

**LEARNING ESTATE INVESTMENT PROGRAMME (LEIP)
TOBERMORY CAMPUS UPDATE**

1.0 EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to provide Members with an update on the Council's Learning Estate Investment Programme (LEIP) project which aims to develop a new 2-18 Campus to replace the existing facility in Tobermory, Mull.
- 1.2. The LEIP project has been ongoing since a bid for a new campus was submitted to the Scottish Government for consideration in October 2022. On 7th March 2025 the Council agreed to progress the project based on a preferred site – Site 4, Tobermory South – with the outcomes of the Outline Business Case and Schools (Consultation) (Scotland) Act 2010 being reported back to Council once they had been completed.
- 1.3. Work had been progressing as forecast until August 2025 whereby the project was paused to contest a Judicial Review (JR) submitted by Mull Community Campus Working Group Ltd. The verdict from that JR was issued on 18th February 2026 with all 4 grounds of review submitted by the petitioner being dismissed.
- 1.4. Following the issuing of the JR verdict, the Tobermory Campus Team has now been mobilised and consultant team re-engaged. This report provides an update on the steps being taken to re-start the project and other relevant matters since the JR Verdict.
- 1.5. The updated programme now forecasts that; RIBA Stage 2 including site survey work will commence in May 2026, Schools (Consultation) (Scotland) Act 2010 will commence in August 2026 and reporting of Outline Business Case to a Special Council meeting in December 2026. If all approvals are obtained and project proceeds to construction the forecast completion is now October 2030 at the earliest. That is some 2 years later that forecast in April 2024 and is now

almost 3 years beyond the Government condition of having the school operational by December 2027. Notwithstanding non-compliance with a LEIP condition, Scottish Government officials have indicated there is flexibility for Council priority projects. However, the elongated programme and potential for further community challenge remains a risk to the delivery and viability of this project.

- 1.6. The affordability of this project has always been a material consideration and updated anticipated final project cost is now £46,882,000 which is £3,961,000 more than last reported in April 2024 (£42,921,000). The principal reasons for the forecast increase relates to additional inflation and programme costs linked to the JR and updated locational market analysis. It is also noted that the recent war in Iran is also resulting in increased construction costs, but it is too early for this adjustment to be known. A full update of costings will be provided in the Outline Business Case in December 2026.
- 1.7. There remains a high degree of interest around this project with the then Cabinet Secretary Jenny Gilruth MSP recently writing to Council Leader dated 25th March (**Appendix A**).
- 1.8. This project, from the outset, has sought to focus on educational benefits and improving the learning estate on Mull. It is seeking to address the inherent issues of an aging Tobermory Campus building and improve spaces and learning opportunities. The extensive site selection reports pack and lengthy Council meeting on 7th March 2025 reviewed detailed information and community engagement feedback resulting in agreement to proceed with Tobermory South as the preferred site and move forward to an Outline Business Case. The Court of Session concluded that: - there was no failure on the part of the Council in the process it followed, as claimed by those challenging the decision.
- 1.9. Whilst the JR resulted in the pausing of this work there has been no requirement to amend processes or evidence previously relied upon. Officers therefore intend to resume work towards implementing the previous decision from March 2025 to progress with the Outline Business Case but to a new timeline as outlined in Para 4.15.

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2.0 INTRODUCTION

- 2.1. This report provides an update on the Tobermory Campus project following the report provided to the Council's Community Services Committee on 28th August 2025. Members were advised at that meeting that a Petition for a Judicial Review (JR) had been lodged in June 2025 in the Court of Session, challenging the decision of the Special Council on 7th March 2025 regarding the selection of Tobermory South as the preferred site for the new campus.
- 2.2. On 28th August 2025 the Community Services Committee *"agreed to endorse officers' actions not to commence the statutory relocation consultation exercise on 18 August 2025, given that the Judicial Review proceedings are ongoing"*, *"agreed to endorse the decision of the Strategic Board to pause all other work on the Project (including design work and development of the Outline Business Case) whilst the Judicial Review proceedings are ongoing"* and *"agreed that all further reports should be brought to Members whilst the ongoing Court proceedings progress"*.
- 2.3. This is the first update to be provided to Members following the decision to pause project work.

3.0 RECOMMENDATIONS

Members are asked to:-

- 3.1. Recognise the verdict of the Judicial Review as outlined in paragraph 4.9;

- 3.2. Consider the consequential impacts upon Programme and Budget as outlined at paragraph 4.12 - 4.20;
- 3.3. Agree to resume the project as directed by Council on 7th March 2025 but to the updated programme (as outlined at paragraph 4.12 - 4.20);
- 3.4. Note the capital and revenue implications of the Tobermory Campus project are of a strategic financial nature and that the Outline Business Case will be reported back to a Special Council meeting in December 2026 in advance of the 2027/28 Budget for Members to determine in light of the financial information provided and wider context, whether they consider the project to be affordable at that time; and
- 3.5. Note the project continues to carry risk as outlined at para 4.21.

4.0 DETAIL

Background

- 4.1. On 25th April 2024, the Council considered a [report](#) on the Council's Learning Estate Investment Programme (LEIP) to deliver a new Campus on Mull. At that meeting the Council agreed to commence the Business Case, undertake engagement exercises, commence the site selection process and establish governance arrangements; with updates being brought back to Members at appropriate gateway points.
- 4.2. Officers put in place the necessary governance arrangements and established a Project Team who commenced community engagement and site selection activities in August 2024. The site selection exercise considered a range of locations where the new Campus could be situated. This process included an extensive community engagement exercise, technical assessments of the identified sites, considerations regarding transport, and an assessment of all other relevant impacts.
- 4.3. An [update](#) was provided to a Special Council meeting on 20th December 2024. This shared the key findings from the community engagement exercise, outlined the educational benefits of a combined 2-18 campus and the potential financial implications should the project be developed on two separate sites. At that meeting the Council unanimously agreed "*that the process will continue on a single-site basis*".
- 4.4. Following this a detailed [report](#) was presented to the Special Council meeting on 7th March 2025, which outlined the key information required to enable Members to identify a preferred site for the new Campus. After considering the terms of that report and its supporting appendices, the Council agreed to endorse the site scoring mechanism, criteria and supporting assessments

contained therein; **confirmed Site 4 – Tobermory South as the preferred site for a new Mull Campus**; and agreed to progress the Outline Business Case on that basis.

- 4.5. The Project Team subsequently commenced work to prepare the Outline Business Case, including the necessary design work based on the site selection decision. In parallel, officers also noted that a proposal to relocate the Campus to a new site would trigger the requirements of the Schools (Consultation) (Scotland) Act 2010, under which it is necessary to conduct a public consultation exercise prior to relocating the Campus.
- 4.6. Accordingly at their meeting on 5th June 2025, the Community Services Committee considered the terms of a [report](#) and [draft proposal paper](#) to relocate the current Tobermory 2-18 Campus to a new purpose-built Campus on the Tobermory South site. The Committee agreed to adopt the draft Proposal as a “relevant proposal” in terms of the 2010 Act, and to proceed to a statutory public consultation exercise commencing on 18th August 2025.
- 4.7. However, immediately after this decision, on 10th June 2025, the Council received intimation of a Petition for Judicial Review (JR) lodged in the Court of Session by the Mull Campus Working Group Ltd, challenging the Council’s site selection decision of 7th March 2025.
- 4.8. The advantages and disadvantages of continuing project design and business case work while the JR process was ongoing were considered by the Officer’s Strategic Board on 4th August 2025 and by Councillors of the Political Sounding Board. It was proposed that the Council would contest the JR and pause the project, based on the significant costs and programme pressures that continuing would have placed on resources. Proceeding in parallel would have required sustained staff and contractor commitment, incurring avoidable expenditure and compressing timelines, with a material risk of inefficiency and abortive work if the JR succeeded. In addition, the possibility that the Court could order the Council to undertake work not aligned with the current Project Plan presented a further, substantive risk to continuing as planned. A [report](#) was presented to the Community Services Committee on 28th August 2025 where that decision was endorsed. No detailed business case work has taken place on the project since August 2025, and project resources were stood down pending the outcome of the JR.

Judicial Review

- 4.9. The Council contested the JR and a substantive hearing of the JR was held at the Court of Session on 13th October 2025. The petitioners argued that:
 - The Council failed to inform itself and the members about the offer to gift the Craignure site (site 2) by the Knights;

- The Council acted irrationally in putting to its members a choice predicated upon the closure of all education provision in Tobermory, thereby failing to adequately consult with the community on Mull before it took the decision complained of; and
 - The Council failed to adhere to its own standing orders at the meeting on 7 March 2025.
- 4.10. The opinion of Lord Cubie was published on 18th February 2026. The petitioner's pleas in law were repelled and the petition was dismissed. Lord Cubie concluded that:
- The decision of 7th March 2025 is challengeable;
 - There was no challengeable failure by the Council to undertake further enquiry about the Knights' offer of land;
 - There was no obligation for the Council to consult; such failure would not give rise to conspicuous unfairness but even if there was such an obligation, the consultation carried out was adequate.
 - There was no procedural unfairness in the Council's vote of 7 March 2025.
- 4.11. The JR process has highlighted that there was no failure on the part of the Council in the process it followed, as claimed by those challenging the decision. Whilst the JR has resulted in the pausing of this work there has been no requirement to amend processes or evidence previously relied upon. Officers therefore intend to resume work towards implementing the previous decision from 7th March 2025 and 5th June 2025 to progress with the Outline Business Case and launch the Schools (Scotland) Act 2010 Consultation but to new timeline as outlined below.

RIBA Process and Updated Timeline

- 4.12. The LEIP funding requires the Council to follow the LEIP project development process which is aligned to the Royal Institute of British Architects (RIBA) Stages. RIBA stage 0, strategic definition, commenced in August 2024 with the establishment of the project team and concluded with the Council decision on the preferred site on 7 March 2025.
- 4.13. RIBA Stage 1, preparation and brief, progressed from March to July 2025 with the establishment of the project critical success factors, key objectives and outcomes and the development of the site strategy to confirm that the selected site was able to meet project requirements. The project paused in August 2025 on conclusion of RIBA stage 1.

4.14. The hub design and build development stages also align with RIBA, with RIBA 1-2 development during hub stage 1, and RIBA 3-4 during hub stage 2. The project is currently in hub stage 1.

4.15. Should the Council agree to proceed to the next stage, the project team and hub North Scotland design team would be remobilised in early May 2026. One of the first activities will be the recruitment of a new Project Manager, as previous post holder has been promoted and redeployed within her organisation during the pause. The majority of previous team remain in place for continuity and will commence RIBA stage 2, concept design, once restarted. This includes site surveys and developing the internal layout of the building and external landscaping. The key milestones are identified below, and highlighted at **Appendix B**.

- May 2026 – remobilisation and commencement of RIBA stage 2 design
- Aug – Nov 2026 – Schools (Consultation) (Scotland) Act 2010 statutory consultation and reporting
- Dec 2026 – hub stage 1 report issued and Outline Business Case submitted. Decision at Special Council meeting December 2026.
- Q1 2027 - hub stage 2 commences
- Q1 2028 – hub stage 2 and Full Business Case approval, construction commences
- Q3/ Q4 2030 – building handover and operation

4.16. The current estimated operational date is a 2-year movement from what was presented to the Council in April 2024, where it was envisaged that the Outline Business Case would be approved in Q4 2025, Full Business Case in Q4 2026 and a 104 week construction period completing in Q4 2028. The reason for the variance is in part due to the project pause during the JR, and partly due to a review of construction stage assumptions carried out by the hub North and tier 1 contractor team. This has highlighted that a 135 week construction period may be more realistic to take account of accommodation, travel and the impact on workforce availability in an island location.

Forecast Cost Plan

4.17. As highlighted to the Community Services Committee in August 2025 the consequential impacts of the JR and pause to the project have negatively affected project cost, with an estimated inflationary impact of £946,594 as a result of the pause alone. Market assessment from other island LEIP projects at more advanced stages (e.g. Brae Campus, Shetland) has also influenced the cost plan. Tender returns for LEIP projects across the country on mainland projects are reported to be higher than originally forecast plus ongoing hostilities in Middle East are having a material impact on construction costs.

- 4.18. These are forecasts at this stage and outlook will change once more specific design work and ground investigations are undertaken. A more detailed costing will take place on the RIBA stage 2 design as part of the hub stage 1 report and incorporated in the Outline Business Case due for completion in December 2026.
- 4.19. As this is one of the Council's major capital projects, decisions regarding affordability must be approached strategically. Members should review the updated project costs that will be contained in December's Outline Business Case against the Council's 2027/28 Budget and decide if the project remains affordable.

Project Risk & Impact Assessments

- 4.20. As with any project of this scale a Risk Register has been developed to identify known challenges or issues that may arise as well as suggesting potential mitigating actions.
- 4.21. Additional programme delay and rising costs are recognised as some of the most significant risks. Both have a consequential impact on affordability and reference is made back to the Section 95 Officer's comments from 25th April 2024 Council report:-

The Council will need to consider whether this level of cost pressure is affordable or not. It will only be affordable if Council accept that difficult decisions will be required in order to pay for the new school. For example, the cost of borrowing in the first 25 years could be paid by an additional 2% in Council Tax or it could be paid by reducing/removing some other Council 6 services, for example, toilets, library services, swimming pools, amenity services, roads maintenance. None of these alternatives are easy or would be what we would like to reduce, however, the reality of the future budget outlook means that difficult decisions will be required to balance the budget without the new school, but even more difficult decisions will be required to balance the budget with the additional cost that a new school brings.

- 4.22. The elongation of the programme, as well as increasing costs, may also risk the compliance with Scottish Government funding conditions – notably the timescale to open the campus which is currently set at December 2027. Notwithstanding this, the then Education Secretary Jenny Gilruth wrote to Council Leader on 25th March confirming that the Scottish Government '*remains firmly committed to supporting the Mull Campus project*' (Appendix A) and Officials are aware of the updated programme. The letter does not raise the prospect of any additional funding moreover that referred to in Council report from 25th April 2024.

- 4.23. There is also emerging risk as a result of the recent events in Iran and Middle East whereby increases in the cost of fuel, timber, steel and materials is highly likely. However, the full extent of this is currently unclear and by the time of the Outline Business Case will be more accurately forecast.
- 4.24. Further legal or judicial challenges are also identified as risks, particularly from those who wish to see 2No new schools built – including a central high school. This was considered by Members at Council on 20th December 2025. Challenges need to be considered on individual merit but experience has shown that they can be resource intensive, diverting resource and negatively impacting both programme and budget. They can also be reputationally challenging for the project and supply chain due to ‘stop / start’ activity, workforce redeployment and reduced contractor confidence.
- 4.25. Whilst, the JR process highlighted that there was no failure on the part of the Council in the process it followed, there has been further correspondence circulated relating to the United Nations Convention Rights of the Child (UNCRC). For the avoidance of doubt, this was not one of the grounds of challenge that was submitted by the JR petitioners.
- 4.26. Children and young people are at the heart of the project to build a new campus. A Children’s Rights and Wellbeing Impact Assessment was undertaken to provide a transparent framework to assess the extent to which the project may have an impact on children and young people and assess what further action is required to ensure compliance with the UNCRC. That was part of the package of information reported to Members at their meeting of 7 March 2025 and which informed the unanimous decision taken by Members at that time. That assessment will be kept under review, as required.
- 4.27. Further updates to the UNCRC (Island Impact and Integrated Impact) Assessments will be progressed as the project develops.

5.0 NEXT STEPS & CONCLUSION

- 5.1. Members are asked to approve the recommendations to allow this project to recommence with outcomes from the Schools (Consultation) (Scotland) Act 2010 and Outline Business Case being brought back for consideration at the Special Council meeting in December 2026.

6.0 IMPLICATIONS

- 6.1. **Policy:** The Council’s Learning Estate Strategy 2021 sets out an ambition to have Schools in category A or B in terms of suitability and condition. Delivering a

new campus on Mull is the no.1 priority in that strategy to address the suitability and condition of the current campus in Tobermory and is also a Corporate Policy.

- 6.2. **Financial:** On 25 April 2025 the Council deemed the project to be affordable at that time. The anticipated final project cost is now £46,882,000 which is £3,961,000 more than last reported in April 2024 (£42,921,000). The principal reasons for the forecast increase relates to additional inflation and programme costs linked to the JR and locational market update analysis.
- 6.3. **Legal:** An Integrated Impact Assessment was undertaken to inform the site selection recommendation of March 2025. This demonstrated how the proposals show due regard to the socio-economic, equalities, child rights and island communities duties under the Equality Act 2010, the Fairer Scotland Duty, the Children and Young People (Scotland) Act 2014, the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 and the Islands (Scotland) Act 2018. The Integrated Impact Assessment will be reviewed and updated at key points in the process.
- 6.4. **HR:** None at this stage.
- 6.5. **Customer Service:** A community engagement exercise was undertaken to understand what was important to the communities when considering possible sites. Community groups and parent councils were invited to input their views as part of the integrated impact assessment process. The JR concluded that the Council did not have an obligation to consult at this stage, however if there had been such an obligation the level of consultation carried out was adequate.
- 6.6. **Risk:** A risk register has been developed with risks and mitigation reviewed regularly by the Project Team and reporting monthly to the Strategic Board. This will be reviewed and updated following remobilisation of the project.
- 6.7. **Climate Change:** The project has the potential to result in premises and buildings with a lower carbon footprint through either developing more energy efficient premises or increasing use of low carbon renewable energy sources. The development of detailed proposals will include for carbon assessment.
- 6.8. **Fairer Scotland Duty:** An equalities impact assessment has been undertaken as part of the site selection process as reported on 7th March 2025 and will continue to be updated as part of the development of the Business Cases.
- 6.9. **Equalities:** An equalities impact assessment has been undertaken as part of the site selection process as reported on 7th March 2025 and will continue to be updated as part of the development of the Business Cases and incorporated into the Education Service's report on the statutory consultation exercise due to be carried out under the Schools (Consultation) (Scotland) Act 2010.
- 6.10. **Socio-Economic Duty:** A Socio-Economic Duty Impact Assessment has been undertaken as part of the site selection process as reported on 7th March 2025

and will continue to be updated as part of the development of the Business Cases and incorporated into the Education Service's report on the statutory consultation exercise due to be carried out under the Schools (Consultation) (Scotland) Act 2010.

- 6.11. **Island Communities:** An Islands Impact Assessment has been undertaken as part of the site selection process as reported on 7th March 2025 and will continue to be updated as part of the development of the Business Cases and incorporated into the Education Service's report on the statutory consultation exercise due to be carried out under the Schools (Consultation) (Scotland) Act 2010.
- 6.12. **Children's Rights and Wellbeing:** A children's rights and wellbeing impact assessment has been undertaken as part of the site selection process as reported on 7th March 2025 and will continue to be updated as part of the development of the Business Cases and incorporated into the Education Service's report on the statutory consultation exercise due to be carried out under the Schools (Consultation) (Scotland) Act 2010.

Douglas Hendry

Executive Director with responsibility for Commercial Services & Education

Kirsty Flanagan

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Policy Lead for Finance and Commercial Services - Cllr Ross Moreland

Policy Lead for Education – Cllr Kieron Green

30-03-26

For further information contact:

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APPENDICES

Appendix A – Cabinet Sec. Jenny Gilruth MSP Letter dated 25th March

Appendix B – Updated Programme

Appendix C – Updated Cost Plan

Appendix A –

Cabinet Secretary, Jenny Gilruth Letter 25th March

Cabinet Secretary for Education and Skills
Jenny Gilruth MSP



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Cllr Jim Lynch
Leader of Argyll and Bute Council
jim.lynch@argyll-bute.gov.uk

25 March 2026

Dear Cllr Lynch,

I am writing following my meeting on 18th March with representatives of the Mull Campus Working Group Ltd, during which we discussed the situation to date on the proposed Mull Campus project. I appreciated the opportunity to hear directly from community stakeholders who are closely invested in the future provision of education on the island.

During the meeting, the group relayed their views that engagement from the Council throughout the consultation on the location of the campus had not been as robust or inclusive as they would have expected.

In light of the feedback I have received, I would encourage the Council to continue to engage with the Mull Campus Working Group Ltd and with the wider island community as the project now moves forward following the outcome of the Judicial Review. Constructive, transparent, and collaborative dialogue will be essential in ensuring that the new campus meets the needs and aspirations of the people it is intended to serve.

I would also highlight the importance of consultation processes that align with the guiding principles set out in the refreshed Learning Estate Strategy, particularly those emphasising inclusive engagement, community involvement, and decision-making centred on the needs of learners and families.

The Scottish Government remains firmly committed to supporting the Mull Campus project through the £2 billion Learning Estate Investment Programme. This commitment reflects our shared ambition to ensure that learners across Scotland benefit from high-quality, sustainable, and future-focused facilities.

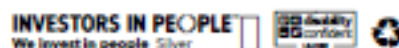
I am keen that we maintain momentum on this important project, and I remain grateful for the Council's ongoing work to improve the learning environment for children and young people in Argyll and Bute. My officials are, of course, available to support continued progress and constructive partnership working as required.

Yours sincerely

JENNY GILRUTH

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

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Appendix B –

Updated Programme

Activity	Date
Argyll and Bute Council Decision	29 th April 2026
Hub Stage 1 Re-mobilisation	1 st May 2026
RIBA Stage 1 Re-familiarisation	1 st May 2026 – 15 th May 2026
RIBA Stage 2 (including surveys)	18 th May 2026 – 28 th September 2026
Schools (Consultation) (Scotland) Act 2010	August – September 2026
Hub Stage 1 Cost Plan Completion	November 2026
Hub Stage 1 Report / OBC Completion	December 2026
Argyll and Bute Council Decision to proceed to FBC	December 2026
Hub Stage 2	January 2027 – January 2028
Hub Stage 2 Approval, including Argyll & Bute Council FBC Approval	February 2028
Construction Period (Tier 1 Assumptions)	February 2028 – August 2030
Handover / Operational	October 2030