

**COLCHESTER CITY COUNCIL
CABINET
13 MARCH 2024
SUPPLEMENTARY AGENDA**

Part A

(open to the public including the media)

7(ii) Hibernation of Colchester Amphora Homes Ltd

The hibernation of Colchester Amphora Homes Ltd was considered by the Governance and Audit Committee at its meeting on 5 March 2024. The draft minute and recommendation from the Committee is attached at page 2.

11(iii) Recommendations from the Policy Panel

Cabinet is invited to consider the recommendations made by the Policy Panel at its meeting on 6 March 2024 (page 4)

Extract from the draft minutes of the Governance and Audit Committee meeting on 5 March 2024

415. Hibernation of Colchester Amphora Homes Ltd (CAHL)

The Committee considered a report requesting that it consider the formal resolutions that were required to bring about the hibernation of Colchester Amphora Homes Limited, with a view to completing this process by 31 March 2024.

Richard Carr, Interim Managing Director (Amphora), attended the meeting to present the report and assist the Committee with its enquiries. The Committee heard that the process which it was being asked to consider was the same process as that which is had previously approved to formalise the hibernation of Colchester Amphora Energy Company (CAEL). It was proposed that Colchester Amphora Homes Ltd (CAHL) be placed into hibernation, which was entirely in line with the strategy which had been considered by the Committee in 2023, and which had subsequently been adopted by Cabinet. A process of due diligence had been carried out which had considered the single asset and all third party agreements which CAHL had, and the report before the Committee detailed how each of these issues was to be treated.

The Committee was requested to consider, as the Shareholder Committee for the Council's wholly owned companies, on the behalf of the Council, the formal resolutions which had been set out in Appendix 3 of the Officer's report, with a view to then proposing those to Cabinet. It was made clear to the Committee that the requisite resolutions that were required from the CAHL and Colchester Commercial Holdings (Limited) (CCHL) Boards had all been formally approved by those bodies.

A Committee member wondered what the risks associated with the grant which had been received from Homes England (HE) were. The grant had been for the provision of 560 homes, however, planning permission had only been obtained for 360 at the Mill Road site; where were the other homes to be built? What was the current status of the HE grant, and had there been a variation of the terms of this, to reflect the apparent reduction in the number of homes which were now to be provided? It was noted that should CAHL be placed into hibernation, the Council would be left with its Events and Helpline Companies, together with some residual work continuing into the provision of Colchester Fibre. Given that these companies appeared to be performing very well, why had steps been taken to recruit a permanent Managing Director for the Amphora Group, given that the function of the companies had bene streamlined to such an extent?

The Interim Managing Director (Amphora), explained to the Committee that his understanding of the HE grant was that this was subject to an agreement between Homes England and the Council, and he believed that this was primarily linked to the development of the Northern Gateway site. He had understood that dialogue had taken place between the Council and Homes England, who had been very understanding of the position, and it was therefore considered that any risk associated with the grant funding being lost to the Council had been contained. In terms of what would remain of the Amphora group, a review of Colchester Fibre was currently being completed, and it was considered that there was significant value in Colchester Fibre remaining part of Amphora, as the Council had received a sum of grant funding from central government to install the network, a condition of which was to look for opportunities to commercialise the network which could only be achieved through a local authority trading company. It was considered that here was more residual value in the companies than was immediately apparent, and the new Managing Director role was one which would potentially be filled on a part time basis with appropriate remuneration. A

Committee member suggested that the difference between the number of homes for which planning permission had been granted, and the number for which the HE grant had been provided, could be explained by the fact that a proposed healthcare unit on the Northern Gateway site would have contained a significant number of housing units, which would account for the apparent discrepancy.

The Committee were advised by the Interim Managing Director (Amphora), that Colchester Fibre resided within Amphora Trading Ltd. A Committee member wondered why all the Council's companies were not made dormant, with their activities transferred into Colchester Amphora Trading Ltd (CATL)? When considering making CAHL dormant, the Council needed to be sure that all its activities would continue to be dealt with appropriately; where did the responsibility for the Northern Gateway scheme lie, and what was the strategy for dealing with the Mill Road site? It was suggested that a strategy was required to ensure that the HE grant was secure, as this seemed to represent a risk to the Council. It was also important to know the costs associated with making the company dormant, and the full impact of the hibernation on the Council's balance sheet should be considered.

The Chair of the Committee offered assured that he believed that the Council's administration had plans to deal with the Mill Road site, although the actual format of any development was for the administration to determine. He considered that it was unlikely that the HE grant would be requested to be returned, and although this was a risk, the advice and guidance which had been received from the Council's Officers indicated that this risk was small. The direction of travel of the companies was something which had been considered by the Committee in the past, and it was considered that this would be a matter for Cabinet to consider.

The Interim Managing Director (Amphora), confirmed that a crystallisation of the financial proposals was very important, and if the Committee and Cabinet agreed with the proposal then the focus would be on achieving clarity in relation to this before the end of the financial year. Andrew Small, S151 Officer, attended the meeting remotely and confirmed to the Committee that it had been acknowledged that there would be a cost to the Council associated with the proposed hibernation which was broadly known, and the issue now was to determine the exact amount to ensure that this was included in the Council's accounts for 2023/2024.

A Committee member considered that the option of closing the company down was one that the Council didn't need to take in case it had value in the future. The costs to the Council would be the same whether the company was closed down or placed into hibernation in the hope that circumstances would change in the Council's favour in the future. In the light of this, he wholeheartedly supported making the proposed recommendations to Cabinet.

RECOMMENDED TO CABINET that the resolutions set out in Appendix 3 to Annexe A of the Officer's report which was presented to the Committee, be approved.

Recommendations from the Policy Panel meeting of 6 March 2024

At its meeting on 6 March 2024 the Policy Panel made a number of recommendations to Cabinet as set out below, following a series of positive discussions. The full minutes of the meeting are not yet available but as this is the last Cabinet meeting of the municipal year, the recommendations are set out below for Cabinet to consider. A link to the relevant report considered by the Policy Panel is also included, where such a report was produced.

Presentation on Shared Services

RECOMMENDED to CABINET that Cabinet: -

- (a) Are mindful of the risks relating to shared services partnerships, including likely effects of a partner local authority withdrawing or issuing a Section 114 report
- (b) Consider the concerns raised by Policy Panel members regarding the need to preserve the Council's sovereignty and maintain its independence.

Parking Policy/Strategy

RECOMMENDED to Cabinet that it ensures that the ongoing work on parking policy and strategy covers car parks and parking across all parts of Colchester, and covers how multi-storey car parks are treated at their 'end of life' stage, with alternatives considered as to how to use the areas they occupy differently.

Case for Change to Active Wellbeing

RECOMMENDED that CABINET: -

- (a) Encourages an holistic active wellbeing approach to be pursued
- (b) Is mindful of health challenges facing residents, and the need for the Council to empower residents to utilise resources and facilities in their areas, and the need for the Council to be aware of the importance of locality regarding health and wellbeing resources
- (c) Ensures that all elected members are kept informed in advance of the details of upcoming engagement events with elected members, stakeholders and community groups

[Case for Change to Active Wellbeing – Policy Panel report](#)

Introduction of a memorial policy

RECOMMENDED to CABINET that the 'Policy for memorials within Colchester' be implemented, as presented to Policy Panel.

[Introduction of a Memorial Policy – Policy Panel report](#)

[Appendix A to Memorial Policy report](#)