

TRANSCRIPT OF "FILE ON 4" – "INSIDE JOBS?"

CURRENT AFFAIRS GROUP

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PRODUCER: Ian Muir-Cochrane

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THE ATTACHED TRANSCRIPT WAS TYPED FROM A RECORDING AND NOT COPIED FROM AN ORIGINAL SCRIPT. BECAUSE OF THE RISK OF MISHEARING AND THE DIFFICULTY IN SOME CASES OF IDENTIFYING INDIVIDUAL SPEAKERS, THE BBC CANNOT VOUCH FOR ITS COMPLETE ACCURACY.

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NORTHAM: There are 87,000 prisoners in England and Wales and only 9,000 fulltime jobs for them in prison industries. Across the political spectrum, from right-wing think-tanks to liberal prison reformers, there's anger that most inmates spend each day doing nothing productive, at a cost to taxpayers of £41,000 a year each.

CROOK: I don't care what prisoners do. I don't care whether it's call centres or packing or whether it's high skilled or low skilled, we all have to do a range of jobs in our lives. The point is, they should be busy, just like the rest of us.

NORTHAM: This week, the Justice Secretary Ken Clarke, tells File on 4 about his plan for regime change, making jails places of hard work and reform. He says that more prisoners working will mean fewer returning to crime.

CLARKE: What I'd say to the public is, one of the things we should be doing in prison is stopping these people being likely to offend again as soon as they get out. More crimes, more victims. One thing that will stop them going back to crime is having a job, and in prison they've therefore got to keep the job, the work habit, not just lie around idle.

NORTHAM: But while many might support the idea, prison governors and officers are sceptical about the chances of making it a reality.

SIMPSON: He keeps saying that he wants a forty hour working week, but he never puts anything on the table meaningful, it's pie in the sky. He is asking the impossible.

NORTHAM: Is he? File On 4 examines the principles and practicalities of turning prisons into places of industry.

SIGNATURE TUNE

ARCHIVE EXTRACT – DARTMOOR MAILBAGS

PRESENTER: The last stitch in time. The inmates of Dartmoor sew their final mailbag.

REPORTER: Behind the grim granite walls of Britain's best known prison

NORTHAM: As late as 1987, prison life was synonymous with repetitive, mind-numbing tough work.

REPORTER: but, as the last hand-sewn mailbag heads for the postal museum, there'll be no respite for the prisoners. Although one Dartmoor occupation is closing down, another is being restarted – stone breaking.

NORTHAM: It was part of the punishment. But modern jails are more often characterised by something equally mind-numbing - enforced sloth and hour after hour of daytime television.

SMITH: I write this letter to explain how it is in this prison. Inmates are locked in cells for 22 hours a day. If you've got no private cash ...

NORTHAM: A letter published by the prisoners' newspaper, Inside Time, complains about the lack of purposeful activity in one south east local jail.

SMITH: We have to wait as long as three months for a job. The application process here is a waste of time. It took me ten weeks to get on the course. This jail definitely needs looking into.

NORTHAM: Inside Time's commissioning editor, Noel Smith, finds this all too typical. He has had plenty of time to learn the facts of prison life himself. He is fifty years old and spent thirty-two of those years locked up for armed robbery.

SMITH: You'll spend 23 hours a day in there with two strangers and if you look at the statistics of prison, the odds are good that one of those strangers will be a junkie and the other one will be mentally ill, so that's your life in local prisons. You spend your days in the cell, now staring at the television, but previous to television, staring at the wall. The reality is there is no hard work in prison for prisoners. If you go into prison with no work ethic and you stay in prison for twenty years, you come out exactly the same way.

CROOK: There are around 30,000 adult men serving long sentences in prison today, and they spend years - sometimes decades - wearing pyjamas and pottering about as if it's an old peoples' home.

NORTHAM: Frances Crook, of the Howard League for Penal Reform, has long argued that putting a prisoner to work can make them more employable and so reduce the likelihood of re-offending after release. It's the number one factor in reducing risk. But that's nothing like what happens in most jails.

CROOK: It's an existence of pottering, it's completely purposeless and very expensive for the taxpayer, so they're not contributing to their families, they're not contributing to the prison effectively, they're not contributing to the taxpayer - they are simply a drain on resources. And all we do with that is we teach them that work doesn't pay, that it's better to commit crimes because it pays better and it's more exciting.

NORTHAM: It's a problem which is particularly acute for the large group of inmates who are serving short sentences. Statistically, they are the ones who most need rehabilitating because they are the most likely to return to crime when they get out. But the limited time they spend inside means that they are the hardest to get into useful work. When the National Audit Office reported last year on short-term prisoners, it found high levels of idleness. The report's author, Aileen Murphy, discovered that the prison system doesn't currently show any sense of urgency about putting these prisoners to work.

MURPHY: We looked at the management of prisoners on a short custodial sentence. We visited seven prisons and we backed that up with a detailed analysis of departmental data and reconviction information.

NORTHAM: Out of those seven prisons, how many were providing a full scale of work or other purposeful activity for inmates?

MURPHY: Only one. That was HMP New Hall, which holds women prisoners, and they had a full programme of purposeful activity as part of their strategy to reduce self-harm.

NORTHAM: What did you find in the rest?

MURPHY: It varied a lot. At HMP Belmarsh, for instance, you could measure purposeful activity for prisoners on a short sentence at minutes a week rather than anything else.

NORTHAM: Minutes a week?

MURPHY: Yes.

NORTHAM: And overall you found what?

MURPHY: Between a third and a half of prisoners do very little during the day.

NORTHAM: Do they want to get onto work or training courses?

MURPHY: Yes. Many of the prisoners we met were frustrated in not being able to do a purposeful activity and spoke of making repeated applications to get on programmes and then not getting on them.

NORTHAM: And they don't get on because?

MURPHY: There's a waiting list, obviously, because in many prisons there isn't the physical space for people to take part in education or workshops because of the numbers of people in the system.

NORTHAM: This is what the Justice Secretary promises to change in England and Wales. He wants today's 9,000 places in prison industries to grow to 20,000 by the end of the decade. Of course, there's no money from the Treasury to build new workshops, so the private sector is being courted to do it instead. Ken Clarke's model is a metalworking business already set up in one of the new private jails.

ACTUALITY AT HMP ALTCOURSE

NORTHAM: Her Majesty's Prison Altcourse, on the edge of an industrial estate at Fazakerley in Merseyside. It houses 1,100 inmates and - as in other prisons - some work as cleaners or cooks for the jail itself. But one small group has been chosen for a showpiece work project.

MCLAUGHLIN: We have just entered the engineering and fabrication workshop. We employ around 25 prisoners in here.

NORTHAM: The Prison Director, John McLaughlin, has gone as far as he can to make work here just like the industrial world outside, though here it's for a wage of at most £28 a week.

MCLAUGHLIN: The prisoners work a long week, they work 41.5 hours. They spend the entire day in the workshop.

NORTHAM: So they start work at what time?

MCLAUGHLIN: Eight o'clock in the morning.

NORTHAM: And finish?

MCLAUGHLIN: Five o'clock in the evening.

NORTHAM: Lunch break?

MCLAUGHLIN: Half an hour lunch break in the workshop.

ANDY: He's making a bottom part of a component for a computer table leg.

NORTHAM: So this is this two foot long steel bar with a hole drilled at each end?

ANDY: That's screw holes, yes.

NORTHAM: Andy is one of the prisoners made up to supervisor, overseeing the construction of metal frames for office furniture.

ANDY: It's certainly a lot better than being sat behind your door on the wing, which is the usual thing in most prisons. You know, you can be locked up 23 hours a day. I think it's good for a lot of lads. Some people that come here have never worked before, they've never done a day's work in their life. It gives people an opportunity, even if they don't take a job in this type of thing, it gets them used to doing a day's work, which will do a lot of good.

NORTHAM: What difference has it made to you?

ANDY: Well, it keeps my mind occupied. Without going in too much detail of my offence, I was involved in something to try and get some money together, which was a mistake. This is broadening my horizons.

NORTHAM: The Prison Director, John McLaughlin, plans to expand the business into an adjoining area, taking on an additional fifteen prisoners. He wants to change the way they look at work.

MCLAUGHLIN: Many of our prisoners didn't know there are two 7 o'clocks in the one day. They certainly do now.

NORTHAM: You mean they have to get up in the morning?

MCLAUGHLIN: They have to get up out of bed, they have to get into work and they have to contribute.

NORTHAM: Is it important to you that it's hard work?

MCLAUGHLIN: It is vital that it is hard work. Idle hands make work for people like me and I want them to be tired when they finish their working day, I want them to feel as if they have earned their wages and I want to make sure that they have a sense of having a significant and positive contribution to themselves and to my prison.

NORTHAM: You've got dangerous tools in this workshop. Are you happy ...?

MCLAUGHLIN: Many.

NORTHAM: Are you happy unleashing prisoners on those tools?

MCLAUGHLIN: What I like to do is place the responsibility onto prisoners to act maturely and professionally, and I have to say, without fear of contradiction, they all respond magnificently to those challenges. The challenge to me is to take prisoners

NORTHAM: So what does that mean about the Justice Secretary's proposal for a forty hour week?

SIMPSON: At the moment, it would be pie in the sky. He's asking the impossible.

NORTHAM: Prison Governors take a similarly pessimistic view. Their Association President, Eoin McLennan-Murray, is on a government working party looking into the details of expanding prison industries. But he points to a decision of the last government, which has made it harder than it would have been anyway.

MCLENNAN-MURRAY: It's ironic really. About three and a half years ago, we reduced the length of the core working week in prisons from five days to four and a half days. The average activity hours a week across the estate is something in the order of the low to mid twenties.

NORTHAM: That's a long way from forty hours a week.

MCLENNAN-MURRAY: It is a long way. Our uniformed staff don't work a forty hour week. The Government have made it clear that they are not putting any money into this, so the only way you can make up that shortfall is if you attracted a private investor to undertake some work activity and provide the funds to increase your staffing level so that you had adequate levels of supervision.

NORTHAM: It cannot be done on the budget that you've got at the moment, which is facing a 10% cut anyway?

MCLENNAN-MURRAY: It cannot be done in the majority of prisons. If the public believe that, you know, every prisoner that goes into jail will work a forty hour working week and it be good hard work, that I don't think will ever be achievable.

NORTHAM: It's not just the cost and level of staffing. Many prison governors also face the problem of unsuitable buildings - ancient institutions which don't readily adapt to the needs of modern industrial workshops. Eoin McLennan-Murray found

NORTHAM cont: exactly this difficulty when he tried to upgrade a workshop in his former prison at Lewes in Sussex.

MCLENNAN-MURRAY: Lewes is a Victorian local prison, it was built in 1853. We had a very good relationship with a contractor that was working. They were providing reasonable quality work for about thirty prisoners and they wanted to invest in the workshop with some new equipment to boost productivity. They were going to fund the cost of installing the equipment and we were all ready to go with that. But then when my works department looked at it, they said the electrical requirements exceeded the supply to that workshop, but it would mean laying a new cable from the substation. And the cost associated that with that was something like £300,000 and that made the scheme financially not viable for the contractor, so we couldn't progress that plan. And therefore those sorts of practical things can make expanding industry in some prisons more costly. If it's more costly, it may not be attractive to the private ...

NORTHAM: And it may simply not happen?

MCLENNAN-MURRAY: If it isn't cost effective, if they can't make a profit from it, what private company wants to go into something and not make money?

NORTHAM: We haven't found anybody who says they object in principle to the idea of making prisoners work a forty hour week in commercially viable industries. But how does the Justice Secretary answer doubters within the Prison Service, who say his target is impracticable?

CLARKE: It's perfectly practicable as long as we all realise it is going to take some time, you will encounter problem after problem, but we've got companies beginning to line up now who are interested in helping us organise work inside prisons. And wherever we can get private sector companies from outside to help us, that is very desirable.

NORTHAM: What about the prison staff themselves? The governors and the Prison Officers Association have both expressed strong doubts to us about how practicable this is.

CLARKE: Well obviously we're getting on best where those doubts aren't felt. Most people who have tried to do this in the past complain that sometimes they get into difficulties with the prison authorities, sometimes it's the Prison Service nationally being very awkward about whether you get involved sometimes, governors do odd things. All those can be overcome and I think there's a mounting level of positive enthusiasm for this policy in the Prison Service. The best governors, the best prison officers think this is a very good thing to do in a prison - punish the guys by putting them in prison and then do something that's got some bigger social benefit as well by making it likely that some of them, some more of them won't become criminals again straight away when you let them out.

NORTHAM: Your ambition is limited, isn't it? You want 20,000 prisoners working by the end of the decade. That still leaves three-quarters of prisoners sitting around idle.

CLARKE: Well, my ambition's not limited. I mean, left to me, I think most prisons should be like this, except where you've got drug abusing prisoners who plainly couldn't hold a job down even in a prison. But I am realistic and I'm not – contrary to popular belief, or it may not be popular – some naive visionary. I think it would be hard work getting a serious working environment. I tried some of this when I was Home Secretary twenty years ago and I'm therefore under no illusions that we can just sort of spread it like wildfire throughout the entire system, but I'm more optimistic now than I was then, that we have found better ways of doing it and it will steadily spread through the prison system.

NORTHAM: Overcoming the concerns of prison officers and governors may be just the first hurdle Mr Clarke will have to jump. If more prisoners are to work in industries set up by private companies, then he could also face opposition from the unlikely source of Her Majesty's Revenue & Customs. That at least was the experience of the Howard League for Penal Reform when it set up a prototype business employing inmates.

ACTUALITY AT COLDINGLEY

NORTHAM: At the edge of this modern housing estate in Bisley, north Surrey, is the entrance to Her Majesty's Prison Coldingley. It's a long, low, grey building with a high fence and razor wire running round the perimeter of the jail compound. And it was here that one of the boldest recent prison work projects was set up. It was called Barbed and it created within these walls a graphic design studio with the intention of teaching prisoners a range of technical computer-based skills and, it was hoped, equipping them for a new life of honest work. Most controversially, the scheme paid them something approaching real wages - around £12,000 or £13,000 a year - out of which they paid tax. It was just the kind of project you'd think the Government would welcome.

PHIL: This is a report

NORTHAM: And you produced this report?

PHIL: Yes. It was a layout ...

NORTHAM: Glossy pages.

PHIL: Yes, we looked after the whole job from concept to print. This is what we did on a daily basis. There's agencies out there that do stuff that isn't as good as this. We actually produced professional work.

NORTHAM: Phil was in Coldingley for a crime of violence. He was one of the prisoners chosen to work on the Barbed project. After release, he's now using the skills he learned there as a commercial graphic designer. The point of the project for Frances Crook at the Howard League for Penal Reform was to test whether a prison industry could work replicating the pay and demands of an outside company.

CROOK: We advertised the jobs, we got recruitment from prisoners in exactly the same way as you would outside. We appointed a group of six prisoners - it was a prototype - trained them for six months and they became graphic designers and we set up a proper business doing real work. And we got contracts from the Prison Service, we got contracts from charities and from businesses to ...

NORTHAM: And the customers were happy?

CROOK: And the customers were happy. There was a problem in that it's a quick turnover business. Because our prisoners couldn't do overtime and in fact their hours were quite short, it meant that hitting deadlines was difficult. We could never take on the amount of work that actually we wanted to do.

NORTHAM: But it worked?

CROOK: It worked and, most important for me, because I'm very old fashioned and quite puritanical about these things, my prisoners were paying tax.

NORTHAM: And that's where it all went wrong. When the Revenue authorities realised what was happening, they and the prison found themselves at loggerheads.

CROOK: When the Prison Service said to the Inland Revenue that this was not possible, they couldn't pay tax, the Revenue refunded all the tax that they'd paid to us - that's £17,000.

NORTHAM: The Revenue gave it back?

CROOK: The Revenue gave it back.

NORTHAM: And why did they do that?

CROOK: The Revenue said that prisoners can't pay tax voluntarily because nobody can – you have to be employed and that confers employment rights, which the Prison Service would not agree to.

NORTHAM: So the Revenue was saying, if you are going to demand the prisoners pay tax, you have to give them employment rights. And when you couldn't give them employment rights, the Revenue paid the tax back?

CROOK: Yes. As far as I'm concerned, it wasn't a project, it was a business, and we wanted to show that a business could work inside a prison, so we closed down Barbed, which was really unfortunate. We had to make our prisoners redundant and we had to make our external staff redundant as well, it was very sad.

NORTHAM: This is a problem which could raise its head again. The Government has not specified the level of wages it wants prisoners to earn, but it has made clear that any private employer setting up a prison industry should have to pay the going commercial rate for work done. That would be paid to the prison. Deciding how much of it would then be paid on to the inmates is a knotty problem the Justice Secretary has yet to solve. He doesn't want jails to be seen to be profiteering from prisoners' work, so it may be that inmates will get more than their current token amounts of £10 a week or so. If they work forty hours a week, this could add up to approach the tax threshold, once again attracting the attention of HM Revenue. The unhappy experience of the Barbed project came as news to Ken Clarke.

CLARKE: I haven't encountered this problem so far, but obviously we have to keep an eye on it. Firstly, we're putting the threshold below which nobody pays any tax up to £10,000 so that'll keep most of our prisoners well out of tax, so the problem may not arise. And I'm not sure what it's got to do with the Revenue, whether we give them employment rights or not, but I don't particularly wish to give employment rights to prisoners, and if the problem ever arises I shall have a look at the practicalities. Of course, we mustn't exploit the prisoners. These are going to be volunteers, so that we can get enough prisoners to volunteer not to have to coerce anybody to do this and we're not, it's not going to be slave labour - I do want to pay them. But I hope we don't run into tax and I hope we don't run into employment rights. It's a pity that one got in those difficulties, haven't had one get into those difficulties yet, we'll work our way round it when we get there, including having a word with the Revenue about what they're playing about at.

NORTHAM: The Government's insistence that companies setting up prison industries should pay the market rate for work done is mainly driven by concern that cheap labour inside would attract jobs in which ought to be available to law-abiding workers on the outside. It's a matter of fair competition.

ACTUALITY IN OFFICE

NORTHAM: If you make a quick search online, you can find the Government's list of prison industries contracts. There are more than three hundred of them operating already, some of them well into six figures. Here are three prisons working for a company cleaning and packing headphones for airline passengers, total value of that is £210,000. Here the British Legion gets its poppies made at two jails. And the Foreign Office sends its laundry into another one. And biggest of all, here's a lighting company that gets its electrical assembly done inside at an annual cost of £326,000. The list does not disclose what the prisoners are paid for this work, so we can't check if that's comparable with the market rate.

NORBURN: I don't pay the men directly, the prison pay them. I pay the prison so much per product they make for me, and we value that work just like I would do it in any other way.

NORTHAM: When we visited the metal workshop at Altcourse prison, we wanted to know from the businessman running the scheme, David Norburn, whether the jobs there should have been made available instead to local residents and advertised in the Job Centre.

NORBURN: In this instance, no, because all these products that you can see around today would originally be imported from India, and we are winning that business back from local customers, being able to manufacture back in the UK again on a commercial basis.

NORTHAM: Is it important to you that you're not effectively displacing jobs from law-abiding people outside?

NORBURN: Of course it is. We want to be able to be a commercial thing in the first instance, because without commerciality there's no justification, but also the ethics of it are to be able to compete back into the UK again for what would normally be bought in. We do compete on some instances with local competition, but at the end of the day the primary 90% of the products here are definitely imported products.

NORTHAM: You do compete though with some local firms, do you?

NORBURN: We've done some prototype work and some sample work, but that work would eventually gone abroad anyway. Now we're saying you don't have to outsource.

NORTHAM: The principle of a level playing-field is politically vital. There's a ministerial working party looking into the costs and wage rates appropriate for prison industries and it has yet to reach its conclusions. Ken Clarke may not be averse to generating headlines, but he does not want to see a front page story about a factory which has laid honest workers off in order to give their jobs to criminals.

CLARKE: Oh, we've got to avoid that, I'm very conscious of that. It is a real restraint but it's one we have to accept, that you have to develop work opportunities and business development in prisons, which does not threaten honest law abiding companies and their employees outside, so that you can't go into head to head competition with local suppliers. I'm ultra-sensitive about the fact that I do not want to encounter a situation where we threaten some small business somewhere in the country, where we put law abiding people out of work. We can't do that and it is a constraint we have to accept, frustrating though it is sometimes.

NORTHAM: You're not going to permit prisons to become simply places of cheap labour, attracting jobs in?

CLARKE: I would object to that. I don't think we can possibly exploit prison labour as just cheap labour. The idea that this is going to be some sweatshop where unwilling prisoners are being obliged to do forced labour is an illusion.

NORTHAM: A lot of people who would quite like to see a sweatshop inside prison, I think.

CLARKE: Well they would, all I'd tell them was if they're really hardcore or just hopeless and whom you're punishing, and that's what prison is for in the first place, the fact is it'll just cost you a lot more to lay on a sort of quarry where they break rocks than it does to keep them in the cells. If you want less crime you've got to have fewer criminals; that includes reforming a few of the criminals we've got inside by re-introducing them or introducing them to an honest day's work.

NORTHAM: One of the members of the ministerial working group is the Chief Executive of Timpson, the shoe repairers and key-cutters. James Timpson already employs prisoners in a workshop at Forest Bank prison outside Manchester. He's had to wrestle with the competing demands of the commercial imperative to keep wages low and the importance of avoiding the appearance of unfair competition.

TIMPSON: We have a commercial arrangement with the Director, also known as the Governor, because it's a private prison, and we supply the training, the skills, we pay some rent and we provide all the machinery, and in return they do the re-welting on our shoes, and that's when they have to sew the welt on a pair of men's leather shoes - very labour intensive, a very complex job.

NORTHAM: And do the prisoners get paid for doing that work inside?

TIMPSON: They get an enhanced wage by the prison themselves for doing what is a really tough job.

NORTHAM: And as far as the work in prisons is concerned, is it fair to call that cheap labour for you?

TIMPSON: The work that we do is pretty small scale. The work that I've seen going on in other prisons whilst yes, the labour is cheap, you have to add up all the other things that you're doing as part of that. For example, the security arrangements, getting stuff in and out of the prison, the training, the trainers, supplying all the kit. So if you add it all up, commercially if you are running a proper business where you are trying to make money and run it on lower wages, yes, you can. And I don't have a problem with that at all,

TIMPSON cont: because I'd much prefer prisoners to be working hard and learning how work works, so when they come out they're ready to go rather than the business going abroad or not happening at all.

NORTHAM: Timpson also runs training workshops in three other prisons, where it teaches the range of skills it needs - with the understandable exception of key-cutting - and offers inmates the possibility of a fulltime job at the end of their sentences.

AARON: I made a silly mistake, had a few drinks, did something stupid and I was sent to prison for four and a half months. I shot a person with an air rifle, I did it completely out of spite, it was my own fault, I hold my hands up, and I was sent to prison for it, which I fully deserved to go to prison for it.

NORTHAM: Aaron is 23 and last year, after he'd served his time, he was taken on by Timpson to work in one of their shops. He now manages a branch in the North West of England.

ACTUALITY IN TIMPSONS

AARON: We do a lot of shoe repairs, key cutting, do all the stock orders, I do dry cleaning, we've got engraving.

NORTHAM: And are you running this shop on your own?

AARON: I do run a Timpsons shop on my own.

NORTHAM: Six days a week?

AARON: For six days I run the shop myself, yes.

NORTHAM: And what's your weekly turnover, roughly?

AARON: Weekly turnover is around between £4,500 to £5,000 per week.

NORTHAM: Which you are responsible for?

AARON: Yes, most of it, I would say, I am responsible for, yes.

NORTHAM: Recruiting people like Aaron has proved a success for Timpson. The retention rate for ex-prisoners, those still working for the company after a year, is at least as high as for the company's external recruits. And for some categories of inmate it's considerably higher. So the Chief Executive, James Timpson, sees clear commercial advantage in the arrangement with the Prison Service.

TIMPSON: I am recruiting from a third of the prison population. I would say one third are mad and bad and will never have an opportunity to have a job and they shouldn't do. There's another third that have mental health problems and associated drug/alcohol problems and they can't hold down a job, it's unfair to ask them. But then there's a hard core of a third of the people who are in prison now who have the opportunity to have a really good job and it's from that third that I recruit.

NORTHAM: So you openly cherry pick the most promising candidates, and if that means those most likely to reoffend don't get recruited by Timpsons, well that's just tough luck?

TIMPSON: From my point of view it's one of the only places I know where I can discriminate on who I interview and who I recruit, yes.

NORTHAM: And you do?

TIMPSON: Correct.

NORTHAM: Timpson also employs a few dozen prisoners working outside in its normal shops and still held overnight in custody. James Timpson says this is the most successful of all his schemes. They are among five hundred inmates who travel daily to work outside in a huge variety of jobs. They are paid market wages and they pay tax. And each night, they return to their cells. They got some unexpected news this autumn. The Government decided to implement the fifteen year old Prisoners' Earnings Act, taking a

NORTHAM cont: so-called Victims Tax out of their wages. It's set at 40% of what they earn above £20 a week after tax, National Insurance and any child support. Quite a hit. The official estimate is that it will raise a million pounds a year. The organisation that will receive this is Victim Support, the charity which helps victims, witnesses and their families across England and Wales. Its Chief Executive, Javed Khan, sees it as a step towards justice for victims.

KHAN: We are absolutely sure to start with that money alone can't make things right for the victims. But the Prisoners' Earnings Act, this initiative I think is a helpful signal that offenders should recompense victims for their crimes. And making offenders pay financial reparation to victims requires them to take personal responsibility for their crimes and goes some way to making amends to victims. Now this isn't direct compensation, so we're not talking about prisoners' earnings going directly to the victims of their crimes, but we're talking about the money going into a central pot coordinated by Victim Support where we can ease the trauma for other victims.

NORTHAM: How much of this money have you had so far?

KHAN: We haven't had any at the moment.

NORTHAM: None of it?

KHAN: None yet.

NORTHAM: The act came in in September. When do you expect to get the first money through?

KHAN: Well, the Ministry of Justice are working through the details at the moment.

NORTHAM: Do you expect to get the full £1 million? The reason I ask is that we've spoken to a number of experts in this field and they're sceptical about the amount you're actually going to receive from these five hundred prisoners working outside prisons.

KHAN: Well that remains to be seen. From our point of view we represent victims and witnesses of crime, and there is a desperate need to do more for them.

NORTHAM: The five hundred prisoners affected are less enthusiastic. Some of them have written to Noel Smith at the prisoners' newsletter, Inside Time.

SMITH: A lot of people are angry about it, and it came to the point where people in open prisons, because of the unfairness of the 40% deduction, were going to refuse to actually go out and work. But it turns out that some governors in these prisons – and we've had letters about it – are actually threatening prisoners that if they don't work or if they try to challenge the 40% surcharge, they'll be sent back to closed conditions.

NORTHAM: Well, tough.

SMITH: What sort of message does that send out to people? I mean, what are you saying? That you should get out with nothing and go straight back to crime? I mean, when are we going to stop punishing people? You've been punished already by being given the prison sentence and yes, you should be punished for committing a crime, but when do you stop punishing? How can you then be expected to pay financially, many years after the fact?

NORTHAM: People are bound to say you should have thought of that before you committed the crime.

SMITH: Yeah, that's a fair comment, I suppose.

NORTHAM: It may be little surprise that prisoners oppose the Victims Tax. But Prison Governors voted unanimously against it at their conference last month, on the grounds that it will prove a disincentive to the five hundred inmates who have done everything expected of them and have the best chance of going straight. Even companies involved in prison industries have told us that the 40% level is too high. The

NORTHAM cont: Justice Secretary, Ken Clarke, acknowledges this criticism, but defends the new tax and believes it should take in a much bigger group of prisoners.

CLARKE: It's a kind of reflection of restorative justice. When we have earnings inside prison, what I would like to see is some of that money going to victims - either the person's own victim or to Victim Support, some to dependants to keep their family unit together, to remind people of their responsibilities.

NORTHAM: So you'll extend the Prisoners' Earnings Act to those working inside prison?

CLARKE: Well by one means or another, we intend to deduct from the earnings of people inside prison to the benefit of victims and, if we can, to the benefit of dependants as well, so ...

NORTHAM: And you don't think this is a disincentive to the very prisoners you most want to go out and get jobs and not reoffend?

CLARKE: I don't think so. I mean, we shall obviously be able to judge by results. The incentive for them to get on a programme of this kind is very very considerable. Of course they'd rather not have any deductions, they'd like to keep all the money, not just to have some of it, but I don't think deducting for victims and deducting for dependants is going to put them all off. I think it just reminds them of their responsibilities as well as giving them the opportunity of practising an honest way of life.

NORTHAM: Mr Clarke's ideas may enjoy widespread support in principle. But the practical hurdles - including objections from the unions - have yet to be overcome. Ethical questions about prison industries as sources of cheap labour and unfair competition are still the subject of earnest discussion. And perhaps most important of all, even if the target is reached of 20,000 fulltime jobs inside, that will still leave tens of thousands of prisoners twiddling their thumbs. For them, regime change will mean no change at all.

SIGNATURE TUNE