

Budgeting

Information for residents, staff and volunteers

Why is budgeting important?

In hard times it can be difficult to make ends meet. This makes it important to plan ahead. Not managing your money can get you into money problems and debt. Debt can cause you stress, damage your relationships and put your home at risk. If you have money worries confront them now to avoid bigger problems in the future.

What is a budget?

A budget is a plan that shows how much money you have and how you spend it, so that you don't spend too much. You can do a weekly or a monthly budget, but don't mix weekly and monthly amounts, as the budget will not be right! This is what you should do:

- Write down all of your income and add it up to get the total income.
- Then list your outgoings (costs) and add them all up to get your total outgoings.

If your total for outgoings is more than your total for income you need to make changes to your budgeting: try to increase your income or reduce your costs. Learning to live within a set budget may be the only way for you to have enough money to live on and pay your bills. Use the tips below for help and also visit www.newcastle.gov.uk/welfarerights.

What bills should you pay first?

Always pay the following bills first: rent, mortgage, gas, electricity, council tax, TV licence, Magistrates Court fines and child support. We call these bills **priority debts** because the consequences of late payments can be serious: you can lose your home, have your fuel supply cut off or even be sent to prison. If you are behind on these bills you must negotiate repayments for them quickly to prevent a crisis. Work out what you can offer to pay monthly or weekly and contact the billing company. **If you need help negotiating affordable repayments** for your priority debts contact Newcastle City Council's Money Matters team on 0191 277 1050 between 8.30am and 4.30pm any weekday.

Some ways you may be able to increase your income

- Have you claimed all the benefits that you are entitled to? Visit our website to find out more about different benefits: www.newcastle.gov.uk/welfarerights
- Are any other adults living with you paying their share of bills?
- If you need help to find work, increase your hours or want to re-train, Newcastle Futures can help. Call freephone 0800 587 0478 or 0191 230 2970, or visit www.newcastlefutures.co.uk

Some ways you may be able to cut your expenses

Financial support with rent and Council Tax for people on a low income – If you are struggling to pay your rent have you claimed Housing Benefit or Universal Credit housing costs? If you already get this help and you still have a shortfall in your rent you can try to apply for Discretionary Housing Payment. Council Tax Reduction could reduce your Council Tax if you are eligible. If you live alone don't forget to claim the 25% discount on your Council Tax. For more information about Universal Credit visit www.newcastle.gov.uk/universalcredit. For more information about Housing Benefit, Discretionary Housing Payment and Council Tax reductions and discounts contact Newcastle City Council on 0191 278 7878, visit your nearest Customer Service Centre or www.newcastle.gov.uk/benefits-and-council-tax.



If you are not in work and you are struggling to pay your mortgage – Check what options are available at www.moneyadvice.service.org.uk/en/categories/mortgage-and-rent-problems

Energy savings – You may be able to save money on your energy if you switch supplier. Free access to a computer and help to find where this information is on the internet is available from the Council's Customer Service Centres and libraries. You need to have your annual statement with you as it shows your tariff and usage. Visit www.newcastle.gov.uk/ebd for more information.

Water rates – Switching to a water meter could save you money. This depends on the number of people in your household and your usage. Call Northumbrian Water on 0345 733 5566 for advice. If you are already on a meter and your bills are high or you are struggling to pay your bills ask Northumbrian Water to check if you qualify for any discounts or support. For more information visit www.nwl.co.uk/your-home/your-account/Difficulty-paying.aspx

Food shopping

- Plan meals in advance and go food shopping with a list.
- Compare prices and never go grocery shopping on an empty stomach!
- Sometimes a busy life prevents you from cooking your own food. To save money cook your food at home whenever you can as it is cheaper than eating out and buying takeaways.

Free school meals – To see if your children are entitled call 0191 278 7878 or visit www.newcastle.gov.uk/education-and-learning/grants/free-school-meals

Travel costs – It is cheaper to buy weekly or monthly tickets if you often use public transport. Also, children who live in Tyne and Wear and are aged 5 to 15 on 31 August before the start of the academic year can get an **Under 16 Pop card** that entitles them to discounted travel. Visit www.nexus.org.uk for more information.

Saving can cut your costs! – Join Moneywise, your local credit union, to start saving. Call them on 0191 276 7963 or visit www.moneywise.org.uk to find out more. They also have other offers such as loans at affordable rates of interest and to meet travel costs.

Household goods – Need a new sofa or TV? Steer clear of costly high street credit:

- **Fair For You** provide low cost loans for new branded white goods, furniture such as beds, mattresses, sofas, pushchairs and prams at fair prices. Their loan calculator will let you check how much the loan will cost in total. Visit www.fairforyou.co.uk for more information.
- Check out **charity shops** for second-hand goods and/or join Freecycle at www.freecycle.org
- **Your Homes Newcastle (YHN) tenants** can rent furniture packs from Newcastle Furniture Service. Call 0191 278 1888 or visit www.nfsfurniture.org.uk for more information.
- If you have a support worker ask if you can apply to any **charities** for help.

Health costs – Visit www.nhs.uk/using-the-nhs/help-with-health-costs/get-help-with-prescription-costs/ to find out if you are entitled to help with prescription costs.

Stay healthy and quit smoking – There is help and support available. Call Newcastle Stop Smoking Service on 0191 269 1103 or visit www.nhs.uk/smokefree to find out about different types of support that you can get to help you quit smoking.

Insurances, telephone, Internet expenses and other costs – Shop around and compare prices to get the best deal. Visit www.moneysavingexpert.com to find out how to save money!

This information sheet was produced by Newcastle City Council's Active Inclusion Newcastle Unit. If you would like additional copies, please email activeinclusion@newcastle.gov.uk. This information was accurate at the time of publishing (January 2019).