

Investigating the Prisoner Finance Gap across four prisons in the North East

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Within the underpinning context of reducing re-offending of released prisoners, the Prisoner Finance Gap (PFG) has been identified as an issue likely to present a significant barrier to the effective resettlement of offenders. The Hallam Centre for Community Justice was, therefore, commissioned by the Department for Work and Pensions (DWP) to conduct an investigation into the PFG within four prisons in the North East: Her Majesty's Prison (HMP) Durham, HMP Acklington, Her Majesty's Young Offenders Institution (HMYOI) Castington and HMP Low Newton.¹ The aims of the research were to:

- investigate the nature of the PFG and the systems in place to address it;
- examine the extent to which pre-release inputs impact on financial inclusion on release and the obstacles and barriers to take up of these inputs; and
- assess the nature and effectiveness of strategic and operational relationships.

The research was conducted between April 2009 and May 2010 and included a literature review, semi-structured interviews with strategic and policy stakeholders (n=9), staff from prison, probation, voluntary sector agencies and Jobcentre Plus (n=34), prisoners (n=51) and ex-prisoners (n=21), and an online survey.

¹ Durham is a Category B local prison; Acklington a Category C adult male establishment; Castington a juvenile and young offenders' closed establishment, and Low Newton is a female prison.

Background and policy context

The origins of the PFG are commonly traced back to a series of social security reforms enacted in the late 1980s, which included changing benefit payments to fortnightly in arrears rather than in advance.

The remit of prisoner financial problems, however, extends more widely to issues such as access to basic current bank accounts and 'affordable' forms of credit, and money management learning and skills. Initiatives undertaken to address the PFG include: Community Care Grants (CCG) and Crisis Loans from the Social Fund; Debt advice and Third Sector Financial Services Expansion; access to bank accounts pre-release; Financial Capability Training (FCT); Freshstart support and Employments and Benefits Surgeries (EBS) advice and support.

Financial issues faced by prisoners and ex-prisoners

A widespread picture of financial difficulties emerged from the research, including:

- **Delays in receiving benefits.** Prisoners reported delays in receiving benefits of between two weeks and three months, in some cases caused by failure to attend the Freshstart interview or providing incorrect paperwork. Antipathetic attitudes to Jobcentre Plus staff, a lack of understanding amongst staff of problems faced by offenders and previous negative experiences were seen as inhibiting engagement post-release. The extent to which the delay impacted on re-offending was unclear, though a small number reported that they had re-offended.

- **Discharge Grant.** The Discharge Grant was considered to provide inadequate financial support until benefit payments were received, even where payments were received in the minimum two week period. Ex-prisoners reported that the Discharge Grant typically lasted only two days and they spent it on essentials, e.g. food and clothing. A small number reported spending it on drugs and alcohol.
- **Crisis Loans and CCGs** were seen as fundamental to managing the finance gap immediately following release. There was some confusion amongst prisoners about the differences between the two. Most prisoners reported receiving less than they had applied for and it was felt that a seemingly arbitrary range of factors impacted on the likelihood of receiving a grant.
- **Access to bank accounts.** Difficulties in accessing bank accounts were attributed to a range of factors: lack of ID; reluctance of banks to open accounts; difficulties caused by previous mismanagement of accounts. In spite of this, many of the ex-prisoners who tried to access bank accounts on release reported success.
- **Outstanding debts.** Debts were often exacerbated by the custodial sentence when, for example, tenancies were not properly closed down or direct debits not stopped. The level of anxiety about debt varied and some prisoners reported being less motivated to address debt while in prison. There was some indication that some debts were viewed differently: outstanding fines and crisis loans were sometimes viewed as less significant than other forms of debt.
- **Poor financial management skills.** Low levels of basic skills have an impact on financial management skills, which are generally very poor. Lack of financial skills was particularly marked amongst young offenders. Women prisoners were considered less likely to admit to debt but to have better financial management skills.
- **Reliance on family and friends.** This was both direct in the form of loans and indirect in the form of provision of accommodation. Women ex-prisoners reported on relying on help from family in looking after children while in prison and on release. This reliance impacts negatively on friends and family who are often themselves reliant on benefits.
- **Links with other resettlement issues.** Financial issues are often impacted by, or impact on, a range of other complex and inter-linked needs. Accommodation is inextricably linked with financial issues: maintaining accommodation requires a level of financial stability and increases the likelihood of being in employment. As well as direct financial impact of dependence on drugs and alcohol, drug and alcohol-dependent prisoners were less likely to be motivated to tackle financial issues.
- **Finding employment.** Perceived lack of employment opportunities as a result of offending history and aggravated by the current financial situation were felt to be a significant factor impeding prisoners from achieving financial stability. A lack of support from Jobcentre Plus in helping with finding employment was thought, in part, to be due to a lack of focus on employment and a limited understanding of the particular issues facing ex-prisoners. Finding employment was more challenging when prisoners were released to different areas – a particular issue for women offenders.

Initiatives and impact

There are a range of initiatives across the four prisons to address the issues identified above. These include:

- **Induction work.** Robust induction systems were in place and were critical for picking up immediate issues, particularly focused on closing claims and making arrangements for final payments. These ensured that benefits were only paid to those eligible and timely payments on release as well as enabling prisoners' families to claim appropriately.

The activities took up a large proportion of staff time but also offered opportunities to identify additional financial issues. Many prisoners did not remember being asked about financial issues at induction and found the process overwhelming.

- **Miscellaneous referrals, signposting and ongoing support.** The resources for dealing proactively with ongoing support and signposting were limited, with priority given to induction and pre-release work. Prisoners indicated that they would appreciate more face to face support but sometimes found it difficult to get appointments; concerns about resourcing had led to reluctance by some staff in adopting an outreach approach. The ability to signpost to organisations had been impacted by funding cuts in some prisons.
- **FTC.** The four prisons had made efforts to ensure structured activities were available, including FTC, accredited money and budgeting courses, and a pilot personal finance course. Offender motivation to attend courses is often low, exacerbated by poor numeracy levels, drug and alcohol issues and the attribution of financial difficulties to a lack of money rather than poor financial skills. Timing of courses so that they were undertaken near to the release date and flexible approaches were seen as important.
- **Pre-release processes.** Pre-release processes were effective and a primary focus for EBS staff. Activities were focused around benefit and claim pathways, arranging Freshstart interviews and CCG applications. Most prisoners reported having received pre-release contact though some had not been able to access support as a result of long waiting lists. There were good examples of pre-release employment support.
- **Impact of initiatives on release.** Freshstart appointments and pre-release advice on claiming benefits had eased contact with Jobcentre Plus but did not seem to impact on reducing delays in the payment of benefits. Ex-prisoners were positive about the assistance with CCG applications but did not report impacts from FCT or signposting to other services.

Inter-agency relationships and strategic priorities

Recent joint initiatives had been undertaken to facilitate effective working across DWP and Ministry of Justice (MoJ). Some Voluntary and Community Sector (VCS) stakeholders indicated that the overlap in remit between the two departments could make it difficult to establish effective joined up working; the importance of appropriate engagement and clear terms of reference for steering groups and other fora were also indicated. The development of integrated approaches to offender management was seen to have the potential to bring resettlement pathways together and improve relationships. The Finance, Benefit and Debt pathway was seen to have had fewer resources than other pathways as links with reducing re-offending and connections with other pathways was seen as poorly understood. Relationships with Local Authorities was key and likely to become more important but were patchy with relationships not embedded nationally.

At an operational level, staff relationships were good and communication was effective, though not always underpinned by formal protocols. Relationships between EBAs and prison/probation staff were facilitated by co-location. Relationships with VCS organisations were effective when embedded within the prison but impeded outside the prison by the sheer numbers of organisations involved. Information exchange with financial institutions and Benefit Delivery Centres posed particular problems but more direct relationships with the latter are being established.

Bridging the finance gap: key recommendations

A range of recommendations were identified, grouped into three main areas:

- **Integrated approaches** to improve the strategic presence for the pathway; enable clarity of remit, relationships and facilitate a better understanding of staff in other agencies of the particular issues facing prisoners and ex-prisoners. Recommendations also included suggestions for improved data sharing and capitalising on opportunities provided by strategic offender management initiatives.
- **Staff roles and responsibilities, resourcing and location.** Recommendations identified the benefits of co-locating EBS staff in dedicated resettlement units; better signposting to partner services, and suggestions for refocusing and restructuring of EBS roles.
- **Interventions and engagement.** Recommendations were aimed at improving interventions and engagement and building on existing good practice. They included recommendations for benefits payments, FCT, bank accounts, employment, motivation and engagement.

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