

April 2024

**RR3**  
Reducing Reoffending  
Third Sector Advisory Group

# RR3 Special Interest Group on Accommodation 2023-24: Report 2

Breaking down the barriers – how to ensure access to the Private Rented Sector (PRS) for people leaving prison

## Introduction

The Reducing Reoffending Third Sector Advisory Group (RR3) provides the key interface between the voluntary sector, and the Ministry of Justice (MoJ) and His Majesty's Prison and Probation Service (HMPPS), in order to increase mutual understanding and build a strong and effective partnership. The group is made up of senior leaders from the voluntary sector and meets quarterly with civil servants to provide guidance and feedback on MoJ policy developments.

The RR3 convenes Special Interest Groups (SIGs) to advise on specific areas of policy and practice as the need arises. This SIG has convened to explore the barriers to accessing accommodation faced by people leaving prison or people with criminal records and builds on the learning and recommendations of the 2018 Special Interest Group on Accommodation.<sup>1</sup>

This includes repeating the previous report's call for a cross-departmental strategy on accommodation, specifically focused on people leaving prison. This is because the issue of homelessness amongst people leaving prison remains extremely prevalent. The Ministry of Justice's [Accommodation Following Release from Custody](#) statistics highlight that:

- Between April 2022 and March 2023, "the proportion of persons released from custody who were housed at the point of release decreased by 2.4 percentage points"
- In the year to March 2023, "the proportion of people known to be housed drops from 86.3% on the day of release to 75.5% three months later"<sup>2</sup>.
- In Wales, "the number of those who were rough sleeping at three months post-release from prison trebled in 2022-23"<sup>3</sup>.

Additionally, the Ministry of Justice has stated that "evidence shows that offenders in stable accommodation are 50% less likely to commit further crimes"<sup>4</sup>.

The SIG held two evidence sessions comprised of twenty-one voluntary organisations and officials from the Ministry of Justice (MoJ) and His Majesty's Prison and Probation Service (HMPPS), alongside a call for evidence that received 30 submissions. The SIG considered legislative changes and Government initiatives designed, since 2018, to mitigate some of the issues raised, and explored proposed recommendations.

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The evidence that follows has been divided into three papers, corresponding to the three core barriers listed below. This report corresponds to barrier number two.

- 1) Problems accessing temporary accommodation or suitable settled accommodation via effective resettlement planning, homelessness legislation or government provision
- 2) Problems accessing the private rented sector (PRS), including Local Housing Allowance (LHA), guarantors, upfront costs and discrimination
- 3) Problems accessing adequate housing-related support, including the level of support required and the limitations of current commissioned services.

## Structure

This report is divided into five sections.

- 1) An overview – the inaccessibility and unaffordability of the private rented sector (PRS)
- 2) Local Housing Allowance (LHA) rates
- 3) Landlord reluctance to let to people leaving prison
- 4) Prison pay
- 5) Universal credit

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## **Section 1: An overview – the inaccessibility and unaffordability of the private rented sector (PRS)**

The PRS has become increasingly unaffordable and inaccessible for people leaving prison, driven by the financial insecurity faced by a significant proportion of people in prison and on their subsequent release. The result, as highlighted by one SIG participant, is that: “the availability of properties that are affordable for prison leavers and those claiming benefits is diminishing”. This is despite private accommodation becoming the default option for many people given the barriers to accessing local authority accommodation that we have set out in the first report of this series. The situation is exacerbated by wider societal issues such as the impact of the pandemic and an ongoing cost-of-living crisis, which can both be linked to a broader housing and affordability crisis, and mainly driven by an acute shortage of affordable, rented accommodation. This shortage of affordable housing options is partly as a result of increased private rents, with ONS data showing that “private rental prices paid by tenants in the UK rose by 6.2% in the 12 months to December 2023”<sup>5</sup>. This is the largest percentage change since the UK data series began in January 2016.

There are additional barriers to accessing the PRS for people leaving prison, who are disproportionately likely to be faced with financial insecurity. These include significant upfront costs, with one SIG participant highlighting an example of a landlord requesting “£1,000 up front”. Such an amount is often in addition to funding required for bonds to guarantee a tenancy along with rent up front.

Government policy can also act as an impediment, with a near four-year freeze of Local Housing Allowance (LHA) rates severely restricting access to the PRS for people in receipt of Universal Credit. Despite a welcome unfreezing of LHA rates (on which, more detail in the LHA section), this will only provide temporary relief given that rates will once again be frozen in 2025/26.

### **Cost of living for people leaving prison – the issue**

“The finance-specific barriers faced by prison leavers and people on probation include having no or delayed access to benefits and inconsistent income due to issues securing employment. In addition, many face debt, and often payment from before they were in custody such as court fines. Deductions from the very limited income they have for previous Universal Credit advances, and court fines, also means individuals come to us struggling to make ends meet with very little to cover essentials”<sup>6</sup>.

## **Section 2: Local Housing Allowance (LHA) rates**

### **Summary**

LHA – in areas across the UK – sets the maximum amount of housing support that “claimants of Universal Credit and Housing Benefit can usually get for private rented homes”<sup>7</sup>. First rolled out in 2008, LHA was originally based on “median rents of properties of the same size in each local area”<sup>8</sup>. From April 2011, rates were reduced so that LHA would cover the bottom 30% of rents in each area.

**“The availability of privately rented property – you might as well forget it”**

**“LHA is not fit for purpose – there is a huge shortfall between LHA rates and the cost of renting in the PRS”**

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### The issue

Receipt of LHA is essential to enabling access to the PRS for many people leaving prison. Rates were frozen by the Government in April 2020 which, as a result of inflation and rising rents, meant that the lowest 30% of rental properties were no longer affordable to people in receipt of Universal Credit and Housing Benefit. As one SIG participant noted: “the LHA freeze is one of the key barriers”.

The Institute for Fiscal Studies’ recent analysis found that in the first quarter of 2023 “just 5% of private rental properties were affordable for housing benefit recipients”<sup>9</sup>. Exeter was highlighted specifically by one participant when exploring the discrepancies between LHA rates and the cost of average rents in the area. This was in addition to a broad consensus that the LHA freeze has resulted in a significantly diminished pool of properties that fall within LHA rates.

At the 2023 Autumn Statement, the Government acknowledged the impact that this was having on peoples’ ability to both secure and then maintain private tenancies, restoring rates to the bottom 30% of rental properties. This will remain in place until 2025/26, at which point rates will be frozen once again. The policy will therefore only temporarily enable wider access to affordable properties via receipt of LHA.

### Section 3: Landlord reluctance to let to people coming out of prison

Given that the PRS has become the sole option for many people leaving prison, successful engagement with private landlords is essential to improving access to suitable accommodation. Yet participants agreed that landlord reluctance to let to people leaving prison continues to present significant challenges.

One SIG participant acknowledged that “guys leaving prison – no one really wants to work with them”. Anecdotal evidence from a range of voluntary providers working with private landlords reinforces the issue, a selection of which has been included below.

#### Engagement with private landlords

SIG participant: “I’ve had a few male clients get as far as trying to arrange a viewing and then estate agents google them, and once they get the name – that’s it. They just don’t get a call back. I had one estate agent admit to googling names”.

SIG participant: “I’ve had it where women have successfully got PRS accommodation, but then landlords have found out from neighbours and served eviction notices. The landlord doesn’t say to us what the reason is, but they will happily tell the woman that that is the reason”.

***“Private landlords just do not want to accommodate people leaving prison. People leaving prison are so far down the pecking order. The chances of them sourcing the PRS is non-existent”***

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Issues with landlord engagement include:

- Discrimination against people with criminal records - online searches by private landlords continuing to lead to discrimination against people with criminal records.
- Issues accessing a guarantor – landlords tend to ask for a guarantor which “puts many people coming out of prison into a bad position as many do not have a guarantor”.
- Lack of safeguarding mechanisms to ensure good quality accommodation – participants noted a lack of safeguarding mechanisms in place guaranteeing the provision of good quality accommodation. It is important to note that in Wales, the Renting Homes Act (2016) “places an obligation on a landlord to ensure that, at the start of and during the length of the occupation contract, the dwelling is fit for human habitation”<sup>10</sup>.
- Unscrupulous landlords – who receive enhanced housing benefit (as a result of providing support, supervision or care), but who then provide low standard accommodation, lacking in appropriate support.

### SPOTLIGHT - JUSTLIFE

Justlife, a charity that advocates for people who are hidden homeless and living in temporary accommodation, was highlighted as an example of good practice in engaging with landlords.

### SPOTLIGHT - JUSTLIFE, TEMPORARY ACCOMMODATION ACTION GROUP (TAAG)

Justlife runs local Temporary Accommodation Action Groups (TAAGs) in four areas: Brighton, East Sussex, Hackney and Manchester.

These groups “bring together landlords, local authorities, charities, support services, health services and other parties from the TA (temporary accommodation) world to improve the experiences of people living there”. The objective of these groups is to help people (including landlords) who provide temporary accommodation to build an understanding of what it “is really like for residents” and then to “take action to improve it”.

## Section 4: Prison pay

While in prison, pay – either through work or education – is extremely limited. As Nacro sets out in its recent paper on prison wages, “pay rates vary within prison, depending on the type of job or IEP (Incentive and Earned Privileges) status: for example, HMP Pentonville’s pay is £13.70, as of September 2022, for standard level IEP and £18.60 for enhanced. At HMP Send the average weekly wage for prisoners in full-time employment in July 2022 was £13.93”<sup>11</sup>.

Such a low rate of pay prevents people serving custodial sentences from being able to save up prior to release, money that could then be used to access key services for resettlement purposes. One attendee told us: “we support women on release – HMP Styal is our main location. I’ve never had a woman who’s been able to save enough money to afford the upfront costs for accommodation before the wages in prison are so low”.

Combined with rising rent and stagnant benefits, the financial situation for many people leaving prison is one of extreme precarity and an impediment to effective resettlement work on release.

***“Delayed Universal Credit really is a challenge”***

## **Section 5: Universal Credit**

The Universal Credit (UC) system further exacerbates this financial insecurity, particularly given that claims for the payment cannot be submitted until the day a person has been released from prison. There can then be a significant wait until that first payment is processed. One participant told the SIG that reform to the UC system is needed so that the first payment can be accessed within a shorter timeframe.

The SIG was told that: “if they knew they were going to get their first payment within a fortnight of leaving custody, so they just had to make their discharge grant last until that date, rather than four, six or eight weeks, it could be any time dependent on the complexity of their claim, this could single-handedly change a lot of people’s experience of that first night out”.

The UC system does enable claimants to access an advance payment, thereby mitigating against the issues of what can be a significant wait. Yet, because the advance payment is a loan and requires repayment over a twenty-four month period (recently extended from twelve months by the Government), this can further increase peoples’ financial insecurity, adding to existing debts. Repayments of the advance are deducted from future monthly payments, and monthly deductions can be as high as 25% of a person’s individual monthly allowance. Further, a second advance is only possible once the previous advance has been fully repaid.

One SIG participant raised the issue of advance payments: “we can get an awful lot of people on short sentences who have had advance payments previously so can’t have another. And then it’s just a cycle. They come out with no money”.

There isn’t a significant amount of data on the financial hardship faced by people in prison. What is available though, and given the impact of the pandemic and the cost-of-living crisis, points to a bleak financial picture for people as they prepare to be released from prison.

A 2010 study by Unlock and the Prison Reform Trust, for example, found that “over half of prisoners entered prison with debt”. The report goes on to state that: “the research established that time in prison was likely to increase levels of debt. Just over half of the people interviewed in prison had debts. Of those who had debts, 40% of people in prison and 64% of former prisoners felt that their debts had worsened during their sentence, two thirds of people interviewed in prison who had debts said they owed over £1000”<sup>12</sup>. A more recent report, from HM Inspectorate of Prisons in 2016, found that “a large number of prisoners – nearly 20% – reported entering prison with money problems”<sup>13</sup>.

Clearly, measures to expedite the process whereby a person leaving prison can access the initial Universal Credit payment would play an essential role in the resettlement process. As one participant told us: “expediting claims of people who have been released from prison would be one thing. These problems are fairly obvious”. It is important to note that there is ongoing work – coordinated by the MoJ and the Department for Work and Pensions (DWP) – to test approaches for people in prison to start their Universal Credit claim before release in 16 prisons. This work is with a view to a national roll out across the prison estate during 2024 as part of a commitment set out in the Prisons Strategy White Paper.

## SPOTLIGHT - KONNECT COMMUNITIES

Konnect Communities, which has accessed Accommodation for Ex-Offenders (AfEO) funding in partnership with Cornwall Council and Harbour Housing, provided the SIG with information on its model for working with people ahead of their release from prison. The focus of the model is to source suitable rental accommodation. Konnect and Harbour Housing work with the people accessing the service to help them sustain their tenancy and then supports them into suitable education, training and employment opportunities.

The SIG was told that: “the key to success is early access to the person in person, which enables Cornwall Housing to properly assess the individual need and entitlement, as well as giving Harbour Housing sufficient time to prepare for the release and start assisting with stabilisation support, and for Konnect to explore ETE opportunities”.

### **Konnect highlighted the following aspects of their work as key to its success:**

- Early access to people in prison.
- Attendance at weekly Homelessness Prevention Taskforce (HPT) meetings, partnership with Cornwall Council, probation practitioners, Reconnect, and the Police.
- These meetings discuss upcoming prison releases and identify individuals in need of support.
- The Konnect worker then visits the relevant prison and assesses the identified individual’s needs. All identified individuals must be tenancy ready.
- Konnect then recommends people to Cornwall Housing, which works to source suitable private rented accommodation. Cornwall Housing manages council homes on behalf of Cornwall Council, as well as providing homes for social rent.
- Once sourced, Harbour Housing supports each person with their tenancy sustainability – focused on budgeting, signposting to relevant services (including mental health and GP services, supports with social integration, and looks at the long-term goals of the individual including potential Employment, Training and Education opportunities.

### **Accommodation for Ex-Offenders (AfEO) funding – explainer:**

AfEO funding is allocated to local authorities in order to support people who have been in prison to access the PRS. The funding enables local authorities to “provide a range of support to enter the private rented sector, typically consisting of rental deposits and landlord incentives and/or dedicated support staff including landlord liaison and tenancy support/sustainment officers”<sup>14</sup>.

## **Recommendations**

### **Boosting financial security**

#### **1) Commission research into the financial situation of people in prison.**

To better understand the factors driving financial insecurity

#### **2) An analysis of debt and benefit advice in prisons at the induction stage of a person's sentence.**

To understand gaps in provision, and to build an evidence base on the issues contributing to people in prison's financial insecurity in order to support provision on release

#### **3) Develop Resettlement Access Funds.**

Building on existing best practice; this would see people in prison paid a sufficient wage, with 40% of their earnings set aside to be accessed on release

#### **4) Uniform provision of debt advice across the prison estate.**

### **Accessing the Private Rented Sector (PRS)**

#### **1) A commitment to separate Government reviews (both UK Government and Welsh Government) of access to the PRS.**

In coordination with the National Residential Landlords Association, voluntary organisations supporting people with housing in England and Wales and other key stakeholders including Strategic Housing Specialists and Accommodation Pathway Coordinators in Wales; in order to understand the issues landlords are raising in their dealings with people leaving prison.

#### **2) Cross-agency working from day 1 of a person's stay in CAS-provision.**

This should take place between the community probation practitioner and the regional homeless prevention team – focused on exploring move-on options from the earliest possible stage.

#### **3) A commitment to exploring the viability of universal coverage of the Accommodation for Ex-Offenders (AfEO) scheme.**

This should ensure that all local authorities in England can access AfEO funding; the viability to be supported by an evaluation of the existing tranche of AfEO funding in order to evidence its effectiveness in reducing reoffending rates. We acknowledge that accommodation is devolved to the Welsh Government, and will be working with colleagues in Wales to advocate for the establishment of similar, universal support mechanisms.

#### **4) A commitment to linking LHA rates with the rate of inflation (and therefore a concurrent commitment to unfreeze LHA rates from 2025-26).**

#### **5) Government-backed rent deposit schemes in targeted areas.**



## **Recommendations (cont.)**

### **6) A focus on an expanded network of social lettings agencies.**

These should promote Housing First principles designed to shift the attitude toward people who experienced multiple disadvantage, and ensuring the provision of housing first without an expectation of engaging with support as a precondition.

### **7) Cross-departmental engagement exploring the possibility of making new funding streams available to support the expansion of Housing First.**

### **8) Provision of tenancy ready courses across all resettlement prisons in England and Wales.**

This should be as part of an approach embedding tenancy sustainment.

### **9) The development of housing provider-recognised tenancy courses.**

To incentivise landlords to let to people with criminal records, while acknowledging that housing is devolved in Wales and therefore recognising that the courses will differ dependant on jurisdiction.

### **10) Training and awareness to be provided by Rent Smart Wales among private landlords to improve the availability of privately rented accommodation to people leaving prison.**

## **Reforms to Universal Credit**

The Universal Credit system is acting as a barrier to the successful reintegration of people in prison into the community on release. We therefore recommend:

#### **1) Amending legislation so that people are able to submit their Universal Credit claim ahead of their release**

#### **2) Reducing the 25% deductions cap on monthly UC payments**

#### **3) Providing advance payments as grants**

#### **4) Exploring the viability of reducing the current taper rate of 55%.**



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### End notes

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