In addition, each factory has the part-time services of a local doctor who pays frequent visits to watch the progress of individual employees, to suggest any necessary changes in their working conditions and to advise the Works Manager on medical matters in general. Every six months each worker has a routine medical examination, the result of which is notified to the Works Manager. A great deal has been done to help the corporation's disabled employees to overcome their physical handicaps by providing work aids and by adapting machinery to meet individual needs.

During the early years of Remploi's existence the wages of its severely disabled workers varied according to their trade and usually represented a percentage of those paid for the same work in ordinary industry. For various reasons this proved unsatisfactory, and the present wage structure is based on a standard Remploi rate for all trades, which is settled by negotiations with the trade unions concerned and is roughly 75 per cent. of an average of all the different trade rates. The present standard rate gives a starting wage for men of £6 17s. 6d. for a 44-hour week in London (slightly less elsewhere), increasing after two years' service to £7 6s. 8d. All workers are eligible for higher rates, either through incentive payments or through merit, up to a maximum of the full trade rate for the work. Remploi does not normally provide special transport or hostel accommodation for its workers, since the factories are sited for the convenient use of public transport for the daily journey to and from work. The only special concession made is that travelling expenses in excess of 6d. a day are refunded by the corporation up to a maximum of 10s. a week.

Employees have a completely free hand regarding membership of trade unions, and in practice almost all of them have joined a trade union appropriate to their particular occupation. Works Managers are encouraged to extend to officials of these trade unions the usual facilities for consultation, and there are shop stewards in each factory. Joint consultative committees consisting of representatives of management and of employees also exist for the discussion of such matters as production, factory conditions and welfare; in accordance with general British practice, wages, hours of work and similar matters are outside the scope of these committees and are reserved for negotiation between the management and trade union representatives. In welfare matters generally Remploi aims to keep abreast of good industrial practice. It provides a canteen service in every factory, usually with a hot midday meal, and encourages the workers to run their own social clubs with advice and guidance from the Works Manager. It also publishes a quarterly news-sheet entitled *Remploi News* which is designed to keep its employees in touch with what is happening in the corporation and to foster a corporate spirit.

#### TRADING OPERATIONS

An earlier section of this article outlined the expansion of Remploi's activities during the first years of its existence. The full development can best be seen from the following figures of the annual value of sales :



Year ending 31 March	Value in £'s	Year ending 31 March	Value in £'s
1947 . . . . .	12,000	1953 . . . . .	2,064,000
1948 . . . . .	42,000	1954 . . . . .	2,353,000
1949 . . . . .	165,000	1955 . . . . .	2,856,000
1950 . . . . .	393,000	1956 . . . . .	2,999,000
1951 . . . . .	936,000	1957 . . . . .	3,204,000
1952 . . . . .	1,599,000		

For the year ending 31 March 1958 the target has been set even higher.

Something has also already been said about production difficulties. Remploy's problem is basically the same as that of any other trading concern—to bring production and sales into balance and to stabilise them at the highest level within its capacity. For this purpose it is, of course, essential to select trades which offer firm commercial prospects as well as being well suited to the employment of disabled labour.

Traditionally, sheltered workshops have relied mainly upon handicrafts, partly because of their supposed therapeutic value; in workshops for the blind the manufacture of baskets, brushes and mats have long been the staple trades. From its early days, however, Remploy found that ordinary industrial manufacture offered far better prospects and that the range of work within the capacity of even the most severely disabled was surprisingly large. Here the modern trends towards increased mechanisation and the breaking down of skilled processes have been of great assistance. The wide range of Remploy's present manufactures can be seen from the list of trade groups already given; it includes hospital and school furniture, metal windows, ladies' cardigans, oil stoves, electrical appliances, and leather bags, to mention only a few. Recently one factory has undertaken with success, under the "sponsorship" arrangements described below, the repair of hydraulic pit props—a process which only a few years ago it would have been considered impossible for severely disabled men to handle satisfactorily.

As a government-sponsored concern Remploy has naturally looked to the central Government—and to a smaller extent to local authorities and nationalised industries—to provide it with some of its work through the placing of suitable contracts. Special arrangements were made in 1950 under which a measure of preference is given by purchasing departments to "priority suppliers"—a term which includes other sheltered workshops and the prisons as well as Remploy. These have brought substantial benefit to Remploy, and in the financial year 1956-57 the value of government contracts secured was about £900,000, or nearly 30 per cent. of the corporation's total sales. A further £200,000 worth was offered by purchasing departments to Remploy but declined because either specification or price was considered unsuitable. The Board of Directors, in common with the managements of other sheltered workshops, recognise the value of these arrangements, but feel that even more might be done by the Government to provide them with work at a suitable price. A recent Committee of Inquiry<sup>1</sup> (commonly known as the Piercy Committee) suggested that the present system should be re-examined with a view to increasing the volume of government contracts awarded to sheltered workshops in general, and this suggestion is now being discussed by the departments concerned.

<sup>1</sup> *Report of the Committee of Inquiry on the Rehabilitation, Training and Resettlement of Disabled Persons* (Cmd. 9883) (London, H.M. Stationery Office, 1956).

Originally it had been hoped that government contracts might account for as much as 60 per cent. of Remplo's total sales, but it became clear fairly early on that this was much too high an estimate. Recognising that it would have to rely for most of its business on the commercial market, the corporation has progressively built up its own sales organisation, and now competes with ordinary manufacturers over a wide field. In doing so it aims to sell its goods on their merits and not by any appeal to public sympathy. To a large extent initial suspicions have been overcome and Remplo has been accepted into membership of the trade associations covering many of its products. It has also made efforts to enter the export market ; so far these have had only limited success, though orders have been obtained from as far afield as New Zealand, Iraq, Canada and the Sudan.

Clearly, however, there are great advantages for an organisation like Remplo in some arrangement under which production can be undertaken against firm orders, with a consequent saving of sales and warehouse costs. The so-called "sponsorship" schemes recently entered into with industrial firms are designed to meet this need. The essence of such a scheme is that Remplo provides the factory space, labour and skilled management while the sponsoring firm supplies any necessary machinery, technical advice and training and undertakes to buy back the finished product at an agreed economic price. Five such schemes are already in operation, and several more are being negotiated in a variety of trades. Remplo hopes that before long as many as 12 of its factories may be engaged wholly or partly on "sponsored" work and that as a result the operating loss at these factories will be considerably reduced. This is an interesting and promising experiment, though it is too early yet to judge the long-term results.

The home-work group naturally conducts its operations on a different basis from that of the factories. Its aim is to enable the home-bound disabled to become full-time productive workers earning reasonable wages at piece-work rates. Unfortunately, the provision of suitable work has been a constant difficulty, since there seems to be a decreasing number of processes which can be economically performed at home and which provide the worker with a reasonable living wage. The general movement has been away from handicrafts towards light assembly work, which is far more remunerative. Most of the work is done for private manufacturers, though some government contracts are obtained. The local home-work supervisor delivers the materials to the worker's home and collects the finished product, as well as giving any necessary instruction. Though operating losses are comparatively light, the difficulty of finding suitable work has prevented the group from expanding beyond its present strength of some 140 workers.

#### FINANCIAL ARRANGEMENTS

The financial assistance provided for Remplo by the Government takes two forms. Grants are made to cover the annual deficit on the corporation's operations, and in addition the Government provides interest-free loans, secured by debenture or Remplo's assets, to meet capital expenditure on premises and equipment. Like government expenditure on other social services, money for these purposes has to be voted annually by Parliament. Sums based on Remplo's forecast of its requirements for the coming year under both heads are included in the Ministry of Labour's annual estimates, presented to Parliament

for approval. It follows that Remploy's finances are subject to the normal processes of parliamentary scrutiny and control, and a Select Committee of the House of Commons may, as it did in 1952, investigate and comment on how the corporation manages its affairs and what use it makes of the resources allocated to it.

Issues to Remploy under these arrangements since its foundation are shown, in round figures, in the accompanying table.

GOVERNMENT ASSISTANCE TO REMPLOY, 1945-46 TO 1956-57

Financial year	Grants	Loans	Totals
	£	£	£
1945-46 . . . . .	7,000	1,000	8,000
1946-47 . . . . .	111,000	52,000	163,000
1947-48 . . . . .	187,000	281,000	468,000
1948-49 . . . . .	622,000	706,000	1,328,000
1949-50 . . . . .	1,352,000	648,000	2,000,000
1950-51 . . . . .	2,234,000	457,000	2,691,000
1951-52 . . . . .	2,782,000	265,000	3,047,000
1952-53 . . . . .	2,218,000	159,000	2,377,000
1953-54 . . . . .	2,302,000	198,000	2,500,000
1954-55 . . . . .	2,774,000	129,000	2,903,000
1955-56 . . . . .	2,386,000	94,000	2,480,000
1956-57 . . . . .	2,528,000	209,000	2,737,000

Recently, and more especially since the tightening up of financial control recommended in the Treasury Survey of 1955, the Board of Directors has devoted much attention to the task of stabilising the corporation's financial position. It has accepted as an aim of policy that the net loss per head should be progressively reduced to the current level of wages. For its part, the Government has agreed that over the five years commencing with 1956-57 Remploy should plan its operations on the basis that an average of £200,000 a year will be available in loans for capital expenditure, and up to £2,500,000 a year in grants to meet net deficits on running expenses—subject in each case to any necessary adjustment to meet changes in the value of money.

The financial relations between Remploy and the Ministry of Labour are governed by a formal agreement the purpose of which is to leave the corporation free to manage its day-to-day affairs while retaining the necessary degree of Ministerial control over broad lines of policy. The Minister's written consent has to be sought in regard to such matters as investment, borrowing and disposal of certain capital assets, and he must be kept informed concerning the nature of the training and employment provided, the principles adopted in the fixing of wages and other remuneration, and other general questions. The Minister's prior authority is also needed for the payment of salaries above a certain level and for major transactions concerning land and buildings. Accounts are subject to examination by the Comptroller and Auditor General and to scrutiny by the Ministry's officers. Apart from this formal machinery there is a good deal of informal consultation between Remploy and the Ministry on financial as on other matters; and the Ministry is kept

informed of any major developments through the attendance of its observer at Board meetings. The Financial Director, in whose appointment by the Minister the Treasury must concur, has the right of direct access to the Ministry on financial questions and in practice keeps in close touch with the Ministry's Accountant General.

### CONCLUSION

Remploy, together with the other agencies through which sheltered employment is provided, forms only one part of a comprehensive scheme of services for the disabled which has been fully described elsewhere.<sup>1</sup> We are not here concerned with medical or welfare services or with insurance benefits, but it is relevant to recall the other employment provisions to which sheltered employment is complementary—the voluntary register of disabled persons; the “quota” system, under which all employers with 20 or more workpeople must employ at least 3 per cent. of registered disabled persons; the placing service available through the Disablement Resettlement Officers at each of the Ministry of Labour's employment exchanges; courses of industrial rehabilitation at the Ministry's own rehabilitation units; and vocational training courses in a variety of trades at government training centres, at the residential colleges run by voluntary organisations or elsewhere.

Ever since these services came into existence at the end of the Second World War under the provisions of the Disabled Persons (Employment) Act, 1944, the favourable climate of full employment has made the task of placing the disabled relatively easy in most parts of the country. The emphasis has therefore been as much on open as on sheltered employment, and the Ministry of Labour has been able to place in ordinary industry every year one thousand or more registered disabled who were classified as “unlikely to obtain employment except under sheltered conditions”. At the same time it is noteworthy that the number of severely disabled unemployed fell steadily from 13,000 in 1946 to 4,000 in 1955 and has since remained steady at about that figure. The growth of Remploy during the same period has certainly been a factor in this decline. As the report of the Piercy Committee pointed out, “there are at least 6,000 persons for whom employment in a Remploy factory appears to be the only likely opportunity of employment; this number can reasonably be expected to be a minimum since, should economic conditions deteriorate, it would increase”.

Originally, as many as 130 Remploy factories were envisaged, and a number of sites were acquired which have not so far been used. The continuing existence of some 4,000 severely disabled unemployed might seem to indicate a need for a considerable number of new factories. But in fact the provision of sheltered employment for every individual in the country who needs it is an ideal scarcely possible of achievement; and even if such expansion were financially possible at the present time there are probably comparatively few areas where, so long as present levels of employment continue, the concentration of suitable disabled unemployed is large enough to support a new factory of the normal Remploy size. On the other hand some of the existing factories could, if circumstances allowed, take in more workers and, as we have already seen, Remploy is not the only agency through which sheltered employment can be provided. Workshops run by local authorities or by

<sup>1</sup> See, in particular, *Services for the Disabled* (London, H.M. Stationery Office, 1955).

voluntary effort with government assistance also have a valuable part to play, particularly in absorbing relatively small local concentrations of disabled people who need sheltered employment.

During the 12 years of the corporation's existence valuable lessons have been learnt, but many problems still remain. It is not to be expected that any concern of this kind will operate otherwise than at a loss, especially in the present inflationary conditions; but as has already been mentioned, Remploi's costs have so far proved to be consistently higher than those of other forms of sheltered employment. During the financial year 1955-56 the average net cost per worker employed was £7 14s. 10d. a week; while an exact comparison is not possible, the corresponding figure in workshops for the blind was probably of the order of £7 (with workshops managed directly by local authorities showing a cost well above those run by voluntary institutions) and that in voluntary undertakings for the sighted disabled about half that amount. There are, of course, various reasons for this, including the unpaid services and general goodwill which are available to most voluntary undertakings and which help to keep their costs down, and the heavy overhead expenses which have to be borne by an organisation of the size of Remploi. Within the corporation, however, there are still wide variations in costs between different factories and products. The Board of Directors is actively trying to solve this problem by increasing both production and sales, by concentrating on the more profitable trades and by developing the "sponsorship" idea. These efforts have borne fruit to the extent that the annual gross output per disabled worker, which was £130 in 1948-49, rose from £450 in 1954-55 to £506 in 1955-56 and £558 in 1956-57, mainly owing to improved methods and mechanisation. In present economic conditions, however, and so long as costs of all kinds continue to rise, the emphasis is bound to be on consolidation. Meanwhile, the Government has accepted the recommendation of the Piercy Committee that "the present scheme of providing sheltered employment through Remploi factories should be continued" with only minor suggestions for its improvement.

Remploi's achievements should not, of course, be measured by financial standards alone. There will always be room for argument about just how much of its resources any society ought to devote to helping its less fortunate members, whether by the provision of sheltered employment or through any other form of social service. But though Remploi has had its difficulties in the past and still has them, there can be no doubt of the continuing value of its work in human terms. It has already provided employment for nearly 13,000 men and women, most of whom would otherwise have had little prospect of obtaining it. All who have the interests of the disabled at heart will wish Remploi well and hope that it will continue its work with increasing success.

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