

Provisional Estimate of Benefit Claims by Recently Released Prisoners

May 2011



Ministry of
JUSTICE

DWP Department for
Work and Pensions

Contents

Background	3
Methodology	3
Results	4

Background

This note presents an early finding from a project to share administrative data between the Ministry of Justice (MoJ), the Department for Work and Pensions (DWP) and Her Majesty's Revenue and Customs (HMRC).

The estimate is from a one-off data share project between DWP, HMRC and MoJ. Data has been shared in order to improve the evidence base and better understand the links between employment, benefits and offending.

MoJ data comprised records of offences and sentences since 2000 in England and Wales. This was matched by DWP to employment, benefit and programme records using fuzzy matching techniques¹.

The matched dataset was then anonymised – so it contains no names or addresses of individuals - and is being used for research and analytical purposes only. It is still being quality assured by MoJ and DWP and so the estimates should be treated as provisional at this stage.

MoJ and DWP intend to publish more detailed and quality assured results from the matched data later in the year.

Methodology

The dataset includes only those individuals recorded by MoJ that matched to DWP and/or HMRC records.

This analysis looked at people recorded as leaving prison in 2008 and their benefit claiming patterns in the 12 months that followed. Where an individual left prison more than once, the second or subsequent time they left prison was not analysed so that there was no double counting of individuals. The estimate is for prisoners only, and excludes offenders who only received a non-custodial sentence.

A table was created that contained the benefit status for every 7th day in the year that followed the release date to estimate benefit status in each week. The benefits covered were Jobseekers Allowance (JSA), Income Support (IS), Incapacity Benefit (IB) and Employment Support Allowance (ESA). No other benefits were included in this analysis.

The actual rate of benefits received by an individual was not on this dataset, so an estimate was made based on the average amount of benefit in payment in figures from the DWP Tabulation Tool in November 2008.

¹ Fuzzy matching is used because there is no common personal identifier. MoJ, DWP and HMRC records were matched on combinations of first name, surname, initials, gender, address and date of birth.

Results

-Number of prisoners released in 2008

The shared dataset contained 78,000 unique prison discharges in 2008. Figures estimated separately by MoJ indicate that 80,000 unique individuals were released in 2008, so the matched dataset appears to have a very good match rate for prisoners released in this year.

-Amount of time spent on benefits in the 12 months following release

The estimated average amount of time spent claiming each benefit in the 12 months following release is shown in Table 1 below. The number of individuals claiming JSA, IB or ESA is additive. However, the IS proportion should not be added to this total because a claimant can be on IS and IB at the same time so there would be double counting.

Table 1: Proportion of 12 months following release spent claiming

Benefit	Proportion
JSA	27%
IB	18%
ESA	4%
Total JSA, IB, ESA	49%
IS	15%

This table shows that an estimated 49% of the 12 months following release were spent on JSA, IB or ESA.

The estimated proportions claiming each benefit at the 12 month point after release is shown in Table 2 below:

Table 2: Proportion claiming each benefit at the 12 month point after release

Benefit	Proportion
JSA	26%
IB	15%
ESA	8%
Total JSA, IB, ESA	49%
IS	13%

This table shows that an estimated 49% of ex-prisoners were claiming JSA, IB or ESA at the 12 month point after release².

These tables show that 49% of the 12 months following release were spent claiming JSA, IB or ESA *and* 49% of offenders were on benefits at the 12 month point after release.

² This does not mean that the ex-prisoner was on these benefits for the whole 12 months, just that they were claiming the benefits 12 months after release.

-Estimated amount of money spent on benefits in the 12 months following release

The DWP Tabulation Tool <http://83.244.183.180/100pc/tabtool.html> contains information on the weekly rate of benefit in payment. The average rate of benefit in payment in November 2008 for each of the benefits included here is shown in Table 3 below:

Table 3: Average weekly rate of benefit in payment in November 2008

Benefit	Rate
JSA	£56.06
IB	£53.82
ESA	£54.38
IS	£81.08

An estimate for the total benefit spend on this group in the 12 months following release is derived by multiplying the number of prison leavers (80,000) by the proportion of the following 12 months spent on benefits (Table 1) by the benefit rates (Table 3) giving Table 4 below:

Table 4: Estimate of total benefit expenditure in 12 months following release

	Leavers	x	Proportion	x	Rate	x	Weeks	=	Cost
JSA	80,000		27%		£56.06		52		£63,000,000
IB	80,000		18%		£53.82		52		£40,000,000
ESA	80,000		4%		£54.38		52		£9,000,000
IS	80,000		15%		£81.08		52		£50,000,000
									£162,000,000³

The tables and explanation above show how we have estimated that prisoners released in 2008 from prisons in England and Wales spent approximately half of the following 12 month period on JSA, IB or ESA. The cost of benefits for this group has been estimated at approximately £160 million. The precise amount spent on this group will depend on the exact rate of benefit that these individuals received in payment.

Future Analysis

MoJ and DWP are working together to produce a fuller report of the results of this data sharing exercise later in the year.

Nick Murphy (nick.murphy@dpw.gsi.gov.uk)

Department for Work and Pensions

Iain Bell (iain.bell@justice.gsi.gov.uk)

Ministry of Justice

16th May 2011

³ Rounded to nearest £1million