



Colchester
COMMERCIAL HOLDINGS



2018/19 Annual Report

CONTENTS

01	Welcome	03
02	Who we are and what we do	04
03	How we are governed	05
	a. Org chart	
	b. Board of directors	
04	Highlights from our first year	06
05	Being financially strong	07
06	Delivering our services to meet customer expectations	
	a. Colchester Amphora Trading's Performance Review	09
	b. Economic Development Services	10
	c. Estates and Asset Management Service	11
	d. Helpline	12
	e. CCTV	13
	f. Events Team	14
	g. CAHL Performance Review	15
	h. CAEL Performance Review	16
07	Looking forward	17
	a. Adrian Pritchard, Managing Director	



WELCOME



Welcome to the 2018/19 Annual Report from Colchester Commercial (Holdings) Ltd.

The report explains how we've performed as a wholly owned subsidiary of Colchester Borough Council (CBC).

Being a business solely owned by the Council, Colchester Commercial (Holdings) Ltd (CCHL) will return profits to CBC for reinvestment into good quality homes and services for the businesses and residents of Colchester. Over the last year we made a surplus for the year of £286k, which was returned to our shareholder, CBC, as a dividend payment.

Launching a company during unpredictable times like this is a challenge. Launching three of them is perhaps more than most would recommend, but I'm proud to say that the employees of CCHL and its three subsidiary companies have risen to meet that challenge throughout the last year.

All three companies have broken new ground in their operations, not merely taking over existing council operations. Colchester Amphora Energy Ltd (CAEL) has literally broken ground, drilling deep into the ground in search of revolutionary energy solutions for Northern Gateway. Colchester Amphora Homes Ltd (CAHL) is pushing forward new ways of developing high-quality sustainable housing, while Colchester Amphora Trading Ltd (CATL) has revamped services and put Colchester firmly on the map with a line-up of new high-profile events.

CATL has also provided an excellent commercial development and estates service to the Council, growing revenue for CBC to reinvest into Council services, leading the way in developing digital

connectivity and providing new office workspace for businesses in the form of Amphora Phases 1 and 2. The CATL funding team has also succeeded in securing £18m external investment for CBC projects.

It's been a privilege to be the Chair of CCHL's Board during this first year of operations and I'd like to thank my fellow board members for the hard work they've put in to putting the company on a solid foundation for these initial stages, ready for future growth and development. This report shows the hard work of all the employees of the CCHL group of companies, who've done so much to build it to this point, ready for future growth and development.



Cllr Nick Barlow
Chair of CCHL Board

WHO WE ARE AND WHAT WE DO







Colchester Commercial Holdings Ltd (CCHL) is the holding company for three separate subsidiaries, with related but distinct products, services, markets and opportunities. We continue to consolidate our three trading entities into a high-quality commercial offer which maintains the strong public sector ethos of its shareholder.

Colchester Amphora Trading (CATL) delivers high quality products and services to public and private sector clients in the property, leisure and health care industries.

Colchester Amphora Energy (CAEL) designs and implements low carbon energy systems and provides energy services in Colchester.

Colchester Amphora Homes (CAHL) delivers high quality affordable and private homes for sale in Colchester and the surrounding area.

CCHL's aims

-  Improve quality and availability of homes for private sale and affordable rent for local people.
-  Generate profit to maintain viability, reduce risk, return a dividend to our sole shareholder, CBC, and re-invest in CCHL.
-  Operate in a commercial, innovative manner exploring options for development and expansion.
-  Provide our clients with high-quality products and services while maintaining a high level of return for the Council.
-  Capitalise on our unique product and services range to gain market share.
-  Build the global brand of Colchester as a place to do business, invest, live, study and visit.

HOW WE ARE GOVERNED

CCHL is operated through its Board of Directors, which has delegated authority from the shareholder (CBC) to determine strategy and direction of the business in accordance with its objectives, and through joint working with the Senior Management Team.

The directors each hold an individual responsibility for making decisions, providing leadership and monitoring the performance of the company. The directors are responsible for obtaining appropriate legal, financial and tax advice to enable them to make informed decisions about the running of the company. The directors are responsible for maintaining and regularly reviewing a robust risk management framework. The Board meet on a bi-monthly basis and are bound by the Articles of Association and Code of Conduct.



HIGHLIGHTS FROM OUR FIRST YEAR

1. Dividend of £286,000 returned to CBC
2. Turnover: £4.2million
3. 135 employees
4. 600 new Helpline customers
5. New Helpline systems and procedures introduced to ensure higher levels of customer service
6. 211,000 visitors to our Events
7. £18m external funding raised for CBC, of which £3.2m to drive forward the rollout across the Borough of ultrafast digital broadband
8. £3.2m commercial rental income managed and secured for CBC
9. Colchester recognised as an office property hotspot
10. Raised profile of Colchester nationally through high profile place-making events eg. concerts in the park
11. Completion of a management restructure within the Sport and Leisure service to make it more customer and business focused
12. New classes for all at Colchester Leisure World introduced in 2018/19:
Dementia classes, Sport for Confidence, and women only swimming sessions

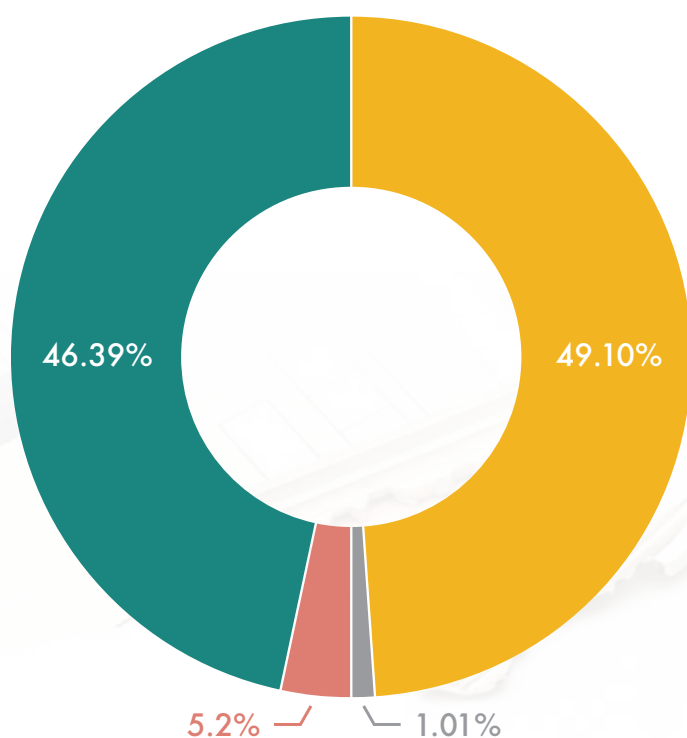
BEING FINANCIALLY STRONG

In the year ending 31 March 2019, the Group received £4.2m of income for the products and services it provides.

We spent £3.9m to provide our services; this includes £666,000 paid to CBC through a service level agreement for support services and accommodation and £100,000 paid to CBC for the use of several venues used to run events across the borough.

All employees have worked incredibly hard to overcome several challenges during our first year of trading. The team has shown that they are able to rise to the challenge of delivering dividends, and this stands us in good stead as an organisation as we continue to grow.

The overall financial performance in our first full year of trading was excellent, and in making a profit, CCHL delivered a dividend of £286,000 to CBC.



Turnover figures by company

CCHL	£2,081,000
CAHL	£42,800
CAEL	£148,029
CATL	£1,966,098



COLCHESTER

SPORTS CENTRE

COLCHESTER AMPHORA TRADING'S PERFORMANCE REVIEW

Commercial Development Service

Colchester Amphora Trading's (CATL) Commercial Development team provides a range of services to CBC, as its main client, from project inception and feasibility through to full a development management service and delivery of large-scale construction projects.

During 2018/19 the team was responsible for the delivery of a £30m capital programme on behalf of the Council, meeting budget and programme milestones.

The team successfully completed a notable office build project during the year; Amphora Phase 2 was completed on time and within budget. This development will generate a significant new income stream for CBC.

The team has also worked hard to ensure the Northern Gateway Sports development started on site in January 2019. This is a substantial capital development project for CBC and once completed will have an array of sports activities and become a centre of regional and national importance.



ECONOMIC DEVELOPMENT SERVICES

The Economic Development team provides a dedicated resource to the Council, focusing on economic strategy, inward investment, sector development, funding bids and leading business initiatives to drive employment, business growth, skills and training.

Not to be outdone, the Economic Development service also had great success during 2018/19, securing over £18m of external funding for CBC for a range of projects and initiatives.

The team has continued to provide support on a range of businesses and high growth sectors and has driven a high quality inward investment campaign for CBC through the Ultraready brand www.colchesterultraready.com

We continue to support creative and digital activity within the Borough and have fast-tracked delivery of the Council's digital strategy by securing £3.2m from the Department for Digital, Culture, Media & Sport (DCMS) for further roll out of the town centre ultrafast fibre network. This makes Colchester one of the few places in the UK with high speed broadband.

In recognition of the significant opportunity which exists in the East of England, we have also put considerable focus into the energy sector this year, representing CBC on the North Essex Energy Group and driving forward new partnerships with the Department for Business, Energy & Industrial Strategy (BEIS) around clean growth, commissioning a sector specific market demand study and hosting a business event at the Colchester Stadium.

We have helped the Council and Our Colchester (the Business Improvement District/BID) submit a proposal to Government for the Future High Streets Fund, have assisted in the development of a Care Innovation programme and developed even stronger relationships with a range of partners such as the South East Local Enterprise Partnership (SELEP), University of Essex and the Colchester Business Enterprise Agency (COLBEA).

ESTATES AND ASSET MANAGEMENT SERVICE

CATL provides high quality estates and asset management services to CBC for its diverse operational and investment portfolios and provides a range of specialist consultancy advice to all departments within the Council. Our dedicated team of professional chartered surveyors continues to focus on maximising and generating new income from CBC assets, maximising capital receipts and providing our client with good quality advice on the effective use of operational property.

During 2018/19 the team successfully managed CBC's property investment portfolio worth circa £3.3m maintaining a staggering £3.6m of income for the Council, an increase of £0.4m from 2017/18. Key highlights include the negotiation and completion of the lease for Amphora Phase 2, a pre-let which set a new record headline office rent in Colchester and marketing, negotiating and managing the disposal of nearly £20m worth of land and property which has either already completed or is under offer.

Maximising asset performance is a priority for CBC so CATL carries out regular reviews of the investment and operational portfolio to identify opportunities to add value, identify under-performing investment properties and review operational assets to ensure they are fit for delivering Council services.

Helpline

There when you need us

The Helpline service delivers a high quality monitoring and response service to vulnerable residents across the Borough and beyond, 24 hours a day, 365 days of the year.

Compliments

“Mr B has been taken to hospital. His son wanted to thank the team for their help today. He is very grateful.”

“Mrs R was very grateful and complimented our operators for the professional service last night when her husband fell out of bed. ‘Mrs R’s daughter called to tell us that the service was worth every penny as it enabled her mother to feel more independent and confident’

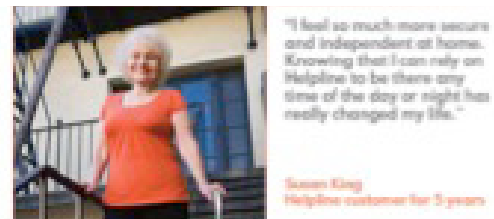
“Mr W would like to pass on his thanks to operators for your professional service during the call out for Mrs W.”

Coverage



Facts

- We have over 3,500 customers across North Essex, which includes the Colchester Borough and Tendring
- Over 3,300 people who have fallen have been picked up by our 24/7 mobile response team
- Over 600 new customers have joined our service since April 2018
- 158 individuals were assisted in North Essex via Operation Pendant, working with the East of England Ambulance Service to pick up non-injured fallers reducing the demand on their service
- Consistently 99% of our customers are satisfied every month



CCTV

The provision of a CCTV service supports public safety in Colchester and the surrounding area. A team of Monitoring Centre Operators oversees a network of cameras day and night. CATL runs this service on behalf of CBC.

During 2018/19 the team recorded 4,242 incidents, of which 188 resulted in arrests.

Looking forward CATL will be actively pursuing opportunities to enhance the service for CBC and also take on additional commercial clients within the borough.



Events Team

The provision of events is managed and operated by the Events team who sit within CATL. The team delivers a range of events across the Council's historic venues; the Town Hall, Colchester Castle, Charter Hall, Castle Park and the Old Heath Recreation Ground, and pay the Council an annual fee to hire these venues.

Over the last 12 months the Events team successfully delivered a broad range of high quality, safe events for residents and visitors to Colchester.

Venue:

- Charter Hall - 55
- Town Hall - 481
- Castle - 68
- Open Air - 56

Total visitors for the year 211,000

Top Events:

- Food and Drink Festival - 10,000 visitors
- Octoberfest - 6,000 visitors
- Simple Minds - 5,000 visitors



Where people come from:





Colchester Amphora Homes' Performance Review

Colchester Amphora Homes (CAHL) is a housing development company set up to deliver new homes for the people of Colchester.

During 2018/19, CAHL has agreed terms to acquire four sites from CBC that will deliver over 300 new units in Colchester, of which 30% will be affordable homes for local people.

During the year, CAHL has carried out due diligence on all four sites and submitted outline planning applications on two of the sites, with the remaining two following on in 2019/20. CAHL aims to be on site building its first homes during 2019.

In addition, CAHL has provided development consultancy services to CBC on the redevelopment of a number of garage sites to provide more affordable homes across the borough. CAHL has recruited an experienced and knowledgeable team to drive forward this programme of development as we go through the next financial year.



Colchester Amphora Energy's Performance Review

Colchester Amphora Energy (CAEL) was established to design and implement low carbon energy systems and provide energy services in Colchester.

CAEL's focus during 2018/19 has been on the first stage of delivering a large heat network in North Colchester that will provide an ultra-low carbon heat solution to residents, businesses and other commercial users.

During our first year, CAEL has successfully completed the testing and drilling of Borehole 1 and has also submitted the detailed planning application for the Heat Network at Northern Gateway.

CAEL continues to work closely with BEIS and has now secured the final tranche of the £3.2m grant funding from the Department for Business, Energy and Industrial Strategy (BEIS) to CBC for the project.

CAEL has continued to explore new areas of business and is currently at feasibility stage on a further major heat network in Colchester with proposals to develop a micro grid also under consideration.



LOOKING FORWARD



"It's difficult looking forward without looking back. It gives perspective and learning about pace and likelihood. It allows for reflection and re-assessment."

Colchester Commercial (Holdings) Ltd and its three subsidiary companies have completed their first successful year of trading. This is a remarkable achievement by all concerned given the sheer volume of work needed to set up new companies (policies, processes, procedures and governance matters) whilst staying focused on delivery against stretching first year targets.



Having achieved these superb results Amphora has established itself as a brand in the Colchester market. We now look forward to further growth in our core businesses; attracting further investment and profile in to Colchester; and beginning to expand our trading offer and new businesses opportunities.

A.R. Pritchard.

Adrian Pritchard
Managing Director CCHL



www.colchesteramphora.com

