The Highland Council

Agenda Item	**8b**
Report No	**CIA/50/26**

Committee: **City of Inverness Area**

Date: **16 November 2026**

Report Title: **Inverness Common Good Fund Q2 Financial Monitoring for 2026/27 to 30 September 2026**

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

1 Purpose/Executive Summary

1.1 This report presents the budget monitoring position for the Inverness Common Good Fund (The ICGF) as of 30 September 2026 Quarter 2 and updates on any pressures in the current financial year 2026/27.

2 Recommendations

2.1 Members are asked to **scrutinise and note** the financial monitoring report to 30 September 2026 as detailed within Appendix 2.

3 Implications

3.1 **Resource -** Resource implications are as detailed in the report, including variations against budget of anything greater than £0.010m for Quarter 2 monitoring to 30 September 2026/27.

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 ICGF if over reliance is placed on reserves for the financing of revenue and any capital works. Members are aware that a review of the investment strategy of the ICGF is taking place, which will involve a detailed analysis of assets and liabilities of the ICGF and that work commences to develop a Strategy and Financial Strategy for the ICGF which will support its long-term sustainability.

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 Financial Monitoring 2026/27 (Q2) to 30 September 2026

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 2026/27.

- **Appendix 1** shows core income and expenditure to 30 September 2026, 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 at 31 March 2027.

6 Overview of 26/27 Budget Status

6.1 **Appendix 2** sets out the current projected outturn for 2026/27 which anticipates an overall net deficit, and reduction in reserves of £0.163m. This comprises a £0.044m overspend forecast against core budgets and also includes £0.013m of spend relating to project costs for Cavell Gardens which had previously been agreed to be covered by the ICGF. In addition, it reflects a projected £0.105m expenditure on carry forward commitments.

This will result in anticipated reserves on 31 March 2027 of £5.401m (subject to any further potential movement in value of investments over the rest of the financial year).

6.2 While this paper provides an overview of the current budget, Members are asked to note items 9c and 9d which provide detailed monitoring information in relation to Inverness Victorian Market and Inverness Town House.

6.3 **2026/27 Variances greater than £0.010m – Income**

Industrial Estates – Lease Premium - £0.065 – this relates to agreed lease premium which has been facilitated through our Estates Team.

Town House New Tenants – (£0.060m) – this relates to the budget line set in February. This line will not be allocated to, moving forward with a new line created as Town House Rents.

Town House Rents - £0.147 – this is the forecast amount based on current commercial rents based at the Town House. Works will continue to explore all commercial opportunities as we go forward.

Town House Lettings - £0.024 – through the budget process this had a nil balance originally against it as lettings had previously been part of the Town House rents budget. This estimated outturn figure is based on last year's reported amount paid in to the Inverness Common Good Fund (ICGF). Work is ongoing to develop reporting of these lets and information provided.

Community Events - £0.125m – this budget line has been created to separate the income and expenditure of Community events. This shows income for bar sales and on day tickets sale. Also included would be traders' payments for pitches at events.

6.4 **2026/27 Variances greater than £0.010m – Expenditure**

Town House Operations - £0.080 – this variance is shown due to the separation of the maintenance budget which was used in previous years. The maintenance budget line was used for various items associated with day-to-day work. There is additional budget pressure on this budget line as civic support charges are now being applied for this financial year, which total £0.061m. Officers will continue to monitor spending and act where appropriate to ensure tighter spending controls.

Town House Utilities and Cleaning – £0.078m – this relates to the budget being split with rates which in previous years was being applied to this budget line and is now separated to its own individual budget line which is Town House Rates.

The outturn reflects in having further budget information available and that £0.135m is the anticipated expenditure based on just the utility costs and cleaning, the cleaning being charged via internal recharge from our in-house cleaning team. Members are asked to note that cleaning requirements have increased through the letting over the last 12 months, which has added additional costs.

Town Clerks Office - £0.041 – this relates to works carried out to the office area in the previous financial year. Due to the time of the invoicing, this creates a budget pressure in this financial year.

Other Properties - £0.040 – this shows an overspend which relates to the following:-

- facilitation of works funded through the CRF relating to the Stephens Brae Bins Store. These works will be fully reimbursed to the ICGF in this financial year;
- land survey being commissioned for CG land in the Longman; and
- additional cost incurred through the vacation of units within 1-5 Church Street through standing charges and service charge apportion to the vacated units. Please note that 1-5 Church Street is now fully let with two new tenants in place within the building.

Officers will continue to monitor any other additional costs which are yet to be processed and will update at the next committee.

Community Events – £0.041m – the budget line is being reported as an overspend as in previous financial years the budget line was shown as a net expenditure. The overspend relates to all events costs to date and an element of carry-over of spend from the previous financial year is included within this.

Community Events Contingency – (£0.034) – reported as an underspend as this will not be drawn down on this financial year.

Central Support Charge – £0.143m this estimated variance is based on last year's costs, which were confirmed at year end and following the budget setting process. Given these charges are only confirmed at year end, the final charge will only be known at that point of recharge. Members are asked to note that there has been additional work to support the Common Good over the last year e.g. consultations, legal and financial, and this will be taken into account when the central support charge is calculated at the end of the year.

6.5 **Appendix 2** shows the current details of the Community Events. It currently shows that the net expenditure is £0.175m.

This is the balance between the income and expenditure for the Events Programme for this financial year. Officers are working to reconcile card payments spent at events which will show in a future appendix as part of this financial reporting.

No further events are planned for the rest of this financial year.

7 Investments and Reserves

7.1 **Appendix 3** shows the reserves position for the fund as of 31 March 2027. This is provisional and subject to audit. Any 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 made before this committee for approval and, if approved, this statement will be updated to show the financial impact on reserves.

7.2 The Council has delegated power to manage cash investments by ICGF to the Investment Sub-committee, which reports to the Pensions Committee. The City of Inverness 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 9.94% during the quarter to 30 June 2026 against a benchmark of 5.3% and by 0.67% during the quarter to 30 September 2026 compared to a benchmark of 0.9%. The value of the investments as of 30 September 2026 was £4.982m (30 September 2025 £4.753m).

7.4 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: 25 October 2026

Author: David Haas, Senior Community Development Manager (Inverness and South)

	Mark Greig, Community Development Manager Jennifer Johnston, Accountant
Appendices:	Appendix 1 - ICGF Monitoring Statement 31 May 2026/27 Appendix 2 - Community Events Appendix 3 – Monitoring Statement 30 September 2026/27 – Reserves

Appendix 1 – ICGF Monitoring Statement 30 September 2026/27

APPENDIX 1
MONITORING STATEMENT 2026/27
INVERNESS COMMON GOOD FUND CORE SPEND
FOR PERIOD ENDING DRAFT SEPTEMBER 26

	Classification	Category	Actuals 26/27 £000	Annual Budget 2026/27 £000	Estimated Outturns 2026/27 £000	Variance £000
Victorian Market Operations	Cost Recovery	Property Costs - Victorian Market	254	440	440	-
Victorian Market Management	Cost Recovery	Property Costs - Victorian Market	44	97	97	-
Victorian Market Service Charge	Essential	Property Costs - Victorian Market	103	200	200	-
Victorian Market Maintenance	Essential	Property Costs - Victorian Market	35	142	142	-
Victorian Market Marketing	Cost Recovery	Property Costs - Victorian Market	22	50	50	-
Town House Maintenance	Essential	Property Costs - Town House	56	80	80	-
Town House Operations	Essential	Other Costs - Town House	34	-	80	80
Town House Rates	Essential	Property Costs - Town House	89	93	93	-
Town House Utilities and Cleaning	Essential	Property Costs - Town House	22	57	135	78
Town Clerks office	Essential	Property Costs - Town House	41	-	41	41
TH Commercial Activities	Cost Recovery	Civic Costs	-	-	-	-
Other Properties	Essential	Property Costs - General	87	70	110	40
Ness Islands & Bank Maintenance	Essential	Property Costs - General	-	40	40	-
River Ness Fishings	Essential	Property Costs - General	-	15	15	-
ICGF Bowling Clubs	Essential	Property Costs - General	1	60	60	-
Civic Space Maintenance	Discretionary	Civic Costs	-	48	48	-
ICG - Civic Hospitality	Discretionary	Civic Costs	30	69	69	-
ICG - Civic Contingency Fund	Discretionary	Civic Costs	22	19	22	3
ICG - Town Twinning	Discretionary	Civic Costs	3	10	10	-
Community Events	Discretionary	Civic Costs	250	209	250	41
Community Events contingency	Discretionary	Civic Costs	-	34	-	(34)
Festive Lights	Cost Recovery	Civic Costs	-	83	83	-
Winter Payments	Discretionary	Grant Expenditure	0	250	250	-
ICGF Grants - Poverty and inequality	Discretionary	Grant Expenditure	96	190	190	-
ICGF Grants - other	Discretionary	Grant Expenditure	27	50	50	-
Conference Support and Hospitality	Discretionary	Grant Expenditure	8	30	30	-
City Destination Projects	Discretionary	Resilient Inverness	16	65	65	-
Operation Respect - Community Safety	Discretionary	Resilient Inverness	12	13	13	-
Operation Respects Campaign	Discretionary	Resilient Inverness	22	37	37	-
City Flowering	Discretionary	Resilient Inverness	34	67	67	-
ICGF Promotions	Discretionary	Resilient Inverness	1	17	17	-
CCTV	Discretionary	Resilient Inverness	-	50	50	-
Property Management Fees	Cost Recovery	Administrative & Central Support	-	146	146	-
Central Support Charge	Cost Recovery	Administrative & Central Support	-	104	247	143
Investment Advisor Fees	Cost Recovery	Administrative & Central Support	1	25	25	-
Press & Public Relations	Cost Recovery	Administrative & Central Support	-	10	10	-
TOTAL EXPENDITURE			**1,309**	**2,870**	**3,262**	**392**
FUNDED BY:						
Rents & Lettings						
Industrial Estates			842	1,936	1,936	-
Industrial Estates - lease premiums			-	-	65	65
Victorian Market Rents			103	200	200	-
Town House New Tenants			1	60	-	(60)
Town House Rents			22	-	147	147
Town House Lettings			14	-	24	24
Town House Dilapations			(1)	-	-	-
TH Commercial Activities			0	-	-	-
ICG - 1-5 Church Street			31	100	100	-
River Ness Fishings Income			-	5	5	-
Other Properties Rents			15	31	31	-
Community Events			75	-	125	125
			1,101	**2,332**	**2,633**	**301**
Other Income						
ICG - Civic Contingency Fund			1	-	-	
River Ness Fishings Rights			3	15	15	-
Investment Income			-	-	-	-
Victorian Market Service Charge			58	545	545	-
Refund VAT Invest Mngt Fees			-	4	4	-
Contribution from Benevolent Funds for Landward Winter Payments			-	20	20	-
Interest on Revenue Balances			-	1	1	-
TOTAL FUNDING			**1,163**	**2,917**	**3,218**	**301**
Surplus/(deficit) before projects			**(146)**	**47**	**(44)**	**(91)**
Projects						
Cavell Gardens			-	13	13	-
Surplus/(deficit) after projects			**(146)**	**34**	**(58)**	**(91)**
Carried forward commitments				**c/f**		
Other Properties c/f			9	71	26	(45)
ICGF- Town Twinning c/f			-	1	1	-
ICGF Grants - Poverty and inequality c/f			17	51	51	-
ICGF Grants - other c/f			3	16	16	-
Conference Development and Hospitality c/f			12	12	12	-
ICGF Promotions c/f			-	-	-	-
			41	**150**	**105**	**(45)**
Surplus/(deficit) after commitments			**(187)**	**(117)**	**(163)**	**(46)**

Unaudited Reserves 2025/26	5,144
Estimated outturn for 26/27 *	(163)
Change in value of investment portfolio over 2026/27	420
Estimated Revenue Reserves 2026/27	**5,401**

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

Appendix 2

ICGF Monitoring Statement 31 May 2026/27 – Community Events

APPENDIX 2
Community Events Revenue Monitoring
For Period Ending Draft September 2026

	ACTUAL YEAR TO DATE £
Income	
Grants	-
Merchandise Income	-
Income	(74,831)
	(74,831)
Expenditure	
Equipment	79,779
Event Office	127,412
Council Staff	-
Marketing &Publicity	13,050
Licences	-
Transport Costs	-
Security and First Aid	26,435
Events Merchandise	-
Staff Costs	3,456
Vehicle Hire Costs	349
	250,481
Net Total Expense/(Income)	**175,649**

Appendix 3

ICGF Monitoring Statement 31 March 2025/26 – Reserves

APPENDIX 3
MONITORING STATEMENT 2026/27
INVERNESS COMMON GOOD FUND RESERVES
FOR PERIOD ENDING SEPTEMBER 26

	£000
Value of investment portfolio at 30.06.2026	5,015
Change in value of investment portfolio over 2026/27 Q2	(33)
Value of investment portfolio at 30.09.2026	4,982
* Loans Fund balance (cash reserves) as at 31.03.2026	(315)
Net Other Debtors/Creditors at 31.03.26	898
Total reserves balance as at 30.09.26	5,564
Anticipated use of reserves during 2026/27:	
To fund core budget spend (from RMS 2627)	(163)
To fund project spend (from RMS 2627)	-
Anticipated Usable Reserves as at 31.03.2027	**5,401**