

REPORT TO ASSURANCE & COMPLIANCE WORKSTREAM**June 8th 2023****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 profile which is considered tolerable. The average residual risk score is 8.1 with the average threshold being 10.

In order to better manage risk, the Security and Illicit Threats are managed separately, a summary has been provided.

We have received several risks from stakeholders which have been included as appropriate.

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 workstream.

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 May 2023, and remains medium risk, which is within the tolerable limit as in **Appendix 1 (confidential appendix)**.
3. Whilst risk continues to be managed the main risks outside of tolerance relate to:
 - Resources required to deliver Freeport Programme
 - PCZ operations
 - Security of supply for Power
 - Utility costs
 - Vessel scheduling and delivery to Quay side.

4. Threats that are influenced by external factors limiting TVCA's ability to reduce the probability/impact are reviewed at granular level to ensure appropriate risk responses are assigned.
5. 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 (confidential appendix)**.
6. Freeport is managing 16 general risks and 22 S&I risks. A number of these potential risks have strong mitigations and only become prevalent as the Freeport custom zones are accredited.
7. During the period, 3 risks have avoided relating to:
 - Unclear Government Guidance
 - Illicit Activity
 - Supporting funding.
8. 2 new risks have been identified relating to:
 - Information sharing
 - Vessel scheduling & delivery to Quay.

FINANCIAL IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK ASSESSMENT

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

CONSULTATION & COMMUNICATION

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

EQUALITY & DIVERSITY

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

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