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Colchester
COMMERCIAL HOLDINGS



Business Plan

April 2021 - March 2024



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EXECUTIVE SUMMARY

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

- Colchester Amphora Energy Ltd (CAEL)
- Colchester Amphora Homes Ltd (CAHL)
- Colchester Amphora Trading Ltd (CATL)

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

In addition, CCHL also provides strategic management of CBC’s Sports and Leisure services, however its budget and associated resources remain within the Council’s direct control.

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.

STRUCTURE AND GOVERNANCE

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

There are five board directors:

- **Cllr Nick Barlow** – Board Chair
- **Adrian Pritchard** – Board Director, MD of CCHL and CEO of CBC.
- **Cllr Martin Goss** – Board Director
- **Cllr Brian Jarvis** – 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 its subsidiaries.

Any 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

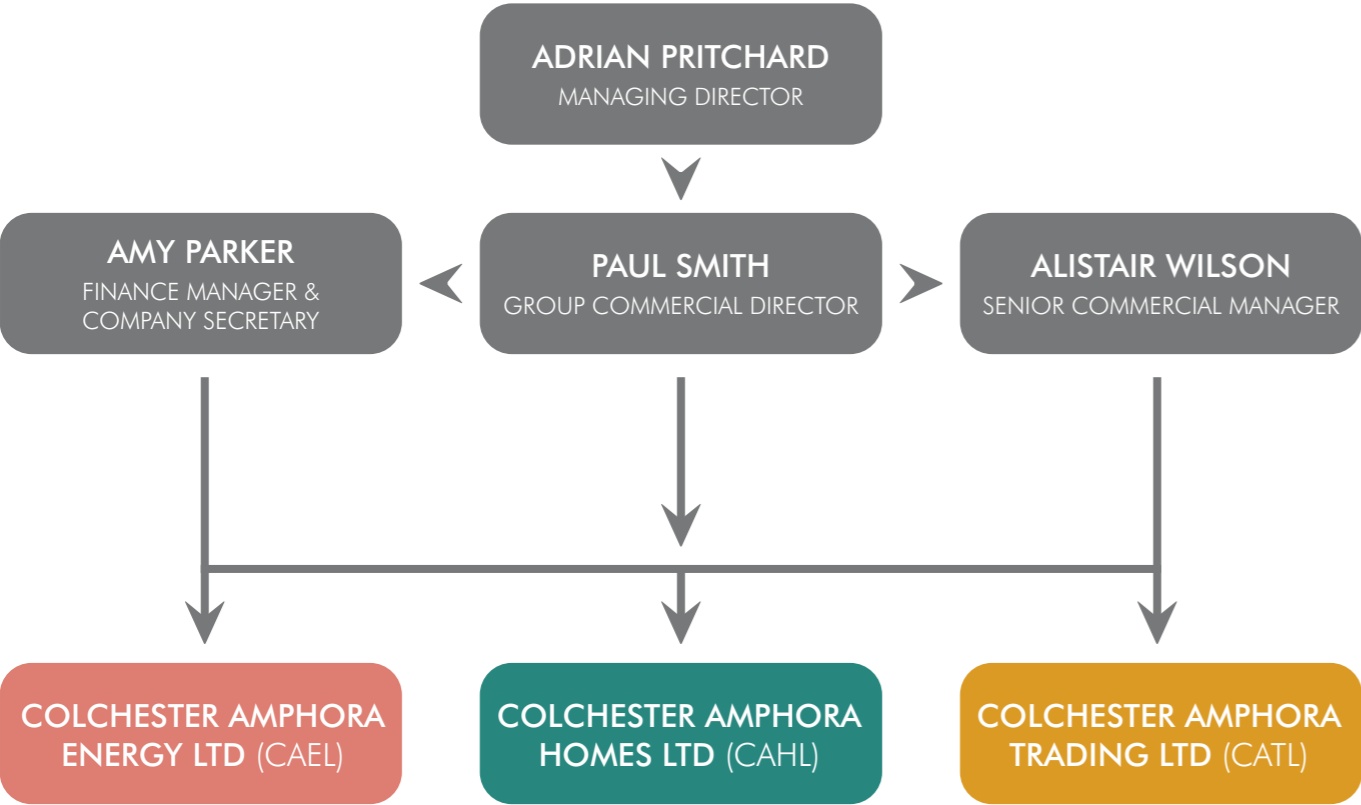
CCHL is subject to requests for the disclosure of information under the Freedom of Information Act 2000. As such, CCHL maintains a record management system that complies with the relevant guidance concerning the maintenance and management of records.

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.

- **Adrian Pritchard** – Managing Director
- **Paul Smith** – Group Commercial Director
- **Alistair Wilson** – Senior Commercial Manager
- **Amy Parker** – 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.

It is not currently envisaged that this small CCHL team will need to be expanded within this Business Plan period.

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.

Services cover:

- HR support, including recruitment, training and payroll
- Finance - transactional finance functions and financial control activities
- IT - 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

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

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
- Asset management
- Events, including weddings, outdoor events and venue hire;
- Helpline care service
- CCTV monitoring
- A local full fibre network
- Strategic management of Sports and Leisure services

In addition, CCHL also provides strategic management of CBC's Sports and Leisure services, however its budget and associated resources remain within the Council's direct control.



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.

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 only 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.

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 delivery of council priorities 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.

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 differential between CBC interest rate borrowing and interest rate charged from CCHL loan
- A Local Full Fibre Network income
- Employers pension cost savings against the local authority pension scheme
- CBC property leasing agreements
- An annual license income for each Events venue c£4k pa
- VAT recoverable on Amphora construction projects
- Cost effective project management fees
- Restructuring of Sports and Leisure management structure
- Expert advice at no additional charge. This includes a contribution to CBC's climate change team and providing project initiation, opportunities and advice on technical issues.
- Capital receipts - CCHL's asset management team has generated £2m of capital receipts since 2017
- Showcasing innovation and partnership via national awards programmes

The above benefits (excluding the £2m capital receipts) have generated approximately £721k of additional financial benefit to CBC for the year ending 31 March 2021.

Business and economic benefits to Colchester

- All residential development includes 30% Affordable Housing
- An increase in car park income, generating from tens of thousands of annual visitors to CATL 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 THE MJ

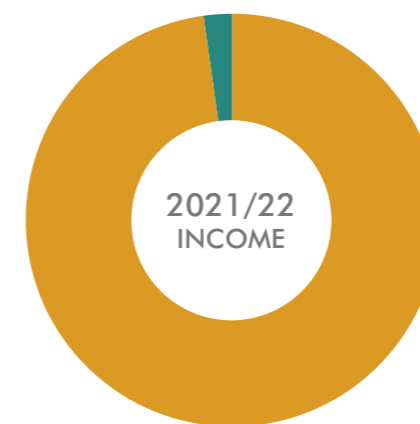
**LGO Awards
2020**
WINNER

FINANCIAL PROJECTIONS

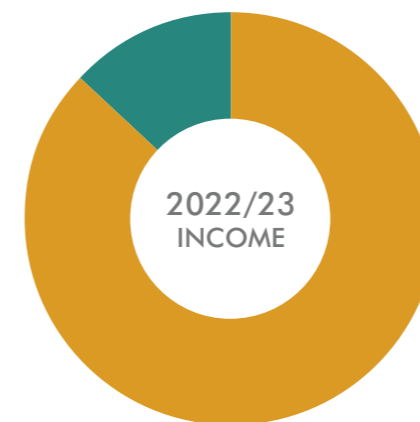
Group Consolidated Forecast

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

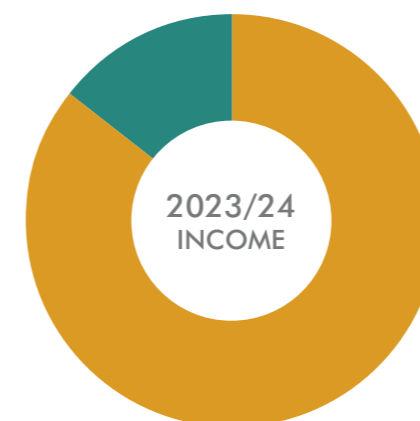
■ Expenditure ■ Profit before tax



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



Income:	£7,646,821
Expenditure:	£6,664,259
Profit before tax:	£982,563
Tax:	£186,687
Profit available for distribution:	£795,876



Income:	£8,089,825
Expenditure:	£6,940,661
Profit before tax:	£1,149,164
Tax:	£218,341
Profit available for distribution:	£930,823