**Tools for budgeting and tracking expenditure within families receiving services**

**Working together to help children, young people and families to thrive**



**Gathering information**

Any exploration of a family’s expenditure needs to start by gathering the best information possible about that family’s income and outgoings.

While there are many good budget planners and templates out there, many are very time-consuming to fill in and may not fully capture a family’s lived experience. The one included in this guide aims to be as comprehensive as possible and includes discussion points designed to probe expenditure issues that may be exposing a family to risk or that a family may have concerns about discussing.

**Empowering families to help themselves**

With acknowledgment that many of our families are stressed and vulnerable, their financial management is still their responsibility. Any plan or solution will work better if the family is fully on board and in charge.

There is a lot of clear and accessible advice available online There is also a lot of complicated, contradictory and even exploitative information.

Nevertheless, taking charge of finances is an important part of empowerment, recovery and building strengths and capability.

Here are five key links for money information:

1. For advice about money: Money Advice Service. Helpline 0800 138 1677, 8am to 6pm Mon-Fri, many more ways to get in touch on their website [www.moneyadviceservice.org.uk/en](http://www.moneyadviceservice.org.uk/en)
2. Online Budgeting tool: these can take quite a lot of time to fill in, but the results can be very good. There is also advice presented alongside. <https://www.moneyadviceservice.org.uk/en/tools/budget-planner>
3. Benefits check: this independent service checks you are receiving all available benefits [www.entitledto.co.uk](http://www.entitledto.co.uk/)
4. Check for other sources of support: Turn 2 us has a benefit checker and a grant and support finder, and offers information tailored for your personal situation [www.turn2us.org.uk](http://www.turn2us.org.uk)
5. Check specific benefits: Support and helplines for Disability Benefits, Child Benefit, Council Tax and more can be found from Advice UK [www.adviceuk.org.uk/looking-for-advice/other-sources-of-advice/benefits-advice/](http://www.adviceuk.org.uk/looking-for-advice/other-sources-of-advice/benefits-advice/)

Supporting families we work with to become comfortable with accessing information and support themselves will reduce our workload going forward.

But more importantly it will also build skills and strengths within the household.

**Finance and budgeting apps**

Although there are lots of finance and budgeting apps to choose from, they may be offputtingly complex, or just not suit how that person thinks about money. There are also privacy concerns, particularly if several people are accessing/using the individual’s mobile phone. But the risks of fraud and theft mean that reputable budgeting apps are among the most secure online.

Any budgeting app used should be free, secure, appropriate for use in the UK, and have a high rating on an official app store. Example apps are:

* Emma
* YOLT
* Money Dashboard
* Tandem

These are especially helpful for people with multiple bank accounts and credit cards. But set-up can be demanding, fiddly and time-consuming.

**Techniques for budgeting**

**Write it down**

One of the strongest tools for budgeting is to accurately record everything you have spent. The only tool you need is a notebook to record expenditure. Here is how:

1. Start tracking at the point in time where you receive your most significant chunk of income. This could be from a job or a benefit payment.
2. From this time, track every expenditure, no matter how small. Remember automatic payments like direct debits. Also track any money you receive.
3. At the point of the next income (replenishment) review your list of expenditures and check for:
	1. Balance – are you receiving more than you are spending? Use a calculator app to add up money spent, and money received.
	2. Money wasters – most people buy some things (e.g., snacks, cigarettes, gambling, clothes) which are less necessary than other things. Mark these, check how much they cost and either look for cheaper options, or set targets to reduce spend.
	3. Savings opportunities – Check any large expenditures, especially loans, insurance and utilities, with an advice or comparison service, to see if you can reduce payments.

Regular small payments, like travel and hot drinks can add up surprisingly quickly, so this is often really revealing. Doing this yourself before helping someone else do it is highly recommended. It is often useful to track several income cycles to check for irregular expenditure and earning.

Be aware that every expenditure made by a person is meeting a physical or emotional need. Respect that and beware of calling anything an unnecessary expenditure; looking for “a cheaper way to fill that need” is a better approach.

**Envelope Budgeting**

Envelope budgeting is a technique where money budgeted for a specific purpose (e.g., pets, food, utilities, rent, travel, entertainment) is placed in an “envelope”. Originally this was cash in a literal envelope, but the same methodology can be used online, or in apps. This money can be exhausted, and a different envelope will then “loan” money to that envelope until the envelope is refilled at the beginning of the income cycle (when benefits or income is received). Over time the person adjusts the amount in each envelope, to meet the financial needs of that envelope.

This can be quite helpful for people who have a specific expenditure which is absorbing money that might better be spent on household necessities as they get a very relatable view of how money spent on one thing takes it from another.

Similarly, it can be used to identify expenditure inequalities in a household where one income is supporting several people. In this case envelopes are assigned to people. But be aware that this is risky where there is household conflict. Envelopes can be used as part of financial abuse, where financially dependent people are given inadequate envelopes and then abused for exhausting them.

**Using a Budgeting Sheet**

Budgeting sheets take a comprehensive look at household income and expenditure. They can be filled in by the family. But they work better when a nominated family member is filling it in with a support worker who can ask questions, check everything is covered, help with estimates of expenses or income, and make sure the figures used are not too optimistic.

The attached budgeting sheet includes lines on most standard household expenses, but if you need to include other things, simply add another line. It is fine to change the line descriptions to whatever makes most sense for your family, or make other adaptations to help the family use the budget sheet effectively

**Some notes for effective filling in of the budget sheet**

* **Reporting expenses is very stressful**. People are anxious about judgement, challenge and censure. Be sensitive to this, highlight strengths and reassure.
* Hidden expenditure or unsourced funds may arise either when you add up the results or during the discussion. These should be carefully questioned as **hidden financial activity can indicate safeguarding issues** such as domestic abuse or financial exploitation as well as some kinds of criminality, e.g., loan sharks (support available see <https://www.stoploansharks.co.uk/> )
* If you are filling in for a month, **there are 4.33 weeks in a month**. Use a calculator/your phone to make sure your figures are accurate.
* Tell the family that **this is an ordinary activity**. Many families and most individuals spend some time looking at their income and expenditure to improve financial stability/boost household prosperity. It helps at any level.

**Budgeting Sheet**

This can be done for a week, a month or a fortnight to match individual need.

Everything in your budget will be kept confidential unless it raises a concern about your safety or someone else’s, or if you or someone else has committed a crime.

**Money going in every week/fortnight/month (delete as applicable):**

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of income** | **How often?** | **How much?** | **Total** |
| Income or wages paid direct to bank account |  |  |  |
| Other income, e.g., casual, paid direct or cash |  |  |  |
| Income from buying/selling, business or other |  |  |  |
| Benefits (say which) |  |  |  |
| Benefits (say which) |  |  |  |
| Benefits (say which) |  |  |  |
| Anything else? Say what. |  |  |  |
| Anything else? Say what. |  |  |  |
| **This is my total earnings for every week/fortnight/month:** |  |

**Pro-tip:** Use the “total” column to show the income you get from this source during your regular period. You will need to add together payments that come in more often and divide payments that come less often. For irregular payments you will need to add up what you get over a longer period of time (e.g., 6 week or six months) and take an average. Use the calculator on your phone to help with this.

Money going out **every week/fortnight/month (delete as applicable):**

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of expenditure** | **How often?** | **How much?** | **Total** |
| **RENT & HOUSEHOLD** |
| Mortgage or Rent |  |  |  |
| House insurance/payment protection |  |  |  |
| Ground rent and service charges |  |  |  |
| Repairs and maintenance |  |  |  |
| Any other house-related expense |  |  |  |
| **UTILITIES & BILLS** |
| Gas/Electricity |  |  |  |
| Water/drains (include any insurance) |  |  |  |
| Council Tax |  |  |  |
| Broadband/Cable/landline phone |  |  |  |
| Mobile phone (include all phones) |  |  |  |
| Service/maintenance contracts |  |  |  |
| Any other regular bills for the household? |  |  |  |
| **TRAVEL & TRANSPORT** |
| Public transport costs (bus, train, coach) |  |  |  |
| Taxi/minicab journeys |  |  |  |
| Car monthly payments (e.g., loan/insurance) |  |  |  |
| Car road tax, MOT, and services/repairs |  |  |  |
| Car petrol |  |  |  |
| Any other transport-related expenses? |  |  |  |
| **HEALTH & WELLBEING** |
| Medical appointments (all kinds) |  |  |  |
| Optician/glasses (all family members)  |  |  |  |
| Dentist/dental work (all family members) |  |  |  |
| Prescription medicine (all family members) |  |  |  |
| Other medicines and medications |  |  |  |
| Health-related treatments and meetings |  |  |  |
| Gym/exercise/sport (include equipment) |  |  |  |
| Contraception and sexual health |  |  |  |
| Haircuts and personal grooming |  |  |  |
| Clothes, coats, shoes and comfort items  |  |  |  |
| Any other health-related expenses? |  |  |  |
| **HOME ENVIRONMENT** |
| Bedclothes and soft furnishings |  |  |  |
| White goods (oven, fridge, washing machine) |  |  |  |
| Heaters/Dehumidifiers |  |  |  |
| Repair and redecoration |  |  |  |
| Home improvements (e.g., windows, insulation) |  |  |  |
| Computers and Tablets |  |  |  |
| Any other home environment costs? |  |  |  |
| **CHILDREN & DEPENDENTS** |
| Clothes, shoes, coat, uniform |  |  |  |
| Travel to school or nursery/bike |  |  |  |
| Other school expenses (clubs, trips etc.) |  |  |  |
| Books, computer, learning support |  |  |  |
| Toys, apps, computer games |  |  |  |
| Social clubs or respite activities |  |  |  |
| Toiletries, including nappies/pads  |  |  |  |
| Care expenses, home support, adaptations |  |  |  |
| Pocket money/allowances |  |  |  |
| Gifts, birthdays and presents |  |  |  |
| Any other child/dependent expenses? |  |  |  |
| **DEBT & RECOVERY** |
| Hire purchase |  |  |  |
| Credit Cards |  |  |  |
| Rent arrears |  |  |  |
| Student loans |  |  |  |
| Informal loans (including from relatives) |  |  |  |
| Any other debts, fines or fees? |  |  |  |
| **GARDEN, PETS & OUTDOOR** |
| Pets (insurance, vet, food, health care, etc.) |  |  |  |
| Garden care, tree maintenance, plants, etc. |  |  |  |
| Outdoor maintenance (drive, gutters, fences) |  |  |  |
| Any other outdoor expenses? |  |  |  |
| **ENTERTAINMENT & LEISURE** |
| TV subscriptions, e.g., Netflix, Prime |  |  |  |
| TV license |  |  |  |
| Books, magazines, papers |  |  |  |
| Music, including subscriptions (e.g., Spotify) |  |  |  |
| Alcohol, cigarettes and consumables |  |  |  |
| Going out, shows, gigs, cinema |  |  |  |
| Holidays and trips |  |  |  |
| Gaming, including in-app purchases |  |  |  |
| Gambling, including lottery |  |  |  |
| Any more leisure-related expenses? |  |  |  |
| **WORK, PERSONAL & DAY-TO-DAY** |
| Commuting expenses |  |  |  |
| Work other expenses e.g., clothes, equipment |  |  |  |
| Snacks, purchased lunches and hot drinks |  |  |  |
| Hobbies and interests |  |  |  |
| Memberships, e.g., union, political party |  |  |  |
| Clubs and contributions |  |  |  |
| Charity donations |  |  |  |
| Gifts, support payments, money to individuals |  |  |  |
| Savings accounts, saving for future |  |  |  |
| Any other personal expenses? |  |  |  |
| **This is my total spending for every week/fortnight/month:** |  |

**Household balance**

Now take away the spending from the income and see if your household has a positive balance.

|  |  |  |
| --- | --- | --- |
| **Total income for every week/fortnight/month:** | Round down |  |
| **Total spending for every week/fortnight/month:** | Round up |  |
|  | **Total:** |  |

If your household has a **negative balance**, then you probably already know that your household is losing money. Your budget can help identify where the money is going and where you can make changes or savings. This could either be things you do (like making a lunchbox instead of buying sandwiches or switching your energy provider) or ways to increase your income like applying for more benefits.

If your household has an **equal or small positive or negative balance**, this is normal. Most households balance their spending against income. Looking through your budget and spotting places where you could make savings will help you keep your household secure and stable and stop you worrying about money.

If your household has a **positive balance**, and you are still losing money, then there are expenditures you haven’t accounted for in your budget. If you want to keep these expenses private, that is fine. Include them in the “any other expenses” lines. It is important that everything is considered., so you know what you need to do.

If your household has a **high positive balance**, well done! Raise the amount you are putting in the “Savings accounts, saving for future” line and start building your household’s financial capacity and saving for future goals.

 **Budget plan for ………………………………………..**

Here are all our ideas about how to improve the household budget:

|  |  |
| --- | --- |
| **Ideas from the household** | **Ideas from the supporting workers** |
|  |  |

Here are the actions we will take to make the budget improvement happen:

|  |  |  |
| --- | --- | --- |
| **What will happen?** | **Who will do it?** | **When will it happen?** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

We will contact these organisations/agencies to help with the budget improvement:

|  |  |  |
| --- | --- | --- |
| **Organisation/agency** | **Who will contact?** | **What will we say?** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

This plan will be reviewed to see how the budget improvement is going and whether the household needs further support on this date:

Review date: