

Agenda Item	13a
Report No	CIA/15/26

# The Highland Council

**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 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 drawdown 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 of £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 used not 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

	Cost classification	ACTUALS		ANNUAL BUDGET	
		2024/25	£000	2024/25	£000
<b>EXPENDITURE</b>					
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%
<b>TOTAL EXPENDITURE</b>		<b>3,358</b>		<b>2,824</b>	<b>534</b> 18.9%
<b>FUNDED BY:</b>					
<b>Rents &amp; Lettings</b>					
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%
		<b>2,468</b>		<b>2,237</b>	<b>231</b>
<b>Other Income</b>					
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%
<b>TOTAL FUNDING</b>		<b>3,024</b>		<b>2,471</b>	<b>554</b> 22.4%
<b>Surplus/(deficit) before projects</b>		<b>(334)</b>		<b>(354)</b>	<b>20</b> -5.6%
<b>Unspent Commitments included in above</b>					
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	
		<b>286</b>		<b>444</b>	
<b>Year end accounts adjustments not in Monitoring:</b>					
Deficit (from above)		(334)			
Project/repairs costs capitalised		-			
Depreciation		(16)			
Revaluation gains/(losses) - investment properties		1,194			
Revaluation gains/(losses) - investments		2			
<b>Total comprehensive income and expenditure</b>		<b>846</b>			
<b>Usable reserves 31 March 2025 (Appendix 2)</b>		<b>4,925</b>			

**STATEMENT OF ACCOUNTS**  
Inverness Common Good Fund

**APPENDIX 2**

Income and Expenditure Account		2024/25 £000	Mvmt £000	Mvmt %
2023/24 £000	Year ended 31 March 2025			
<b>Expenditure</b>				
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%
<b>2,757</b>	<b>Total expenditure</b>	<b>3,230</b>	<b>473</b>	<b>17.2%</b>
<b>Income</b>				
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%
<b>3,046</b>	<b>Total income</b>	<b>3,144</b>	<b>98</b>	<b>3.2%</b>
<b>Other Operating Income and Expenditure</b>				
-	Gain on disposal of asset	-	-	0.0%
<b>289</b>	<b>Surplus/(deficit) for the year</b>	<b>(86)</b>	<b>(375)</b>	<b>-129.8%</b>
(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%
<b>270</b>	<b>Total comprehensive income and expenditure</b>	<b>846</b>	<b>576</b>	<b>213.3%</b>
 <b>31/03/2024</b>				
Balance Sheet		2024/25 £000	Mvmt £000	Mvmt %
<b>£000</b>				
<b>Non current assets</b>				
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%
<b>31,412</b>		<b>31,988</b>	<b>576</b>	<b>1.8%</b>
<b>Current assets</b>				
460	Sundry debtors	340	(120)	-26.1%
-	Cash	0	0	0.0%
-	Loans fund deposits	251	251	0.0%
<b>460</b>		<b>592</b>	<b>132</b>	<b>28.6%</b>
<b>Current liabilities</b>				
(100)	Sundry creditors	(86)	14	-14.3%
(2)	Loans fund deposits	-	2	-100.0%
<b>(102)</b>		<b>(86)</b>	<b>16</b>	<b>-16.0%</b>
<b>31,770</b>	<b>Total assets</b>	<b>32,493</b>	<b>723</b>	<b>2.3%</b>
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%
<b>31,770</b>	<b>Total reserves</b>	<b>32,493</b>	<b>723</b>	<b>2.3%</b>