

# **Remploy Response to the Mission-led Business Review Call for Evidence**

## **About Remploy**

1. Remploy is the UK's leading provider of specialist employment support for people with disabilities and health conditions. We operate a national network of more than 60 branches and offices across England, Scotland and Wales and are the largest provider of the Department of Work and Pensions' Work Choice programme. Since 2010, we have supported over 100,000 disabled and disadvantaged people into sustainable employment.
2. Remploy's mission is to transform society and the lives of disabled people by creating equality in employment; facilitating their access to sustainable employment and careers and enabling them to achieve their ambitions and maximise their potential. This mission is written into the legal articles of the organisation.
3. In 2015, Remploy left Government ownership in a partnership between MAXIMUS and Remploy employees. Remploy colleagues are co-owners of the business, holding a 30% stake. All colleagues also elect 22 representatives to an ownership council which appoints two members of the 6 person Remploy board. This allows Remploy colleagues to influence the direction of the business, redistribute a percentage of our profits and protect and expand the delivery of Remploy's social mission.
4. Remploy meets 3 of the 4 characteristics for a mission-led business, as outlined in the mission-led business review's call for evidence document:
  - Remploy's mission identifies a positive social impact as a central purpose of our business.
  - This mission is written into the articles of our business, making a binding commitment to deliver on it.
  - Remploy reports on its social impact to its stakeholders.Similarly, whilst we do not meet the fourth criteria of distributing all of our profits, since leaving Government ownership we have committed to donating a substantial profit share to charitable causes. Remploy colleagues are currently voting to choose a national charity to receive £50,000 of this money.

## **Remploy's Response to the Review**

1. Remploy welcomes the government's mission-led business review. We believe that, whilst there is considerable understanding of the charity and non-profit sector in the UK, there appears to be a lack of understanding of private businesses, such as Remploy, that deliver a social mission. We therefore believe this review is timely.
2. Whilst Remploy does not share all the characteristics of a mission-led business, as outlined in the review's call for evidence, we are driven by our mission to transform society and the lives of disabled people. The Government should consider widening its definition of mission-led businesses to include companies such as Remploy that have a clearly defined mission written into the legal articles of their organisation.
3. There are a number of reasons why an organisation may want to become a mission-led business. In Remploy's case, we were defined by our mission before we became a profit-making business, with a heritage of over 70 years of supporting disabled people into employment as a non-departmental public body. In fact, our move out of public ownership was designed to provide the freedom and flexibility required to better follow our mission to transform society and the lives of disabled people.
4. There are clear advantages to being a mission-led business. We believe that Remploy becoming a mission-led business has led to increased levels of employee engagement, with colleagues feeling driven to improve business performance by our mission to transform society and the lives of disabled people by creating equality in employment. Having a defined social mission also helps us to retain talent within the workforce.
5. Nevertheless, despite the obvious advantages of being a mission-led business, there is a potential risk that some mission-led businesses may experience "mission creep" as time passes. There are a number of practical steps that mission-led businesses can take to avoid this. For example, businesses could consider making a formal commitment to their mission by writing it into the legal articles of their organisation, as Remploy has done.
6. Similarly, mission-led businesses could also commit to ensuring that commercial contracts that they undertake properly meet the aims and objectives of their mission. This could be achieved by allowing proper scrutiny of their organisation by key stakeholders through structures such as employee councils or stakeholder participation groups.
7. One difficulty that mission-led businesses face is in raising awareness of, and calculating, the additional social value that they provide over other organisations. One way in which this can be measured is through a Social

Return on Investment (SROI) calculation, collated by an accredited SROI practitioner. SROI is a principles-based method for measuring extra-financial value relative to resources invested, such as social or environmental and social value, that is otherwise not reflected in conventional financial accounts. For example, Remploy's last published SROI figure found that, for every pound invested in Remploy, we made a social return of £2.51.