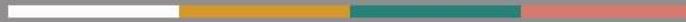




Colchester  
COMMERCIAL HOLDINGS



## Business Plan

April 2022 - March 2026

(Revised December 2021)

**DRAFT**



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## EXECUTIVE SUMMARY

Colchester Commercial (Holdings) Ltd (CCHL) is the holding company for its three Amphora subsidiaries:

**Colchester Amphora Energy Limited**  
**Colchester Amphora Homes Limited**  
**Colchester Amphora Trading Limited**

The three Amphora companies provide a wide range of services within the Borough of Colchester, covering property development; sustainable energy solutions, property consultancy and management; events, weddings, venue hire; Helpline, and CCTV. These high-quality commercial businesses maintain the strong public sector focus of Colchester Borough Council (CBC), CCHL's sole shareholder, with profit returned to the Council to support the delivery of services to the borough's residents.

The Council will be producing a Commercial strategy which will help build on existing strengths to generate more income, reduce costs and maximise the use of Council assets. This will include investment in projects that provide good financial returns and enhancing our traded services (both within Amphora and in the Council). It will also drive the identification of new opportunities to enhance delivery of our wider strategic outcomes through commercial projects that generate income and make more effective use of resources.

## OUR OBJECTIVES

Our objectives are to:

- ▲ Generate a group profit to maintain the viability of the business and create a trading surplus for distribution to Colchester Borough Council.
- ▲ Operate in a commercial and innovative manner, exploring options for development and expansion.
- ▲ Provide our clients with high-quality products and services.
- ▲ Improve the quality and availability of homes for private sale and affordable rent for local people.
- ▲ Capitalise on our unique product and services range to increase the provision of sustainable energy.
- ▲ Build the brand of Colchester as a place for business, investment, sustainable living and leisure.

Supporting the Council's key priorities

CCHL supports CBC's objectives in its Strategic Plan 2020-23 to:

- ▲ Tackle climate challenge and lead sustainability
- ▲ Create safe, healthy and active communities
- ▲ Deliver homes for people who need them
- ▲ Grow a fair economy so everyone benefits
- ▲ Celebrate our heritage and culture

## STRUCTURE AND GOVERNANCE

CCHL is a company limited by shares, wholly owned by Colchester Borough Council.

There are five board directors:

- **Cllr Leigh Tate** – Board Chair
- **Paul T Smith** – Board Director, and Managing Director
- **Cllr Martin Goss** – Board Director
- **Cllr Martin Leatherdale** – Board Director
- **Cllr Martyn Warnes** – Board Director

The directors are responsible for making decisions, providing leadership and monitoring the performance of the company. They are responsible for obtaining appropriate legal, financial and tax advice to enable them to make informed decisions about the running of the company. In addition, directors are responsible for maintaining and regularly reviewing a robust risk management framework.

The Board meets on a quarterly basis and is bound by the Articles of Association and associated Code of Conduct.

The Articles of Association govern the decision making and by whom. The company is required to comply with all laws governing private limited companies, such as the Companies Act 2006 and the regulatory regime for local authority companies under the Local Government and Housing Act 1989.

The board of directors is responsible for significant decisions regarding business development and the day-to-day operation of the company. The Cabinet, on behalf of the Council, is required to approve any decisions that would affect the shareholder's rights, under the Group Governance Agreement between CBC and CCHL and the subsidiaries.

Any agreed net profits made will either be available for distribution to CBC as required, for the Council to invest in local services, or will be reinvested back into the companies to ensure every opportunity is sought for continued income generation.

At quarterly board meetings, held on such dates as the directors agree, each director has one vote. Agendas are prepared and distributed no less than five business days prior to the meetings.

This Business Plan will be delivered in full compliance with the governance requirements set out by the Group Governance Agreement between CBC and CCHL and its subsidiaries.

CCHL establishes and maintains an effective service and financial performance management reporting system, which will include effective reports to CCHL Board and CBC's Governance & Audit Committee (shareholder committee). CCHL is subject to any audit and inspection requirements of the Council.

## CBC'S GOVERNANCE & AUDIT COMMITTEE

CCHL reports to CBC's Governance & Audit Committee to:

- Consider and review its activities and financial performance
- Receive, review and recommend to Cabinet the CCHL set of business plans and annual audit report
- Monitor, challenge and make recommendations to Cabinet, regarding CCHL and its subsidiaries' activities
- Make recommendations to Cabinet on how it should exercise functions flowing from its shareholder role
- Recommend constitution and appointment of additional CCHL board members to Cabinet

## POLICIES AND PROCEDURES

CCHL uses a combination of CBC and CCHL policies and procedures and will review and refine these, over time, to ensure that they remain fit for purpose. CCHL is also subject to the Council's procurement policies.

## DATA PROTECTION

CCHL complies with the relevant legislation and guidance concerning Data Protection, including adopting suitable policies and procedures to ensure data is adequately safeguarded.

## FREEDOM OF INFORMATION

CCHL is subject to requests for the disclosure of information under the Freedom of Information Act 2000. As such, CCHL maintains a record management system that complies with the relevant guidance concerning the maintenance and management of records.

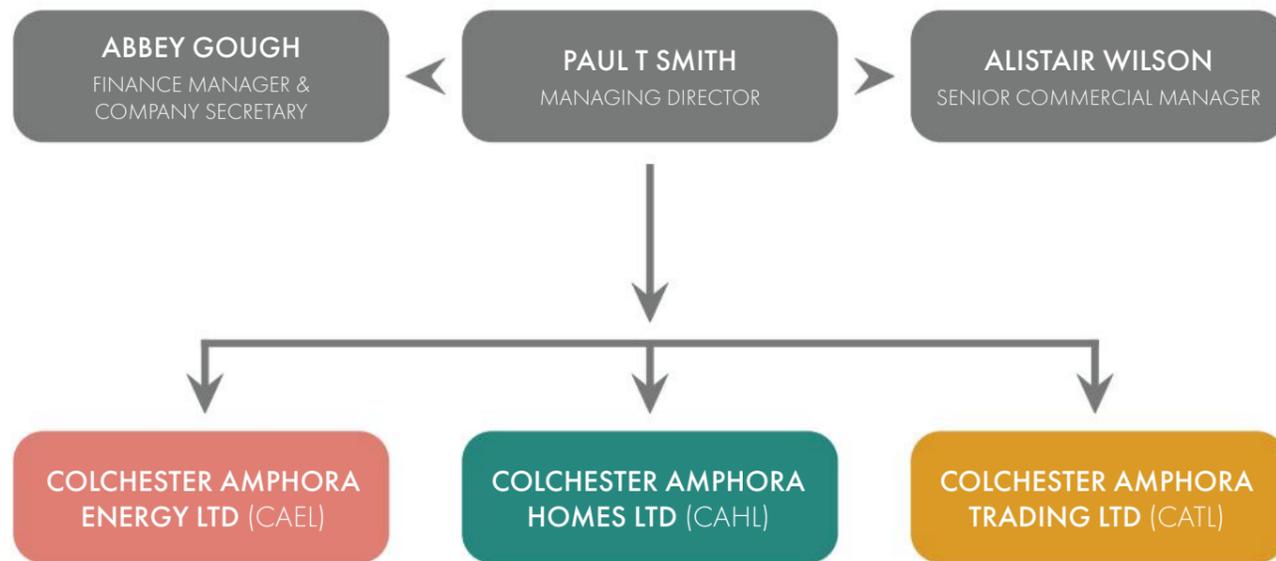
CCHL liaises with CBC, as appropriate, to ensure consistency in answering FOI requests and provide such information to CBC as may be required to answer requests it has received.



## MANAGEMENT

The senior management of CCHL, as listed below, will produce an annual report on company performance to be taken to CBC’s Governance & Audit Committee in June each year.

- **Paul T Smith** – Managing Director
- **Alistair Wilson** – Senior Commercial Manager
- **Abbey Gough** – Finance Manager & Company Secretary



## RESOURCES

There is a small support team for the senior management of CCHL, including a Personal Assistant, a Finance Assistant and a Marketing and Communications Manager – all three of whom support both the holding company and the activities of the three Amphora subsidiaries.

## SERVICE LEVEL AGREEMENTS

CBC continues to provide support services to CCHL through Service Level Agreements (SLAs). Each SLA includes measurable performance indicators, break clauses and remedies for non-performance. There is an annual review process whereby SLAs are refined to more accurately reflect the support required by CCHL.

### Support services cover:

- HR support, including recruitment and training and payroll
- Finance - transactional finance functions and financial control activities
- ICT- provision of IT equipment and services, including helpdesk support
- Customer services - phone answering service and telephone payment transactions
- Insurance provision (buildings, vehicles, employers and public liability)
- Legal support - as and when required
- Communications and marketing support
- Provision of fleet services



## OUR SERVICES

### COLCHESTER COMMERCIAL (HOLDINGS) LTD (CCHL)

CCHL is the holding company for three separate Amphora subsidiaries, which provide a wide range of services within the Borough of Colchester:

- New and regeneration property development
- Sustainable energy solutions
- Commercial asset management and consultancy
- Events, including weddings, outdoor events and venue hire
- Helpline care service
- CCTV monitoring
- A local full fibre network
- Commercial support to CBC's Sports and Leisure services
- Commercial development project management



COLCHESTER COMMERCIAL HOLDINGS LTD BUSINESS PLAN

### COLCHESTER AMPHORA ENERGY LIMITED (CAEL)

Colchester Amphora Energy Limited (CAEL) promotes the use of local low-carbon sources of heat and power through a range of projects and initiatives, whilst also providing new sources of commercial income for CBC.

#### SUMMARY OF CAEL'S BUSINESS PLAN: 2022-26

CAEL's current focus is on delivering a heat network for Colchester Northern Gateway. In addition, it is exploring further local revenue generating opportunities in the energy sector, such as a Micro Grid at Colchester Northern Gateway (CNG). CAEL will continue to work with the Council to develop new, low-carbon projects and provide technical expertise on renewable energy.

### COLCHESTER AMPHORA HOMES LIMITED (CAHL)

Colchester Amphora Homes Ltd (CAHL) was established to grow levels of development income by open market sale across a range of sites, currently in the ownership of the Council, whilst exploring other opportunities to support income and services to CBC for redeveloping garage sites and other Housing Revenue Account (HRA) land and affordable housing properties.

CAHL is also responding to the need for more high-quality homes in the borough, which could be affordable for local people. This will provide a future income opportunity for the Council by optimising existing assets in its ownership and recycling any profits from development back to the local authority for reinvestment into core services.

#### SUMMARY OF CAHL'S BUSINESS PLAN: 2022-26

CAHL will focus on the following key areas of work within the life of this plan:

- Build over 350 new homes by 2024
- Generate a net profit available for dividend to recycle back to its shareholder, CBC
- Create 30% of affordable homes on all developments delivered by CAHL
- Explore the viability of existing and future potential residential development sites
- Consider private financing to further increase development opportunities including mixed use

COLCHESTER COMMERCIAL HOLDINGS LTD BUSINESS PLAN

## COLCHESTER AMPHORA TRADING LIMITED (CATL)

Colchester Amphora Trading Limited (CATL) is a diverse company with an eclectic mix of trading services, property consultancy, capital project development and delivery of key commercial services and functions for CBC, for which CATL receives a management fee.

CATL's primary objective is to grow levels of commercial income across a range of property management, and services which support the Council services throughout the borough. Its focus is to generate income and maintain high quality levels of service delivery within an ethos which reflects the public service nature of CBC.

### SUMMARY OF CATL'S BUSINESS PLAN: 2022-26

CATL will focus on the following key areas of work within this plan period, specifically:

- Accelerate the recovery from Covid-19 and the economic and cultural impact that has affected all parts of CATL's business, especially in Events.
- Maximise the Council's existing asset base (Estates/Commercial projects) and managing other key services for CBC, such as CCTV (closed circuit television) and providing commercial support to Sport and Leisure (Management Fee funded services)
- Develop and grow the company's Helpline and Events services
- Develop and operate the Local Full Fibre Network (LFFN) across Colchester, making Colchester one of the best digitally connected boroughs in the UK
- Deliver a Development Management service for CBC and promoting this service to strategic partners, demonstrating the ability to deliver complex high value capital projects on time and on budget.
- Develop key capital projects such as infrastructure, including but not limited to, roads, open space, commercial space, development opportunities and feasibility studies for capital generation.



## ADDITIONAL BENEFITS TO THE COUNCIL

The major benefits for Colchester Borough Council in establishing its Amphora Group of commercial companies, goes beyond the financial distribution of profits, to include:

- Interest rate differential between CBC borrowing interest rate and the commercial rate to CCHL
- A Local Full Fibre Network commercialised income
- Employers pension cost savings against the local authority pension scheme
- CBC property leasing agreements
- Annual license income for each events venue
- VAT recoverable on construction projects
- Cost effective project management fees
- Expert and technical advice to CBC's climate change projects
- A dedicated asset management team that has generated £2m of capital receipts since 2017
- Showcasing innovation and partnership via national awards programmes

### Business and economic benefits to Colchester

- All residential development includes 30% Affordable Housing
- An increase in car park income, generating from 158,000 visitors to CATL organised events
- A wider economic benefit to hospitality and retail from impact of large-scale events with substantial increase in visitor numbers frequenting the town's restaurants, pubs and hotels

ACHIEVEMENT  
AWARDS 2020  
WINNER 

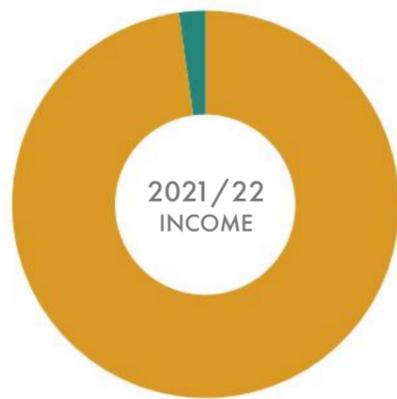
  
WINNER

# FINANCIAL PROJECTIONS

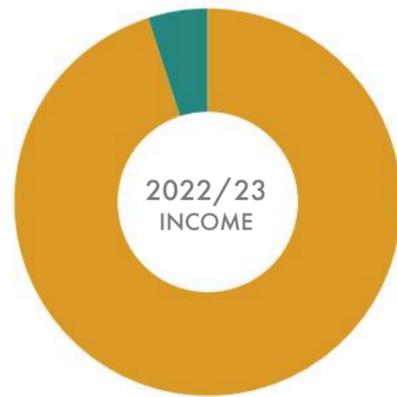
## Group Consolidated Forecast

The table below provides a summary of CCHL's income and expenditure forecast for the next five years.

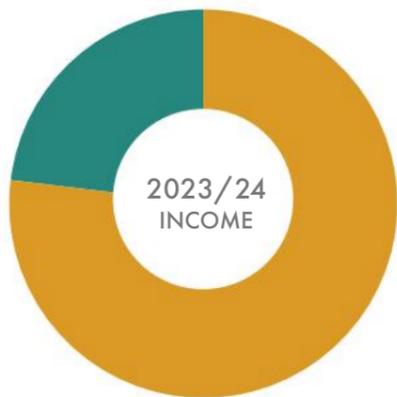
■ Expenditure ■ Profit before tax



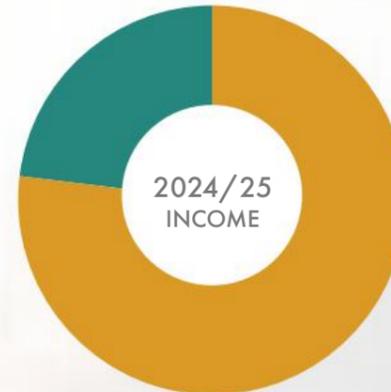
Income:	£6,269,387
Expenditure:	£6,131,401
Profit before tax:	£137,986
Tax:	£26,217
.....	
Profit available for distribution:	£111,769



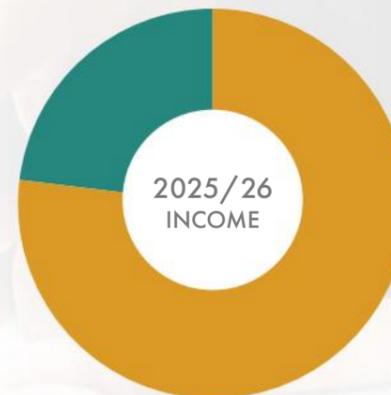
Income:	£6,803,707
Expenditure:	£6,462,199
Profit before tax:	£341,508
Tax:	£85,377
.....	
Profit available for distribution:	£256,131



Income:	£8,403,389
Expenditure:	£7,046,533
Profit before tax:	£1,356,836
Tax:	£339,209
.....	
Profit available for distribution:	£1,017,627



Income:	£9,844,315
Expenditure:	£7,594,400
Profit before tax:	£2,249,915
Tax:	£562,479
.....	
Profit available for distribution:	£1,687,436



Income:	£10,309,623
Expenditure:	£7,938,776
Profit before tax:	£2,370,847
Tax:	£592,712
.....	
Profit available for distribution:	£1,778,135





[www.colchesteramphora.com](http://www.colchesteramphora.com)

