



# Household budget planner

## Take control of your money

Often through no fault of their own many people find that they can't afford to pay all their debts and fall into arrears. By reviewing all of your finances and keeping a detailed picture of your spending you can look for ways to make savings or maximise your income.

This leaflet offers suggestions on how to help you manage your money, and includes a household budget planner, which will help you look at what money you have coming in and where that money is being spent.



# Completing your household budget planner

Your first step in the process is to work out your household budget.

It is essential that you write down all your income and expenditure so you can work out if you have any money left to pay your creditors (by creditors we mean any company to which you owe money).

You can do this using our household budget planner, following the four key steps below. This will make it as easy as possible for you to calculate.

## How it works...

### Step 1 – Your household income

- Write down all the income coming into your household per month after tax and any other deductions
- Make sure you consider all income, including contributions from adults, children or lodgers
- Estimate the monthly value of irregular income like overtime or occasional work

### Step 2 – Your debt repayments

- This section should include your debt repayments like any secured borrowing (e.g. mortgages or secured loans); priority debts (e.g. utility arrears) and any unsecured borrowing (e.g. minimum payment on credit cards, personal loans, overdrafts etc.)
- We strongly suggest you get an independent credit check. Your credit report carries information about your financial history – money you have borrowed, a record of your repayments including any you have missed, and also any details about any court judgements outstanding against you. By checking your report you will develop a better understanding of your payments and history, and therefore stand a better chance of getting the help you need. You can easily get a credit check online – visit [www.experian.co.uk](http://www.experian.co.uk) or [www.creditexpert.co.uk](http://www.creditexpert.co.uk)

### Step 3 – Your living costs

- Enter all your household's monthly living costs, making sure you don't underestimate or it will be difficult to keep to the budget

- Don't forget to consider all large costs, including fixed annual expenses, gifts, holidays etc.
- If your bills or living costs are not monthly, you will need to convert them into a monthly expense using the calculation below:

Multiply weekly amounts by 4.3

Divide quarterly amounts by 3

Divide annual amounts by 12

For example, if you pay £100 for childcare per week -  $£100 \times 4.3$  (the average number of weeks in a month) = £430 a month. This is the figure that should be entered into the household budget planner.

- Once you have completed all sections, you should tick all costs you consider essential

### Step 4 – Your monthly budget

- The difference between your household income and your outgoings will be either positive or negative
- If you have a positive figure that's great, but ensure you have included everything and not underestimated your spending
- If you have a negative figure then you need to identify any potential problems and look at ways you can maximise your income or reduce your spending. Please visit our website [www.gemoney.co.uk](http://www.gemoney.co.uk) for some useful tips



# Do your household budget

Gather all your documents together, bills, bank statements, receipts, other financial statements etc.

These will all be needed for you to get an accurate picture of your household spending.

## Step 1 - Household income

Monthly income	Monthly (£)
Net salary/Wages (incl. overtime)	
Partner's net salary/wages	
Part-time income	
Pension/Annuity payouts	
Maintenance received	
Other income (eg. Buy-to-Let income)	
Child benefit	
Child/Working Tax Credits /JSA/ESA	
Disability Living Allowance	
Other benefits	
<b>Total household income</b>	

## Step 2 - Debt repayments

Secured borrowing	Monthly (£)
Main mortgage	
Secured loan/2nd mortgage	
Buy-to-Let mortgage	
<b>Total secured borrowing</b>	

Priority debt	Monthly (£)
Other mortgage arrears payments	
Council Tax/Utility arrears	
Ground Rent/Maintenance arrears	
Child maintenance arrears	
County Court Judgements/IVA	
Car finance	
Inland Revenue arrears/Court fines	
<b>Total priority debt</b>	

Unsecured borrowing	Monthly (£)
Credit cards - minimum payment	
Store cards - minimum payment	
Personal/Bank loans	
Pay Day loans	
Debt Management Plan	
Overdraft	
Student loans	
Mail order	
Bank charges	
Other	
<b>Total unsecured borrowing</b>	

## Step 3 - Living costs

Home	Monthly (£)
Gas/Oil/Fuel	
Electricity	
Water charges	
Council Tax	
Telephone/Broadband	
Mobile phone(s)	
Petrol/Fuel/Travel fares	
Food/Household shopping	
Ground rent/Service charges	
Childcare costs	
Maintenance or child support	
Recurring medical/dental/optical expenses	
Other	
<b>Total home expenditure</b>	

Insurance	Monthly (£)
Motor insurance (all vehicles)	
Private health insurance	
Payment Protection Insurance	
Life insurance	
Dental insurance	
Utility insurance	
Pet insurance	
Other	
<b>Total insurance expenditure</b>	

Housekeeping/ Other living costs	Monthly (£)
Breakdown membership	
Laundry/Dry cleaning	
Clothing/Footwear	
Car tax/MOT/Vehicle maintenance	
Other	
<b>Total housekeeping/other living costs expenditure</b>	

## Maximise your income

Think about ways to increase the money coming into your household budget, which could make paying your bills and debts easier. There are many possibilities, but what may be best for you will depend on your circumstances.

### Payment Protection Insurance (PPI)

- Check all your mortgage, loan and credit/store card agreements to see if you have any Payment Protection Insurance – ask your lenders if you are unsure
- Look at your policy terms and conditions to see if you can make a claim, for instance if you are not working due to an accident, sickness or redundancy. Remember to keep copies of any claims and correspondence

### Benefits

- If you qualify for a benefit you should claim it – it's yours. There may be a range of benefits available depending on your circumstances
- Visit [www.gov.uk](http://www.gov.uk) to see what benefits you may be entitled to

### Other possibilities:

- Income tax – do you qualify for a lower tax code or tax rebate?
- Child maintenance – ensure you get paid maintenance if you are entitled to it
- Overtime and additional part-time work – make sure your employer knows you are interested in extra work when it is available. If you don't ask it might be offered to someone else. You may like to consider early morning, late evening, weekend work or working from home
- Sell assets – you may have valuable assets or unwanted items that are not absolutely necessary – a second car, boat, motorbike or items you've bought and never used. But, don't sell anything that you will have to replace later because you can't do without it

Leisure	Monthly (£)
Eating out/Takeaways	
Hobbies/Entertainment	
TV packages (Sky, Virgin, BT etc.)	
Childrens activities	
Gym/Club membership	
Alcohol out or at home/Smoking	
Books/Magazines/Newspapers	
Hairdressers/Beauty treatments	
Lottery/Gambling	
Other	
<b>Total leisure expenditure</b>	

Irregular expenses	Monthly (£)
Home repairs	
Household appliances	
Holidays	
Gifts	
Other	
<b>Total leisure expenditure</b>	

## Step 4 - Your monthly budget

<b>Total household income</b>	£
<b>Minus total debt repayments</b>	£
<b>Minus total essential living costs</b>	£
<b>Minus total non-essential living costs</b>	£
<b>Equals available income</b>	£

Once you have completed your household budget planner, if you find that your outgoings exceed your income we would encourage you to speak to us as soon as possible or seek independent advice – please see our list of 'useful contacts' over the page.

# Reduce spending

If you keep a note of everything you spend it will help you identify spending that can be reduced or cut out completely.

You might have already cut down on your spending and think that there is no room to economise any further, but please keep an open mind to other possibilities, for instance:

## Get the best value for money:

- Switch to a cheaper supplier of utilities (gas, electricity and telephone) and choose the cheapest payment method
- Consider switching your credit card balance to a company that offers a lower interest rate for balance transfers, but don't use the card for new items. We always suggest taking independent advice when rearranging your finances
- Check price comparison websites. There are now a range of websites which enable you to compare the cost of everything from holidays to electrical goods, financial products to your weekly grocery shopping
- Discount vouchers are now available on the internet for many high street stores and restaurants. Make full use of these offers before paying the full price
- Always shop around for essential items and make use of genuine sales and money off coupons offers
- Consider buying less expensive 'own brand' products from supermarkets for regular items

## Healthier lifestyle:

- Walk or cycle to work or school instead of driving or using public transport
- Make a list of regular shopping and stick to it – don't buy on impulse
- Stop smoking – it might take a lot of willpower, but you can get free help and support

## Do it yourself:

- Repair rather than replace if possible
- DIY – not just decorating, but anything you can (safely) do yourself, for instance, clean your own windows rather than paying a window cleaner

Saving money will mean changing your spending habits, but try not to think of it as an unwelcome economy drive. Be positive. Most of the suggestions are about having a healthier lifestyle or getting the best value for money – it's not just about spending less.

See our useful websites and information below, which may help you make comparisons.

## Useful websites and information

**Switching utilities** - consider switching or combining your utility suppliers for a better deal:

[switch.which.co.uk](http://switch.which.co.uk)  
[www.uswitch.com](http://www.uswitch.com)  
[www.energyhelpline.com](http://www.energyhelpline.com)  
[www.utilitywarehouse.co.uk](http://www.utilitywarehouse.co.uk)

**Generate more income** - rent a room or sell items of value that you no longer need or use:  
[www.spareroom.co.uk](http://www.spareroom.co.uk)  
[www.ebay.co.uk](http://www.ebay.co.uk)

**Compare prices of financial products you may have** - try to get a better deal on money or insurance products:

[www.comparethemarket.com](http://www.comparethemarket.com)  
[www.confused.com](http://www.confused.com)  
[www.gocompare.com](http://www.gocompare.com)  
[www.moneysupermarket.com](http://www.moneysupermarket.com)

**Compare prices of shopping online** - try to get a better deal on essential items:

[www.kelkoo.co.uk](http://www.kelkoo.co.uk)  
[www.pricerunner.co.uk](http://www.pricerunner.co.uk)  
[www.mysupermarket.co.uk](http://www.mysupermarket.co.uk)  
[www.tescopricepromise.com](http://www.tescopricepromise.com)

**Discount vouchers** - use special offers or coupons to save money:

[www.vouchercodes.co.uk](http://www.vouchercodes.co.uk)  
[www.discountvouchers.co.uk](http://www.discountvouchers.co.uk)

# Useful contacts

## Independent advice

### StepChange Debt Charity

0800 138 1111\*

[www.stepchange.org](http://www.stepchange.org)

- Free confidential advice and tailored, effective solutions from an independent charity

### National Debtline

0808 808 4000\*

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

- Free, independent and confidential advice on debt, including assistance with setting up debt management plans

### Insolvency Helpline

0800 668 1391\*

[www.insolvencyhelpline.org.uk](http://www.insolvencyhelpline.org.uk)

- Advice and help on very serious debt problems, insolvency and bankruptcy

### Payplan

0800 280 2816\*

[www.payplan.com](http://www.payplan.com)

- Free debt advice and solutions, including debt management plans

### Business Debtline

0800 197 6026\*

[www.bdl.org.uk](http://www.bdl.org.uk)

- Free advice for self-employed and small businesses

\*freephone

## Mortgage advice

### Money Advice Service

0300 500 5000

[www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

- Free, clear, unbiased advice to help you manage your money, including a leaflet on what to do if you are having problems paying your mortgage

## General information

### Citizens Advice

[www.citizensadvice.org.uk](http://www.citizensadvice.org.uk) (England and Wales)

[www.cas.org.uk](http://www.cas.org.uk) (Scotland)

[www.citizensadvice.co.uk](http://www.citizensadvice.co.uk) (NI)

- Free practical information via the phone or face to face with a trained counsellor on a range of topics, including housing, benefits, debt and legal issues

### Financial Ombudsman Service

0800 023 4567

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

- Official independent expert in settling complaints between consumers and businesses providing financial services

## Housing advice

### National Homelessness Advice Service

[www.nhas.org.uk](http://www.nhas.org.uk)

- Specialist support on housing advice

### Local Authority

- Contact your local authority, you may be eligible for local housing

## Benefits and taxes

### Job Centre

[www.gov.uk](http://www.gov.uk)

- Information and advice on jobs, training and benefits

### Disability and Sickness Benefits

0800 88 22 00\*

[www.gov.uk](http://www.gov.uk)

### Money, Tax & Benefits

[www.gov.uk](http://www.gov.uk)

- Government information on public services

### Turn 2 Us

[www.turn2us.org.uk](http://www.turn2us.org.uk)

- Independent charity offering information and help on accessing benefits, grants and welfare

### Child Maintenance Service & Child Support Agency

0345 713 3133

[www.gov.uk/child-maintenance](http://www.gov.uk/child-maintenance)

- Advice and information on how much maintenance (child support) you should expect and how to get it



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Home Lending

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