

REVENUE BUDGET 2026/27 – RISK ASSESSMENT

This budget risk assessment fulfils a statutory requirement for the Council to consider the risks associated with future budget plans. While this deviates from the format of the Council's own corporate risk register, a reference link to the relevant corporate risk register is included in the final column.

STRATEGY & RESOURCES COMMITTEE						
Risk	Budget Impact (£M)	Rating	Key Risks	Mitigations & Controls	Ref to proposed Key Priorities and Targets	Ref to Corporate / Committee Risk Register
Insufficient funding Local Government Reorganisation (LGR)	£1.00m	High	LGR introduces major financial uncertainty, with a significant risk that government-provided funding will be inadequate to cover transition costs. £0.380m provided across all Surrey councils is “woefully inadequate”, creating pressure on reserves and threatening day-to-day service budgets.	Strengthen financial reserves to absorb unplanned LGR costs. Currently £454k allocated in strategic priorities reserves for LGR. Engage proactively with Surrey partners to share costs, capacity, and expertise during transition.	Effective Council.	F227<>S&R Corporate Risk Register
Property Portfolio (EEPIC Properties only))	£1.3m	High	This increases the likelihood of loss of rental income, tenant failure, or prolonged void periods, which would directly reduce the Council's revenue position and create budgetary pressures.	Regular reporting to the EEPIC Board and relevant committees ensures visibility and timely decision-making regarding risks and opportunities. Keeping prudent level of reserves.	Effective Council.	PR3<>S&R Corporate Risk Register

Failure to balance the budget	All	Low	Fail to deliver savings and/or a balanced budget. Driven heavily by rising temporary accommodation costs	Delivery of the MTFS and the Efficiency Plan. Given TA is driving a forecast overspend of over £1m for 2025/26, implement targeted actions to reduce demand and cost—including strategic housing reviews, prevention work, and securing new units. Fair Funding Review has been positive with extra grant funding and prudent levels of reserves to absorb unexpected shocks.	Effective Council.	F10<>S&R Corporate Risk Register
Incorrect administration of Housing Benefit	£14m (Total Housing Benefit Budget)	Low	This risk relates to errors in processing or administering Housing Benefit payments to a provider, which may lead to Financial losses to the Council	Regular financial monitoring ensures that any variances or errors in Housing Benefit processing are identified early, reducing the risk of large-scale subsidy losses.	Effective Council.	F26<>S&R Corporate Risk Register
Maintain secure investment of reserves and cash balance through the Treasury Management Strategy	£25m cash balances(fluctuates during year)	Low	Generate a sound return on cash. Safeguard capital sums invested.	Annual review of Treasury Management Strategy. Monthly review of performance. Review of market risks using treasury management advisers.	Effective Council.	

Interest income from reserves and CIL/S106 balances used to support services	£0.9m	Med	<p>The Council may not achieve budgeted interest income if interest rates fall faster than anticipated.</p> <p>If the Council spent a significant proportion of its reserves or CIL balances in a short period of time, funds may not be available to invest to earn budgeted interest income.</p>	<p>Monitoring of cash and reserve balances. Business cases to include impact of significant investments on treasury management income.</p> <p>Regular review of treasury management income achievable.</p> <p>Monitoring of market outlook (ie interest rate expectations) using treasury management advisers.</p> <p>Expected establishment of an Interest Equalisation reserve to enable smoothing of interest returns.</p>	Effective Council.	
Pension fund	£6m (Deficit on IAS19 basis as at 31 March 2025)	Med	The deficit is not addressed over the next 20 years.	<p>Pension fund deficit payments per annum will continue to be made in line with independent actuarial recommendation through the triennial review.</p> <p>Impact of triennial review of pension contributions to be factored into 2026/27 budget, once completed</p>	Effective Council.	
Retained Business Rates	£2.6m	Low	<p>Loss of income.</p> <p>Business rates collection lower than expected</p>	<p>Collection Fund Equalisation Reserve to mitigate income shortfalls in the short term.</p>	<p>Effective Council.</p> <p>99% of business rates to be collected.</p>	

Council Tax Income	£8.1m (EEBC element)	Low	Collection rates due to economy & changes to council tax benefits. Cash flow.	Billing & recovery arrangements designed to support collection targets, additional resource for local council tax support scheme. Collection performance reported to Directors monthly. Collection Fund separately managed on behalf of precept authorities	Effective Council. Around 99% of council tax collected.	
Delivery of identified savings (All Committees)	£0.23m over MTFS	Low	There is a risk that if the saving is not delivered contingency budget will need to be reduced.	Officers will monitor saving target through SLT and ensure it materialises as soon as possible.	Effective Council. All priorities.	

ENVIRONMENT COMMITTEE						
Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Corporate / Committee Risk Register
Car Parking Income	c.£4.6m	Med	Income from off street car parks is exposed to adverse weather and economic conditions that can have significant effect on usage.	Monthly monitoring and work analysing individual car park performance against target. Fees have not been increased for 2026/27 to safeguard revenue levels.	Effective Council.	HC10 Environment Committee Risk Register
Domestic and Trade Waste Collection	c.£1.4m income	Med	Income from waste fees is exposed to market factors which can have a negative impact on volume of services users and consequently the level of income achieved. The Health & Safety Executive (HSE) investigation into December 2021's incident involving a waste collection vehicle could result in a settlement payment.	Monthly monitoring of income and expenditure against target and monitor the market fluctuations. Provision set-aside for outcome of HSE investigation.	Green & Vibrant. Recycling rates.	
Operational and Cemetery Services	£0.53m	Med	Reduction in the number of burials and memorials. Increased fuel/transport costs impacting grounds maintenance.	Promote new space and services with cemetery. Regular budget monitoring reports in line with Financial Regulations.	Effective Council	

COMMUNITY AND WELLBEING						
Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Corporate / Committee Risk Register
Homelessness	c.£4.4m (net expenditure)	High	<p>Significant increase in number of households requiring temporary accommodation.</p> <p>Lack of affordable housing therefore unable to move households out of TA.</p> <p>Cost of living crisis impact on residents.</p>	<p>Continuing with preventative initiatives and alternative temporary accommodation options.</p> <p>Regular budget monitoring reports in line with Financial Regulations.</p> <p>Expenditure budgets increased significantly for 2026/27 to address adverse budget position experienced in 2025/26.</p>	Safe & Well.	HC13/14<>C &W Corporate Risk Register
Venues Income	c.£1.3m	Med	<p>Not reaching budgeted level of income from venues.</p> <p>Cost of living crisis impact on operation of venues.</p> <p>Additional operational costs.</p>	<p>External provision for Ewell Court House and business plans for Playhouse and Bourne Hall.</p> <p>Recent extensive capital investment has taken place in the Playhouse and Bourne Hall.</p>	Cultural & Creative. Effective Council.	OS20 Community & Wellbeing Committee Register

Licensing & Planning Policy						
Risk	Budget (£M)	Rating	Key Risks	Action	Ref to proposed Key Priorities and Targets	Ref to Corporate Risk Register
Place Development Income	c.£0.6m	High	<p>Risk of designation for planning decisions</p> <p>Non delivery of the Local Plan</p> <p>Income generated by services within LPPC is heavily linked to the development industry, therefore an adverse economic environment could adversely impact planning application income.</p>	<p>PPA agreements and funding to cover costs of staff for large developments.</p> <p>Monthly monitoring of income streams by Head of Service.</p>	<p>Opportunity & Prosperity.</p> <p>Green & Vibrant.</p>	<p>PD19</p> <p>Licensing & Planning Policy Committee Register</p>
Local Plan	c.£1.4m	Med	<p>Increased expenditure due to changes in government planning policy.</p> <p>Failure to produce Local Plan.</p>	<p>Local Plan project plan.</p> <p>Regular monitoring reports to LPPC committee.</p>	<p>Implement the Local Plan and the national planning statistics.</p>	<p>PD20<>LPP</p> <p>Corporate Risk Register</p>
Licensing Income	c.£0.7m	Med	<p>Not reaching budgeted level of letting income from licensing.</p> <p>Loss of key licensees (ie taxi operators) to neighbouring boroughs</p>	<p>Regular budget monitoring reports in line with Financial Regulations.</p> <p>Engagement with key licensees.</p>	<p>Effective Council</p>	<p>HC25</p> <p>Licensing & Planning Policy Committee Register</p>