

FINANCE

PAC says councils in 'risky position' after commercial investments

The Public Accounts Committee has warned that the level of borrowing among councils for the purchase of risky developments has "exploded" on the "sleepy watch" of the Ministry of Housing. The MPs found that £6.6bn of taxpayers' money has been spent on acquiring commercial property in the three years to 2018-19 - 14 times more than the previous three-year period. A report says that councils were "borrowing for yield" to offset financial pressures, and many had built up long-term debts that had to be serviced with rental incomes. Committee chair Meg Hillier said:

"If local authorities were counting on rents to repay that debt they are now, with the hit from COVID-19, in a very risky position, which means taxpayers and services are in a very risky position."

[The Times, Page: 19](#)

The Guardian, Page: 1

The Daily Telegraph, Page: 10

Daily Mirror, Page: 2