

Making banking services accessible to all

Sue Edwards argues that the Banking Code needs to ensure that banking services are accessible to vulnerable consumers

The Banking Code, a voluntary code of practice to which virtually all banks, building societies and credit card companies subscribe, is currently being reviewed. This provides an ideal opportunity for the Code to take into account the concerns of those who experience difficulties in accessing banking services, and to set out what banks should be doing to make financial inclusion a reality for the most excluded groups.

CABx often report cases where elderly people, people whose first language is not English, people with disabilities or with mental health problems are not treated appropriately or find it difficult to access banking services by telephone or online. The following examples are typical of the large number of cases we receive:

A Surrey CAB reported that a blind man needed help in dealing with his credit card company. A friend had been helping him deal with correspondence from the company but his friend could only do so the day after the due date for payment. Nevertheless the company insisted on charging interest on the late payment, and would not change the payment date.

A Yorkshire CAB reported that a housebound woman aged 90 needed to contact her bank to check whether her winter fuel payment had been paid into her account. She found the telephone menu so complicated to use she gave up

after several attempts, and had to write instead.

The local mental health team referred a man with bi-polar disorder to an Essex CAB for help with debts of £30,000. Although the CAB had written to all creditors explaining his mental health problems, a credit card company continued to phone the client to insist on payment. Every phone call exacerbated the client's mental health problem, and the CAB and his social worker spent a lot of time trying to reassure him.

Citizens Advice considers that if the Review is to address the issues we have raised above, a number of actions need to be taken. Firstly, the independent reviewer should ensure that he actively consults organisations representing vulnerable consumers. Secondly the Code must require subscribers to consider the needs of all consumers when changing the way in which they provide services. They must provide adequate branch services and face-to-face assistance to people who may not be able or confident enough to use automated processes, telephone or the internet. Finally the Code must adopt the Money Advice Liaison Group's guidelines on good practice in relation to people with mental health problems in financial difficulties.

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evidence



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The last post?

Tony Herbert analyses the results from a survey about post offices to draw policy implications for the future of the Post Office network

The future of the Post Office network has attracted a great deal of attention recently, featuring in exchanges at Prime Minister's Question Time and prompting over four million people to sign a petition organised by the National Federation of Subpostmasters. The reason for this? The Department for Trade and Industry's (DTI) proposals to restructure the post office network, by closing 2,500 Post Office branches whilst maintaining a post office network with national coverage.

Citizens Advice Bureaux, particularly those situated in rural or urban deprived areas, value the role of post offices (PO) to provide access to essential services such as access to money and bill paying, particularly for people who have no transport of their own.

To help shape our response to the government's consultation on the post office network, Citizens Advice undertook a public survey on our Adviceguide website (www.adviceguide.org.uk) during January 2007. In total more than 900 people completed the survey.

Current usage of Post Offices

Nearly a third of people who completed the survey visit a post office branch several times a

week, with eight percent claiming to visit a branch once a day. Strikingly, these figures are significantly higher for those aged over 65, half of whom visit a PO branch several times a week. Given this frequent usage, any closures are likely to have a more profound impact on the elderly.

Unsurprisingly, almost all survey respondents (96 percent) used the post office for postal services. Other post office services that are well used include paying car tax (63 percent) and collecting official forms (55 percent). However, some post office services are disproportionately used by certain groups. For instance, while only 45 percent pay bills at the post office, this facility is used by 60 percent of those over 75, and 63 percent of people in receipt of means-tested benefits. And while only 52 percent of all respondents buy other items such as newspapers, groceries, cards and stationery in the post office, this figure rises to 67 percent of respondents living in rural areas.

"I have a disability which makes it difficult for me to walk far on my own and use public transport. My local post office is within walking distance for me....[it] gives me a place where I can buy cards, newspapers and magazines plus stationery and stamps etc without having to rely

on others to take me or do it for me."

Disabled female

In terms of what people value about post offices, there was near unanimity that their convenient location is particularly important. Helpful counter staff and the range of products and services on offer at post offices also scored highly.

Asked about the 'community' role played by post offices, 82 percent felt that the post office fulfilled this role because it is a place to get official information. Yet for people living in rural areas the post office is a place to read community notices or receive informal advice from counter staff.

"I have until recently lived for five years in a very small village with no post office or shop and there was no sense of community spirit so I didn't get to know most of my fellow villagers..... where I live now the post office is the mainstay for lots of people including elderly, young parents, people with disabilities, young people and children"

Rural dweller

The impact of closure

Respondents were asked to consider how they would be affected by the closure of the post office branch they use most

often. In total, 55 percent said that they would be 'significantly affected' by closure, with a further 36 percent saying they would be 'quite affected'. Asked to consider the impact of closure on the local community, 74 percent said that it would be significantly affected by closure, with an additional 21 percent considering that their community would be 'quite affected'.

"if we were to lose our [post office] our community would not survive in the way it does. We lost both our banks 10 years ago. Our PO is now providing all those services...if people had to travel to [the nearest town] then our little community would lose its chemist, convenience store, bakers and so much more of its community spirit. We cannot lose the last remaining lynchpin of our community"

Self-employed person

The survey found that if respondents' local post office were to close, many would have to change the way in which they travelled to the post office. Presently, 76 percent of people use the PO branch nearest their home, with 75 percent being able to walk there. Closure of the local PO would mean that only 14 percent of people would be able to walk to their nearest branch, with 60 percent saying they would have to travel there in their car. It is clear that although cost savings may be

made in closing post offices, a high price will be paid in terms of increased journeys and carbon emissions.

For people on low incomes who may not have their own transport, closure would mean longer and expensive journeys by public transport. Two in five people on means-tested benefits would have to use public transport to get to the post office, if their nearest branch were to close, whereas at the moment only three percent have to do so.

"I would have to pay £3.30 ...to get to the nearest Post Office. I am currently on benefits and that is a substantial sum of money to me."

Female in receipt of income support

Policy implications

Our survey revealed that most people have a strong attachment to Post Office branches and services. Any change to the PO network therefore needs to be very carefully considered, and involve the whole local community in meaningful consultation on proposals for change. The current six week consultation period proposed is wholly inadequate and must be extended to a minimum of 12 weeks.

In addition, Post Office Limited (POL) must pay particular attention to the needs of

disadvantaged consumers, such as disabled people and those on low incomes, when considering any proposed changes. As our survey reveals, such groups would be disproportionately affected by any changes. POL should demonstrate that they have taken all steps possible to minimise any negative impact for these groups.

Given the strength of feeling about local Post Offices, where the small number of customers at a PO branch means that it is no longer viable to offer a full range of services on a daily basis, we support the exploration of innovative and more cost-efficient ways in which access to the essential services provided by the post office can be maintained.

Finally, it is vital that, in considering the future of the post office network, the government takes into account other government priorities. Any change to the network will undoubtedly have major ramifications for government efforts to promote financial inclusion, reduce carbon emissions or create more sustainable communities. These factors must not be ignored.

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Building strong foundations

Sophie Chapman argues that the Mayor of London should ensure that more affordable homes to rent are built if London is to ease its housing crisis

Housing and homelessness problems have always been a big issue for Citizens Advice Bureaux (CABx) in London, accounting for 10.5 percent of all enquiries, compared to only 7.6 percent in England and Wales overall. A recent survey of London CAB clients confirmed what advisers had always known – that the lack of good quality affordable housing causes a range of problems and exacerbates others. Clients in housing need reported that their existing mental and physical health problems deteriorated under the stress of an insecure and unaffordable housing situation. Others said that they were unable to hold down a job or educational course. Families facing overcrowding agonised over the effect it was having on their children.

Given the massive housing shortages faced by London, the current 32 borough planning system with its resulting lack of coordination, is not the most appropriate mechanism for addressing the challenges of a large modern city such as London. Citizens Advice has always supported the Mayor's target for 50 percent social housing for new builds, with 70 percent of that for rent, but he currently has no powers to

compel councils to meet these targets. We are all aware of the massive profits to be made out of the sale of housing in London, and how tempting it can be to fall short of these targets, and yet London desperately needs more social housing.

The proposed new powers for the Mayor in the key areas of housing and planning, which are part of the GLA Bill currently being considered by Parliament, may offer some resolution to these problems. The Bill proposes that:

- the Mayor will publish a statutory Housing Strategy for London and a Strategic Housing Investment Plan, setting out priorities to meet the housing needs of all Londoners
- the Mayor will decide how public money for new affordable housing will be spent.

These will complement his proposed stronger planning powers, which will ensure that borough development applications conform to the Mayor's London Plan. We hope that this will help ease the massive shortages in socially rented housing that Londoners currently endure.

In anticipation of the new powers, the Mayor has recently consulted on plans for a new draft housing strategy. The

document contained some exciting proposals that could solve other housing problems suffered by Londoners, such as plans to progress a pan-London choice based lettings and mobility scheme. This is a first for an English region and could be a tremendous help to many CAB clients. Citizens Advice Bureaux often advise individuals who are desperate to move to other parts of London, sometimes for very serious reasons such as escaping domestic violence, or to move to new surroundings following recovery from drug or alcohol addiction. In our survey of CAB clients with housing needs, eight percent cited problems with their neighbourhood and a desire to move elsewhere.

Nevertheless we have reservations that some proposals, in particular the relative priority given to intermediate options, such as shared ownership schemes, may not solve London's housing problems. This option usually involves buying a proportion of a property from a social landlord and paying a social rent on the remaining portion.

Proposals to free up social rented housing are welcome, such as encouraging better off tenants to consider shared ownership schemes. This could help tackle the problems of overcrowding and homelessness. But shared

ownership schemes may not be a realistic or preferred option for CAB clients, who are likely to be on low incomes. Our survey revealed that 50 percent of our clients in housing need were in receipt of housing benefit. In addition many CAB clients are in and out of work and receive housing benefit intermittently. Shared ownership schemes are not suitable for housing benefit recipients, as housing benefit only covers rent and there is very limited help with mortgage costs through the benefit system.

In our survey we found no desire for home ownership, either on a shared basis or outright. The survey revealed the following preferences:

- None of the respondents expressed a desire to own a home. A more immediate priority was for more affordable or a different size of accommodation.
- 38 percent of respondents expressed a preference for social housing, 24 percent wanted anything affordable, and 21 percent wanted secure or permanent accommodation.
- Across all categories except owner occupiers, many clients expressed a preference for social housing.
- Those in temporary accommodation were frequently concerned just to get a secure tenancy or permanent accommodation.

It is noted in the Mayor's draft plan that in some years the 30 percent target for new build intermediate housing has been exceeded, causing a relative underprovision of social rented homes. Citizens Advice therefore urges the Mayor uses his powers to make sure that the 70 percent target for social rented homes is met.

Nevertheless, some housing issues experienced by London CAB clients must be addressed nationally if London is to make significant steps to resolving its housing problems. Whilst the lack of good quality affordable housing to rent is a major contributing factor to a range of problems faced by CAB clients, the limited security rights of private tenants is also important. London has a much higher proportion of households in the private rented sector than the rest of the UK and local authorities are encouraged to make use of the private sector in their homelessness strategies. And yet private tenants can often feel insecure and powerless due to lack of basic tenancy rights and enforcement. In addition poor housing benefit administration and restrictions on the amount of housing benefit paid mean that people already on meagre incomes have to make up the difference in rent they owe to their landlords.

Issues we are campaigning on nationally at the moment include:

- raising awareness of the problem of retaliatory evictions, whereby a landlord serves notice of seeking possession if the tenant has tried to force the landlord to carry out repairs.
- lobbying for the current Welfare Reform Bill to be amended to alleviate housing benefit shortfalls which, our survey found, were the most significant reason for CAB clients presenting with homelessness or potential homelessness.

Housing shortages, particularly the lack of quality social rented accommodation, has long been suspected as being the root cause of many problems dealt with by London's busy bureaux. The Mayors' new powers are a welcome step forward that may alleviate some of these shortages, but we must ensure that social rented housing is given the priority it deserves. We will continue to campaign on this and the numerous other problems faced by private tenants in London. The successful tackling of London's housing problems could dramatically improve the lives of all Londoners, and reap massive social rewards in other areas such as health, employment and social inclusion.

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The price of health

Liz Phelps argues that claimants of employment support allowance should benefit from exemption from prescription charges

The recent announcement by the Welsh Assembly Government that from 1 April 2007 prescription charges will be abolished, will be very welcome news for patients living in Wales.

Whilst similar moves have been under discussion in Scotland, progress on reform in England seems to be on a much slower track. The current charge of £6.65 per item, which is likely to be increased from April 2007, creates a significant financial burden for many people struggling with the dual problems of low income and poor health.

This is an issue which Citizens Advice covered in some depth in our 2001 report *Unhealthy Charges*. That report included MORI figures showing that as many as 750,000 people were failing to get their prescriptions dispensed because they could not afford the cost. CAB evidence showed that the group particularly affected were people in poor health and therefore in receipt of incapacity benefit which is paid at a rate just above the income level which entitles people to free prescriptions.

Around 50 percent of the population are entitled to free

prescriptions, including anyone in receipt of income support and income based job seekers allowance. However 80 percent of people aged between 18 and 60 have to pay prescription charges.

For people on low incomes there are two ways of accessing free prescriptions. Receipt of income support (IS) or income based jobseekers allowance (JSA) acts as a passport to free prescriptions. No claim form is required – all that is needed is to tick the back of the prescription form when getting a prescription dispensed. This is quick and easy and works well.

Much less satisfactory is the mechanism for claiming help if you are on a low income but not on one of these passported benefits. Under the NHS Low Income Scheme, entitlement to free prescriptions has, since 2004 been extended to people whose incomes are not more than half the value of a prescription charge above IS/JSA rates. This is particularly helpful to people who move from IS to incapacity benefit, and thus lose their passported help. However the Low Income Scheme requires people to complete a separate 16 page means testing claim form and as a result, many

people fail to claim. Others, particularly if they have moved from IS to incapacity benefit, wrongly assume that they are still entitled to free prescriptions. Often the first time they seek advice is when they are facing accusations of fraud, penalty charges and even threatened prosecution. Yet in many cases, had they claimed under the Low Income Scheme, they would have been entitled to free prescriptions. Others simply do not get their prescriptions dispensed because they did not claim and could not afford the charge.

A CAB in the Midlands reported a client who suffered from a serious psychiatric illness and was on regular and frequent prescriptions of anti-depressants and sleeping-pills. He received incapacity benefit, and assumed he was also still in receipt of income support, probably because his illness confused him. He therefore signed the back of the form to claim free prescriptions. He had recently received six prescription charge penalty notices for prescriptions received last summer with penalty charges of over £350. He could not possibly pay even the original charges in time to avoid a surcharge, let alone the penalty charges. There is no procedure

given for appeal on the ground that the client did not intend fraud.

A CAB in the North reported the case of a client who is illiterate and in receipt of incapacity benefit and disability living allowance. He thought that he was entitled to free prescriptions, and had been getting free prescriptions for some years. He had subsequently received two penalty charges for falsely claiming free prescriptions, one of which he was paying off at £10 per month. The bureau helped him fill in the form to apply for free prescriptions under the Low Income Scheme in future.

The Welfare Reform Bill currently in parliament includes provisions to replace incapacity benefit with the employment support allowance (ESA) – a benefit which will have a clear focus on helping to address people's health problems so that they can be encouraged back to work. This change strengthens the case for tackling the problem of prescription affordability, to ensure that efforts to help people manage their health conditions are not undermined by their failure to afford to get prescriptions dispensed.

Yet as it stands, we fear that the problem will become worse under ESA. Of particular concern

is the group of people in receipt of contribution based ESA and with no other income other than would be allowed on income based ESA (which we assume will allow passporting to free prescriptions). These claimants will have identical incomes to those on income based ESA but will have to claim through the Low Income Scheme in order to access free prescriptions.

The complexity of the claiming process for the Low Income Scheme was recognised by the Health Select Committee in its July 2006 report on NHS charges. The Committee recommended that the Department for Work and Pensions and Department of Health work together to extend health charge exemptions from means tested benefits so that the Low Income Scheme can be abolished.

In its response, the Department of Health has announced that it will explore such possibilities as part of a wider review of exemptions from prescription charges, which will report before the 2007 summer recess.

This review of prescription charges therefore provides a timely opportunity to make sure that the long standing problems faced by incapacity benefit claimants are not carried forward into the ESA. Citizens Advice considers it is essential that the

review takes the opportunity to maximise the passporting option through closer working between the Department of Health and the Department of Work and Pensions. We would like to see the assessment for free prescriptions built into the ESA application process, which will in any event have to include both a means test and a contributions check. This process could then identify claimants entitled to contribution based ESA whose income and savings are such that they would also be entitled to means tested ESA. This group of claimants could then be awarded 'passporting' benefits including free prescriptions along with their contribution based ESA award. They could be issued with a plastic card, similar to that already issued for maternity exemptions, identifying them as exempt from prescription charges.

Such a reform would be consistent with the wider government agenda to simplify the benefits system, promote take up and reduce fraud. It would also be real evidence of joined-up government and proof that services are being developed around the needs of patients/customers, rather than the convenience of service providers.

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Radical reform of the Employment Tribunal system is on its way – yet again

Richard Dunstan wonders whether the most vulnerable workers will be among those who benefit

Since 1 October 2004, every employer – whether large or small – has been required by law to have in place statutory minimum procedures for dealing with grievances, dismissal and disciplinary action.¹ In return, it has not been possible for an employee to bring a claim to an Employment Tribunal without having first exhausted their employer's grievance procedure. And, where a claim is accepted by a Tribunal, any ensuing award can be reduced by 10 to 50 per cent where the Tribunal decides that the claimant is to blame for the relevant statutory procedure not having been followed correctly, or increased by up to 50 per cent where it decides that such fault lies with the employer.

The Government's core objective for these reforms was to encourage the "early resolution" of employment disputes *in the workplace* – and so reduce the number of Employment Tribunal claims. In itself, this was a laudable objective – no one can reasonably disagree with the

proposition that an Employment Tribunal claim should be a measure of last resort. But, as predicted by Citizens Advice at the time, achieving it has proved to be somewhat more difficult than Ministers and officials expected.

By mid-2006, when a team of DTI officials began preparatory work on a promised review of the 2004 reforms, there was widespread consensus that, in practice, the statutory procedures have tended to *formalise* rather than resolve disputes at an early stage, and that this greater formality and emphasis on process has entirely negated the Government's objective. This was not least because the highly complex Regulations governing the regime have proved unfathomable not just to a great many claimants and employers, but also to some professional advisers and even members of the judiciary.

In addition, it had become clear from the CAB social policy evidence submitted to Citizens Advice that the 2004 Regulations create significant barriers to

justice for some of the most vulnerable employees. This has been most stark in the case of those who have left the employment and have then brought an Employment Tribunal claim in respect of e.g. unpaid final wages and/or owed holiday pay. The requirement to follow the statutory grievance procedure in full – including attending a face-to-face meeting with the employer – or risk a substantial reduction in any ensuing award is little short of farcical, and has been used by rogue employers to intimidate vulnerable claimants into withdrawing their claim.

In December 2006, DTI Secretary of State, Alistair Darling, announced that he had appointed Michael Gibbons, a member of the Better Regulation Commission, to undertake an independent, "root and branch" review of the 2004 Regulations. Mr Gibbons was charged with looking at "all aspects of the system, including the current legal requirements, how employment tribunals work, and the scope for new initiatives to help resolve disputes at an earlier

¹ The Employment Act 2002, and the Employment Act 2002 (Dispute Resolution) Regulations 2004.

stage". And he was asked to make recommendations for change to the Secretary of State by Spring 2007.

The establishment of the Gibbons Review may reflect a realisation on the part of the original DTI review team, and an acceptance by Ministers, that leaving the 2004 Regulations in place is simply not a credible way forward. At the time of writing, the Review's recommendations have not yet been published. The 2004 Regulations have been strongly criticised by just about everyone from the CBI to the TUC, and Citizens Advice hopes that the Review will lead to them being withdrawn. However, the real question is what else will emerge from the Review.

Increased roles for ACAS, and for the mediation of individual workplace disputes by means of Alternative Dispute Resolution (ADR), would be welcome. Given that ACAS conciliation is generally considered a success story, it is short-sighted that ACAS has recently been subjected to substantial budget cuts. There may well, in addition, be scope for the *voluntary* mediation of some Employment Tribunal claims.

However, the Employment Tribunal system, of which the 2004 Regulations currently form an integral part, is not there simply to resolve the kind of

workplace disagreement that is susceptible to conciliation or mediation. It is also the only means by which someone who is being exploited by a rogue employer can try to **enforce** access to most of their statutory workplace rights.

Whilst the great majority of employers generally meet their legal obligations to their workforce – even if they occasionally have a disagreement (or 'dispute') with an individual employee – there are far too many rogue employers who do not, even when their non-compliance is explicitly challenged (by the employee or an adviser). In the case of such *deliberately* exploitative employers, conciliation or mediation are most unlikely to prove of any value in resolving the dispute – which in fact is not a 'dispute' at all but an illegal denial of statutory rights. **Some** of those denied their statutory rights by such employers do proceed to bring an Employment Tribunal claim (though often only after *leaving* the employment), but a great many more do not because of their fear of victimisation and/or summary dismissal by their employer.

This means that rogue employers can exploit their workforce with near impunity, safe in the knowledge that few if any of those who they are exploiting will pursue an Employment

Tribunal claim, and that they can in any case – given the inability of Employment Tribunals to enforce their own awards – ignore any award made to the few that do. So reform or even repeal of the 2004 Regulations, however welcome in itself, will do little to improve the position of the large number of low paid, non-unionised and otherwise vulnerable workers in the UK's increasingly 'flexible' labour market.

This is the real challenge.. The Government has already said that, having "put in place an improved framework of workplace rights [since 1997]", its "next task" is to "ensure that the most vulnerable workers get those rights and are not mistreated".

Citizens Advice has repeatedly argued that the most obvious way to do this would be to extend the more accessible, targeted and pro-active enforcement regime associated with the National Minimum Wage to cover all basic statutory workplace rights. And, apart from bearing down more effectively on rogue employers – to the benefit of all – this would obviate the need for a small but significant proportion of Employment Tribunal claims.

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Crisis, what crisis?

James Sandbach looks at current policy issues concerning criminal justice and prisoners

It has been hard to pick up any newspaper over the last few months without reading about a 'prisons crisis', collapsing confidence in both the criminal justice system (CJS)¹ and the Home Office which is 'unfit for purpose.'

The increase in prisoner numbers have again raised debates over sentencing, re-offending and public policy on punishment and crime prevention. And it is a debate that affects everyone – the public, victims, offenders and all stakeholders and professions in the CJS, so will continue to dominate headlines.

Citizens Advice are entering into this debate by publishing an evidence report on issues affecting prisoners and offenders.² Our experience as advice agencies working with offenders gives us a real evidence base to comment on issues affecting offenders, rehabilitation and recidivism that mainstream criminal justice policy have tended to sideline – practical issues of debt, financial capability, access to basic services, finding accommodation and employability. These are problems which build up in custody and need to be dealt with on release. We believe that

advice services have a key role in breaking re-offending cycles. What follows is not a summary of the report but rather an analysis of how CAB thinking, service development and evidence can contribute to the current debate.

A prisons crisis?

Let us start with the basis of recent media frenzy. Ever since Michael Howard declared that 'prison works', imprisonment has accelerated and we now incarcerate more people, and for longer, than any other European State. Whilst a tough approach to sentencing may contribute to declining crime rates, the reality is that re-offending rates by those held in custody are increasing – the re-offending rate after prison has risen from 51 per cent in 1992 to two-thirds in 2001. And the prisons estate – some of which were built in Victorian times – are overloaded as the Chief Inspector's report reveals.³ Overcrowding leads to 'churn' of prisoners between prisons, and limits the capacity of penal institutions to offer provide rehabilitative services.

The basic questions needing to be asked concern not just when to incarcerate, but also what is the purpose of incarceration –

public protection or offender rehabilitation? A high proportion of prisoners are serving short term sentences, - Home Office statistics show that in 2004 53,676 persons were sentenced to a period of six months imprisonment or less. And over two thirds of the prison population experience mental illness, and most have poor basic skills. In light of this overwhelming evidence of the link between crime, prison and social exclusion, it is hard to disagree with the conclusion of the SEU's report that "the failure of mainstream agencies to deal with these aspects of social exclusion means that the Prison Service and Probation Service are in many cases being asked to put right a lifetime of service failure."⁴

Whatever the humanitarian logic of shifting gear in penal institutions to focus on offenders' needs, the business case outlined in our report is likely to be more persuasive. It costs at least £35,000 a year to maintain one prisoner in custody; these costs are compounded by the high levels of re-offending. The cost to the CJS of dealing with the consequences of crime by ex-prisoners comes to at least £11 billion per year and each

¹ The police, prosecution and criminal defence services, criminal courts, prisons, parole boards, probation services and different offender management agencies.

² Locked out – CAB evidence on prisoners and ex-offenders is published on 19 March 2007

³ HM Chief Inspector of Prisons for England and Wales – Annual Report 2005-2006

⁴ Social Exclusion Unit, Reducing re-offending, 2002

re-offending ex-prisoner is likely to be responsible for crime costing the criminal justice system an average of £65,000. It will cost £1.5 billion to build new prisons to provide 8,000 additional prison places by 2012, and the estimated annual running costs for these new prisons will cost an additional £0.35 billion.

So increased incarceration comes with a 'costs escalator' linked to re-offending. But reducing re-offending by investing in advice services for prisoners would cost a lot less than building more prisons. On average the costs of a CAB prison advice service serving the whole UK prison population could amount to as little as £319 per prisoner per year, compared to the costs of £35,000 per year keeping them in jail if they return.

CJS and NOMS – confidence and capacity

Looking beyond the prison gates, the media story has been a "crisis of confidence" in the CJS. The heavy 'due process' orientation of the CJS contributes to perceptions of a system that is insufficiently tuned into public anxiety and victim support. But when government talk about 'rebalancing' the system in favour of law enforcement, victims and speedy, summary justice, it begs the question – is the CJS a body of crime containment agencies, or a wider nexus of public services delivering justice and actively preventing the growth of criminal behaviour?

The government's approach to integrating penal policy and rehabilitation is best summed up in the phrases 'offender management' and 'contestability' (i.e. outsourcing). NOMS was established to bring together the Prison and Probation services with the aim of 'end to end offender management', and has developed a series of 'pathways' to focus service design and commissioning. However, the systems used by NOMS agencies to produce sentence plans and assess offenders' needs at different parts of the criminal justice process,⁵ are about risk management rather than offender rehabilitation and are far from seamless.

It also seems that NOMS is more of an aspiration rather than an operational reality, and has no dedicated budgets for commissioning services. So John Reid has intervened to replace probation boards with probation trusts (aping the NHS success of Primary Care Trusts), with the power to privatise.⁶ Absent from NOMS' strategic thinking has been consideration of partnership models (for example Citizens Advice ROTA project which provides advice to prisoners and their families as part of a co-ordinated holistic package of measures designed to ensure that family links are sustained, resettle prisoners and prevent re-offending), and so our attempts at designing a partnership with NOMS have floundered.

Fit for purpose – towards a justice department

Finally what about the Home Office, which has had to take the brunt of criticism over foreign national prisoners, early releases and prison capacity? Is this department fit for purpose? Should we endorse the emerging consensus for a Department of Justice, with responsibility for criminal justice policy, NOMS, legal aid commissioning, and the judiciary and courts, as an opportunity for judicial and advice services to be supported by a more rational structure and framework? Too often the Treasury treats these services as the Cinderella of the welfare state settlement, preferring big measurable outcomes in health and education. But the justice system is the basis of any fair society – and the NOMS target to reduce offending by 10 percent will require dedicated resources. A single department would also be better placed to champion restorative justice initiatives – such as community courts and community sentences.

Conclusion

The challenge is to make government come good on its promise to be tough on the causes of crime. Regrettably, there is too much rhetoric and too few resources to deliver on the ground. Let's hope that our report makes a difference.

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⁵ The OASys standard assessment tool

⁶ Offender Management Bill 2007

Evidence reports published in the last six months

> **Shaming destitution** (*Free, June 2006*)

NASS section 4 support for failed asylum seekers who are temporarily unable to leave the UK

> **Out of pocket** (*Free, July 2006*)

CAB evidence on the impact of fee-charging cash machines

> **Welfare Foods and Healthy Start** (*Free, November 2006*)

CAB evidence on the provision of milk tokens

> **Locked out** (*£6.00, March 2007*)

CAB evidence on prisoners and ex-offenders

Recent briefings and responses to consultation papers; December 2006 – February 2007

- Second Reading Briefing (House of Lords) for the Consumer, Estate Agents and Redress Bill (December)
- Grand Committee (House of Lords) briefings on amendments to bailiff law and charging orders to the Tribunals, Courts and Enforcement Bill (December)
- Response to DTI on the Consumer Credit Act 2006 draft Statutory Instruments (December)
- Response to OFWAT on the review of guidelines for dealing with household customers in debt (January)
- Response to DTI on sharing non consensual data (January)
- Response to DTI on changing Part 9 of the Enterprise Act 2002 (January)
- Second Reading Briefing (House of Lords) Welfare Reform Bill (January)
- Second Reading Briefing (House of Commons) Pensions Bill (January)
- The future of legal aid – Westminster Hall debate briefing (January)
- Energy costs for consumers – Westminster Hall debate briefing (January)
- Report stage (House of Lords) briefing on bailiff regulation for the Tribunals, Courts and Enforcement Bill (January)
- Response to DTI on the criminal sanctions regime for the Unfair Commercial Practices Regulations (February)
- Response to the Banking Code Review 2007 (February)
- Third Reading (House of Lords) briefing for the Tribunals, Courts and Enforcement Bill (February)

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