

**Barrow Borough Council**  
**Overview and Scrutiny Committee**  
**Thursday, 2 February 2023**  
**Local Housing Allowance**

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**Report from:** Director of Resources  
**Report Author:** Director of Resources  
**Wards:** (All Wards);

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**1.0 Summary and Conclusions**

- 1.1 This report aims to highlight a potential opportunity to influence the Local Housing Allowance within the Barrow Borough, with the aspiration of closer aligning the rate across the Westmorland and Furness Council area.

**2.0 Recommendation**

- 1. It is recommended that Overview and Scrutiny Committee making a recommendation to the Executive Committee which requests that the need for an Accommodation Policy is raised with Westmorland and Furness Council.**

**3.0 Background and Proposals**

- 3.1 The Local Housing Allowance (LHA) is the housing benefit amount for people who live in privately rented accommodation. LHA is a flat rate allowance based on the size of the household, not the size of the property, and the area in which a person lives.
- 3.2 At the Overview and Scrutiny Committee on the 2 November, it was proposed that the Executive Committee, on behalf of the Council, send a letter to the Secretary of State, the Chief Executive of Westmorland and Furness Shadow Authority and the local MP (copied to the Leader of Westmorland and Furness Shadow Authority), requesting that consistent Local Housing Allowance (LHA) rates be applied across the Westmorland and Furness Council area – the three areas of Barrow Borough, South Lakeland, and Eden.
- 3.3 The Director of Resources undertook further research in order to inform the report to the Executive Committee and determined that the LHA rate is a product and it is the underlying private sector rent that influences the allowances.

- 3.4 LHA is set for Broad Rental Market Areas (BRMA). The Rent Officers set individual LHA rates for up to a maximum of 4 rooms in each of the BRMA areas. The Rent Officers are independent of local authorities; they are government employees in the Valuation Office Agency.
- 3.5 LHA figures apply from the beginning of April and are set at the end of January using the data for the year ending on the preceding 30 September. In April 2022 the LHA rates remain frozen at April 2020 levels.
- 3.6 The LHA is set as the highest rent within the bottom 30% of rents – in broad terms this means that people on housing benefit can afford rents in the lowest third of the rental market.
- 3.7 The BRMA are defined by post codes and are drawn up by the Rent Officer by considering the general facilities and services available in the vicinity, that there is a variety of residential property types, and that there are sufficient privately rented properties (assured tenancies) to ensure that LHA rates are representative of the rents landlords can expect in the area. The Barrow-in-Furness BRMA is attached at **Appendix 1**.
- 3.8 If a customer finds a property that they like with a rent that exceeds their LHA they will need to make up the difference themselves. If a customer finds somewhere with a rent below their allowance, the Council may only pay LHA up to the amount of rent they have to pay. The LHA rates do not apply to social rented housing, only to private rented housing.
- 3.9 Across the Westmorland and Furness Council area there are 4 BRMA with part of the South Lakeland District Council area covered within the Barrow BRMA:

Type	Barrow BRMA	Kendal BRMA	North Cumbria BRMA	West Cumbria BRMA
Shared Accommodation	£81.35	£68.00	£68.00	£68.00
One Bedroom Rate	£86.54	£113.92	£80.55	£80.55
Two Bedroom Rate	£102.41	£138.08	£97.81	£96.66
Three Bedroom Rate	£126.58	£166.85	£120.82	£113.92
Four Bedroom Rate	£166.85	£195.62	£155.34	£138.08

- 3.10 The Overview and Scrutiny Committee received a report regarding supported accommodation in November 2022 and the discussion highlighted the differences in LHA. These differences at a local level have the potential to influence the quality and mix of the private rented accommodation market for the Barrow Borough.
- 3.11 For a two bedroom property, a landlord can expect £138.08 per week in Kendal, compared to £102.41 in Barrow. However, shared accommodation is opposite to

all other areas and is higher for Barrow – therefore potentially more attractive to investors.

- 3.12 Establishing an Accommodation Policy could establish the housing needs of an area, this in turn could change the mix of property types, the quality, the supply and therefore the rents. Changing the market in this way could shift the rental market overall and thereby raise the lowest third to be closer to the neighbouring BRMA's and the rest of the Westmorland and Furness area.
- 3.13 Members are asked to consider making a recommendation to the Executive Committee which requests that the need for an Accommodation Policy is raised with Westmorland and Furness Council.

#### **4.0 Consultation**

- 4.1 Consultation is not relevant to the recommendation.

#### **5.0 Alternative Options**

- 5.1 Overview and Scrutiny are asked to consider the recommendation and may suggest alternative options.

#### **6.0 Contribution to Council Plan Priorities**

- 6.1 The recommendation aims to support the accommodation market which impacts upon people, place, and prosperity priorities.

#### **7.0 Implications**

##### **7.1 Financial, Resources and Procurement**

- 7.1.1 There are no direct financial, resource or procurement implications from the recommendation.

##### **7.2 Legal**

- 7.2.1 There are no specific legal implications arising from the report.

##### **7.3 Local Government Reorganisation**

- 7.3.1 The recommendation is a request is to Westmorland and Furness Council.

##### **7.4 Equality and Diversity**

- 7.4.1 There are no equality and diversity implications from the recommendation.

#### **Risk**

<b>Risk</b>	<b>Consequence</b>	<b>Controls required</b>
The LHA rates impact the mix, quality, and supply of accommodation in the Borough.	Without change the LHA rates may result in accommodation that	An Accommodation Policy could introduce some control that would lead to a change in the

	does not best suit/serve residents.	private rental market which underpins the LHA rate.
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### Contact Officers

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### Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Barrow-in-Furness Broad Rental Market Area

### Background Documents Available

Name of Background document	Where it is available
Overview & Scrutiny Committee 2 November 2022 Supported Accommodation	<a href="#">Agenda for Overview and Scrutiny Committee on Wednesday, 2nd November, 2022, 2.00 pm (barrowbc.gov.uk)</a>