

Appendix 1: Explanation of relationship between Total Cost Indicators (TCI's) and Housing Association Grant (HAG)

Total Cost Indicators (TCI's)

TCIs are 'all-in' forecast unit costs used to assess social housing funding covering three main cost elements:

- **Acquisition** Element (Cost of land/property),
- **Works** Cost (Construction & building costs); and
- **On-Cost** (Professional fees etc)

Each council area is placed into a TCI Cost Group by DfC which determines how much grant funding housing associations receive through the Housing Association Grant (HAG).

Housing Association Grant Rate (HAG)

This rate determines actual grant funding for each scheme when applied to above TCI figure.

Grant Rates typically cover c 55% of total scheme costs with housing associations fund the remaining c45%.