

Risk, Audit and Governance Committee

21 July 2026

Agenda item number 6

Investment Strategy and Performance Annual Report 2025/26

Report by Senior Accountant

Summary

This report sets out details of the Authority's investment of its unallocated cash, including the investment principles adopted and performance during the twelve months to 31 March 2026.

Recommendation

To note the arrangements regarding the investment of the Authority's unallocated cash.

1. Introduction

- 1.1. It has been agreed that a six-monthly report on the performance of the Authority's investments will be presented to the Risk, Audit and Governance Committee, with a fuller 'year-end analysis' at the July meeting, and a mid-year progress report at the appropriate half year meeting.

2. Financial implications

- 2.1. The investment of unallocated cash was governed by the Authority's Treasury and Investment Strategy 2025/26 agreed by the Authority on 14 March 2025.
- 2.2. Unallocated cash sums are calculated by the Authority's Finance staff and transferred to either a Fixed Term Deposit or Notice Account or remain within the instant access bank account. Cash flow requirements can result in transfers in both directions as the year progresses. The key facts for the year to 31 March 2026 are below.

Table 1

2025/26 Summary

Account type	Opening balance £000's	Closing balance £000's	Highest sum £000's	Lowest sum £000's
Instant Access	1,490	2,057	5,464	972
32 Day Notice	566	589	589	566
95 Day Notice	2,500	2,500	2,500	2,500

Account type	Opening balance £000's	Closing balance £000's	Highest sum £000's	Lowest sum £000's
DMO Fixed Deposits ¹	3,000	3,000	4,500	1,000

2.3. The figures for the previous year (2024/25) were:

Table 2
2024/25 Summary

Account type	Opening balance £000's	Closing balance £000's	Highest sum £000's	Lowest sum £000's
Instant Access	1,239	1,490	3,346	856
32 Day Notice	539	566	566	539
95 Day Notice	2,500	2,500	2,500	2,500
DMO Fixed Deposits	2,000	3,000	3,000	1,000

- 2.4. The amount of interest received during 2025/26 was £266,956.54 based on interest rates ranging from 1.3% to 4.3%. Forecast interest for 2025/26 was £267,000. The sum received for 2024/25 was £306,831.53 based on interest rates that ranged from 1.6% to 5.3%.
- 2.5. The initial investment on the 32-day notice account has remained the same since 31 March 2025 apart from small amounts of interest being added. The instant access has increased to £2.06 million, and the Debt Management Office (DMO) remained the same at £3 million. The 95-day notice account has remained the same with interest being transferred to the current account once received.
- 2.6. It should be noted that the automatic transfer between the instant access and the current account seeks to maintain a current account balance of £1,000. This means that the balance within the instant access is not available in its entirety for investment. Cash flow is monitored on a weekly basis against budget profiling to ensure access to sufficient funds. The ability to make additional fixed term deposits is limited due to the timing differences between external funded projects grant expenditure and claim repayment.
- 2.7. The interest income budget for 2026/27 is £210,000, which assumes that interest received would decrease compared to 2025/26 based on a drop in the forecast base

¹ Investments can be made over night or up to 6 months. The total year-end balance is split equally into three portions of £1 million each, which are subsequently invested for: 181 days, 91 days, and 35 days respectively.

rate by the end of the financial year. Since the start of the new financial year interest rates have remained relatively stable. Current interest rates for 2026/27 means that £29,742 has already been received and the forecast will be revisited over the coming year.

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Date of report: 09 July 2026

Background papers: Capital, Treasury and Investment Strategy 2025/26

[Broads Plan](#) strategic objectives: All