



---

**REPORT TO: MORAY COUNCIL ON 28 JUNE 2023**

**SUBJECT: MORAY GROWTH DEAL: EARLY YEARS SCIENCE, TECHNOLOGY, ENGINEERING AND MATHS (STEM) CAPITAL BUDGET ALLOCATION**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

- 1.1 To ask the Council to approve bringing forward allocation of capital budget for the Moray Growth Deal (MGD) “Early Years STEM” project, to spend at risk prior to approval by Scottish Government of a Full Business Case (FBC) and to approve expenditure necessary to progress planning and implementation of the Moray Growth Deal “Early Years STEM” project.
- 1.2 This report is submitted to Council in terms of Section III of the Council's Scheme of Administration relating to consideration of Capital and Revenue budgets and long term financial plans.

**2. RECOMMENDATION**

**2.1 It is recommended that the Council:-**

- i) notes that the delivery of the Moray Growth Deal “Early Years STEM” Project will require spend on essential preliminary activities and development planning to progress the Full Business Case with the level of detail necessary to obtain approval by the UK and Scottish Governments;**
- ii) notes that due to significant lead times, there will be a requirement to procure assets ahead of Full Business Case approval, to allow delivery of the project as per project schedule; and**
- iii) approves bringing forward £200,000 of allocated project capital budget from 2026/27 for expenditure on specialist advice and preliminary design work and a further £40,000 for purchase of a vehicle at the Council’s risk prior to Full Business Case approval; and**

- iv) **delegates authority to the Early Years' Service Manager as the projects Senior Responsible Officer to approve spend as required within allocated budget**

### **3. BACKGROUND**

- 3.1 The delivery of the Moray Growth Deal (MGD) will enable the region to leverage over £100m of investment to maximise regional economic competitiveness and boost economic growth with transformational outcomes for the region and its residents.
- 3.2 The eight projects included in the Growth Deal are: the Moray Aerospace, Advanced Technology and Innovation Campus (MAATIC); Business Enterprise Hub (BEH); Cultural Quarter (CQ); Housing Mix Delivery (HMD); Early Years Science, Technology, Engineering and Mathematics (EY STEM); Bus Revolution; Manufacturing and Innovation Centre for Moray (MICM); and Digital Health.
- 3.3 The Early Years STEM Project is one of four MGD projects led by the Moray Council. EY STEM aims to raise the STEM aspirations of children age 3-8 by increasing access to high quality STEM learning experiences, providing opportunities for family and inter-generational learning, and providing ongoing training and support for staff in STEM delivery.
- 3.4 The project will see the development of specialist facilities and learning environments across the region, inspiring indoor and outdoor spaces with core learning equipment to facilitate STEM learning. The offer further enhanced through a delivery model that includes a mobile solution, digital offering and robust outreach model, aimed at increasing participation and closing the equity and attainment gaps in STEM.
- 3.5 The Outline Business Case (OBC) for the Early Years STEM Project was approved as part of the Full Deal Signing in December 2021 and work is now being progressed on the development of a Full Business Case (FBC).
- 3.6 Included in the OBC was a high level spend profile and phasing plan, with construction and delivery of services beginning after approval of the FBC. The OBC did not take into account, spend on essential preliminary activities and capital development planning, therefore no budget was assigned to Early Years STEM in 2023/24 prior to FBC approval. The Early Years STEM project is the only MGD project not to have assigned budget to progress planning activity prior to FBC approval.
- 3.7 As the project involves the development of capital assets, including renovation of existing buildings and development of outdoor spaces, it is essential that capital budget be made available to spend on activity that includes but is not limited to: building surveys, feasibility surveys, specialist advisors, architecture and design services, planning support, market research, and socio-economic impact assessments. Allocation of anticipated spend is as follows;
- £40,000 on preliminary activities including building surveys, feasibility studies and STEM engagement resources.

- £40,000 on specialist advisory support including exhibition design consultancy, educationalists and library spatial planning.
- £100,000 on core architecture and design services
- £20,000 on a social and economic impact assessment.

- 3.8 This work is necessary to progress the Full Business Case with the detail required to secure approval from the Scottish and UK governments, it is only at this point government grant can be drawn down and the project proceed into delivery.
- 3.9 Of the £4.8m of capital funding committed to the Early Years STEM Project, the Scottish government will provide £3.5m with the remaining £1.3m provided by the Council over a 10-year period. The project is seeking to re-allocate £200k of the £1.3m budget approved by The Council to spend at risk in 2023/24 prior to Full Business Case approval.
- 3.10 The project will be delivered in phases, focusing initially on outreach and mobile delivery. Due to significant lead times associated with vehicle procurement (colleagues advise 2-18 months from procurement to delivery) it is advisable to commence the procurement of a vehicle as early as possible.
- 3.11 The project is therefore seeking approval to commit a further £40,000 of project capital budget to commence procurement of a STEM vehicle in 2023/24. Payment of the vehicle will be made upon delivery as per standard procurement processes, expected in 2024/25. Spend will be committed at risk ahead of FBC approval which means that as government grant can only be drawn down once FBC is approved, if this is not forthcoming the risk is that the council bears any costs committed. To minimise risk, the vehicle will be of a make and model common to the Council Fleet, although specialist fit out and storage solutions may be required to ensure the vehicle is fit for purpose

#### **4. SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

This Moray Growth Deal project will contribute to the Corporate Plan priority of promoting sustainable economic development, whilst meeting the LOIP vision of raising aspirations and reducing inequalities in educational attainment.

**(b) Policy and Legal**

EY STEM has been developed to meet local, regional and national policy agendas, including those emanating from the Early Years Collaborative and Early Years Framework.

**(c) Financial implications**

Capital budget request of £200,000 in 2023/24. The Moray Council has committed spend of £1.3m of capital funding to the project over 10 a year period, beginning in 2024/25. Re-allocation of funding from future years budget to spend prior to FBC approval in 2023/24 is requested.

Any spend at risk will have cost implications for the council if the FBC fails to secure approval.

Request to commit a further £40,000 of capital expenditure to purchase a vehicle. Due to significant procurement lead times, approval is sought to commit future year's project budget and allow early procurement of a vehicle. Spend will be committed at risk and will therefore have cost implications for the council if the FBC fails to secure approval, as government grant can only be drawn down once FBC is approved.

**(d) Risk Implications**

Without approved budget to spend on essential capital development planning, the FBC cannot progress with the required level of detail to secure approval and release of government funding. The project will not proceed into delivery and outcomes will not be realised.

Spend on projects prior to FBC approval is carried out at risk as Government grant under the Growth Deal can only be drawn down once FBC is approved.

**(e) Staffing Implications**

None

**(f) Property**

The Early Years STEM project includes plans to refurbish and enhance spaces in existing Council and community owned buildings, providing inclusive access to high quality learning spaces and digital infrastructure.

**(g) Equalities/Socio Economic Impact**

Equalities and Socio Impact Assessments for the project will be updated as part of Full Business Case development.

**(h) Climate Change and Biodiversity Impacts**

As a requirement of the Moray Growth Deal, the Early Years STEM Project will address carbon reduction, improved environmental performance and a just transition to net zero as a central part of FBC development.

**(i) Consultations**

Depute Chief Executive (Education, Communities and Organisational Development), Depute Chief Executive (Economy, Environment and Finance), Head of Education (Chief Education Officer), Head of Economic Growth and Development, Chief Financial Officer, Legal Services Manager, Early Years' Service Manager, Asset Management Working Group (AMWG), Moray Growth Deal Programme Manager and Democratic Services Manager have been consulted.

## **5. CONCLUSION**

### **5.1 This report asks the Council to note that delivery of the MGD EY STEM Project will require spend on essential preliminary activities and**

**development planning to progress the FBC with sufficient detail to secure approval from Scottish and UK governments**

- 5.2 This report asks the Council to note that due to significant lead times, there will be a requirement to procure a vehicle ahead of FBC approval.**
- 5.3 The report asks the Council to approve bringing forward part of the project capital budget for expenditure in 2023/24, including commitment to spend at risk prior to FBC approval.**

Author of Report:	Sarah Barnes – Senior Project Officer (Early Years STEM)
Background Papers:	SPMAN-813460984-330
Ref:	SPMAN-1315769894-415