The monthly money reset

Build a usable plan for bills, everyday spending and the costs that catch you out between paydays.

UK household budgeting. Adapt the worksheet to your income and responsibilities. | Checked 3 November 2026

Three things to know

01 Use real income and spending, including costs that do not arrive every month.

02 Protect bills with serious consequences before allocating optional spending.

03 Start with an affordable cash buffer and review the plan each payday.

1. Start with what actually happens

Gather payslips, bills and recent bank statements. Decide whether the plan covers you or the whole household, then use that scope consistently. Start with take-home income: do not subtract tax or pension deductions again if they have already left your pay.

Separate committed bills, variable essentials and optional spending. Look at actual transactions before setting next month's targets. If you record a credit-card purchase as spending, avoid counting its later repayment again; separately allow for interest and repayments of older debt.

2. Turn predictable surprises into monthly pots

Car insurance, school costs, celebrations and annual subscriptions are irregular rather than unexpected. List each likely cost, its due date and what is already saved. A named pot for each purpose makes the money's job visible.

For a £600 bill due in six months with £120 already set aside, the catch-up target is (£600 − £120) ÷ 6 = £80 a month. After paying it, saving £50 monthly builds the next £600 over a full year. Dividing every bill by 12 will not catch up a payment due sooner.

Convert periods consistently: £60 spent every week averages £260 a month using £60 × 52 ÷ 12. Multiplying by four would miss £240 across the year.

3. Protect the essentials and build breathing space

Priority bills are identified by the consequences of not paying, rather than the largest balance. Housing, Council Tax or rates, and energy can need particular attention. If payments are already being missed, use MoneyHelper's bill prioritiser and seek free debt advice before promising repayments you cannot sustain.

Keep emergency money accessible for genuinely unplanned costs. Begin with an affordable amount; a small buffer still helps. MoneyHelper describes three to six months of essential outgoings as a longer-term guide, not an immediate requirement or a reason to leave urgent bills unpaid.

4. Reset at payday, then check mid-month

Allocate money when it arrives, and check spending halfway to the next payday. If the plan is short, adjust a category instead of hoping the gap disappears. If income varies, plan around a lower typical month and decide where better-month income goes. Self-employed income also needs provision for tax.

A budget should help decisions. Revise estimates when costs change and keep room for enjoyment where affordable.

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Your example and next steps

Worked example: £2,500 take-home pay

This illustrative household gives every pound a job. It is a worksheet, not a recommended spending ratio: rent, family size, disability costs and debt commitments can make a different split necessary.

The £200 annual-cost allocation funds £2,400 over a full year; the separate £100 emergency allocation is for unplanned costs. Replace each figure with your own and check that the total does not exceed reliable income.

Housing and household bills	**£1,250**
Food and everyday essentials	**£350**
Transport	**£200**
Contractual debt payments	**£150**
Annual-cost pots	**£200**
Emergency savings	**£100**
Flexible spending	**£250**
Total allocated	**£2,500**

Your action checklist

[ ] List reliable take-home income and check actual spending against statements.

[ ] Add due dates and monthly targets for at least three irregular costs.

[ ] Identify priority bills, any arrears and an affordable emergency contribution.

[ ] Book a ten-minute payday reset and a mid-month check in your calendar.

If income cannot cover essentials or debts are growing, seek free debt advice; a spending worksheet alone may not solve the shortfall.

Explore the members' toolkit

See the tools currently available in our growing members' toolkit and how verified Facebook subscribers get access. You can use this money-reset worksheet without joining.

Explore membership at financewithafshin.co.uk

Sources and further reading

MoneyHelper: free budget planner (moneyhelper.org.uk)

MoneyHelper: bill prioritiser (moneyhelper.org.uk)

MoneyHelper: emergency savings (moneyhelper.org.uk)

MoneyHelper: budgeting for irregular income (moneyhelper.org.uk)

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