

To receive a report on investments and consider any actions and associated expenditure

Report to: Policy and Finance

Date of Report: 15 September 2025

Officer Writing the Report: Finance Officer

Officers Recommendation:

Members are asked to note the report and consider providing delegated authority to the Finance Officer to invest £400,000 of the final precept instalment for the year 2025-26 in the existing Town Council Nationwide 95 days' Notice account subject to this option remaining the most competitive in September 2025. Refer to point 4 of this report for further information.

1. Details of Investment Balances Held at 15 September 2025

Investment Description	Amount	Limit of Investment	Required Period to Withdraw	Maturity Date	Percentage Rate
CCLA Public Sector Deposit Fund	£500,000	£500,000	Next Day	N/A	4.11% - August 2025
Barclays Active Saver	£800,884	£10,000,000+	Instant	N/A	1.20% - July 2025 Reducing to 1.10% - November 2025
Nationwide 95 day Notice Account – Issue 11	£590,650	£1,000,000	95 days' notice	N/A	3.60% - July 2025 Reducing to 3.40% - November 2025
Cornwall Council Deposit Fund	£989,851	£1,000,000	Before 9:30am, same day. After 9:30am, next day	N/A	4.56% - August 2025

2. Recent transfers between accounts for the period June to September 2025

The below table displays transfers between accounts for the above period to cover expenditure and salaries for Members information.

Date	CCLA Public Sector Deposit Fund	Barclays Active Saver	Nationwide 95 day Notice Account	Cornwall Council Deposit Fund	Barclays Current Account
Jun-25		-£200,000			£200,000
Jun-25				-£100,000	£100,000
Jul-25		-£31,000			£31,000
Aug-25				-£100,000	£100,000
Aug-25			-£125,000		£125,000
Aug-25		£100,000			-£100,000
Sep-25			-£125,000		£125,000
Sep-25				£200,000	-£200,000
Sep-25		£750,000			-£750,000
TOTALS	£0	£619,000	-£250,000	£0	-£369,000

3. Precept income of £789,707.50 invested as follows:

- **£39,707.50** retained in Barclays Business current account for future expenditure and salaries
- **£750,000** from Barclays Business current account to Barclays Active Saver for short-term investment.

4. Options to invest the Balance held in the Barclays Active Saver

Balance held at 15 September 2025: **£800,884**

Three months of an average monthly expenditure/salaries must be retained in the Barclays Active Saver to cover the Town Council liabilities: **£400,884**

Balance to invest: **£400,000**

Below are three options based on the most competitive rates available at the time.

Option 1 - Lloyds (Current Investment £0)

AER ¹	Gross p.a. ²	Term length
1.41%	1.40%	3 months
2.25%	2.24%	6 months
2.25%	2.24%	9 months
2.24%	2.24%	12 months
2.25%	2.24%	Fixed until 22/04/2026
2.24%	2.24%	Fixed until 16/12/2026

Interest rates stated above are available as at 19/09/2025 and expire on 06/11/2025 but may be subject to change. Once you open your deposit account, the interest rate is fixed, so will stay the same throughout your chosen term.

See **Appendix A** for more information

Estimated monthly interest based on investment of £400,000 at 2.25% is £750. If invested for 6 months the total interest received would be £4,500 / 9 months would be £6,750. Interest to be paid at the end of the term.

- **Advantage:** The interest rate is fixed for the duration of the investment, ensuring a guaranteed return regardless of any changes to the Bank of England base rate.
- **Disadvantage:** Withdrawals are not permitted during the fixed term. However, if funds are needed for larger projects, the council has the option to access money from the Cornwall Council Deposit Fund

Option 2 - Nationwide 95 Day Saver Issue 11 (Current Investment £590,650)

Account type	Annual AER	Annual gross p.a.	Monthly AER	Monthly gross p.a.
Business 95 Day Saver Issue 11 Effective 24 June 2025 - Ongoing	3.60%	3.60%	3.60%	3.54%

Note: Interest rate reduction from November 2025 to Annual AER 3.40%

Estimated monthly interest based on investment of £400,000 at 3.40% is £1,133 (received annually in April).

- **Advantage:** Offers a competitive interest rate, and withdrawals are permitted with 95 days' notice. This provides flexibility, though it requires careful cashflow planning to ensure funds are available when needed.
- **Disadvantage:** The interest rate is variable, meaning it may decrease if the Bank of England base rate falls. While it could increase, this is less likely in the current economic climate.

Option 3 – research other competitive saving accounts

From past experience, the Finance Department has found that opening new accounts to secure a better savings rate is not as straightforward as it may appear, due to Saltash Town Council being classified under the local government sector.

While there may be other competitive rates available, the application process is often time-consuming and not cost-effective for the Town Council. Additionally, there have been instances where the advertised rates were not accessible to the Council because of specific eligibility criteria set by the banks.

This process has become even more challenging since the removal of dedicated Bank Managers for business accounts.

5. CCLA Public Sector Deposit Fund

Letter received dated 2 July 2025 – Refer to **Appendix B** for further information.

In summary:

CCLA has announced several changes to the Public Sector Deposit Fund, effective from 1 September 2025. The annual management charge (AMC) for share class 4 will return to 0.10%, with an additional 0.01% in other charges, raising the overall ongoing charges figure (OCF) to 0.11%. The fund will also remove previously proposed AMC reductions linked to fund size and revise the minimum investment requirement for new investors to £1 million, though existing investors are exempt. Additionally, the advisory board (Local Authorities' Mutual Investment Trust) will be discontinued as the fund opens to non-public sector investors. Other updates include provisions for reclassifying investors who don't meet minimum requirements and reinvesting unclaimed distributions after three years. No action is required from current investors.

Email correspondence received – Refer to **Appendix C** for further information

In summary:

CCLA has announced that, subject to regulatory approval, it will be acquired by Jupiter Investment Management Group, a leading European investment manager. This partnership aims to strengthen CCLA's ability to serve its clients by retaining its brand, investment approach, and mission, while benefiting from Jupiter's broader resources, investment expertise, and distribution network. The acquisition is intended to support CCLA's future growth and extend its responsible investment practices to a wider audience. Clients are assured that service quality will remain unchanged.

Signature of Officer:
Finance Officer