

# Renting Ready

## Tenant Financial Management

**NAME:**

**VENUE:**

**DATE:**

Unit 2  
L/506/8546

Level 1 Award in Tenancy Skills  
Ofqual: 601/5129/8



**NAME:** \_\_\_\_\_

## Check Your Learning

How much do you know about (please tick):

Objectives	At The Start of the Unit	At the End of the Unit
Understand the key financial aspects of managing a tenancy	I know very little I know some I know a lot	I know very little I know some I know a lot
Understand how to manage money	I know very little I know some I know a lot	I know very little I know some I know a lot
Understand utilities	I know very little I know some I know a lot	I know very little I know some I know a lot

What are your personal objectives? (start of unit)

Did you achieve your personal objectives (end of unit)

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## COSTS AND LIABILITIES IN THE PRIVATE RENTED SECTOR

Which of the following costs and liabilities will you have to pay when in a private rented tenancy?  
Tick the costs and liabilities you may have to pay.

A deposit/ bond	The cost of servicing the gas boiler	A rent top-up if your benefits don't pay the full rent	Energy Performance Certificate Costs
Council Tax	Moving costs (van hire, removal firm)	The cost of an annual gas safety certificate	TV Licence
Property Insurance	Rent every month	Home Contents Insurance	Letting Agency Fees
Water Rates	Deposit Protection Scheme Fees	Gas & Electricity Bills	Smoke and Carbon Monoxide Alarms

Name:

Date:

## PROTECTING YOUR DEPOSIT

When you take on a private rented tenancy you will most likely have to pay a deposit that is equivalent to one month's rent.

Describe what landlords must do to protect your deposit

Include:

- *What the landlord must do with your deposit*
- *What they must give you*
- *How much time they have to do this*

Name:

Date:

## LOCAL HOUSING ALLOWANCE

1. What is Local Housing Allowance? Put a circle around the right answer.

<p>A Government scheme to help people buy a property</p>	<p>The number of houses that a Council is allowed to build in an area</p>
<p>Housing Benefit rates to help people pay the rent in private rented properties</p>	<p>A housing association scheme to help people move to a different area</p>

2. Explain where you would find the Local Housing Allowance rate that applies to you:

3. Outline how would you apply for Local Housing Allowance:

Name:

Date:

## FINDING PROPERTIES YOU CAN AFFORD

Let's work out how much you can afford to pay for rent.

How many bedrooms are you entitled to under Local Housing Allowance?	
What area do you want to live in?	
How much is the Local Housing Allowance for you in your chosen area?	
How much extra (if any) can you put toward your rent every month?	
What is your monthly budget for rent?	

Now let's find three properties that you can afford that match your criteria and are within your budget.

	Property Type & Size	Address	Rent
1			
2			
3			

Name:

Date:

## YOUR BUDGET

Understanding how much money you have coming in and going out is really important. Let's complete your personal budget, estimating how much you will have to pay in a tenancy.

It's important that if you calculate your income on a monthly basis you should also calculate your expenditure on a monthly basis.

<p><b>To convert weekly numbers to monthly numbers ....</b></p> <p>£..... per week  x 52 weeks (multiply)  <u>/ 12 months (divide)</u>  = figure per calendar month</p>	<p><b>To convert monthly numbers to weekly numbers ....</b></p> <p>£..... per month  x 12 months_(multiply)  <u>/ 52 weeks (divide)</u>  = figure per week</p>
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### Now do your own budget

- Choose to use weekly, fortnightly or monthly, whichever best suits you. Make sure that everything is in the same time period that you have chosen.
- Do your income and spending based on what they will be in your own property.

Some spending is essential, some may be something we want or like but is not absolutely necessary. Identify in the left-hand column of the Expenditure sheet whether each item is essential or non-essential.

YOUR INCOME		
Income	How Much?	Convert to weekly, fortnightly or monthly
Wages		
Benefits (eg, ESA, JSA, UC)		
Local Housing Allowance		
Other Income		
<b>TOTAL</b>		



YOUR EXPENDITURE			
Is this essential?	Expenditure	How Much?	Convert to weekly, fortnightly or monthly
	Rent		
	Council Tax		
	Gas		
	Electricity		
	Water		
	Telephone		
	Mobile Phone		
	Internet/ Broadband		
	TV Licence		
	Satellite or Digital TV		
	Food		
	Furniture		
	Transport (Car or bus/train)		
	Clothes & Footwear		
	Household Insurances		
	Personal Care		
	Nights Out/ Restaurants/ Café		
	Gym/ Sports Membership		
	Gifts		
	Cigarettes, Alcohol, Drugs		
	Pets		
	Medical Costs/ Prescriptions		
	Holiday		
	Take-Aways		
	Credit/ Loans/ Debts/ Fines		
	<b>TOTAL</b>		

<p>Your total income is £ _____ per _____.</p> <p>You total expenditure is £ _____ per _____.</p> <p>You have £ _____ left to spend or save each month.</p>
---

Name:

Date:

## BORROWING AND SAVING

<b>1</b>	<p><b>What is an interest rate? Which two statements are correct?</b></p> <ul style="list-style-type: none"> <li>a. It is the cost of borrowing money usually expressed as a percentage</li> <li>b. It is how much interest your bank takes in whether you can repay</li> <li>c. It is how many banks would lend to you based on your credit rating</li> <li>d. It is the rate your bank will pay you per year for your savings</li> </ul>
<b>2</b>	<p><b>A high interest rate is good if?</b></p> <ul style="list-style-type: none"> <li>a. You want to borrow money</li> <li>b. You want to save money</li> <li>c. Both</li> </ul>
<b>3</b>	<p><b>A low interest rate is good if?</b></p> <ul style="list-style-type: none"> <li>a. You want to borrow money</li> <li>b. You want to save money</li> <li>c. Both</li> </ul>
<b>4</b>	<p><b>Making sure that there are no hidden charges is important for?</b></p> <ul style="list-style-type: none"> <li>a. Borrowers</li> <li>b. Savers</li> <li>c. Both</li> </ul>
<b>5</b>	<p><b>Which of these is the better deal if you wanted to borrow £100?</b></p> <ul style="list-style-type: none"> <li>a. Borrowing from The Provident at 299% APR over 12 months</li> <li>b. Borrowing from Moneywise Credit Union at 43% APR over 12 months</li> <li>c. Borrowing from Sunny Loans at 1291% APR over 6 months</li> </ul>
<b>6</b>	<p><b>Which of these is the better deal if you have £100 to save?</b></p> <ul style="list-style-type: none"> <li>a. Saving for a year with Atom Bank at 1.40% AER</li> <li>b. Saving for a year with ICICI Bank at 1.15% AER</li> <li>c. Saving for a year with Nationwide Building Society at 0.65% AER</li> </ul>
<b>7</b>	<p><b>Which of these is the better deal if you want to borrow £4,000?</b></p> <ul style="list-style-type: none"> <li>a. Borrowing from Bamboo Loans over 4 years at 89.9% APR</li> <li>b. Borrowing from Admiral Finance over 4 years at 6.7% APR</li> <li>c. Borrowing from Amigo Loans over 4 years at 49.9% APR</li> </ul>
<b>8</b>	<p><b>Which of these is the better deal if you want save £1,000?</b></p> <ul style="list-style-type: none"> <li>a. Saving with Skipton Building Society over 5 years at 2.0% AER</li> <li>b. Saving with Axis Bank over 5 years at 2.16% AER</li> <li>c. Saving with Vanquis Bank over 5 years at 2.61% AER</li> </ul>

Name:

Date:

## ADVANTAGES AND DISADVANTAGES OF DIFFERENT TYPES OF CREDIT

Choose three sources of credit and explain the advantages and disadvantages.

Type of Credit:	
Advantages	Disadvantages

Type of Credit:	
Advantages	Disadvantages

Type of Credit:	
Advantages	Disadvantages

Name:

Date:

## AFFORDABLE FURNITURE

Properties can be furnished, part furnished, or not furnished at all. Make sure you ask the landlord how the home will be furnished before you move in.

If you don't have very much money think about the furniture you will really need and where you might get it.

List 3 local sources of affordable furniture:

1.

2.

3.

Name:

Date:

## PRIORITY & NON-PRIORITY DEBTS

Priority debts are those where you could lose your home, your liberty, or essential services if you did not pay them. List examples of priority and non-priority debts below.

**PRIORITY**

- 1
- 2
- 3
- 4

**NON-PRIORITY**

- 1
- 2
- 3
- 4

Name:

Date:

## SAVING MONEY ON FOOD

Outline three ways that you can eat affordably on your budget.

# TOP TIPS TO EAT AFFORDABLY

What would you do?	How does this save money?

Name:

Date:

## GETTING THE BEST DEAL FOR UTILITIES

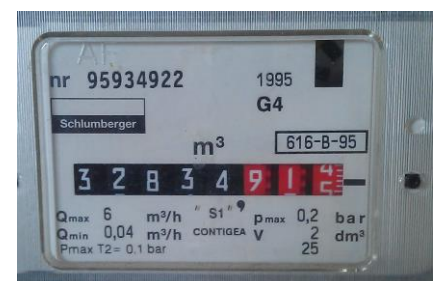
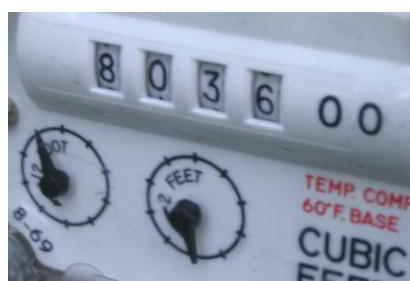
Outline how to find the best deal for gas and electricity so that you are paying as little as possible:

### READING METERS

To make sure you are paying the right amount its important that you can read your meters. What are the readings on the following meters – put the right reading in the box below each meter?



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Name:

Date:

# UNDERSTANDING GAS AND ELECTRICITY BILLS

Can you list the information in the numbered red boxes?

The image shows a British Gas bill with the following details:

- Customer Address:** Ms. Sample, 12 Sample House, Sample Road, Sample Town, Sample Country, ABC 123.
- British Gas Logo:** Looking after your world.
- Customer Number:** 85 88 08 31 28 35.
- Bill Date:** 26th Sept 2012. **Bill Period:** 3rd July - 24th Sept 2012.
- Section 1: What do I owe?** Your summer payment is **£182.67**. Gas total: £109.15, Electricity total: £73.52.
- Section 2: When do I pay?** Your payment is due by **10th October**.
- Section 3: How can I get in touch?** [britishgas.co.uk/MakeAPayment](http://britishgas.co.uk/MakeAPayment), [britishgas.co.uk/SubmitMeterRead](http://britishgas.co.uk/SubmitMeterRead). Phone: 0800 048 0202 (Mon-Fri 8am - 8pm / Sat 8am - 6pm).

Three numbered red boxes are overlaid on the bill:

- Box 1:** Points to the customer number (85 88 08 31 28 35).
- Box 2:** Points to the text "You're on our Standard tariff for both gas and electricity."
- Box 3:** Points to the contact information for the customer service team.



### 4 I'd like more detail

**What am I paying for?**

Total kWh used	2648
Total gas kWh used	2171
Total electricity used	477

**Your gas use in detail**

Meter: 4788789


3 July 2012 actual meter read	2161
24 Sept 2012 estimated meter read	2355
Estimated units used	194
Gas units converted into kWh	2171
Cost of first 617 kWh used at 8.530p	£52.63
Cost of next 1557 kWh used at 3.297p	£51.33
<b>Total gas used this period</b>	<b>£103.96</b>
VAT at 5%	£5.19

**Total gas including VAT**
**£109.15**

### What's a kilowatt hour?


A kilowatt hour gives you:

A cooked breakfast for a family of four



or

Food kept fresh and frozen for a day



**4. This is ....**

**Your electricity use in detail**

Meter: 4788789

3 July 2012 actual meter read	2161
24 Sept 2012 estimated meter read	2355
Estimated kWh used	477
Cost of first 166 kWh used at 23.50p	£39.01
Cost of next 311 kWh used at 10.64p	£33.09
<b>Total electricity used this period</b>	<b>£72.10</b>
Dual fuel discount	- £2.08
VAT at 5%	£3.50

**Total electricity including VAT**
**£73.52**

Total without VAT: £173.98  
Total VAT: £8.69

**Total energy used =**
**£182.67**

Gas is a natural product. One unit does not always produce exactly the same amount of energy. In order to price energy from gas consistently, we convert your units used into kilowatt hours of energy, using the following formula:

a. metric units used	194
b. x calorific value	39.4
c. x volume correction	1.02264
d. + metric conversion	3.6
e. = kWh	2171

### How does this compare to last year?

Calculations include estimated meter readings

**Your gas use compared to last summer (kWh)**

3 July - 24 Sept 2011	1500 kWh
3 July - 24 Sept 2012	2171 kWh

**Your electricity use compared to last summer (kWh)**

3 July - 24 Sept 2011	35 kWh
3 July - 24 Sept 2012	477 kWh

**Projected cost of gas over the next 12 months**

From 25 Sept 2011 to 24 Sept 2012, you used 11000 kWh of gas. If you use the same rate over the next 12 months, we estimate your cost will be £500 (Based on the following breakdown and including VAT).

Period	Your tariff	Cost (£00)
25 Sept 2012 - 24 Sept 2013	Standard	£500
		<b>£500</b>

**Projected cost of electricity over the next 12 months**

From 25 Sept 2011 to 24 Sept 2012, you used 2017 kWh of electricity. If you use the same rate over the next 12 months, we estimate your cost will be £233 (Based on the following breakdown and including VAT).

Period	Your tariff	Cost (£00)
25 Sept 2012 - 24 Sept 2013	Standard	£248
25 Sept 2012 - 24 Sept 2013	Dual Fuel Discount	-£15
		<b>£233</b>

Name:


Date:

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## UNDERSTANDING WATER BILLS

Can you list the information in the numbered red boxes?



**NORTHUMBRIAN WATER** *living water*

**nwl.co.uk**

Make payments, tell us about a change of occupier and manage your account at any time of the day or night.


**0345 733 5566**

We're here between 8am and 8pm Monday to Friday and from 8am to 1pm on Saturdays

**1. This is ....**

**2. This is ....**

**3. This is ....**

**Your payment plan schedule** 

You don't need to do anything, we'll take your payments by Direct Debit.

Due Date	Payment
1 May 2017	£44.28
1 Jun 2017	£44.14
1 Jul 2017	£44.14
1 Aug 2017	£44.14
1 Sep 2017	£44.14
1 Oct 2017	£44.14
1 Nov 2017	£44.14
1 Dec 2017	£44.14
1 Jan 2018	£44.14
1 Feb 2018	£44.14

**Your water bill**

1 April 2017 to 31 March 2018

What's in this bill?

We've split your bill into three clear sections.

- 1
**About your charges**
  - Your charges this bill
  - Where your money goes
  - Payments since last time
- 2
**Stay in control**
  - Get a water meter
  - Manage your account online
  - Your Direct Debit Guarantee
- 3
**Useful information**
  - Water leaks or emergencies

Hello Ms Sample


**Last bill** (21 Mar 2016)  
£317.77

**What you paid**  
£232.80

**Balance brought forward**  
£84.97

**Your payment of**

£44.28



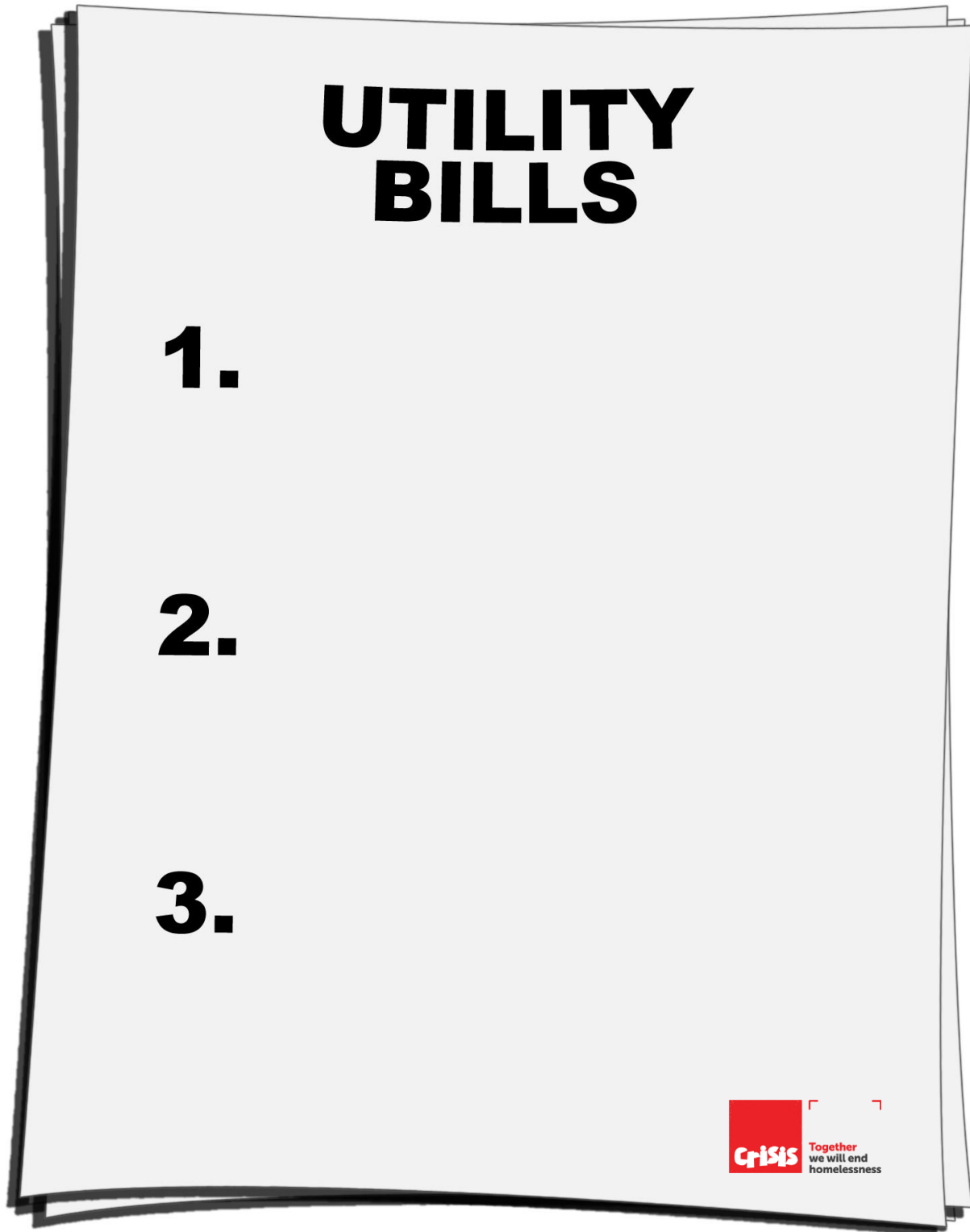
**1234 5678 9012**      Bill number **17**

Bill date **1 February 2017**



## PAYING UTILITY BILLS

Outline three ways that you can pay gas, electricity and water bills.




**UTILITY  
BILLS**

**1.**

**2.**

**3.**



**Crisis** Together  
we will end  
homelessness

Name:

Date:

## CONSEQUENCES OF NOT PAYING BILLS

What are the consequences of not paying the following priority debts?

Debt	Consequence
Your Rent	
TV Licence	
Council Tax	
Gas & Electricity Bills	

Name:

Date:

## SAVING ENERGY AND MONEY

Describe three ways that you can use less energy so that you save money on your bills.

1	
2	
3	

Name:

Date:

# TUTOR FEEDBACK



**Unit 2**

## **TENANT FINANCIAL MANAGEMENT**

Assessor Comments

Learner Comments

**Signed (Assessor)**

**Signed (Learner)**

**Date**

**Date**