The Highland Council

Agenda Item	**8d**
Report No	**CIA/52/26**

Committee: **City of Inverness Area**

Date: **16 November 2026**

Report Title: **Inverness Comon Good Fund – Inverness Town House Financial Q2 Monitoring 2026/27**

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

1 Purpose/Executive Summary

1.1 This report presents the budget monitoring position for the Town House to 30 September 2026.

1.2 This is the new report format for 2026/27 which will provide Members more information to scrutinise revenue costs and monitor progress on projects associate with the Town House as these are identified and agreed by this Committee.

1.3 This report provides a detailed breakdown of the income and expenditure within for The Town House in a newly produced format appendix showing cost items along with the overall budget.

2 Recommendations

2.1 Members are asked to **consider and note** the spend breakdown set out within Appendix 1.

3 Implications

3.1 **Resource** - Financial implications are as outlined in this report. To enable more detailed scrutiny, implications will be identified based on the business units operating within the Town House, these being:-

1. Leases - to third parties which includes the Council;
2. Civic Events; and
3. Commercial Activities - for conferences, whole bookings to include weddings and other functions

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 report and therefore no impact assessment is required.

5 Introduction

5.1 This report provides an update on spend within the Town House. It presents an overview of income and expenditure within the revenue monitoring statement budget headings, supported by a new appendix showing the what the costs relate to such as cleaning, electricity, waste management and rates costs.

This report reflects discussions regarding improved transparency and scrutiny of income and expenditure within the Town House.

5.2 The primary function of the Town House is to provide a civic hub for the City. The Inverness Common Good Fund subcommittee oversees the funding of civic events through budgets allocated by City of Inverness Area Committee (CIAC). Use of civic space within the Town House continues to require investment both in terms of staff resource and improvements to the building's infrastructure and this report will assist Members in scrutinising the operation and delivery of this important function of the Town House.

5.3 The Town House has tenants within the current lettable space which was marketed. This will bring income into the Town House of £0.147m annually. This is an inclusive rent which contributes to the running costs associated with the Town House.

Unlet space remains, however letting options are constantly under review with colleagues in Estates and will be discussed through the Town House Project Board with potential options presented to Members for consideration. Consideration on the operation of civic space will be considered as part of enabling more space to be let commercially.

5.4 The budget for the Town House as agreed at City of Inverness Area Committee on 2 February 2026 is set out below:-

Budget Heading	Budget
Income	
Town House New Tenants	£0.060m
Town House Commercial Activities	-
Total Income	£0.060m
Expenditure	
Town House Maintenance	£0.080m
Town House Utilities	£0.150m
TH Commercial Activities	-
Total expenditure	£0.230m

6 Budget - Income and expenditure

6.1

Budget Heading	Current Budget	Current Income to date	Reason
Income			
TH Lettings	-	£0.016m	While this line shows nil budget, new coding will allow this line to show the income from individual letting with the TH e.g., for weddings, meeting room bookings and hall bookings. A breakdown of the lettings is shown in section 7.2 of this report
TH Rents	-	£0.022m	Since the budget was set, there has been an increase in the number of tenants and the corresponding income. Estimated amount for the total rents for the year is outlined is section 5.3 of this report.
TH Commercial Activities	**-**	£467	The new income line will allow clear reporting of the income received form commercial events at the TH e.g., where the ICGF is running a bar operator. Works are ongoing to refine this budget line.
TH-Dilapidations	**-**	**-£0.001**	This is a miscoding issue with expenditure charged against income.
Total		**£0.037m**	

Expenditure	Current Budget	Current Spend	Reason
TH Maintenance	£0.080m	£0.056m	Maintenance budget will remain with items previously charged to the maintenance budget showing the TH Operations line.
TH Operations	-	£0.034m	This budget line has been created to allow coding of the day-to-day operation items to be costed against. These items were traditionally charged against maintenance e.g., uniforms, equipment and training. For future years a budget will be set to reflect this spend. For 2026/27 the Maintenance and operations lines should balance.
TH Rates	£0.093m*	£0.089m	As above. Adjustment of budget line to reflect the rates payment only.
TH Utilities and Cleaning	£0.057m*	£0.022m	Previously TH rates and utilities and cleaning were in together as a budget heading.
TH Clerks Office	-	£0.041m	Spend carried over for works carried out in 2025/26. Invoices received after the cutting off period for accruals.
TH Commercial Activities	-	-	This line was previous shown a nil budget in 2025/26 budget. This line will remain to show expenditure related to commercial activities taking place at the TH e.g., bar stock to support running a commercial event.
Total		**£0.242m**	

*previously one budget line for utilities and rates totalling £0.150m

7. Town House Programme Update

7.1 Officers continue to progress works to support the long-term sustainability and financial viability of the Town House. The Town House Programme Board is developing a strategic approach focused on three key objectives: -

- Maximising commercial office lettings;
- Increasing income from events, weddings and functions; and
- Retaining the buildings important civic and community role

An update on commercial and civic activity is outlined below.

7.2 *Commercial Activity*

Without compromising civic activity, the Town House is increasingly being used for commercial functions which bring income opportunity. Developments are at an early stage, but the number and range of functions is increasing as detailed below. Work to support commercial activity includes:

- Team skills are being strengthened.to enable the website, invested in previously to be updated. Social media channels are also being actively engaged all to promote the Townhouse as a venue for weddings conferences and other events such as product launches, highlighting the grandeur and splendour of the Townhouse as a unique selling point.

- Advisors are being sought from our own commercial team and our contracted events manager, who has particular experience with wedding planning.

- A report will be forthcoming on the pilot programme of Townhouse tours which will lead to the potential of our own Tour Programme being developed. The pilot programme will inform any business case required for further resources.

- The Estates Team are reviewing vacant areas and assessing areas that can be utilised that can be marketed to increase rental income.

- Budgets are also being structured for each event to increase transparency of cost versus benefit and to identify efficiencies.

- To give the best chance to develop the Town House as a venue, the Town House team now undertake the delivery of any required bar function, which extends to external events such as Inverness Highland Games. This is going to produce an increasing income stream to support the Town House.

7.3 For the current financial year, the number of room bookings are outlined below:-

26/27	**108**
Hall	49
Cameron Room	5
Chamber	19
MacDonald Room	15
Mackenzie Room	15
Ross Room	3
Hall/Chamber	2

The income to date for 2026/27 is £0.016m.

7.4 *Civic Hospitality*
Budget allocated for the financial year is £0.069m. Current spend to date is £0.030m.

Spending categories are shown within **Appendix 1**.

All reoccurring events for the financial year have been previously agreed at the ICGF subcommittee, with any addition request coming to that same committee for approvals.

7.5 *Infrastructure*
Officers are also reviewing the building's maintenance, compliance and infrastructure requirements to identify future liabilities and inform asset management priorities. The outcomes of this work will support future budget planning and investment decisions.

As reported to the last committee, work has been undertaken to improve infrastructure and letting potential by upgrading the former town clerk's office. This is now complete. It should be noted that any further upgrades to infrastructure, including decoration, would require budget to be identified and agreed.

7.6 A further update on progress of the work outlined above to improve the financial sustainability of the Town House will be reported to a future committee.

Designation:	Assistant Chief Executive - Place
Date:	2 October 2026
Author:	David Haas, Senior Community Development Manager (City of Inverness & South) Mark Greig, Community Development Manager
Background Papers:	None
Appendices:	Appendix 1 – Town House Monitoring Statement

Appendix 1

APPENDIX 1
MONITORING STATEMENT 2026/27
Town House
For Period Ending September 2026

	Budget £000	Actuals £000		Actuals £
			Expenditure	
TH Maintenance	80	56	TH - Maintenance	54,664
			TH - Asset Valuation	1,167
			TH - Miscellaneous	461
TH Operations	-	34	TH - Licensing	-
			TH - Miscellaneous	1,391
			TH - Overtime	-
			TH - Staff Costs	29,599
			TH - ICT Service Charges	330
			TH - Service Contract	1,153
			TH - Training Courses	955
			TH - Equipment	467
TH Rates	93	89	TH - Rates	88,776
TH Utilities and Cleaning	57	22	TH - Cleaning	2,780
			TH - Gas	9,981
			TH - Electricity	15,445
			TH - Rates	- 9,557
			TH - Water	3,651
			TH - Miscellaneous	124
Town Clerks Office	-	41	TH - Maintenance	38,939
			TH - Service Contract	2,130
			CG24001 - Inverness Town House – Internal Refurbishment	156
ICG - Civic Hospitality	69	30	Marketing	400
			Food	23,958
			Hospitality	393
			Staff Costs	403
			Equipment Hire	962
			Service Contract	492
			Training Courses	632
			Fares	986
			Miscellaneous	1,548
				272,388
			Income	
			TH - Lettings	15,763
			TH - Rents	21,853
			TH - Commercial Activities	467
			TH - Dilapations	- 1,140
				36,943
			Net Total Expense/(Income)	235,445