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UNLOCK
The National Association
of Reformed Offenders

Kenneth Clarke QC MP
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8 August 2011

Dear Mr Clarke,

I am writing to you regarding the Prisoners' Earnings Act 1996, with particular reference to Prison Service Instruction (PSI) PSA 48/2011 and the implementation of a 40% levy on earnings above £20 per week.

UNLOCK broadly supports the notion of work in prisons akin to your ambition described in the recent Green Paper, *Breaking the Cycle*. A prison estate in which all individuals work (unless incapacitated) is a laudable ambition and were it to come into being, UNLOCK would similarly support reasonable levies being made on wages, for example to support families. However to introduce a scheme directed solely at those in resettlement prisons working in the community is not, in our view, either reasonable or proportionate at the levels set down in the above PSI. Further it undermines effective resettlement for those who are subject to it.

I should like to draw your attention to enquiries we have received from people currently serving prison sentences who have recently become aware of the scheme and how it will affect them. One example of how the PSI will affect people is as follows:

Person A is employed for 20 hours a week outside the prison and earns £118.60 per week. Her earnings are too low for her to pay NI and tax. The victims levy will be £39.44 per leaving a balance of £79.16. At her prison, those in paid employment are only able to use prison transport to and from work if there is space available after those on unpaid work have been accommodated, which means that she must pay for her own transport - £6.50 per day. She must also pay for her clothes and toiletries etcetera as well as for all meals and drinks outside the prison. Because A is working, prison policy dictates she must divide her 'home leave' week in two, that is, not as a complete week but two halves. This means that she has to pay for transport to and from home twice each month, a round trip of 340 miles totalling 680 miles per month.

It is quite obvious that there will be very little left from A's earnings once expenses have been paid and the levy imposed. Further, it is the prison's policy that working individuals must save 50% of their earnings in a savings account, monitored by the prison through bank statement inspection, in order to be able to resettle on release. It is unclear how this would square with a 40% Victims levy. In fact it could not. Money which would have been put in the savings account to support personal resettlement needs such as rent deposit for a home, furniture, transport, creating a home for children returning from foster care, will no longer be available. This means that rather than become independent, A will be forced to apply for state benefits and loans. This makes no sense whatsoever.

Given the limited number of people we estimate are eligible to undertake paid work in the community and save to support their release, it is difficult to see how the scheme will generate sufficient funds to achieve a worthwhile outcome for Victim Support (much less victims themselves), yet it will do much damage to individuals who, after all, will have completed their sentences in accordance with all the demands placed upon them so as to become eligible to even apply for paid work. They will already have undertaken and completed voluntary work in the community, reparation in itself one would have thought.

It has been reported that since learning of this PSI, morale amongst people in resettlement prisons is low and outrage is high. Anecdotal evidence suggests that rather than effectively working for nothing (potentially even a net loss) people will refuse to undertake paid work. This completely undermines the purpose of resettlement prisons and the development by the individual of personal responsibility and an active role in their communities. That people in prison are so severely disincentivised from work is of no benefit to them, prison staff, resettlement activities, family cohesion, re-offending rates or past victims.

Information UNLOCK has received suggests Governors are already struggling with the practicalities of this policy. We have heard that refusal to work will result in withdrawal of privileges and in particular the withdrawal of home leave. Such a result would have a devastating effect on families who are trying to maintain relationships – especially those involving children.

There are of course other questions raised as a consequence of this scheme and I should appreciate some further information to answer these:

- What is the situation for those individuals who have student loans or who make pension contributions which are taken off gross earnings by employers?
- How many people will be affected by the PSI? What is the estimated total levy for the next, say, five years?
- What precise purpose is the money to be put to? How will people in prison, and indeed anyone, know how their money has been spent?
- What is the estimated impact on people's savings in monetary terms? What is the estimated longer term impact on their need to replace lost savings with state benefits?
- Will employees be compensated in lost interest for the period of time that NOMS holds their pay?

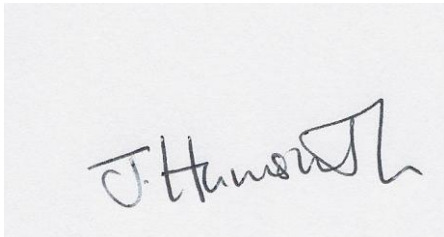
- What will happen to employees' wages if NOMS SSC is unable to properly verify which individual the money should be paid to (i.e. multiple similar names)?
- Can ROTL be withdrawn as a consequence of voluntary unemployment?
- Has there been any financial analysis of the impact of this policy change? Eg employer costs, shared services costs, local prison costs, costs for employees, costs of overheads in setting up grants administration process at Victim Support to delegate money down to other victims charities?

And finally, please be aware that UNLOCK has been approached by an organisation which provides practical support to employers such as Sainsbury's to encourage them to offer opportunities to people in prison, who says quite categorically that this would be a step too far for many employers. Already a challenge to navigate the hurdles of working with prisons and NOMS, the administrative burden and potential problems will place an additional burden on them and they will choose not to employ people in prison at all.

I would appreciate a response to the questions raised at your earliest convenience. Importantly, we request that you review the scheme very quickly on the basis of cost/benefit, proportionality and reasonableness. As things stand, the unintended consequences of this misguided PSI cannot be underestimated.

I look forward to your response.

Yours sincerely,

A photograph of a handwritten signature in black ink on a light-colored background. The signature is written in a cursive style and appears to read 'J. Harmsworth'.

Julie Harmsworth | Deputy Chief Executive and Director of Policy and Research