

## Useful Websites and Budgeting tools:

Money Advice Service website:	<a href="http://www.moneyadvice.org.uk">www.moneyadvice.org.uk</a>
Checking benefit entitlement/grants:	<a href="http://www.turn2us.org.uk">www.turn2us.org.uk</a> & <a href="http://www.gov.uk">www.gov.uk</a>
Martin Lewis Money Saving Expert:	<a href="http://www.moneysavingexpert.com">www.moneysavingexpert.com</a>
Practical guide to family finance:	<a href="http://www.moneymatterstome.co.uk">www.moneymatterstome.co.uk</a>
Blackpool Council	<a href="http://www.blackpool.gov.uk">www.blackpool.gov.uk</a>
Blackpool Fylde & Wyre Credit Union	<a href="http://www.bfwcu.co.uk">www.bfwcu.co.uk</a>
Credit reference agencies:	<a href="http://www.experian.com">www.experian.com</a> , <a href="http://www.equifax.co.uk">www.equifax.co.uk</a> , <a href="http://www.callcredit.co.uk">www.callcredit.co.uk</a>

## If you need help with debt problems....

**Blackpool/Fylde Council tax** If you have arrears, contact the recovery team and ask for a free debt advice referral. Council Tax Recovery 01253 478888  
[incomeandrecovery@blackpool.gov.uk](mailto:incomeandrecovery@blackpool.gov.uk)

**Housing** If you are threatened with homelessness, contact Housing Options for housing and debt advice. Blackpool Housing Options 01253 477760  
[housingoptions@blackpool.gov.uk](mailto:housingoptions@blackpool.gov.uk)

**Blackpool Citizens Advice Bureau (CAB)** offer free confidential help and advice on all debt matters. Telephone 01253 308400  
[www.blackpoolcab.org.uk](http://www.blackpoolcab.org.uk)  
[advice@blackpoolcab.org.uk](mailto:advice@blackpoolcab.org.uk)

**National Debtline:** Independent, confidential help and advice on all debt matters. Telephone: 0808 808 4000  
[www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)

**Step Change Debt Charity (formerly CCCS):** Confidential advice and assistance with debt matters. Telephone 0800 138 1111  
[www.stepchange.org](http://www.stepchange.org)

**Payplan:** Free, confidential telephone advice service to anyone in debt. Advice on insolvency, IVA's, DRO's and free Debt Management Plans. Telephone: 0800 280 2816  
[www.payplan.com](http://www.payplan.com)

# Taking control of your money

Updated March 2015



A simple guide to help you take control of your finances

## Are you in control of your money?

Many people struggle with their finances because they do not keep track of how much money they get and how much they spend. This booklet provides simple steps to taking control of your money.

The booklet also contains information and contact details of organisations who can provide FREE advice and assistance with money matters.

### Step 1: Increase your income

Make sure you're getting everything you're due!

#### Benefits

There are different benefits available depending on your circumstances. Some are based on your household income, some on National Insurance contributions you have paid. Even if you are working there are benefits you may be entitled to. Benefits are changing, see the back of this booklet for how to check your benefits are correct. To claim benefits you can call the Benefit Claim line on **0800 055 6688**



#### Tax Credits:

Depending on your circumstances you may be entitled to Child Tax Credit, Working Tax Credit or both! The Helpline number is **0345 300 3900**

#### Wages:

Are you being paid the legal minimum wage? The minimum wage for anyone 21 and over from October 2014 is £6.50 per hour.

#### Other income:

Do other adults, or grownup children, living in your home contribute enough to the household? Do you receive maintenance?

This is just a brief list of possible additional income. Think how you may be able to increase your income. **The organisations listed at the back of this booklet may be able to provide additional advice.**

Debt counsellor / adviser	A professional adviser helping people with debt problems. Service available free to most people, some 'debt advice' companies charge fees
Default	Failure to pay a debt
Direct debit	A form of payment, authorised by a bank account holder, allowing a creditor to withdraw money from the holder's bank account
Hire purchase	A form of credit involving regular monthly payments. During the credit period, the goods involved are the property of the credit company, and the user is hiring them from that company until paid in full
Identity theft	Criminal activity involving stealing personal information allowing the thief to obtain goods or credit
Interest	The cost, or charge for borrowing money (also see Annual Percentage Rate)
Lender	A licensed and regulated person or institution that lends money to a borrower
Loan	An agreement between a lender and a borrower by which the borrower agrees to repayment of money borrowed over a period of time. The repayment can be with or without interest
Loan shark	An unlicensed illegal money lender. Loans taken from loan sharks are unenforceable in law
Net income	The amount of income for a certain period after all deductions (e.g. tax and National Insurance), also called "take-home" pay
Overdraft	An arrangement whereby the bank allows a customer to withdraw more funds from a current account than have been deposited. It is a form of loan
Repossession	The legal process of a secured lender taking possession of a property which has been used as security for a loan, or a hire purchase company taking possession of the goods
Revolving credit	Credit allowing the borrower to take credit up to a certain amount, make regular repayments, and keep borrowing up to the credit limit
Standing order	Instruction set up by a bank account holder to make a regular payment to another bank account or organisation
Unsecured credit	A loan not backed up by collateral or a guarantee of any sort (credit/store cards, doorstep loans etc)
Utilities	Services such as gas, electricity, telephone, water

## Jargon buster

Annual percentage rate (APR)	The actual yearly cost of a loan, including interest and charges
Black list	See 'credit rating' 'credit history' & 'credit reference agency'
Basic bank account	Bank account with facility for direct debit, standing order and access to ATM's but with no overdraft or credit facilities
Collection agency	A business specialising in collecting outstanding debts
Compound interest	Interest paid, not only on the original amount of a loan, but also on the accumulated interest
County Court Judgment (CCJ)	Record of a court order to repay money. CCJ's stay on your credit history for six years from the date of the judgment
Credit	Allowing a customer to purchase goods or services on the promise of future payment
Credit card	A card used to borrow money or to pay for purchases. The account balance can be paid in full or by monthly instalments with interest being charged
Credit history	A record of a person's use of credit. Often connected to the phrase 'black list'
Credit rating	An evaluation of an individual's or a business's financial history and ability to pay debts
Credit reference agency	An organisation that collects information on people's credit history for use by lenders.
Credit union	A not-for-profit organisation owned by its members providing saving and loan facilities for its members.
Creditor	A person or business to which money is owed
Current account	A bank account allowing a customer to deposit money and withdraw money, by writing cheques, standing orders or direct debits
Debit	Any transaction that reduces the balance in a bank account
Debit card	A card issued by a bank. Used in a similar way to a credit card, but the amount is debited immediately from the bank account
Debt	Money owed to another person or business

## Step 2: Work out a personal budget

Working out your personal budget is the key to taking control of your money.

A budget sheet will help you:

- See how much money is coming into your household
- See how much is being spent on the household
- See how much money you have available to spend after all household bills have been paid
- Plan for the future
- Avoid, or help get you out of debt



A blank budget sheet is included in this pack for you to use. The budget sheet and a PDF version of this booklet is also available from our website ([www.advicelink.weebly.com](http://www.advicelink.weebly.com)).

Before you start completing the budget sheet, remember:

Figures used should be either weekly or monthly, whichever you prefer, but do not mix the two

- To convert monthly figures to weekly multiply by 12 then divide by 52
- To convert weekly figures to monthly multiply by 52 then divide by 12

If you do not have all the information available, wait until you do.

Don't guess at figures—you will end up with an inaccurate budget. Be honest with your figures, underestimating what you spend will give an inaccurate picture

### Income (Money in)

The income section on the budget sheet lists the most common types of income and has blank lines for you to add anything else you receive. If your wages fluctuate (due to overtime, holiday payments etc) work out an average figure. To do this add together the take home pay from your last 5 wage slips, then divide the total by 5 to get your average wage.

## Household expenses (Money out)

You may find it helpful to use some of your household bills to help complete this section.

**Mortgage or rent:** If you pay rent, check if you are entitled to Housing Benefit. If you receive Housing Benefit, include it in your 'money in' list, and include your full rent in your 'money out' list.

**Council Tax:** Check if you are entitled to any discounts, exemptions, or council tax reduction.

**Water rates:** These are usually payable weekly, fortnightly or monthly. If you rent your home your water rates may be included in your rent, check your tenancy agreement. Some low income households may qualify for a reduced tariff scheme. (Support tariff) Contact the supplier for details.

**Gas & Electricity:** If you pay by quarterly bill, add together the last four bills then divide by 52 (for weekly) or 12 (for monthly). You will usually receive a discount for paying energy bills by direct debit. If you have prepayment meters, save your receipts to keep track of your spending.

**Grocery:** Include all food shopping (you could keep all your shopping receipts for one week to get a true picture of what you spend). Also include cleaning materials and toiletries. Remember, don't guess at figures, you will end up with an inaccurate budget.

**Clothing:** As a rough guide the average weekly expenditure on clothing is around £5 per person (£21 per month).

On your money out list include anything you pay for your home or living expenses, including any secured loans (2nd mortgage), court orders or Hire Purchase payments (HP). If you are not sure if you have a HP agreement or not seek advice.

### Christmas / birthdays / holidays / repairs etc

Don't forget to budget for these events. Consider opening a savings or Credit Union account to pay this money into regularly. This may remove the need for you to borrow money for these events, saving you money in the long term.

For now leave out payments to bank or personal loans, credit or store cards, doorstep lenders, catalogues or mail order.



## Be honest with yourself!

Remember, this is your budget, lowering figures or missing payments out will not give you a true picture.

## Money left for creditors?

Add together all your income (money in), add all your expenditure (money out). Then take money out from the money in and you will have some idea of how much you have left to pay any credit debts (credit/store card, bank loan, doorstep loan, catalogue/mail order). This is your 'available income'.

## Pay Day Loans — Warning sign

Being reliant on these high interest short term loans is an indication of an unhealthy budget. Something needs to change as these debts can swiftly spiral out of control.

## Step 3: What next?

If your money out is higher than your money in consider the following:

- Check if you are due any additional benefits or allowances
- Check everyone in the household in contributing their fair share.
- See if you can spread out payments on household bills so you don't have to pay them all at once. Most companies offer budget payment schemes.
- "Shop around" for cheaper deals on gas, electric, insurance etc
- Cut travel expenses by car sharing, or by buying weekly or monthly travel passes
- Groceries—plan your meals for the week, take a shopping list and stick to it! Try and avoid impulse buying.
- Look carefully at your expenditure list. Is everything essential? Are there any items you could cut down on, without cutting back on basics like food, gas or electric?

## Step 4: If things are still not 'adding up'

If your expenditure is still higher than your income, or you do not have enough available income to cover the payments your creditors require, seek advice.

## Use it!

Once you have completed your household budget sheet, make use of it, keep it up to date and stay in control!

