

Session 1

Budgeting and Household Costs

Independent living can seem scary at first – all these new bills you have to pay for, keeping up with all the costs – it can be a little overwhelming! But with proper budgeting, understanding how your bills work and a few tips and tricks, it can be a breeze!



After this module, you should have a better understanding of the bills you'll need to pay and how to manage your cash effectively.



Useful Info



Budgeting

A personal budget is a key tool you can use to check how your finances are doing. You take all your income (the money you have coming in) and outgoings (all the money you spend) and work out how much you have left afterwards.

If you have lots of money left over, it's a good idea to think about saving it and adding this as a line to your budget - this would also help encourage you to save each month.



If you have a negative amount (your outgoings are higher than your income):

You should check and see if there's anywhere you can save money.



Check if there's any way to increase your income - are you entitled to any benefits? Could you find a job? Could you make money as a self employed person?



Work out how much you are short by and try to make a plan of how you are going to close the gap - if you need help with this, or if you have debts you're worried about, you can contact a range of charities for help - check the websites section for more.

Household Costs:

When moving into your own home, you will need to take responsibility for all the bills that come with it: these include:



Phone



Water



Broadband



Gas



Electric



**TV
Licence**



**TV or
entertainment
package**



**Council
Tax**



**Contents
insurance**



**Rent / Service
Charge**

Care Leavers should check with their local council about whether they are exempt for council tax in their area! You should also let the council know if you are the only adult (18+) living in the property as you can claim a single person's discount of 25%. If a household has only full time students living there, there is no council tax due.



For all of those bills, you will need to contact the supplier and let them know you've moved in. Most suppliers will take your TENANCY date as the day you are responsible for your bills, not your MOVE IN date (if they are different) so be ready to set these up as soon as your tenancy says the property is yours.

Reading meters is important for gas, electric and (in some properties) water bill setup. It tells the supplier that you have now taken over the supply and ensures you don't get charged for anything the previous person might have done. Depending on your meter type, you might need to read these in different ways – ask your supplier if you're unsure!

There are also two types of payment meter – prepay which usually comes with a card and postpay which usually gets paid via a bill or direct debit. Each has its own pros and cons –



Postpay means your supply never gets cut off (unless you miss a bill or two!) where prepay might leave you in the dark if the credit runs out.

However, lots of people find it easier to budget with a prepay meter as they can pay cash when they want for their energy.

One more factor – prepay meters can be more expensive than postpay – be sure to check with your supplier and use comparison sites to check if you can get a better deal!

Most companies allow you to pay via lots of methods:

1

Direct Debit – comes straight out of your bank account every month

2

Taking your paper bill to a post office or a branch of your bank to pay with cash

3

Using your online banking to transfer money to their account

4

PayPoint – a card given by some companies that you can use in some shops to pay your bills with cash

5

Online via their website using your debit card

6

Over the phone using your debit card



You also need to think about all the other things you need to pay for – your food, your travel, toiletries – and make sure you include these in any budgeting you do.

Remember to budget your cash carefully to make sure you can pay all the essential bills before you spend on your wants. Possible penalties for not paying your bills include eviction, being cut off from your gas or electric or even prison in the case of TV Licences.

Useful Websites and Apps



Websites

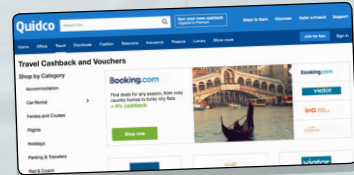
www.freecycle.org

Free stuff from people who don't want it anymore!



www.quidco.com

Cashback site where you can earn money back for purchases – or even for setting up your household bills – all by going to Quidco's website first and then going to the shop's website after.



www.moneysavingexpert.com

Lots of tips, tricks and information to help you save cash and find great deals. Also has a Demotivator like we did at the workshop.



www.uswitch.com / www.comparethemarket.com / www.moneysupermarket.com

Comparison sites – lets you check prices for gas/electricity, as well as broadband, TV packages, mobiles and even bank accounts. Keep switching keep saving!



Daily Budget (iOS / Android) Free, In App Purchases available. This app will help you keep to a daily limit for spending. You can buy other features if you want but the basic app is free!



Spending Tracker (iOS / Android) Free - Let's you keep track of what you're spending and where – this can be useful to see where your money is actually going.



Yolt (iOS / Android) Free - View your UK bank accounts and credit cards together, see upcoming debits, create easy budgets, monitor bills and subscriptions & look for better energy deals.



Wonderbill (iOS / Android) Free - Use WonderBill to log in once to all your bills accounts. You'll then be able to access them with one login and password and see when your bills are due.



Quidco (iOS / Android) Free - Quidco lets you get cashback from a range of shops and service providers – just open the quidco app before you use an online shopping site, use their links and they'll track your purchase and give you some money back as a thank you.

