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**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE  
SERVICES COMMITTEE ON 6 FEBRUARY 2024**

**SUBJECT: M.CONNECT EXPANSION**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT, AND  
FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To inform the Committee of operational plans in relation to expanding m.connect services into weekends and exploiting opportunities to support the work place journey in Moray, all of which is included in the project plans within the Moray Growth Deal.
- 1.2 This report is submitted to Committee in terms of Section III (F) (18) to exercise the function of the council in relation to public passenger transport under the Transport Act 1985.

**2. RECOMMENDATION**

- 2.1 **It is recommended that committee grant delegated authority to Head of Environmental and Commercial Services in consultation with the Chair of this Committee and the Chief Financial Officer to introduce additional bus service routes and, or resources, supporting major events (Whisky festival etc.) and the workplace journey in Moray through evidenced need and demand by event organisers and local employers on a cost neutral basis as set out in paras 3.10-3.11.**

**3. BACKGROUND**

- 3.1 The Bus Revolution project is part of the Moray Growth Deal and aims to improve public transport connectivity across Moray by providing additional demand responsive transport, improving the ease of use of public transport by the introduction of app based technology, and reducing carbon emissions by the use of fully electric bus vehicles.

- 3.2 The project builds on the previous Dial M demand responsive service (now m.connect), to extend hours of operation, and particularly aims to tackle transport barriers to employment. There will be three key funding phases throughout the 10 year span of the Growth Deal, each giving the opportunity to provide additional vehicle resource for expanding service provision, with a long term aim of providing services seven days per week from early morning to late evening. However, expansion of services is anticipated on an incremental basis to enable deliverable growth.
- 3.3 Phase 1 of project delivery, introduced m.connect services across Moray on the 2 May 2023, which included the implementation of a real-time booking and management system and the release of a passenger app for customers to plan, book, pay and manage their journeys. Initial service expansion (through extended operating hours) was focussed in Buckie, Keith and Speyside, providing on-demand bus services from 0630-2030hrs Monday to Friday. The introduction of service 309, linking Cullen, Buckie and Keith to the rail network was also introduced alongside an enhanced 366 service that serves Aberlour, Knockando and Archiestown into Elgin Monday to Friday (formerly Mondays and Wednesdays only).

#### **Progress to date**

- 3.4 Since the introduction of the enhanced m.connect services, passenger growth has already surpassed the annual growth target set within the Full Business Case Investment objective 1: *Increase public transport passenger journeys by 30,000 per annum by 2030, (4286 additional journeys for FY23-24)*. To date journey growth has increased by 7685 journeys (May-Dec) with over a third of customers using the passenger app to manage their journey needs. Investment objective 2: *To reduce the environmental impact of transport in the area by 30t CO<sub>2</sub>e p.a. by 2030, has also surpassed the annual target for CO<sub>2</sub>e reductions (4.3tCO<sub>2</sub>e reduction target for FY 23-24), creating a saving of 7.6 tCO<sub>2</sub>e to date*. The final project objective, *20% reduction in number of people facing transport barriers to employment, education or recreation by 2030*, continues as work in progress and forms part of the reason for this report. Target income on bus service provision directly addressing the journey to work via employers has not been met as the original opportunities anticipated with specific employers have not come to fruition, however, specific actions to address this aspect of the project are being developed by the project board.
- 3.5 As part of the phased approach to continued expansion to meet the full project objectives, further service expansion is currently being analysed and considered. This will be subject to future reports to this committee.

### **Demand Analysis**

- 3.6 In looking at the next phase of service expansion, evening and weekend operating hours have been considered (both being part of the long term proposed development of m.connect bus services). The m.connect booking and management system provider (Liftango) prepared an analysis document of service performance to date, showing detailed analytics of demand profile, ride sharing, vehicle utilisation, trip location and booking success rates. This information, along with survey responses and benchmarking Forres Saturday on-demand service information has generated confidence in weekend service expansion proposals.
- 3.7 A review of existing weekend bus services available in Buckie, Keith and Speyside at present evidences further that there is a need for m.connect expansion to provide public bus service supporting those accessing employment and /or recreational facilities. The community engagement conducted prior to phase one delivery also remains relevant with regards to weekend bus service developments within the project scope. This serves to provide an update to members on project progress and as background information prior to any future committee reports.

### **Potential Further Flexible Service Expansions**

- 3.8 The project team have been engaging with local employers and event organisers in Moray to evaluate if current service designs support event timings, shift patterns, demand and need. This work helps evidence reducing those existing barriers that m.connect can mitigate now and in future phases. It has also allowed m.connect to assess the use of existing resource to meet rapidly developing opportunities to support major events and local business in Moray. This can be achieved by either enhancing existing provision through additional vehicle deployment on a particular service, or design of bespoke public service routes through consultation. This would help events and employers be better connected while assisting with the environmental challenges faced to reduce carbon emissions and encouraging modal shifts from the routine car journey to use of public transport in line with the expectations of the full business case.
- 3.9 In this vein, the organisers of the Spirit of Speyside whisky festival have requested m.connect support for this year's event – this would see weekday utilisation of the service, but also a first step into weekend operations at the time of the festival. This would be in line with the budget neutral terms of the delegated authority request.
- 3.10 Allowing the Head of Environmental and Commercial Services delegated authority to use available resources to introduce smaller scale additional bus service routes in response to well evidenced demand and need would not only help the local business community meet environmental commitments, it would create additional income for m.connect services, improve confidence in the local bus network and connect residents of Moray with major events and employment opportunities through improved connectivity.

- 3.11 All additional service route opportunities brought forward using this flexible approach would be consulted on with the Chief Financial Officer and Chair of this committee, and assurance given that additional services would only be activated on a cost neutral basis, where the predicted income is commensurate with the uplift in operational costs, limiting financial risk to the council.

### **Regulatory Application Process**

- 3.12 Bus services are governed by regulatory permissions via the Traffic Commissioners office, which have a lead in time of 10 weeks to gain consents. With this time frame in mind, this report seeks approval of the above delegated authority request to allow for timely completion of service registration processes in relation to the whisky festival.

## **4. SUMMARY OF IMPLICATIONS**

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

The proposals, which fit within the inclusive economic growth principles of the Growth Deal support the council's priority for a growing and diverse economy, as well as supporting health and wellbeing through access to services.

### **(b) Policy and Legal**

The proposed amendments fit within the Scottish Government's transport policy priorities, and the objectives established in Moray's Growth Deal. Bus services operated by the council are regulated through s19 and s22 permits and registration of services with the Traffic Commissioner. Future services may utilise the powers in the Transport (Scotland) Act 2019 which allow use of O Licensed operations, however, this statutory power has still to be enabled. Both s19 & s22 and O Licensed operations still require registration of local bus services, and the Traffic Commissioner holds the regulatory role in all these regards

### **(c) Financial implications**

Any financial implications of this report are on a budget neutral basis.

### **(d) Risk Implications**

The principal commercial and reputational risks have been evaluated as part of the Full Business Case. There are reputational risks around service development that is not in line with community expectations, and this has been mitigated by detailed service analysis and previous community engagement activity. Risks around growth in passenger numbers and income will be monitored through the Project Board and performance reporting.

### **(e) Staffing Implications**

There are no staffing implications arising from this report.

**(f) Property**

There are no property implications relating to this report.

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

The project aims to reduce inequalities through the provision of accessible and affordable transport options, particularly tackling barriers to employment. A full Equalities Impact Assessment has been carried out as part of the project.

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

The project has established objectives and measurements relating to a positive impact on the environment and a reduction in carbon emissions.

**(i) Consultations**

The Depute Chief Executive (Economy, Environment and Finance), Head of Environmental and Commercial Services, Legal Services Manager, Chief Financial Officer, Community Support Unit Manager, Equalities Officer and L Rowan, Committee Services Officer have been consulted and their comments incorporated into this report.

**5. CONCLUSION**

**5.1 This report seeks approval to grant delegated authority to the Head of Environmental and Commercial Services to introduce additional bus service routes, supporting the workplace journey in Moray through evidenced need and demand by local employers.**

Author of Report: Stevie Robertson Senior Project Officer (Bus Revolution)

Background Papers:

Ref: SPMAN-524642768-1027