

Managing your money

midland heart
housing, care and opportunity



MANAGING YOUR MONEY

Living independently can be expensive. Before you get your own place you should work out if you can afford it. If you do not pay your rent or mortgage repayments you could lose your home.

This booklet aims to provide guidance for budgeting but costs can vary greatly depending on usage of services, your bills may therefore be cheaper or more expensive.

Why budget?

Budgeting gives an accurate picture of your financial position and helps you to make your money go further by prioritising your expenditure and identifying areas of spending where change is required.

Budgeting can also help prevent running up debts and may prevent you from making large impulse purchases.

Preparing a personal budget

Having a personal budget that details all of your income and expenditure will help you to control your finances and if necessary will help you to identify problems that you may be having or are likely to have in the future with any changes to your personal financial circumstances.

If you need to make changes look at your expenses and ask yourself the following questions:

- Is this expenditure absolutely necessary?
- If not, can I / we do without it?
- If not can we reduce my / our spending?

Household expenditure explained

Rent or Mortgage payments

Rent or mortgage payments are essential expenditure and if you do not maintain these payments you could lose your home.

The amount of rent you pay is set by your landlord and is agreed by signing the terms and conditions of the tenancy agreement.

Mortgage repayments are agreed with your mortgage provider and may be subject to change dependent on terms agreed and type of mortgage e.g. variable, fixed or tracker. For more information contact your lender.

Council Tax

Council Tax is the way you help pay for local services that the Council provides. Each Council sets the level of Council Tax in its own area, but the amount you pay depends on the value of your property.

The full Council Tax Bill assumes that there are two adults living in the dwelling. If only one adult lives in a dwelling (as their main home), the Council Tax Bill will be reduced by 25%. If a property is no one's main residence, the bill will be reduced by 50%. This will apply where a property is empty or is a second home.

Certain people will not be counted when looking at the number of adults resident in a dwelling if they meet certain conditions. They are:

- full-time students, student nurses, apprentices and youth training trainees.
- patients resident in hospital.
- people who are being looked after in care homes.
- people who are severely mentally impaired.
- people staying in certain hostels or night shelters.
- 18 and 19 year olds who are at or have just left school.
- careworkers working for low pay, usually for charities.
- people caring for someone with a disability who is not a spouse, partner or child under 18.
- members of religious communities (monks and nuns).
- people in prison (except those in prison for non-payment of Council Tax or a fine).
- 18 year olds entitled to child benefit.
- people who are members or dependants of International Headquarters and Defence Organisations or Visiting Forces.
- people who are the spouse or dependant of a student and are not a British citizen.
- people with Diplomatic Privileges or Immunities.

For further information or to find out current Council tax charges contact the Benefits office at the Borough Council (see useful contacts).

Utility Fees

Utilities fees are the charges for essential services such as water, gas and electricity to your home. All utilities will charge a standard fee for providing the service. The companies then charge you for the amount of units used within three calendar months or a quarter. Payments of utilities bill can be made in various ways, these include direct debit, quarterly invoice or by payment meter.

Make sure that you are with the cheapest supplier, Consumer knowledge is available all in one handy website www.moneysavingexpert.com. This website offers a lot of useful information on top deals and bargains, whether you are looking for the best gas or electricity supplier, mobile phone contract, mortgage or broadband provider. You can also pick up and share advice using the members' forum.

Cutting your energy costs

About one third of the heat lost in an uninsulated home is through the walls, so a cost-effective way to save energy is cavity wall insulation, a hassle-free job that could save up to £90 on bills each year.

If you need help paying for heating and insulation improvements you may be able to get money from the government's Warm Front grants scheme.

If you own your own home or rent it from a private landlord, you may be eligible for a grant of up to £2,700 (or £4,000 if oil central heating is involved).

Improvements can include

- loft insulation
- draught proofing
- cavity-wall insulation
- hot water tank insulation
- energy-efficient light bulbs
- gas, electric or oil central heating and glass-fronted fires.

To find out if you qualify for a grant, visit www.warmfront.co.uk

Other bills for household services

- **TV Licence** – You must be covered by a valid TV Licence if you watch or record television programmes as they're being shown on TV. It makes no difference what equipment you use - whether it's a laptop, PC, mobile phone, digital box, DVD recorder or a TV set - you still need a licence.
- **Contents Insurance** – You will need to arrange this if you are renting a property, regardless of the landlord, in order to protect your personal property.
- **Buildings Insurance** – you will need to arrange this if you own your own property it is insurance taken out to insure the property structure against risks such as fire, landslide, flooding etc.
- **Telephone/Internet** – these may include set up fees, a service charge and additional charges dependant on usage.

Other household expenditure

- **Food, Clothing and toiletries** – these are variable costs, which will be dependent on how many people are in your household.
- **Travel** – these are variable costs dependent on whether you have your own vehicle or use public transport.
- **Secured loans** – loans secured against an asset e.g. your home. If you fail to repay the loan your home may be repossessed.

Are you receiving the benefits you're entitled to?

People across the UK are missing out on benefits and tax credits worth more than £8 billion a year.

Use the simple calculator on the 'Entitled' website (see link below) to work out how much you could claim and to make sure that you get what is yours. This site is free and no personal information is required, so anonymity is assured. Just input basic details about your personal situation, such as income, council tax bill, and your savings and it reveals what, if any, benefits you're entitled to.

The calculator includes all the main benefits:

- Working Tax Credit
- Council Tax and Housing Benefit
- Pension Credit
- Child Benefit
- Child Trust Fund
- Child Tax Credit.

It's important to remember, benefits rules do change, so if it's likely you're entitled to benefits then it's worth doing an annual check up, visit www.entitledto.co.uk

Help with housing costs

If you are on a low income or are in receipt of benefits, you can apply to the Council for Housing Benefit to help with your rent and assistance with your Council Tax. The amount of benefit you get is dependent on your income and circumstances but it is possible that Housing Benefit will not cover all of your rent and you may have to make up the difference.

Housing Benefit will not cover your bills for gas, electricity or water, even if included in your rent, so you need to ensure that you are able to pay for these from your income.

In exceptional circumstances you can also apply for a Discretionary Housing Payment (DHP), which may pay for any shortfall between your rent and the Housing Benefit paid, but this is not a long term solution.

To apply for Housing Benefit you should contact the Benefits Department at the Council using the details at the back of this leaflet or contact the NHA Team.

Useful contacts

For Housing Advice and Information - Please contact Newcastle Housing Advice Service:

Newcastle Housing Advice 61-63 Lower Street,
Newcastle Under Lyme, Staffs, ST5 2RS
Telephone: **0345 850 9698** www.nhaoptions.co.uk
Nha are able to refer to a specialist Debt Advice Service, Please contact for further informaion

For Housing Benefit & Council Tax Advice - Benefits Department:

Newcastle-under-Lyme Borough Council
Civic Offices
Merrial Street
Newcastle-under-Lyme
Staffs, ST5 2AG
Telephone: 01782 715 500
www.newcastle-staffs.gov.uk

For Independent help and advice , contact Nha or Citizens Advice Bureau:

Newcastle-under-Lyme CAB
25-27 Wells Street, Newcastle ST5 1BP
Telephone: **0844 499 445**
www.advice.guide.org.uk

Kidsgrove CAB
Claire House, Liverpool Road, Kidsgrove
Stoke-on-TrentStaffs, ST7 4EH

Commuity Legal Service Direct
Telephone: **0845 345 4345**

For advice and assistance to claim income based benefits:

Job Centre Plus
25 Paradise Street, Newcastle-under-Lyme
Staffs ST5 1RS
Telephone: **01782 382 000**
www.jobcentreplus.gov.uk

Other debt contacts

Consumer Credit Counselling Service

Telephone: **0800 138 1111**
www.cccs.co.uk

National Debtline

Telephone: **0808 808 4000**
www.nationaldebtline.co.uk

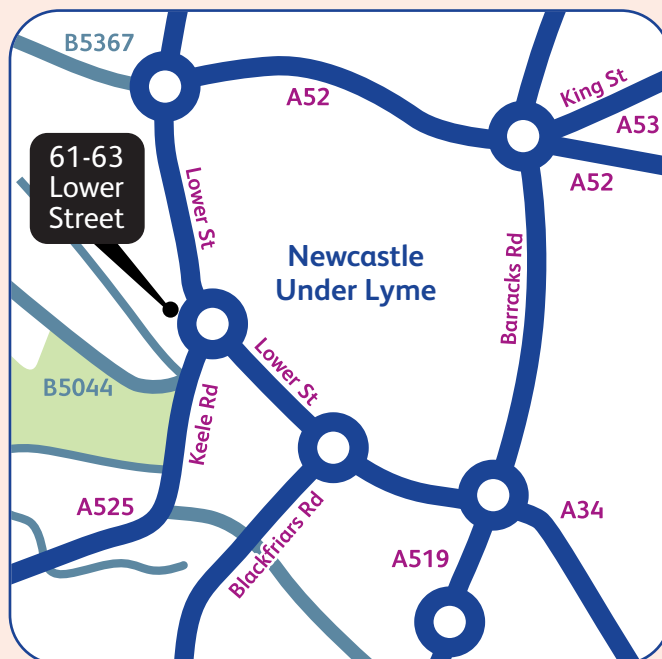
Equifax

Telephone: **0870 0100583**
www.equifax.xo.uk

Experian

Telephone: **0870 2416212**
www.experian.co.uk

How to contact us



The Newcastle Housing Advice Centre is located at
61-63 Lower Street,
Newcastle-under-Lyme.
Staffs, ST5 2RS

Tel: **0345 850 9698**

email nha@midlandheart.org.uk
www.nhaoptions.co.uk

Our opening hours:

Monday to Friday 9am until 5pm

For homelessness emergencies out of
the normal office hours, you can call
01782 615 599

Appointments can be made by telephone or in
person by calling into the reception at
Lower Street, Newcastle.

www.nhaoptions.co.uk