

April 2019

RR3
Reducing Reoffending
Third Sector Advisory Group

Universal Credit and access to banking

The Reducing Reoffending Third Sector Advisory Group (RR3) advises the Ministry of Justice (MoJ) and HM Prison and Probation Service (HMPPS). The group has a formal agreement to provide the Reducing Reoffending Board (RRB) with their expert advice when asked to do so.

Members are senior leaders of voluntary organisations (charities and social enterprises) working with people in the criminal justice system and their families in England and Wales.

There are currently 16 openly recruited members of the RR3:

- Martin Blakebrough, Kaleidoscope
- Linda Bryant, Together for Mental Wellbeing
- Rod Clarke, Prisoners Education Trust
- Richy Cunningham, Recovery Connections
- Diane Curry, Partners of Prisoners
- Peter Dawson, Prison Reform Trust
- Mohammad Hanif, Arooj
- Nicky Park, St Giles Trust
- Mike Pattinson, Change, Grow, Live
- Chris Stacey, Unlock
- Laura Seeböhm, Changing Lives
- Jacob Tas, Nacro
- Riana Taylor, Circles UK
- Khatuna Tsintsadze, Zahid Mubarek Trust
- Emma Wells, Community Chaplaincy Association
- Tracy Wild, Langley House Trust.

The group is chaired by Anne Fox, CEO of Clinks, the infrastructure charity supporting voluntary organisations in the criminal justice system in England and Wales. Clinks also provide the secretariat.

An assessment of people's access to bank accounts in advance of leaving prison and upon release

Barriers to accessing bank accounts

Since 2014, a national bank account opening programme has been in place for people near to release from prisons in England and Wales. This involves the major high-street banks: Barclays, The Co-operative Bank, Halifax, HSBC, Santander and RBS (including NatWest). HMPPS data shows around 6,500 accounts were opened in 2016/17 – the highest number in a single year to date. However, over 70,000 people are released from prison each year,¹ and anecdotal evidence suggests arrangements have lapsed in a number of prisons due to change of staff or focus.

A number of barriers have been highlighted to the MoJ by Unlock.² We have set these out, alongside other barriers, below:

- **Patchy and inconsistent provision in prisons.** As demonstrated by HM Inspectorate of Probation's annual report, "We saw some cases where assistance was given, but in others this need was recognised too late, or else overlooked completely."³
- **Arrangements with banks are not standardised.** Some prison schemes require attendance at the bank branch on release, others limit access to those with less than six weeks to serve on their sentence,⁴ and some banks restrict numbers of applications from each prison to 20-25 per month,⁵ which is not enough to meet demand.
- **Lack of accountability and awareness.** There is a lack of understanding, by prison staff and residents alike, about the bank account schemes available.⁶
- **Lack of strategic oversight** by MoJ and HMPPS.⁷

The impact of this upon people's access to vital services, including Universal Credit and accommodation

Without a bank account people can experience delays accessing payments, both for employment and benefits, including housing payments. Universal Credit (UC) is paid directly into people's bank accounts, as are most salaries. A return to crime or work in the informal economy can therefore look like the only realistic option for prison leavers without a bank account. Further, they could be pushed into homelessness due to not being able to pay for accommodation promptly.

Solutions

- MoJ and HM Treasury to determine and allocate appropriate resources to provide strategic oversight of prison-banking schemes across England and Wales
- MoJ and HM Treasury to create a standardised process across all banks that removes the limitations imposed by some banks
- HMPPS to include specific information about the bank account opening scheme in their prison kiosks so prisoners can have direct access to the information
- MoJ to require probation service providers to ensure that all prisoners have a bank account in place before release, as part of their contract
- The government should respond to the learning garnered from the existing bank account programmes that, for UC claims, require prisons to find out whether someone has ID at the earliest point in their sentence.

An assessment of access to Universal Credit for people in and leaving prison

The key barriers to accessing Universal Credit for people in and leaving prison

The following flow chart⁸ details the main stages in a UC claim and the unique barriers people in prison experience. It is based on opening a new claim. If someone is already on UC before entering prison, either sentenced or on remand, the housing element of their claim will continue to be paid for six months.

Apply for a Universal Credit account	Attend an appointment to start a claim	Receive Universal Credit or apply for an advanced payment
<p>All claims made and managed via an online portal. The application needs to be completed in one sitting. If the prison leaver is unable to do this, they can: make an appointment at the Jobcentre with the Assisted Digital Team; or in exceptional circumstances phone the Service Centre who can complete the form on a prisoner's behalf.</p> <p>To make a claim a prisoner needs:</p> <ul style="list-style-type: none"> • A bank account • Identification • An email address • An address on release including a postcode. • National Insurance number. <p>They have 28 days to complete the claim online.</p>	<p>Once a claim has been submitted the claimant has seven days to arrange a meeting with a work coach at the job centre.</p> <p>Prison work coaches can provide support to arrange this meeting at the job centre.</p>	<p>A Universal Credit payment will be made approximately five weeks from the date of the claim.</p> <p>Many leaving prison will need to apply for an advanced payment loan. This can be paid into a bank account in three working days.</p>
<p>Barriers experienced by prisoners</p> <ul style="list-style-type: none"> • Lack of access to digital technology. • No ID or bank account, which is not routinely identified on reception or during prison sentences. • Lack of funds to pay for ID. • No email address and unable to set one up. • Short prison sentences prohibit time to support claims or gather relevant information. • Lack of consistent information and guidance provided by the Department for Work and Pensions (DWP). Nacro has confirmation from the DWP that citizen and bank debit cards are acceptable forms of ID but this information is not communicated locally. 	<p>Barriers experienced by prisoners</p> <ul style="list-style-type: none"> • Friday releases. More than a third of custody releases are on a Friday, preventing timely appointments being made on release. • Appointments not made until release, causing delays in payment. • Inconsistent support from work coaches and they are not present in every prison. Service users are often not aware of the timescales. The application lapses before they can make an appointment at the Jobcentre. • Lack of timely resettlement planning. This should take place three months before release. The prison regime, resource challenges and poor through the gate provision is preventing this taking place. • Missing information. Information, including medical records cannot be uploaded online. Due to issues with the DWP postal system, resulting in missing information, voluntary sector organisations advise clients to hand-deliver information. 	<p>In exceptional circumstances, if a payment is needed more quickly, provision can be made for a same day Faster Payments.</p> <p>Barriers experienced by prisoners</p> <ul style="list-style-type: none"> • Lack of ID verification delays payments as claims can't be processed without it. • Inconsistent and inaccessible information about advance payments and the application process given to service users. • Lack of bank account. In some areas the DWP allow payments into a third-party account to allow time for people to set up an account. • Unstable accommodation. Difficulty in sustaining accommodation on release if payments are delayed. • Poor budgeting support. Advanced payments might be significant, but there is no guidance or support with budgeting. • Gap in finances. The £46 discharge grant is unlikely to support prison leavers for five weeks until their first Universal Credit payment. Many people released from prison have no access to other funding.

The impact of this upon prison leavers' access to vital services

Lack of income has all the impacts one might predict– encouraging a return to acquisitive crime, or debt. Even for those determined to desist from crime it can lead to impossible dilemmas.

- It can make it impossible for people to attend probation appointments, for example, leading to breach proceedings and a return to prison
- It can make people an immediate burden to their families, undermining the support which they might otherwise receive
- It is likely to lead to having nowhere permanent to live in the absence of family support, making employment impossible to secure or maintain
- For the many people leaving prison with health problems, it is likely to make it impossible to get prescribed medication, raising the risk of crime and a resort to illegal drugs.

Suggestions of innovative solutions to overcome these barriers including how government departments can work better together to improve the service

The RR3 wants to see equity of outcome for people leaving prison and those in the community accessing Universal Credit and bank accounts. Our recommendations propose practical and achievable solutions to the barriers we have identified. The objective must be to ensure that people leaving prison have had their eligibility determined before release so that there is no period when they are without access to funds on release.

People in prison will typically 'earn' between £5 and £10 a week. As a Criminal Justice Joint Inspection shows, just over 50% of people serving short term sentences (under 12 months), and just over 40% of people serving long term sentences (over 12 months), require support with finance, benefits and debt on release.⁹ People leaving prison cannot build up a reserve to see them through a period without income and many will leave prison with debts that have built up during their sentence.¹⁰ For many, the £46 discharge grant will be the only money they have access to.

This means tackling the structural barriers identified in the chart above, as follows:

All government departments need to support the policy, clearly articulated by the Justice Secretary, to reduce the use of short custodial sentences. The impact of legislative decisions made across the government can have far reaching consequences for the CJS and often result in an increase in people serving short term prison sentences, despite the government's expressed policy intention to reduce these. For example, three bills have become law in the last 12 months which introduce a short custodial sentence as their key feature; including legislation that deals with shining laser pens at aircrafts and making it an aggravating factor in assault cases if the victim works for an emergency service. Three current bills supported by the government – offensive weapons, animal welfare and attacks on service animals – will also lead to more short custodial sentences if enacted.

Half of the people sent to prison every year serve a maximum of six months in custody, most of them far less. That is long enough to interrupt employment and access to benefits, but not long enough to restore them. Keeping someone in the community has been shown as the most effective way to address their offending behaviour.

For those who are still sent to custody:

- **MoJ and DWP to collaboratively develop a process for determining UC eligibility on reception to prison and linking this with resettlement support near to release.** This will have the advantage of securing any information about existing bank accounts, e-mail addresses and ID documents with a view to retrieving and preserving them.
- **MoJ to require probation providers as part of their contract to ensure that all prisoners have suitable ID and a bank account for UC claims and employment purposes.**
- **HM Treasury, MoJ and DWP to develop and roll out schemes to provide affordable ID to people serving prison sentences.**
- **DWP to develop and provide consistent guidance and accessible information about advance payments and the application process to people leaving custody.**
- **DWP and MoJ to ensure guidance on acceptable ID for UC claims matches the requirement placed on probation providers to support individuals in securing ID.**
- **DWP and MoJ to provide work coach appointments either in prison or via Skype at least three months prior to release, or immediately after reception into prison** where the time in custody is likely to be less. This must be for all prisoners, including prisoners held on remand awaiting conviction or sentence.
- **HM Treasury and DWP to fund a recorded delivery service for medical and other documentation that cannot be uploaded online.**
- **MoJ to add timely completion of UC applications to the planned performance indicator for prisoners in employment after release.** The performance measure should be framed around the means to subsist – whether through work or access to UC – not employment alone, though we would support a target which made it clear that employment was the preferred outcome.
- **Cabinet Office to secure a cross government commitment to controlled internet access** to allow prisoners to make applications for UC online using an existing email address or a new one provided in prison. Ideally this would be in prison cells, but in the interim under the supervision of resettlement staff.

Many prisons have the technology to support controlled access to the internet either in classroom environments or in cells that are already cabled. The barriers to internet access are not technical; prison staff are able to use the internet in prison, with their usage closely monitored by governors.

The current UC pilots in HMPs Belmarsh, Wayland and Norwich are welcome and it is critical that learning from the sites is implemented across the estate. HMP Wayland already has in cell telephones and laptops for all prisoners. **We recommend that access to ICT in cells is extended to include controlled access to the internet to give prisoners the autonomy to make a UC application, reducing reliance on work coaches and resettlement staff.** The outcomes from this pilot, including savings to the public purse resulting from a reduction in resource needed to support prisoners to make UC claims, should be compared with the other two pilots that only enable internet access in classrooms.

The government should set a deadline for this work to be complete – our suggestion would be by the end of 2019.



As an interim measure, to show that the government understands the urgency of the problem and to create an incentive to deliver a long term solution, HM Treasury should set up a transitional fund. Overseen by DWP and MoJ, the fund should be for those people leaving prison who have insufficient funds to provide for the basics, such as travel, a roof over their heads and food, in recognition that the £46 discharge grant is wholly inadequate to cover these. Access to this fund could potentially be controlled by the supervising probation provider.



Clinks supports, represents and advocates for the voluntary sector in criminal justice, enabling it to provide the best possible opportunities for individuals and their families.

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Tavis House
1-6 Tavistock Square
London WC1H 9NA
020 7383 0966

info@clinks.org

🐦 @Clinks_Tweets

www.clinks.org

End notes

1. Ministry of Justice (2019) *Offender management statistics quarterly: July to September 2018*, Table 3.1. Online: www.gov.uk/government/statistics/offender-management-statistics-quarterly-july-to-september-2018 (last accessed 18.02.2019)
2. Unlock (2018) *Opening a bank account before release from prison: briefing December 2018*. Online: www.unlock.org.uk/wp-content/uploads/Bank-accounts-briefing-final.pdf (last accessed 31.01.2019)
3. HM Inspectorate of Probation (2017) *HM Inspectorate of Probation – Annual Report 2017*. Online: www.justiceinspectorates.gov.uk/hmiprobation/corporate-documents/annualreport2017/ (last accessed 06.02.2019)
4. Information submitted by St Giles Trust based on anecdotal evidence gathered from their resettlement services.
5. Information submitted by Nacro based on anecdotal evidence gathered from their resettlement services.
6. Unlock (2018) *Opening a bank account before release from prison: briefing December 2018*. Online: www.unlock.org.uk/wp-content/uploads/Bank-accounts-briefing-final.pdf (last accessed 31.01.2019)
7. Ibid.
8. The flow chart represents information provided by Changing Lives, Nacro and St Giles Trust based on their experiences providing front line resettlement support to people leaving prison.
9. HM Inspectorate of Probation and HM Inspectorate of Prisons (2017) *An Inspection of Through the Gate Resettlement Services for Prisoners Serving 12 Months or More*. Online: www.justiceinspectorates.gov.uk/cjji/inspections/throughthegate2/ (last accessed 01.02.2019)
10. Prison Reform Trust (2018) *Bromley Briefings Prison Factfile*. Online: www.prisonreformtrust.org.uk/publications/factfile (last accessed 01.02.2019)