



HOME STUDY FOR TENANTS

Introducing Housing Finance

Workbook

Aim: The aim of this workbook is to help you understand the basics of how your landlord's housing finance works.

Version: *for council and housing association tenants*

What You Will Learn in this Workbook

- ❑ Where the money comes from to run council and housing association housing
- ❑ What the money is spent on
- ❑ How a council or housing association's housing account is organised and presented
- ❑ Advantages and disadvantages of borrowing money to pay housing costs.

How to Use This Workbook

Go through it at your own pace. Stop for a break whenever you want. When you start up again, look back at what you had just completed.

As you go through the workbook, you are often asked to carry out activities. Sometimes you are asked to read short passages of text.

DO NOT look ahead in the book for answers. These are given in the correct place in the workbook. You will come to them at the correct stage.

If you get stuck on something, try the following:

- Leave aside and try again later
- Turn back pages in the workbook looking for clues / ideas.
- Phone TIS for help [freephone or reverse charges]
- DO NOT look ahead in the workbook for answers. It is important to do the tasks and reading in the order given.

SECTION 1

Where the money goes

Activity 1

Here is a list with some things, which your landlord spends money on. Can you add at least 6 more things to this list?

- Repairing a length of broken guttering
- Paying a post office for collecting the rents of some tenants
- Repaying money already borrowed
- Grass cutting
- Housing office running costs

Activity 2

Read through this list showing some more things your landlord may spend money on:

- repairing faulty heating appliances
- all sorts of other repairs
- tradespeople's wages
- housing management staff's salaries
- housing office rent
- legal advice to housing staff
- finance staff salaries
- new windows being installed
- pruning shrubs
- repairing pipes after a burst
- interest payments on money already borrowed
- replacement of obsolete electrical wiring.

Perhaps you listed some of these in your answer to Activity 1.

Activity 3

The council will usually group different types of spending under different headings, for example – Repairs & Maintenance; Major Works; Housing Management; and Loan charges.

Which items in the lists in Activity 1 and Activity 2, would you group under the heading Repairs & Maintenance?

Which items would you group under the heading Major Works?

A clue: replacement of obsolete electric wiring would come under this heading.

Which items would you group under the heading Housing Management?

The following items would be grouped under the heading Loan Charges –

- Repayments of money previously borrowed.
- Interest payments on money previously borrowed.

This might be a good time to take a break. When you start up again, look back over ACTIVITY 3 before going on to ACTIVITY 4.

SECTION 2

Where the money comes from

Activity 4

List here where you think your landlord gets the money from to spend on the things listed in ACTIVITY 3:

Activity 5

Read this passage:

Your answer to Activity 4 will probably have included RENTS from tenants. This will certainly be the main source of income to your landlord. BORROWING MONEY is another important source.

NOTE: if you are a council tenant – your council will collect COUNCIL TAX, but it cannot use this for council housing. Council tax goes towards the cost of all of the other council services.

Activity 6

Can you think of one advantage and one disadvantage of your landlord borrowing money to help pay for major work on the houses:

Advantage: _____

Disadvantage: _____

Activity 7

Read these passages:

Some things like programmes to renew kitchens, or bathrooms, or rewiring and central heating system renewal cost a great deal of money; much more than the annual rent paid by tenants in the houses in which this work is carried out. *For example, a kitchen replacement may cost around £4,000, rewiring £2,000, central heating £3,500 and bathroom fittings' replacement £2,500. Tenants' rents in Scotland vary between about £2,000 a year and £3,000 a year, depending on location, house type and house size.*

Borrowing money is one way to find enough money for those sorts of expenses. The disadvantage is that money borrowed must be repaid later. It can take many years. Whoever lends the money charges for doing so. This charge is called INTEREST. The total amount of interest over the years might come to more than the sum borrowed. This happens when the repayment takes place over many years.

Activity 8

Study this example of borrowing and paying interest. A new central heating installation may cost, say £3,500. Check for yourself, this is more than the rent you pay for a whole year. (Assume for that calculation, you do not receive any housing benefit, even if you actually do.)

If your council borrowed this £3,500 and repaid it gradually over 5 years, the approximate amount it might cost the council can be calculated. Here is the calculation (done in a simplified way):

Since the money is being repaid over 5 years, we divide £3,500 by 5 to get £700 to be paid back each year. To this £700 we must add the interest charged by the lender. Let's say the interest is calculated as one tenth (£1 in every £10) of the amount left to repay at the start of each year.

The table on the next page shows all the repayments

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>	<i>Column 5</i>
Year	<i>What is left from the amount borrowed, still to be repaid</i>	<i>Amount of original sum borrowed repaid in the year</i>	<i>Interest charge in the year</i>	<i>Total charge for the loan in the year</i>
Year 1	£3,500	£700	£350	£1,050
Year 2	£2,800	£700	£280	£980
Year 3	£2,100	£700	£210	£910
Year 4	£1,400	£700	£140	£840
Year 5	£700	£700	£70	£770
Totals		£3,500	£1,050	£4,550

Look at column 3. How much of the original sum borrowed is repaid each year? _____ And how many payments of this size are made? _____ That accounts for the repayment of the sum borrowed, which was _____

Now look at column 4. This shows the INTEREST having to be paid IN ADDITION to the sum borrowed itself. How much interest is paid in total? _____

In this example, what is the total amount paid for the Central heating system? Is it £3,500 or is it £4,550? _____

Activity 9

Let's just check your answers for Activity 8.

Column 3 shows that **£700** of the original sum borrowed is repaid each year and there are **5** payments like this, one per year. The sum borrowed was £3,500.

Column 4 shows a total paid in interest of **£1,050**.

The total cost of the central heating, when interest on borrowing is included, is **£4,550**.

Did you notice in column 5 that the total amount paid each year reduces? Look and see. It starts with £1,050 in the first year and in the fifth year is lower, at £770. In practice, when landlords borrow, they usually get deals which enable the amount each year to be about the same. This makes financial planning easier.

Activity 10

Read these passages.

Borrowing money means having to pay back a lot more than the amount borrowed. This is because of interest charges. In the example just given, the answer was £1,050 more. You should have given this figure as your second answer in ACTIVITY 8.

The example in ACTIVITIES 8 & 9 showed a repayment period of 5 years. However, for central heating, your landlord might take 15 years rather than 5 years to pay back the borrowed money. This would have cost quite a bit more in interest payments. As against that, the amount repaid each year would have been lower and perhaps easier to afford. There is a trade off between what is repaid each year and the total amount paid.

Try these two TRUE/FALSE questions. Tick the box to suit the answer you think is correct.

	TRUE	FALSE
1. If borrowing is repaid over a longer period, the payments each year would be lower.		
2. If borrowing is repaid over a longer period, the total cost to be met from rents is higher.		

Activity 11

Looking back over ACTIVITIES 8, 9 & 10. Can you see an advantage in taking longer to repay a loan? (*Clue: think about how much is repaid each year*).

Write it down here: _____

Can you also see a disadvantage in taking longer to repay a loan?

Write it down here: _____

By the way, both statements in ACTIVITY 10 are TRUE.

Activity 12

Read these passages:

When borrowing over a longer period, the amount paid each year is lower, perhaps easier to afford. Set against that, the total to be repaid is a lot more.

When judging how long to take to repay a loan, a landlord usually considers how long the new item is likely to last, and stays within this period. This period varies for different components of a house. For example, new kitchen units are expected to last between 15 and 20 years. Central heating radiators should last about 25 years, but gas boilers don't usually last this long.

This might be a good time to take a break. In ACTIVITIES 4 through to 12, you have looked at some sources of income to your landlord for housing. ACTIVITY 13 continues to do this.

Activity 13

We will now look at how "Right to Buy" sales affect a landlord's housing finances.

Here is an example of a tenant buying her house under the right-to-buy. The house was valued at £28,000. After calculating the discount the tenant was required to pay £12,000 for the house. Up to the time the tenant purchased the house, she was paying £2,200 a year in rent.

What income does the landlord get from this right-to-buy sale?

What future income will the landlord no longer get per year? _____

You probably entered the annual rent of £2,200 for your answer to the second question. Of course, the landlord is likely to be increasing rents each year. The income lost because of the sale would therefore be a bit more as the years go by.

The answer to the first question is that the landlord receives the £12,000 paid by the tenant.

Activity 14

Here is another, different, example of a right-to-buy sale.

The tenant is paying rent of £52 a week. The House is valued at £40,000. The tenant was entitled to a 60% discount. That comes to a discount of

£24,000. The tenant therefore paid £16,000 to the landlord to buy the house.

Fill in the blanks:

1. Once the house was sold, the previous rent of ____ per week no longer came in to the landlord.

The landlord gained a sum of _____, but lost a future income.

Activity 15

What should the landlord do with the £16,000 income from the sale described in ACTIVITY 14? Let's consider the options.

If you were the landlord, which of these three options would you choose to do with the right to buy sales income?

	TICK ONE BOX BELOW TO MAKE YOUR CHOICE
1. Spend the money improving other tenants' homes.	
2. Pay off any debt left on the house sold, then spend the remainder, if any, on other tenants' homes.	
3. Spend all of the money paying off debt on the sold home and others.	
4. Use the extra income to help reduce rents.	
5. Add the money to the repairs budget so that more repairs could be done.	

It's not an easy call, but the first three options are definitely allowed according to the financial and legal rules. The fourth answer might be possible, but this could lead to problems later, if less rent is coming in and fewer new right to buy sales are taking place.

The fifth answer would not be allowed according to the financial and legal rules. It's complicated, but it is all to do with "assets". Financially, a house is accounted for as an asset. Spending the money from the sale of an asset on improving other homes is improving assets. Spending the money reducing debt is helping reduce "liabilities". Liabilities are the opposite of assets.

Note: If your landlord acquired houses in a stock transfer, it is possible that a condition placed on your landlord was to return some of the right to buy sales income to the council from which the houses were bought. In stock transfers, a formula is usually used to ensure the landlord selling

houses under the right to buy, neither gains nor loses when a sale takes place.

Activity 16

Let's think through the advantages and disadvantages of using right to buy sales income for

- a) extra investment in other tenants' homes, or
- b) paying off debt.

In this table, tick in the second column if you think the statement is true.

	TRUE?	ADVANTAGE OR DISADVANTAGE?
1. Other tenants can benefit from right to buy sales, if the money coming in is spent to improve their homes.		
2. Everything else being equal, right to buy sales income may mean a landlord has to borrow less.		
3. When right to buy sales take place, fewer tenants of the landlord remain, so less rent money comes in from which to pay off debt.		
4. Right to buy sales will not affect the remaining tenants of a landlord, because the rents will go up anyway.		
5. After right to buy sales take place, fewer tenants are left to pay the costs of the landlord's staff.		

Right to buy sales can certainly affect remaining tenants. Mostly landlords make a net profit from right to buy sales. This benefit can be passed on to tenants, mainly in making it easier for the landlord to do more improvements to remaining tenants' homes. So statement four in the table above is false. The rest are true.

Activity 17

Staying with the table in ACTIVITY 16, now complete the right hand column. For statements 1,2,3 and 5, which would you say was an advantage to the landlord's tenants and which a disadvantage? Indicate your choice in the right hand column of the table.

When a landlord invests money in major works to improve tenants' homes, the money could come from rent, borrowing or right to buy sales, or some

combination of these. So right to buy sales can either be used to increase the amount available, or to reduce the borrowing, or occasionally reduce rent increases. Statements 1 and 2 in the Table can therefore be seen as advantages for tenants.

Say a landlord has 2,000 tenants. And say the debt on past borrowing is £15,000,000. How much debt is this per tenant? _____

To get the answer you divide £15,000,000 by 2,000.

Now imagine that the landlord sells 500 houses under the right to buy. That leaves 1,500 tenants remaining. How much is the £15,000,000 debt per tenant now? _____

That is quite a lot higher! That means higher loan charges (repayment of borrowing with interest). That could put pressure on for higher rent increases. But if the landlord used some or all of the income from right to buy sales to pay off debt, that pressure could be avoided. Statement 3 in the table in ACTIVITY 16 could therefore be said to be a disadvantage of right to buy sales.

Just to check, the debt per tenant in this ACTIVITY was £7,500 before the right to buys, and £10,000 after the right to buy sales. Did you work these out correctly?

Statement 5 in the Table in ACTIVITY 16, also highlights a disadvantage of right to buy sales.

This might be a good time to take a break

Activity 18

Does your landlord receive any subsidy? Before trying to answer this question, let's be sure we know what the word subsidy means. Here are two columns. In the left hand column, for each word, there is a matching phrase in the right hand column. Can you make the correct matches.

Rent	Income the landlord receives from tenants
Borrowing	Income the landlord receives when some assets are sold
Right to buy sales income	Income the landlord receives which does not have to be repaid to the government
Subsidy	Income which the landlord receives from a lender and which must be gradually repaid

Did you spot the mix up. Here is the correct match:

Rents – income from tenants

Borrowing – income from lenders which must be repaid

Right to buy sales income – income from the sale of assets

Subsidy – income which does not need to be repaid.

So, what is the essential different between borrowing and subsidy?

Tell it here -

Activity 19

Who gets subsidy and where does it come from? Here are the answers to four questions:

Housing associations

Council landlords

Communities Scotland

The Scottish Executive (the government in Scotland)

Now, here are the questions, in a different order. Match the correct answers to the four questions:

	PUT YOUR CHOSEN ANSWERS HERE
1. Which types of landlord no longer receive subsidy to help pay for housing investment?	
2. Which types of landlord get a subsidy of around half the cost of providing any new homes they build?	
3. Which body gets money from the UK Treasury (where all our national taxes go) to pay for things in Scotland, including subsidy for new homes for rent?	
4. Which body acts as an agent promoting affordable housing and regeneration and which provides grants to help with the cost of new rented housing?	

Councils used to receive subsidy from the UK Treasury to help cushion the cost of loan charges when building or modernizing tenants' homes. However, this was gradually phased out for almost every council landlord during the eighties and nineties.

A typical new rent house might cost between £70,000 and £90,000 to build. It would be impossible with the rent levels current in Scotland to cover the loan charges that borrowing those amounts would mean. That is essentially why councils don't build houses any more. It is also why housing associations are paid subsidy by Communities Scotland.

The Scottish Executive allocates funds to Communities Scotland to enable it to provide grant aid (subsidy) for new housing for rent. It is really a question of policy for government that housing associations can get this subsidy and councils do not.

The answers to the "matching" task set in this activity are contained within the text you have just read. Check your answers again to satisfy yourself you have them correct.

SECTION 3 Balancing the Books

Activity 20

Your landlord does not have to make a profit for shareholders. There are no shareholders. There is nowhere for a profit to go, apart from staying in the landlord's "coffers" to help meet all costs. So, apart from having a little money put aside for unforeseen problems, your landlord only needs to raise enough money to pay all for all the spending.

This can also be seen the other way round too. The landlord cannot go off spending money it either does not have, or does not know will be coming in. In a nutshell, the “books have to balance”.

Your landlord uses budgets to *estimate* future income and spending. A budget will also help a landlord to _____ its finances. Find a suitable word to fill the blank.

If budgeting is about planning for the future and managing or controlling finances sensibly, accounts are about recording what has actually happened financially. Did you find a word to fill the blank? Read the last sentence very carefully if you didn't. There are clues to two possible words.

Activity 21

Here is an example of a landlord which has prepared a draft budget for next financial year, but it doesn't balance.

MONEY IN		MONEY OUT	
Rent	£5,000,000	Repairs	£1,700,000
Borrowings	£1,500,000	Major works	£2,500,000
Subsidy	£0	Housing Management	£1,400,000
Right to buy sales income	£1,000,000	Loan charges	£2,500,000
TOTAL IN	£7,500,000	TOTAL OUT	£8,100,000

Long before the next financial year starts, this budget has to be changed to bring it into balance. At least one change has to be made to this budget to make the “books balance”.

1. How much more is shown under spending than income? _____
2. Can you suggest a source of income which could be changed to make the total coming in match the total going out? _____
3. Can you suggest, as an alternative, a reduction in one of the spending headings? _____

This landlord would have difficulties with whichever heading it wanted to show increased income under. If it were to show £600,000 more coming in from rents, this would add a lot to the rent increase. If it were to add to the borrowings this would increase the debt and the loan charges. Would that be prudent (affordable)? The landlord could not add £600,000 of subsidy unless Communities Scotland agreed to give it. This would only be possible if the landlord was a housing association and some of the major works were to build new homes. The income from right to buy sales would only have been an estimate, because the landlord does not control

how many tenants come forward seeking to exercise their right to buy. There is no point in estimating more unless the trends in past right to buy sales justify it.

In the same way, the landlord would have difficulties in reducing any of the spending sections of the budget. Reducing the repairs figure, could mean turning down some repair requests. Reducing the major works programme could mean delaying important component replacements; like kitchen or bathroom renewals, for example. Reducing housing management would either mean cutting staff numbers, or finding efficiency savings. Only if particular efficiency improvements can be spotted, would it be sensible to rely on this. The loan charges figure could not be reduced because it corresponds to past borrowing and the legal obligation to pay the loan charges which that borrowing created. Just maybe, lower interest rates might be expected. Only then would it be safe to judge a lower figure for loan charges.

Activity 22

ACTIVITY 21 may have shown you that budgeting is a difficult task, balancing many factors. Usually, more than one figure would change in the process of bringing budgets into balance.

In addition, it would be wrong to use extra borrowing to pay for repairs, housing management or to cover some of the loan charges. Borrowing is only for creating new assets. This means either building new homes or major works to existing homes which extends their life considerably.

Notice in the budget shown in ACTIVITY 21, that the amount for major works equals the sum of the right to buy sales income and new borrowing. Given that, which of the following statements is correct –

£300,000 more borrowing CAN be used to make the budget in ACTIVITY 21 balance.

OR

More borrowing CANNOT be used to to make the budget in ACTIVITY 21 balance.

Activity 23

Here are two budgets which balance, after making changes to the draft budget in ACTIVITY 21.

Option 1

MONEY IN		MONEY OUT	
Rent	£5,500,000	Repairs	£1,600,000
Borrowings	£1,500,000	Major works	£2,500,000
Subsidy	£0	Housing Management	£1,400,000
Right to buy sales income	£1,000,000	Loan charges	£2,500,000
TOTAL IN	£8,000,000	TOTAL OUT	£8,000,000

Option 2

MONEY IN		MONEY OUT	
Rent	£5,100,000	Repairs	£1,400,000
Borrowings	£1,500,000	Major works	£2,500,000
Subsidy	£0	Housing Management	£1,200,000
Right to buy sales income	£1,000,000	Loan charges	£2,500,000
TOTAL IN	£7,600,000	TOTAL OUT	£7,600,000

One of the options follows the priority that housing management services and repairs must be maintained, even if it means rent rises. The other option follows the priority that rent rises have to be contained to prevent rents becoming unaffordable for more tenants. Is the following statement true or false?

Option 2 is the one which protects the repairs and housing management services best.

TRUE / FALSE

You are almost at the end of this course. Very well done!! This is one of the more difficult workbooks in TIS' Home Study range.

Summary

So far, we have identified the following main types of income and expenditure in a landlord's housing account.

Money In (Income)

Rent
Borrowings
Right-to-buy sales
Subsidy

Money Out (Expenditure)

Repairs
Major Works
Housing Management
Loan charges (repayment of borrowings)

Income from housing benefit is not listed here separately because a landlord will regard that as part of the rent income.

This is almost the end of this workbook. The main things you should know from working through it are:

- Where the money comes from which is spent on your landlord's housing, and where it goes
- The need for income and expenditure to be in balance

Check Up

Here are the answers to the questions asked in this workbook, but not yet given. Make sure your answers correspond to the ones given here.

Activity 3

Items included under the heading of Repairs and Maintenance are

*Repairing faulty heating appliances
Pruning shrubs
Repairing pipes after a burst
All sorts of other small scale repairs*

Items included under the heading of Major Works are

*New windows being installed
Replacement of obsolete electrical wiring
Many more expensive items where worn out parts are replaced with their modern equivalent.*

Items included under the heading of Housing Management are

*Housing management staff salaries
Housing office rent
Legal advice to housing staff
Finance staff salaries.*

Activity 4

Sources of income for council housing are mainly tenants' rents, borrowing money and income from right to buy sales. With housing associations it's the same, but you could add subsidy (or call it grant if you prefer).

Note: some landlords levy service charges, which we have not covered in this workbook. These could be for things like compulsory stair cleaning, sheltered housing wardens, or extra services in high rise blocks.

Activity 6

An advantage of borrowing is to enable something expensive like major works to be paid for gradually over its life, rather than at the start.

A disadvantage is that more money has to be paid in total.

Activity 8

£700 of the original sum is repaid each year. Five payments of that size are made. The sum borrowed was £3,500.

£1,050 is paid in interest in total.

The total amount paid for the central heating is £4,550.

Activity 10

	TRUE	FALSE
1. If borrowing is repaid over a longer period, the payments each year would be lower.	<i>TRUE</i>	
2. If borrowing is repaid over a longer period, the total cost to be met from rents is higher.	<i>TRUE</i>	

Activity 11

An advantage of repaying borrowing over a longer period is that the payments each year are lower, and perhaps more affordable.

A disadvantage is that borrowing over a longer period will always cost much more, when you add up all the payments through the years.

Activity 13

The landlord gets an income of £12,000 for the right to buy sale, the same amount the tenant pays.

The landlord will no longer collect rent since the occupier is no longer a tenant. The council will get £2,200 less in the first year and a greater amount each year as time goes on, because of rent rises.

Activity 14

The previous rent of £52 a week no longer came in to the landlord.

The landlord gained a sum of £16,000.

Activities 16 and 17

	TRUE?	ADVANTAGE OR DISADVANTAGE?
1. Other tenants can benefit from right to buy sales, if the money coming in is spent to improve their homes.	TRUE	ADVANTAGE
2. Everything else being equal, right to buy sales income may mean a landlord has to borrow less.	TRUE	ADVANTAGE
3. When right to buy sales take place, fewer tenants of the landlord remain, so less rent money comes in from which to pay off debt.	TRUE	DISADVANTAGE
4. Right to buy sales will not affect the remaining tenants of a landlord, because the rents will go up anyway.		
5. After right to buy sales take place, fewer tenants are left to pay the costs of the landlord's staff.	TRUE	DISADVANTAGE

Activity 17

Debt per tenant before the right to buys = £7,500

Debt pre tenant after the right to buy sales = £10,000. And of course, that means more loan charges to be met from remaining tenants' rents.

Activity 18

Rent	Income the landlord receives from tenants
Right to buy sales income	Income the landlord receives when some assets are sold
Subsidy	Income the landlord receives which does not have to be repaid to the government
Borrowing	Income which the landlord receives from a lender and which must be gradually repaid

Borrowing has to be repaid with interest, subsidy does not have to be repaid at all.

Activity 19

	PUT YOUR CHOSEN ANSWERS HERE
1. Which types of landlord no longer receive subsidy to help pay for housing investment?	Council landlords
2. Which types of landlord get a subsidy of around half the cost of providing any new homes they build?	Housing associations
3. Which body gets money from the UK Treasury (where all our national taxes go) to pay for things in Scotland, including subsidy for new homes for rent?	Scottish Executive
4. Which body acts as an agent promoting affordable housing and regeneration and which provides grants to help with the cost of new rented housing?	Communities Scotland

Activity 20

Possible words to fill the blank were “**manage**” or “**control**”.

Activity 21

1. £600,000 more is shown as spending than income.
2. Rent is really the only feasible option for increasing income in this example.
3. Repairs and housing management are feasible areas for reducing spending. If major works’ spending was reduced, the borrowing would also have to be reduced.

Activity 22

The correct statement was

More borrowing CANNOT be used to make the budget balance.

Activity 23

Option 1 follows the priority of protecting services. Option 2 follows the priority of protecting rent levels.

SECTION 4

Now, to round off your study, check back:

Try to answer the questions here.

1. Here are lists of items of spending and headings in the council's housing account. Can you match the spending items with the correct housing account heading?

Items of spending

- Interest payments
- Housing officers' salaries
- Repair of a faulty door lock
- Renewal of all the windows in the houses in an area

Housing account headings

- Repairs and maintenance
- Housing management
- Major works
- Loan charges

2. Does the money a tenant pays to purchase under the right to buy go
- a) to the Government, or
 - b) to the landlord?
3. Which of the following is NOT a form of income to the housing account:
- a) council tax
 - b) borrowed money
 - c) rent
 - d) right to buy sales income?
4. Decide whether or not each of these sentences is TRUE or FALSE?
- a) *Borrowing is a good way to raise money for housing because it doesn't all have to be paid back.*
 - b) *Borrowing over a long period is cheaper than borrowing over a short period*
 - c) *Borrowing over a long period helps reduce the yearly payments for expensive projects*
 - d) *A landlord might borrow money to replace all the kitchens in a street, but it would not borrow to replace one sink unit.*
5. Only one of the following sentences is TRUE. Which one?
- a) Councils get half of the cost of building new homes in subsidy
 - b) Housing associations get about half of the cost of building new homes as subsidy
 - c) Housing associations get most of the cost of building new homes as subsidy.

What Next?

Phone or write to TIS to ask for a Check Back Pack for this course. We'll send it on to you straight away.

In it you will get

- ❑ the answers to the questions on page 22
- ❑ a list of sources of further information about housing finance
- ❑ information about the "Housing Standards and Rents" Homestudy pack
- ❑ a list of other courses in TIS' **Home Study for Tenants** series
- ❑ a questionnaire to enable you to give use feedback on how well this course worked for you (or how badly)
- ❑ a course completion certificate to prove you have completed the course satisfactorily.

For Now.....

WELL DONE FOR COMPLETING THIS COURSE. We hope you enjoyed studying this way and will ask for more Home Study courses to be sent to you.

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Freephone number 0800 731 3772

Email: info@tis.org.uk

PS Remember to contact us for your Check Back Pack!