

- On a monthly basis the VOA and the Northern Irish Housing Executive (NIHE) publish data on Local Reference Rents, or LRRs, for various types of property, by large geographical areas called “Broad Rental Market Areas”, or BRMAs.
- The LRR is the mid-point between what in the rent officer’s opinion are the highest and lowest non-exceptional rents in a given locality.
- Instead of using the mid-point, we asked for the “high point” LRRs – i.e the highest weekly rent that the VOA would consider “non-exceptional” for each BRMA.
- The precise dataset we used were the LRRs from the end of March 2010, for a property containing one bedroom, bathroom, kitchen and living room.
- We then mapped the 2010 UK Parliamentary boundaries onto these BRMAs, to find the BRMA which most closely matched each individual constituency.
- The majority (61%) of constituencies were entirely within one BRMA. In constituencies which spread across more than one BRMA, we used whichever BRMA covered the most of the constituency’s geographical area.
- The weekly LRRs were then converted into monthly costs (multiplied by 4.33) and rounded up to the next £100 multiple, with a minimum of £500 per month.
- Finally, as our market testing for London had previously suggested, we determined that to allow accommodation to be located appropriately for an MP’s needs, the rate needed to be uplifted by 16.2% from the rates calculated based on VOA data.
- A 16.2% uplift was therefore applied to each of the five bands of constituencies to determine the final rates for each band.
- Regardless of which band a constituency is in, MPs may claim up to a further £2500 per year for running costs such as utility bills, council tax and contents insurance. An extra £2425 per year is also allowable for each eligible dependant.