ABINGDON TOWN COUNCIL

Report to	**Finance, Governance and Asset Management committee**
Meeting date	**15 September 2025**
Report author	**Responsible Finance Officer / Town Clerk**
Agenda item	**6**

CASH & INVESTMENTS REPORT

1. Purpose of the Report

(i) To **approve** moving the day-to-day current account banking to Unity Trust Bank from NatWest.
(ii) To **approve** closing the Santander Account and spreading the balance as per section 5.
(iii) To **approve** spreading and diversifying the councils balances as per section 5.

2. Summary

2.1 Current banking & investments

As of the 31st of August 2025, the council's cash and investments are spilt out as below & **APPENDIX A:**

			Account Description	Balance	
Bank Statement Balances					
	1	31/08/2025	NatWest Account	1,763,853.04	
	1	31/08/2025	NatWest Payments Account	10,000.00	
	3	31/08/2025	Santander Business Reserve	744,343.76	
	5	31/08/2025	Musuem Petty Cash	180.64	
	6	31/08/2025	Commercial Credit Card	-82.26	
					2,518,295.18
Other Cash & Bank Balances					
			CCLA Public Sector Deposit Fd	500,000.00	
			Museum till floats	85.00	
			PETTY CASH	59.17	
					500,144.17
					3,018,439.35

2.2 High Risk of the NatWest Account:
The NatWest Branch in Abingdon is closing on the 24 September 2025; this will make the day-to-day operations of depositing cash and cheques difficult for the council. Propose to move our day-today banking to Unity Trust Bank.

2.3 Santander Account:
This is a historic basic savings account with a current average return of 3.9% interest on the £744,000. Over the next 12 months Santander are phasing out these old accounts and moving Charities, Churches and Local Authorities to their Treasury Account, which has a current interest rate of 2%.
Propose to move and spread the funds to other organisations with a higher rate of return (see section 5).

2.4 CCLA Deposit Account:
The £500,000 give a return rate of circa 4%, which is paid into the councils current account and used against revenue costs. This rate is good, I would therefore propose to leave this account as is or move it to the CCLA Property Fund, with an estimated return of 6.5%, but restrictions on trading days and buy outs would be imposed.

3. **Action required**

The committee is requested to:

(i) A**pprove** moving the day-to-day current account banking to Unity Trust Bank from NatWest.
(ii) A**pprove** closing the Santander Account and spreading the balance as per section 5.
(iii) **Discuss** spreading and diversifying the councils balances as per section 5.

This will require a proposer, a seconder and a vote.

4. **Link to strategic plan and objectives**

Key Objective 3: To manage the Council’s assets efficiently and effectively to meet for the needs of the community now and in the future.

5. **Key information and options**

5.1 Appendix A give a full breakdown and reconciliation of the council’s cash and investments as at the 31 August 2025.

5.2 2024-2025 Interest received from Investments and Cash = £104,883

5.3 The FSCS limit for covering loses at any **ONE BANK/COMPANY** is £85,000, therefore we are exposed to a serious risk of loss, by having most of our funds (£1,773,853) with one bank (NatWest).

5.4 The NatWest Abingdon Branch is closing on the 24 September 2025, I would propose moving our day-to-day banking to Unity Trust bank. They are well known and respected in the sector, with most councils now using them as their main banking institution.

5.5 Proposed spread and diversification of the council's balances for discussion:

Bank	Acc type	Amount	APR % Rate	Estimated annual return
Unity Trust Bank	Current A/c	£10,000 (approx.)	None	
Unity Trust Bank	Instant Access	£140,000	2.10%	£2,900
Unity Trust Bank	30 days fixed	£350,000	2.86%	£10,500
Nationwide	95 days fixed	£500,000	3.40%	£16,100
CCLA	Deposit A/c	£500,000	4.5%	£22,500
Rathbones Investment Mgr.	Level 2 Risk 12 months min investment (3-5 years)	£500,000	+2% above BoE base Rate (currently 4%)	£30,000
CCLA Property Fund – 30-day trading. Risk spread across several companies	12 months min investment Level 2 risk	£1,000,000	Mid to offer spread 6.75%	£33,750

5.6 Councillors to discuss the options and recommend alternatives, if necessary. I am not a Financial Advisor, so the Council may wish to instruct one to advise.

6. Climate change/green implications

None.

7. Financial/budget implications

The Council's spending is in line with budget, no further implications.

8. HR implications

None.

9. **Consultation implications**

I consider that there are no matters within the report on which we should consult

9. **Supporting papers and appendices**

APPENDIX A: Cash & Investments Reconciliation as at 31.8.25

Cherie Carruthers RFO
10 September 2025