

April 2019



Briefing for the Ministry of Justice implementation team's exploration into Universal Credit and the Discharge Grant

Background

This Clinks briefing aims to inform the Policy, Communications and Analysis Group's discovery work to understand the operation of the current Discharge PSI 72/2011, to inform the future policy direction. Specific areas being explored are the impacts of the current policy on reducing reoffending and protecting the public, and the use and impact of the discharge grant and other financial support, such as the Discretionary Housing Payment, upon release. Clinks has included information gathered from our State of the sector research¹ and from a call for evidence to voluntary organisations working with people in contact with the criminal justice system (CJS) and partners including Homeless Link and Mind who form the Making Every Adult Matter Coalition² alongside Clinks.

Unfortunately, the timescales for the discovery work have been prohibitive for full engagement and consultation with our membership of over 500 voluntary organisations. Clinks would be pleased to continue to support the Ministry of Justice to further engage the voluntary sector as this work develops.

Summary of key points

- Welfare reform, including the roll out of Universal Credit is pushing people into poverty, having a detrimental impact on their mental health and is preventing them from accessing accommodation.
- The value of the discharge grant is too low for people's basic needs to be met
- People leaving prison need to set up their Universal Credit claims before leaving custody to ensure swift receipt of benefit payments
- Additional support needs to be provided to people receiving large one-off payments to aid them with money management.

Findings from Clinks' State of the sector research

Clinks has been collecting information about how voluntary organisations working in criminal justice are faring for the last six years. Our 2018 report presents the most detailed information we have about these organisations to date. It explores what services organisations are delivering, to whom and how organisations are funded to do this. As well as a detailed analysis of financial information 1,433 organisations submitted to the Charity Commission, the research presents the findings of a survey which elicited a response rate of just under 200 voluntary organisations working with people in contact with the criminal justice system.

We asked organisations if they are seeing a change in the needs of the people they are working with. 80% said the needs of their services users have become more complex and 73% said the needs have become more urgent. Organisations provided qualitative information about how these needs have changed, many of them related to welfare reform including the introduction of Universal Credit. We have included the most pertinent information in the following.

Universal Credit is pushing people into poverty

Organisations told us that the roll out of Universal Credit, Personal Independent Payments and sanctions are having a detrimental impact on the people they are supporting, pushing them into poverty.

"Sanctions from the Department for Work and Pensions has meant no benefits for six months for some of our service users with learning disabilities ... some women have no food or heating."

Survey respondent

"Universal Credit makes life very difficult for our service users who have just left prison, they have nothing to live on, and we've received no Housing Benefit for them for two months."

Survey respondent

"Welfare reform has resulted in more periods of poverty, with clients less able to manage their tenancies, as there are weeks where they have no money whilst waiting on benefits claims. They are unable to pay service charges, utility payments and have lost their properties (particularly private rental properties)."

Survey respondent

One organisation in particular highlighted that their clients were re-offending due to the challenges they are experiencing in the community.

"Introduction of Universal Credit has resulted in a rise in grant applications for hardship funds following release. Recalls are having a disruptive effect on resettlement plans – however, in some cases reoffending is a deliberate tactic to get back into prison, either to sell drugs or in desperation as life outside presents such a challenge."

Survey respondent

This response also highlights the impact these issues have on voluntary organisations who are spending increasing time addressing people's basic needs and supporting people in crisis.

People are experiencing poor mental health

Respondents told us that poverty – and a finance gap as a result of waiting for benefits – on release from prison is having a detrimental effect on their client's mental health.

"We are experiencing an increase in mental health issues and loss of benefits. This is mainly due to lack of services and the change in Universal Credit."

Survey respondent

"The introduction of Universal Credit has disrupted a lot of people's recovery and wellness plans."

Survey respondent

"Welfare reform impact on vulnerable individuals - related financial management issues; fines, bailiffs, DWP interruptions to benefits; links to homelessness. More suicidal conversations; always high numbers presenting with mental health"

Survey respondent

Alongside this, organisations told us that accessing mental health provision in the community is challenging for their service users, with many statutory organisations raising thresholds for support and waiting lists becoming longer.

Accommodation is more challenging to access and maintain

The delays people experience with accessing Universal Credit and the withdrawal of payments for clients, including disability allowance, have made it more challenging for people to access safe, appropriate and secure accommodation on release from prison and whilst serving their sentences in the community.

"Clients have not had significant support while in prison and things such as benefit claims, accommodation, drug/alcohol support are more difficult to access. Offender managers are under stress with their workloads."

Survey respondent

"Welfare reform has seriously impacted on the people we work with. Housing associations who are implementing de-investment strategies in supported housing means it's harder to find affordable accommodation. Change to young people's benefits means we have young adults who are rough sleeping."

Survey respondent

"Welfare reform and the introduction of Universal Credit. Withdrawal of the disability allowances/premiums have made it less likely that our clients sustain their tenancies. Hostel charges are now more than half of their benefits even where benefits are in place. Lack of affordable accommodation. Local housing allowance too low."

Survey respondent

Response to rapid call for evidence

Through our communication channels we heard from: three service managers working for voluntary organisations in three different prisons; a voluntary organisation that supports people with multiple and complex needs in London; and a prison rehabilitation charity in London. Two respondents said some people in the most need were not being given a discharge grant which was directly leading them to commit further offences.

"I have experience of prisoners who ... desperately needed the £46 to get the basics such as food or they were being released No Fixed Abode and needed that money for a tent. Unfortunately he ended up stealing and ended up recalled a few days later."

"[the client] informed me that because he had spent only a short amount of time in Wandsworth prison, he would not qualify for any grants on his release and if I did not meet him at the gates, he would have to use public transport without a ticket."

In the absence of adequate financial support, people are becoming dependent on the support of voluntary organisations.

"All trainees are facing financial hardship upon release [from prison], but we manage to mitigate this to an extent by providing £30 of Tesco vouchers plus £5 phone credit and a travel card each week (all conditional upon their engagement). The five-week wait for Universal Credit is a new challenge too... [For one client] throughout those five weeks... he was entirely reliant on Tesco vouchers from us in order to eat."

"Clients have disclosed that if it was not for [our support worker] waiting at the gates they would find it difficult to travel to probation and their hostel place."

The value of the discharge grant needs to rise

Some people leaving prison will not be eligible for a discharge grant. Even for those that are, the £46 payment is insufficient to cover basic needs.

"The rate of inflation means that the grant is no longer fit for purpose. There needs to be an increase which reflects the rising costs."

"What I have found is that the £46 is not sufficient as some prisoners have nothing and would not be able survive on this for long before going back to crime."

Receiving large sums of money in the form of a discharge grant, however, may not be desirable for some people leaving prison, particularly those that have been engaging with substance misuse services. It is therefore essential to people's financial stability that they can quickly access regular benefit payments, and also receive support from organisations to help them manage the funds.

“We do not feel that a large sum would necessarily be beneficial considering the temptations faced by a high percentage of drug users leaving prison with low tolerance levels and as such, at risk of overdose.”

“Prisoners engaging with substance misuse services are usually targeted by dealers on release and end up using before they have reached the local train station and they are back to square one. I worked with one service user who had used his £46 by the time he got on the bus outside the prison.”

Payments are made monthly under Universal Credit, as opposed to the more regular payments received under the previous benefits system. The design of the benefit in this way therefore requires the kind of money management skills that people recently released from prison may not have, with particular risks posed to those who have a history of substance misuse.

Universal Credit claims need to be made before people leave prison to ensure swift access of benefits on release

Universal Credit is inaccessible for many people leaving prison as there are conditions on making a claim. One condition is that Universal Credit applications must be made online, requiring both digital literacy and digital access, both of which someone either in prison or recently released from prison may not have. As recognised in the Ministry of Justice's recently published Education and Employment Strategy, people in prison “cannot typically access the internet and as Universal Credit Full Service is a digital benefit, they currently cannot make an advance claim on the Universal Credit system prior to their release from prison.”³

For people who do make a successful claim, they can expect to wait five weeks to receive their first payment. It is possible to receive an advanced payment up to the full value of your first payment, though this must be paid back over the subsequent 12 months, which is therefore putting people into debt. We have heard that people are not always told about the availability of the advance payment by the Jobcentre.

The Education and Employment Strategy highlighted that the Ministry of Justice is working with the Department for Work and Pensions to explore ways to “deliver enhancements to the current benefit claim service with the aim of ensuring prison leavers have easier access to financial support on the day of release where needed.” This is most welcome but we are disappointed that progress on this has been slow and we are yet to see this commitment translate into practice.

Respondents highlighted the need for people to have speedy access to Universal Credit on release from prison, and described the detrimental impact of the five-week wait for Universal Credit on service users. For the current system to be as efficient as possible, people need to have all their relevant paperwork ready and an appointment ready at the Job Centre immediately on release to trigger their claim. Two respondents highlighted the need to start Universal Credit applications from prison itself, with one of these respondents told by an Offender Resettlement Worker from the local Community Rehabilitation Company that there was no way to start a benefit claim while in custody.

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"In terms of Universal Credit access, it might be helpful to be able to begin the process from prison in cases where people have no address. This would facilitate the process on release and mean that some of the most vulnerable (i.e. those with no address to go to) are able to access Universal Credit as soon as they are released."

"I feel that whilst in prison, there is a good opportunity to support clients to apply for benefits and, on their release, it would be easier for us to support them with appointments/ housing and other issues because they would not have to resort to begging or shop-lifting to meet their basic needs which could easily escalate to further criminal activities."

"I can give one example of a recent trainee who was released homeless back to London from HMP Onley (in the midlands). He was provided with the train fare back to Euston, and then used his discharge grant to buy a cheap phone and a few days of food. Despite signing on for Universal Credit, due to the 5-week wait for payment (he went to the Jobcentre in the first instance without us, so we weren't able to inform him about the potential advance payments, and the Jobcentre didn't tell him) he had to sleep in his friend's car for a week before being given supported accommodation via Croydon Council which was then closed down while he was in it, due to (apparently) the council pulling their funding, giving him two weeks' notice to find alternative housing."

"In our experience it normally takes around 8 weeks for benefits to be set up in the community. However, we had a service user that was released in the summer who had to wait considerably longer as he was unable to obtain the appropriate evidence that he was in custody. He was due to receive his personal independence payment (PIP) as he suffered from various health problems including mental health issues. He was released no fixed abode (NFA) and had to sofa surf for a number of weeks after release and £46 received as a discharge grant is not going to last someone very long."

It is likely that if people have access to Universal Credit immediately on release from prison, they will be less reliant on the discharge grant as they will no longer need this to bridge the finance gap between their payments. However, as the system currently stands people leaving prison need to wait a minimum of five weeks before receiving their Universal Credit payments.

Universal support

Universal Support is a specialist service aimed at providing additional support for certain people to make a claim and manage their payments. The services are seen as integral by the Department for Work and Pensions (DWP) to Universal Credit working for people with limited digital literacy and money management skills. The service was initially funded by DWP and delivered through local authorities. However, following difficulties with this arrangement, the DWP has now contracted Citizens Advice and Citizens Advice Scotland to run the Universal Support service from April 2019. Citizens Advice has committed to operate a multi-channel 'no wrong door' service, which will make Universal Support available face-to-face, over the phone and online through webchat and online content. It will be important that Citizens Advice considers how to make this service accessible to people in prison and those leaving prison. It is already piloting and testing these services, and we hope it considers involving people in and leaving prisons as part of these trials.



Future engagement

Clinks is pleased to have the opportunity to submit information to the Ministry of Justice and looks forward to future engagement as this work is developed.

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CLINKS

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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End notes

1. Clinks (2018): *State of the sector: key trends for voluntary sector organisations working in the criminal justice system*, Online: www.clinks.org/publication/state-sector-2018 (last accessed 21.12.2018)
2. More information about the Making Every Adult Matter coalition can be found here: www.meam.org.uk
3. Ministry of Justice (2018) Education and Employment: *Strategy for adult prisoners*. Online: www.gov.uk/government/publications/education-and-employment-strategy-2018 (last accessed 21.12.2018)