

28 November 2023

<b>Report of</b>	<b>Interim Managing Director, CCHL</b>	<b>Author</b>	<b>Richard Carr</b> ☎ 282421
<b>Title</b>	<b>Colchester Commercial (Holdings) Ltd - Reporting</b> <ul style="list-style-type: none"><li>• CCHL Annual Report 2022-23</li><li>• CCHL Group Final Accounts 2022-23</li><li>• CCHL Half Year Financial Position 2023-24</li><li>• CCHL Budget 2024-25</li></ul>		
<b>Wards affected</b>	All wards		

## 1. Executive Summary

- 1.1 This report discharges Colchester Commercial Holdings Ltd (CCHL)'s requirement to present its Annual Report to the November meeting of the Committee. The Annual Report for 2022/23 is attached as Appendix 1. Accompanying the Annual Report are the audited accounts for the group for 2022-23 at Appendix 2.
- 1.2 In addition, Appendix 3 sets out the financial position for CCHL, including its three subsidiaries, at the mid-point of the current financial year.
- 1.3 Finally, a draft budget for 2024-25 is attached as Appendix 4, which reflects the simplification of Amphora as a result of the Future Strategy proposals endorsed by the Committee at its October meeting and being considered by Cabinet at its meeting on 22 November.

## 2. Recommended Decision

- 2.1 To review and note the CCHL Annual Report 2022-23.
- 2.2 To review and note the CCHL Group Final Accounts for 2022-23.
- 2.3 To review and note the half year financial position of CCHL and its subsidiary companies.
- 2.4 To review the Amphora budget proposals for 2024-25, submitted on behalf of the CCHL Board which will need to be taken into account as part of the City Council's own financial planning process.

## 3. Reason for Recommended Decision

- 3.1 To discharge CCHL's responsibilities to the City Council as its Shareholder by providing information, including the Annual Report for 2022-23, the Group's Final Accounts for

2022-23, an update on financial performance in the current year and budget proposals for 2024-25.

#### **4. Alternative Options**

- 4.1 CCHL has not considered alternative options to supplying the required information to the City Council as its Shareholder.

*Page break after Section 4.*

## **5. Background Information**

- 5.1 CCHL is required to provide information to the Governance and Audit Committee, in order that the Committee can discharge its role in safeguarding the interests of the City Council as Amphora's Shareholder.
- 5.2 The Annual Report for 2022-23 and the Group's Final Accounts reflect the circumstances that have contributed to the need to reset the future direction of Amphora, as well as providing an overview of services delivered and activities undertaken during that year. The proposed simplification of Amphora was supported by the Committee at its October meeting in the context of a change in the City Council's capacity to accommodate risk. Amphora recorded a loss in 2022-23 as a result of the recognition of some costs associated with projects whose completion is less certain now than when initiated.
- 5.3 The expectation for the current financial year, which should be regarded as a year of transition, is reflected in Appendix 3. The opportunity is being taken to review the coding structure for the simplified Amphora in readiness for the new financial year. The option appraisal work planned for Colchester Fibre will include a thorough review of current forecasts for this area of activity to help inform future decision-making.
- 5.4 The budget proposals for 2024-25 are set out to reflect the simplification of Amphora envisaged in the Future Strategy proposals presented to the Committee's last meeting, including the transfer of some functions and staff to other parts of the Colchester family and a revised approach to the delivery of the Northern Gateway. Flowing from this, the proposals assume adjustments to the Management Fee paid by the City Council for services delivered to it by Amphora (such as technical input for capital projects) and to payments made by Amphora to the City Council for support services the company receives covering, for example, ICT or the processing of invoices. Clearly, the net impact of the adjustments will need to be considered as part of the City Council's wider financial planning.
- 5.5 At this stage, Amphora has not submitted plans beyond 2024-25, given the significance of the options appraisal covering Colchester Fibre envisaged in the Future Strategy for Amphora. Once decisions have been made following the outcome of this options appraisal, the CCHL Board will propose a Business Plan covering the medium term.

## **6. Equality, Diversity and Human Rights implications**

- 6.1 There are no specific implications from these proposals for Equality, Diversity or Human Rights.

## **7. Standard References**

- 7.1 The Future Strategy for Amphora supported by the Committee at its October meeting was set in the context of the Council's Strategic Plan.

## **8. Financial implications**

- 8.1 These are set out in the proposed Budget 2024-25, attached as Appendix 4.

## **9. Health, Wellbeing and Community Safety Implications**

9.1 As explained in the Annual Report, Amphora services make a direct contribution to the health, wellbeing and safety of Colchester residents, particularly through Helpline and CCTV.

## **10. Health and Safety Implications**

10.1 There are no specific Health and Safety implications in these four documents.

## **11. Risk Management Implications**

11.1 The CCHL Board is reviewing the strategic risk register for the company in the context of the simplified Amphora.

11.2 As with all commercial endeavours, assumptions about income in particular cannot be guaranteed but a prudent approach has been taken, based on contracts in place and recent experience.

## **12. Environmental and Sustainability Implications**

12.1 There are no specific environmental and sustainability implications to highlight from this report.

### **Appendices:**

**Appendix 1 – CCHL Annual Report 2022-23**

**Appendix 2 – Group Final Accounts 2022-23**

**Appendix 3 – CCHL Consolidated Half Year Financial Report 2023-24**

**Appendix 4 – CCHL Proposed Budget 2024-25**