

## A guide to calculating your essential expenditure budget

EXPENSE	HINTS	CALCULATIONS
<b>Essential expenditure</b>		
Mortgage/rent - offer full breakdown	Take the figure from your bank statement and it should be the amount paid excluding any arrears.	If paid weekly, multiply this figure by 4.33 to get monthly payment. If paid 4 weekly, multiply by 13 then divide by 12
Payment to arrears on mortgage/rent	The amount should be agreed with the landlord/ mortgage company. State how many months repayments until cleared	If paid weekly, multiply this figure by 4.33 to get monthly payment.
Second charge on property	Take the figure from your bank statement and should be the amount paid excluding any arrears.	
Payment to arrears on second charge	The amount should be agreed with the secured loan company. State how many months repayments until cleared	
Private pension	Take the figure from the policy or bank statement	
Life Insurance	Take the figure from the policy or bank statement	
Contents insurance	Take the figure from the policy or bank statement	If paid annually divide by 12 to get the monthly payment
Buildings / Contents insurance	Take the figure from the policy or bank statement	If paid annually divide by 12 to get the monthly payment
Endowment policies	Take the figure from the policy or bank statement. A surrender value will also be needed & confirmation if linked to a mortgage	
MPPI	Take the figure from the policy or bank statement	
Dual Fuel	Take the figure from the bill or bank statement.	If paid weekly, multiply this figure by 4.33 to get monthly payment. If paid quarterly divide by 3 to get monthly payment
Electricity	Take the figure from the bill or bank statement or the amount purchased weekly on a card meter.	If paid weekly, multiply this figure by 4.33 to get monthly payment. If paid quarterly divide by 3 to get monthly payment
Gas, oil and solid fuels	Take the figure from the bill or bank statement or the amount purchased weekly on a card meter/oil/soild fuel.	If paid weekly, multiply this figure by 4.33 to get monthly payment. If paid quarterly divide by 3 to get monthly payment
Council tax - adjust to calendar monthly payments	Take the figure from the bill or bank statement excluding any arrears. This is normally a 10 monthly payment not calendar monthly	Divide annual bill by 12 to get monthly payment
Water rates	This figure should be taken from the bill or bank statement.	If paid weekly, multiply this figure by 4.33 to get monthly payment. If paid quarterly divide by 3 to get monthly payment
Maintenance/CSA payments	Include any amount paid whether through a private arrangement or CSA. If there are any arrears state these separately include the monthly payment & no of payments outstanding	If paid weekly multiply by 4.33 to get monthly payment
Court fines: eg speeding etc	Amount agreed by court/ stated on fine as monthly payment	
TV licence	Annual TV licence is £145.50, if recently started paying for licence you may be paying approx £24/month for the 1st 6 months	If paid weekly, multiply this figure by 4.33 to get monthly payment. If paid quarterly divide by 3 to get monthly payment
Childcare	As per your agreement/monthly invoice. Children attend school 38 weeks/year, remember to allow for school holidays if all day childcare for school children is needed	Multiply weekly bill for term time by 38 then divide by 12(A). Multiply school holiday bill by no of weeks childcare needed then divide by 12 (B) Add A and B to get average monthly payment
Adult care costs	Any details for expenses, including those paid for by DLA, provided will assist setting up your IVA/DMP	
HP/Rental: eg car	This figure should be taken from the policy or bank statement	
<b>Phone</b>		
Telephone (including mobiles)	This should be the monthly payment to landline and mobiles only -if you have a package for TV/phone/broadband include the phone amount only here	
<b>Travel</b>		
Vehicle tax	The amount shown on your Tax disc	If paid annually divide by 12 for monthly payment, if paid 6 monthly divide by 6 for monthly payment
Vehicle maintenance/MOT	If car on lease, motorbility or under 3 years old may be exempt	
Vehicle insurance	Take the figure from the policy or bank statement	If paid annually divide by 12 to get the monthly payment
Fuel	Include all mileage, daily work both ways - how many days do you work/week?, school runs/childcare, shopping, visiting relatives, hospital, doctors etc	As per mileage calculator
Public transport, trains and school buses etc	If paid daily, take the daily fare both ways and multiply by the number of days per month you travel. Note school bus will only be for 39 weeks/ year	
Vehicle breakdown cover: eg AA, RAC etc	Take the figure from the policy or bank statement	If paid annually divide by 12 to get the monthly payment
<b>Housekeeping</b>		
Housekeeping (ie your monthly shop) including food, toiletries, pet food, nappies and baby's milk	#Excessive housekeeping allowances will not be considered by creditors when you are unable to meet your contractual payments. You might have to reduce the expenditure in this area. If you have special dietary requirements please give an explanation of them along with any necessary/available medical documentation for special diet.	
Clothes and shoes	Excessive clothing allowances will not be considered by creditors when you are unable to meet your contractual payments.	

Newspapers and magazines	Excessive newspaper and magazine allowances will not be considered by creditors when you are unable to meet your contractual payments.	
Laundry expenses		
<b>Other</b>		
Pet insurance	Take the figure from the policy or bank statement	If paid annually, divide by 12 for monthly payment
Internet/satellite	#Excessive internet and satellite allowances will not be considered by creditors when you are unable to meet your contractual payments. This should be the monthly payment to internet and satellite only -if you have a package for TV/phone/broadband include the internet and satellite amount only here.	
Hairdressing	#Excessive hairdressing allowances will not be considered by creditors when you are unable to meet your contractual payments.	If cut every 6 weeks, multiply by 8.67 then divide by 12.If cut every 3 months, multiply by 4 then divide by 12
Medical, dental, spectacles	State what your costs are for. If you pay for more than one prescription per month consider a prepayment certificate. Prescriptions for children & pensioners are free on NHS.	
Contingencies		
Regular subs: eg Union fees		
House maintenance inc household insurance, plans, repairs, renewals etc	Explain what the cost is for.Household insurance/plans-This figure should be taken from the policy or bank statement	If paid annually, divide by 12 for monthly payment.
Pocket money & School Trips	#Excessive allowances will not be considered by creditors when you are unable to meet your contractual payments. This means you may have to reduce the amounts you are used to spending in this area.	School trip costs should be pro rata over the year
Meals at work/school	Your housekeeping should be reduced accordingly if anyone in the household has meals at school or work	
Hobbies, leisure & sport	#Excessive allowances will not be considered by creditors when you are unable to meet your contractual payments. This means you may have to reduce the amounts you are used to spending in this area.	
TV & appliance rental	Explain what the cost is for. This figure should be taken from the policy or bank statement	If paid weekly, multiply this figure by 4.33 to get monthly payment. If paid 4 weekly, multiply by 13 then divide by 12
Garage Rental	Take the figure from your bank statement and it should be the amount paid excluding any arrears.	If paid weekly, multiply this figure by 4.33 to get monthly payment.If paid 4 weekly, multiply by 13 then divide by 12
<p><b>* Creditors will deem an allowance to be excessive if it exceeds the Comon Financial Statement trigger figures agreed as acceptable by all members of the British Banking Association. Should these be exceeded in any way, a valid reason must be supplied along with any applicable documentation.</b></p>		