

# Report to Place Scrutiny Committee

**Date of meeting: 27 February 2024**

**Portfolio:** Contracts, Service Delivery and Improvement  
Portfolio (Councillor Raymond Balcombe)

**Subject:** New Epping Leisure Centre Project Update

**Officer contact for further information:** James Warwick

**Democratic Services Officer:**

L Kirman: Email: [DemocraticServices@eppingforestdc.gov.uk](mailto:DemocraticServices@eppingforestdc.gov.uk) Tel: 01992 564243

---



**Recommendations/Decisions Required:**

**To consider progress of the new Epping Leisure Centre project.**

**Report:**

1. On 13 March 2023, Cabinet agreed the delivery of the new Epping Leisure Centre project and that Places Leisure appoint Pellikaan Construction Ltd. to construct the Epping Leisure Centre. This report seeks to provide a progress update following Cabinet approval.
2. The new Epping Leisure Centre is to be constructed on the former Bakers Lane car park site in Epping and will replace the existing Epping Sports Centre once completed. The Epping Leisure Centre is recognised to bring financial and community benefits to the Epping Forest District and will provide a main swimming pool, learner pool, sports hall, health and fitness gym, studios and squash courts. The new facility aims to achieve a BREEAM 'Excellent' rating to become the most energy efficient leisure facility in the District, supporting the Council's aim to become a carbon neutral District by 2030. Epping Leisure Centre will provide an increased provision to accommodate current demand and also future proof the expected increase in future demand.
3. The project is delivered by Epping Forest District Council in partnership with Places Leisure under the existing Design, Build, Operate & Maintain Contract (DBOM). The Council's four facilities (Epping Sports Centre, Loughton Leisure Centre, Ongar Leisure Centre and Waltham Abbey Leisure Centre) are managed by Places Leisure under the DBOM contract. The contract was used to deliver the Waltham Abbey Leisure Centre in 2017 and the same mechanism will be used for the new Epping Leisure Centre. Following a competitive tendering process, the works contract was awarded to Pellikaan Construction Ltd. Pellikaan Construction is the same company that successfully built the Waltham Abbey Leisure Centre.
4. The planning application for the new Epping Leisure Centre was granted at the District Development Management Committee meeting on 27 October 2021. Following Cabinet approval for the delivery of the facility, a Value Engineering (VE) workshop was

conducted for cost-saving opportunities that do not compromise the design and required functionalities. These opportunities included the use of air source heat pumps in lieu of ground source heat pumps, changes to the positioning of the building to omit retaining wall/sheet piling and introducing an area for extra storm water storage to omit the blue roof. A Non-Material Amendment application was submitted in respect of these changes and approved on 2 October 2023.

5. The Bakers Lane car park closed on 14 November 2023 and Pellikaan Construction Ltd. have taken formal possession of the site to construct the new Epping Leisure Centre. Mobilisation and site preparation works are currently taking place at a steady pace. The contractor has completed the site investigation surveys and testing, site clearance works (including stripping out the existing foliage), sheet piling capping line and breaking out of the tarmac. Progress photos are included in the Appendix. Upcoming works include erection of main site hoarding, piling works, excavation of basement and swimming pools. The estimated completion of the facility is Q4 2025.
6. The Council has demonstrated prudent financial and project management discipline on the project to date. There is a robust cost planning process in place where costs are reviewed in real time and the project is currently reporting on budget. The VE exercise has generated savings which will be used as a contingency reserve for potential project risks with high impact such as ground contamination, increase in Section 278 Highway costs and other unforeseen project expenses.
7. Quality control is an important aspect of the project to ensure that the facility is constructed according to the required standards and specifications. Pellikaan prioritise quality standards and the level of quality control during the construction phase can be demonstrated by the Waltham Abbey Leisure Centre, which had no significant defects during the Defects Liability period. Pellikaan have a dedicated contract manager, project manager, design manager and site manager for the Epping Leisure Centre project. Press and Starkey is the Independent Certifier, appointed to monitor the quality of the construction and ensure compliance with the design, specification and statutory standards with the project requirements. The Council and Places Leisure also have designated project managers for close monitoring of the project.
8. Regular contract meetings with the project team are taking place to ensure the team are informed and aligned with project goals, timelines and progress.
9. Pellikaan Construction prioritise being considerate to communities, the environment and their own workforce during construction and is part of the Considerate Constructors Scheme (CSS). The Epping Leisure Centre site is also registered with CSS for independent monitoring to assess how the site is performing against the Code of Considerate Practice. Additionally, Pellikaan is committed to providing Social Value benefits to the District and is working with the Council's Economic Development team to offer employment opportunities to residents, provide apprenticeships and appoint local suppliers.
10. The Council recognises that managing stakeholder communication is a fundamental part of the project and needs to be conducted in an effective way. A comprehensive communications plan has been developed for effective communication and collaboration throughout the project lifecycle. Examples include a dedicated EFDC webpage for regular updates, Contractor newsletters to residents, a ground-breaking ceremony and burial of a time-capsule with the local Epping Primary School. A future progress report will also be brought to the Stronger Place Select Committee in Q1 2025.

**Reason for decision:**

To report on progress for the new Epping Leisure Centre project.

**Options considered and rejected:**

Not providing a progress updated on the Epping Leisure Centre project. This option was disregarded as members are key stakeholders and progress updates are important for stakeholder engagement.

**Consultation undertaken:**

A public consultation was undertaken as part of the statutory planning process. Leisure Management Partnership Board have been kept up to date with progress and will continue to be updated throughout the project.

**Resource implications:**

The approved capital budget for the project is £33.1m and the project is currently within budget. The construction contract is a fixed priced sum, however, the project total may vary due to fluctuations in provisional sum items, client direct costs or extraordinary unstable economic conditions.

The annual management fee for the new facility is still to be determined (revenue cost). The Council is currently working with external consultants and Places Leisure to agree a management fee for the facility.

**Legal and Governance Implications, Relevant Statutory Powers:**

Under Local Government Act 1976, the Council has powers to provide recreational facilities within its area and duty to take such steps as it considers appropriate to improve the health of the people in its area.

Anthony Collins Solicitors LLP is providing legal services to the Council on this project. Legal work on the DBOM contract variation is ongoing between the Council and Places Leisure. An Early Works Agreement has been entered into for the preliminary works, prior to finalisation of the DBOM contract variation.

Work is progressing for the Essex Highways Section 278 Highways Agreement.

**Corporate Plan Implications:**

The delivery of the Epping Leisure Centre contributes to the following strategic aims of the Council:

- Working with our partners to achieve wellbeing and health equity for all our residents.
- Reduce pollution and protect our environment by delivering the Climate Change Action plan effectively by 2030.
- Improving existing spaces and create new places for people to live, play, gain skills and do business.

**Background Papers:**

Report to Cabinet C-040-2022/23 (13 March 2023), Construction of the New Epping Leisure Centre.

**Risk Management:**

The Council adopt a proactive risk management approach which requires regular risk reviews to identify and manage risks that may impact the project. A risk register is in place to ensure that all associated risks are identified, assessed and managed effectively.

**Equality:**

An Equality Impact Assessment was carried out and there was no significant impact.

**Key Decision:** (if required): N/a