

Appendix 4: Strategic Risk register progress at Quarter Two 2025/26

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-01	Failure to Maintain a balanced budget and MTFP	<p>Failure to set a legal and balanced annual budget and to maintain a sustainable Medium Term Financial Plan (MTFP)</p> <p>The Council is required to set a legally balanced revenue budget by 11 March in advance of each forthcoming financial year. Failure to achieve this objective will require the s151 Officer to issue a statutory s114 Notice to the Council.</p> <p>The Council has a best value duty to set and maintain a sustainable and balanced Medium Term Financial Plan including maintenance of its reserves position to demonstrate financial resilience to be able to respond to unforeseen and complex financial challenges presented by the wider economic environment.</p>	 35	 21	 21	Director of Finance and Transformation
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
<ul style="list-style-type: none"> • Responsibility and Accountability for Financial Management reinforced by Accountability Agreements for all Directors • Monthly budget monitoring, forecasting, and tracking of savings delivery by Directors with accountability to the Interim CEO through LMT and development and delivery of financial recovery plans to control within approved budget • Monthly budget challenge sessions chaired by Director of Finance for all Directorates to enable development of insight, understanding and wider collaboration of colleagues in order to address significant financial risks. • Timely briefing of Mayor and Executive Members on significant financial challenges with agreement for action. • Quarterly budget challenge sessions chaired by the Executive Member for Finance & Governance to engage Executive Members. 		Development of balanced 2024/25 Budget and MTFP to 2026/27	Director of Finance and Transformation		11-Mar-2024	
		Refresh of the 2025-26 MTFP process	Andrew Humble		28-Jul-2024	
		Failure of the Recover, Reset, Deliver Transformation Portfolio	Chief Executive		31-Mar-2025	
		Failure of the Recover, Reset, Deliver Transformation Portfolio to identify further savings	Chief Executive		31-Mar-2026	
		Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services		31-Mar-2024	
		MOU surrounding agency costs as a region to be implemented.	Director of Children's Care		30-May-2025	

<ul style="list-style-type: none"> Monthly monitoring of income budgets, council tax and business rates collection rates and debt levels. Update MTFP ahead of Council Planning and budget setting process for 2024/25. Implementation of budget management Power BI dashboard over Business World financial management system in order to improve accessibility of financial information for Directors, Heads of Service and Budget Manager. Implementation and expansion of purchase to pay compliance dashboards for use by Directors, Heads of Service and Budget Managers to drive increase in compliant procurement in relation to retrospective ordering, on vs off contract spend and use of purchase cards 	Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration; Director of Children's Care		31-Mar-2024
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Code	Risk Description	Original Score	Current Score	Target Score	Managed By	
SR-02	Volatility in the demand, complexity and cost of children's social care.	The risk that demand and cost of and children's social care continues to escalate on the scale experienced in 2024/25, is the single biggest risk to the Council's financial viability. More financially sustainable solutions for meeting social care needs of children need to be secured with urgency to ensure delivery within the approved budget for 2025/26.	 35	 28	 21	Director of Children's Care; Director of Children's Services; Chief Executive
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
Children's input		Weekly placements panel to be put place for high cost placements	Director of Adult Social Care and Health Integration; Director of Children's Care		30-Jun-2023	
<ul style="list-style-type: none"> Weekly activity data through Chat reports/ data Monthly financial monitoring with Finance BP Development of demand model Placement review has taken place to manage costs associated with young people. MOU surrounding agency costs as a region to be implemented in April 2025. Recruitment and retention strategy reviewed to increase permanent staff within the local authority. Transformation of Children's Services underway. Access to grants being followed up. 		Review Placements Manager post	Claire Walker		29-Feb-2024	
		Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services		31-Mar-2024	
		MOU surrounding agency costs as a region to be implemented.	Director of Children's Care		30-May-2025	

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-03	Volatility in the demand and cost of adult's social care	The potential for underlying demand and cost pressures to arise in adult social care presents a significant risk to the Council's overall financial viability and measures must be put in place to manage within approved budget.	 35	 10	 9	Director of Adult Social Care and Health Integration
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
Local Government settlement Budget Management process Contract management processes Savings programme in place Demand model in place Monthly demand reported to DMT - activity not just finance			Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration; Director of Children's Care 	Director of Adult Social Care and Health Integration; Adult Social Care and Public Health Senior Managers ; Chief Executive	31-Mar-2024
			Develop a demand model, which monitors performance across activity demand and unit costing, to understand 'current state.'	Director of Adult Social Care and Health Integration; Dee Evans; Victoria Holmes 		31-Mar-2026
			Develop a forecast model, which uses the 'current state' model, to predict activity demand and financials across Adults Social Care in the next 1/2/5 years.	Dee Evans; Victoria Holmes 		31-Mar-2026

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-04	Unlawful decision by the Council	If the Council took a decision that was unlawful then there is a risk of legal challenge or regulatory action that could damage its reputation and its financial position.	 35	 10	 6	Director of Legal and Governance
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
Council constitution and supporting policy framework Corporate policies and procedures Compliance checks across key areas including HSE, Risk etc, covering the corporate governance framework Standard report formats Statutory officer posts to oversee governance Annual Governance Statement assessment process Internal and external audit processes Refreshed whistleblowing policy Legal and finance report clearance process Regular review of the Council Constitution.			Refresh the committee report format	Ann-Marie Johnstone 	Director of Legal and Governance; Chief Executive	31-Jul-2023
			Review the report development process	Ann-Marie Johnstone 		31-Jul-2023
			Complete delivery of the Corporate Governance Improvement Plan	Ann-Marie Johnstone 		31-Mar-2025
			Progress report on improvement against the Best Value Notice by the independent Board considered by Council	Ann-Marie Johnstone 		31-Mar-2024

Progress report on improvement against BV notice considered by Executive	Ann-Marie Johnstone	✓		30-Sep-2024
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Code	Risk Description	Original Score	Current Score	Target Score	Managed By	
SR-05	Serious accident or death occurred as a result of failure to comply with Health and safety legislation and regulations	If a serious accident or death occurred as a result of failure to comply with Health and safety legislation and regulations then this could result in financial and reputational damage and individual prosecutions of staff.	 35	 15	 10	Chief Executive
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
Comprehensive suite of Health and Safety policies and procedures. Mandatory and complimentary Health and safety training for all Council staff. Dedicated HSE Advisor team Incident investigation system (My Compliance) to learn from incidents. HSE intranet page with important HSE information Audit schedule Service area audit schedule HSE steering group Fire Management System implemented across Council premises.		Fire Safety Management Policy Statement	Director of Regeneration; Gary Welch	Director of Legal and Governance; Director of Regeneration; Chief Executive	31-Jul-2023	
		CEO to produce H&S Statement of Intent for the Council.	Chief Executive; Gary Welch		31-Jul-2023	
		Risk from reinforced autoclaved aerated concrete (RAAC) collapsing in maintained schools or other Council assets	Director of Regeneration; Richard Horniman		31-Mar-2025	
		Implementation of service area audits by the health and safety unit to give further assurance of sound HSMS within directorates.	Gary Welch		31-Mar-2025	

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-07	Unable to recruit and retain key staff	If the Council is unable to recruit and retain key staff , then this could impact on its' ability to deliver critical services which could cause harm to people and could result in government intervention.				Director of Legal and Governance
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
Benchmarking salaries against other local authorities and similar roles in other disciplines to remain competitive. Work/life balance system such as agile working, 9 day fortnight, collaboration areas etc. Advertising roles on multiple platforms such as LinkedIn and other social networking sites with the aim of reaching target audience.			Benchmark grades and salaries against NE local authorities	Kerry Rowe		31-Jul-2023
			Review recruitment process	Nicola Finnegan		31-Oct-2023
			Create new people and cultural transformation strategy	Nicola Finnegan		31-Oct-2023
			review the people strategy after the first year of implementation	Nicola Finnegan		30-Apr-2025
			Recruitment of Chief Executive and S151 Officer	Director of Legal and Governance		31-Mar-2025
			Track delivery of first quarterly report to LMT on delivery against People Strategy	Nicola Finnegan		31-Jul-2024
			Recruit a suitable Director of Children's Services or Interim Director of Children's Services	Nicola Finnegan		31-Aug-2025

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-08	Fail to ensure an approach to cyber security that meets good practice standards as set out by the National Cyber Security Centre and other bodies	If the Council fails to ensure a sound approach to cyber security (technology, processes and awareness), then this could result in a cyber-attack which disrupts service delivery, increases risks to service users and incurs significant financial costs to respond to and recover from an attack.				Director of Legal and Governance; Lynsey Zipfell
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date

<ul style="list-style-type: none"> • Annual ICT health checks (Internal and external penetration testing). • Compliance with PSN and PCI standards. • Internal scanning as new systems go live. • Robust defence systems including firewalls, content filtering and endpoint protection. • Robust 60 day patching and maintenance cycle. • Test complete and continue to test. • Health check recommendations reviewed and implemented. • Membership of North East WARP and CiSP. • Use of Protective DNS. • Robust backup regime, including off-line tape backups to ensure recovery. • Cyber Incident Response (CIR) partner and contract in place. • Infrastructure inspections carried out quarterly to minimise disruption to service delivery. 			Director of Legal and Governance; Chief Executive	
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Code	Risk Description	Original Score	Current Score	Target Score	Managed By				
SR-09	Corporate Governance arrangement not fit for purpose	If the Council's Corporate Governance arrangements are not fit for purpose and appropriate action is not taken to rectify this at pace , this could result, censure from the Council's auditors within a public interest report that would damage the Council's reputation and/or in government formal intervention including removal of powers from officers and members and direction of council spend.	 Probability Impact	15	 Probability Impact	10	 Probability Impact	9	Director of Legal and Governance
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date				
External reports commissioned on Corporate governance and findings reflected within a Corporate Governance Improvement Plan Improvement Board in place		Revised the Complaints Procedure	Leanne Hamer		Director of Legal and Governance; Chief Executive	15-Jul-2025			
		Community Engagement policy and approach to be developed	Marion Walker			30-Nov-2025			

<p>Detailed improvement plan in place that has delivered a range of changes to corporate governance processes</p> <p>Annual Governance Statement process and supporting action plan. Draft AGSs in place for both 2023/24 and 2025/26</p> <p>Regular reports to Audit Committee on aspects of corporate governance to provide assurance</p>	<p>Ensure the Company is fully liquidated during 2025/26.</p>	Justin Weston		31-Oct-2025
	<p>Review of the Internal Audit function</p>	Director of Finance and Transformation		30-Sep-2025
	<p>Develop the detailed delivery plan</p>	Gemma Cooper		30-Sep-2023
	<p>Progress report from MIIAB to Council by end March 2024</p>	Ann-Marie Johnstone		31-Mar-2024
	<p>Progress report from MIIAB to Executive by end July 2024</p>	Ann-Marie Johnstone		31-Jul-2024
	<p>Continue to implement a scheme of sub-delegations where appropriate to further improve governance around officer delegated decisions.</p>	Director of Legal and Governance		30-Sep-2025
	<p>Seek an LGA Corporate Peer Challenge review within the next two years to provide an external review of the Council's corporate governance arrangements.</p>	Director of Legal and Governance		25-Jan-2025
	<p>Continue to be addressed by the Corporate Governance Improvement Plan and the sec 24 action plan put in place to respond to the statutory recommendations of the EA and the governance weaknesses identified by CIPFA, Government and the Council itself.</p>	Chief Executive		31-Mar-2025
	<p>A robust officer scheme of delegations and sub-delegations is required to ensure effective, appropriate and timely taking of decisions that can be taken by officers. (20/21 action). This will be addressed following the review of the constitution in 2024.</p>	Director of Legal and Governance		30-Sep-2025
	<p>Refresh the Information Strategy during 2024.</p>	Ann-Marie Johnstone		31-Oct-2025
	<p>In 2024/5 the Council will continue to deliver against its improvement plan and move towards BAU practices that provide assurance to government that the Council is maintaining a culture of good governance.</p>	Chief Executive		31-Mar-2025

	Development of a Workforce Plan to ensure staff at all levels have the skills and capabilities to be successful in their roles	Nicola Finnegan			31-Mar-2025
	Complete the first annual review of the People Strategy	Nicola Finnegan			30-Apr-2025
	Complete recruitment process for all interim appointments in a Leadership Management Team position	Nicola Finnegan			31-Mar-2025
	Complete the first annual review of the Member Development Strategy to assess effectiveness and impact on culture and compliance	Ann-Marie Wilson			30-Nov-2024
	Commence reporting annually on how the Audit Committee has complied with CIPFA good practice, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.	Director of Legal and Governance; Ann-Marie Johnstone			31-Oct-2025
	Review current governance arrangements for Audit Committee and make recommendations in relation to inclusion of co-opted independent members for Committee consideration	Director of Legal and Governance			31-Oct-2025
	The Council will refresh its approach to customers within a revised Customer Services Strategy that will set out how customer services will be delivered within the Council's target operating model developed within the Transformation programme	Janette Savage			14-Feb-2025
	Continually review the Community Engagement policy to ensure it aligns with the wider needs of the organisation that will emerge from the Transformation Programme.	Marion Walker			28-Feb-2026
	Put in place a strategic Partnerships Strategy.	Chief Executive			31-Oct-2025
	Review the process for managing any changes to reports that occur between publication and meetings	Director of Legal and Governance			31-May-2025

	The Council is implementing a Corporate Landlord Model as part of the transformation work. This sets out the framework for property decisions and will be formally considered by Executive prior to full adoption.	David Jamison			30-Nov-2024
	A clear Asset Acquisition Policy reflecting these requirements is integrated into the Corporate Landlord Model framework that will be considered by Executive.	David Velemir			17-Mar-2026
	Continue to implement the Continuous Improvement Plan	Chief Executive			31-Jul-2025
	Refresh the Performance Management Policy and the supporting Performance Management Framework to embed a 'golden thread' of Performance Management from the Council Plan down to departmental level.	Director of Legal and Governance			16-Dec-2025

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-10	Negative Impact of Mayoral Development Corporation	If the Council's ambitions for town centre regeneration or the wider financial sustainability of the organisation are negatively impacted by the establishment of a Mayoral Development Corporation that would take over some of the Council's existing statutory roles. This could potentially result in a lack of investment in the town, reduction in the Council's business rates income, loss of commercial income and reduction in asset holdings affecting the Council's financial viability. Reputational damage is also possible through the incorrect discharge of responsibilities such as town planning or business rate relief.	 10	 6	 3
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date

Council representation on the board of the MDC Pushing for no detriment clauses in the MDC constitution Engagement with TVCA on the development of future MDC projects	Heads of Terms agreed on individual asset transfers	Director of Regeneration 	Director of Regeneration; Chief Executive	31-Jul-2025
	Delivery of planning functions until robust alternative is in place	Director of Regeneration 		31-Dec-2023
	Agree robust business rates protocols	Leanne Miller; Janette Savage 		31-May-2025

Code	Risk Description	Original Score	Current Score	Target Score	Managed By	
SR-11	Failure to have strategic partnership working.	If the Council does not work with its partners to establish a strategic approach to partnership working based on principles of timely and meaningful collaboration, co-design and with common purpose to inspire and build a team beyond the council that are galvanised to deliver for the town, it is unlikely to achieve delivery of the Council plan ambitions and outcomes for our residents will not improve.	 35	 9	 10	Chief Executive
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
Partnership governance register in place. Partnership governance annual assurance report and supporting register in place to assess the health of key partnerships. Children's Controls All partnerships contain TOR - Partners contribute. External scrutiny of partnerships. New Mayor to chair Corporate Parenting Board. Formal reporting process in place - record of discussion and decision making. Adults Controls Victim support for those within ASC who require it. Additional resources as required,		Put in place a strategic Partnerships Strategy.	Chief Executive 	Chief Executive	31-Oct-2025	
		Refresh of the Partnership Governance register	Ann-Marie Johnstone 		31-Dec-2023	

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-12	Fail to deliver quality practice within children's safeguarding services	If the Council fail to deliver quality practice within children's safeguarding services, then this may result in further government intervention, serious harm to individuals and loss of financial control.	 35	 15	 10	Director of Children's Care; Director of Children's Services
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
<ul style="list-style-type: none"> Delivered Children's services improvement plan Monthly performance monitoring boards in place Review to be undertaken of Children's Care Monthly audit activity and reports undertaken to consider the quality of practice. Implementation of children's improvement board April 2025. Commitment to SHiFT, to improve quality and management of practice. Ongoing monitoring via OFSTED with an annual conversation to take place. OFSTED future inspections to continue. Internal audit to review working practices. 	Implementation of post ILACs improvement plan	Director of Adult Social Care and Health Integration; Director of Children's Care 	Director of Children's Care; Director of Children's Services; Chief Executive	31-Jan-2024		
	Creation and recruitment to the head of Quality Principal Social Work Learning and Review	Director of Adult Social Care and Health Integration; Director of Children's Care 		30-Sep-2023		
	Review progress in delivery of the ILACs improvement plan to assess progress and impact of actions	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services 		30-Apr-2024		
	Complete delivery of the ILACs improvement	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services 		31-Jan-2026		

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-13	Failure to deliver transformation successfully	If the Council fails to transform its service delivery model to a model that can deliver outcomes for residents at a reduced cost base, then the Council's financial position will become untenable and may result in the issuing of a S114 Notice.	 35	 15	 5	Director of Finance and Transformation; Chief Executive
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
- PPMF in place		Failure of the Recover, Reset, Deliver Transformation Portfolio	Chief Executive 	Chief Executive	31-Mar-2025	

<ul style="list-style-type: none"> - Transformation governance arrangements and reporting cycle agreed - Funding of £4.827m agreed by Council to fund transformation work 	Failure of the Recover, Reset, Deliver Transformation Portfolio to identify further savings	Chief Executive 		31-Mar-2026
	Agree the content and approach of the transformation portfolio	Chief Executive 		30-Apr-2024
	First cycle of Transformation governance arrangements scheduled	Gemma Cooper 		30-Apr-2024
	Develop specification for transformation resourcing	Gemma Cooper 		30-Apr-2024

Code	Risk Description	Original Score	Current Score	Target Score	Managed By	
SR-14	Failure to ensure effective governance of the Middlesbrough Development Corporation	If the Middlesbrough Development Corporation fails to reflect the relevant findings from the review of Teesworks governance in its structures, then there is a risk that it could fail to ensure value for money or good governance in its decision making, which will have an adverse impact on the economic vitality of the Town Centre.	 35	 10	 10	Director of Regeneration
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
<ul style="list-style-type: none"> - Teesworks report and commitment from TVCA to reflect findings in the governance arrangements of the MDC - Council representatives on the MDC Board 		Refresh the Local Plan	Claire Holt 	Director of Regeneration; Chief Executive	31-Mar-2025	

Code	Risk Description		Original Score	Current Score	Target Score	Managed By		
SR-15	Threats to Social Cohesion and Democratic Resilience		 35	 15	 14	Marion Walker		
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date			
Internal Controls (Current Mitigations in place): <ul style="list-style-type: none"> Community tension monitoring undertaken. Community engagement undertaken. Neighbourhood safety liaison in place. Prevent operational group risk plans in place Liaison with policing partners to verify validity of possible demonstrations. Initial credibility verification through visual audits using CCTV operations and open sources. Gatekeeping protocols with marketing and communications for potentially controversial communications Ongoing promotion of education around disinformation and building of media literacy by partners within the local authority and via social media Monthly meetings held with senior leadership. Gold and Silver recovery group meetings with senior leadership teams across the organisation and partners. Action plan developed by silver group to be reported to gold with escalations. Community safety partnership reconstituted to provide greater strategic oversight. MBC have secured £600k to be spent in response to community tensions as a further control. 		Promote social cohesion through a dedicated local government effort, amplifying and reinforcing democratic freedoms and norms; and supporting evidence-based local cohesion initiatives.	Marion Walker		30-Aug-2025			
		Build resilience in local communities against extremist ideologies and narratives, including conspiracy theories and disinformation (PREVENT).	Marion Walker		30-Aug-2025			
		Engage people utilising the neighbourhood model, tying in with partnership organisations, VCS, local community groups and elected members. We will work to find solutions with communities and not to them.	Marion Walker		30-Aug-2025			
		Develop an early tension warning system that monitors and alerts the local authority and other key local partners about growing tensions.	Marion Walker		30-Aug-2025			
		Marginalise and isolate extremist and other malign actors to prevent the mainstreaming of extremist ideologies and dangerous conspiracy theories which are causing severe harm and disruption in local areas (PREVENT).	Marion Walker		30-Aug-2025			
		Respond quickly and effectively to flashpoint incidents and triggers.	Marion Walker		30-Aug-2025			
		Repair relationships and engagement between local communities where they have broken down following serious conflict and flashpoint incidents.	Marion Walker		31-Aug-2026			
		Director of Environment & Community Services; Chief Executive						

Code	Risk Description	Original Score	Current Score	Target Score	Managed By	
SR-16	Removal of the statutory override preventing the Designated School Grant (DSG) deficit from being met from general fund resources.	If the statutory override issued by central government expires as planned on 31 March 2026, without providing a national solution to the current shortfall in funding compared to demand and cost of high needs provision, this will mean that the High Needs Funding Deficit will be required to be met from the Council's general fund resources. Based upon the current projection of the DSG high needs deficit compared to the level of revenue reserves, this will result in the Council's reserves being exhausted and the Council's s151 Officer potentially being required to issue a s114 Notice. This is likely to be the case for the majority of local authorities nationally.	 15	 15	 9	Director of Education and Partnerships
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
<ul style="list-style-type: none"> Lobbying Government to resolve the funding issue and provide a long term solution to the DSG deficit issue Delivering DBV (Delivering Better Value) action plan. Liaising with DofE regularly Working with schools and settings to continuously review the funding models. 		Lobbying Government to resolve the funding issue and provide a long term solution to the DSG deficit issue	Director of Finance and Transformation 	Director of Children's Services; Director of Education and Partnerships	31-Mar-2026	
		Ongoing monitoring of the HNF budget	Director of Education and Partnerships 		31-Mar-2026	
		Work with schools and settings to reduce the number of children and young people who are excluded.	Director of Education and Partnerships 		31-Mar-2026	
		Promote greater inclusion within mainstream settings.	Director of Education and Partnerships 		31-Mar-2026	
		Reduce the number of children and young people on out of area provision.	Director of Education and Partnerships 		31-Mar-2026	