

Appendix 1 – Strategic Risk Register as at 27/08/2025

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-01	<p>Failure to Maintain a balanced budget and 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>	 <p>35</p>	 <p>21</p>	 <p>21</p>	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 budget clinics. • Monthly budget monitoring, forecasting, and tracking of savings delivery by Directors with accountability to the CEX through LMT and development and delivery of financial recovery plans to control within approved budget • Monthly budget clinics chaired by Director of Finance for all Directorates (subject to review by Director of Finance) 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 member led budget clinics chaired by the Executive Member for Finance to engage Executive Members. 		<p>Failure of the Recover, Reset, Deliver Transformation Portfolio to identify further savings</p>	<p>Chief Executive</p> 	<p>Director of Finance and Transformation; Chief Executive</p>	<p>31-Mar-2026</p>

<ul style="list-style-type: none"> • Monthly monitoring of income budgets, council tax and business rates collection rates and debt levels. • Update MTFP regularly ahead of Council Planning and annual budget setting process. • Further development of budget management Power BI dashboard over Business World financial management system 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. • Corporate and Strategic Capital boards to monitor capital expenditure and develop future capital plans. 				
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Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-02	<p>Volatility in the demand, complexity and cost of children's social care.</p> <p>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 Councils 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.</p>	 <p>35</p>	 <p>28</p>	 <p>21</p>	Director of Children's Care; Director of Children's Services; Chief Executive
Current Mitigation	Future Mitigation	Responsible Officer	Director	Target Date	
<p>Children's input</p> <ul style="list-style-type: none"> • Weekly activity data through Chat reports/ data • Weekly financial monitoring with Finance Business Partner • Placement review has taken place to manage costs associated with young people. • MOU surrounding agency costs as a region was implemented in April 2025. 			Director of Children's Care; Director of Children's Services; Director of Education and Partnerships		

<ul style="list-style-type: none"> Recruitment and retention strategy reviewed to increase permanent staff within the local authority. Spending controls in place as per scheme of delegation. Monthly Member and Officer meetings. Director Children's Care reviewing placements to ensure Value for Money (VFM). Future proofing for savings for Children's Services to ensure effective financial planning. 				
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Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-03	<p>Volatility in the demand and cost of adult's social care</p> <p>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.</p>	 35	 15	 9	Director of Adult Social Care and Health Integration
Current Mitigation		Future Mitigation		Responsible Officer	Director
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		Develop a demand model, that monitors performance across activity demand and unit costing, to understand 'current state'.		Director of Adult Social Care and Health Integration; Dee Evans; Victoria Holmes 	Director of Adult Social Care and Health Integration; Adult Social Care and Public Health Senior Managers ; Chief Executive
		Develop a forecast model, that 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 31-Mar-2026

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-04	<p>Unlawful decision by the Council</p> <p>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.</p>	 35	 10	 6	Director of Legal and Governance

Current Mitigation	Future Mitigation	Responsible Officer	Director	Target Date
<ul style="list-style-type: none"> • 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 • Report development process • Regular review of the Council Constitution. • Corporate training provided for all officers. 	deliver the Continuous Improvement Plan quarterly updates to Executive from October 2025.	Ann-Marie Johnstone 	Director of Legal and Governance; Chief Executive	31-Oct-2026
	Deliver the Annual Governance Statement for 2024/25	Ann-Marie Johnstone 		28-Feb-2026

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-05	<p>Serious accident or death occurred as a result of failure to comply with Health and safety legislation and regulations</p> <p>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.</p>	 Probability Impact <p>35</p>	 Probability Impact <p>15</p>	 Probability Impact <p>10</p>	Chief Executive
Current Mitigation	Future Mitigation	Responsible Officer	Director	Target Date	
<p>Comprehensive suite of Health and Safety policies and procedures. Mandatory and complimentary Health and safety training for all Council staff.</p> <p>Dedicated HSE Advisor team</p> <p>Incident investigation system (My Compliance) to learn from incidents.</p> <p>HSE intranet page with important HSE information</p> <p>Audit schedule</p> <p>Service area audit schedule</p> <p>HSE steering group</p> <p>Fire Management System implemented across Council premises.</p>			Director of Legal and Governance; Director of Regeneration; Chief Executive		

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-08	<p>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</p> <p>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.</p>	 <p>35</p>	 <p>14</p>	 <p>10</p>	<p>Director of Legal and Governance; Nigel Eden; John O'Leary; Lynsey Zipfell</p>
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
<ul style="list-style-type: none"> • Annual Information and Communications Technology (ICT) health checks are conducted, including both internal and external penetration testing. • Compliance is maintained with Public Services Network (PSN) and Payment Card Industry (PCI) standards. • Internal vulnerability scanning is performed whenever new systems are introduced. • Strong defensive systems are in place, including network firewalls, web content filtering, and endpoint protection solutions. • A rigorous sixty-day cycle is followed for applying software patches and performing system maintenance. • Security testing is completed and continuously repeated to ensure ongoing protection. • Recommendations from health checks are reviewed and implemented as appropriate. • The organisation is an active member of the North East Warning, Advice and Reporting Point (WARP) and the Cyber Security Information Sharing Partnership (CiSP). • Protective Domain Name System (DNS) services are utilised to prevent access to malicious websites. • A robust data backup strategy is in place, including offline tape backups to support full recovery in the event of data loss. • A Cyber Incident Response (CIR) partner is contracted to provide expert support in the event of a security breach. • Infrastructure inspections are carried out every quarter to minimise the risk of disruption to service delivery. 				<p>Director of Legal and Governance; Chief Executive</p>	

<ul style="list-style-type: none"> • Comprehensive overview to benchmark our current security position. • Purchase of Cloudflare to enhance the security of the local authority against Distributed Denial of Service (DDOS) attacks. 				
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Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-09	<p>Corporate Governance arrangement not fit for purpose</p> <p>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.</p>	 <p>15</p>	 <p>10</p>	 <p>9</p>	Ann-Marie Johnstone
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
<p>External reports commissioned on Corporate Governance and findings reflected within a Corporate Governance Improvement Plan</p> <p>Improvement Board in place</p> <p>Detailed improvement plan in place that has delivered a range of changes to corporate governance processes</p> <p>Annual Governance Statement (AGS) process and supporting action plan. Draft AGSs in place for both 2024/25 and 2025/26</p> <p>Regular reports to Audit Committee on aspects of corporate governance to provide assurance</p>		Community Engagement strategy and approach to be developed	Marion Walker 	Director of Legal and Governance; Chief Executive	30-Jul-2026
		Ensure the Company is fully liquidated during 2025/26.	Justin Weston 		09-Dec-2025
		Review of the Internal Audit function	Director of Finance and Transformation 		30-Apr-2026
		Continue to implement a scheme of sub-delegations where appropriate to further improve governance around officer delegated decisions.	Director of Legal and Governance 		31-Jan-2026
		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.	Director of Legal and Governance 		31-Jan-2026
		Continually review the Community Engagement policy to ensure it aligns with the wider needs of the organisation	Marion Walker 		28-Feb-2026

	that will emerge from the Transformation Programme.			
	Put in place a strategic Partnerships Strategy.	Chief Executive		28-Feb-2026
	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
	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		30-Apr-2026

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-11	<p>Failure to have strategic partnership working.</p> <p>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.</p>	 <p>35</p>	 <p>6</p>	 <p>10</p>	Chief Executive
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
<p>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</p>		Put in place a strategic Partnerships Strategy.	Chief Executive 	Chief Executive	28-Feb-2026

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"> Implemented 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. Commitment to SHiFT, to improve quality and management of practice. Ongoing monitoring via OFSTED with a focused visit due the fiscal year. OFSTED future inspections to continue. Internal audit to review working practices. 		Complete delivery of the Inspection of Local Authority Children's Services (ILACs) improvement	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services	 Director of Children's Care; Director of Children's Services; Chief Executive	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	
<ul style="list-style-type: none"> Project & Programme Management Framework in place 1-page projects 		Failure of the Recover, Reset, Deliver Transformation Portfolio to identify further savings	Chief Executive	 Chief Executive	31-Mar-2026	

<ul style="list-style-type: none"> • Project documentation - Highlight reports, Business Cases, Change Controls against time, cost, scope and benefit. • Risk and issues logs. • Corporate performance board - programme level risks • Escalation procedures in place at directorate and programme level • Transformation governance arrangements and reporting cycle agreed • Boards in place setup at directorate level approach • Transformation monies agreed at 26million for period 2024/5 to 2027/8 to fund transformation work. This is continually being monitored. 				
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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	 6	 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 - Mayor • Monthly meetings arranged with the CEX MDC (Bev Bearne) with Director Regeneration. • Collaboration of Regenerations Director via Leadership and Management Team (LMT), TVCA and MDC setting out Council's priorities and concerns. • Effective communication between key stakeholders. • Direct risks which could impact on the local authority will be escalated to LMT 				Director of Regeneration; Chief Executive		

Code	Risk Description		Original Score	Current Score	Target Score	Managed By			
SR-15	Threats to Social Cohesion and Democratic Resilience	If Communities feel disconnected and that they do not live in a safe and resilient environment that promotes the best outcomes for citizens of the town. This could lead to local flashpoints which would be damaging to community relations, the reputation and image of a multi-cultural Middlesbrough.	 Probability Impact	35	 Probability Impact	15	 Probability Impact	14	Director of Environment & Community Services; 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 Closed-Circuit Television (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. • BELONG employed to support delivery of the community cohesion strategy. 			Repair relationships and engagement between local communities where they have broken down following serious conflict and flashpoint incidents.	Marion Walker		Director of Environment & Community Services; Chief Executive	31-Aug-2026		

Code	Risk Description	Original Score	Current Score	Target Score	Managed By	
SR-16	<p>Removal of the statutory override preventing the Designated School Grant (DSG) deficit from being met from general fund resources.</p> <p>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.</p>	 <p>15</p>	 <p>15</p>	 <p>9</p>	Director of Education and Partnerships; Emma Cowley	
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 DoE 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 High Needs Funding (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	

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-17	<p>Funding for key external projects led by the Tees Valley Combined Authority (TVCA) and its Mayoral Development Corporation</p>	 <p>6</p>	 <p>6</p>	 <p>6</p>	Director of Regeneration

	<p>projects led by TVCA or MDC</p>	<p>(MDC) that results in a risk of delays, disruption, or failure to deliver on key regeneration sites in the town centre. This could negatively affect economic growth, community development, and investor confidence in the region.</p>				
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
<ul style="list-style-type: none"> - Tees Valley Investment Strategy. - Monthly meeting with Chief Executive of MDC to discuss project developments. - Collaboration of Regenerations Director via LMT, TVCA and MDC setting out Council's priorities and concerns. - Effective communication between key stakeholders. - Direct risks which could impact on the local authority will be escalated to LMT. - Mayor Middlesbrough Council is a board member of the TVCA and MDC with the Chief Executive present as observer. - Scrutiny committee for the TVCA of which Middlesbrough Council have Councillor representation. 		<p>Working with TVCA/MDC to develop a realistic delivery plan against essential projects.</p>	<p>Richard Horniman</p>	<p>Director of Regeneration; Directors</p>	<p>30-Apr-2026</p>	

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-18	<p>Ineffective governance of the Tees Valley Combined Authority (TVCA)</p> <p>The governance arrangements of the Combined Authority (CA) are not fit for purpose, creating barriers to effective collaboration with the Council and adversely impacting the Council's ability to achieve its ambitions for the town. This misalignment could hinder regional development, compromise strategic initiatives, impact financially on the Council and damage stakeholder confidence.</p>	 <p>35</p>	 <p>35</p>	 <p>14</p>	Chief Executive
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
<ul style="list-style-type: none"> LGA improvement panel with independent oversight and planned publication of improvement panel reports to increase public scrutiny and transparency Improvement plan (TVCA). Best Value Inspection Notice issued April 25 resulting in increased government oversight. Key officer relationships between Monitoring Officers and Directors of Finance Interim appointments for the Director of Finance and Monitoring Officer roles Reset discussions undertaken with the new Chief Executive 		<p>Review the reports of the improvement panel as they are published to identify actions that Middlesbrough Council can take to support the TVCA to improve governance and relationships</p>	<p>Chief Executive</p> 	<p>Directors; Chief Executive</p>	<p>31-Oct-2026</p>
		<p>Regular provision of advice to Middlesbrough Council representatives who sit on various TVCA bodies to ensure they can deliver their roles in full and in regard to good governance</p>	<p>Director of Legal and Governance</p> 		<p>10-Oct-2026</p>