

12 FACT SHEET



Money matters

This fact sheet provides advice and information about how best to manage your money to make it easier to manage your household expenses. It also provides details of agencies that can help if you are finding it difficult to manage your money.

Paying bills

Bank Account

Almost everybody should be able to open a basic bank account, even if you have County Court Judgements (CCJ's). A Basic Bank account allows you to receive money and pay bills. With a Basic Bank Account you can:

- have your wages, benefits, state pension or tax credits paid directly into your account
- pay in cheques for free
- take money out at cash machines with a cash card
- withdraw money at the Post Office
- pay your bills by direct debit, meaning you can pay less for some things, especially gas, electricity or telephone
- open an account if you have been made bankrupt.

If you would like more information about bank accounts please visit

www.moneymadeclear.fsa.gov.uk or request a Basic Bank Account leaflet from us.

Ways to pay your bills

Direct Debit

Regular payments taken directly from your bank account on an agreed date. For example, to pay for your rent, gas or electricity. You can often get discounts with energy suppliers if you choose to pay by direct debit.

Standing Order

A regular payment to someone that you can arrange to be made direct from your bank account. You arrange this with your bank or building society.

Pre-payment meters

Pre-payment meters are often used by people who have a low income, so you can pay for electric or gas as you need it.

Warning: the meter provider will normally charge a minimum of £240.00 per year for its use. For example, when you buy a token, part of that money will go towards the hire of that meter. It is usually cheaper to set up a direct debit which can be paid weekly as well, and may entitle you to further discounts.

Borrowing money

Borrowing money to pay for something, such as furniture, a car or a holiday allows you to get what you want right away. But you will have to pay interest on what you borrow, which means you will pay back more than you actually borrowed. Some ways of borrowing are cheaper than others. The highest cost of borrowing are from credit cards, doorstep lenders, and unlicensed lenders such as loan sharks. **The cheapest form of borrowing is from a Credit Union.**

Credit Union	A credit union can help you get your finances under control. They encourage you to save what you can, and borrow only what you can afford to repay. They may be more willing to help you than a high street bank if you have a low income, or do not have a previous record of borrowing. Credit Unions are by far the best way of borrowing money because they are much cheaper as interest rates are much lower. To find your local credit union, contact our Income Team on 0800 345 7580.
Personal loan	An unsecured personal loan can be obtained through banks and building societies.
Doorstep lending	Money lent to you by licensed doorstep lenders (such as sales people who come and knock on your door) can be very expensive. If you use these lenders, it is important to find out how much you will have to pay for the money you have borrowed.
Loan sharks	Loans sharks are unlicensed lenders. They operate illegally and will lend you money when no-body else will, but their interest rates will be very high, and you may find it difficult to keep up the repayments. You may be forced to get a second loan to pay off the first, causing your debts to spiral out of control. They may use violence or intimidation to collect debts. We advise you not to use these lenders.
Hire Purchase	Some high street shops and catalogues will offer credit for goods to people on a low income or with a poor credit rating, eg washing machine, sofa or TV. Warning: the interest rates can be very high, for example a television costing £799.00 from a shop, could cost you £3,048.24 at a rate of £19.54 per week for 156 weeks, including £5.95 per week service cover and £2.55 per week damage liability cover.

Here is a typical comparison of how much a loan could cost you:

Cost of borrowing £500.00 over one year

Credit Union	Interest to be re-paid	=	£32.94	(12.7% APR)
Doorstep Loan	Interest to be re-paid	=	£340.00	(183.2% APR)

Borrowing money (continued)

Interest is the charge that lenders make when you borrow their money.

Annual Percentage Rate (APR)	The higher the APR, the more money you will end up paying back. Generally, the lower the APR, the better the deal for you, so if you are thinking about borrowing money, shop around.
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Top tips for borrowing money

- be clear about the amount you are borrowing
- be clear about how much you must repay and for how long you will be making repayments
- make sure you understand what will happen if you cannot keep up the repayments
- make sure you can afford to make the repayments before you borrow any money.

Insurance

Insurance protects you against the unexpected. If you have a car you are legally required to have insurance. We have buildings insurance on your home, which covers the structure of the property against fire, flood and subsidence. We strongly recommend you purchase home contents insurance, to cover your possessions such as jewellery, furniture and accidental damage such as broken windows, fire or flood. Price comparison websites can be a useful way of finding the cheapest insurance provider, although not all companies use these sites. We also offer a low cost contents insurance scheme. Please contact us for further details.

Maximise your income / Reduce expenditure

It is important that you are aware how much it is costing you to live, and to ensure that you are maximising your income, and getting value for money on what you buy.

Managing your budget

Budgeting gives you an accurate picture of your financial position and can help you to:

- make decisions about your finances, as you know where your money is going and whether you have any left over
- identify where you can make changes to your spending habits if you're struggling to make ends meet
- make your money go further by getting into the savings habit if you have money left over

To budget you need to record what money you have coming into your home, and what you are spending it on. Whichever situation you find yourself in, always make sure you pay your priority debts, for example rent, gas, electricity and council tax. If you're struggling, it's best to get in touch with those you owe money to, as soon as possible. They may be able to set up an arrangement where you can spread your payments until you get your finances sorted. To make an appointment for someone to go through a budget plan with you, call us on 0800 345 7580.

Maximise your income / Reduce expenditure (continued)

Benefits

You may be eligible for state benefits. For example, if you're on a low income, have dependent children or are sick or disabled. These could include:

Housing benefit	<p>To help with the cost of rent.</p> <p>Did you know ...</p> <ul style="list-style-type: none">● if you've been out of work for over 26 weeks when you return, you can claim housing benefit for a further 4 weeks● if you move home and have to give a month's notice to your previous landlord, you can normally have benefit paid on 2 properties for that period.
Council Tax benefit	<p>To help with the cost of council tax.</p> <p>Did you know ...</p> <ul style="list-style-type: none">● 25% discount for single person living in the home.
Child Benefit	<p>A named parent is eligible for Child Benefit for each child.</p>
Pension Credit	<p>There are 2 elements to Pension Credit:</p> <p>1 Guaranteed Credit - you can claim if you are 60 and are:</p> <ul style="list-style-type: none">● single with a weekly income below £124.05● couple with a weekly income below £189.35. <p>You might get more if you have caring responsibilities or are disabled.</p> <p>2 Savings Credit - you can claim if you are over 65 and are:</p> <ul style="list-style-type: none">● single with a weekly income (from pension / savings / earning and investments) between £91.20 and £174.00 per week● couple with a weekly income between £145.20 and £255.00. <p>You may also be able to claim housing benefit to help towards paying your rent.</p>

Maximise your income / Reduce expenditure (continued)

Working Tax Credit	<p>Available to working people who work over 16 hours per week. The amount you earn, number of children and age will depend on how much you can claim. For example, a couple working full time, with 3 children and earning £25,000 per year receive £55.00 per week in tax credits. If they earned £50,000 per year they would receive £10.00 per week.</p> <p>A single person, aged 30, living alone, working full time and earning £10,000 per year can get £12.00 per week in tax credits.</p>
Child Tax Credit	Available to families with children to pay for the children's living expenses.
Incapacity Benefit or Employment and Support Allowance	A benefit available for people who are sick.
Disability Living Allowance	Available to people with a disability.

For information about tax credits and benefits, contact the benefit enquiry line on **0800 882 200** or visit www.direct.gov.uk/en/MoneyAndBenefits/index.htm.

To find out if you are entitled to claim any of these benefits, have a look at www.entitledto.com - you can anonymously put your income details into its calculator, and it will tell you what benefits you are entitled to.

Your local authority will also have a Housing Benefit website for you to check if you're eligible for housing benefit.

Alternatively, please contact the Income Team on 0800 345 7580 who can provide general advice about what you may be entitled to, and advise you how and where to apply.

Low cost Gas, Electric and telephone

You may get a better deal by switching your gas, electric or telephone service provider.

Have a look at www.energywatch.org.uk, the gas and electricity Watchdog's website to find the recommended provider in your area. Longhurst Homes operates a scheme with Peterborough Energy Trust which provides competitively prices gas and electricity. This is available to all tenants. For further information, please call **01733 568532**.

Specialist Money advice

Several organisations offer a free service, either face to face or by phone, for example:

The Citizens Advice Bureau (CAB)	Offers free, independent advice, practical, up-to-date information on a wide range of topics, including benefits and housing, employment rights and discrimination, debt and tax issues. For more information visit www.adviceguide.org.uk or visit your local CAB office.
National Debt Line	Visit www.nationaldebtline.co.uk or ring 0808 808 4000 for financial advice.
Consumer Credit Counselling Service	Visit www.cccs.co.uk or ring 0800 138 1111.
Shelter	Offer free housing, debt, welfare benefit, care and health advice. Visit www.shelter.org.uk .

For information about services available in your local area contact our Income Team on 0800 345 7580. Leaflets available:

- Credit Unions
- Basic Bank Accounts
- Borrowing Money
- Proving Identity
- Managing in Retirement
- Pensions
- Making your budget work for you
- Mortgages
- Saving and Investing.

www.moneymadeclear.fsa.gov.uk - This is a useful website, which has a budget calculator, debt test, financial healthcheck and an opportunity to compare products such as savings accounts.

Money saving tips can also be found on www.moneysavingexpert.com website.

Call us on 0800 345 7580 (the Income Team) - we're here to help.

Tenancy Support

If you are feel you need extra help to maintain your tenancy, or you are at risk of losing your home you may be eligible for tenancy support provided by a team of specialist workers who will help with budgeting skills, access to healthcare, training, education, counselling and support. If you feel you may benefit from tenancy support, please contact us.

Older customers

Age Concern is an agency for older people, and can provide information on many different issues such as housing, health, leisure, travel, personal care, income, pensions and local support.

Information Line: 0800 00 99 66

Website: www.ageconcern.org.uk

PERSONAL BUDGET SHEET

Name: _____ Number of people in my household: _____

Address: _____

Use weekly or monthly figures all the way through.

Step 1	Income
	Weekly or monthly
Wages or salary	_____
Wages or salary (partner)	_____
Jobseeker's Allowance	_____
Income Support or Pension Credit	_____
Tax Credit, Working Tax Credit, Child Credit	_____
Retirement or works pension	_____
Housing Benefit	_____
Child Benefit	_____
Incapacity Benefit	_____
Maintenance	_____
SSP/SMP	_____
Non-dependants' contributions	_____
DLA	_____
Other	_____

Total income **Box A** £

Use weekly or monthly figures all the way through.

Step 2	Outgoing
	Weekly or monthly
Mortgage	_____
Mortgage endowment policy	_____
Second mortgage	_____
Rent	_____
Council Tax	_____
Water Rates	_____
Ground rent or service charge	_____
Buildings and contents insurance	_____
Life insurance and pension	_____
Household insurance	_____
Gas	_____
Electricity	_____
Other fuel	_____
Telephone Home	_____
Mobile	_____
Housekeeping	_____
TV rental and licence	_____
Magistrates' court fines	_____
Maintenance payments	_____
Hire-purchase vehicle	_____
Travelling expenses	_____
School meals and meals at work	_____
Clothing	_____
Laundry	_____
Prescriptions and health costs	_____
Childminding	_____
Other 1	_____
2	_____
3	_____

Total outgoings **Box B** £

Step 3	
Total income	Box A <input style="width: 100px;" type="text"/>
	take away
Total outgoings	Box B <input style="width: 100px;" type="text"/>

Money for creditors **Box C** £

Do not include credit debt payments here.

Step 4	Priority debts	
	Balance owed	Weekly or monthly Offer of repayment
Outgoings	_____	_____
Weekly or monthly	_____	_____
Mortgage arrears	_____	_____
Rent arrears	_____	_____
Council Tax or community charge arrears	_____	_____
Telephone: Home	_____	_____
Mobile	_____	_____
Fuel debts: Gas	_____	_____
Electricity	_____	_____
Other	_____	_____
Magistrates' court fine arrears	_____	_____
Maintenance arrears	_____	_____
Hire-purchase arrears	_____	_____
Other 1	_____	_____
2	_____	_____

Total priority debts repayment **Box D** £

Step 5	
Money for creditors	Box C £ <input style="width: 100px;" type="text"/>
	take away
Total priority debts repayment	Box D £ <input style="width: 100px;" type="text"/>

Money for Credit debts **Box E** £

Step 6	Credit debts	
	(store card, credit card, loans, catalogues)	
Creditor	Balance Owed	Weekly or monthly
1 _____	_____	_____
2 _____	_____	_____
3 _____	_____	_____
4 _____	_____	_____
5 _____	_____	_____
6 _____	_____	_____
7 _____	_____	_____
8 _____	_____	_____
9 _____	_____	_____

Total owed **Box F** £

Total monthly repayments **Box E** £

If you have £100 a month or more, you can pay using a debt-management plan.

Make sure you change weekly figures to monthly figures in **Step 6** calculation.

This is an accurate record of my financial position
(balance, arrears, number of debts and surplus)

on (dd/mm/yy) _____ / _____ / _____

signed _____

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Longhurst & Havelok Homes is committed to equality and diversity and recognises diversity in all areas of our work. We seek to treat people with respect and deliver services that meet individual need.

This leaflet is also available in:



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Leverett House, Gilbert Drive, Endeavour Park, Boston, Lincolnshire PE21 7TQ
Tel: 0800 111 4013 Fax: 01205 366854 www.landh.org.uk