

MEMBER'S WRITTEN QUESTION



Member submitting the question: Cllr Mrs Terri Beer

Date received: 1/28/2026 7:22:38 PM

To the Cabinet Member for: mark.lowry@plymouth.gov.uk

Question: If the council pays interest on loans to the tune of 17 million pounds per year, can you tell me what is the income from all the investments made ? and where it is spent? How does this "GOOD" debt help the City tax payer and when will the taxpayers see the reward. I should add that this may be in scrutiny papers or on the internet but not everyone has time to read this information in detail and I would like to clarify these points on behalf of residents across Plymouth

Answer:

For the current financial year (2025/26), total financing cost £18.7m was recharged to services ('service borrowing'). These service borrowing recharges to services are funded by income or savings – the largest recharge (£8.8m) is to the Property Regeneration Fund, a portfolio of regeneration and investment property which delivers savings and provides an income for the council. We assume this is the 'good debt' you are referring to. The recharge to the Property Regeneration Fund is made up of interest costs of £5.6m, as well as a repayment of principal (capital repayment) charge of the remaining £3.2m. The income generated by this portfolio in 2025/26 is forecast to be £13.5m. After holding costs (£1.1m) are deducted, the income is spent on interest payments (£5.6m) and repayment of capital (£3.2m), with the balance of £3.6m being used to meet a corporate income target for the portfolio. Taxpayers see the reward of the income to this £3.6m value, which is used to offset the cost of providing services across the council (because it is a corporate income budget target, the income is not hypothecated to any particular service). Furthermore, because the cost of the investment is being repaid over time, taxpayers will enjoy a long-term benefit through the City Council's long-term ownership of an income-generating portfolio. I hope this answers your question, I am sure that officers would be happy to meet with you to provide any further information should you require it.

Signed:

Date: 10 February 2026

Written questions:

- will be replied to within 10 working days
- will be published on the last Friday of each month