



Oifig an Ard-Rúnaí  
An Roinn Coimirce Sóisialaí  
Áras Mhic Dhiarmada  
Sráid Stórais  
Baile Átha Cliath 1

Office of the Secretary General  
Department of Social Protection  
Áras Mhic Dhiarmada  
Store Street  
Dublin 1

( (01) 7043000

Facs / Fax (01) 7043721

Mr Ted McEnery  
Clerk to the Committee  
Committee of Public Accounts  
Leinster House  
Dublin 2

26 March 2014

**Re: Payments made to the Rehab Group of Companies**

Dear Mr McEnery,

Your correspondence of 10<sup>th</sup> March regarding payments from the Department to the Rehab Group of companies refers. Following a trawl of the DSP payments systems, the total paid/allocated to the Rehab Group in 2013 is estimated at over €4 million comprising the following:

	€
1. Wage Subsidy Scheme (WSS)	2,611,383
2. Community Employment (CE)	644,867
(Direct)	
CE (Indirect)	612,500
3. LoCall Leaflet	104,363
4. Disability Activation Project	52,139
5. Other	8,366
Total	4,033,618

Details of these payments and additional information are given in the Appendix attached. Please note that the nature of the payments can vary and are not final in some cases. Please let me know if the Committee requires any further information.

Yours sincerely

Niamh O'Donoghue  
Secretary General



## APPENDIX

### 1. Wage Subsidy Scheme (WSS)

The WSS is a Department of Social Protection (DSP) employment support to the private sector for the employment of people with disabilities. The WSS provides financial incentives to private sector employers to hire people with a disability for between 21 and 39 hours per week under a contract of employment. The total expenditure figure for WSS by the Department in 2012 was almost €10.6 million in respect of 1,006 employees being supported.

The basic subsidy rate is €5.30 per hour and the subsidy is incentivised under three strands, based on the number of employees with a disability engaged. The employer can benefit from one or all, simultaneously depending on the number of employees with a disability recruited by the employer under the scheme.

- **Strand I** - is a general subsidy for any perceived productivity shortfall in excess of 20% for a person with a disability, in comparison a peer who does not have a disability. An employee must work a minimum of 21 hours per week up to a maximum of 39 hours per week. The rate of subsidy is €5.30 per hour and is based on the number of hours worked, giving a total annual subsidy available of €10,748 per annum based on 39 hour week.
- **Strand II** - is based on the total number of employees with a disability in a company, an employer can apply for a grant to cover additional costs ranging from an additional 10% for 3-6 employees to a maximum of 50% of the wage subsidy for 23+ employees with a disability based on the following rates. Strand II grants are intended to cover the additional supervisory, management and other work based costs which may derive from the firm's decision to specifically employ more than two people who have a disability.

3 to 6 employees with a disability	10% top-up of wage subsidy paid
7 to 11 employees with a disability	20% top-up of wage subsidy paid
12 to 16 employees with a disability	30% top-up of wage subsidy paid
17 to 22 employees with a disability	40% top-up of wage subsidy paid
23 to 30+ employees with a disability	50% top-up of wage subsidy paid

- **Strand III** - is where 30 or more people with a disability are employed, employers can avail of a grant of €30,000 per annum to assist with the cost of employing an Employment Assistance Officer. (This is calculated on cohorts of 30 employees and not on a pro-rata basis).

Rehab Enterprises Ltd is eligible to avail of all 3 Strands of the scheme.



## **Payments to Rehab Enterprises Ltd under the Wage Subsidy Scheme.**

Rehab Enterprises received the following amounts from the Department under each strand:

<b>2012</b>	<b>2013</b>
Strand 1 - €1,682,496	€1,640,295
Strand 2 - € 840,924	€ 821,088
Strand 3 - € 150,000	€ 150,000
<b>Total €2,673,420</b>	<b>€2,611,383</b>

At the end of 2012 and 2013 Rehab Enterprises Ltd had 176 and 173 employees respectively registered on the scheme.

The purpose of this demand led programme is to increase the numbers of people with disabilities participating in the open labour market. An employee with a disability on the WSS is subject to the same conditions of employment as other employees. These conditions include all employees being subject to PRSI contributions and income tax deductions and having the same entitlement to annual leave. The employer must pay the employee with a disability the going rate for the job (at least minimum wage).

## **2. Rehab Community Employment schemes (CE)**

Community Employment (CE) is designed to enhance the employability and mobility of disadvantaged and unemployed jobseekers by providing work experience and training opportunities for them within their communities. CE projects are typically sponsored by community and not-for-profit companies, and to a lesser extent public bodies, wishing to benefit the local community. Projects provide a valuable service to communities while at the same time providing training and educational opportunities to jobseekers.

Grants to schemes are made under the following headings:

- Supervision
- Materials
- Training/Development
- Participant Allowances

### ***2.1 Main objectives of the Rehab CE Schemes***

The main objective of these CE schemes is to provide quality community-based services to adults with learning/intellectual disabilities and to provide quality work experience to CE participants. The Rehab Group currently has two CE schemes - one in Nenagh, Co. Tipperary and one in Shannon, County Clare that also covers Limerick and Ennis. The total number of CE places allocated to these schemes for 2014 is 45. A further scheme – Carlow Rehab CE Scheme - closed in May 2013 and the participants were accommodated on another local CE scheme.

The work experience undertaken by participants is in the provision of social care services ranging from social care work, independent living facilitators, to maintenance and reception work. All participants are trained in the areas of Manual Handling, Health & Safety and Disability Awareness. Training and development is also provided in Practical Core Skills and Living Skills to encourage participants to maximise their contribution to the sector.

## **2.2. Funding to Rehab Group under CE**

Grants paid and allocated under CE to the Rehab Group of companies are set out below.

**Table 1: CE Rehab Care Expenditure**

<b>Expenditure Heading</b>	<b>2011/12 Paid</b>	<b>2012/2013 Allocation</b>	<b>2013/2014 Allocation</b>
Participant Wages	564,072	487,500	525,000
Materials	31,622	25,320	23,199
Supervision	177,505	125,047	125,047
Training	11,148	7,000	10,500
<b>Actual Expenditure</b>	<b>784,347</b>	<b>644,867</b>	<b>683,746</b>
<b>No of CE Projects</b>	<b>4</b>	<b>3</b>	<b>2</b>
<b>No of CE Places</b>	<b>54</b>	<b>42</b>	<b>45</b>

## **2.3 CE Places where Rehab Care is not the Sponsoring Organisation**

In addition to the direct funding to Rehab Care, as outlined above, Rehab Care avails of CE places from other schemes, where the main sponsoring organisation places CE participants in Rehab Care services. In this instance, Rehab Care does not receive any direct funding from the Department – rather the funding associated with these participants goes directly to the sponsoring organisation which is responsible for the overall management of these participants. Participants are paid directly by the sponsoring organisation and not by Rehab Care. The current number of CE places with Rehab Care under this heading is 49 participants. The value of the allowances incurred by these participants on an annual basis is estimated at €612,500.

## **3. LoCall Leaflet Line**

The Department has since 2006 made annual payments to the Rehab Group in respect of an information leaflet and forms despatch service provided by Rehab Enterprises Ltd. The service responds to requests for information leaflets and application forms on any social welfare scheme or service, received from members of the public at any time, via the LoCall Leaflet Line, SMS text (51909), email or via the Department's website.

The service operates in line with EU Directive 18 / 2004, which makes provision for reserved contracts for the performance of such services by those in sheltered workshops or in sheltered employment programmes. Rehab Enterprises Ltd delivers the information leaflet and application form despatch service through the employment of people with disabilities. Payments to Rehab Enterprises in 2012 and 2013 were €112,712 and €104,363 respectively. The estimate for 2014 is €109,000.



The Department's requirement for an information leaflet and application form request and dispatch service was reviewed at the end of 2013. It was decided that the service should continue to be outsourced in line with EU Directive 18/2004, which is considered by the Department to be a valuable mechanism for persons with disabilities to become integrated in a workplace environment, enabling them to acquire skills which equip them to progress to more mainstream employment in some instances.

A Request for Tender (RFT) for the provision of a publications despatch service, restricted to organisations which provide services through sheltered workshops or in sheltered employment programmes, has been published on the Office of Public Procurement website at [www.etenders.ie](http://www.etenders.ie) and in the Official Journal of the European Union at <http://ted.europa.eu/TED/main/HomePage.do> with a closing date of Friday 25<sup>th</sup> April, 2014 for receipt of tenders.

#### **4. Disability Activation Project (DACT)**

The Department is co-funding (with the European Social Fund (ESF)), in the BMW region, the Disability Activation Project (DACT), a series of 14 individual projects, the purpose of which is to provide an insight into how best to engage with people with disabilities with a view to improving their employment prospects. The decision to award funding to these projects was made on foot of recommendations from Pobal following an open tendering process which was managed by Pobal on behalf of DSP.

These projects commenced in 2013 and will run until April 2015. Funding is divided equally between DSP and the ESF. Three of the projects are sponsored by the National Learning Network (NLN), the training division of Rehab, and these have been awarded funding (which covers the entire duration of the projects) as follows:-

- i. National Learning Network - Comprehensive Transition Plan for adolescents with autism/learning disabilities (Donegal) - total funding of €758,716 of which DSP is providing €379,358. No funding has been provided in respect of this project to date.
- ii. National Learning Network – Linking In - Developing early supportive interventions for people on Illness Benefit to promote reintegration specifically in the SME sector (Galway, Mayo & Roscommon) - total funding of €462,899 of which DSP is providing €231,450. €18,827 has been paid to date.
- iii. National Learning Network – Personal Employment Pathway - Developing a personalised integration strategy for participants below FETAC 3 level (Laois, Offaly, Westmeath) - total funding of €699,728 of which €349,864 is being provided by DSP. €33,312 has been paid to date.

## 5. Other Payments:

In addition to the above, the following payments were made to Rehab Enterprises by the Department, for the period from 01/01/2012 to 20/03/2014:

Organisation	Service/Paying Scheme	Amount €
Rehab Enterprises	Confidential Waste Processing and general maintenance	7711
	Disability Activation and Employment Support Grant	655

