

ABINGDON TOWN COUNCIL

Report to	FINANCE, GOVERNANCE AND ASSET MANAGEMENT
Meeting date	1 December 2025
Report author	Responsible Finance Officer
Agenda item	10

INVESTMENT STRATEGY

1. **Purpose of the Report**

- (i) To present the current performance of the council's cash holdings.
- (ii) To consider any amendments required to the council's investment strategy, first adopted in December 2020, based on the approved recommendations from the September 2025 FGAM Committee, the report can be found [here](#).

2. **Summary**

2.1 The council holds its funds in three providers (currently in the process of changing as per Sept FGAM Report):

- NatWest Bank
- Santander Building Society
- CCLA Public Sector Fund

2.2 It was agreed at the Sept FGAM committee that the following changes are to be made, these are currently in the process of being actioned:

The committee agreed to:

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

2.3 Performance of investments has grown over the last year with increased interest rates giving return. The table in APPENDIX A shows the levels of income the council has received from 1 October 2024 to 30 Sept 2025.

2.4 Members are required to review the strategy annually, in line with the Statutory Guidance on Local Government Investments (3rd edition), issued under section 15(1) of the Local Government Act 2003 and effective for financial years commencing on or after 1 April 2018.

The Investment Strategy requires amending to reflect the approved recommendations of the Sept FGAM Committee, and to reflect further work on a Short / Medium / Long Term investment plan. I propose deferring until March's FGAM meeting, where it will be updated.

3. **Action required**

3.1 The committee is requested to

- (i) note the current performance of its cash and investments
- (ii) to defer adopting the investment strategy until 2 March 2026 FGAM meeting, where it will be amended to reflect current changes.

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

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

5. **Key information and options**

5.1 Income from interest has risen over recent years. the changes in financial markets. APPENDIX A shows that for the year ending 30 September 2025 the council received interest income of £96,579.88.

5.2 The balances are currently being distributed as below, and a short / medium / long term investment strategy plan is being drafted for the March FGAM Meeting to review along with the strategy.

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

6. Supporting papers and appendices
APPENDIX A: Summary of Performance

Cherie Carruthers RFO
26 November 2025