



**Drumchapel
Housing**

Co-operative Limited

Cost of Running a Home Information Leaflet

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The Cost of Running a Home

It costs a lot more than you would think to have and run a home of your own. We have provided this information leaflet to offer you some advice and assistance to prepare you for starting your tenancy with Drumchapel Housing Co-operative Limited.

Many people start off a tenancy not having had experience of managing household bills before, if you have managed a home, you will know about the many costs involved in running a home.

A household budget for a single person will be very different to a family budget and we are all different in how we spend our money. This leaflet has been written with a single person in mind taking on their first tenancy. We would ask you to take time to prepare and think carefully about how much money you will need to set up your home and pay your regular bills.

Our Housing Officers and Welfare Rights Service can help you try to manage your income; however, if you accept a tenancy with us you will need to be sure that you can afford it.

What will I need to buy for my house?

When you first move in, as a minimum you may need to buy some of the following:

- Bedroom: bed; wardrobe; bedding; carpet; blinds/curtains
- Kitchen: cooker; fridge; washing machine; kettle; toaster; plates; cups; cutlery; flooring
- Living room: sofa; TV; carpet; blinds/curtains
- Bathroom; towels; flooring; mirror

If you are buying new, you may need to have a budget of between £2,000 to £3,000 for all of the items you may need.

If you are looking for second-hand items, there are various ways of buying furniture at charity shops or recycling initiatives where you can get free or low cost furniture to help set up your home. Here are some places that offer low-cost items.

<http://www.sprucecarpets.org.uk/>

Removal Costs

There are loans available for assistance with removal costs through the DWP for people on certain benefits - you can find out about these from the Jobcentre or our Welfare Rights Service. We can also help you apply to the Scottish Welfare fund or you can apply online on the Glasgow City Council Website at www.glasgow.gov.uk Go to Living > Welfare Reform > Scottish Welfare Fund or by phone on 0141 276 1177 Mon- Fri 9am-5pm. This fund can help people to set up a new home in certain circumstances.

How do I work out how much money I will need?

You have to be honest and realistic about how much money you have coming in and how much you will need to pay your bills. It is recommended you set aside money to cover your bills as there is usually a delay when you first move in before you get your council tax or fuel bills.

If you already have a home then you will need to give notice to your landlord, this can mean that you will be paying rent and other bills on two homes as sometimes you will be expected to the new home quickly. A four week overlap of Housing Benefit may be applied for but this is only given in certain circumstances. This is decided by Glasgow City Council.

Things that you need to pay regularly may include:-

Estimated Weekly Expenditure			
Rent	£97	Haircuts	
Food & household items	£46	Take-away	
Electricity	£15	Bus/Train Fares	
Gas	£15	Health costs	
Council Tax	£35	Life insurance	
Telephone	£10	Birthdays	
Repayment of debts - loans, credit cards etc.		Car costs - petrol, insurance, road tax etc.	
TV licence	£3	Christmas savings	
Home contents Insurance	£3	Going out	
Small tenant repairs		Holidays	
Emergency fund			

How do I know how much my bills will be?

Rent - We give you details on the offer letter of exactly how much your rent will be, and we will advise if any rent increase is imminent. We will ask you to pay your rent in advance. Monthly rent is due on or before the 1st day of every month. We will discuss various payment options and find what is best for you. It is extremely important that you pay your rent. It is a condition of your Tenancy Agreement that you pay your rent, if you fail to do so we may take legal action against you and you could lose your home. You may be able to get Housing Benefit (or Housing Costs from Universal Credit) to help with your rent. We will make you an appointment with our Welfare Rights Service before, or shortly after you have signed for your tenancy to help with advice on completing the application form. We will calculate how much you could be entitled to; however, it is

your responsibility to make sure claims and information are provided on time for any benefits or tax credits.

Council Tax - To find out the banding and cost of Council Tax for a particular property you can check online www.saa.gov.uk/glasgow or contact your local Council Tax Department at Glasgow City Council on **0141 287 5050**. If you are the only adult over 18 living in the property you may qualify for 25% discount, it is your responsibility to inform the Council of who is living in the property. You may be entitled to other help with your Council Tax depending upon your situation; your local office will be able to give you advice.

Fuel Bills - Remember that your bills will be higher in the winter. Here is a rough guide to the minimum you will have to pay for your gas and electricity combined:

- 1 Bedroom Flat: £20 per week
- 2 Bedroom House: £30 per week
- 3 Bedroom House: £40 per week

It will depend on the type of accommodation, heating and the efficiency of your usage. Many people pay much more than the costs listed above. If you are looking for advice on energy efficiency you could contact Home Energy Scotland on 0808 808 2282 or advice@homeenergyscotland.org.uk

TV Licence – A TV licence costs around £180 per year. If you watch TV live, online or on your mobile phone, you must **have** a TV licence and can be fined £1,000 if you do not have one. Find out more about how to pay the TV licence and about spreading the cost at www.tvlicensing.co.uk.

Home Contents Insurance - We strongly recommend that all tenants have home contents insurance. How would you replace things in your home if you were burgled or there was a fire or flood? You can choose any insurer you wish. There are many insurance

products on the market. We have information on Thistle Insurance, if you want details please contact our office. or you can use comparison websites like: www.uswitch.com

Furniture and household goods - Be careful if you are thinking about borrowing from a doorstep seller or money lender to pay for things. You will pay a very high rate of interest and it may be difficult to pay off the loan. Also, avoid furniture stores that charge high rates of interest. You will pay far more for the furniture than the amount shown on the price ticket. It can be really tempting to take on the debt but repayments can be crippling. When you are moving into a new house it takes time to get it the way you want it. There is a lot of help available and if you are going to take out a loan, check out what credit unions offer. You may be able to apply for a budgeting loan or a grant to pay for essential furniture and household items. Budgeting loans are interest-free so you only pay back what you borrowed. Contact your Job Centre for an application form.

If you don't qualify for a budgeting loan or grant, you may be able to get a low-cost loan from your local Credit Union.

What can I do before I get tenancy?

If you don't already save on a regular basis, you may want to consider opening a savings account or joining a credit union to put money aside towards the costs of your new home. Banks and building societies offer a range of savings products and information. Your local credit union is Drumchapel Credit Union, 106 Tallant Road, tel: 0141 944 8593 or at: www.drumchapelcreditunion.co.uk

Failure to pay rent - By not paying your rent you could ultimately lose your home and be left with expensive legal costs to cover. If you do lose your home due to non-payment of rent you might struggle to be rehoused by another landlord in the future. **Please speak to us if you have any concerns about the cost of a tenancy, we are here to help.**