



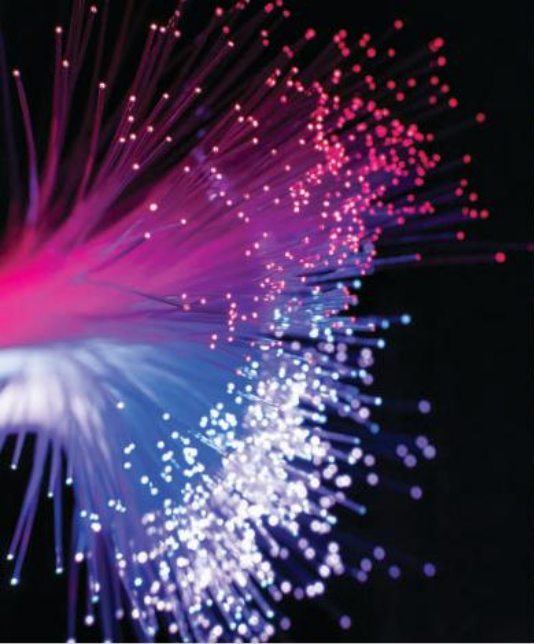
Colchester
COMMERCIAL HOLDINGS



ANNUAL REPORT



2021 - 22





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FOREWORD



Welcome to the 2021/22 Annual Report

It is my pleasure to report another positive year's trading for Colchester Commercial (Holdings) Ltd which, despite

covering a period when the country was emerging from the impact of the Covid 19 pandemic, resulted in a dividend payable to Colchester Borough Council of £172,000.

The Amphora group of companies achieved many successes over the last twelve months, some of which I highlight below:

In supporting the council's 2017-22 Digital Strategy to make gigabit connectivity available to every property in urban Colchester, Colchester Amphora Trading Ltd (CATL) completed delivery of a full fibre network which, in collaboration with our partners, will enable ultrafast broadband connectivity to more than 15,000 properties. The year also saw the establishment of Colchester Fibre to provide and operate an ambitious commercial programme to roll out pure fibre broadband direct to households and businesses. This in turn will facilitate early investment in 5G technology and attract high quality businesses and investors to the borough.

In a year when Britain hosted the UN Climate Change Conference in Glasgow (COP26), the group also reached several milestones in support of the council's green agenda. At the Northern Gateway, Colchester Amphora Energy Ltd (CAEL) completed the complex selection process to appoint a contractor for the design and build of the low carbon District Heat Network. In addition, CAEL completed feasibility work for the development of a microgrid to provide electricity generated from a proposed 4.5 MW PV solar farm. The Helpline service took possession of a new fleet of hybrid vehicles to cut carbon emissions and Colchester Amphora Homes Ltd (CAHL) project-managed the fit out of air source heat pumps to our new build properties. These positive steps demonstrate a commitment to working in partnership with the council to act on the climate emergency crisis.

This was a transformational year for the town's CCTV too, which benefited from the deployment of a fully digital system and the rebuilding of the monitoring suite. We are seeing how this investment is enhancing public safety by increasing the coverage and clarity of information that is available to Essex Police.

The Commercial Development team within CATL completed many projects to improve the public realm from constructing the new Stanway Lakelands Community Centre to creating welcoming and accessible public squares such as at Balmerne Gate where improvements complement the £11m redevelopment of the Mercury Theatre.

Encouragingly, CATL reports on a year when the events industry, and in particular Colchester Events, came bouncing back with energy. Over five hundred events took place which attracted over 125,000 visitors to the borough. Likewise, Colchester Weddings saw buoyant activity across the year, boosted by increased demand following the Covid 19 lockdown restrictions.

CATL's Estates team continues to identify and secure asset management initiatives and negotiate land and property disposals and acquisitions, to bring in substantial total capital receipts to the council. In its consultancy capacity, the team is advising on Turnstone Estate's new £65m commercial leisure development at the Northern Gateway - the largest leisure development of its kind currently being built in the country.

Congratulations to CCHL and its dedicated team of employees for their outstanding achievements this year.

Cllr Martyn Warnes

Chair of Colchester Commercial (Holdings) Ltd
Board of Directors

WHO WE ARE

Colchester Commercial (Holdings) Ltd (CCHL) is the holding company for three 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 our shareholder.

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

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

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

WE AIM TO

Generate profit to maintain viability, reduce risk, return a dividend to our shareholder and re-invest in our organisation

Provide our clients with high-quality products and services while maintaining a high level of return for the council

Capitalise on our range of unique products and services to gain market share

Operate in a commercial, innovative manner exploring options for development and expansion

Improve quality and availability of homes for private sale and affordable rent for local people

Help build the brand for Colchester as a place to do business, invest, live, study and visit

HOW WE ARE GOVERNED

CCHL is operated through a 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 quarterly basis and are bound by the Articles of Association, Code of Conduct and Governance Agreement with Colchester Borough Council, the company's shareholder.

HIGHLIGHTS OF OUR YEAR

IN 2021/22, WE...

paid a **DIVIDEND**
of **£172,000**
to Colchester Borough Council

achieved a
£6.35 million turnover

completed **8 NEW HOMES**
at Creffield Villas in Lexden
including new social housing

identified **5** new garage
sites for the construction
of **23** new properties

maintained a
£3.3 million
annual rental income from the
council's property portfolio

saw total capital receipts from
the council estate of
£270,000 with a further
£1.9 million identified

began construction of the
£65 million
Leisure Park at CNG with partners
Turnstone Estates

opened the
£28.8 million
Colchester Sports Park at Northern
Gateway on 26 April 2021

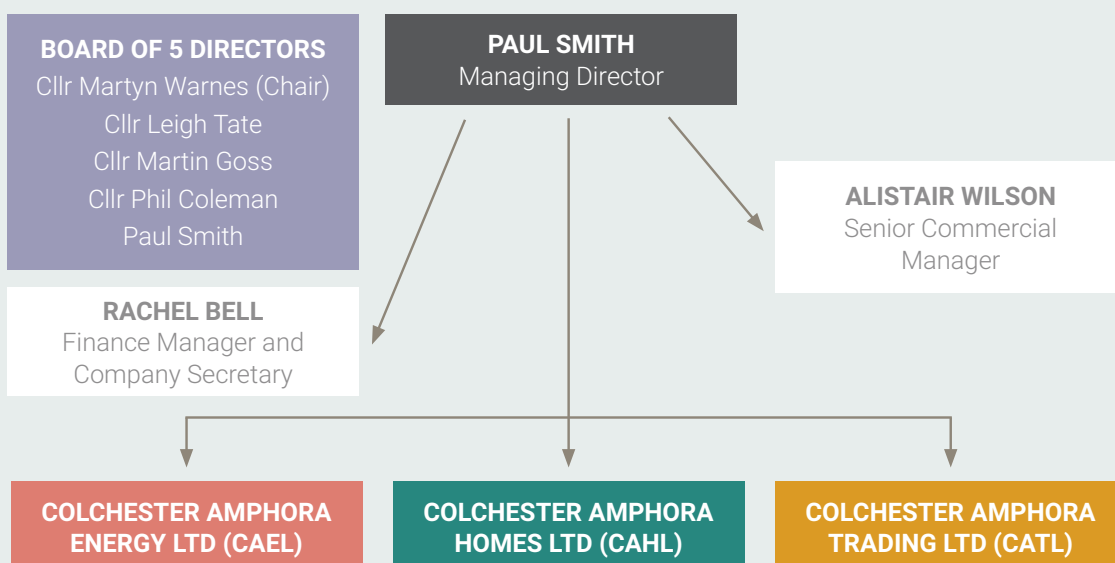
introduced a fleet of
4 new hybrid vehicles
to Helpline to support the council's ambition
for a fully carbon neutral fleet by 2030

enabled more than
15,000 premises to benefit
from full-fibre
gigabit connectivity

increased public safety with
our digital CCTV upgrade
recording **2,318** incidents
resulting in **223 arrests**

delivered **549 events**
and attracted over
125,000 visitors
to our Colchester venues

COLCHESTER COMMERCIAL (HOLDINGS) LTD (CCHL)



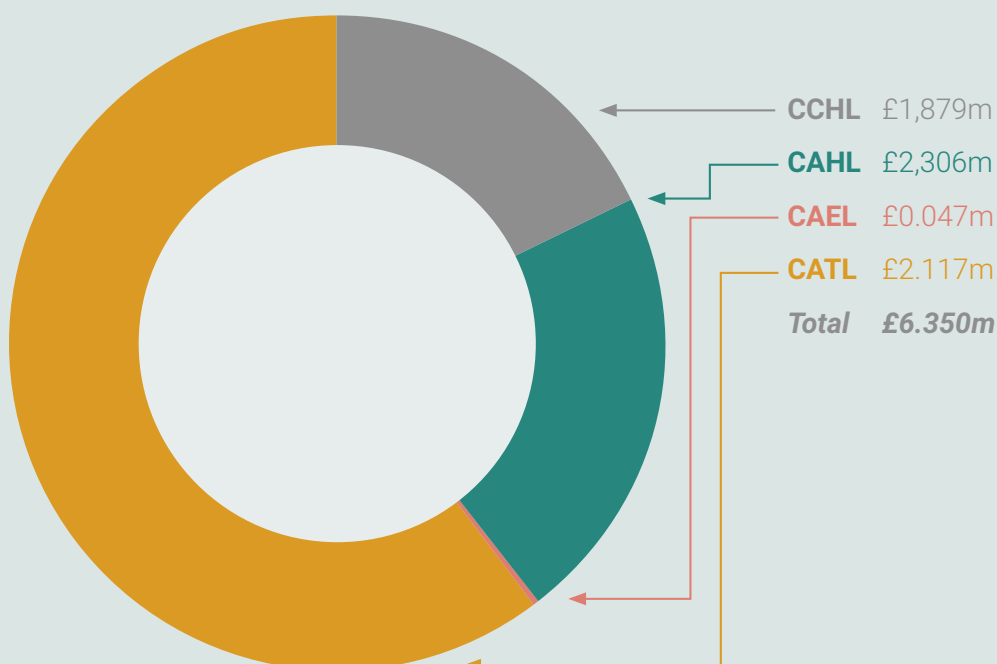
FINANCIAL REVIEW

Delivering value for Colchester Borough Council

Despite a challenging and unpredictable year, CCHL and its subsidiaries successfully delivered a revised dividend target of £172,000.

In the year ending 31 March 2022, CCHL received £6.35m of income for the products and services it provides and spent £6m to provide its services. This includes £655,285 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.

The overall financial performance in this third full year of trading was good, and in making a profit, CCHL delivered a dividend of £172,000 which was above expectations.



COLCHESTER AMPHORA TRADING LTD PERFORMANCE REVIEW 2021/22



COMMERCIAL DEVELOPMENT SERVICE

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

Colchester Northern Gateway (CNG)

The council's ambitious development at Colchester Northern Gateway (CNG) continues to be a major focus for CATL and its Commercial Development team. This expansive space, which lies to the north and south of Junction 28 of the A12, is gradually transforming into a new sport, leisure, business and residential destination of regional significance.

In October 2021, construction of 'The Walk' was completed. This tree-lined, pedestrian thoroughfare runs like a spine through the centre of the development to link the existing residential areas situated east and north-east of the site with the future leisure development west of the site. Once opened it will enable members of the public to walk, jog and cycle through the development and benefit from the associated landscaping, street furniture and additional facilities providing opportunities for relaxing and socialising.

In March 2022, Turnstone Estates began construction of its £65 million Leisure Park development. This is the largest leisure development of its kind currently being built in the country and will be home to a 12-screen cinema, up to seven restaurants and a 90-bed hotel, two drive-thru restaurants, a bowling alley, indoor golf centre, and climbing centre as well as a high-quality landscaped piazza and parking for 750 cars – including electric car rapid charging points. In January 2022, Turnstone Estates added Kervan Kitchen Restaurant Group to the line-up of operators which include Cineworld, Fastned, Travelodge, Hollywood Bowl, Puttstars, Greggs and Wendy's. Construction of this major development is expected to be completed in early 2023.

Following hybrid planning approval at Northern Gateway South for a healthcare campus, including up to 300 older people's homes, private acute surgical hospital, medical centre, 75- bed care home and up to 45,100sqm offices, the team appointed a range of professional services from October 2021, including architects and associated services such as structural and mechanical engineers.

The team obtained a grid connection from the District Network Operator for the CNG development for 3MVA before successfully brokering an increase to 5MVA.



Adoption of the Axial Way pumping station, which will form the foul sewerage system for the site and the surrounding areas north of the site, advanced with the appointment of a contractor and services engineer in summer 2021.

Commercial Development Feasibility Programmes

The year saw a diversity of fee agreements awarded to CATL for feasibility works including:

- **Heart of Greenstead**
 - assistance on the council's business case for redevelopment works utilising Town Deal funding for new dwellings, a community hub, NHS centre and retail. The team was appointed in summer 2021 to undertake works from feasibility to RIBA stage 7.
- **Town centre road network and pedestrian thoroughfare improvements**
 - utilising Levelling Up Funding (LUF) to explore potential works.
- **Colchester crematorium**
 - feasibility work and business case to ensure the facility can continue to meet demands of a growing city.
- **Fieldgate feasibility study**
 - the team's work to appraise options of various proposals to repair the failed quayside sheet piling carried out in early 2022 led to full project management for the works throughout all RIBA workstages.

Project Management

At Rowan House, the council's head offices, CATL was appointed to project manage the building's complete overhaul which included heating, ventilation and air conditioning (HVAC) and mechanical, electrical and plumbing (MEP) services. In January 2022, the team began the process to commence works from RIBA stage 3 through to RIBA stage 7.

In Queen Street, CATL are the development managers delivering new 'grow on' creative and digital workspace and a digital working hub at the former bus depot. The project involves a complex demolition which commenced in December 2021 and will be followed by archaeological excavations prior to construction of the new scheme in 2023.

The year also saw completion of Phase I of new public space created at Balkerne Gate to complement the £11m redevelopment of the Mercury Theatre. Thanks to additional funding from the Town Deal, the design and development of phase II of this work is now underway to create further accessible spaces to enhance the western entrance to the town centre.

In September 2021, CATL celebrated the start of works on the new Stanway Lakelands Community Centre located on Western Approach. The accessible building will offer a main hall with a sprung floor, space for a community café/function room, plus office and meeting space. Completion is due in the autumn 2022.

The team also advanced the development of a new community centre located on the site of the former rugby club on Mill Road within Colchester Northern Gateway. Demolition of the former clubhouse took place in December 2021.



ESTATES AND ASSET MANAGEMENT SERVICE

Colchester Amphora Trading Ltd (CATL) provides high quality estates and asset management services to Colchester borough council for its diverse operational and investment portfolios. In addition, it offers a range of specialist consultancy advice to all departments within the Council and secures additional income for the company through its specialist valuations.

The service's dedicated team of professional chartered surveyors and technicians continues to focus on maximising and generating new income from CBC assets, increasing capital receipts and providing our client with high quality advice on the effective use of its property portfolio, which has become even more important following the Covid-19 pandemic.

During 2021/22, the team successfully managed CBC's property investment portfolio maintaining over £3m of income for the council. In addition, the team continued to identify and secure asset management initiatives bringing in substantial total capital receipts to the council of £270k with a further £1.9m identified or in solicitors' hands.

Throughout the year, the team dealt with the marketing and negotiation of over £20m worth of land and property for disposal, as well as dealing with strategic land acquisitions and supporting

community initiatives through consultancy work. The Estates team has taken the lead consultancy role in several high-profile projects including Turnstone's new £65m commercial leisure development at CNG and the new CNG Sports Centre.

Maximising asset performance is a priority for the council. Recommendations made by the CATL Estates team to rationalise its operational portfolio, for example at Rowan House and Gosbecks, are currently being implemented with the team continuing to provide a range of specialist advice including disposal work, lease advisory and leasing and letting to facilitate this.

Going forward, the team will continue to ensure that CBC's investment and operational property portfolios release opportunities to add value and support the delivery of sustainable council services for the community.





HELPLINE

Helpline continued to deliver a high-quality monitoring and response service to vulnerable residents across Colchester and North Essex, 24 hours a day, 365 days of the year.

In another challenging year impacted by the Covid 19 pandemic, the service demonstrated its resilience with robust business continuity plans in place to enable a full monitoring and response service to be maintained. This was vital to support the NHS at a time when many other providers were failing to attend to their customers' needs, resulting in added pressure and workload for the emergency services. The remarkable team effort meant Helpline delivered this vital service throughout the pandemic without fail, providing valuable support to our customers.

Despite the challenges of the pandemic, the establishment of an Essex County Council wide service and the emerging analogue switchover, Helpline still attracted over 350 new customers, maintaining its customer base with 1 in 7 customers now located outside of Colchester, predominantly within the Tendring area.

The team also expanded its services across the wider healthcare sector. Under Operation Pendant, Helpline continued to work in partnership with the

East of England Ambulance Service to pick up non injured fallers across North Essex. This helped reduce demand on the NHS at a time when it was stretched to capacity. Teams attended to direct referrals from the ambulance service, lifting patients in their own homes and removing the need to convey them to hospital. This vital support demonstrates Helpline's wider benefit across the whole health and care provision. In addition, this service was extended to Single Point, the palliative care advice and coordination service, providing valuable support to residents with cancer.

As part of the ongoing development of the Helpline Service, 2021/22 saw investment in a new fleet of hybrid vehicles - the Renault Clio E-Tech. As a company wholly owned by Colchester Borough Council, CATL supports the council's commitment to have a fully carbon neutral fleet by 2030. With zero tailpipe emissions and lower CO2 emissions, the switch to EV and hybrid cars was a positive step demonstrating our commitment to tackling the Climate Emergency crisis.

Finally, in a response to a competitive market, the year saw Helpline benefit from a brand refresh with a vibrant new look to highlight its 24/7 service. The new brand was proudly launched across its new fleet of cars in March 2022.

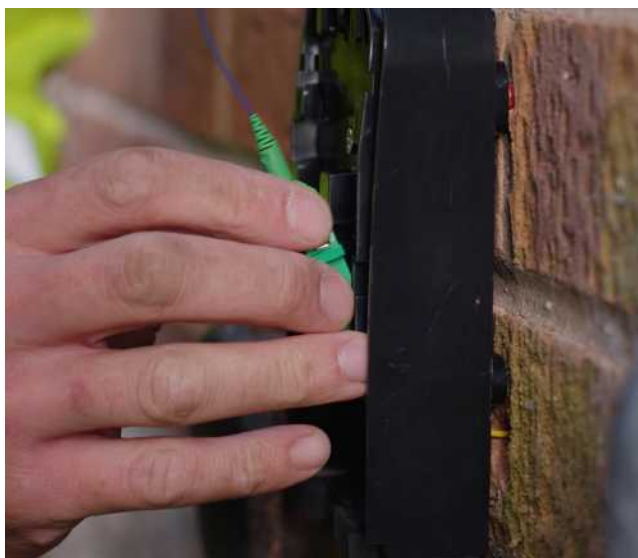
COLCHESTER FIBRE

CATL led negotiations with VX Fiber, one of Sweden's largest telecoms operators, to secure £48m of foreign direct investment in Colchester. As a result of this combined investment, full-fibre gigabit connectivity will be available to more than 15,000 premises in central, southern and eastern parts of Colchester during 2022. Works are underway to bring future-proof connectivity to more than 3,700 premises in Wivenhoe, with Rowhedge and other parts of Colchester to follow.

Colchester Fibre was established as a trading brand in April 2022 and appointed by CBC to operate and commercialise the infrastructure, with profits reinvested in Colchester for the benefit of the community.

A wide range of services is already available across the network, including residential and business connectivity, point-to-point links, white label services resold by our service provider partners, the council's CCTV service and connectivity to major public buildings.

During 2022-23, the network will underpin parts of the Town Deal programme of regeneration work, as well as the redevelopment of the old bus depot site on Queen Street into a state-of-the-art digital working hub focused on Virtual Reality technology.



CCTV

This was a transformational year for CCTV with the full upgrade and extension of a high-definition digital system completed in August 2021, significantly enhancing public safety in Colchester and the surrounding area.

The intensification of cameras in the town centre and the connection of additional strategic locations enabled the dedicated team of Monitoring Centre operators to capture and report more incidents and support Essex Police in securing more arrests. During the year, the team recorded 2,318 incidents which resulted in 223 arrests demonstrating the benefits of the improved digital system.

The digital upgrade was project managed by CATL from inception and design to delivery and was completed on time and to budget. This transformation programme has significantly increased the visibility and coverage of the



camera network to support the town centre's further reduction in crime and anti-social behaviour. In addition, the programme has connected other areas, such as Colchester Northern Gateway and Leisure World, to the central monitoring system. In aligning the digital upgrade to the wider investment of Local Full Fibre Network, CATL achieved significant efficiencies and cost savings.

The new digital platform will also enable CATL to seek opportunities for commercial monitoring of alarms and CCTV for external organisations and businesses in the future.

SPORT AND LEISURE

CATL provides commercial and strategic advice to the management of sport and leisure for Colchester Borough Council; this service does not form part of the financial performance of the company.

In what was a recovery year from Covid 19 for sport and leisure, 2021/22 saw an encouraging return to normality with strong user numbers and income achieved.

The year heralded the opening of the long-awaited Colchester Sports Park at Northern Gateway on 26 April 2021. CATL played a pivotal and leading role in the design, build and development of the facility including the customer and operations plan for the Sports Park. This facility offers cycling, cricket, badminton, rugby, archery, gym and classes, as well as safe and attractive recreational space across the 76-acre site for families and individuals to enjoy.

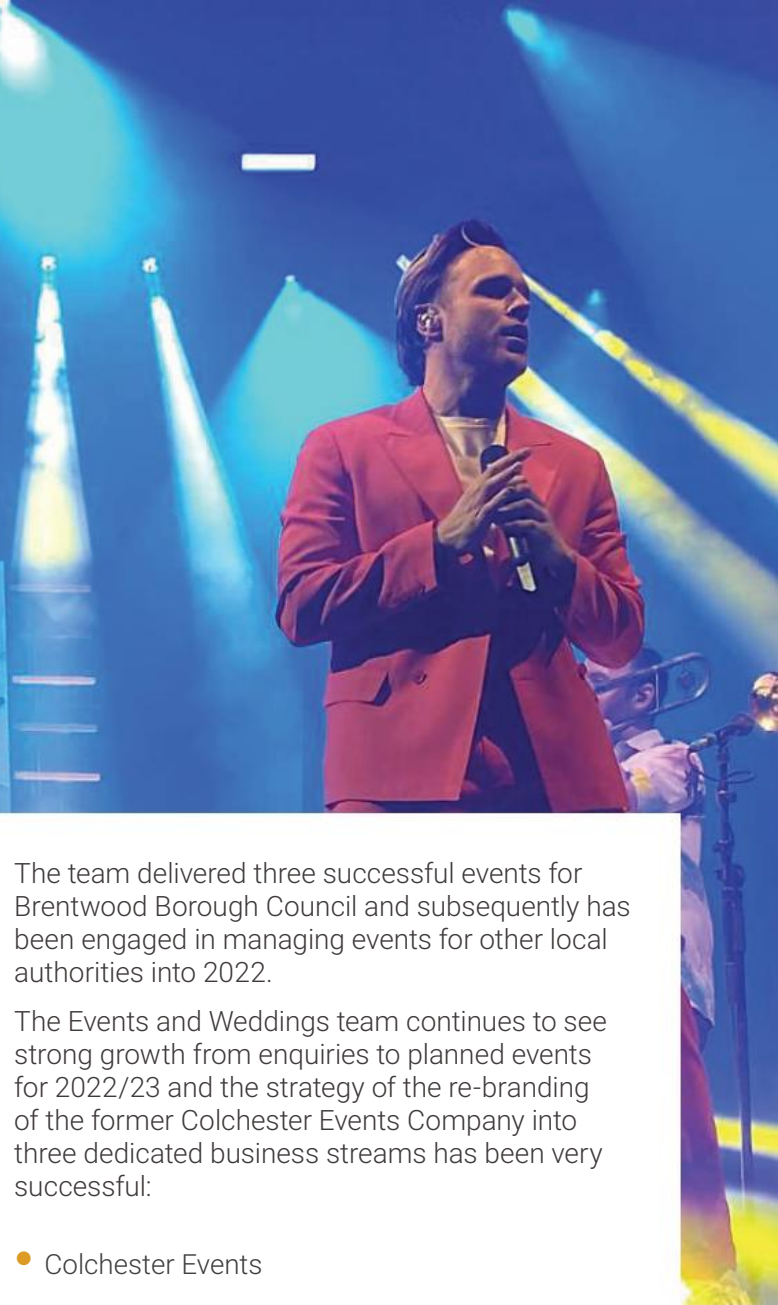
Against such a background there were notable achievements which supported both customer growth and cost reduction, in particular:

- Negotiation of grounds maintenance provision for the Sports Park
- Successful sub-letting of space for a physio suite at the Sports Park
- Agreement of appropriate fees for Covid 19 impacted year for joint use sites
- Marketing of a development opportunity for West End Tennis Centre which should come to fruition in 2022/23



EVENTS & WEDDINGS

OLLY MURS COLCHESTER CASTLE PARK



The year 2021/22 saw the events industry, and in particular Colchester Events, come bouncing back to enable residents and visitors to return to near normality whilst continuing to follow advice in delivering safe, secure and enjoyable events.

As restrictions eased the team worked tirelessly with promoters and residents in rescheduling many events and weddings, resulting in a condensed and busy programme. This recovery year still delivered 549 events attracting over 125,000 visitors to the borough.

Headline events were well attended and helped boost the profile of the borough, in particular Olly Murs at Castle Park and the hosting of The Women's Tour which was re-scheduled to October 2021. Both attracted thousands of visitors and wide media coverage, helping to promote Colchester nationally as a place to live, work and visit.

Colchester Events was also successful in securing Arts Council Recovery Funding which was used to deliver events in a covid secure way, invest in tills and PDQs to move to cashless operations, create 3D venue tour videos for promoters, and support cultural events such as Music of the Spheres in Castle Park. The year also saw the launch of The Ticket, the new look digital events magazine designed to showcase the variety of entertainment on offer across all venues.

During the year, the team made excellent progress with business development. The Old Library, an under-used location within the Town Hall, was brought back into use as a new venue for hire.

The team delivered three successful events for Brentwood Borough Council and subsequently has been engaged in managing events for other local authorities into 2022.

The Events and Weddings team continues to see strong growth from enquiries to planned events for 2022/23 and the strategy of the re-branding of the former Colchester Events Company into three dedicated business streams has been very successful:

- Colchester Events
- Colchester Venues
- Colchester Weddings

Whilst maintaining synergies under the CATL business, each brand now has its own distinct logo, website and social media channels to enable more customer focused marketing and refined customer journeys.



COLCHESTER AMPHORA HOMES LTD

PERFORMANCE REVIEW 2021/22



Colchester Amphora Homes Ltd (CAHL) is a housing development company established to deliver new high quality affordable and private homes for the people of Colchester and the surrounding area.

This year saw completion of the redevelopment of Creffield Villas, a prestigious Victorian property in Lexden, Colchester. The building was converted into six luxury apartments, two of which now provide much needed social housing, with a further two, new three-bedroom family houses constructed within the grounds.

These high-quality properties marked the first of CAHL's developments to have reached market and proved a big draw for buyers. Income from the resulting sales will support the delivery of new housing at Mill Road.

At Colchester Northern Gateway – South, CAHL is delivering up to 320 new homes, which include 30% affordable housing, all to be connected to the low-carbon District Heat Network. Following on from the successful outline planning resolution gained in July 2021, CAHL is working with CBC's planning team on a reserved matter application, in association with the appointed architect Ingleton Wood who were commissioned in March 2022.

Construction also progressed on the redevelopment of a former residential property at Military Road, Colchester where CAHL project managed the build of six one and two-bedroom apartments, plus two new two-bedroom houses. The project, which will yield 100% affordable units for social housing, is firmly on track for completion in July 2022.

Redevelopment of the three former garage sites at Buffett Way and Scarfe Way, Colchester and Hardings Close, Aldham also advanced during the year with Hardings Close completing in August 2021, and Buffett Way and Scarfe Way on track for completion in autumn 2022. The transformation of these three sites into a total of 16 two and three-bedroom homes, all built to the Government's Future Homes Standards, is increasing the supply of affordable rented homes in the borough, supporting the council's efforts to tackle local housing need.

With continued focus on improving the availability of homes for private sale and affordable rent for local people, CAHL worked closely with the borough council to identify a third phase of garage sites suitable for development. Following local consultations, planning permission was achieved in July 2022 for five sites across the borough: Cross Cottages, Boxted; Hedge Drive, Shrub End; and Prospero Close, Veronica Walk and Wheeler Close in Greenstead. Together these will yield a further 23 properties for social housing with anticipated completion in 2024.



COLCHESTER AMPHORA ENERGY LTD

PERFORMANCE REVIEW 2021/22



Colchester Amphora Energy Ltd (CAEL) implements low carbon energy projects and provides energy consultancy in North Essex, primarily to Colchester Borough Council working with its Sustainability and Climate Challenge groups and advising on energy aspects of development projects.

The focus for CAEL during 2021/22 has been on the delivery of the council's flagship project to install a low carbon District Heat Network at Colchester Northern Gateway. The tender for the detailed design and build, which took many months of preparation due to the complexity of the project, was issued in March 2021 with the contractor selected in September 2021. The award was subsequently put on hold whilst land sales progressed and confirmation received for when heat supply would be required.

This innovative scheme will provide a low carbon heat solution to residents, businesses and other commercial users. The project will deliver 5.5 GWhrs of heat a year, of which in the region of 75% of hot water for heating and washing will be generated by the heat pump. It is the first of its kind to be used on this scale in the UK, using a confined chalk aquifer, and is a key element in meeting the council's climate change ambitions.

Further work took place on the development of a microgrid at the Northern Gateway with solar PV and battery storage. Two stages of feasibility work were completed, alongside discussions with the local Distribution Network Operator (DNO), to develop the business case. This potential project will provide the development with electricity generated from its own 4.5 MW PV solar farm to help reduce the development's carbon footprint ahead of the National Grid's decarbonisation. This will also create an income stream for the council and potentially lower prices for those in the microgrid.

CAEL continues to explore new areas of business, working with the council to look at new energy projects to meet its 2030 carbon targets.



LOOKING *ahead*



In an increasingly challenging financial climate, local authorities continue to feel the pressures of funding constraints, the growing needs of residents, technological change, and environmental risks.

In this context, the value of the Amphora group of companies to our sole shareholder, Colchester Borough Council, is becoming increasingly clear. This 2021/22 Annual Report demonstrates the commercial expertise of our teams across the three dedicated businesses, to bring financial resilience through the delivery of high quality, place-defining developments, sustainable energy solutions and services with a community and commercial focus. I am delighted that CCHL has delivered a dividend of £172,000 to Colchester Borough Council.

The work undertaken in these still challenging times puts us in the best possible position to face the significant challenges ahead and maintain healthy dividends for the future. This will become increasingly vital to help ensure valued services for the residents and businesses of the borough are maintained.

Although outside the realms of this report, the welcome news that Colchester has gained city status is a huge boost for the fortunes of the borough. We can be confident that the Amphora companies will be at the heart of future growth, innovation and enterprise as befits Britain's newest city.

Finally, I'd like to thank the CCHL board members for their continued support, advice, and encouragement. This year saw my appointment as Managing Director of CCHL and in accepting the role, I want to acknowledge the commitment of all our staff, board and partners who have worked hard to achieve such positive annual results. I am encouraged and excited to see our achievements to date and look forward to embarking on our next year of operations and opportunity.

Paul T Smith

Managing Director and Board Director,
Colchester Commercial (Holdings) Ltd





Colchester
COMMERCIAL HOLDINGS

www.colchesteramphora.com