Agenda Item	**7c**
Report No	**BIER/35/26**

The Highland Council

Committee: **Black Isle and Easter Ross**

Date: **9 November 2026**

Report Title: **Invergordon Common Good Quarter 2 2026/27 Monitoring Report**

Report By: **Assistant Chief Executive - Place**

1 Purpose/Executive Summary

1.1 This report presents the Quarter 2 26/27 monitoring statement for the Invergordon Common Good Fund. Income and expenditure are agreed as part of the budget setting process.

2 Recommendations

2.1 Members are asked to:-

i. **Scrutinise** and **note** the Quarter 2 2026/27 monitoring statement for the Invergordon Common Good Fund; and
ii. **Note** the update on the Bouchardon Bust.

3 Implications

3.1 **Resource** – The Q2 monitoring statement highlights predicted income and expenditure against the budget.

3.2 **Legal** – The application of the funds will fall within the competency guidelines set out both in statute and in common law in relation to Common Good Funds. Additionally, through the governance being applied by the Finance Service, funds will remain compliant with all financial regulations.

3.3 **Risk** – No implications.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – No implications.

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 Quarter 2 2026/27 Monitoring Statement

5.1 The 2026/27 budget was agreed at Committee on 26 January 2026. A monitoring statement showing transactions to the end of September 2026 against the budget and the estimated year end position is attached within **Appendix 1**.

5.2 **Income**
There has been no income in this reporting period.

5.3 **Expenditure**
There has been no expenditure in this reporting period.

5.4 **Outturn**
The estimated outturn for 2026/27 is £900 which will increase revenue reserves to £89,251

6 Bouchardon Bust Update

6.1 The Bouchardon Bust of Sir John Gordon ("the Bust"), an asset of the Invergordon Common Good Fund, has been the subject of an extensive decision-making process, as per the Community Empowerment (Scotland) Act 2015 and other relevant regulatory requirements. This has included public consultation, scrutiny and approval by both Area Committee and Full Council and obtaining Sheriff Court consent. In addition, the Council, via Sotheby's, is currently progressing the necessary procedures in relation to the UK Government's export licensing requirements for the sale of cultural artefacts. Key milestones are summarised below:-

- **January to April 2024**: A statutory public consultation was undertaken in accordance with Section 104 of the Community Empowerment (Scotland) Act 2015 on a proposal to dispose of the Bust by sale. Representations were received from members of the public and community organisations and were subsequently analysed and reported to Members.

- **13 May 2024 – Black Isle and Easter Ross Area Committee**: Members considered the consultation findings, all representations received and the responsibilities of the Invergordon Common Good Fund. The Committee:-
  - Noted the outcome of the consultation process.
  - Approved the publication of responses to representations received.
  - Considered the interests of the Common Good Fund alongside the representations received.
  - Agreed to recommend to The Highland Council that the Bust be sold by private sale.
  - Agreed that a museum-quality replica should be commissioned.
  - Agreed that, should the Bust be resold in future at a higher value, 20% of any increase in sale price would be payable to the Invergordon Common Good Fund.
  - Noted that Sheriff Court consent would be required before any sale could proceed, as the Bust was considered an inalienable Common Good asset.

- **May 2024 – The Highland Council**: Following consideration of the Area Committee recommendations, the Council approved the proposal to proceed with the sale of the Bust, subject to the agreed conditions and statutory processes being completed. However, Full Council did not approve the recommendation to include a resale clause seeking 20% of any increase in the future sale price, having been advised that such a clause would not be legally enforceable.

- **7 November 2024 – Sheriff Court Approval**: The Sheriff Court granted consent for the disposal of the Bust, providing the legal authority required to proceed with the sale.

- **12 March 2025 – Export Licence Application**: Following court approval, an application was submitted for a UK export licence to facilitate the sale process.

- **2025/26 – Waverley Criteria Process**: As part of the UK export licence process, the application was reviewed under the Waverley Criteria. The Waverley Criteria are the three tests used to assess whether a cultural object is of such national importance that its export should be delayed allowing an opportunity for it to be retained in the UK.

- In January 2026, a temporary export bar was placed on the Bust to allow UK institutions the opportunity to acquire the asset because it had met the three Waverley Criteria tests.

- **July 2026 – Option Agreement with a UK Institution**: A UK institution subsequently submitted an offer to purchase the Bust. The Council accepted the offer and entered into an Option Agreement with the institution. This triggered the second deferral period under the Waverley Criteria process, allowing additional time for the institution to secure the necessary funding to complete the purchase.

- **Current Position**: The second deferral period commenced on 1 July 2026 and is due to conclude on 1 December 2026. During this period, the export licence application remains deferred while the UK institution seeks to raise the funds required to complete the acquisition. Should the purchase proceed, the sale would be undertaken in accordance with the conditions previously approved by Members including the commissioning of a museum-quality replica as part of the sale agreement.

Should the UK institution be unsuccessful in raising the required funds within the specified timeframe, the sale will proceed in accordance with the terms of the export licence to the prospective overseas private buyer. This comprehensive process has ensured that decisions regarding the sale of the Bust have been taken transparently and in accordance with all relevant legislation, Council governance arrangements, judicial oversight and national heritage protection procedures.

6.2 Common Good Officer Working Group

The Common Good Officer continues to work with a cross-service group to review and develop the Council's approach to the management and administration of Common Good Funds. This work is intended to support a consistent Highland-wide framework for the operation and management of Common Good assets and funds, including the management of income and expenditure and the application of charges where appropriate.

Designation:	Assistant Chief Executive - Place
Date:	7 October 2026
Author:	Fiona Richardson, Community Development Manager Jennifer Johnston, Accountant Paula Betts, Common Good Fund Officer
Background Papers:	None
Appendices:	Appendix 1 – Q2 2026/27 Monitoring Statement

Invergordon Common Good **Appendix 1**
Period to September 26

	Actual £	Budget £	Estimated Outturn £	Variance £
Income				
Rents	0	3,500	3,500	0
Interest and investment income	0	3,200	3,200	0
Total Income	0	6,700	6,700	0
Expenditure				
Staff Costs	0	3,500	3,500	0
Property costs	0	1,750	1,750	0
Central Support	0	550	550	0
Total Expenditure	0	5,800	5,800	0
Income less Expenditure Surplus (Deficit)	**-**	**900**	**900**	**0**

Estimated revenue reserves 2025/26	88,351
Estimated outturn for 26/27	900
Estimated revenue reserves 2026/27	**89,251**