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# NORTH AYRSHIRE COUNCIL

2 June 2026

## Cabinet

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**Title:** Ardrossan Campus – Project Update

**Purpose:** To provide Cabinet with an update on the current progress of the Ardrossan Campus project, including current projections in relation to costs and programme.

**Recommendation:** Cabinet is asked to:

1. Note the content of this report, including the current progress of work on site.
2. Note the revised project completion date of 26 May 2028, with anticipated occupation from August 2028.
3. Note the additional estimated cost of £9.97 million (8.74%) associated with addressing the contamination will be met from approved capital flexibility funding.

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## 1. Executive Summary

- 1.1 The Ardrossan Coastal Quarter programme represents a transformational vision for the area which includes the provision of new housing and commercial uses, providing ambitious transformational regeneration of a vacant and derelict site on land within one of North Ayrshire's most deprived communities. A key component of this vision is a new educational and community campus.
- 1.2 The contract to construct the new Ardrossan Campus Project commenced on site in July 2025, with the first stage focusing on the excavation of foundations and the swimming pool tank. In September 2025, asbestos and hydrocarbon contamination was identified during construction. Appropriate Safe Systems of Work were then implemented by the main contractor (Morgan Sindall), with an independent review confirming these measures to be proportionate and compliant.
- 1.3 The contractual and programme implications were subsequently assessed by our cost consultant, resulting in an additional cost of £9.97 million (8.74%) and an extension of the completion date to 26 May 2028.
- 1.4 The overall Campus project budget will therefore increase to £124,558,600, with the additional funding to be met from the Council's capital flexibility fund approved in February 2026.

- 1.5 An independent external review of the enabling works has been commissioned, with an initial assessment received and currently under consideration.
- 1.6 The safe systems of work which have been required since encountering the contamination have now ceased. Works are progressing unhindered by these additional measures and the project has now reached a significant milestone on the construction process as steel work is now rapidly being erected on-site.
- 1.7 Stakeholder engagement will now be undertaken to communicate the revised delivery arrangements and support appropriate mitigation of the impacts arising from the extended programme.

## **2. Background**

- 2.1 Two separate contracts relating to the delivery of the Ardrossan Coastal Quarter were undertaken commencing in June 2023 and January 2024 respectively. The purpose of these projects was to deliver a new revetment (Sea-Wall) coastal defence, an extension of the coastal path, remediate contamination and to install site-wide infrastructure to enable future development.
- 2.2 Remediation strategy involved treating contaminated soil on location, removing hydrocarbons, and reusing suitable treated material in the works. The strategy also included installing 600mm stone cap across the site to provide a protective barrier as all contamination would not be removed. The remediation was independently monitored and verified to ensure it met all required standards.
- 2.3 Subsequent to that, construction work on the new Ardrossan Campus commenced in July 2025, with initial works focusing on the formation of foundations and excavation of the swimming pool.
- 2.4 As works progressed on site, in accordance with the agreed methodology for progressing the works, testing of excavated materials continued in order to ensure all health and safety standards were maintained. In September 2025, asbestos and hydrocarbon contamination was identified as a result of that testing. Appropriate Safe Systems of Work were immediately implemented by the main contractor (Morgan Sindall), with an independent review confirming these measures to be proportionate and compliant

## **Programme Development**

- 2.5 The Ardrossan Coastal Quarter site was selected in 2018-2019 as the preferred location for the new Campus, reflecting its capacity, regeneration potential, and alignment with the Council's Local Development Plan priorities. The wider vision includes residential and commercial development to support regeneration and align with the Local Development Plan.
- 2.6 The "Ardrossan North Shore Development Framework", prepared by external consultants (Stallan Brand), was approved in April 2021 and set the strategic context for redevelopment. Subsequently, In June 2021, the Council agreed remediation and

site infrastructure works to achieve economies of scale and improve the site's attractiveness for future investment.

- 2.7 In the prevailing market conditions, a single contract for the complete programme of work was not considered the most deliverable option, and the chosen approach provided a practical route to securing progress. Market feedback indicated that including the Campus within those packages would have been less attractive to bidders. This was reaffirmed when the subsequent Campus tender process only attracted two bids.
- 2.8 Following market engagement on the enabling works tender issued in November 2021, the procurement approach was refined in response to no compliant bids being received through the original process, with the works restructured into two packages and successfully retendered in 2023 and 2024.
- 2.9 Due to the phasing of the separate projects, the enabling works were more advanced than the Campus design, and the revetment had to be completed first. In the context of a volatile market, maintaining separate elements of delivery helped support programme progress and provided a more manageable basis for pricing.
- 2.10 It should be noted that the enabling works, as separate contracts with different contractors, were not the first stage of the construction contract to deliver the Campus. These were discrete pieces of work, intended to enable development across the wider Ardrossan Coastal Quarter site. Although the advance enabling and remediation works provided an appropriate and proactive route to delivery, the use of three separate contracts meant that interface risks were recorded and remained an inherent feature of the overall programme.
- 2.11 The Campus design was successfully finalised while the advance works were progressing, with the projects coordinated to support overall delivery. Although the advance works project was not intended to deliver Campus construction works, this approach helped maintain progress, while market feedback confirmed that separate contractual responsibilities remained the more practical route.
- 2.12 Recognising the challenges being experienced in delivering the wider programme of works, with a focus on ensuring the Campus could be delivered as soon as possible, a review was conducted with the support of external consultants (Ironsides Farrar) in February 2024. This confirmed the inherent risks of brownfield remediation, buried structures, coastal conditions and sequential working, with further contamination assessed at that stage as an amber risk.
- 2.13 As Morgan Sindall had no control over the enabling works contract, it confirmed prior to Financial Close that it would not accept contamination risk within the Campus contract, the contract therefore acknowledged this risk and relied on the contingency allocation to address any arising issues.
- 2.14 A report was submitted to Council on 26 June 25, confirming the revised budget and programme for the project. A number of key remaining risks were also highlighted in the report. Included within those was the potential to discover contaminated material

in the deep excavations below the remediated level, and the impact this could have on costs and programme.

- 2.15 To estimate the potential cost, prior to entering the construction contract the assessment associated with this risk estimated that around 13,280m<sup>3</sup> of excavation would extend below the 3.5m remediation depth. Utilising market rates for disposal, a potential worst case disposal exposure of £6.64m was assessed. Because overlap between known contamination and deep excavations appeared limited, an overall £5 million contingency was considered realistic and included within the project budget.
- 2.16 The Scottish Futures Trust (SFT) have worked in partnership with the Council throughout the development phases of the project, including providing financial support through the Scottish Government's Learning Estate Investment Programme. The project allocation was increased to reflect the challenging conditions around the delivery of the project.
- 2.17 Verification reports in respect of the enabling works contract were received, satisfying the Planning Conditions required to allow works to commence on site.

### **Campus Construction Phase**

- 2.18 In September 2025, asbestos and hydrocarbon contamination was encountered during deep excavations. Elected Members and the local community were proactively informed shortly thereafter.
- 2.19 As a result of this, and to ensure works could progress in a safe manner, Morgan Sindall introduced Safe Systems of Work, including exclusion zones and specialist controls.
- 2.20 An external specialist engineering advisor independently reviewed the Safe Systems of Work on the Council's behalf and found them to be both proportionate and compliant.
- 2.21 Our cost consultants, Atkins Realis, have assessed the contractual impact of the appropriate treatment of the contaminants via the safe system of work as an additional £9.97 million. The programme impact has also resulted in an extension of time to the contract to 26 May 2028. This has been formally confirmed through the contractual change control process.
- 2.22 This figure represents a significant betterment than the original proposal by the contractor following robust review and challenge by the Campus project team and external advisors.
- 2.23 Addressing the contamination issue will result in the Campus project budget rising to £124,558,600. This increase will be addressed through the Council's capital flexibility fund approved by Council in February 2026.
- 2.24 A report by independent specialist engineers has been commissioned, with input from the appropriate consultant teams, to ensure the reasons for the current issues are properly understood. An initial assessment has been provided and is being reviewed to determine the next steps.

- 2.25 Separate delivery of the enabling works and the Campus has also required ongoing management of wider interface risks; however, these matters are being actively managed through cross-service coordination to ensure that appropriate mitigation measures are identified and allocated.
- 2.26 Under the NEC4 contract, the Council's exposure to additional cost arising from systemic supply chain issues arising from the current conflict in the Middle East is limited, with broader liability arising mainly where contract terms or future legislative changes require it.
- 2.27 As the cost and programme implications arising from encountering contamination are now understood, the overall construction programme has been updated, and the Project Team will undertake stakeholder engagement to advise on the new timetable. This engagement will include: elected members; the school community; neighbours and the Ardrossan community; and Scottish Futures Trust.
- 2.28 The negative impacts of the delay will be most keenly felt by the by the school community being unable to access the new facility when planned and the neighbouring properties experiencing direct disruption caused by construction activities.
- 2.29 Stakeholder engagement will recognise these negative impacts, and the project team will continue to explore practical mitigations to the issues posed by the extended programme.
- 2.30 With the safe systems of work around contamination removal now being complete, works are progressing unhindered by these additional measures and the project has now reached a significant milestone on the construction process as steel work is now rapidly being erected on-site and concrete floor slabs are being poured.

### **3. Proposals**

- 3.1 It is proposed that Cabinet:
- Notes the content of this report, including the current progress of works on site.
  - Notes the revised completion date of 26 May 2028, with anticipated occupation from August 2028.
  - Notes the additional estimated cost of £9.97 million (8.74%) associated with addressing the contamination will be met from approved capital flexibility and borrowing.

### **4. Implications/Socio-economic Duty**

#### **Financial**

- 4.1 An additional £9.97 million (8.74%) has been identified as necessary to address the contamination issues associated with Compensation Events relating to the contamination as outlined in this report. This requirement will be met through the approved capital flexibility budget agreed by Council on 25 February 2026.

It is anticipated that additional contingency funding may be required to address any remaining risks which arise during the remainder of the construction period.

In parallel, a further review of the Council's Capital Investment Programme will be undertaken covering the period 2026/27 to 2033/34, to ensure that the revised programme remains prudent, affordable and sustainable. This review will include long-term projections of borrowing and interest rate assumptions, assessment of expenditure profiles, capital receipt forecasts, anticipated capital grant funding, and the planned use of the loans fund reserve.

Scottish Futures Trust has been approached to explore whether any additional support may be available. However, the Scottish Government has confirmed, that in accordance with the agreed LEIP funding principles, the inflationary risk associated with project delays rests with the local authority.

## **Human Resources**

4.2 None

## **Legal**

4.3 Legal Services will be asked to comment on the report noted at item 2.24.

## **Equality/Socio-economic**

4.4 The construction of the new Campus, as a key component of the wider transformational regeneration of the Ardrossan Coastal Quarter will have significant direct and wider socio-economic benefits.

## **Climate Change and Carbon**

4.5 Ardrossan Campus has been designed to be highly energy-efficient and to meet the LEIP in-use energy requirements of between 67-83KWh/m<sup>2</sup>/annum. The contract design shows a predicted attainment of 71KWh/m<sup>2</sup>/annum. A sustainability responsibility matrix has been developed and incorporated into the contractual agreement to deliver facilities that will contribute to the Council's climate change priorities.

## **Key Priorities**

4.6 The project supports the following Council priorities:

### **Wellbeing**

- Developing appropriate skills for the local and regional economy
- Using our assets to support wellbeing in local communities Improving educational attainment and achievement and closing the attainment gap
- Developing the young workforce and ensuring positive destinations for school leavers
- Providing lifelong learning opportunities for individuals and organisations including digital literacy

- Improving outcomes for care-experienced young people including implementation of The Promise
- Ensure our places and spaces where we live, work and visit are well maintained and accessible.
- Support KA Leisure's leadership of North Ayrshire's Health and Wellbeing Alliance
- Through the Health and Social Care Partnership Strategic Plan we will protect and provide care and support for those in need.

### **Communities and Local Democracy**

- Developing partnerships with the third and voluntary sector
- Placemaking, including creation of locality action plans.
- Accessible public services, both digitally and locally.

### **Climate Change**

- Embedding our net-zero ambition in all democratic decision-making.
- Reducing the carbon footprint of our estate and taking a fabric first and low carbon energy generation approach to homes and buildings
- Promoting new woodland creation and protecting our green spaces to provide a natural resource for carbon sequestration.

### **Community Wealth Building**

4.7 A suite of community benefits has been developed through the design and construction phases of the project. The commitments from Morgan Sindall which are defined in the SCAPE framework agreement have been incorporated into the contractual requirements for the project.

### **Islands Communities Impact Assessment (ICIA)**

4.8 None

### **United Nations Rights of the Child (UNCRC)**

4.9 The development of the Campus fully supports these rights.

### **Consumer Duty**

4.10 The project will deliver on these through the Stakeholder Reference Group and Client Planning workstreams.

## **5. Consultation**

5.1 Consultation has been undertaken with Education, Economic Development Growth & Regeneration, and Finance.

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## Background Papers

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