

Agenda Item	13b.
Report No	CIA/11/26

The Highland Council

Committee: City of Inverness Area

Date: 2 February 2026

Report Title: Inverness Common Good Fund Financial Monitoring Report

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

1.1 This report presents the expenditure monitoring position for the Inverness Common Good Fund (ICGF) as of 31 December 2025 and the projected 2025/26, year-end position. The report updates any pressures.

2 Recommendations

2.1 Members are asked to **note** the financial monitoring report to 31 December 2025 and that overall expenditure is within agreed budgets excepting estimated outturns detailed in **Appendices 1 and 2**.

3 Implications

3.1 **Resource** - The report details the financial resource implications. There are no other resource implications. The report notes that the latest projected overspend in this year's budget is £0.205m (core spend £3.344m; income £3.139m). Meeting liabilities will result in a drawdown from reserves, including a managed disinvestment through the investments held by Messrs. Adam & Co. under the guidance of the Investment Advisory Sub-Committee. This is projected currently to be the sum of £0.205m.

Note that £0.200m is related to carried forward amounts from previous years unspent grant funding requests.

This would result in anticipated reserves on 31 March 2025 of £5.230m (this does not consider any potential movement in value of investments over the 4th quarter of the year).

3.2 **Legal** - The application of funds will fall within the competency guidelines set out both in statute and in common law in relation to Common Good Funds.

3.3 **Risk** – There is a risk to the long-term sustainability of the Fund if over reliance is placed on reserves for the financing of revenue and any capital works.

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/update report and therefore an impact assessment is not required.

5. Introduction

5.1 This report is produced in support of the Council's corporate governance process. The purpose of the report is to advise Members of the anticipated financial position against the agreed budget at the end of financial year 2024/25.

- **Appendix 1** shows core income and expenditure to 31 December 2025, the predicted year end outturn and the predicted variance.
- **Appendix 2** shows the current detail of the Community Events & Festivals spend.
- **Appendix 3** shows the reserves position for the fund to date, and projected value as at 31 March 2026.

6 Overview of 25/26 Budget Status

6.1 **Appendix 1** shows the core revenue budget expenditure for the year of £3.344m, to be met by budgeted revenue income of £3.139m (plus a transfer from Reserves of £0.205 to meet the difference between our budgeted income and expenditure).

6.2 Overall, core spend, and income received, is currently anticipated to show a £0.205m overspend. Note that £0.200m is related to carried forward amounts from previous years unspent grant funding requests.

6.3 Income from industrial lets is higher than anticipated due to the receipt of lease premiums.

6.4 Progress on letting office accommodation within Inverness Town House is being made, with anticipated income from lets to new third party tenants expected income be £0.056m.

6.5 Variances greater than £0.010

Victorian Market Operations – This shows a variance of +£0.325m this relates to increased costs on the day to day running of the facility along with electricity charges which are managed through the service charge reimbursement.

Victorian Market Management – This shows a variance of £0.017m which relates to increased costs for the post of Market Manager. With increased footfall and extended hours this has meant that most costs are incurred which are again apportioned shared through the service charge reimbursement from the Food Hall tenants.

Victorian Market Service Charge – This shows a variance of £0.026m. this relates to again increased costs associated with having 4 units not let and the costs being covered by the ICGF. Works are progressing to seek tenants for these units and Members will be updated as and when units are let. It is also important to note that if the units are let out, that the ICGF are still responsible for shared costs of the common areas within the Food Hall.

Victorian Market Marketing – This shows a variance of £0.025m. the marketing costs are split 50/50 between the food hall tenants and the ICGF. The split will be covered through the service charge reimbursement.

Town House Maintenance – While this shows a balanced outturn. The actual expenditure shows an overspend of £0.051m. Officers are currently working through the detailed transaction report (DTR) to work on recoding charges into the appropriate town house budget lines that have be wrongly coded.

Town House Clerks Office – The budget shows a variance od £0.035. This figure is being revised along with the Town House maintenance budget line to assess the charges relating to this.

ICG Civic Contingency Fund – this shows a variance of £0.041 which relates mainly to the Augsburg visit which will take place in May 2026.

6.6 **Appendix 2** shows the current detail of the expenditure on Community Events. It is anticipated that the budget will come in on Budget. Note that within **Appendix 1** it is shown that the current spending of £0.137 has been spent up to 31 December 2025 with a total budget allocation of £0.220m along with contingency of £0.050 remaining.

6.7 **Appendix 3** shows the reserves position for the fund to date, and projected value as of 31 March 2026. Any further requests for additional funding, or new initiatives requiring funding will also impact on the future level of the Fund's reserve. Such requests will be brought before this committee for approval and if approved, this statement will be updated to show the financial impact on reserves

6.8 The Council has delegated power to manage cash investments by ICGF to the Investment Sub-committee, which reports to the Pensions Committee. The City Area Committee has power to administer the revenue income of the ICGF and projects. In this context, officers can confirm that the value of the fund increased by 3.7% during the quarter to 31 December 2025 compared to the benchmark return of 3.4%. The value of the investments on 31 December 2025 was £4,930m.

6.9 The value of the investments is subject to constant change based on the market conditions. It is therefore an important area for consideration to inform funding priorities for the ICGF.

Designation: Assistant Chief Executive - Place

Date: 19 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 - ICGF Monitoring Statement 31 December 2025/26 – Core Spend
Appendix 2: ICGF Monitoring Statement 31 December 2025/26 – Community Events
Appendix 3: ICGF Monitoring Statement 31 December 2025/26 – Reserves

MONITORING STATEMENT 2024/25
INVERNESS COMMON GOOD FUND CORE SPEND
FOR PERIOD ENDING DEC 25

Classification	Category	Actuals		Revised Annual Budget	Estimated Outturns
		25/26 £000	2025/26 £000	£000	2526 £000
Victorian Market Operations	Cost Recovery	Property Costs - Victorian Market	419	215	540
Victorian Market Management	Cost Recovery	Property Costs - Victorian Market	67	73	90
Victorian Market Service Charge	Essential	Property Costs - Victorian Market	178	174	200
Victorian Market Maintenance	Essential	Property Costs - Victorian Market	110	135	135
Victorian Market Marketing	Cost Recovery	Property Costs - Victorian Market	35	0	25
Town House Maintenance	Essential	Property Costs - Town House	126	75	75
Town House Utilities and Cleaning	Essential	Property Costs - Town House	127	150	150
Town House Future Planning	Essential	Property Costs - Town House	1	0	-
Town House Enabling Works	Essential	Property Costs - Town House	0	100	100
Town Clerks office	Essential	Property Costs - Town House	17	15	50
TH Commercial Activities	Cost Recovery	Civic Costs	5	0	5
Other Properties	Essential	Property Costs - General	51	65	66
Other Properties c/f	Essential	Property Costs - General	32	94	94
Ness Islands & Bank Maintenance	Essential	Property Costs - General	0	36	36
River Ness Fishings	Essential	Property Costs - General	0	15	12
ICGF Bowling Clubs	Essential	Property Costs - General	32	51	56
Civic Space Maintenance	Discretionary	Civic Costs	44	44	44
ICG - Civic Hospitality	Discretionary	Civic Costs	54	73	73
ICG - Civic Contingency Fund	Discretionary	Civic Costs	14	20	61
ICG - Town Twinning	Discretionary	Civic Costs	11	10	10
ICGF- Town Twinning c/f	Discretionary	Civic Costs	1	1	1
Community Events	Discretionary	Civic Costs	137	220	220
Community Events contingency	Discretionary	Civic Costs	0	50	50
Festive Lights	Cost Recovery	Civic Costs	2	73	81
Winter Payments	Discretionary	Grant Expenditure	119	237	237
ICGF Grants - Poverty and inequality	Discretionary	Grant Expenditure	116	190	190
ICGF Grants - Poverty and inequality c/f	Discretionary	Grant Expenditure	55	66	66
ICGF Grants - other	Discretionary	Grant Expenditure	24	50	50
ICGF Grants - other c/f	Discretionary	Grant Expenditure	0	21	21
Conference Support and Hospitality	Discretionary	Grant Expenditure	9	30	30
Conference Development and Hospitality c/f	Discretionary	Grant Expenditure	0	10	10
City Destination Projects	Discretionary	Resilient Inverness	51	80	80
Operation Respect - Community Safety	Discretionary	Resilient Inverness	11	11	11
Operation Respects Campaign	Discretionary	Resilient Inverness	20	25	31
City Flowering	Discretionary	Resilient Inverness	77	75	77
ICGF Promotions	Discretionary	Resilient Inverness	20	50	50
ICGF Promotions c/f	Discretionary	Resilient Inverness	5	8	8
CCTV	Discretionary	Resilient Inverness	0	50	50
Property Management Fees	Cost Recovery	Administrative & Central Support	0	142	142
Central Support Charge	Cost Recovery	Administrative & Central Support	18	97	97
Investment Advisor Fees	Cost Recovery	Administrative & Central Support	10	10	10
Press & Public Relations	Cost Recovery	Administrative & Central Support	0	10	-
TOTAL EXPENDITURE			1,998	2,851	3,344
FUNDED BY:					493
Rents & Lettings					-
Industrial Estates			1,439	1,898	1,898
Industrial Estates - lease premiums			101	0	101
Victorian Market (Income)			145	197	197
Town House new tenants			44	56	56
TH Commercial Activities			3	0	3
ICG - 1-5 Church Street			75	98	98
River Ness Fishing Rights (Income)			4	5	5
Town House dilapidations			0	124	124
Other Properties Rents			22	30	30
Other Income			1,833	2,409	2,513
Fishing Assessment Dues			0	15	12
Investment Income			0	0	-
Victorian Market Service Charge			82	204	589
Refund VAT Invest Mngt Fees			1	4	4
Contribution from Benevolent Funds for Landward Winter Payments			0	20	20
Interest on Revenue Balances			0	1	1
TOTAL FUNDING			1,916	2,653	3,139
Surplus/(deficit) before projects			-81	-200	(205)
					(7)

Unspent Commitments included in above

Other Properties c/f	32	94	94	-
ICGF- Town Twinning c/f	1	1	1	-
ICGF Grants - Poverty and inequality c/f	55	66	66	-
ICGF Grants - other c/f	0	21	21	-
Conference Development and Hospitality c/f	0	10	10	-
ICGF Promotions c/f	5	8	8	-
	93	200	200	-

Surplus/(deficit) after projects

Unaudited Reserves 2024/25	4,925
Estimated outturn for 25/26 *	-205
Change in value of investment portfolio over 2025/26	511
Estimated Revenue Reserves 2025/26	5,230

* does not take into account any movement in value of investments over the remainder of the year

Disinvestments required check outturns from Jan onwards.

Community Events Revenue Monitoring Appendix 2
For Period Ending Dec 2025

	ACTUAL YEAR TO DATE £
Income	
Grants	-
Merchandise Income	-
Income	<u>(105,455)</u>
	<u>(105,455)</u>
Expenditure	
Equipment	62,002
Event Office	126,828
Council Staff	-
Marketing & Publicity	2,776
Licences	-
Transport Costs	335
Security and First Aid	50,857
Events Merchandise	-
	<u>242,799</u>
Net Total Expense/(Income)	<u>137,345</u>

APPENDIX 3
MONITORING STATEMENT 2025/26
INVERNESS COMMON GOOD FUND RESERVES
FOR PERIOD ENDING DEC 25

	£000
Value of investment portfolio at 30.09.2025	4,754
Change in value of investment portfolio over 2025/26 Q3	176
Value of investment portfolio at 31.12.2025	<u>4,930</u>
 * Loans Fund balance (cash reserves) as at 31.03.2025	251
Net Other Debtors/Creditors at 31.03.25	254
 Total reserves balance as at 30.09.25	<u>5,435</u>
 Anticipated use of reserves during 2025/26:	
To fund core budget spend (from Appendix 1)	(466)
To fund project spend (from Appendix 2)	-
 Anticipated Reserves as at 31.03.2026**	<u>4,969</u>
 ANTICIPATED RESERVES AFTER COMPLETION OF ALL PLANNED PROJECTS	<u>4,969</u>