

2009

The Cost of Running A Home

BCHA

Introduction

If you already have a place of your own you will know just how much it costs to run a home, on top of the rent and council tax. If this is going to be your first home, you may be surprised at all the costs involved with running a home. This guide aims to give an idea of the costs you will have to budget for.

You must make sure that you can afford these costs before you accept any offer of a home from BCHA.

Rent

Paying your rent is a priority. The charges below are some average rent figures for different property types on Beechdale

Property type	1 bedroom	2 bedroom	3 bedroom	4 bedroom
Bungalow	£61.58	£63.80	£69.00	
Flat	£59.71	£65.21		
House	£64.93	£66.07	£67.38	

If you are on a low income you may be entitled to claim Housing Benefit to assist you in paying your rent. We can help you in making a claim and also give you an idea of how much benefit you will be entitled to. This will assist you in budgeting.

The easiest way to pay your rent is through Direct Debit. Details will be provided when you sign up for the tenancy.

Council Tax

Council Tax is payable in addition to rent for general services provided by the Council or which the Council has to contribute to such as Police and Fire Service.

BCHA properties are mainly in either band A or band B

Council Tax	Band A	Band B
10 monthly payments	£94.89	£111.00
Weekly	£18.25	£21.29
Yearly	£948.94	£1107.11

If you live in the property on your own you will be entitled to 25% discount off your bill.

Depending on your circumstances you may be entitled to claim Council Tax benefit. If you are offered a property with BCHA, we can calculate any

entitlement to Housing and Council Tax benefit before you take on the tenancy.

Water Rates

Water Rates are calculated based on the rateable value of the property. On average water rate charges could be approximately £270 per year for a 3 bed house – a monthly payment of £22.50.

The water supplier for BCHA's properties is South Staffordshire Water. The property may have been fitted with a water meter. If this is the case, you will be charged for the amount of water you use rather than a fixed amount. If a water meter has been fitted you cannot have it taken out. If there isn't one fitted and you think having one could save you money, contact your supplier.

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

Gas & Electric

You will need to heat and light your home, cook and operate electrical 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.

You should regularly (approximately every six months) compare energy prices to get the best price. You can do this via price comparison websites such as:

- www.uSwitch.com Tel: 0800 404 7908
- www.money-angels.co.uk Tel: 0845 621 0248

Gas costs approximately per year	Standard Credit
1 or 2 bed flat	£455.00
2 bed house / bungalow	£480.00
3 or 4 bed house	£500.00
Electricity costs approximately per year	Standard Credit
1 or 2 bed flat	£350.00
2 bed house / bungalow	£370.00
3 or 4 bed house	£445.00
Dual fuel approximately per year	
1 or 2 bed flat	£870.00
2 bed house / bungalow	£890.00
3 or 4 bed house	£894.00

TV Licence

If you have a TV in your home you must buy a TV licence. If you don't you could be hit with a large fine. The figures below show approximately how much a colour TV licence costs

Weekly	Monthly	Yearly
£5.50	£12.00	£142.50

If you are over 75 you get a free TV licence. When you move home your TV licence does not automatically move with you, you need to tell TV licensing your new address. You can do this by filling in a short form online or by calling 0844 800 6790.

Cable / Satellite TV

Many people are now choosing to subscribe to cable or satellite TV. The average cost of a package is between £16 and £45 per month. Cable and satellite companies charge varying amounts, check with individual suppliers for details. You will need our permission to install a satellite dish, particularly if you live in a flat.

Freeview boxes are available to buy for approximately £20 (one off fee). They have many of the same channels as cable and satellite packages without the monthly fees.

Landline / Mobile Phone

BT line rental is approximately £35.25 per quarter or £11.75 per month plus the cost of your calls.

Other supplier's line rental and call costs may vary, check with the individual supplier for details. If you have a mobile phone, don't forget to budget for contract, call charges or top-up costs.

Home Contents Insurance

You do not have to have contents insurance but you should think how you would replace things in your home if you were burgled or there was a fire.

BCHA has negotiated a low cost Home Insurance specifically designed for tenants. Ask staff for details

Food and Other Household Expenses

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

£25-£35 per week per adult

£25-£30 per week per child

If any member of your household has medical conditions or needs a special diet you might need to allow more.

School Meals

If your children have school meals you will need to budget for this. Average school meals for a primary school child cost about £9 per week. For a secondary school child it will cost about £15 per week.

Free school meals are available to children whose parents receive Income Support, Income based JSA or Child Tax Credit with an annual income less than £15,575, or support from the National Asylum Support Service or Guaranteed Element of State Pension Credit.

For more details on school meals contact Walsall Council on 01922 650000

Clothing

Allow £30 - £50 per month per child

Allow £30 - £40 per month per adult

Travel

Car – Remember: if you own a car you need to allow for the amount you spend on petrol, tax and insurance.

Public Transport – If you regularly use public transport you may find that a Travel Card will help to keep costs down. For more details contact National Express West Midlands on 0121 254 7272 or www.travelwm.co.uk

First Home

If this is the first time you have thought about setting up your own home there are extra costs you will need to think about in addition to the usual costs described above.

You will need to think about the cost of furnishing your home and ensuring that you have all the essential household items that you need. Examples of these might include: - bed, settee, table, cooker, fridge, washing machine, carpet etc.

Please remember that companies such as Brighthouse or Crazy Georges may seem attractive but have very high rates of interest and are expensive in the long term.

Personal Budget

This simple personal budget sheet will let you see how much money you have coming in every 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 that all your incomings and outgoings are changed into weekly or monthly amounts.

Incomings	Weekly	Monthly
Wages		
JSA		
Income Support		
Incapacity Benefit		
Child Benefit		
Child Tax Credit		
Working Tax Credit		
Pension		
Pension Credit		
Maintenance		
Other		
Total (A)		

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Outgoings	Weekly	Monthly
Rent (after Housing Benefit)		
Council Tax (after Council Tax benefit)		
Water		
Gas		
Electricity		
Insurance (Home contents)		
TV Licence		
Cable / Satellite TV		
Food		
Household expenses		
Clothing		
Landline/ Mobile phone		
Car Insurance and Tax		
Petrol / Diesel		
Public Transport		
Child Care costs		
School meals		
Laundry costs		
Credit card		
Loan repayments		
Store card		
Other		
Total (B)		

Disposable Income = Total (A) – Total (B)

If this figure 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 have coming in each week – meaning you are in 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 income and expenditure and ask yourself whether you are in a position to set up home at the moment.

Financial Advice

If you need advice on debt or money management there are a number of agencies that can offer help.

Citizens Advice Bureau – www.citizensdebtadvicebureau.org.uk
Tel: 0800 122118

National Debt Line - www.nationaldebtline.co.uk Tel 0808 808 4000

Credit Unions

Walsave credit union provides a variety of low cost savings account, low cost insurance and low cost loans for people living and working in Walsall. Contact them at:

181 High Street
Bloxwich,
Walsall.
WS3 3LH

Tel: 01922 653310

Disclaimer

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