

# The real cost of running a home

It's not just about paying rent and council tax – you need to consider all your incomings and outgoings to see if you can afford your own home.



Includes information for young people aged 16 to 25 moving into their first home



# Introduction

## Sandwell Homes is committed to helping customers sustain their tenancies.

Research has shown, however, that many tenancies fail within the first 12 months and this is usually because customers were not prepared for how much running their own home would cost.

### Don't let this happen to you.

This brochure gives you an idea of the costs involved and will help you decide if this is the right time financially for you to accept a property.

There are cost illustrations, case study examples and a personal budget sheet for you to complete. You also need to consider the money you have coming in and whether you are claiming all the benefits you may be entitled to.



**Remember:** You need to make sure you can afford a tenancy before you accept an offer of a property from Sandwell Homes.

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# Can you afford to run your own home?

## It's important to consider all your incomings and outgoings

Moving into your own home is an exciting time - but it is also expensive. When making a decision about whether you can afford a property from Sandwell Homes you will need to consider both the money you have coming in (incomings) and the money you have to pay out on running your home (outgoings).

It's not just about paying rent and council tax. There are lots of other costs that you need to budget for as well. If you fall behind with paying your rent, legal proceedings will be started against you which could result in you losing your home.

**The money you have coming in can be from many different sources such as wages, pensions or welfare benefits. It is important that you receive all the income you are entitled to. If your incomings are less than your outgoings you may not be able to afford to run a home.**

The benefits system provides practical help and financial support if you are unemployed and looking for work. It also provides you with additional income when your earnings are low, if you are bringing up children, are retired, care for someone, are ill or have a disability.

The amount of money you receive is dependent upon your individual/family circumstances. If your circumstances change it is important that you notify the relevant agency as soon as possible as it may affect your benefit. See page 13 for more information.



If you have any comments about this brochure please contact:  
The Financial Inclusion Officer,  
Sandwell Homes, Sandwell Road,  
West Bromwich B70 8TQ  
Tel: 0121 569 6045

# Average Cost Illustrations

Here are some examples of what the average weekly cost of running a home may be, depending upon your circumstances. Each item is explained in more detail on the following pages.

In addition to these costs you may also want to consider other expenditure that is not directly related

to running a home, but may impact on your ability to afford living on your own.

These include buying new clothes, travelling expenses, going out socialising and other credit commitments. See page 11 for more details.

## If you are working and not entitled to Housing Benefit/Council Tax Benefit

	Single Person in a 1 Bed Low-rise Flat	Couple with 1 Child in a 2 Bed House Semi-detached	Couple with 2 Children in a 3 Bed House Detached
	Weekly Cost £	Weekly Cost £	Weekly Cost £
Rent	67.00	79.00	85.00
Council Tax (Band A or B)	16.53 <sup>†</sup>	22.05	25.72
Gas (Direct Debit)	8.52	9.39	17.82
Electric (Direct Debit)	3.70	4.87	8.23
TV Licence	3.03	3.03	3.03
Water	3.80	6.55	8.25
Home Contents Insurance	1.33	1.54	3.50
Housekeeping (food, toiletries, cleaning products)	46.00	102.00	122.00
<b>Total</b>	<b>£149.91</b>	<b>£228.43</b>	<b>£273.55</b>

<sup>†</sup>25% discount if single occupancy

## If you are receiving Income Support/Job Seeker's Allowance (JSA)

	Single Person in a 1 Bed Low-rise Flat	Couple with 1 Child in a 2 Bed House Semi-detached	Couple with 2 Children in a 3 Bed House Detached
	Weekly Cost £	Weekly Cost £	Weekly Cost £
Rent	Full HB*	Full HB*	Full HB*
Council Tax	Full CTB**	Full CTB**	Full CTB**
Gas (Direct Debit)	8.52	9.39	17.82
Electric (Direct Debit)	3.70	4.87	8.23
TV Licence	3.03	3.03	3.03
Water	3.80	6.55	8.25
Home Contents Insurance	1.33	1.54	3.50
Housekeeping (food, toiletries, cleaning products)	46.00	102.00	122.00
<b>Total</b>	<b>£66.38</b>	<b>£127.38</b>	<b>£162.83</b>

\*Housing Benefit \*\*Council Tax Benefit

# Rent

## Paying your rent is a priority



Rent is payable from the start date of your tenancy agreement. The figures below are some average rent figures for different property types within Sandwell Homes:-

Property Type	Average Rent per week
1 bed low-rise flat	£67.00
2 bed low-rise flat	£74.00
1 bed high-rise flat	£59.00
2 bed high-rise flat	£62.50
2 bed house	£79.00
3 bed house	£85.00
4 bed house	£90.00

If you are on a low income you may be entitled to Housing Benefit. Your Housing Officer will assist you to make a claim when you sign up for a property. To find out more and to do a trial benefit calculation visit [www.sandwell.gov.uk/benefits](http://www.sandwell.gov.uk/benefits) and click on the 'Benefits Calculator' link.

Alternatively, you can speak to a customer adviser at Sandwell Council on **0845 351 0020**, or go in person to either Oldbury Council House or Lodge Road, West Bromwich. There are many ways to pay your rent. Your Housing Officer will discuss these with you at sign up and we have a 'Ways of paying your Rent' leaflet which gives you more details.

**Sandwell Homes' preferred method of payment is Direct Debit and it is the easiest way to pay your rent. For details contact 0121 569 5031.**



# Council Tax

## This is payable in addition to rent



Council Tax is the method by which the council collects money to pay for the services it provides and for services it has to contribute to i.e. the Police and Fire Service.

Council Tax is charged on a yearly basis and is usually collected over ten months from April to January. The amount you pay depends on the value

of the property you live in. The majority of Sandwell Homes properties are either Band A or Band B. Your Housing Officer will tell you which band your home is in when you sign for your tenancy. Alternatively you can contact the local Taxes Division on **0845 351 0015**.

If you live in the property on your own you will be entitled to 25% discount off your bill. Depending upon your circumstances you may also be entitled to Council Tax Benefit. You would need to complete a Housing and Council Tax Benefit form to claim. Your Housing Officer can help you with this at sign up.

**The charges for 2011/12 are:**

	Band A	Band B
Monthly	£88.20	£102.90
With 25% discount	£66.15	£77.17
Yearly	£882.01	£1,029.01
With 25% discount	£661.50	£771.75

Based on paying over 10 months.

**The council's preferred method of payment is by Direct Debit, for details contact 0845 351 0015.**



# Gas and Electricity

You will need to heat and light your home, cook and use appliances



Paying by Direct Debit and having the same supplier for your gas and electricity (dual fuel) generally saves you money on your bills.

The following are average **weekly** figures for gas, electricity and dual fuel and will vary according to which utility company you choose and how much fuel you use.

## Vulnerable customers

All suppliers have to offer their most vulnerable customers a cheaper tariff. These are called 'social tariffs' and offer cheaper energy deals and extra free services to certain customers.

You may qualify for a 'social tariff' if you are over 60, on means tested benefits or are on a low income. If you think you might qualify contact your energy supplier for more details.

## Dual Fuel

	Direct Debit	Standard Credit
<b>1 Bed Flat</b> Single Person	£10.90	£12.60
<b>2 Bed Flat</b> Single Person / Couple	£13.00	£15.19
<b>3 Bed House</b> Single Person / Couple with Children	£25.40	£28.49
<b>4 Bed House</b> Single Person / Couple with Children	£32.54	£38.54

[Source: [www.energyhelpline.com](http://www.energyhelpline.com)]

## Gas

	Direct Debit	Standard Credit
<b>1 Bed Flat</b> Single Person	£8.52	£9.32
<b>2 Bed Flat</b> Single Person / Couple	£9.39	£10.70
<b>3 Bed House</b> Single Person / Couple with Children	£17.82	£22.39
<b>4 Bed House</b> Single Person / Couple with Children	£36.85	£40.00

[Source: [www.energyhelpline.com](http://www.energyhelpline.com)]

## Electricity

	Direct Debit	Standard Credit
<b>1 Bed Flat</b> Single Person	£3.70	£4.32
<b>2 Bed Flat</b> Single Person / Couple	£4.87	£5.75
<b>3 Bed House</b> Single Person / Couple with Children	£8.23	£9.65
<b>4 Bed House</b> Single Person / Couple with Children	£9.45	£11.93

[Source: [www.energyhelpline.com](http://www.energyhelpline.com)]



### Gas and Electric price comparison sites

You should regularly compare energy prices to get the best price. You can do this by using a price comparison site. The companies listed here have been accredited by Consumer Focus, which means you can trust them to give you accurate information and advice.

<a href="http://www.uswitch.com">www.uswitch.com</a>	0800 404 7961
<a href="http://www.theenergyshop.com">www.theenergyshop.com</a>	0845 330 7247
<a href="http://www.energyhelpline.com">www.energyhelpline.com</a>	0800 074 0745
<a href="http://www.unravelit.com">www.unravelit.com</a>	0800 279 4091
<a href="http://www.simplyswitch.com">www.simplyswitch.com</a>	08000 111 395
<a href="http://www.moneysupermarket.com">www.moneysupermarket.com</a>	0845 345 1296
<a href="http://www.energylinx.co.uk">www.energylinx.co.uk</a>	0845 225 2840
<a href="http://www.ukpower.co.uk">www.ukpower.co.uk</a>	0845 009 1780
<a href="http://www.switchthenation.com">www.switchthenation.com</a>	0845 434 8895
<a href="http://www.beatthatquote.com">www.beatthatquote.com</a>	0800 599 9955

[Source: [www.consumerfocus.org.uk](http://www.consumerfocus.org.uk)]

## TV Licence

### You must buy a TV Licence



If you have a TV in your home and you don't buy a TV Licence you could be hit with a large fine or even go to prison. The figures below show you the three payment options for a colour TV licence:-

	Monthly	Quarterly	Yearly
<b>Colour</b>	£12.12	£37.00	£145.50

[Source: [www.tvlicencing.co.uk](http://www.tvlicencing.co.uk)]

If you're over 75 you get a free TV licence. If you are registered as blind you get a 50% reduction in the licence fee.

**Please Note:** you usually pay for your first licence within six months, in instalments of £24.00. After which you pay for future licences in 12 monthly instalments of just over £12 - six before your licence is due and six after.

When you move home your TV licence does not automatically move with you, you will need to tell TV licensing your new address. You can do this by filling in a short form online at [www.tvlicensing.co.uk/update](http://www.tvlicensing.co.uk/update)

# Water Rates

## Charges for your water supply



The charges on your bill will be for water, sewerage and surface water drainage. The water supplier for the majority of Sandwell Homes properties is South Staffordshire Water, but some properties are covered by Severn Trent Water.

Customers can be charged by one of the following ways:

- Unmetered – based on the Rateable Value (RV) of the property.
- Metered – based on actual water usage.
- Assessed charge – based on an average usage for certain property types if a meter cannot be fitted.

Here are some examples of how much the water rates including sewerage and surface water drainage could be based on an assessed charge:-

	Weekly	Yearly
<b>Flat/Terrace</b>	£4.84	£251.53
<b>Semi-Detached House</b>	£6.55	£340.67
<b>Detached House</b>	£8.25	£429.08
<b>Single Occupancy:</b>		
<b>Flat/Terrace</b>	£3.80	£198.02
<b>Semi-Detached House</b>	£4.35	£226.12

[Source: [www.south-staffs-water.co.uk](http://www.south-staffs-water.co.uk)]

If a water meter has been fitted into your property you cannot have it taken out, unless it was fitted less than 12 months ago. If there isn't a meter fitted and you think that having one could save you money, contact your supplier.

Both South Staffordshire Water and Severn Trent Water will tell you whether or not you could save money having a meter fitted. Please see their websites [www.south-staffs-water.co.uk](http://www.south-staffs-water.co.uk) or [www.stw.co.uk](http://www.stw.co.uk) for further details.

A single person may benefit from having a water meter fitted but a family with children would be unlikely to.

If you have difficulties paying your water bill, you may be able to receive help from your water company by way of their Charitable Trust Fund. Your Housing Officer will have copies of the application form.



# Home Contents Insurance

Home Contents Insurance is a vital part of budgeting for your new home



Sandwell Homes does not insure your furniture, belongings or decorations against fire, theft, vandalism, burst pipes, accidental damage or other household risks.

We would strongly advise you to take out home contents insurance either through our scheme or by making your own arrangements. Contents insurance provides a 'financial safety net' for your losses and can minimise how much it would cost you to replace or repair items that have been damaged.

We currently have a special 'pay as you go' scheme arranged with Royal and Sun Alliance which makes

it easy for you to protect your belongings and it is available no matter where you live in Sandwell. There is no excess to pay if you need to make a claim and payments can be made by direct debit.

Here are some examples of the weekly amounts you would pay to insure your possessions with Royal and Sun Alliance (please refer to the prospectus/application form booklet for more details of the sums that can be insured):-

Sum Insured	Weekly Premium (Standard Cover)
£6,000*	£0.84
£9,500	£1.33
£11,000	£1.54
£13,000	£1.82
£15,000	£2.10
£18,000	£2.52
£20,000	£2.80
£25,000	£3.50
£30,000	£4.20
£35,000	£4.90

\* Available only to leaseholders and tenants aged over 60

For further details contact **0121 569 5024**.



**Remember:** In addition to the standard cover Royal and Sun Alliance also offer Accidental Damage Extension Cover at an additional cost.

# Housekeeping

This includes food, toiletries and cleaning products



For food and other household expenses you should allow on average:-

## Weekly housekeeping budget

<b>Single Person</b>	£46 to £60
<b>Couple</b>	£82 to £98
<b>Each Child</b>	£20 to £35
<b>Non-dependant</b>	£25 to £35

[Source: [www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)]

## Monthly housekeeping budget

<b>Single Person</b>	£200 to £258
<b>Couple</b>	£355 to £423
<b>Each Child</b>	£87 to £152
<b>Non-dependant</b>	£108 to £152

[Source: [www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)]

You may find your total housekeeping bill is less than these figures if you have a larger family and bulk-buy and so on. Your non-dependant may cost more depending on their age.

If any member of your household has an illness or disability, you might need to allow more. This might be due to a special diet, extra clothing, bedding, special equipment, help in the home or extra costs as well as prescriptions.

## School meals

Don't forget about school meals. If your child attends a school in Sandwell and you receive either:

- Income Support
- Employment and Support Allowance (Income-related)
- Guaranteed Pension Credit (including Child Tax Credit)

- Income-based Jobseeker's Allowance
- Support from National Asylum Support Service
- Child Tax Credit, with an annual income of less than £16,190

...your child may be entitled to free school meals. Telephone **0121 569 8186/8189** or **8364** for more details.

## Other amounts and emergencies

You should also include in Housekeeping for irregular outgoings like birthdays and Christmas, house repairs and maintenance and a 'cushion' against emergencies.



# Additional Expenses

This includes clothing, travel expenses, cable/satellite TV and phones



## Clothing

As a guide you should allow £3 to £5 for each person each week (or around £22 for each person each month).

[Source: [www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)]

Don't forget the extra costs of school uniform. If your child attends a school in Sandwell and you receive either:

- Income Support
- Guaranteed Pension Credit (including Child Tax Credit)
- Income-based Jobseeker's Allowance
- Working Tax Credit
- Support from National Asylum Support Service
- Child Tax Credit, with an annual income of less than £16,190

...you may qualify for a voucher to assist with the purchase of school uniform. Telephone **0121 569 8186/8189** or **8364** to find out more.

## Travelling Expenses

Remember: If you own a car you need to allow for the amount you spend on petrol, tax, insurance, repairs, MOT and servicing.

If you regularly use public transport you may find that a Travel Card will help keep the cost down. For more details contact Network West Midlands on **0121 200 2787** or visit [www.networkwestmidlands.com](http://www.networkwestmidlands.com)

## Cable/Satellite TV

You don't have to do so but many people are now choosing to subscribe to cable or satellite TV. The average cost of a basic/minimum package is between £5.50 and £19.00 per month.

Cable and satellite companies charge varying amounts, depending upon the package you choose. Check with individual suppliers for details. Alternatively you may choose to use Freeview.

[Source: [www.sky.com](http://www.sky.com) and [www.virginmedia.com](http://www.virginmedia.com)]

## Landline/Mobile Phone

BT line rental is £11.54 per month plus the costs of your calls. Other suppliers' line rental and call costs may vary – check with the individual supplier for details.

If you have a mobile phone please don't forget to budget for contract, call charges or top-up costs.



# First Home?

You need to consider the cost of moving and buying furniture



If this is the first time you have set up your own home there are extra costs you will need to think about in addition to the on-going costs described already.

You will need to think about the cost of furnishing your home so that you have all the essential household items that you need. Examples of these include: bed, settee, cooker, fridge, washing machine, carpets and so on.

Don't be tempted to buy these items by borrowing from a doorstep lender (these are **legal** money lenders but they charge very high rates of interest) or a loan shark (these are **illegal** money lenders and should never be used).



You may want to consider saving with the 6 Towns Credit Union instead. All saving members of the Credit Union (over the age of 18) are eligible to apply for a loan from £50 to £2,000.

Members can also access services such as a Christmas savings account, a budget account and a pre-paid Mastercard.

The Credit Union offers a cheaper alternative to borrowing from doorstep lenders or some high street shops. A comparison is given below for **£500 borrowed over 52 weeks.**

Lender	Weekly Repayment	Interest Paid	Total Cost	Typical Annual Percentage Rate (APR)
Credit Union	£10.84	£63.62	<b>£563.62</b>	26.8%
Provident	£17.50	£410.00	<b>£910.00</b>	272.2%

[Source: [www.providentpersonalcredit.com](http://www.providentpersonalcredit.com), accessed 26.01.11]

## Providers of low cost furniture

### (1) Community Transport

216 Great Bridge Street,  
Great Bridge B70 0DE  
Tel: 0121 520 8168

### (2) Marbles

Dudley Road East, Tividale B69 3HJ  
Tel: 0121 525 8064

### (3) St Thomas's Community Network

Beechwood Road, Dudley  
Tel: 01384 237993

### (4) Betal of Britain

185 High Street, West Bromwich B70 7RD  
Tel: 0121 500 6229

### (5) Loaves & Fishes

26 Waterfall Lane, Cradley Heath B64 6RQ  
Tel: 0121 533 0633,  
07881 421 739

## The 6 Towns Credit Union can be found at:

382 High Street, West Bromwich, B70 9LB  
Tel: **0121 553 3110**  
Website: [www.sixtowns.co.uk](http://www.sixtowns.co.uk)

# Money you have coming in

This could include a number of benefits you may be entitled to



So far, we have concentrated on the likely costs of running a home. To make an informed decision as to whether you can afford to live in your own home you also need to consider the money you have coming in every week/month.

Here is some information of the benefits provided by certain agencies.

## Jobcentre Plus

Benefits and services for people of working age, including Jobseeker's Allowance, are managed by Jobcentre Plus.

### 2011/12 rates\* for Income support and income-based Jobseeker's Allowance

#### Single

Under 25: £53.45 per week

25+: £67.50 per week

#### Lone parent

Under 18: £53.45 per week

18+: £67.50 per week

#### Couple

Both aged 18+: £105.95 per week

\*These rates change every April.

If you are looking for or returning to work, other benefits they could help you with include the following:-

## In Work Credit

In Work Credit is a fixed tax-free payment of £40 per week (£60 per week in London) for **parents bringing up children alone**. It is payable for up to 52 weeks on top of your earnings, when you start work of at least 16 hours per week. You need to claim it before you start work.

You must also have been claiming one or a combination of the following benefits for at least 52 weeks (short breaks of no more than five days are allowed):

- Income Support
- Jobseeker's Allowance
- Employment and Support Allowance - if you lost entitlement to Income Support due to the age of your youngest child and were not able to claim Jobseeker's Allowance because you were ill

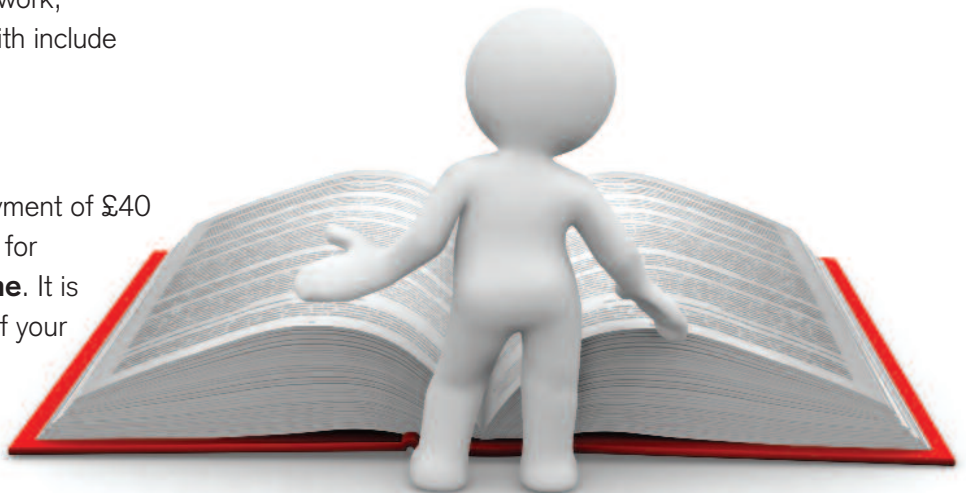
## Job Grant

A Job Grant is a tax-free lump sum. You may be eligible for a Job Grant if you have been claiming one of the following benefits:

- Employment and Support Allowance
- Incapacity Benefit
- Income Support
- Jobseeker's Allowance
- Severe Disablement Allowance

You will need to have been claiming benefit continuously for more than six months and starting work of more than 16 hours per week.

You'll automatically get Job Grant if you're eligible. You just need to make sure you tell your Jobcentre Plus Office that you're starting work. You'll be paid in the same way as you were paid your benefit.





## Return to Work Credit

Return to Work Credit is a tax-free payment of £40 per week for people that have, or have had, a health condition or disability.

It can be payable for up to 52 weeks as long as:

- your job is expected to last at least five weeks
- you are working on average over 16 hours a week
- you are earning no more than £15,000, before tax, per year
- you are earning at least the National Minimum Wage
- you have been getting an incapacity benefit for 13 continuous weeks or more
- you have started work or will be starting work within the five-week period immediately after being entitled to a qualifying benefit

You might not qualify if you claim either of the following benefits in the five weeks before starting work:

- Jobseeker's Allowance
- Income Support as a lone parent



**Remember:** For advice on the various benefits you can claim contact Jobcentre Plus on: **0800 055 6688**. Alternatively you can obtain further information from: [www.direct.gov.uk](http://www.direct.gov.uk)

## Her Majesty's Revenue & Customs (HMRC)

HMRC deals with Child Benefit, Guardian's Allowance and Tax Credits.

### Tax credits

A tax credit is a payment that you receive regularly. Despite the name, it isn't a credit against your tax bill. Nine out of ten families with children qualify for tax credits, but you don't need to have children to claim. You may also qualify if you are working and on a low income.

Tax credits may also be able to help with the costs of your childcare. Generally, to qualify for help with childcare costs through tax credits, you'll need to:

- work for at least 16 hours per week
- have worked more than 16 hours per week before going on adoption, maternity, paternity or sick leave

### What hours do you need to work to get Working Tax Credit?

#### You don't have children

If you don't have children, you need to work the following hours:

- if you are aged 25 or over, you need to do paid work of at least 30 hours a week
- if you have a disability and are 16 or over, you need to do paid work of at least 16 hours a week
- if you or your partner are aged 50 or over and are going back to work after being on out of work benefits, such as Income Support or Jobseeker's Allowance, you need to do paid work of at least 16 hours a week

#### You have children

If you have children, you need to be aged 16 or over and do paid work of at least 16 hours a week to qualify.

### What counts as paid work?

If you're an employee, paid work means:

- the work you do for your employer in return for

payment (or where you would expect to be paid) such as wages

- any 'payment in kind' (for example groceries for a person who works as a shop assistant, or farm produce for a farm labourer)

If you're self-employed, paid work means any work you do for payment (or would expect to be paid) or profit. To claim Working Tax Credit, you should expect your paid work to continue for at least four weeks.

For more information contact HMRC on **0845 300 3900**.

## Sandwell Council

Housing Benefit and Council Tax Benefit for people living in Sandwell is handled by Sandwell Council.

Housing Benefit can provide help towards payment of your rent. If you are on a low income, whether you're working or not, and you need help to pay all or part of your rent, you may qualify to receive Housing Benefit.

If you already receive Housing Benefit but need more help paying your rent, you may qualify for a Discretionary Housing Payment (DHP).

For more information contact Sandwell Council on **0845 351 0020**.

## Other useful numbers

### **Sandwell Council Welfare Rights Unit:**

Provides assistance to residents of Sandwell with claiming benefits.

**0121 569 3158**

### **Sandwell Citizens Advice Bureau:**

A voluntary organisation offering independent advice on benefit, consumer, debt, employment, housing, immigration and other legal and social issues.

**0121 500 2703**

## Seeking Employment

Here's a guide to the National Minimum Wage and Apprentice Rate.

### National Minimum Wage

The national minimum wage sets minimum hourly rates that employers must pay their workers.

There are currently three different national minimum wage rates which are usually updated in October each year. The rates that apply from 1 October 2011 are as follows:

- for workers aged 21 years or more: £6.08 per hour
- for workers aged 18 to 20 inclusive: £4.98 per hour
- for workers aged under 18 (but above compulsory school age): £3.68 per hour

Almost all workers who work in the UK are entitled to the national minimum wage. But there are some groups who aren't entitled, including:

- self-employed people
- children who are still of compulsory school age

### Apprentice rate

These rates apply from 1 October 2011 to all apprentices as follows:

- for apprentices aged under 19: £2.60 per hour
- for apprentices aged 19 and over, but in the first year of their apprenticeship: £2.60 per hour

Apprentices aged 19 or over who have completed at least one year of their apprenticeship are entitled to receive the full national minimum wage rate applicable to their age.



**Please note:** Benefit rules are complex and can change so it is always advisable to check with your local Jobcentre Plus, HMRC office and Sandwell Council for up to date information.

# Personal Budget Sheet

## See if you can afford your own home

This simple personal budget sheet will show you how much money you have coming in every week/month and an average of how much you would have to pay out to run your home.

When filling in your personal budget make sure all your incomings and outgoings are changed into weekly or monthly amounts.

**Don't mix weekly and monthly amounts.**

**To change weekly figures to monthly figures:**  
Weekly figure x 52 (weeks) divided by 12 (months)

**To change monthly figures to weekly figures:**  
Monthly figure x 12 (months) divided by 52 (weeks)

**To change four-weekly figures to monthly figures:**  
Four weekly figure x 13 (payments) divided by 12 (months)



Incomings	Weekly / Monthly	
Wages/salary	£	.
Wages/salary (partner)	£	.
Jobseeker's allowance	£	.
Income support/pension credit	£	.
Tax credits	£	.
Child benefit	£	.
State retirement pension	£	.
Works pension	£	.
Incapacity benefit/employment support allowance	£	.
Maintenance	£	.
Non-dependant contributions	£	.
Other income	£	.
Other income	£	.
Other income	£	.
<b>Total income</b>	<b>BOX A</b>	£ .



**Remember:** If this is your first home, you may want to use the figures provided within this booklet as a guide to working out what your outgoings could be.

Outgoings	Weekly / Monthly	Weekly / Monthly	Weekly / Monthly
Rent	£ .	Maintenance payments	£ .
Council tax	£ .	Telephone/mobile	£ .
Water rates	£ .	Hire purchase	£ .
Electric*	£ .	Travelling expenses**	£ .
Gas*	£ .	School meals/meals at work	£ .
Other fuel	£ .	Clothing	£ .
Ground rent/service charge	£ .	Laundry	£ .
Buildings/contents insurance	£ .	Prescriptions/health costs	£ .
Life insurance	£ .	Childcare payments	£ .
Pension contributions	£ .	Other:	£ .
TV rental/licence	£ .	Other:	£ .
Housekeeping	£ .	Other:	£ .
Magistrates court fines	£ .	Other:	£ .
<b>Total outgoings</b>		<b>BOX B</b>	£ .

\*use a winter and summer bill to average out payments \*\*include bus fares, petrol, MOT, car tax, car insurance

## Disposable Income

$$\begin{array}{|c|} \hline \text{Total income} \\ \hline \text{BOX A } \text{£ } \boxed{\phantom{00}} \text{ . } \boxed{\phantom{00}} \\ \hline \end{array}
 -
 \begin{array}{|c|} \hline \text{Total outgoings} \\ \hline \text{BOX B } \text{£ } \boxed{\phantom{00}} \text{ . } \boxed{\phantom{00}} \\ \hline \end{array}
 =
 \begin{array}{|c|} \hline \text{Disposable income} \\ \hline \text{BOX C } \text{£ } \boxed{\phantom{00}} \text{ . } \boxed{\phantom{00}} \\ \hline \end{array}$$

If the figure in **BOX C** is positive you can probably afford the cost of running a home based on your current circumstances.

If this figure is negative you will be paying out more than you get in each week/month - meaning you are at risk of debt.

If this would apply to you, and you still want to have your own home, then we strongly recommend

that you have another look at your income and expenditure and reconsider whether you are in a position to set up home at the moment.

If you need advice on debt or money management or you think you may be entitled to additional welfare benefits there are a number of agencies that can offer help. Please ask at your local Neighbourhood Office for further details of the agencies.

# Case Studies

## Young People aged between 16-25



### Josh's Story

Josh is a single male aged 22 and he has just been offered his first property – a one bed high-rise flat. Josh has been bidding for properties for the past 18 months and he is really excited about living on his own, he has recently fallen out with his parents.

Josh is receiving Jobseeker's Allowance (JSA) of £53.45 per week and has been told by his friends not to worry about paying his rent or council tax because these will be covered by benefits.

When Josh moved in to his new home he had no furniture or savings and he started to experience financial difficulties almost straight away. Josh had not thought about the other bills he would have to

pay and found that he had no money left over after paying his bills and buying his food.

Josh was unable to afford home contents insurance and had to reduce the amount he spent on housekeeping in order to reduce his expenditure – at £30 per week his housekeeping is £16.00 less than the national average and does not include clothes.

Josh completed a budget sheet to see exactly where his money was going. He was surprised when he saw on paper just how tight his finances were and as a result he made the decision to move back with his parents.

	Weekly Income	Weekly Expenditure
Jobseeker's Allowance	£53.45	
Rent		Full HB*
Council Tax (Band A 25% discount)		Full CTB**
Water		£3.80
Gas (Direct Debit)		£8.52
Electric (Direct Debit)		£3.70
TV Licence		£3.03
Mobile Phone		£5.00
Housekeeping (food, toiletries, cleaning products)		£30.00
Total Income	£53.45	
Total Expenditure		£54.05
	<b>Balance</b>	<b>- £0.60</b>

\* Housing Benefit \*\* Council Tax Benefit

Please note: These case studies are fictional, but the income and expenditure illustrations use actual figures to demonstrate the financial reality of running your own home.

## Becky's Story

Becky is a single female aged 20 and works 25 hours per week. Becky receives the national minimum wage of £4.98 per hour. Becky is not entitled to Working Tax Credit as she is under 25 and is not responsible for any dependent children.

Becky is currently living with her parents but has been offered a one bed high-rise flat. Whilst living at home Becky has saved a small amount of money to help with the cost of moving and to buy some furniture.

Becky is worried that she will not be able to afford to live on her own. She has discussed this with her parents who suggested she completed a budget sheet based on what her expenses would be if she

were to accept the property. After completing the budget sheet Becky had a better understanding of what it would cost to live in a flat on her own.

Becky made the decision to stay at home as she felt that it would be too expensive to live on her own whilst she was on a low income.

Becky had not included any expenses associated with work such as travelling costs or the cost of her mobile phone. These expenses along with money for socialising and clothes would have a direct impact on the money Becky would have available to spend on housekeeping and essential bills.

	Weekly Income	Weekly Expenditure
Net wages (after Tax and NI)	£119.63	
Rent		(HB £15.79) £44.21
Council Tax (Band A 25% discount)		(CTB £4.36) £9.42
Water		£3.80
Gas (Direct Debit)		£8.52
Electric (Direct Debit)		£3.70
TV Licence		£3.03
Housekeeping (food, toiletries, cleaning products)		£46.00
Home Contents Insurance		£1.33
<b>Total Income</b>	<b>£119.63</b>	
<b>Total Expenditure</b>		<b>£120.01</b>
	<b>Balance</b>	<b>- £0.38</b>

\* Housing Benefit    \*\* Council Tax Benefit

If you would like a copy of this brochure translated, or require a copy in Braille, large print or on audio tape please contact **0121 569 6030**.

### Arabic

إذا كنت تود الحصول على نسخة مترجمة من هذا المستند، أو كنت بحاجة لنسخة مطبوعة بطريقة برايل للمكفوفين أو بطباعة مكبرة أو على شريط تسجيل صوتي، يرجى الاتصال برقم 0121-569 6030

### Bengali

আপনি যদি এই নথিটির অনুবাদ পেতে চান অথবা ব্রেইল-এ, বড় অক্ষরের ছাপায় অথবা অডিও টেপ-এ এটি চান, তাহলে অনুগ্রহ করে 0121-569 6030 নম্বরে যোগাযোগ করুন

### Kurdish Kumanji

Eger hûn dixwazin kopiyeke vê dokument bê wergerandin yan jî dixwazin kopiyeke bi Tîpên Koran (Braille), bi Tîpên Mezin yan jî wekî Axaftina Qeydkirî bidest bixin, ji kerema xwe têkildar bin bi hejmara telefonê 0121-569 6030.

### Kurdish Sorani

"ئەگەر تۆ دهنهوت ئەم بە گەیه وەر بگرینهوه  
سەر زمانى خۆت، یان بە د ی برهیل، چاپی  
قه هو یان له سەر شریتی کاسدت بو تۆ ناماده  
بکەین، تکایه په یه مەندی بکه به ژماره تەلهفونی  
.0121-569-6030

### Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦੀ ਇਕ ਕਾਪੀ ਦਾ ਅਨੁਵਾਦ ਚਾਹੁੰਦੇ ਹੋ ਜਾਂ ਬ੍ਰੇਲ, ਵੱਡੇ ਅੱਖਰਾਂ ਜਾਂ ਆਡੀਓ ਟੇਪ ਦੀ ਕਾਪੀ ਦੀ ਲੋੜ ਹੈ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ 0121-569 6030 'ਤੇ ਸੰਪਰਕ ਕਰੋ

### Polish

Aby uzyskać tłumaczenie tego dokumentu, lub jego egzemplarz alfabetem Breille'a, dużym drukiem lub na kasecie audio, prosimy o kontakt telefoniczny pod numerem 0121-569 6030

### Urdu

اگر آپ کو اس دستاویز کی ایک ترجمہ شدہ نقل چاہیے یا بریل، بڑے حروف یا آڈیو ٹیپ میں ایک نقل کی ضرورت ہو تو برائے مہربانی 0121-569 6030 پر رابطہ کریں

## Disclaimer

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