

Money's too tight to mention . . .

In spite of reductions in income and increased demands for some of our services due to the economic downturn, Babergh District Council has been able to cap the increase in its part of the Council Tax to less than 3%.

Babergh Matters! quizzed Cllr. Nick Ridley, Chairman of Babergh's Strategy Committee both as to what this means for residents during the 2009/10 financial year and what future years may have in store.

Q: How much is the increase in Babergh's part of our Council Tax bills?

A: It is only 2.9%, which is well below the rate of inflation in September 2008 - the month which the Government uses as the inflation rate for pensions and business rate increases for the following financial year. That equates to an increase of seven pence per week - bringing the weekly bill for all of Babergh's services to £2.60 for a Band D property.

Q: Fair enough, but tell us how Babergh achieved this figure.

A: Babergh wanted to strike a balance between keeping any Council Tax increases to a minimum whilst ensuring that priority frontline services were at worst unaffected and at best further improved.

Guided by our three-year Medium Term Plan, the 2009/10 budget is based on achieving about £1m in savings, efficiencies and additional income - which is a huge figure, given that our total budget is just over £10m- with about £141,000 of that going to key services.

The Council's aim is to manage the budget through efficiencies not service cuts.

Q: Which services is Babergh spending more money on because of the economic downturn?

A: Our staff who look after Council Tax and Housing Benefits have certainly noticed an increase in the number of

queries - as have those dealing with council housing applications. Equally, Babergh has made additional funding available for schemes aimed at making it easier for residents affected by the downturn to get much-needed information. This includes extra money for the Citizen's Advice Bureaux to provide outreach services to villages in the district for those unable to get into their Sudbury or Ipswich offices with ease.

More money has also been made available for community grants, affordable housing and homelessness.

Q: What about Council House Rents - we'd heard that the Government had decided to reduce the initial 6.7% increase?

A: That's right. Babergh lobbied hard for a reduction and in the spring the Government announced that the weekly increase in Council House Rents would be reduced. In the case of Babergh, this will mean that the increase will now probably be between 3.1% and 3.6% - subject to the Council resolving issues with the Government as to the exact amount of subsidy it will finally receive.

Q: What is the financial situation facing Babergh in the longer-term?

A: It's unlikely to be any better than this year. Indeed it could be even more challenging! The Government has indicated that the extra grant money it gives us is likely to be only 2% for 2010/11 - and we will have to find at least another £1m worth of savings. This means that some very tough choices are likely to have to be made as to the balance between services and Council Tax increases. One thing is certain, though, and that is Babergh will work very closely with partners, staff and other stakeholders to achieve the best balance possible!

