

BUDGET SCRUTINY

Top three challenges for delivering within Portfolio budget for 2026/7

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PLYMOUTH
CITY COUNCIL

I. CHALLENGE I - CONCESSIONARY FARES

Since the introduction of primary legislation in 2007, the City Council is required to provide free off-peak travel on buses to elderly and disabled residents. This is a legal entitlement and cannot be revoked or restricted by the City Council. It is a demand-led service, being provided to an aging population, with associated budgetary implications. All eligible residents can apply for an electronic smartcard which is then presented to the ticket machine each time they board a bus which records a journey. Bus operators are then reimbursed for a flat fee for each recorded journey. This fee is calculated using a formula based on current fares, historical fares, and average journey lengths. Recent patronage data is demonstrating a sustained rise in the numbers of people eligible for this reimbursement, creating pressure on the concessionary fares budget.

I.a. MITIGATIONS FOR CHALLENGE I – CONCESSIONARY FARES

The expenditure on concessionary fares is robustly managed by the Public Transport Team with forecasting based on historical trends. There is continual detailed monitoring of data to mitigate any potential budget impacts with wider risks assessed on a regular basis. It is a mandatory requirement that the draft concessionary fares scheme for 2026/2027 was published on the Councils website and issued to the bus operators participating in the scheme on 01 December 2025. This then opened the negotiation period with the bus operators. The final scheme needs to be published on 03 March 2026, for implementation from 01 April 2026. If a rate cannot be agreed between the City Council and each operator by the 01 April 2026 then the operator can appeal the proposed rate to the Secretary of State. The Public Transport Team are in on-going discussions with the bus operators who provide services in the city to review the appropriate rates for 2026/2027.

2. CHALLENGE 2 – PLYMOUTH LOCAL PLAN 2026-2050

On 16 December 2025, the Government published its new National Planning Policy Framework and together with the Planning & Infrastructure Act 2025, which received Royal Assent on 18 December 2025, this heralds the need for a fundamentally different approach to the preparation of the next Local Plan for Plymouth. The Local Plan, which will need to look ahead to 2050, will have to be produced within a prescribed period of 30 months, meet the new plan-making policies of the NPPF, and address how Plymouth's growth agenda will be delivered. Specifically, this will include challenges in relation to Local Government Reorganisation; the implications arising from devolution - in particular a South West Mayoral Strategic Authority preparing the new Spatial Development Strategy; the Defence Deal (Team Plymouth); how to support Plymouth as the national centre for marine autonomy; and the "Town in the City" initiative for the city centre.

2.a. MITIGATIONS FOR CHALLENGE 2 – PLYMOUTH LOCAL PLAN 2026 – 2050

In February 2025, the City Council published its Local Development Scheme setting out an initial timetable for preparation of the plan. From 29th September 2025 a series of ward councillor workshops have been held to begin the process of highlighting key planning, housing and infrastructure issues that the next Local Plan will need to consider. On 03 December 2025, a report was presented to the Natural Infrastructure and Growth Scrutiny Panel providing an update and

setting out the potential scope and timetable for the next Plymouth Local Plan. The Cabinet Member for Strategic Planning & Transport is currently considering the detailed requirements of the NPPF in order to develop a more detailed programme for the preparation of the next Local Plan. This will include further consideration of how to continue to engage ward councillors, as well as other community and key stakeholders. Preparations are underway for establishing the necessary governance for the Local Plan which by its very nature and wide scope will impact on every aspect of the City Council's functions.

3. CHALLENGE 3 - REACTIVE VS PREVENTATIVE MAINTENANCE

Plymouth's highways network is a critical asset underpinning economic growth, public safety, and the city's regeneration ambitions. However, the network is ageing and under increasing pressure from rising demand with proliferation of extreme weather events, and inflation constraining budgets and adding to the maintenance challenge. It's important to strike a sustainable investment model which prioritises preventative maintenance as opposed to reactive. There are significant implications for cost, safety, and operational efficiency should a reactive working methodology prevail, this includes: unplanned downtime giving rise to traffic congestion and failure of critical assets; increased costs as emergency repairs typically cost more due to using unplanned human resources; safety Risks as sudden failures can endanger road users and maintenance crews; and asset life reduction as running to failure often shortens their lifespan, leading to more frequent replacements. Reactive work also disrupts planned schedules, pulling crews and equipment from other tasks.

Reflecting this challenge is the Government's new traffic light rating system for local highway authorities which measure how well local authorities are maintaining their local road network, the Department for Transport (DfT) promote a 75/25% ratio in favour of planned/preventative maintenance and are recognising this as 'Good Practice'. This new rating system will influence future grant allocations to Local Authorities from the DfT.

3.a. MITIGATIONS FOR CHALLENGE 3 - REACTIVE VS PREVENTATIVE MAINTENANCE

We are currently developing a multi year asset management plan that schedules regular inspections, routine maintenance, and timely interventions before failures occur, using data-driven asset condition monitoring technologies with informed allocation of resources to planned resurfacing, drainage improvements, and structural repairs to extend asset life and reduce emergency interventions.

Adoption of a risk-based maintenance approach based on criticality to economic activity, safety, and traffic volumes with reference to climate resilience measures such as flood defenses and heat-resistant materials to mitigate extreme weather effects. In addition:

- Advocate for sustainable multi-year funding streams that ensure consistent investment in planned maintenance rather than short-term fixes.
- Explore public-private partnerships or innovative financing mechanisms to supplement constrained budgets.
- Use the Government's traffic light rating system as a benchmark to demonstrate the value of planned maintenance in securing funding.
- Trained maintenance crews in preventative techniques and early fault detection.
- Communicate transparently with the public about maintenance plans and benefits to build support for necessary works.

- Collaborate with local businesses and emergency services to coordinate works and minimize impact on economic activity and safety.
- Use predictive analytics to forecast maintenance needs and prioritize interventions.
- Implementation of smart traffic management systems to manage congestion during maintenance and emergency repairs and explore sustainable materials and construction methods to reduce environmental impact and improve durability.

By embedding these mitigation measures, Plymouth safeguard its highways network as a vital economic and social asset while aligning with best practices for sustainable infrastructure management. This approach transforms challenges into opportunities for resilient, future-ready transport infrastructure.