

Appendix 9 - Budget Risks

Risk Category	UID	Risk	Risk Description	Mitigation	RAG	Impact 2026/27 £m	Impact 2027/28 £m	Impact 2028/29 £m
MTFS	R0027	CR10 (Financial Sustainability)	Failure to achieve financial sustainability and a balanced MTFS. The risk value is cumulative risk per annum.	Financial strategy and transformation plan to develop a balanced budget for February 2026 in consultation with the S151 Officer, CLT and Members.	Red	0.000	0.000	0.000
MTFS Total						0.000	0.000	0.000
Funding	R0016	Council tax	Sensitivity in council tax assumptions	1% sensitivity change in council tax assumptions impacting on future year, plus a further 0.5% growth assumed in the tax base which is a risk to the budget. Also included a 0.5% risk on collection rate (assumed to be 98.25%)	Yellow	0.000	1.925	2.032
	R0037	Future year funding assumptions	Future year funding assumptions differ from those modelled in the MTFS	A prudent approach has been taken to model future years due to the level of uncertainty in local government finance reforms and therefore based on known / predicted information. There is a potential upside that the assumptions may be better than modelled once further information becomes available.	Yellow	0.000	0.000	0.000
Funding Total						0.000	1.925	2.032

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Inflation	R0002	Pay Award	Pay Award will not be known before the budget is set.	3% has been allowed for, which is broadly in line with inflationary forecasts. The risk quantified is for general fund only, showing the impact of a further 1%	Yellow	0.574	0.638	0.651
	R0008	Inflation	Inflation in 2025/26 and across the MTFS is higher than projections built into the budget. OBR October 2024 forecast is greater than MTFS assumptions.	Inflation has been held at 2.00% after 2026/27 and aligns to projected CPI increases. Known contracts where indexation is above 2.00% have been factored into the budget. Each additional 1% equates to approx. £0.750m.	Yellow	0.750	0.750	0.750
	R0015	Adult Social Care (CR12 - Failure to deliver adult social care market sustainability)	Adult Social Care – increased provider fee uplifts reflecting changes in NLW, inflationary pressures including energy costs, food and fuel and employer National Insurance contributions. Reflected within the MTFS 2026/27 is a provider discretionary fee uplift of 3.6%.	Annual fee uplifts take into consideration market pressures and market sustainability. This includes the care market's ability to maintain adequate capacity and supply, whilst adhering to regulatory and quality requirements. Inflation has been estimated at 3.6% for 2026/27. Neighbouring authorities have indicated fee uplifts between 3% to 4%. An increase to 4% & 5% equates to an annual estimated risk of £0.243m and £0.780m respectively.	Amber	0.500	0.500	0.500
Inflation Total						1.824	1.888	1.901

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Demand	R0004	Adult Social Care (CR02 Failure to meet demands on Adult Social Care within budget)	Adult Social Care – additional demand on services beyond the budget provision.	The MTFS budget 2026/27 has included growth to right size the budget with a further investment to manage in-year increases in demand. An increase in demand of 1% equates to an annual estimated risk of £0.640m.	Red	0.640	0.640	0.640
	R0005	Temporary Accommodation (CR04 - Failure to Provide Safe Temporary Accommodation within Budget)	Temporary Accommodation – additional demand beyond budget provision	Reports to Cabinet and CISC in 2025 set out a number of actions to manage demand and provider costs for Temporary Accommodation. The budget has been rebased to 1,300 households, but there are planned savings which require a reduction in demand. Each 1% demand increase would add c. £150k. Risk shows impact of a 10% increase, broadly comparable to the level of savings expected.	Red	3.000	3.000	3.000
	R0006	Demand	Demand for our other services and / or cost is greater than budget estimates	CLT will continue to undertake monthly monitoring. A general fund contingency has been set aside to manage demand / cost risks.	Green	0.000	0.000	0.000
	R0018	CR01 Failure to Safeguard Children and Young People)	The risk is that children and young people in Slough are not adequately safeguarded because of insufficient resources. Resources can be financial, and /or related to a shortage of staff, their capacity and capability	A small number of children costing c.£20k per week have joined recently. If these placements continue, it will put a pressure on the contract fee that may not be containable. The expected risk covers 5 children at £20k per week.	Red	5.000	5.000	5.000

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	R0020	CR03 (Failure of Special Educational Needs and Disability SEND)	<p>Slough has a statutory duty under SEND Code of Practice to provide educational resources to all children and young people living in Slough.....The council has entered into a Safety Valve Agreement (SVA). Therefore as well as impacting on the overall council budget position, a significantly higher level of SEND spending could threaten the additional funding being offered.</p> <p>Ref SR03.02 - financial risk to the council and possibility of not receiving Safety Valve Agreement payments to offset the budget deficit</p>	<p>New SEND financial governance is being put in place to oversee the financial plan and the Safety Valve Agreement. Government clarity is required on the long-term future of the accumulated deficit and any general fund impact. 25% probability assumed on statutory override discontinuation from 2027/28 onwards. First year risk is interest on the DSG deficit assuming a £2m increase and potential for additional resourcing for the General Fund EHCP / SEND teams. There is also a risk in relation to DfE's future treatment of the accumulated deficit, which cannot be quantified at this stage.</p>	Red	3.100	13.000	16.750
Demand Total						11.740	21.640	25.390

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Savings	R0032	Non delivery of savings	High (The approach to delivery is dependent on either a policy change and / or implementing new technology / processes and / or consultation)	Monthly monitoring through CLT /Transformation Board to agree and implement corrective actions. A 20% contingency has been allowed against all transformation savings, the effect of which is shown against amber savings in this table, but covers the programme as a whole. The Council also holds a £5m redundancy reserve, an element of which is likely to be unnecessary and therefore able to act as a temporary contingency against budget risks.	Red	1.400	3.519	6.622
	R0033	Non delivery of savings	Medium (The approach to delivery is to be finalised)		Amber			
	R0034	Non delivery of savings	Low (A robust approach to delivery is clear including timescales and any change factors have been agreed or are in place)		Green			
Savings Total						1.400	3.519	6.622
Companies	R0013	Council Owned Entities CR14 (Failure of Council Subsidiary Companies)	Council Owned Entities (JEH / GRE5 / SCF) – risk that the retained losses need to be underwritten by the Council	To date £3.3m has been set aside in a provision and contribution for 2024/25 - this represents 25.4% of company risk. Company risk is based on profit and loss reserves and the potential for impact for increases on NI employer contributions. All three companies have a positive current asset / current liability ratio. Further work to be undertaken as part of 2025/26 closing of accounts.	Red	5.000	5.000	5.000
Companies Total						5.000	5.000	5.000

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Corporate	R0012	Backlog Accounts	Backlog Accounts – that liabilities are identified as part of the finalisation of the prior year accounts	Backlogs accounts have been prepared up until the end of 2024/25	Green	6.000		
	R0024	CR07 (Health and Safety - We fail to prevent statutory obligations)	We fail to prevent physical injury and mental harm Ref SR06.01 we fail to prioritise, adequately fund or manage risks associated with corporate health and safety SR06.02 - we fail to prioritise adequately fund or manage risks associated with fire SR06.03 - we fail to prioritise, adequately fund or manage risks associated with aggressive behaviour	Control environment has become more robust with the delivery of updated policies and further training modules to meet regulatory requirements.	Amber			
	R0039	Statutory Inspections	The council has several statutory inspections recently undertaken or are imminent. This increases the council to risk dependent on any resulting action plans	The council has in place a recovery plan to capture any additional risks and set aside transformation funding to deliver change for the council. This will be reviewed monthly.	Yellow			
	R0030	Ability to fill establishment with permanent staff.	There is a risk that the Council needs to use interim staff where permanent recruitment is not successful.	The Council will review recruitment strategies to limit the use of interims where possible, but for critical or hard-to-fill posts, a risk remains that interim staff will cost more than their permanent equivalent. Indicative risk calculated as c.3% of staffing budget.	Amber	2.000	2.000	2.000
Corporate Total						8.000	2.000	2.000

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Financing costs	R0009	Capital Borrowing Costs	Capital Borrowing Costs increase beyond MTFS assumptions including risk of a DSG in year pressure	Monthly monitoring of borrowing costs. Use of public sector partnership arrangement to achieve value for money	Green	0.700	1.000	1.000
	R0010	Investment Rates	Investment Rates volatility and decrease beyond MTFS assumptions	Monthly monitoring of investment rates.	Green	0.000	0.000	0.000
	R0028	CR11 - Failure of General Fund Asset Disposal Programme)	The number and value of assets that could potentially be sold is a key element in setting the financial target for the programme. Ref SR10.01 - Property disposals not hitting financial targets and sitting outside of lower volatility levels SR10.04 - external property market volatility	SR10.01 - continue with asset sales proceeds meeting or exceeding financial targets SR10.04 - market is currently stable after a downward trend. Positive movement is anticipated which will allow better sales proceeds and positive volatility An appraisal of the disposal programme has been undertaken as part of budget setting, prudence has already been applied based on % confidence of the sale being released in the anticipated year of sale, this risk is further prudence over and above that value	Yellow	0.347	0.267	0.379
Financing costs Total						1.047	1.267	1.379
Grand Total						29.011	37.240	44.324