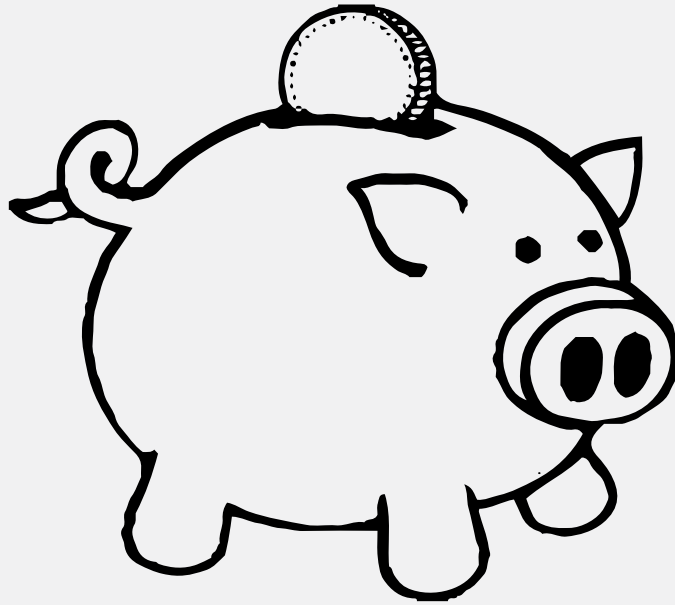


Money matters



You won't run out of money if you know how to budget, keep up to date with your bills and keep track of your spending. And if you don't want to end up with debts, you need to understand the real cost of loans and what happens if you ignore bills. Managing your finances successfully will help you be a successful tenant.

By the end of this module you will have learned about:

- budgeting and financial liabilities
- managing debts
- utilities – how to get the best deal
- saving and financial products.

Budgeting

Some quick points

It's important to know how to budget. Budgeting helps you take control of your money, pay your bills and plan to find a home to rent.

One of the main points about a good budget is that the money coming in every week– your income – needs to be more than, or the same as what you spend every week.

Budgeting and planning properly will be even more important when changes to the benefits system start. The new Universal Credit system means that benefits payments will be monthly instead of weekly.

When you budget you will need to include debt repayments.

Working and budgeting for rent

If you are hoping to start working, your income will help pay for all or some of the rent and if you are on a low income you may still be able to get Local Housing Allowance. The amount of Local Housing Allowance you may get will depend on your income – how much money you earn. Working will always leave you better off than you would be if your only income was from benefits. The Crisis calculator will help you see how much better off you'll be:



<http://community.crisis.org.uk/Page.aspx?pid=472>

Even though you are working on a low income you can afford to live in the private rented sector.

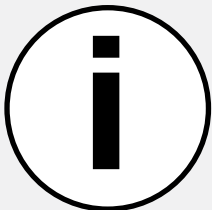
What to budget for in the private rented sector

1. Rent

Because your tenancy is a legal contract it is very important to pay your rent. If you don't pay, your landlord can take you to court. Everyone can be short of money and sometimes this means hard choices. **But paying the rent is a priority.**

The easiest way to make sure your landlord gets the rent regularly is by setting up a direct debit or standing order through your bank. This means money will come out of your account automatically and you will not have to worry about the rent not being paid.

Sometimes your Local Housing Allowance can be paid directly to the landlord, but you will have to apply for this when you apply for the benefit.



More info: An example letter to request rent to be paid directly to the landlord can be found at the back of the book.

When can the landlord ask me to pay more rent?

If you have a **periodic tenancy – a tenancy that works on a week-by-week or month-by-month basis** – your landlord cannot usually raise the rent more than once a year unless you agree.

If you have a **fixed term tenancy – one that runs for a fixed amount of time** – your landlord can only increase the rent if you agree. If you don't agree, the rent can only be increased when the fixed-term ends.

Landlords can increase the rent by as much as they like for all types of tenancies, but they will normally not raise the rents above what most other landlords charge.