

STATEMENT OF WITNESS

(Criminal Justice Act 1967 S9; Magistrates' Court Act 1980 ss 5A(3)(a) and 5B;
Criminal Procedure Rules 2005 r.27.1(1))

Statement of:	Heather Edwards
Date of Birth:	Over 18
Occupation of witness:	Service Director (Finance)

This statement, consisting of 2 pages each signed by me, is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have willfully stated in it anything which I know to be false or do not believe to be true.

I, Heather Edwards c/o Stockport Metropolitan Borough Council (SMBC), Stopford House, Stockport, SK1 3XE will say as follows:

1. I am employed by SMBC as a Service Director and I'm an accountant by profession.
2. I exhibit as "HE1" the full and summary accounts for 2006/2007 and 2007/2008. The 2006/2007 accounts include 2005/2006 comparatives so both sets of documents give you a clear indication of the financial position over the last 3 years.
3. The council is required to set an annual budget estimating expenditure which is based upon assumptions for example forthcoming inflation rates or anticipated demand for services. I exhibit as "HE2" the Proposed Executive Revenue Budget & Medium Term Financial Plan for 2009/2012. The financial plan shows that SMBC anticipate facing deficits of £5.6m in 2010/2011 rising to £9.1m in 2011/2012 which SMBC will need to find savings for in order to balance the budget.
4. It is necessary to also produce a risk assessment to deal with the risks inherent in the budget and keep a balance in reserve to deal with any changes. I exhibit as "HE3" the 2009/2010 Proposed Executive Revenue Budget Risk Assessment. The risk assessment shows general balances of £5.75m are needed to support the 2009/10 budget however this is to cover all risks to the assumptions in the financial plan and does not provide for a surplus amount for example to be used to pay a fine in health and safety cases.

Signed:

Dated the day of

2009

5. Any fine that SMBC is handed down will be paid by either utilising reserves, finding more efficiencies or cutting services to meet costs. If SMBC have to use reserves to meet the costs of a fine then there will less money around to cover the risks identified which are inherent in the budget. If SMBC have to cut services then there will be a direct impact on the service provided to the public.
6. The position in the next three years clearly shows that SMBC are under pressure to find savings to cover the anticipated deficits in the future years.

Signed:

Dated the day of

2009