



Prison Reform Trust response to 'Local Support to replace Community Care Grants and Crisis Loans for living expenses – A call for evidence' (February 2011, Department for Work and Pensions).

The Prison Reform Trust works to create a fair and decent prison system. We do this by looking at how prisons are working, giving information to prisoners, staff and people outside and by asking the government and officials to make changes.

Our advice and information service responds to around 6,000 requests for help a year. Through this work we are aware of the difficulties many people leaving prison encounter when attempting to navigate the benefit system.

We welcome the opportunity to respond to the consultation 'Local support to replace Community Care Grants and Crisis Loans for living expenses'. We are pleased to read that the government intends to modernise the system and improve decision making. However, we are concerned about the impact that the proposed changes will have on people leaving prison and resettling in to the community.

Background

Around 66,000 people leave prison every year, one third of those without accommodation. The majority of these 66,000 people, (81%) will claim benefits. The Ministry of Justice has identified finance benefit and debt as reasons for reoffending. Assessments in 2007 found that over 23,000 offenders had financial problems linked to their offending.

The first three months of moving in to the community are a key time for resettlement and the time when most reoffending happens. The government's [Social Exclusion Unit Report in 2002](#) stated 'Not having enough money is likely to increase the danger of a prisoner reoffending within the first few weeks after release.'

[The National Audit Office reported in 2010 that reoffending by ex-prisoners in 2007-08 cost the economy between £9.5bn and £13bn each year.](#)

[The Ministry of Justice has set out plans for a rehabilitation revolution](#), which include working with the Department of Work and Pensions to increase reduction in reoffending outcomes. This can only be achieved if sufficient welfare support is given to people leaving prison, particularly those with no other means of assistance in the community.

Current situation: provision and difficulties

1) Discharge grant (provided to eligible people by the prison service)

Although the discharge grant was introduced to cover the benefit gap, it doesn't. The discharge grant is £46 (for people over 25) and £37 (for those between 18 and 24). The rates were set in 1995. The government's [Social Exclusion Unit reported in 2002 \(p 105\)](#) that "the prisoner discharge grant which is intended to meet a prisoner's immediate needs on release has not been increased in over five years and is usually less than one week's Jobseeker's Allowance."

There are literally thousands of prisoners that are ineligible for the discharge grant. This includes those released from remand, fine defaulters and those serving less than 15 days.

The discharge grant is currently the sum total of financial support people will receive on leaving prison. Very few people leave prison with any savings. The average wage in prison is currently £8 per week. Despite the assumed safety net of the discharge grant and the social fund, people leaving prison are often left without financial support.

2) Benefits Gap

There is widespread agreement that benefits should be available from the day of release. The current system is inadequate and counterproductive. The insufficient discharge grant can force people leaving prison into debt and reliance on the crisis loan system. Additionally, Job Seekers Allowance claims create particular problems as it is paid in arrears and preceded by 3 waiting days. This results in claimants getting their first payment after 17 days, at the earliest.

The Department for Work and Pensions should initiate a new system which ensures that the application process for benefits is completed while the person is in custody.

Living without any money is difficult for anyone. For people leaving prison, who may not have social networks they can call on for personal loans, and are highly unlikely to be able to source credit, they are in a very difficult position. This situation is clearly not conducive to encouraging a crime free life style.

Alongside the Social Exclusion Unit, other research such as [Locked up Potential](#) the report from the Centre for Social Justice and [Locked Out](#) from the Citizens Advice Bureau also recognised that delays in processing benefits means that many discharged people received no financial support when they most needed this.

3) Debt

In PRT and Unlock's recent research report, [Time is Money](#), we found that one in four prisoners interviewed owed money for a crisis loan. There has been sustained

criticism regarding using crisis loans to bridge the benefits gap as they are difficult to access and immediately place the person into debt.

Enabling former offenders to get out of debt should be a priority for government. Research just published by the Metropolitan Police, [An evaluation of the Diamond Initiative: year two findings](#), showed that getting out of debt was the primary factor in reducing reoffending.

Concerns regarding the new proposals and moving to local authority provision of community care grants and crisis loans for living expenses

Statutory Duty

We are extremely concerned that there will be no new statutory duty requiring local authorities to deliver the service. The reality is that without a mandatory duty being placed on local authorities, emergency assistance will not be provided. The provision of emergency support to the poorest and most vulnerable in society must be a statutory duty.

Providing goods rather than financial assistance

We note the expectation that local authorities provision could consist of access to food banks, furniture reuse facilities and other services. Providing claimants with information about these schemes and signposting to local organisations that can assist is appropriate. However, we are concerned about potential stigma and lack of choice for claimants. In addition, as the effectiveness of such a system would depend largely on local voluntary and community sector provision there will be wide variance in the support offered across the country.

[We note that a Refugee Council survey of 70 organisations working with people using the asylum seeker voucher scheme found it caused unnecessary suffering, mental distress and hardship.](#)

Ring fenced budget

Any provision for emergency funds to vulnerable individuals has to be ring fenced. It is too important to be left to compete with other priorities. Beleaguered local authorities have many demands on their resources and may not prioritise financial assistance for people in crisis

We are aware that there have been difficulties with the remote administration of the system, including less money being available for claimants at the end of the financial year. However, we are concerned that moving the budget into the local authority for their delegation will mean a cost averse system operates with staff involved in setting budgets being too close to the decision making for claimants.

Quality of decision making

We understand the current concerns about the quality of decision making within the social fund. However, moving the system to local authorities and giving them operational discretion will not ensure consistent and coordinated responses to claimants. In fact, with every council working to their own systems, it is highly likely to see decision making becoming more incoherent, patchy and unfair. As well as leaving vulnerable people in desperate situations and increasing the potential for reoffending, it will be open to challenge in the courts.

Postcode lottery

Failure to provide ring fenced funding and to build in minimum standards to any system will result in huge inequalities. The proposals will lead to a 'postcode lottery', with people leaving prisons receiving variable (or no) service and support .

Local connection

Currently, many people returning to their home area from prison or moving to a new area for resettlement reasons run into difficulties under the local connection provisions. We are aware that people have problems sourcing accommodation and social service support despite their legal entitlements to this. This is because budget strapped local authorities will sometimes do all in their power to offload someone on to another council. This situation is likely to be exacerbated in councils are receiving emergency requests for assistance from people who have recently left prison.

Guidance for local authorities

In 2003, social fund guidance was issued regarding crisis loans for people leaving prison. This clarified that their applications should be treated with particular urgency and sensitivity. The guidance highlighted the risk of reoffending if a former prisoner is destitute and provided information about the discharge grant for decision makers. Local authorities considering making payments to people leaving prison will need equivalent guidance as well as information about working with vulnerable people, people with mental health problems and learning disabilities or difficulties.

Review and appeal systems

We are concerned about the review and appeal processes for a system that is delivered through local authorities. Any review system for people needing urgent financial assistance needs to be expedited. Many council complaints departments are unable to deal with the volume of complaints they currently receive but will need to prioritise further complaints from claimants as a matter of urgency.

We would therefore ask the government to consider the following:

Review the potential for payment on account: there has previously been discussion of a system of payment on account and the Welfare Reform Act passed

in November 2009 gave the government powers to offer an advance on a first benefit payment when necessary.

We would also ask the government to:

- **Improve joint working between local authorities, NOMS and the DWP as promoted in the Ministry of Justice Green Paper, Breaking the Cycle**
- **Retain a national and centralised system for the social fund, with clearer guidance for decision makers**
- **Retain a ring fenced budget for social fund provision**
- **Increase the discharge grant to the same level in real terms as it was set at in 1995. This level of payment should be maintained in real terms.**

Note

For background information on people in prison see the latest edition of the [Bromley Briefing Prison Factfile](#)