

REPORT TO TEESSIDE FREEPORT GOVERNANCE BOARD**29th SEPTEMBER 2022****REPORT OF THE RISK MANAGER****RISK****SUMMARY**

The purpose of this paper is to discuss the risk environment of Teesside Freeport in accordance with the Risk Management framework.

Teesside Freeport currently has a medium risk level which is considered tolerable. The average residual risk score is 6.1 with the average threshold being 10.

In order to better manage risk, the Security and Illicit Threats have been separated and a summary has been provided.

RECOMMENDATIONS

It is recommended that the content of this paper is noted and that the Freeport partners consider the risk summary, and that feedback is provided by the members of this Board.

DETAIL

1. The Board agreed to adopt the TVCA risk management process at the initial Board meeting in May 2021. This framework has successfully been deployed to deliver the first operational Freeport in the UK and will continue to manage risk during operations.
2. This report presents the position on Freeport risk in September 2022, and remains medium risk, which is within the tolerable limit as in **Appendix 1**.
3. Whilst risk continues to be managed the main risks outside of tolerance reflect utilisation of operational custom zones, utility costs, government guidance and the ongoing HMG policy development that will impact Freeport, such as FTAs.
4. Following ongoing discussions with both A&C workstream, security stakeholders and HMG's Freeport Sub Security Board, the risk register for Freeport has been segregated with Security & Illicit (S&I) threats held on a separate register. A summary of each register is provided in **Appendix 1**.
5. Freeport is managing 21 general risks and 23 S&I risks. This represents an overall increase in total risks following the work with the Security stakeholders to identify further potential risk. A number of these potential risks have strong mitigations and only become prevalent as the Freeport custom zones are accredited.

6. 2 new risks have been identified:
 - a. Utility costs – The risk that increased cost could deter investment into the Freeport
 - b. Reputational damage associated with misrepresentation in the media.
7. In addition to the new risks being identified, 1 risk has been avoided, 1 risk has been transferred from Freeport register to S&I register and 1 risk has reduced in score.

FINANCIAL IMPLICATIONS

8. There are no direct financial implications arising from this report.

LEGAL IMPLICATIONS

9. There are no specific legal implications arising from this report.

RISK ASSESSMENT

10. There are no specific risk implications arising from this report.

CONSULTATION & COMMUNICATION

11. Initial stakeholder engagement meetings have commenced both individually and through reference group meetings.

EQUALITY & DIVERSITY

12. No specific impacts on groups of people with protected characteristics have been identified

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