

The Highland Council

Agenda Item	13a
Report No	CIA/15/26

Committee: City of Inverness Area

Date: 2 February 2026

Report Title: Inverness Common Good Fund - 2024/25 Annual Accounts and Final Monitoring

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 This report presents the final outturn and Statement of Accounts for 2024/25 for Inverness Common Good Fund (ICGF).
- 1.2 An overall revenue surplus of £0.020m was incurred per the final outturn.
- 1.3 The total comprehensive income and expenditure statement for the year showed a surplus of £0.846m, a difference of £0.576m to that reported in the previous financial year. This difference is due to year end accounting adjustments on capital assets, such as revaluation gains/losses.

2 Recommendations

- 2.1 Members are asked to **consider** and **note** the final monitoring report in Appendix 1 and Statement of Accounts in Appendix 2 for the Inverness Common Good Fund for the year ended 31 March 2025.

3 Implications

- 3.1 **Resource** - As detailed within report.
- 3.2 **Legal** – The Statement of Accounts in Appendix 2 has not been individually audited, but the total common good fund balances, comprising all the Highland Council Common Good Funds, which appear as a note to the Highland Council accounts, have been audited as they appear in the Highland Council accounts. The auditors found no significant issues to report in their 2024/25 audit.
- 3.3 **Risk** – No implications.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** - In applying the budget to address agreed expenditure due consideration is given to meeting all statutory requirements and complying with the Council's own policies, practices and procedures in this regard.

3.5 **Gaelic** – No implications.

4 Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is a monitoring report and therefore an impact assessment is not required.

5 Final Financial Monitoring 2024/25

5.1 **Appendix 1** of this report shows the Financial Monitoring Statement and **Appendix 2** shows the final Audited Statement of Accounts in respect of Inverness Common Good Fund for Financial Year 2024/25.

5.2 **Appendix 1** shows a surplus of income over expenditure of £0.020m, before capital projects (please note that no projects had been carried out through 2024/25). The Budget for the year showed an expected deficit of £0.354m (which is due to the commitments carried forward from previous years into 2024/25). The main contributors to the variance between Budget and Actual (£0.534m) are as follows:-

- Overall, expenses were £0.534m higher than Budget, the main contributor to this was that their exceptional electricity charges along with increase management costs to support the market footfall. Please note that while there were empty units the ICGF cover costs until units are occupied.
- Income was £0.554m higher than Budget, which included £0.193m from an increase to the rental income from 1-5 Church Street and £0.142m from the investment income as well as an increase £0.076m from the service charges at the Victorian Market

Commentary on significant variances (greater than £0.010m) is set out in Sections 6 and 7 below.

6 Variances greater than £0.010m – Income

6.1 Rents – Industrial Estates

The income of £1.885m is £0.025m higher than budgeted. The increase of income is through rent reviews of our property portfolio.

6.2 Rents – Town House (new tenants)

Successful marketing of the Town House led to new tenancies being agreed allowing for a modest increase in income of £0.016m.

- 6.3 Other Income – Income from Investments
As in previous years, investment income received from the ICGF Property and Share Portfolio, amounting to £0.142m (£0.118m in 2023/24), has been re-invested.
- 6.4 Other Income - Victorian Market Service Charge
This sum forms the income received through the application of the Service Charge provisions applicable to the leases within the Foodhall in the Victorian Market.
- 6.5 Other Income – Interest on Revenue Balances
Interest received on revenue balances was £0.011m. A nominal budget of £0.001m is set annually for this as interest rates are unknown at the time of budget setting.
- 7 Variances greater than £0.010m – Expenditure**
- 7.1 Victorian Market Operations
£0.352m higher than Budget. The service charge provision is now gradually compensating the ICGF for these costs.
- 7.2 Victorian Market Service Charge
£0.190m higher than budget. This overspend reflects the ongoing works required to manage and maintain the Foodhall areas along with the costs being covered for void properties
- 7.3 Victorian Market Management
£0.025m higher than budget. This was down to increased management obligations due to increased footfall within the financial year.
- 7.4 Victorian Market Maintenance
The budget shows an underspend of £0.018. This is due to a lower than anticipated spend.
- 7.5 Victorian Market Marketing
The budget shows a £0.015 overspend. This budget line covers the marketing and publicity works undertaken by external contractor. These works were partially recovered within the service charge. It is worth noting that for future years the share of marketing is a 50/50 share.
- 7.6 Town House Maintenance
This budget shows a £0.054m underspend which reflects a lower than anticipated expenditure.
- 7.7 Town House Utilities and Cleaning
£0.020m higher than Budget. This reflects increased rates and utilities costs. Note that these costs are made up mainly from rates and utilities costs.
- 7.8 Town Clerks Office.
This budget shows an underspend of £0.027, this is due to works not being carried out within the financial year. The works haven't been carried out within 2025/26 financial year.

7.9 ICGF Grants

Each grant budget line where there is a variance greater than £0.010m is noted below.

- ICGF Grants – Other – The budget shows an underspend of £0.162m this is due to applications being approved but not drawn down within the financial year and carried over into the 2025/26 budget.
- ICGF Civic Hospitality – the budget shows an underspend of £0.017m

The total underspend of £0.188m relates largely to projects where funding had been agreed before or during 2024/25, but where the delivery of the projects and all or part of the actual expenditure did not take place before the end of 2024/25.

7.10 ICGF Civic Contingency Fund

The budget shows an overspend over £0.012m. This overspend is in relation to a Town Twinning Visit to St Valery and was agreed.

7.11 ICGF promotions

This shows an underspend of £0.015m. This was generated for grants that were committed but unspent within the financial year.

7.12 Partnership Working BID

£0.029m overspend has been reported. This was an agreed overspend which was brought to the CIAC in May 2024 and February 2025.

7.13 Community Events

The budget shows a £0.084m overspend, mainly due to additional event-related costs and one-off expenses for setting up the Inverness Highland Games. These extra costs arose because alternative arrangements had to be made while works were ongoing at the Bught Stadium as part of the Levelling Up projects.

7.14 Community Events Contingency

£0.020 underspend is shown. This budget line was not used through the financial year.

7.15 Festive Lights

£0.024m over Budget. This increase relates to purchasing of decoration and increased costs in the testing and set up of the old town centre festive lights.

7.16 Central Support Charges

£0.065m higher than budget. This is due to increased service support across the Council being provided to ICGF. The calculation is made on a cost recovery basis.

7.17 Investment Advisor Fees

The overspend of £0.029m higher than Budget. This is due to the Budget not including provision for Adam & Co fees, which were £0.039m

The Budget does not include provision for these fees as they are only accounted for at the year-end to comply with accounting rules.

8 Statement of Accounts 2024/25 (Appendix 2)

- 8.1 The Statement of Accounts is comprised of an Income and Expenditure Statement for the year ended 31 March 2025 and a Balance Sheet as of 31 March 2025.
- 8.2 The Income and Expenditure Statement set out the results for the year in a more condensed way than the Monitoring Statement presented in **Appendix 1**. Further, the Monitoring Statement does not consider items such as the movements in the valuations of assets, which are required to comply with accounting rules.
- 8.3 The Income and Expenditure Statement for 2024/25 shows a surplus of £0.846m whereas the final Monitoring for 2023/24 showed a revenue surplus of £0.270m. A reconciliation of these two numbers is shown on **Appendix 1** and highlights the additional accounting entries required at year end.
- 8.4 The underlying concept of the Balance Sheet is that each category of asset in the top half of the balance sheet has an equivalent reserve in the bottom half of the balance sheet.
- 8.5 Heritage assets are represented by the Revaluation Reserve (£2.204m) and the investment properties and plant and equipment held by the Common Good are represented by the Capital Funds balance (£25.315m).
- 8.6 The value of the investment portfolio (£4.419m) along with that of debtors, loans fund deposits and creditors are held in Revenue Funds (£4.925m). This is the revenue reserve and represents actual funds available.

Designation: Assistant Chief Executive - Place

Date: 16 January 2026

Author: David Haas, Senior Community Development Manager
(City of Inverness & South)
Mark Greig, Community Development Manager
Jennifer Johnston, Accountant

Background Papers: None

Appendices: Appendix 1 – 2024/25 Monitoring Statement
Appendix 2 – 2024/25 Statement of Accounts

**MONITORING STATEMENT 2024/25
INVERNESS COMMON GOOD FUND
FOR PERIOD ENDING MARCH 25**

APPENDIX 1

		ACTUALS 2024/25	ANNUAL BUDGET 2024/25	Variance	
	Cost classification	£000	£000	£000	
EXPENDITURE					
Victorian Market Operations	Cost Recovery	517	165	352	212.9%
Victorian Market Service Charge	Essential	364	174	190	109.1%
Victorian Market Management	Cost Recovery	94	69	25	36.4%
Victorian Market Maintenance	Essential	137	155	(18)	-11.5%
Victorian Market Marketing	Essential	65	50	15	30.9%
Town House Maintenance	Essential	41	95	(54)	-56.5%
Town House Utilities and Cleaning	Essential	170	150	20	13.3%
Town House Future Planning	Essential	39	30	9	30.6%
Other Properties	Essential	147	142	5	3.5%
Town Clerks Office	Essential	15	42	(27)	
ICG - Ness Islands & Bank	Essential	35	36	(1)	-2.8%
River Ness Fishings	Essential	12	20	(8)	-37.8%
ICGF Bowling Clubs	Essential	59	51	8	15.5%
Winter Payments	Discretionary	225	223	2	1.0%
ICGF Grants - Poverty and inequality	Discretionary	126	121	5	4.2%
ICGF Grants - other	Discretionary	237	399	(162)	-40.7%
ICG - Civic Hospitality	Discretionary	78	95	(17)	
ICG - Civic Contingency Fund	Discretionary	12	-	12	
ICG - Town Twinning	Discretionary	7	10	(3)	
ICGF - Conference Support	Discretionary	26	34	(8)	
ICGF Promotions	Discretionary	13	28	(15)	
Partnership working - BID	Discretionary	177	148	29	
Community Events	Discretionary	261	177	84	47.5%
Community Events contingency	Discretionary	-	20	(20)	-100.0%
Commemorative Bedding	Discretionary	-	7	(7)	-100.0%
CCTV	Discretionary	50	50	-	0.0%
Inverness Town Clock & Steeple	Discretionary	2	-	2	
Festive Lights	Cost Recovery	97	73	24	33.1%
Property Management Fees	Cost Recovery	139	143	(4)	-2.7%
Central Support Charge	Cost Recovery	162	97	65	67.5%
Investment Advisor Fees	Cost Recovery	39	10	29	286.1%
Press & Public Relations	Cost Recovery	10	10	(0)	-4.8%
TOTAL EXPENDITURE		3,358	2,824	534	18.9%
FUNDED BY:					
Rents & Lettings					
Industrial Estates		1,885	1,860	25	1.3%
Victorian Market		174	177	(3)	-1.7%
Town House new tenants		71	55	16	28.3%
ICG - Civic Hospitality		5	-	5	0.0%
ICG - 1-5 Church Street		288	95	193	203.6%
River Ness Fishing Rights		7	20	(13)	-64.8%
Other Properties Rents		38	30	8	27.3%
		2,468	2,237	231	
Other Income					
River Ness Fishings Income		12	8	4	53.0%
Investment Income		142	-	142	0.0%
Community Events		89	-	89	
ICGF - Conference Support		2	-	2	
Victorian Market Service Charge		256	181	76	
Refund VAT Invest Mngt Fees		3	4	(1)	-21.8%
Contribution from Benevolent Funds for Landward Winter Payments		40	40	-	0.0%
Int.On Rev. Balance Cr		11	1	10	1031.7%
TOTAL FUNDING		3,024	2,471	554	22.4%
Surplus/(deficit) before projects		(334)	(354)	20	-5.6%
Unspent Commitments included in above					
		c/f 2425			
Other Properties (c/f) **		10	67		
ICGF Grants (c/f) **		121	209		
Conference Development and Hospitality (c/f)		-	10		
City Promotions(c/f)		-	3		
Partnership Working BIDS c/f		5	5		
ICGF Grant - Whin Park		150	150		
		286	444		
Year end accounts adjustments not in Monitoring:					
Deficit (from above)		(334)			
Project/repairs costs capitalised		-			
Depreciation		(16)			
Revaluation gains/(losses) - investment properties		1,194			
Revaluation gains/(losses) - investments		2			
Total comprehensive income and expenditure		846			
Usable reserves 31 March 2025 (Appendix 2)		4,925			

STATEMENT OF ACCOUNTS
Inverness Common Good Fund

APPENDIX 2

2023/24 £000	Income and Expenditure Account Year ended 31 March 2025	2024/25 £000	Mvmt £000	Mvmt %
	<u>Expenditure</u>			
314	Staff costs	338	24	7.6%
502	Property costs	535	33	6.5%
1,059	Other costs	1,241	182	17.2%
629	Grants and contributions	823	194	30.8%
237	Administration charges	278	41	17.2%
16	Depreciation	16	(0)	-2.3%
2,757	Total expenditure	3,230	473	17.2%
	<u>Income</u>			
2,196	Rents	2,225	29	1.3%
622	Miscellaneous income	603	(19)	-3.1%
19	Interest on revenue balances	11	(8)	-40.4%
118	Income on investments	142	24	20.3%
55	Grants and contributions	40	(15)	-27.3%
36	Realised gain on sale of investments	123	87	240.6%
3,046	Total income	3,144	98	3.2%
	Other Operating Income and Expenditure			
-	Gain on disposal of asset	-	-	0.0%
289	Surplus/(deficit) for the year	(86)	(375)	-129.8%
(215)	Revaluation gains/(losses)	1,053	1,268	-589.8%
232	Unrealised gains/(losses) on investments	(121)	(353)	-152.2%
(36)	Realised gains recycled through CIES	-	36	-100.0%
270	Total comprehensive income and expenditure	846	576	213.3%
31/03/2024 £000	Balance Sheet	2024/25 £000	Mvmt £000	Mvmt %
	<u>Non current assets</u>			
24,540	Investment properties	25,315	775	3.2%
5,022	Investments at valuation	4,419	(603)	-12.0%
1,785	Heritage Assets	2,204	419	23.5%
65	Plant and Equipment	49	(16)	-24.0%
31,412		31,988	576	1.8%
	<u>Current assets</u>			
460	Sundry debtors	340	(120)	-26.1%
-	Cash	0	0	0.0%
-	Loans fund deposits	251	251	0.0%
460		592	132	28.6%
	<u>Current liabilities</u>			
(100)	Sundry creditors	(86)	14	-14.3%
(2)	Loans fund deposits	-	2	-100.0%
(102)		(86)	16	-16.0%
31,770	Total assets	32,493	723	2.3%
5,380	Revenue funds	4,925	(455)	-8.5%
24,606	Capital funds	25,364	758	3.1%
1,784	Revaluation reserve	2,204	420	23.6%
31,770	Total reserves	32,493	723	2.3%