



Economic Development and Infrastructure Services Committee

Tuesday, 22 March 2022

SUPPLEMENTARY AGENDA

The undernoted reports have been added to the Agenda for the meeting of the **Economic Development and Infrastructure Services Committee** to be held at **Various Locations via Video-Conference**, on **Tuesday, 22 March 2022 at 09:30**.

BUSINESS

- | | | |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 6a | Environmental & Commercial Services & Economic
Growth & Development Service Capital & Revenue
Budget Monitoring to 31 December 2021

Report by Depute (Chief Executive (Economy, Environment and
Finance)) | 3 - 24 |
| 7a | Transportation Capital and Revenue Budgets 2022-23

Report by Depute Chief Executive (Economy, Environment and
Finance) | 25 - 34 |
| 8a | Bus Revolution Operational Plan Report

Report by Depute Chief Executive (Economy, Environment and
Finance) | 35 - 42 |



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE ON 22 MARCH 2022**

**SUBJECT: ENVIRONMENTAL AND COMMERCIAL SERVICES AND
ECONOMIC GROWTH AND DEVELOPMENT
SERVICES (ECONOMIC DEVELOPMENT) CAPITAL AND
REVENUE BUDGET MONITORING TO 31 DECEMBER 2021**

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

1. REASON FOR REPORT

- 1.1 To inform the Committee of the current position regarding Environmental and Commercial Services and Economic Growth and Development Services (Economic Development) Capital and Revenue Budgets.
- 1.2 This report is submitted to Committee in terms of Section III (A) (2) of the Council's Scheme of Administration relating to the consideration of Capital and Revenue Budgets and long term financial plans.

2. RECOMMENDATION

- 2.1 **It is recommended that Committee considers and notes the budget monitoring report for the period to 31 December 2021.**

3. BACKGROUND

- 3.1 The Performance Management Framework 2020 (page 27) requires that progress against Capital and Revenue Expenditure and the Capital Plan is reported to the relevant Service Committee every Committee cycle. Expenditure is reported in the first instance to Corporate Committee (formerly Policy and Resources) quarterly.
- 3.2 The Capital Plan for 2021/22 was approved by a meeting of Moray Council on 3 March 2021 (para 3 of the minute refers). Further amendments were approved by the Council at its meeting on 30 June 2021 (para 17 of the minute refers) and by the meeting Economic Growth, Housing and Environmental Sustainability Committee on 24 August 2021 (paragraph 7 of the minute refers) and the meeting of Corporate Committee on 30 November 2021 (paragraph 7 of the minute refers) and have been incorporated into this report. The current projected expenditure is an estimate that should be

treated with caution due to volatile conditions within the Construction Industry and in supply chains of materials.

- 3.3 Policy and Resources Committee on 10 May 2016 agreed to amendments to the information provided in response to the Audit Scotland report “Major Capital Investment in Councils” (paragraph 7 of the Minute refers). Accordingly this report includes a separate **APPENDIX 4** giving details of expenditure on projects which span more than one financial year.
- 3.4 The Council recognises five principal drivers for capital expenditure: Legislative requirements, efficiencies or spend to save projects, maintenance of assets and operations at current approved levels, service developments, council priorities. Capital expenditure is funded from three sources: capital grants from Scottish Government and other sources; capital receipts from the sale of assets or from developer obligations; borrowing. When the Council borrows for capital expenditure, the capital financing charges incurred are met from the revenue budget. Therefore the Capital Plan has a direct impact on the revenue budget and the two are considered jointly at the same budget-setting meeting of Council. The Revenue budget was approved at a meeting of the Council on 3 March 2021 (para 5 of the minute refers). The current total Revenue budget for Environmental and Commercial Services is £24,087 million in 2021/22.

4. ENVIRONMENTAL AND COMMERCIAL SERVICES REVENUE BUDGET

- 4.1 **APPENDIX 1** details the Environmental and Commercial Services Revenue Budget position to 31 December 2021.

4.2 REVENUE BUDGET POSITION 31 DECEMBER 2021

Annual Budget	Budget Year to Date	Actual & Committed Year to Date	Variance Year to Date
£000s	£000s	£000s	£000s
24,087	16,582	16,745	-163

- 4.3 Environmental and Commercial Services actual and committed budget has an overall overspend to budget, of £163,000 for the period to 31 December 2021. The position is shown in **APPENDIX 1** and summarised in the table below with major variances described in para 4.4 - 4.10 of this report. Underspends or overspends are against projected budgets for the period only. Variances are further explained in this report. All variances will be monitored closely and reported to Committee as the year progresses.

Position at 31 December 2021

<u>Service</u>	Ref Para	Overspend	Underspend
		£000s	£000s
Fleet Services	4.4	-60	
Engineering Design	4.5	-12	
Traffic & Transportation Mgt	4.6	-281	
Waste Mgt	4.7		66
Building Catering and Cleaning	4.8		244
Parks & Open Spaces	4.9	-91	
Covid 19	-	-33	

Explanation of major variances 31 December 2021:

4.4 Major Variance – Fleet Services

Overspend of £60,000 is mainly due to vehicle running costs and increases in the cost and carriage of spare parts as a result of Brexit and Covid 19.

4.5 Minor Variance – Engineering Design

Overspend of £12,000 is mainly due to a small overspend on software licenses and recoverable works which is forecast to be back on budget at year end.

4.6 Major Variance - Traffic and Transportation Management

Overspend of £281,000 which is principally because of loss of income (car parks reduced footfall and road closures) due to Covid.

4.7 Major Variance - Waste Management has an overall underspend of £66,000.

Main variances are:- £237,000 underspend on recycling costs/ income - the market is volatile but prices for paper/card are currently favourable leading to this underspend. Green waste income is £59,000 more than budgeted for. Tipping income is £84,000 higher than budget due to an increase in the usage of the service. There was also a £20,000 underspend on supplies and services at the end of Quarter 3.

Overspends: The trade waste service is still recovering due to Covid 19 and the budget was £230,000 under achieved at the end of December 2021. Customers are beginning to return but their needs have changed and some now require smaller bins, Landfill tax is overspent by £32,000 due to an increase in the tonnage being sent to landfill and partially offset by increased tipping income. Fuel costs were also £41,000 over budget at the end of December 2021.

4.8 Major Variance – Building Cleaning and Catering

Total underspend of £244,000 comprises of the following variances:

Catering had a £490,000 underspend on food costs, the underspend is mainly due to the low uptake of school meals due to Covid restrictions.

4.9 **Major Variance – Parks & Open Spaces**

It should be noted that Parks and Open spaces are projecting an overall underspend of £56,000 at the year end - 31 March 2022. This underspend may be impacted by ongoing response to emergency tree works resulting from storms and in meeting the costs of an insurance claim. Total overspend of £91,000 at 31 December 2021 is as a result of the following variances.

Income surplus: Burial ground interment fees £33,000
Expenditure underspends in supplies and services of £13,000 and Dorenell core paths £25,000, other £14,000.

Overspends include: staffing costs (including voluntary redundancy) £8,000, transport including fuel costs £26,000, War Memorials maintenance £23,000 and Sanquhar Loch £4,000 (funded by reserves) other operational costs of £18,000

Income Shortfall: Burial Ground sale of lairs £9,000 and a shortfall in income rechargeable to other departments of £88,000. The service will continue to monitor the internal recharges as the forecast is based on an average of the current year to date and 2019/20, 2018/19 (excluding 2020/21 due to Covid).

5. **ECONOMIC GROWTH AND DEVELOPMENT SERVICES (ECONOMIC DEVELOPMENT)** **REVENUE BUDGET**

5.1 **REVENUE BUDGET POSITION 31 DECEMBER 2021**

Annual Budget	Budget Year to Date	Actual & Committed Year to Date	Variance Year to Date
£000s	£000s	£000s	£000s
1,748	1,285	1271	14

- 5.2 Development Services - Economic Development, the variance to projection is an underspend of £14,000. Economic recovery project plans for business start up grants, small business consultancy and pop up shops – schemes have been slow to progress due to Covid restrictions and the additional workload of administration regarding Covid grants.

6. **ENVIRONMENTAL AND COMMERCIAL SERVICES CAPITAL BUDGET TO 31 DECEMBER 2021.**

- 6.1 **APPENDIX 2** details the Environmental and Commercial Services Capital Budget position to 31 December 2021. The total Capital Plan budget of £27.031 million has an actual spend at the end of December 2021 of £10.325 million with a total projected expenditure at end of March 2022 of £24.391 million.

- 6.2 Expenditure on Lands & Buildings to 31 December 2021 totals £5,039,000. The major items of expenditure were £325,000 on replacing waterproofing and expansion joints at multi storey car parks and £4,597,000 for the Council's contribution of the NESS energy from waste plant.
- 6.3 Expenditure on Infrastructure assets to 31 December 2021 totals £4,679,000. The main item of expenditure was £2,286,000 on roads resurfacing works throughout the Council area. Other items of expenditure include £702,000 on various bridge works and £405,000 for work on the pontoons at Findochty Harbour.
- 6.4 Expenditure on vehicles, plant and equipment to 31 December 2021 was £610,000, the main item of expenditure being £380,000 on the Vehicle & Plant Replacement Programme.
- 6.5 **APPENDIX 3** shows the projects within the Capital Budget with a summary of the ratings estimated by budget managers.
- 6.6 Budget managers have been requested to update projected estimates of expenditure on capital projects in 2021/22. Projects are marked red / amber / green. This column represents an assessment of projected expenditure at end of year - with green being a high confidence level of expenditure close to projected expenditure for the total of the year, medium confidence as amber and low confidence as red. There are various unknowns surrounding the impact that the situation in the wider construction industry and in supply chains will have and this is reflected in the value of projected expenditure in amber and red. A summary of the ratings is given in the table below.

Risk status	RAG	No. of projects	Projected expenditure 2021/22 £000s
High confidence of spend to estimate	G	36	8,300
Medium confidence of spend to estimate	A	15	1,957
Low confidence of spend to estimate	R	6	14,020
		<u>57</u>	<u>24,391</u>

- 6.8 A red status highlights areas where there is low level of confidence in estimated expenditure. The following have been identified by budget managers as having a **Red** status:

Project	Capital Plan £000s	Projected Expenditure 2021/2022 £000s	Projected Variance 2021/2022 £000s
Land and Buildings			

NESS Energy for Waste	10,784	10,784	-
Infrastructure			
Road Safety Provision	247	25	222
Kerb Edge Replacement	50	-	50
A941/50 Dykeside	160	160	-
Vehicles, Plant and Equipment			
Vehicle and Plant Replacement Programme	3,045	3,045	-
Traffic signal replacement	6	6	-
TOTAL	14,292	14,020	272

- 6.9 The covid pandemic and issues within the supply chain for infrastructure projects have had an impact upon the timescales for NESS. There continues to be a high degree of uncertainty around expected level of spend this financial year and there may be a need for carry-over into 2022/23, however, for the current time it is felt prudent to leave spend on budget but classify as Red.
- 6.10 Given the relationship between active travel and road safety, there is a degree of cross-over in terms of scope and funding eligibility between the Road Safety and Cycling, Walking, Safer Streets (CWSS) budgets. Therefore, given the ring-fenced nature of the CWSS grant, these projects are being priorities to maximise utilisation of the grant. A programme of kerb edge replacement works has been unable to be developed due to increased focus on other areas of the capital plan and staff shortages within the Service. Work on the bridge at A941/50 Dykeside had been delayed due to costs being higher than the budget available but, as reported to the Meeting of Corporate Committee on 30 November (paragraph 7 of the minute refers) funding has been received from the Scottish Government through the Local Bridge Maintenance Fund and work is in the process of being re-tendered.
- 6.11 The lead time for purchase of vehicles is very long due to issues with the supply of small components to complete vehicles. There is therefore a high degree of uncertainty as to when vehicles will be delivered and hence costs incurred. Orders to the value of £3 million with potential for delivery in 2021/22 have been placed so the forecast £1 million underspend is the minimum underspend for the year. Due to staff focus being on other capital projects work is not progressing on the replacement of traffic signals.
- 6.12 An amber rating of confidence to spend budget highlights areas where there are issues impacting on the ability to project spend – generally indicating factors out with the budget manager’s control. The Covid-19 pandemic restrictions on contractors working practices have resulted in an increase in costs of construction. The impact of Brexit has also seen material and equipment costs increase and we are experiencing procurement delays due

to poor responses to tenders and delays in the supply of materials. Other factors creating uncertainties are noted below, mainly staff capacity, response to safety issues and service requirements

The following have been identified by budget managers as having an **Amber** status:

Project	Capital Plan 2021/2022 £000s	Projected Expenditure 2021/2022 £000s	Projected Variance 2021/22 £000s
Lands & Buildings			
Cemetery Provision in Moray	20	20	-
Parks & Open Spaces infrastructure	100	83	17
Infrastructure			
Road Safety Provision – Disability Adaptions	35	35	-
Cycling, Walking, Safer Streets (CWSS)	421	421	-
Road Improvements – Drainage Works	460	230	230
Road Improvements - footways	300	149	151
A95 Meikle Cantlay Landslip	1	1	-
Street Lighting – LED Replacement	144	144	-
Street Lighting replacement columns and lights	550	340	210
Shougle Bridge	108	108	-
U142.5 Nether Tomdow, U142.5 Willowbank, U142.5 Culach Burn	115	115	-
Wards Road Junction Improvements	101	101	-
Vehicles, Plant & Equipment			
Orchard Road Signals	28	28	-
Chemical Waste Disposal Points	170	170	-
Children's Play Areas	12	12	-
TOTAL	2,565	1,957	608

- 6.13 The timing of spend on cemeteries was varied from that originally planned due to negotiations on the acquisition of land being started earlier than originally planned and budget was brought forward however these discussions are currently still ongoing so costs are not known at the current time. As reported to Economic Growth, Housing and Environmental Sustainability Committee on 24 August 2021 it is now planned to defer all but essential work on lands and parks to meet health and safety requirements. The budget was adjusted to reflect the estimate of necessary works at that stage but some urgent health and safety works have now been identified as detailed in paragraph 5.19 of this report. There is no guarantee that further urgent works will not be required.

- 6.14 As reported to a meeting of Corporate Committee on 30 November (paragraph 7 of the minute refers) there is a degree of cross-over in terms of scope and funding eligibility between the Road Safety and Cycling, Walking, Safer Streets (CWSS) budgets. Therefore, given the ring-fenced nature of CWSS, projects are being carefully considered to maximise utilisation of the CWSS funding. Drainage works are planned to be carried out after the majority of roads capital spend has taken place and are therefore vulnerable to an early onset of cold weather, as the teams would then be reallocated to gritting. Street lighting column replacement has been classed as amber because of the capacity of staff to undertake work on both Street Lighting projects. The tendering process for Shougle Bridge was delayed due to negotiations with landowners and is rated amber because of this delay.
- 6.15 Works at Orchard Road traffic signals are to be undertaken along with work to resolve drainage issues at the site. Initial work has commenced on this project, materials have been ordered and it is scheduled to begin in the current financial year, subject to lead in times for the supply of materials and the severity of the winter, with a planned completion date of summer 2022. There were minor delays to Phase 1 of the installation of chemical waste disposal points but phase 2 has been progressing well. The status of this project has been kept at amber due to issues regarding signage design which are still to be resolved. Play area upgrade design is being carried out in conjunction with local communities using Participatory Budgeting (PB) and delays in the lead-in times for the delivery of equipment means the level of spend is uncertain at this time and will be updated following the procurement exercise when more information will be available.
- 6.16 A summary of the projected variances at 31 December 2021 from the current approved capital programme, as detailed in **APPENDIX 1**, is set out below:

Description	Para ref	Underspend/ (Overspend) £000
Land & Buildings		
Moycroft	6.17	(130)
Cemetery Provision in Moray – Infrastructure	6.18	13
Parks and Open Space – Infrastructure	6.19	17
Infrastructure		
Road Safety Barrier Provision	6.20	222
Drainage and other works	6.21	230
Footways	6.22	151
Kerb Edge Replacement	6.23	50
Street lighting replacement columns and lights	6.24	210
C2E/40 Foths Burn Bridge	6.25	63
Cappies Bridge	6.26	43
Harbours Findochty Pontoons	6.27	106
Total		2,640

Lands & Buildings

- 6.17 **Moycroft** – This project has a projected overspend to budget of £130,000 at 31 December 2021. The estimates of spend are based on the best information available at the current time. Scottish Water and Covid disruption costs are still to be confirmed, and a final invoice from the contractor has yet to be received, all of which could vary the estimates up or down. Work on the cycle path has been delayed due to issues in the wider construction industry and due to difficulties in getting firms to tender for work. An alternative approach is now being pursued which will avoid access of refuse vehicles crossing the cycle path by creating an alternative access/egress point into the refuse vehicle parking area.
- 6.18 **Cemetery Infrastructure** – The budget of £100,000 against this heading was originally projected to be fully spent. However, the Council has received funding from the Scottish Government from the Nature Restoration Fund – the works to create a ‘rain garden’ at Clovenside Cemetery meet the criteria of this funding and it will therefore be utilised to fund this project, creating an underspend of £13,000 on this heading.
- 6.19 **Parks and Open Spaces Infrastructure** – The current work programme on this budget heading is dealing with priority and health and safety works only. At the moment it is projected that there will be an underspend of £13,000 but the timeline and costs of path works at Lossiemouth Harbour are currently not known, which may increase the costs and therefore reduce the underspend.

Infrastructure

- 6.20 **Road Safety Works** – Where possible, road safety projects under the Road Safety heading have been put on hold to enable focus on spending CWSS funding. At this stage it is projected that this will underspend by £222,000.
- 6.21 **Drainage and Other Works** – Due to staff shortages within the Service, and an increased capital allocation for Roads Surfacing projects, it is currently anticipated that this heading will underspend by £230,000 in the current financial year.
- 6.22 **Footways** – This heading is projected to underspend by £151,000 in the current financial year due to work being unable to be progressed due to staff shortages within the Service.
- 6.23 **Kerb Edge Replacement** – A programme of works has been unable to be developed for this heading due to staff shortages and difficulties in recruiting and a focus on the increased capital allocation for Roads Surfacing projects, creating a predicted underspend of £50,000.
- 6.24 **Street Lighting** – It is currently predicted that the project under this heading for column replacements is going to be underspent by £210,000 in the current financial year. This is due to difficulties in procuring materials required and staff shortages meaning that not all planned works will be completed.
- 6.25 **Bridges C2E/40 Foths Burn Bridge** – Savings were made during this project, which is now complete. This has meant that not all the budget was

required and there is an underspend of £63,000 projected by the end of the financial year.

- 6.26 **Bridges Cappies Bridge** – The budget for this project, which was for weight restrictions, was developed prior to the detailed design being carried out and had assumed the installation of additional features such as traffic lights and over-head gantries would be required. However the costs for this project were considerably less than anticipated as only new signage was required. This has resulted in an underspend of £43,000.
- 6.27 **Findochty pontoons** – Savings were made during this project, the main works of which are complete, apart from some minor works which are outside the scope of the contract. This has meant that not all the budget was required and there is an underspend of £106,000 projected by the end of the financial year.

7. AMENDMENTS TO CAPITAL PLAN

- 7.1 The following amendments to the capital plan are anticipated to be requested and subject to approval by Moray Council on 23 February 2022:

RISK AND EMERGING ISSUES

- 7.1.1 Budget managers have been requested to identify any specific areas of risk for the projects in the Capital Plan for which they are responsible.
- 7.1.2 As reported to Economic Growth, Housing and Environmental Sustainability Committee on 24 August (paragraph 7 of the minute refers) a risk to the capital plan is an increase in the cost of materials and scarcity of many materials which are key for the construction industry. Scotland Excel have informed the Council of unavoidable increases to costs on four of their frameworks and some key materials such as concrete, wood and steel are currently difficult to source and costlier if they are available. This is partly a world-wide reaction to the pandemic, and partly due to Brexit. The construction industry is also over-heated and some recent procurement exercises have stalled. The Strategic Territory Partnering Board are also monitoring market volatility.
- 7.1.3 There is a risk that contract inflation might increase the eventual cost of projects in future years of the capital plan and a risk that any deferment of projects relating to asset condition might result in element failure, potentially incurring unbudgeted costs.
- 7.1.4 The NESS Energy for Waste project is at a risk of delay due to Covid however it is not anticipated that this will impact on the current revenue and capital budget provision.
- 7.1.5 The main risk for the vehicle replacement programme is manufacturers failing to deliver to agreed timescales and this risk is heightened at this time due to the shortage of semi-conductors.

- 7.1.6 Projects can be subject to risks which are out with the direct control of the Council. Poor weather conditions can impact project timescales, as identified for Roads Drainage works and harbours renovation works.
- 7.1.7 Lack of staff resources and staff turnover can impact on project timescales and other emerging work priorities can impact in scheduled works and this is reflected in delays where work planned to be out-sourced is being brought in-house as a result of poor response to tender requests.
- 7.1.8 There is a risk that time-limited funding is not spent within time-frame and that the Council therefore loses the opportunity to improve or create assets at no or reduced cost to the Council.
- 7.1.9 Looking to the future there is a need to invest significantly in our infrastructure to underpin the Council's priorities of Our People, Our Place, Our Future. The Council's forecast financial situation is such that significant savings will be needed and realistically capital expenditure cannot be ignored when seeking to curtail costs. There will therefore be a difficult balancing act between investment needs and savings.
- 7.1.10 No other project risks have been specifically identified by budget managers.

8. SUMMARY OF IMPLICATIONS

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

Effective budget management is an essential component of delivery of Council priorities. The capital plan is one of the vehicles through which the Council's priorities can be delivered. The approved capital plan for 2022/23 and the outline ten year plan incorporates measures designed to address the LOIP priorities of building a better future for our children and young people, empowering and connecting communities and developing a diverse, inclusive and sustainable economy

(b) Policy and Legal

There are no policy or legal implications arising directly from this report

(c) Financial implications

The financial implications are highlighted within the report and detailed in **APPENDICES 1 – 4**.

Environment and Commercial Services revenue spend to 31 December 2021 is £16,745,000 against a budget projection of £16,582,000 giving an over spend of £163,000.

Economic Growth and Development Services - (Development Services) revenue spend to 31 December 2021 is £1,271,000 against a budget to date of £1,285,000 giving a minor underspend variance of £14,000.

Direct Services capital spend is £10.328 million to 31 December 2021.

(d) Risk Implications

Budget managers are aware of their responsibilities for managing budget allocations and approval for variance will be sought from Committee in line with the Financial Regulations.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

There are no Property implications arising from this report.

(g) Equalities/Socio Economic Impact

There are no equalities implications arising from this report because the report informs the Committee on budget monitoring.

(h) Consultations

This report has been prepared in consultation with Depute Chief Executive (Economy, Environment & Finance), Head of Environmental and Commercial Services, Head of Economic Growth and Development Services, Principal Accountant (Paul Connor), Legal Services Manager, Committee Service Officer (Lissa Rowan) and Environmental and Commercial Services Management Team and Budget Managers. Any comments have been taken into consideration.

9. CONCLUSION

9.1 This report sets out the budget monitoring position and comments on variances for the Environmental and Commercial Services and Economic Growth and Development Services (Economic Development) Capital and Revenue Budgets for the period to 30 December 2021.

Author of Report: Nichola Urquhart, Quality Management Systems Officer

Background Papers:

Ref: SPMAN-524642768-655

APPENDIX 1

ENVIRONMENTAL AND COMMERCIAL SERVICES - REVENUE BUDGET PROGRESS PERIOD TO 31 DECEMBER 2021 (QTR 3)

Service	Annual Budget	Budget to date	Actual & Committed YTD	Variance
	£000s	£000s	£000s	£000s
Fleet Services	-1,981	-1,488	-1,428	-60
Engineering Design	981	664	676	-12
Roads Management	3,856	2,631	2,631	0
Traffic & Transportation Mgmt	5,136	3,267	3,548	-281
Waste Management	7,803	5,402	5,336	66
Building Cleaning & Catering	6,093	4,385	4,141	244
Parks & Open Spaces	1,379	899	990	-91
Env& Com Services Admin / Suppt Svs /H&S	413	303	303	0
Emergency Planning	35	16	18	-2
Env & Com Services Covid 19	356	369	402	-33
Staff Saving Targets	-154	0	0	0
Direct Services Directorate	170	134	128	6
Total Env & Com Services	24,087	16,582	16,745	-163

APPENDIX 2

APPENDIX II ENVIRONMENTAL AND COMMERCIAL SERVICES - CAPITAL BUDGET PROGRESS – PERIOD TO 31 DECEMBER 2021

Service Description	Total Number of Projects	Current Capital Plan Budget 2021 - 2022	Actual & Committed to 31 Dec 2021	Total Projected Expenditure
		£000s	£000s	£000s
Vehicle Plant and Equipment	11	3,425	610	3,425
Lands and Buildings	7	12,651	5,039	12,751
Infrastructure	38	9,176	4,679	8,101
Total	56	25,252	10,328	24,277

APPENDIX 3

CAPITAL PROJECTS

	Capital Plan 2021/22	Actual to 31 December 2021 (QTR 3)	Total Projected Expenditure 2021/22	Projected Variance	RAG	Service
	£000	£000	£000			
LANDS AND BUILDINGS						
Car Parks	842	325	842	-	G	Transportation
Waste Management -						
Dallachy Landfill site	805	48	805	-	G	Environmental Protection
NESS energy from waste – IAA3	10,784	4,597	10,784	-	R	Environmental Protection
Moycroft	0	46	130	(130)	G	Environmental Protection
Parks & Open Spaces						
Cemetery Provision in Moray- Elgin, Lossiemouth, Keith	20	2	20	-	A	Environmental Protection
Cemetery Provision in Moray – Infrastructure (paths, walls, railings, signage)	100	-	87	13	G	Environmental Protection
Parks & Open Spaces – Infrastructure (paths, car parks, steps, walls, fences, signage)	100	21	83	17	A	Environmental Protection
TOTAL	12,651	5,039	12,751	(100)		
INFRASTRUCTURE						
Road Safety						
Disability Adaptions	35	39	35	-	A	Transportation
New Road Signs and Markings	82	90	82	-	G	Transportation
Road safety barrier provision	185	50	185	-	G	Consultancy
Road safety provision	247	20	25	222	R	Transportation
CWSS Cycling, walking, safer streets.	421	24	421	-	A	Transportation

(cont.) (cont.)						
	Capital Plan 2021/22	Actual to 31 December 2021 (QTR 3)	Total Projected Expenditure 2021/22	Projected Variance	RAG	Service
	£000	£000	£000			
INFRASTRUCTURE						
Road Improvements						
Carriageway resurfacing / reconstruction / surface dressing	3,456	2,286	3,456	-	G	Roads Maintenance
Drainage and other works	460	62	230	230	A	Roads Maintenance
Footways	300	9	149	151	A	Roads Maintenance
Kerb Edge Replacement	50	-	-	50	R	Roads Maintenance
Portknockie Landslip	15	2	15	-	G	Roads Maintenance
A95 Meikle Cantlay Landslip	1	1	1	-	A	Environmental Protection
Street Lighting						
Replace SOX and SON street lights with LED lights	144	17	144	-	A	Roads Maintenance
Replacement columns and lights	550	6	340	210	A	Roads Maintenance
Bridges						
C2E/20 Cloddach Bridge	45	20	45	-	G	Consultancy
C2E/40 Foths Burn Bridge	160	95	97	63	G	Consultancy
Cappies Bridge	48	0	5	43	G	Consultancy
U118E/10 Shogle Bridge	108	4	108	-	A	Consultancy
U142.5 Nether Tomdow, A941/50 Willowbank, U142.5 Culach Burn	115	15	115	-	A	Consultancy
Dykeside, U142.5	160	4	160	-	R	Consultancy
MacDowall	285	281	285	-	G	Consultancy
Tomlaith	151	143	151	-	G	Consultancy
(cont.)						

(cont.)						
	Capital Plan 2021/22	Actual to 31 December 2021 (QTR 3)	Total Projected Expenditure 2021/22	Projected Variance	RAG	Service
	£000	£000	£000			
INFRASTRUCTURE						
Bridges						
Lossiemouth replacement bridge	33	81	33	-	G	Consultancy
Remote footbridges	92	58	92	-	G	Consultancy
A941 Blackwater Bridge	10	-	10	-	G	Consultancy
U711H/Bridge of Slateford	10	-	10	-	G	Consultancy
A941 New Craigellachie Bridge	15	-	15	-	G	Consultancy
Traffic						
Wards Road Junction Improvements	101	9	101	-	A	Transportation
LCTT upgrade Speyside way	-	277	-	-	G	Transportation
LCTT ERDF Speyside Way upgrade	-	61	-	-	G	Transportation
LCTT ERDF car charge points	-	26	-	-	G	Transportation
LCTT ERDF promotions	-	1	-	-	G	Transportation
Harbours						
Replacement of life expired elements and upgrade	992	-	535	457	G	Transportation
Findochty Pontoons	600	405	494	106	G	Consultancy
Cullen timber pile repairs	-	143	140	(140)	G	Consultancy
Burghead sheet pile repairs	-	23	22	(22)	G	Consultancy
Portknockie inner basin repairs	-	156	170	(170)	G	Consultancy
Buckie North Pier	-	-	100	(100)	G	Consultancy
Findochty Harbour Quay wall investigation	-	-	25	(25)	G	Consultancy
Harbours Economic Development						
Economic Development	17	-	17	-	G	Transportation
Buckie Harbour Infrastructure	104	85	104	-	G	Transportation

Improvements – Ice Plant						
Flood and Coastal Protection						
Findhorn Flood Alleviation	184	183	184	-	G	Consultancy
TOTAL	9,176	4,679	8,101	1,075		

(Cont.)

	Capital Plan 2021/22	Actual to 31 December 2021 (QTR 3)	Total Projected Expenditure 2021/22	Projected Variance	RAG	Service
	£000	£000	£000			
VEHICLES, PLANT & EQUIPMENT						
Vehicles						
Vehicle & Plant replacement programme	3,045	380	3,045	-	R	Roads Maintenance
Charge points - Ashgrove	-	50	-	-	G	Roads Maintenance
Facilities Management Equipment	17	8	17	-	G	Roads Maintenance
Traffic						
Traffic Data Collection Equipment	7	1	7	-	G	Transportation
Traffic Signal Replacement	6	1	6	-	R	Transportation
Orchard Road Signal – Developer obligation funded (forward & existing)	28	8	28	-	A	Transportation
Waste Management						
Domestic & Trade Waste Bins	100	86	100	-	G	Environmental Protection
Upgrade of containers at recycling centres	20	-	20	-	G	Environmental Protection
Upgrade Recycling Centres	20	-	20	-	G	Environmental Protection
Chemical waste disposal points	170	64	170	-	A	Environmental Protection
Parks & Open spaces						
Children's play Areas (Parkland)	12	12	12	-	A	Environmental Protection
TOTAL	3,425	610	3,425	-		

APPENDIX 4

Major Capital Projects spanning more than 1 financial year (as at 31 December 2021)

Description	Approved Budget	Total Expenditure in previous financial years	Current 2021-22 Budget	Actual spend to 2021-22	Remaining Budget 2021-22	Project Spend 31/03/21	Life to Projected Future Years Budget Required	Estimated Final Cost	Projected Budget Variance
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
LED Street lighting replacement programme	5,000	3,860	144	17	127	3,877	996	5,000	0
NESS Energy from waste	27,224	14,343	10,784	4,597	6,187	18,940	2,097	27,224	0
Total	32,224	18,203	10,928	4,614	6,314	22,817	3,093	32,224	0



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE ON 22 MARCH 2022**

**SUBJECT: TRANSPORTATION CAPITAL AND REVENUE BUDGETS
2022/23**

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

1. REASON FOR REPORT

- 1.1 To inform the Committee of plans to deliver the capital and revenue programme in Transportation for 2022/23.
- 1.2 This report is submitted to Committee in terms of Section III (F) (33) to provide, develop and monitor the Council's Economic Development and Infrastructure Services.

2. RECOMMENDATION

2.1 It is recommended that Committee:

- (i) **approve the plans to deliver the capital and revenue programme for 2022/23 as contained in this report; and**
- (ii) **delegate authority to the Head of Environmental and Commercial Services to apply for grants for the funding areas set out in this report at paras 4.8, 5.15 and 7.12.**

3. BACKGROUND

- 3.1 The Transportation team delivers the Council services and duties in relation to public transport, home to school transport, transport development, traffic management, road safety, sustainable and active travel, car parks and harbours, as well as advising and preparing recommendations to members on matters of transport strategy.
- 3.2 This report sets out the plans of each team within Transportation to deliver those services and duties in line with the approved revenue and capital budgets for the financial year 2022/23.

4. PUBLIC TRANSPORT UNIT

- 4.1 The 2022/2023 revenue budget for the Public Transport Unit is £5.1 million. As is normally the case, the major element of the budget relates to the statutory provision of entitled home to school transport. The budget is factored to 190 school days, which reflects the projected school calendar functioning without any major Covid restrictions. The major areas of expenditure are set out below.

Category	£
Home to School Transport	£4,505,000
Infrastructure, Systems and Services	£65,000
Dial M	£323,000
Social Care Projects and Day Service	£0 (net position)
Staff Costs (excluding drivers)	£268,000
Total	£5,161,000

Home to School Transport

- 4.2 The Council has a statutory duty to provide transport between home and school for entitled pupils travelling to and from their zoned schools. The service was retendered in February 2019 for five years with an optional one year or two year extension. Home to school transport is provided by a mix of external coach and bus suppliers, taxi companies, bolstered by the use of the Council's own fleet. School routes are commissioned to maximise efficiency of vehicle provision in line with the requirements of individual schools. This includes transport for pupils with varying degrees of Additional Support Needs to enhanced provision centres across Moray.
- 4.2 The budget for this service is £4.5 million and provides home to school transport for 2,550 pupils per year. Income of £7K is budgeted in relation to Privilege Transport, which offers pupils not entitled to free provision access to a seat on a closed contract school bus. The Under 22 free bus travel scheme launched in January 2022 does not cover closed school contracts.

Infrastructure, Systems and Services

- 4.3 This area of expenditure covers statutory maintenance for roadside passenger shelters and bus stops plus software licensing and maintenance fees for the Dial M demand responsive booking system and on bus ticket machines.

Minibus Hires and Social Care Transport

- 4.4 Transport is provided by the Public Transport Unit to a number of projects, day care centres and respite centres for vulnerable social care clients. Costs of this transport are recharged back to the various social care teams and project managers. Income is also generated by the hire of minibuses to external sources viable under the Section 19 Community Bus Permit scheme. Revenue from this will be dependant on the return of customer confidence and the continued easing of post Covid restrictions.

Dial M

- 4.5 This is the budget allocated to Dial M which includes a proportion of the overall vehicle and property costs associated with the delivery of public transport. This line also factors in predicted income, an area still facing some

uncertainty as the country comes out of the Covid era of restrictions. Budgeted external income is £244k, made up of Dial M £110k (concessionary fare reimbursement, on bus fares paid, Network Support Grant) and Minibus £134k (NHS contract and Network Support Grant).

Income

- 4.6 Income is generated from a number of sources including adult concession fare reimbursement, the newly launched under 22's free bus scheme, the Network Support Grant (which replaces the Bus Service Operator Grant), NHS Grampian patient transport and other service user income. The income figure is factored in the Dial M figure.

Grant Funding

- 4.7 With the increased focus on sustainable travel in Scottish Government priorities there may be opportunities throughout the year to benefit from grant funding to provide funding sources for initiatives such as equipment, infrastructure enhancements or promotion & marketing to support the priority areas set out above. Delegated authority is requested for the Head of Environmental & Commercial Services to apply for funding which is in line with these existing areas of service provision in order to promptly maximise external funding sources for Council priorities.

5 HARBOURS

- 5.1 The total revenue maintenance expenditure can be split into categories as follows:

Description	£
Dredging	180,000
Maintenance	103,390
Inspection & Surveys	25,000
Port Marine Safety Code Compliance	6,500
Total	314,890

Infrastructure Maintenance

- 5.2 This will include the following items:

- ☐ Ladder repairs / replacement
- ☐ Repairs to pier and harbour surfaces (potholes, storm damage etc.)
- ☐ Repairs to safety railings and barriers
- ☐ Maintenance and upgrade of all LSA (Life Saving Appliances)
- ☐ Upgrade of harbour signage
- ☐ Pontoon repairs (incl replacement sections, chains, hinges, decking)
- ☐ Refurbishment and painting of quayside furniture and equipment e.g. lighthouses, bollards and toe rails.
- ☐ Repairs to and replacement of navigation lights
- ☐ Repairs to various items of equipment e.g. fish barrow wheels, chiller doors and curtains, replacement of water hoses
- ☐ Harbour property repairs as managed by Estates
- ☐ Cleaning and maintenance of ice plant
- ☐ Cleaning and maintenance of slipways
- ☐ Repairs to harbour lighting in conjunction with Street Lighting

- ☐ Pest control, drain clearance
- ☐ Replacement of oil spill response equipment
- ☐ Maintenance and upgrade to Lifejackets and PPE for staff
- ☐ Annual Service and Calibration of Weighbridge at Buckie Harbour
- ☐ Annual Service and Calibration of Scales in the Fishmarket building
- ☐ Staff medical examinations (ENG 1)
- ☐ Upgrade and replacement of items of equipment such as VHF radios
- ☐ Maintenance of Pilot Boat
- ☐ Maintenance of Dredger
- ☐ Maintenance of Fork Lift

Inspections and Surveys

- 5.3 Engineering surveys, including underwater work, are carried out periodically by an external contractor to determine the state of the harbour structures. This work is now managed by Consultancy in close co-operation with the harbours team. These detailed surveys of the harbour structures are vital to assist in programming capital works effectively, and are normally carried out every 2 years. The survey plan for the next 6 years is detailed in the following table.

Harbour	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Buckie		Dive			Boat	
Burghead			Boat			Dive
Cullen	Boat			Dive		
Findochty	Dive			Boat		
Hopeman		Boat			Dive	
Portknockie			Dive			Boat

Boat – visual inspection from a vessel

Dive – in water inspection

- 5.4 A Bathymetric survey was carried out at the entrance to Buckie Harbour in 2021/22 to link in with dredging activity. It is proposed Bathymetric surveys will be carried out at each harbour every 2 years in the future. Surveys are also carried out periodically on the harbour estate when required e.g. asbestos, contaminated land.

Port Marine Safety Code Compliance

- 5.5 A marine consultant is engaged as Designated Person to ensure that the council is fully compliant with the Port Marine Safety Code, which is the industry guidance document for good practice produced by the Department for Transport and the Maritime and Coastguard Agency. The duty of Designated Person is a prescribed post in the Port Marine Safety Code.

Income

- 5.6 Income generated by harbours has generally been increasing year on year, in 2022/23 the charges have been frozen and the anticipated income from leisure and commercial operations is £630,150.

- 5.7 The outline dredging plan for Moray Council harbours is as follows in 22/23:

Days Dredging 2022/23							
	Burghead	Buckie	Findocht	Portknockie	Culle	Hopem	Total

			y		n	an	
Budget	£60K	£78K	£15K	£9K	£6K	£12K	£180K
Days	20	26	5	3	2	4	60

- 5.8 On average the dredger will load approximately 140 tonnes into the hopper per dig, and aim to carry out 2 digs per day. However, this will depend on the specific gravity of the material being dredged, the tides, and the prevailing conditions on the day - not only at the dredge location but also at the sea disposal site.
- 5.9 Actual days worked at any of the harbours will depend on weather and tide, and availability of crew, vessel and machinery. Therefore the final split of days across the harbours will change over time. The priority of the harbourmaster will always be to maintain the depth of the channel and approaches to the commercial harbours at Buckie and Burghead. Hopeman, Findochty and Cullen are classed as drying harbours. However, the harbour authority has a duty and responsibility to ensure safe passage of vessels to and from their berths. Portknockie always has a good depth of water and needs minimal maintenance dredging. It is the intention to deliver the number of days planned in each harbour over the financial year. The current 3 year dredging licences for the commercial harbours at Buckie and Burghead are valid until 2024. The licences for the leisure harbours at Cullen, Portknockie, Findochty and Hopeman are valid until 2023.
- 5.10 Work is planned at Burghead to repair the groyne situated just south of the harbour channel. This work is subject to approval from Asset Management Working Group and subsequent approval of capital budget.
- 5.11 Capital works plans scheduled for 2022/23 include works on the West and North piers in Buckie repairing the quay structures at a cost of £239,000 and work at Portknockie replacing ladders at Macdonald pier with a planned cost of £4,000.
- 5.12 There are planned works to resurface Pier 1 in Buckie. This work is scheduled to be undertaken in early summer time to maximise weather opportunities and avoid multiple disruptions.
- 5.13 These works are funded via capital budget held and delivered by the Consultancy Team.
- 5.14 There are proposals to upgrade electrical capacity in Buckie to promote a reduction in harbour user's carbon footprint, rejuvenate existing harbour facilities, ensure increased energy efficiency and to prepare Buckie for future investment and development needs. A mandate is prepared ready for AMWG incorporating details of plans to try and secure funding of 75% of the costs through a UK government scheme detailed below. The anticipated costs of the project are £500,000 and the project is reflected in the approved capital plan.
- 5.15 There are upcoming funding opportunities which are intended to be applied to with Council consent. The UK government is running an Infrastructure scheme as part of its fisheries fund. It is intended to apply for funding which will cover up to 75% of the costs of the planned Electrical upgrades project in

Buckie which has an indicative cost of £500,000. There is also potential for the Scottish government to reopen the Marine Fund Scotland scheme again in the 22/23 financial year. This fund will also be applied to with consent from council with projects to upgrade harbour facilities including ladder replacement and potential installations of davits. Delegated Authority is requested to submit applications to fund the projects listed above and any others which fit within existing service delivery priorities.

6 TRANSPORT DEVELOPMENT

- 6.1 The transport development team has a revenue budget of £235,000 for 22-23 (excluding staffing costs). This is for required system licences such as Geographical Information Systems (GIS) and the Trip Rate Information Computer System (TRICS). A modest amount is included in this budget for the commissioning of transport studies – principally for runs of the Elgin Traffic Model to support the team’s role in assessing the impact of changes to the road network and to commission specific transportation studies/surveys for which there is no grant funding available. There is also £200k approved for Development Plan Scheme Transport Appraisals in 22-23.

7 TRAFFIC

- 7.1 The Traffic Team has a net revenue budget of £432k. This covers the statutory duties in relation to road safety, streetworks and road construction consents. The planned expenditure is set out in more detail below.
- 7.2 The revenue budget includes an anticipated income of £264k. This comprises £173k for processing Temporary Traffic Regulation Orders and issuing permits such as Road Opening Permits. £91k is budgeted for income relating to Road Construction Consent inspections.
- 7.3 The Council has a statutory duty to carry out studies of road accidents and “take such measures as appear to the authority to be appropriate to prevent such accidents”. The Road Safety budget of £105k in the Capital Plan provides funding to deliver works in priority areas and a small allowance for minor interventions. During 22/23, the budget will be used to install Toucan crossing facilities on Morriston Road and Thornhill Road, in Elgin and a pedestrian island on Boroughbriggs Road to assist with crossing from the Lossie Green Car Park to the new all-weather football pitches and facilities.
- 7.4 The Council also has a statutory duty to provide disabled parking spaces near the homes of eligible people when they apply. The Council also receives requests for dropped kerbs to assist people with mobility disabilities and parents/carers with pushchairs at places where they need to cross the road. The Disability Adaptation capital budget enables the Traffic Team to deliver appropriate improvements. This £87k budget provision will enable in the region of 80 parking spaces and approximately 35 dropped kerbs.
- 7.5 The New Road Signs and Markings Capital Budget of £57k is for the provision of new road signs, markings and the like to allow the Traffic team to react to changes to the road network – often highlighted by communities, elected members and council officers. This will include new signs and road markings replacing life expired elements with a particular focus on the continued

removal of centreline road markings on rural roads narrower than 5.5 metres and replacing them with edge markings on both sides of the road. Undertaking this particular change, which is compliant with Traffic Signs Manual Chapter 5, has resulted in reductions in verge overrun on these rural roads and has added road safety benefits of defining the edge of the carriageway during the hours of darkness and periods of weather related poor visibility.

- 7.6 There is a small capital allocation of £7k for the maintenance of traffic data equipment. Councils are required to provide Transport Scotland with some data and regularly carry out other surveys to help to respond to concerns raised or to influence design decisions. The collection and analysis of data is also a key part of providing an evidence base in relation to the Local Development Plan. The budget enables the replacement of life expired items such as batteries and for the repair of permanent automatic traffic counter sites. In the long term, there is a requirement to review and upgrade the count equipment itself, which is very dated and no longer supported by manufacturers. This requires research with the costs identified as part of the 10 year Capital Plan.
- 7.7 Each year Moray Council is awarded ring fenced funding for Cycling, Walking and Safer Routes (CWSR). For 2022/23 this is £419k. The grant is to be used only for the purposes of undertaking a programme of works for local cycling, walking and safer streets projects, with a recommended minimum spend of 36% and preferably over 50%, of the grant being used for works to promote cycling and walking for both short and long distance journeys. A participatory budgeting approach is being considered for allocating some of this spend in relation to delivery of the Active Travel Strategy.
- 7.8 The CWSR budget will be used, wherever possible, in combination with other grant funding to maximise income streams for improving cycling and walking facilities and encouraging active travel. It is proposed to use this year's budget (subject to a similar amount to last year being awarded) to design and implement projects. These projects include the widening of the footway along the A940 St Catherine's Road in Forres to become a shared use path, the widening of the footway at the East End of Elgin High Street, and a footway and pedestrian island on St Leonard's Road, Forres. Smaller schemes include new sections of footway on Duff Place at Bishopmill Primary School, in Garmouth near the War Memorial and in Roseisle at the Village Hall, all of which will provide missing links in the existing networks.
- 7.9 Capital provision has been made to forward deliver the Orchard Road signal scheme at a cost of £220k. This scheme was due to take place during the summer of 2020 however, it was delayed due to the pandemic and then by prioritisation of other works which had also been delayed during 2020. The scheme will be fully funded by developer obligations. Partial monies have already been received with the balance due from forthcoming development.
- 7.10 An application has been made to the Smarter Choices Smarter Places (SCSP) fund for £121.6k for support to deliver active travel promotions in relation to schools, marketing of the Moray Council operated bus services and for the continuation of the Moray Bothy project which focuses on promoting accessible and inclusive cycling and walking opportunities to the residents of Elgin, Buckie, Forres, Keith and Lossiemouth. The fund is for behaviour

change activities, which promote the use of sustainable transport modes. The fund is allocated to all Local Authorities on the basis of population size. An application was submitted on 31 January 2022. This year the amount applied for was higher than the Council's usual allocation of £87k to enable additional promotion of bus services. Whether the application for the additional amount has been successful will not be known until the SCSP grant is awarded in May.

- 7.11 Funding from the 'Places for Everyone' fund administered by Sustrans has been awarded for the construction of improvements to the pedestrian and cycle networks near Forres Academy (Routes 8e and Z1L of the Forres Active Travel Feasibility Study). The funding, some £593k, will be used to start works during the spring, with an anticipated completion date before the start of the school autumn term.
- 7.12 In line with the Transportation team's remit to promote road safety, sustainable and active travel, and public transport, there can be mid-year opportunities to benefit from grant funding to deliver these priorities. The deadlines often preclude submission of a report to the service committee. It is requested that delegated authority is granted to the Head of Environmental and Commercial Services to approve grant funding applications where these fit with clear 'business as usual' work priorities, and do not require any other unbudgeted expenditure by the council.
- 7.13 The Traffic Team is responsible for a revenue budget for traffic signals, signs and lines for general maintenance and the refreshing of road markings. The delivery of the budget is the responsibility of the Roads Maintenance Manager and will be reported separately. Appropriate well-maintained road markings, cat's eyes, junction markers and signage all contribute to safety of road users on rural roads.
- 7.14 However, it should be noted that over the past three years this revenue budget has significantly reduced with only prioritised maintenance of these assets being carried out.

8 CAR PARKS

- 8.1 The 2022/23 net revenue budget for car parks is £(309)k, taking into account budgeted income of £(752)k. This maintains the car parks in Moray governed by the car park order and funds the enforcement of the regulations governing the use of pay and display in Elgin. The continuing impact of the coronavirus pandemic on travel patterns and parking with no certainty on likely travel patterns in 2022/23 means that there is uncertainty regarding the delivery of the income budget and the income target has been reduced by £150,000 to reflect this.
- 8.2 The infrastructure and maintenance of grounds includes the following items:
 - ☐ Guardrails & Barriers
 - ☐ Grounds Maintenance
 - ☐ Gully Emptying
 - ☐ General Maintenance
 - ☐ Patching & Kerbing

- ☐ Roads Markings & Signs
- ☐ Winter Maintenance
- ☐ Lighting Maintenance

8.3 The balance of the expenditure in revenue includes employee costs, rent, rates and energy, car park security, banking charges, car park machines and related costs, clothing and uniform.

8.4 The capital budget for car parks for 2022 – 2023 is £130k

9 **SUMMARY OF IMPLICATIONS**

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

Carrying out the planned functions of the Transportation team as per the proposed expenditure above enables the fulfilment of statutory duties and contributes towards the council priorities of a growing sustainable economy, healthier citizens and safer communities.

(b) Policy and Legal

Delegated authority to make grant applications is requested in the report, which is a deviation from the Financial Regulations. The Head of Financial Services has been consulted and is supportive of this request.

(c) Financial implications

The CWSR and SCSP budgets are ring fenced grants. CWSR is included in the council's Scottish Government settlement. SCSP is a dedicated fund which the council must apply for which is administered by Paths for All on behalf of Scottish Government.

(d) Risk Implications

The predicted incomes for harbours, traffic and car parks are based on the best available information but may be subject to variation based on external influences.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

There are no equalities issues arising from this report. There are various expenditure items which promote equalities and / or have a socio-economic benefit, in particular the spend on road safety and public transport.

(h) Climate Change and Biodiversity Impacts

This report sets out plans for sustainable low carbon transport options contributing to addressing the Climate Emergency.

(i) Consultations

The Depute Chief Executive (Economy, Environment and Finance), Head of Environmental and Commercial Services, Legal Services Manager, Head of Financial Services, Principal Accountant (P Connor), Equalities Officer and Committee Services Officer (L Rowan) have been consulted and their comments incorporated into the report.

10. CONCLUSION

10.1 Committee is asked to approve plans and programmes for expenditure as set out in this report.

Author of Report: Nicola Moss, Transportation Manager
Background Papers:
Ref: SPMAN-524642768-692



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE ON 22 MARCH 2022**

SUBJECT: BUS REVOLUTION OPERATIONAL PLAN REPORT

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

1. REASON FOR REPORT

- 1.1 To inform the Committee of operational plans in relation to enhanced bus services as part of 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:

- (i) **approve the operational detail of proposed enhancements to bus services set out in this report, subject to Full Business Case approval of the Moray Growth Deal project, in order to apply for necessary regulatory consents; and**
- (ii) **note that as described in para 3.17 the Dial M brand will be replaced by the m.connect brand identity for all Moray Council demand responsive and timetabled services.**

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 existing Dial M demand responsive service, 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 incrementally expand

service provision, with a long term aim of providing services seven days per week from early morning to late evening.

- 3.3 The Outline Business Case for Bus Revolution was approved in November 2021, with the full Growth Deal being signed in December 2021. The Full Business Case is now being developed for approval by Programme Board, Council, Moray Economic Partnership and government advisers, with full approval anticipated no later than Q3 2022/23.
- 3.4 The project is identified as an early delivery project within the Growth Deal Programme, and on 30 June 2021 Council approved capital expenditure in advance of Full Business Case sign off in order to facilitate that early delivery, which incorporates 6 vehicles – 3 x 16 seater and 3 x 7 seater, given lengthy order lead times.

Regulatory Application Process

- 3.5 In a similar vein, bus services are governed by regulatory permissions through the Traffic Commissioners office, which have a lead in time of 11 weeks to gain consents. With this time frame in mind, this report seeks approval of the operational plans to deliver services using the first phase of funding in advance of the Full Business Case sign off, in order to ensure this regulatory process can be completed timeously. The exact date for commencement of operations is still to be finally determined – potentially as early as August 2022, and within a target of Q3 2022/23. Working backwards from these date ranges means that applications for permits and service registrations may need to be lodged with the Traffic Commissioner as early as May 2022, and no later than August 2022. On this basis, it should still be noted, that the service proposals are still subject to Full Business Case approval or a decision by Council to introduce services at the Council's risk ahead of that approval.

Demand Analysis and Community Engagement

- 3.6 As part of the project development two strands of work have been carried out to inform the service proposals – firstly the mapping and analysis of public transport provision across Moray to identify the areas with the greatest gaps in network provision, and secondly community engagement on public transport priorities and proposals for the expansion of council operated bus services.
- 3.7 The analysis work demonstrates that taking account of both the commercial bus network and the council's bus operations, the greatest gaps are in the Buckie, Keith and Speyside areas.
- 3.8 Community engagement activity has been carried out with the Joint Community Councils of Moray, Moray Forum, Chamber of Commerce, Buckie Locality Plan Group, Speyside Community Council and Tomintoul & Glenlivet Development Trust amongst others. There has been broad support for the enhancement of public transport journey opportunities, acknowledgement that the project has a 10 year life span and takes a phased approach, and support for the proposals set out below.

Proposed Service Enhancements

- 3.9 The proposed service enhancements for Phase 1 of Bus Revolution are summarised as follows:

- Additional demand responsive vehicle covering Buckie / Keith 0630h – 2030h Monday to Friday
- Two additional demand responsive vehicles covering Speyside 0630h – 2030h Monday to Friday
- New circular timetabled service connecting Cullen – Buckie – Keith – Cullen 0525h – 2015h Monday to Friday
- Enhance Aberlour – Knockando – Archiestown – Elgin service from 2 x per week to daily
- Additional DRT pre-0630h and post 1830h subject to demand for workplace transport bookings through local employers

3.10 The heart of the Bus Revolution project is to enhance the provision of demand responsive transport, which is flexible to a dispersed population by using a principle similar to Uber ride sharing – a customer books the service based on their direct journey need and this is accommodated as near to real time as possible. The customer may need to have some flexibility in journey time to get the best journey fit, but it is a means to providing journey opportunities where fixed timetabled routes would not be sustainable. It is an enhancement on the current Dial M operations in that bookings can be made same day, rather than in advance through the use of app based technology. It is worth noting that bookings through the Contact Centre will be retained for those customers who need this facility, but may be able to be same day as they will use the same technology as the app. The additional services set out above provide journey opportunities at times of the day when people are likely to be travelling to work, providing a sustainable and affordable alternative to private car ownership.

3.11 There has been long-standing community aspiration to see the re-introduction of a bus service linking Buckie and Keith. This has been clearly communicated as part of the project's community engagement activity, in particular that any such service should optimise connections with rail services from Keith railway station. The proposed service is a circular route running anti-clockwise as follows: Cullen – Portknockie – Findochty – Portessie – Buckie – Portgordon – Enzie – Aultmore – Newmill – Keith – Cullen. The indicative timetable is attached as **APPENDIX 1**.

3.12 Putting the existing Dial M provision together with the proposed additional services provides a service provision as follows:

3.13 Buckie – Keith Area

Monday – Friday	Buckie – Keith Service	Demand Responsive
0520 – 0630	Per timetable	0
0630 - 0930	Per timetable	1 x vehicle
0930 – 1430	Per timetable	2 x vehicles
1430 - 2015	Per timetable	1 x vehicle
2015 – 2030	0	1 x vehicle

3.14 Speyside area

Tomintoul – Grantown	One return trip each Wednesday
Tomintoul – Aberlour – Dufftown – Keith	One return trip Tuesday, Thursday, Friday
Aberlour – Knockando – Archiestown – Elgin	One return trip daily
2 x Demand Responsive vehicles	0630 – 0900h Monday – Friday
3 x Demand Responsive vehicles	0900 – 1400h Monday – Friday
2 x Demand Responsive vehicles	1400 – 1630h Monday – Friday
3 x Demand Responsive Vehicles	1630 – 1800h Monday – Friday
2 x Demand Responsive Vehicles	1800 – 2030h Monday - Friday

Branding

- 3.15 Committee is also asked to note that to support the promotion of the existing and additional services going forward, the m.connect brand developed through a HITRANS funded project will replace the Dial M identity. As well as providing a fresh and modern brand image, it also removes the focus away from bookings made on the phone to the Contact Centre by removing the 'Dial' reference. The brand comprehensively sits within the council's brand identity, and is flexible to promote different aspects of connectivity and public transport.

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

The financial implications of the service enhancements are to be set out as part of the full financial and commercial case sections of the project's Full Business Case for Council and Scottish Government approval.

(d) Risk Implications

The principal commercial and reputational risks are to be evaluated as part of the Full Business Case, however, it should be noted that there are risks specific to this report around timely applications to the Traffic Commissioner for bus service registrations. Subject to approval of the recommendations in this report officers will time the service registration applications around progress with approval of the Full Business Case and will maintain dialogue with the Traffic Commissioner's office to ensure these processes are aligned. There are reputational risks around service development that is not in line with community expectations, and this has been mitigated by the community engagement activity already carried out, which will continue throughout the project.

(e) Staffing Implications

The implementation of the additional services will require the recruitment of additional drivers/additional driver hours which is accounted for in the financial case for Bus Revolution and will be subject to Council approval.

(f) Property

There are property implications in the wider project relating to the siting of electric vehicle chargers for the bus vehicles. There is a dedicated workstream involving property services and other teams to ensure the appropriate siting of charging infrastructure within existing council property assets and in public areas.

(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 vehicles procured for the project are fully electric in line with specific objectives to reduce carbon emissions. The Outline and Full Business Cases for the project incorporate a comprehensive carbon statement.

(i) Consultations

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

5. CONCLUSION

- 5.1 This report seeks approval of the proposed operational plans for Phase 1 of Bus Revolution in order to ensure timely registration of services with the Traffic Commissioner as part of the overall project timescales and governance arrangements and subject to Full Business Case approval.**

Author of Report: Nicola Moss, Transportation Manager
Background Papers:
Ref: SPMAN-524642768-706

Service 309

Cullen - Buckie - Keith

Mon-Fri

	RTR	RTR							RTR		
CULLEN (Square)	0520	0620	0720	**0845	1000	1135	1330	1515	**1700	1850	1950
Portknockie		.....	0726	0851	1006	1141	1336	1521	176	.....	1956
Findochty	.....	.....	0731	0856	1011	1146	1341	1526	1711	.....	2001
Portessie	.....	.....	0735	0900	1015	1150	1345	1530	1715	.....	2005
BUCKIE (East Church Street)	0529	0629	0740	0905	1020	**1155	1350	1535	1720	1901	2010
Portgordon	.....	.....	0747	0912	1027	1202	1357	1542	1727	.....	.....
Enzie Crossroads	.....	.....	0750	0915	1030	1205	1400	1545	1730	.....	.....
Aultmore	0545	0645	0800	0925	1040	1215	1410	1555	1740	1917	.....
Newmill	.....	.....	0805	0930	1045	1220	1415	1600	1745	.....	.....
KEITH (Railway Station)	0552	0652	0810	0935	1050	1225	1420	1605	1750	1924	.....
<i>Train to Aberdeen Depart</i>	0600	0659	0817	1013	1200	1349	1529	1637	1820	1912	
<i>Train from Aberdeen Arrive</i>		0729	0825	0929	1117	1304	1450	1641	1831	1925	
CULLEN (Square)	0617	0717	0842	0957	1134	1323	1510	1658	1848	1947	.....

**Driver change

RTR - Rapid Transit Route

