



Five Day Money Makeover

Day 1: Budgeting

If you want to be in control of your money then working out a realistic budget is vital. To do this you need to count up all the money you have coming in. On your budgeting sheet, write down all your income from work or self-employment as well as any benefits or tax credits you receive. You should also add in any additional income such as maintenance payments and if you live with a partner remember to include their income too.

The next step is to look at everything you need to pay out. Write down all your fixed payments such as rent or mortgage, Council Tax, gas and electricity, and any other payments you make on a regular basis. Remember to include any payments you make towards paying back debts. You also need to think about how much you need to spend on things like food shopping, toiletries, cleaning supplies and travel costs. The more detailed your budgeting sheet is, the easier it will be to follow.

If you subtract your total outgoings from your total income, the figure you get shows you how much you have left over after you have paid all your bills. This is known as disposable income and is yours to spend or save as you see fit.

If your disposable income figure is very low or falls below zero, you should take action to improve your situation. Have a benefit check carried out to make sure you are getting everything you are entitled to and if you have debts, take steps to deal with these. Use the debt self help guide to get started.

Weekly Budget Planner

| INCOME | How Often | £ | p |
|--|--------------------------|---|---|
| Your wages | | . | |
| Partner's wages | | . | |
| Jobseekers Allowance | | . | |
| Employment & Support Allowance | | . | |
| Income Support | | . | |
| Child Benefit | | . | |
| Child Tax Credit | | . | |
| Working Tax Credit | | . | |
| State Pension | | . | |
| Pension Credit | | . | |
| Occupational/ Private Pensions | | . | |
| Disability Benefit (DLA/ PIP/ Attendance Allowance) | | . | |
| Other Income (eg child maintenance etc) | | . | |
| TOTAL | | . | |
| OUTGOINGS | How Often | £ | p |
| Rent/ Mortgage (if you get Housing Benefit, only count rent if you have a shortfall to pay eg. Bedroom tax) | | . | |
| Council Tax | | . | |
| Gas | | . | |
| Electricity | | . | |
| Insurance (car, home, life etc) | | . | |
| Shopping (include groceries, toiletries, cleaning supplies and anything you need on a regular basis such as children's shoes or clothing) | | . | |
| TV/Phone/Internet (eg Sky TV package) | | . | |
| Mobile Phone | | . | |
| TV Licence | | . | |
| Travel (include bus fares, petrol etc) | | . | |
| Car Running Costs (set aside an amount to cover MOT, service and repairs) | | . | |
| Finance Repayments (include catalogues, loans, credit cards etc) | | . | |
| Arrears Repayments (set an amount to repay any bills you have fallen behind with eg. rent, council tax, gas/electricity etc) | | . | |
| Leisure | | . | |
| | TOTAL | . | |
| Subtract your total outgoings from your total income to work out how much you have left over after all your essential spending | Disposable Income | . | |

Day 2: Planning

It can be very easy to spend money that we don't really mean to. Good planning is key to avoiding an unintended spend! The supermarket shopping trip is a good place to start. Follow these simple tips to cut back on your grocery bill:

Only buy what you need - check your cupboards, fridge and freezer to see what you already have then think about what kind of meals you could make with those ingredients. Visit www.lovefoodhatewaste.co.uk for handy hints and tips.

Make a list - once you have decided on your meals for the week based on what you already have at home, make a list of any extra ingredients you need

Don't always go for the big brands - if you normally buy branded products, try switching to the supermarket's own version. You are unlikely to be able to taste the difference but you will certainly see the savings!

Search for bargains - head online and compare the cost of your groceries. There are online tools such as <http://www.mysupermarket.co.uk/> that allow you to compare the price of groceries so you can see where to find what you want at the lowest price. If you like a particular branded product, keep an eye out for coupons or voucher codes that might get you some money off.

Beware of special offers – these can be a great money saver but just because something is reduced or on offer doesn't always mean it's a bargain. Ask yourself 2 questions before you are tempted by special offers;

Do I need it?
Will I use it?

If the product on offer is something you would buy anyway and won't spoil before you get a chance to use it, it is worth buying. If not, only buy what you need and look for deals that are better suited to your needs.

Day 3: Switch and Save

Make sure you aren't spending more than you need to on bills. If you have had the same gas and electricity supplier for more than 2 years, try putting your details into a price comparison site to see how much you could save. You could cut down more than just energy bills too - try comparing prices on insurance providers and broadband too!

Useful websites:

<http://www.westlothian.gov.uk/article/3750/Energy-Advice>

<http://www.energysavingstrust.co.uk>

<http://www.uswitch.com/>

<http://www.moneysavingexpert.com/cheapenergyclub>

<http://www.ukpower.co.uk/>

<http://www.goenergyshopping.co.uk/en-gb>

Day 4: Think Outside the Box

Have a good clear out, but don't just bin your old unwanted items, use them to generate some extra cash! Head online to make money on old books, CDs, DVDs and games. For bigger items such as furniture, old bikes or kids toys, try advertising them on social media or online marketplaces - just remember to be careful and stay safe online! You can get cash for old jewellery and clothes, or why not have a bit more fun and hold a clothes swapping party with friends to revamp your wardrobe?

Useful websites:

www.freecycle.org/group/UK/Scotland

www.preloved.co.uk

www.gumtree.com/west-lothian

Day 5: Saving

Now that you have cut back on spending and possibly earned a little extra cash from your old stuff, try not to squander it. Open a savings account and put any extra money away for a rainy day.

Saving little and often can make a big difference over the course of 1 year:

| Weekly Savings | Amount Saved After 1 Year |
|----------------|---------------------------|
| £1.00 | £52.00 |
| £1.50 | £78.00 |
| £2.00 | £104.00 |
| £2.50 | £130.00 |
| £5.00 | £260.00 |

New savers are often surprised by how quickly their savings build. Having a little set aside can really help towards costs over and above your day to day spending:

- Birthdays or Christmas
- Your annual MOT, service or road tax
- Annual insurance premiums
- Unexpected bills such as repairs to your car, heating, house etc

Whatever you choose to save for, make sure you open an account that meets your needs. For example, you may want instant access to your savings or you might want to open an account with your current bank to make it easier to track your progress.

Your local Credit Union could be a good place to start. There are currently 3 Credit Unions covering West Lothian:

Blackburn, Seafield and District Credit Union based in Blackburn
www.bsdcreditunion.co.uk or phone 01506 650198

West Lothian Credit Union are based in the Centre in Livingston
www.westlothiancreditunion.co.uk or call 01506 436666

Capital Credit Union are based in Edinburgh but have online facilities
www.capitalcreditunion.com or phone 0131 225 9901

Let us know what you think of the Five Day Money Makeover. We are always eager to hear your feedback to help us improve our services in the future. Email any comments or feedback to welfareformteam@westlothian.gov.uk