

AGENDA ITEM 9**REPORT TO THE FREEPORT SHADOW BOARD****17th MARCH 2022****REPORT OF DIRECTOR OF FREEPORT****RISK MANAGEMENT****SUMMARY**

This report presents the position on Freeport risk in March 2022, and remains medium risk, which is within the tolerable limit however as highlighted in **Appendix 1** – Freeport has identified 35 risks of which 7 risks which are currently above threshold. This is a reduction of 1 from the previous reporting period. Action plans continue to be progressed actively to mitigate these risks.

The Risk Management framework outlines the approach of how risk is managed at all levels within the organisation. This framework has been developed in conjunction with ISO and Orange Book principles in ensuring best practice is used when providing information for key decisions to be made.

Workshops have been completed and key stakeholders engaged to identify and plan responses to risks shown in this report.

RECOMMENDATIONS

It is recommended that the Freeport Board consider the risks in this report and the approach to risk management set out in this report (**Appendix 1**).

DETAIL

1. This report presents the Freeport risks in March 2022.
2. Whilst risk continues to be managed with several closed following the confirmation of Freeport status, the main risks outside of tolerance continue to reflect ongoing HMG policy development that will impact Freeport, such as FTAs and the delivery of operational custom zones.
3. Whilst the delivery of customs zones is considered under the risk register, during February, one risk emerged and was resolved specifically relating to Liberty Steel and the HMRC winding up procedures. It is pleasing to note that an agreement has been reached between Liberty and HMRC and this risk has been mitigated.
4. The strategy taken to manage risk has been aligned with the TVCA Group Risk Management Framework and approach which is reviewed on a regular basis.

5. To ensure effective and efficient controls and action plans are in place to manage risk, a project risk register is maintained to track the progress of threat and opportunity levels for the project.

6. The risk register sets out:
 - a. Key risks to the project
 - b. The types of risks which have been identified
 - c. The results of risks if materialised
 - d. Risk owners
 - e. Controls or actions in place to manage risk
 - f. Action plan review dates
 - g. Risks scores determined by probability and impact

FINANCIAL IMPLICATIONS

7. There are no financial implications arising from this report.

LEGAL IMPLICATIONS

8. There are no legal implications arising from this report.

RISK ASSESSMENT

9. A summary of the Risk register is provided in Appendix 1.

CONSULTATION & COMMUNICATION

10. The governance workstreams and ongoing stakeholder engagement is be used to inform and support risk management.

EQUALITY & DIVERSITY

11. No impacts.

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