



House of Commons

Committee of Public Accounts

---

# **Gaining and retaining a job: the Department for Work and Pensions' support for disabled people**

---

Sixth Report of Session 2006–07





House of Commons  
Committee of Public Accounts

---

# Gaining and retaining a job: the Department for Work and Pensions' support for disabled people

---

**Sixth Report of Session 2006–07**

*Report, together with formal minutes, oral and  
written evidence*

*Ordered by The House of Commons  
to be printed 27 November 2006*

**HC 112 [incorporating HC 1089-i, Session 2005-06]**

Published on 16 January 2007  
by authority of the House of Commons  
London: The Stationery Office Limited  
£0.00

## The Committee of Public Accounts

The Committee of Public Accounts is appointed by the House of Commons to examine “the accounts showing the appropriation of the sums granted by Parliament to meet the public expenditure, and of such other accounts laid before Parliament as the committee may think fit” (Standing Order No 148).

### Current membership

Mr Richard Bacon MP (*Conservative, South Norfolk*)  
Annette Brooke MP (*Liberal Democrat, Mid Dorset and Poole North*)  
Greg Clark MP (*Conservative, Tunbridge Wells*)  
Rt Hon David Curry MP (*Conservative, Skipton and Ripon*)  
Mr Ian Davidson MP (*Labour, Glasgow South West*)  
Mr Philip Dunne MP (*Conservative, Ludlow*)  
Helen Goodman MP (*Labour, Bishop Auckland*)  
Mr John Healey MP (*Labour, Wentworth*)  
Mr Sadiq Khan MP (*Labour, Tooting*)  
Mr Edward Leigh MP (*Conservative, Gainsborough*)  
Sarah McCarthy-Fry MP (*Labour, Portsmouth North*)  
Mr Austin Mitchell MP (*Labour, Great Grimsby*)  
Dr John Pugh MP (*Liberal Democrat, Southport*)  
Mr Don Touhig MP (*Labour, Islwyn*)  
Kitty Ussher MP (*Labour, Burnley*)  
Rt Hon Alan Williams MP (*Labour, Swansea West*)

The following were also Members of the Committee during the period of the enquiry:

Angela Browning MP (*Conservative, Tiverton and Honiton*)  
Mr Alistair Carmichael MP (*Liberal Democrat, Orkney and Shetland*)  
Jon Trickett MP (*Labour, Hemsworth*)

### Powers

Powers of the Committee of Public Accounts are set out in House of Commons Standing Orders, principally in SO No 148. These are available on the Internet via [www.parliament.uk](http://www.parliament.uk).

### Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at <http://www.parliament.uk/pac>. A list of Reports of the Committee in the present Session is at the back of this volume.

### Committee staff

The current staff of the Committee is Mark Etherton (Clerk), Christine Randall (Committee Assistant), Emma Sawyer (Committee Assistant), Oliver Denton (Secretary), and Luke Robinson (Media Officer).

### Contacts

All correspondence should be addressed to the Clerk, Committee of Public Accounts, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 5708; the Committee’s email address is [pubaccom@parliament.uk](mailto:pubaccom@parliament.uk).

# Contents

---

<b>Report</b>	<i>Page</i>
<b>Summary</b>	<b>3</b>
<b>Conclusions and Recommendations</b>	<b>5</b>
<b>1 The need to rationalise the range of schemes and programmes</b>	<b>7</b>
<b>2 Tackling the variable quality of provision</b>	<b>11</b>
<b>3 Assessing value for money</b>	<b>13</b>
<b>Formal minutes</b>	<b>16</b>
<b>List of Witnesses</b>	<b>19</b>
<b>List of written evidence</b>	<b>19</b>
<b>List of Reports from the Committee of Public Accounts Session 2006-07</b>	<b>20</b>





of their disability merits further attention as it seems more efficient than providing assistance and support after this has happened.

There are more than 500 providers contracting with Jobcentre Plus to deliver one or more of the disability programmes. The quality and value for money of provision varies widely and acceptable standards are not always achieved. Between 2002 and 2005, for example, over 50% of the learning offered in Workstep provider placements was judged unsatisfactory by the Adult Learning Inspectorate, although the figure has recently improved.

Despite a contractual requirement to accept all valid self-referrals to the New Deal for Disabled People some providers are discouraging those people who need more help than others. The Department has altered its contract incentives to help alleviate the problem.

Because of the high number of individual providers, Jobcentre Plus has not been able to carry out the required number of quality inspections. A current review of contractor provision may weed out poor performers and result in fewer contractors. The Department is also moving more towards a prime contractor model (where a single provider acts as the directing agent for a number of other sub-contracting providers) in an effort to reduce the administrative burden, while maintaining access to specialist services.

Remploy is funded by a block grant from the Government. It operates a job placement and support service called Remploy Interwork that is highly effective in progressing people into mainstream unsupported employment. Remploy also operates a number of different businesses, including 83 factories. The factories do not progress many people into mainstream, unsupported employment and collectively the businesses make losses. Nevertheless, it is possible that Remploy Interwork's success is due to its close association with Remploy. The Department commissioned a review of Remploy to inform ministerial consideration of its future configuration.

On the basis of a Report by the Comptroller and Auditor General,<sup>1</sup> the Committee examined the Department on the quality of its programmes, management data and the performance of Remploy.

---

<sup>1</sup> C&AG's Report, *Gaining and retaining a job: the Department for Work and Pensions' support for disabled people* (HC 455, Session 2005–06)



## Conclusions and Recommendations

---

- 1. There are 6.7 million disabled people of working age, of whom around 50% are in employment.** Barriers preventing many disabled people from taking up a job include employer attitudes and misconceptions, lack of awareness of the support that is available, health conditions, local labour market conditions and a lack of adjustments to work premises. In addition, disabled people may need additional support to overcome a lack of confidence and self-belief from having been out of work.
- 2. The Department has a confusing suite of six programmes, which have grown up over the last 60 years.** The distinction between the different programmes and schemes is sometimes artificial and the current review of provision should pinpoint opportunities for simplification and rationalisation. An approach based around a more flexible menu of different types of support and advice would be more suitable. This tailored approach would better reflect the very varied circumstances of disabled people and would ensure a more streamlined suite of services.
- 3. Poor management information makes it difficult to determine whether the programmes deliver value for money.** Except for the New Deal for Disabled People, the Department has patchy and inconsistent cost and outcomes data for its programmes. There is also limited information available about clients, making it hard to establish whether programmes are meeting the needs of different groups. The Department should gather detailed information on what has been spent on each programme and scheme, what has been paid to each provider and what the Department has obtained for the expenditure.
- 4. The quality of service provided to customers varies considerably across the country.** In the Workstep programme for example, between 2001 and 2005, one third of the 200 or so providers with clients in supported employment have not progressed a single person.<sup>2</sup> The Department should stipulate minimum standards for the services provided, adopt a risk based inspection regime of the organisations providing it and follow up rapidly on poor performance, including withdrawing contracts for continued poor performance.
- 5. The Department's attention has focussed on helping people into work rather than retaining a job.** Most people who become disabled do so as adults and are likely to be in employment when they become disabled. The Department should increase the attention given to helping people stay in work. For example, Disability Employment Advisers could be expected to spend a set proportion of their time on retention activities, which would help to save on disability benefits and reduce demand for more expensive work programmes.
- 6. Some employers have misconceptions about the difficulties of employing disabled people.** Research in 2004<sup>3</sup> suggested that one-third of employers considered

---

<sup>2</sup> C&AG's Report, paras 4.12–4.13

<sup>3</sup> Roberts et al (2004) *Disability in the Workplace*. Research for Department for Work and Pensions

employing a disabled person is a major risk. The Department should work with providers of training to challenge the misconceptions, for example by linking up employers experienced in employing disabled people with those who are not through workshops and awareness raising events, highlighting the support available to employers.

7. **The Department contracts with hundreds of providers of services across the country.** It could improve the quality and price of the services it purchases through improved benchmarking between the numerous providers, more effective competition and better use of its bulk purchasing power to secure better deals. It should also specify a minimum standard for performance across all providers, for example, in terms of availability of training and customers having development plans in place.
8. **The Department's review of Remploy is currently being considered by Ministers and is a good opportunity to assess how to update this vital service in the interests of disabled people.** A highly supportive environment is the only appropriate option for some people and Remploy has provided unique opportunities for thousands over many years. The current review of Remploy should safeguard this achievement when considering whether it is necessary to alter the profile of the business or the markets in which it operates, for example, to move from sectors in decline. It should also consider any unique circumstances facing the business, such as the cost of entering new markets, and the cost and quality of Remploy management. They should also take account of the views of those working within Remploy businesses.
9. **Remploy Interwork has proved successful at placing disabled people with mainstream employers.** Remploy Interwork's long association with Remploy businesses, including factories, has enabled it to develop a unique understanding of the employer's perspective in taking on disabled people. Any reorganisation of Remploy should safeguard this valuable knowledge so that Remploy Interwork's performance is sustained.

# 1 The need to rationalise the range of schemes and programmes

---

1. In 2005, 50% of disabled people<sup>4</sup> of working age were in employment, compared to 75% of the working age population as a whole.<sup>5</sup> Whilst not all people with disabilities are able to work, many can do so with varying degrees of assistance. As well as earning money, being in work can have many positive benefits, such as developing confidence, meeting people and generally being more integrated into society.<sup>6</sup> These effects are just as important for people with disabilities as for those without. Disabled people often face a range of barriers to finding and retaining a job however, and may need additional support to overcome a lack of confidence and self-belief from having been out of work.

2. The number of people on incapacity benefits has risen over many years to a current level of almost 2.7 million. The Department reported that recently the first fall in 30 years in the total on incapacity benefits had occurred as the numbers coming off benefit had exceeded the number joining. It is reasonably confident that proposed reforms to incapacity benefit will help more people move into work, although there would be other factors which might increase the level in the future, for example, the rise in the state pension age for women.<sup>7</sup>

3. More than 1 million of the 2.7 million people on incapacity benefits say they want to work<sup>8</sup> but the Department's specialist employment programmes support only a small number who could potentially benefit (**Figure 2**).<sup>9</sup> The Department offers a number of complex and partly overlapping programmes to help disabled people find and retain work. The assistance includes help finding appropriate jobs, developing new or existing skills, support and advice for those in work and grants to employers. Together, the schemes and programmes cost the Department around £300 million a year. The Department pays out more than £12 billion a year in benefits for people with disabilities or health related problems.<sup>10</sup>

4. Disabled people can gain access to the Department's specialist support in different ways, which adds to the potential for confusion. Some of the programmes are only available through the intervention of a Disability Employment Advisor based in a Jobcentre Plus office, while others operate a self-referral system. For example, the New Deal operates a self-referral system, Access to Work is through direct application, and other programmes are usually available through the intervention of a Disability Employment Adviser. Explaining precisely what is available to individuals in their particular circumstances can be difficult, and the reasoning behind the differences in activities is quite confusing.

---

<sup>4</sup> According to the Disability and Discrimination Act (1995) a person has a disability if he/she has a physical or mental impairment which has a substantial and long-term adverse effect on his/her ability to carry out normal day-to-day activities.

<sup>5</sup> Department for Work and Pensions Departmental Report 2006, pp 70–71

<sup>6</sup> C&AG's Report, paras 3–4; Q33

<sup>7</sup> Qq 26, 72; Ev 1

<sup>8</sup> Qq 32–33

<sup>9</sup> C&AG's Report, para 23; Qq 9, 32

<sup>10</sup> *ibid*, Figures 3, 6–7; paras 8, 1.11; Qq 27–28

Although the Department has a distinct rationale for each scheme and is clear on the differences between them, the logic is less readily apparent to the potential user.<sup>11</sup> The Department is looking to simplify its provision. It is currently undertaking a review of all programmes, but was unwilling to anticipate the findings or commit to introducing a single gateway to its services.<sup>12</sup> The review is due to report by the end of 2006.<sup>13</sup>

**Figure 2: The Department's core programmes covered in this Report**

<b>Programme</b>	<b>Description</b>	<b>Programme cost and numbers participating (2003-04)<sup>14</sup></b>	<b>Programme cost and numbers participating (2004-05)<sup>15</sup></b>
Remploy	Largest provider of Workstep, providing supported employment in 83 factories across the UK. Also includes Remploy Interwork, Remploy's recruitment arm.	£115m 8,800	£116m 9,400
Workstep (excluding Remploy)	Provides tailored support for disabled people with more complex barriers. Aim is to progress people from a supported environment to open employment.	£74.2m 14,200	£68.7m 14,200
New Deal for Disabled People	Offers access to a network of job brokers who provide support and advice to help disabled people and people with health conditions find work. Often for disabled people who need minimal levels of support to find work.	£37.5m 57,800	£64.8m 97,800
Access to Work	Provides financial assistance towards the extra costs of employing someone with a disability, such as contributing towards the cost of specialist IT equipment, work adaptations to the workplace, some travel costs and the cost of having a support worker.	£55.8m 34,800	£59.6m 32,000
Work Preparation	Helps people with health conditions or a disability prepare to return to work by building their confidence, offering work experience and providing support. Often used as a stepping stone into Workstep.	£10m 7,400	£12.8m 8,100
Job Introduction scheme	Supports disabled people looking for work or about to start a job and provides an initial weekly grant for employers to cover any additional costs.	£0.9m 2,000	£1m 2,300
	Total expenditure Total numbers participating	£293.4m 125,000	£322.9m 163,800

<sup>11</sup> Q 28

<sup>12</sup> Q 8

<sup>13</sup> Qq 27-30

<sup>14</sup> C&AG's Report, Figure 1

<sup>15</sup> Department for Work and Pensions

5. Although the number of people using these core programmes is low, and some providers are operating at less than their contracted capacity,<sup>16</sup> the Department reported that it has no problem spending appropriately the money allocated for the programmes. Recent efforts to raise awareness of the programmes include greater use of the internet, including via the guidance for disabled people on [www.direct.gov](http://www.direct.gov), and working with partner organisations to provide information and guidance on the services available.<sup>17</sup>

6. When Workstep replaced the Supported Employment Programme in 2001, the minimum hours a person was required to work increased from 8 to 16 hours a week. This rule prevents people building their hours up slowly and means those who could potentially benefit from the programme but who are unable immediately to work this many hours a week cannot participate in the programme. The Department is aware of the issue but said it was a deliberate part of the design to reflect a stronger emphasis on progress into full-time unsupported employment.<sup>18</sup>

7. Most disabled people are not born disabled but become so during their working life. Access to Work is nevertheless the only programme that offers support to disabled people in retaining their existing job. The Comptroller and Auditor General's Report noted that the personal adviser performance framework gives almost no recognition to personal advisers for helping disabled people retain work. The Department considered its new performance regime—introduced in April 2006—would resolve this problem by removing some of the perverse incentives which had discouraged advisers from focusing on harder-to-help customers.<sup>19</sup>

8. The Department accepts that it has a role in helping disabled people retain jobs but stressed that its primary task is to help disabled people tackle the barriers they face in finding employment. It has been working in partnership with employers to help with retention but considered there was a limit to how much it could do. The prime objective of the Disability Discrimination Act is to require employers to act. In particular, they should not discriminate against disabled people and should make reasonable adjustments to enable them to perform their duties.<sup>20</sup> Nevertheless, preventing a person losing a job because of their disability merits further attention as potentially more efficient than providing assistance and support once they are out of work.

9. In October 2003, the Department launched Pathways to Work, a pilot programme trailing new ways of helping Incapacity Benefit recipients overcome barriers to returning to work.<sup>21</sup> The Department said the programme had made good progress, with data showing increased movement off benefits in areas where the pilots were running.<sup>22</sup> In particular, it considers a series of “work focused interviews” as the best way of pointing people towards available services. The Department is also seeking to raise awareness that most people will

---

<sup>16</sup> C&AG's Report, para 1.4

<sup>17</sup> Qq 10, 28

<sup>18</sup> C&AG's Report, para 2.10; Qq 12, 14

<sup>19</sup> C&AG's Report, para 28; Q98

<sup>20</sup> Qq 11, 36

<sup>21</sup> C&AG's Report, para 1.4, 1.13

<sup>22</sup> Q 51

be better off financially in work than on benefits or could combine work and benefits, and had evidence that this exercise was working.<sup>23</sup> The Department anticipates that Pathways to Work will be extended to a third of the country by the end of 2006.<sup>24</sup> This programme will form a major component of disability related assistance for the future, but as there is already confusion from the existing array of programmes, it is important that Pathways to Work, as yet another initiative, does not lead to additional uncertainty around the rights, obligations and opportunities for disabled people.<sup>25</sup>

---

<sup>23</sup> Qq 101–103; Ev 2

<sup>24</sup> Qq 26, 44

<sup>25</sup> Q 13

## 2 Tackling the variable quality of provision

---

10. The programmes to help disabled people find and retain work are managed by Jobcentre Plus and contracted out to approximately 500 providers in the public, private and voluntary sectors.<sup>26</sup> Disability Employment Advisors within Jobcentre Plus offices have an important role in finding suitable support that meets the needs of their clients, and they therefore need to be able to rely upon the providers in their area to deliver good quality services. Careful monitoring of providers' activity is essential if the Department is to deliver quality assistance.

11. Workstep is aimed at those disabled people furthest from obtaining work and who need higher levels of support. There are more than 200 providers of Workstep, some of whom have very few clients and have poor records of helping people to get into or remain in employment. Some programmes include a number of clients remaining from the older supported employment programmes and they are unlikely to match the progress achieved by providers who specialise in clients who are less institutionalised. Nevertheless, there remains the need for a careful examination of the service that is being provided and consideration of whether poorer performers are delivering an adequate service.

12. Between 2002 and 2005 the Adult Learning Inspectorate, which has a remit to inspect Workstep providers, reported that the educational and training element of over 50% of Workstep places was 'unsatisfactory'.<sup>27</sup> The review is based on an annual self-assessment report that inspectors use to inform their judgement about the effectiveness of the provider. The Department advised that its Workstep contract management and the Adult Learning Inspectorate Provider Development Unit worked with those providers judged unsatisfactory to help them improve. Later inspections showed an improvement in performance, with 93% of those re-inspected shown to be satisfactory or better. The Department said that since Workstep became subject to inspections in 2002, 37 providers (25%) have withdrawn in agreement with Jobcentre Plus. Of the contracts withdrawn, eight related to an impending inspection or were the result of the inspection.<sup>28</sup>

13. The New Deal for Disabled People is aimed at disabled people who are closer to being able to work and who typically need less assistance and support than those eligible for Workstep. In 2004–05, 97,800 people were participating. Contracts for New Deal for Disabled People are all negotiated with each individual provider and the availability of certain types of assistance varies across the country. Limited numbers of providers in some areas may lead the Department to accept poorer quality than it would in a more competitive market.

14. Providers of the New Deal for Disabled People may be deliberately picking people who are easier to help, at the expense of the more difficult to help.<sup>29</sup> The contract for New Deal for Disabled People specifies that providers must accept all self-referred people who are

---

<sup>26</sup> C&AG's Report, para 5

<sup>27</sup> *ibid*, para 3.13

<sup>28</sup> Qq 17, 104–106; Ev 3

<sup>29</sup> C&AG's Report, para 2.13; Qq 18, 31

eligible. However, such a stipulation does not preclude subtle encouragement to the easiest to place and discouragement of those who would require more effort. The Department is aware of the issue and reported that it has altered contract incentives to help alleviate the problem.<sup>30</sup>

15. Although Jobcentre Plus has quality monitoring arrangements in place, limited resources meant that its inspections of providers were not always undertaken according to plan.<sup>31</sup> With more than 500 providers there will never be sufficient resources to undertake all the necessary quality and performance monitoring, which is an additional justification for the Department giving consideration to reducing the number of organisations involved. There does however need to be sufficient provision, particularly in areas with limited number of suppliers.

16. Jobcentre Plus is undertaking an overall review of labour market programmes, looking at more efficient models of delivery.<sup>32</sup> It has significantly reduced the number of providers already and indicated that it will move toward a prime contracting model, whereby smaller organisations deliver for a main contractor. This model should reduce the cost of administration and improve the Department's ability to monitor quality, while maintaining access to the smaller specialist providers that cater for smaller sub-sets of the disabled population.<sup>33</sup>

17. The Comptroller and Auditor General's Report found that the level of service received by disabled people varied across the country.<sup>34</sup> The Department is making positive steps to provide a more consistent service. It has professionalised its disability employment advisory service in the new Jobcentre Plus offices and has revised the learning and development opportunities for the Disability Employment Advisers.<sup>35</sup>

---

<sup>30</sup> Qq 19–21, 97

<sup>31</sup> C&AG's Report, paras 3.10–3.12

<sup>32</sup> Q 16

<sup>33</sup> Q 17

<sup>34</sup> C&AG's Report, paras 3.2–3.8

<sup>35</sup> Q 60



### 3 Assessing value for money

---

18. Defining value for money in the provision of services for disabled people can be problematic. The Department is dealing with people who, in some cases, may need a lot of assistance to become ready for work.<sup>36</sup> In addition, some of the wider benefits of gaining and retaining a job, such as health and social benefits, are difficult to capture and measure.

19. The Department has an inadequate understanding of the return it is getting for its expenditure on work programmes. Disabled people have access to specialist provision but can also access mainstream services offered by Jobcentre Plus. The Department does not know how much of the mainstream provision is used in helping disabled people find work, nor how effective it is. In addition, it holds limited or patchy information about Workstep providers and the full nature of the support they offer. For example there is little or no information on how many people are on the programme, what services are being provided, or on the effectiveness of the programme. As a result it cannot easily assess the effectiveness of the programme or profile clients to ensure their needs are being met.<sup>37</sup>

20. There are large variations between different programmes, both in terms of total expenditure (**Figure 1, page 3**) and unit costs, as well as in costs for similar elements on the same programme.<sup>38</sup> Comparisons of simple costs are misleading since they refer to very different activities, and involve people with very different disabilities, barriers and needs.<sup>39</sup> Outputs also vary, from advice on getting a job, to the actual provision of a job as with Remploy. The initial cost benefit analysis work included in the Comptroller and Auditor General's Report is a useful starting point and has stimulated a degree of interest in determining the value and impact of the programmes. Such estimates should be a feature of all programmes, wherever possible.<sup>40</sup>

21. The Department cannot adequately manage its programmes if it does not have sufficient, reliable management information. The Department acknowledged the deficiencies in information about older programmes. Recent data cleansing and verification exercises are expected to improve substantially the understanding of the older programmes within the next 12 months. The Department said it saw no point in conducting a full-scale overhaul of data collection and IT systems if the programmes they relate to are no longer in existence following the current review.<sup>41</sup>

22. At the time of the Comptroller and Auditor General's Report only the New Deal for Disabled People had been the subject of robust evaluation, although the Department has subsequently published a review of Workstep. Neither of these set out specific criteria for success against which the programmes can be measured. The whole suite of programmes

---

<sup>36</sup> Q 5

<sup>37</sup> Qq 41–44, C&AG's Report, para 4.7–4.10

<sup>38</sup> C&AG's Report, paras 10–12

<sup>39</sup> Qq 74–75, 79

<sup>40</sup> C&AG's Report, paras 4.21–4.27; Qq 6, 45–49, 51–53

<sup>41</sup> Qq 61, 91–96

suffers from some vagueness about the criteria for success which makes determination of value for money and proper accountability problematic.

23. The Department aspires to get 1 million Incapacity Benefit recipients into work, and the roll-out of Pathways to Work is seen as the main vehicle for delivering results. It considers a reasonable measure of success will be whether people have actually moved from an “inactive benefit” (such as Incapacity Benefit) into the labour market as active participants. The Department also agreed that two years is a reasonable length of time in which to be able to measure the programme’s success but was unwilling to commit to a specific criterion for success or date by when it would be achieved.<sup>42</sup>

24. Whilst many Remploy businesses are not sustainable in purely commercial terms,<sup>43</sup> Remploy may still be doing a good job in a difficult environment. Sales numbers and margins are improving, though Remploy businesses as a whole continue to make increasing losses.<sup>44</sup> This situation may be a feature of the manufacturing sector generally and may not necessarily reflect badly on Remploy.

25. Remploy is split into two main delivery arms. These are the Remploy businesses, including a number of factories that directly employ disabled people, and Remploy Interwork, which supports disabled people in placements, primarily with mainstream employers. Remploy is funded by a block grant of more than £115 million a year from the Department, which covers the running of all services and any losses made by the businesses.

26. Remploy Interwork, the job placement arm of Remploy, is particularly successful in progressing people to unsupported employment, accounting for around 75% of all such progressions.<sup>45</sup> In part, Remploy Interwork’s success may arise by virtue of its long association with the factory businesses which enables it to have a better understanding of the issues around employing disabled people directly and to work more effectively with other employers.<sup>46</sup> Remploy should take care to preserve this vital understanding and disseminate this expertise more widely.

27. In the light of the recommendations in the Comptroller and Auditor General’s Report,<sup>47</sup> the Department commissioned a review of Remploy from PricewaterhouseCoopers which reported in July 2006.<sup>48</sup> The outcome of the review will inform advice to Ministers. The Department said that it is looking at the profile of Remploy’s business and assessing how to make the businesses more viable, whilst continuing to cater for those who need help in a supported environment.<sup>49</sup>

---

<sup>42</sup> Qq 65–69

<sup>43</sup> C&AG’s Report, para 14

<sup>44</sup> *ibid*, para 4.18

<sup>45</sup> C&AG’s Report, para 4.15

<sup>46</sup> Qq 81, 107–108

<sup>47</sup> C&AG’s Report, Figure 2, para 31

<sup>48</sup> *Remploy – Review of Future Business Options*, PricewaterhouseCoopers (July 2006)

<sup>49</sup> Qq 80, 84

28. Some disabled people have been working in Remploy factories for a long time and realistically this type of environment may be the only one in which they could thrive. The Department recognised that work in an unsupported environment was not an option for some people.<sup>50</sup> Nevertheless, the consideration of Remploy's future options provides the opportunity to take a careful look at the regimes currently in place in order to revitalise valuable provision for an increasing number of disabled people. Any decisions should be take account of all aspects of Remploy's businesses, including any mitigating factors such as entry to a new business area, such as the recycling of used computers, and the associated start up costs.<sup>51</sup> There may also be scope to improve managerial efficiency given that Remploy appears to have a substantial number of managers (220 first line managers/professionals, 187 middle managers and 16 senior managers) relative to the size of the organisation.<sup>52</sup>

---

<sup>50</sup> Qq 82, 110–111

<sup>51</sup> Qq 112, 114–115

<sup>52</sup> Qq 116–119; Ev 4

## Formal minutes

---

MONDAY 27 NOVEMBER 2006

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon

Mr Austin Mitchell

Mr David Curry

Dr John Pugh

Mr Ian Davidson

Mr Don Touhig

### **Oral evidence**

Sir John Bourn KCB, Comptroller and Auditor General, was in attendance and gave oral evidence.

Mr Marius Gallaher, Alternate Treasury Officer of Accounts, was in attendance.

The Comptroller and Auditor General's Report on Delivering successful IT-enabled business change (HC 33-I&II) was considered.

Mr Ian Watmore, Permanent Secretary and Head of Group, Delivery and Transformation Group, Cabinet Office, and Mr John Oughton, Chief Executive, Office of Government Commerce, gave oral evidence (HC 113-i).

The witnesses withdrew.

### **Draft Reports**

A draft Report (Improving literacy and numeracy in schools (Northern Ireland)), proposed by the Chairman, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 19 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

*Resolved*, That the Report be the Second Report of the Committee to the House.

*Ordered*, That the Chairman make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Another draft Report (Collections management in the national museums and galleries of Northern Ireland), proposed by the Chairman, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 17 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

*Resolved*, That the Report be the Third Report of the Committee to the House.

*Ordered*, That the Chairman make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Another draft Report (Gas distribution networks: Ofgem's role in their sale, restructuring and future regulation), proposed by the Chairman, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 39 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

*Resolved*, That the Report be the Fourth Report of the Committee to the House.

*Ordered*, That the Chairman make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Another draft Report (Postcomm and the quality of mail services), proposed by the Chairman, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 30 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

*Resolved*, That the Report be the Fifth Report of the Committee to the House.

*Ordered*, That the Chairman make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Another draft Report (Gaining and retaining a job: the Department for Work and Pensions' support for disabled people), proposed by the Chairman, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 28 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

*Resolved*, That the Report be the Sixth Report of the Committee to the House.

*Ordered*, That the Chairman make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

### **Spring programme**

The Committee considered this matter.

[Adjourned until Wednesday 29 November at 3.30 pm.]

## List of Witnesses

---

**Ms Lesley Strathie**, **Mr Mathew Nicholas**, Jobcentre Plus and **Mr Adam Sharples**, Department for Work and Pensions.

## List of written evidence

---

<b>National Audit Office</b>	Ev 15
<b>Department for Work and Pensions</b>	Ev 19

## List of Reports from the Committee of Public Accounts Session 2006–07

First Report	Tsunami: Revision of support for humanitarian assistance	HC 25
Second Report	Improving literacy and numeracy in schools (Northern Ireland)	HC 108
Third Report	Collections management in the National museums and galleries of Northern Ireland	HC 109
Forth Report	Gas distribution networks: Ofgem's role in their sale, restructuring and future regulation	HC 110
Fifth Report	Postcomm and the quality of mail services	HC 111
Sixth Report	Gaining and retaining a job: the Department for Work and Pensions support for disabled people into work	HC 112

The reference number of the Treasury Minute to each Report is printed in brackets after the HC printing number