



Department
for Work &
Pensions

**Experimental Official Statistics:
P45 employment levels for
working age adult offenders in
England and Wales one year
after caution, conviction or
release from prison, 2005/06 to
2011/12**

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Summary

This publication looks at the P45 employment levels for offenders one year after their caution, conviction or release from prison.

P45 employment refers to periods of employment for which a P45 form was submitted to HMRC by the employer. It does not cover all employment; in particular, cash-in-hand, self-employment and some low-paid employment are not included.

For working age adult offenders cautioned, convicted or released from prison in England and Wales in 2011/12, the proportion in P45 employment one year after caution, conviction or release from prison stood at 32%. This figure has been stable since 2005/06 (the earliest year for which we have data).

In 2011/12, 60% of the working age population in England and Wales were employees (in employment that was not self-employment)¹. This figure is not directly comparable to the P45 employment level as there is a different age and gender mix between offenders and the general population. However, it still suggests that employment levels for offenders are much lower than those of the general population: less than a tenth of the in-work population² are earning below the levels at which P45 employment is compulsorily recorded, not enough to account for the difference in the levels.

Whether or not an individual is in P45 employment one year after their caution, conviction or release from prison shows a large amount of variation depending on the type of offence they committed, or the type of sentence received:

- Those receiving cautions (40%) or fines (37%) are the most likely to be in P45 employment one year on, whilst those released from prison are the least likely (17%).
- Those convicted of summary motoring offences (46%) are the most likely to be in P45 employment one year later compared to only 17% of those convicted of burglary or robbery (the least likely to be in P45 employment).

The report also includes breakdowns of these figures by age, gender and ethnicity.

The spreadsheet accompanying this publication³ contains time series data on all the results included in this report from the 2005/06 tax year through to 2011/12. Overall, there has been little variation in the P45 employment levels for offenders one year after caution, conviction or release from prison over this period.

¹ General working age population employment figures taken from the ONS Annual Population Survey.

² Based on figures from the ONS Annual Survey of Hours and Earnings.

³ Annex 1: One-Year P45 Employment Levels for Offenders, 2005/06 to 2011/12.

Data Source

In 2013, the Ministry of Justice (MoJ) and the Department for Work and Pensions (DWP) carried out a share of MoJ offender data, DWP benefit information and HM Revenue & Customs (HMRC) employment information.⁴ This publication is based on findings from that data share.

Results

The **one-year P45 employment level** referred to throughout this publication is defined as:

The proportion of working age adult offenders convicted of a recordable offence in England or Wales who are in P45 employment 52 weeks after their caution, conviction or release from prison.

P45 employment refers to periods of employment for which a P45 form was submitted to HMRC by the employer. It does not cover all employment; in particular, cash-in-hand and self-employment are not included.

In addition, it was not compulsory for employers to submit a P45 form for employment where the employee was earning below the Lower Earnings Limit for National Insurance Contributions⁵ although some employers do submit the form in these cases. Consequently some low-paid employment is excluded; figures from the ONS Annual Survey of Hours and Earnings suggest that this is less than 10% of the in-work population.

Overall One-Year P45 Employment Level for Offenders

For working age adult offenders cautioned, convicted or released from prison in 2011/12, the one-year P45 employment level one year later stood at 32%. This figure has been stable over time, varying between 32% and 33% over the period 2005/06 to 2011/12 (Table 1). This figure has been produced using a different methodology to previous MoJ-DWP-HMRC data-share publications – see the Methodology section for more detail.

In 2011/12, 60% of the working age population in England and Wales were employees (in employment that was not self-employment)⁶. This figure is not directly comparable to the P45 employment level as there is a different age and gender mix between offenders and the general population. However, it still suggests that employment levels for offenders are much lower than those of the general population: less than a tenth of the in-work population are earning below the levels at

⁴ Further information this data source is available in the January 2014 MoJ/DWP publication *Experimental Statistics from the 2013 MoJ/DWP/HMRC data share*:

<https://www.gov.uk/government/statistics/experimental-statistics-from-the-2013-moj-dwp-hmrc-data-share>

⁵ The Lower Earnings Limit is the amount an individual earns before they pay National Insurance Contributions and qualify for contributory benefits. The value of the Lower Earnings Limit is set for each tax year in the Budget; the level was £102 per week in 2011/12. Source: gov.uk:

<https://www.gov.uk/government/publications/rates-and-allowances-national-insurance-contributions>.

⁶ General working age population employment figures taken from the ONS Annual Population Survey.

which P45 employment is not recorded, this is not enough to account for the differences in the levels.

Table 1: Proportion of working age adult offenders in P45 employment one year after caution, conviction or release from prison, 2005/06 to 2011/12

Tax year	Volume of working age adult offenders cautioned, convicted or released in tax year*	% in P45 employment one year after caution, conviction or release from prison
2005/06	502,100	32%
2006/07	517,600	33%
2007/08	531,100	33%
2008/09	519,100	32%
2009/10	496,800	33%
2010/11	489,200	33%
2011/12	468,300	32%

*Based on offenders included in the 2013 DWP-HMRC-MoJ data share: 19% of offenders are not included. Further detail on this is given in the caveats section below.

Despite this overall stability, the one-year P45 employment level does show variation by the characteristics of the offender.

One-Year P45 Employment Level by Primary Offence Type

Where more than one offence is considered in a court case or cautioning occasion, the offence that attracts the most severe sentencing outcome is deemed to be the primary offence and other offences also dealt with in that case would be ignored. If two offences in the same case attract the same sentence, the offence with the statutory maximum sentence is deemed the primary offence. Only primary offences are included in the data share.

The P45 employment level one year after caution, conviction or release from prison varies depending on the offence (Table 2). Those convicted of motoring offences are the most likely to be employed: in 2011/12, 46% of those convicted, cautioned or imprisoned for summary motoring offences and 37% for indictable motoring offences. This is in part due to the high proportion of these individuals who commit the offence whilst already in P45 employment and do not lose their employment as a result. Over two-thirds of the employment spells counted towards the measure pre-dated the offence for those who received cautions or fines, compared to under half for those who received prison sentences.

By comparison, the lowest P45 employment levels are seen for those convicted of burglary or robbery (17% for both groups for those cautioned, convicted or released from prison in 2011/12).

These differences in the P45 level by offence type have persisted over time.

Table 2: Proportion of working age adult offenders in P45 employment one year after caution, conviction or release from prison by offence, 2005/06, 2008/09 and 2011/12

Offence**	Tax year of caution, conviction or release from prison *		
	2005/06	2008/09	2011/12
Summary motoring offences	40%	43%	46%
Indictable motoring offences	34%	34%	37%
Fraud and forgery	33%	34%	36%
Summary offences excluding motoring	37%	36%	35%
Violence against the person	33%	31%	31%
Criminal damage	34%	31%	31%
Drug offences	28%	29%	30%
Sexual offences	32%	27%	29%
Other indictable offences	26%	27%	28%
Theft and handling stolen goods	24%	24%	23%
Breach offences	22%	20%	21%
Burglary	17%	16%	17%
Robbery	15%	15%	17%

* The full time series is given in Table C of the accompanying spreadsheet.

** Full definitions of the offences listed here are given in the Glossary

One-Year P45 Employment Level by Disposal Type

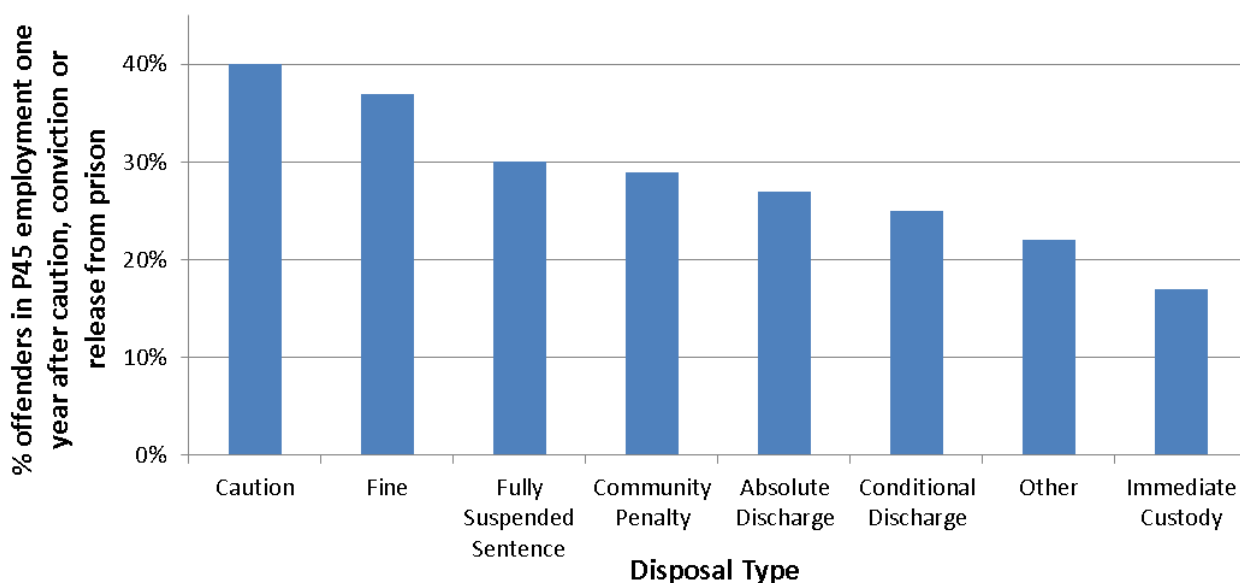
The disposal type for each offence is the most severe sentence received by the individual. An offender may receive more than one disposal type per offence and more than one offence per caution/conviction. The data used here refers to the primary disposal type given for the primary offence. Full definitions of each disposal type can be found in the Glossary.

As with offence type, disposal type is an indicator of whether or not the offender is likely to be in P45 employment one year after caution, conviction or release. There are strong links between disposal type and offence type; for example, in 2011/12 85% of those convicted for robbery received a custodial sentence (immediate custody) whilst 74% of those convicted of summary motoring offences received a fine. Consequently some of the differences seen here will be related to the differences seen in Table 2.

Those receiving cautions or fines are the most likely to be in P45 employment one year later: 40% of those receiving cautions and 37% of those receiving fines⁷ in 2011/12. By comparison, only 17% of those who are released from prison were in P45 employment one year later – this level is same for both under and over 12 month prison sentences (Chart 1).

⁷ These figures will not be representative of all offenders receiving fines as they only include recordable offences which resulted in a fine.

Chart 1: Variations in one-year P45 employment rates by disposal type, 2011/12



One-Year P45 Employment Level by Age

Those aged 21-24 have the highest P45 employment level at 35% for those cautioned, convicted or released from prison in 2011/12. For older age groups, the P45 employment levels remain slightly lower at 31% for 45-54 and 55-63 year-olds in 2011/12.

One-Year P45 Employment Level by Gender

The majority of offenders (82%) are male. Over time, the one-year P45 employment levels for men and women are stable but the levels are slightly higher for the male offenders – 33% for men cautioned, convicted or release in 2011/12 compared to 30% for women.

This is comparable to differences in employment levels for men and women in the general population – in 2011/12, 62% of men were employees (that is, not in self-employment) compared to 59% of females.⁸

One-Year P45 Employment Level by Ethnicity

The ethnicity classification used for this analysis is based upon the police officer’s visual perception of the ethnic appearance of the offender.⁹

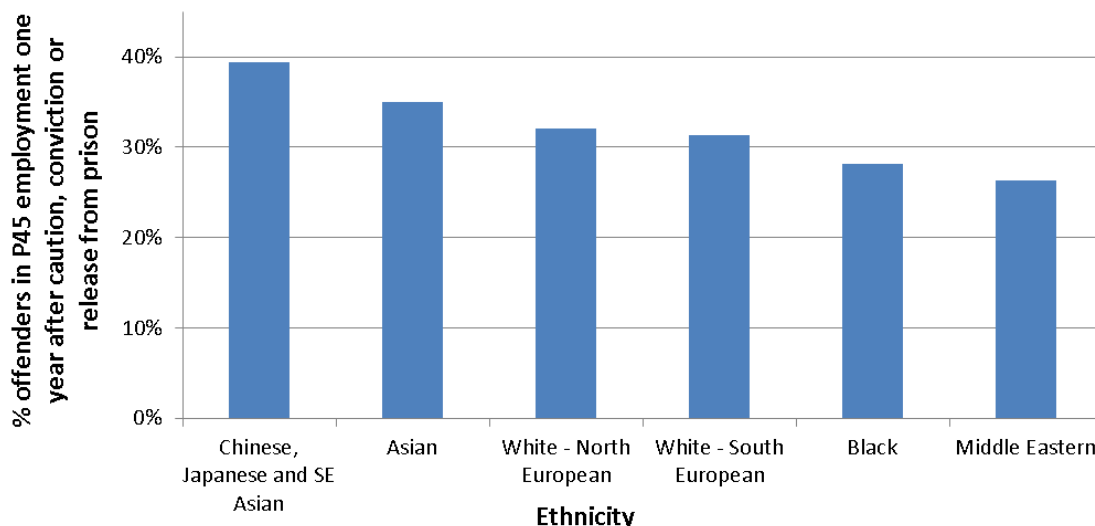
There is a variation in the one-year P45 employment level by ethnicity. The majority of offenders included in the cohorts are White North Europeans (83% in 2011/12, excluding cases where the ethnicity was recorded as unknown).

⁸ General working age population employment figures taken from the ONS Annual Population Survey.

⁹ This is the ethnicity classification used on the Police National Computer: the results should not be over-interpreted because any biases in the assessment are unknown. This is a definition of ethnicity commonly, but not exclusively, used in Ministry of Justice statistics.

In 2011/12, the highest one-year P45 employment levels have been for Asian and Chinese, Japanese and South-East Asian offenders (35% and 39% respectively), whilst Middle Eastern and Black offenders have the lowest (26% and 28% respectively).

Chart 2: Variations in one-year P45 employment rates by ethnicity, 2011/12



Note that, for ethnicity, as well as for age and gender, both offence and disposal type vary with these characteristics so some of the effects seen in the last three sections will be related to the P45 employment level differences for offence and disposal types.¹⁰

Accompanying Data

The accompanying spreadsheet contains the following tables:

- Table A: One-year P45 employment level for working age offenders by tax year, from 2005/06 to 2011/12.
- Table B: One-year P45 employment level for working age offenders by primary offence and tax year from 2005/06 to 2011/12.
- Table C: One-year P45 employment level for working age offenders by disposal type and tax year from 2005/06 to 2011/12.
- Table D: One-year P45 employment level for working age offenders by age group and tax year from 2005/06 to 2011/12
- Table E: One-year P45 employment level for working age offenders by gender and tax year from 2005/06 to 2011/12.
- Table F: One-year P45 employment level for working age offenders by ethnicity and tax year from 2005/06 to 2011/12.

¹⁰ The MoJ publication Criminal Statistics Quarterly provides more information about the links between offending and the characteristics discussed here: <https://www.gov.uk/government/collections/criminal-justice-statistics-quarterly>.

The offence, disposal type, age, gender and ethnicity information used to derive these breakdowns is taken from information recorded on the Police National Computer.

Methodology

These statistics have been produced using MoJ offender data and HMRC P45 employment and P14 income data as included in the 2013 MoJ-DWP-HMRC data share.

Offender data from the Police National Computer (PNC) has been used to identify offenders who were cautioned, convicted or released from prison in each of the tax years¹¹ between 2005/06 to 2011/12. The offenders in each tax year are referred to as the annual cohorts.

HMRC P45 employment records for these offenders have been identified to determine whether they are in P45 employment on the day exactly 52 weeks after the date of their caution, conviction or release. The proportion in P45 employment is calculated as the total number of individuals in each annual cohort with at least one P45 employment spell open on that date divided by the total number of individuals in that cohort.

The P45 employment data is used subject to the following considerations:

- An individual may have received more than one caution, convicted or prison sentence in a given tax year. In these cases, P45 employment is measured once for that individual on the date exactly 52 weeks after the date of their earliest caution, conviction or release in the relevant tax year. An individual may appear in multiple annual cohorts if they have committed offences in more than one tax year.
- All P45 employment spells open on the date of measure are included, not just those the individual has started since the caution, conviction or release from prison. Consequently, this measure is not a measure of the rate at which offenders find P45 employment following an offence or prison spell; many of the P45 employment spells included pre-date the offence (around two-thirds of the employment spells counted towards the measure). It also includes P45 employment spells that started before and ended after a prison spell if they are recorded as open on the measurement date.
- To improve the accuracy of the P45 data used, we have cross-referenced the P45 employment spells with HMRC P14 income data. This approach was developed following the identification that over 80% of the P45 employment spells which overlapped prison spells had end dates recorded as open.

The P14 income data is information taken from the P14 end-of-year summary forms submitted to HMRC by employers every tax year declaring an individual's pay in that year. In some cases, the forms also include the start and end dates of periods of employment.

¹¹ The tax year runs from the 6th April to 5th April.

To ensure that all the employment spells considered are open on the date of measurement, we have matched P14 data to all P45 employment spells used and removed any P45 employment spells if the P14 record provides evidence that the P45 employment spell was not open on the measurement date.

In cases where the P45 employment spells had no corresponding P14 income data, or where the P14 income data did not contain adequate information to draw a conclusion, the P45 employment spell was taken to be accurate.

This methodology has caused a consistent 3-5 percentage point decrease, varying depending on the tax year and characteristic, in the one-year P45 employment levels compared to those that would have been recorded if just the P45 data had been used.

Caveats

The following caveats should be taken into consideration when using these statistics:

- The 2013 MoJ-DWP-HMRC data share linked MoJ offender from the Police National Computer (PNC) to DWP benefit and HMRC benefit and employment records using combinations of the following personal information: forename, surname, date of birth, postcode and gender.¹² Only offenders included in the PNC data for whom a match to DWP or HMRC records could be identified are included in the final datasets – this is 81% of individuals recorded on the PNC between January 2000 and January 2013. The remaining 19% of offenders are excluded either because they genuinely did not have a DWP or HMRC record to match to, or because a match could not be identified due to insufficient information. This means that the volume of offenders in P45 employment identified in these statistics may be an underestimate.
- As P45 employment does not cover all employment, care should be taken if comparing these levels with employment rates taken from other sources as they may not be giving a like-for-like comparison. In addition, individuals who are not recorded as being in P45 employment may still be in employment such as low-paid or self-employment.
- The method of matching P14 income and P45 employment data was developed following analysis into the nature P45 spells that overlapped prison spells; analysis possible only as a result of the recent data share. The matching process used to link P14 and P45 records is a new use of the HMRC P45 and P14 data within DWP and the methodology used may be revised in future. For this reason, these statistics have been published as experimental and any comments or feedback on the approach are welcome.
- The data share only includes data on recordable offences; that is, offences recorded on the Police National Computer (PNC). This only includes around a fifth of all fines as the PNC does not generally cover less serious summary

¹² More information on the matching process used can be found in Annex A of the January 2014 MoJ/DWP publication *Experimental Statistics from the 2013 MoJ/DWP/HMRC data share*: <https://www.gov.uk/government/statistics/experimental-statistics-from-the-2013-moj-dwp-hmrc-data-share>

offences (such as TV licence evasion) which are more likely to receive a sentence of a fine.

Glossary

The following terminology is used throughout this publication:

- **P45 Employment:** P45 employment refers to periods of employment for which a P45 form was submitted to HMRC by the employer. It does not cover all employment; in particular, cash-in-hand and self-employment are not included. In addition, it was not compulsory for employers to submit a P45 form for employment where the employee was earning below the Lower Earnings Limit for National Insurance Contributions although some employers do submit the form in these cases.
- **Working age adult offenders:** For these statistics, adult offenders are taken to be individuals who are 18 or over at the point of caution, conviction or release from prison; they may have been under 18 at the time of offence. As this measure looks at employment, the age group is also restricted to those who were 63 or under at the point of conviction, conviction or release, and therefore 64 or under at the point at which P45 employment status is measured. The same age limits are used for male and female offenders.
- **Recordable offence:** These statistics look at cohorts of offenders who were convicted of a recordable offence between April 2005 and March 2011. A recordable offence is one that the police are required to record on the Police National Computer. They include all offences for which a custodial sentence can be given plus a range of other offences defined as recordable in legislation. They exclude a range of less serious summary offences; for example, television licence evasion, driving without insurance, speeding and vehicle tax offences. The types of recordable offence include:
 - **Indictable offence:** These offences are the most serious breaches of the criminal law and must be tried at the Crown Court before a judge and jury. Indictable-only offences include murder, manslaughter, rape and robbery.
 - **Triable-either-way offences:** These offences may be tried either at the Crown Court or at a magistrates' court. These offences include criminal damage, where the value is £5,000 or greater, theft, burglary and drink-driving.
 - **Summary offence:** These are offences usually only heard by a magistrates' court. This group is dominated by motoring offences, for some of which fixed penalties can be issued, but also includes such offences as common assault and criminal damage up to £5,000. The Police National Computer does not generally cover the less serious summary offences such as TV licence evasion and less serious motoring offences which are more likely to receive a sentence of a fine.
 - **Breach offences:** A breach is when an individual fails to comply with the conditions of their disposal.

The data share does not include the offence classifications introduced in July

2013; as a result, this analysis is based on those used prior to this date.

- **Disposal:** Disposal is an umbrella term referring both to sentences given by the court and pre-court decisions made by the police. The following disposal types are referred to in this publication and the accompanying data:
 - **Caution:** A caution can be administered when there is sufficient evidence for a conviction and it is not considered to be in the public interest to institute criminal proceedings. Additionally, an offender must admit guilt and consent to a caution in order for one to be administered. A formal caution may be given by, or on the instructions of, a senior police officer.
 - **Community Penalty:** A community penalty combines punishment with activities carried out in the community.
 - **Discharge:** When the court decides an individual is guilty but decides not to punish them further at this time, they will be sentenced to a 'discharge'. Discharges are given for minor offences. An **absolute discharge** means that no more action will be taken. A **conditional discharge** means that the person won't be punished unless they commit another offence within a set period of time (no longer than three years).
 - **Fine:** Fines are the most common criminal sentence. They are usually given for less serious crimes that don't merit a community or prison sentence. They limit the amount of money the offender has to spend. How much someone is fined depends on how serious the crime is and the offender's ability to pay.
 - **Suspended Sentence:** A court may give an offender a 'suspended' prison sentence if the time they would otherwise spend in prison is under 12 months. With a suspended sentence, the offender doesn't go directly to prison but they do have to meet conditions in the community, set by the court. These conditions can last for up to two years. If the offender breaks these conditions, or commits another offence, they will usually have to serve the original sentence in prison.
 - **Immediate Custody:** Immediate custody refers to a prison sentence. These are given when an offence is so serious that it is the only suitable punishment. A prison sentence will also be given when the court believes the public must be protected from the person.

Future Release Plans

This analysis will be updated following future updates to the MoJ-DWP-HMRC data share. This is anticipated to be on an annual basis.

The MoJ-DWP-HMRC data share provides new opportunities to explore the links between offending, employment and benefits. The approach to considering offender P45 employment levels used in this publication is a new one and may be subject to change as we learn more about the data involved. Any views on the content of this report are welcome and will be considered for future updates.

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