

## **Item: 5**

### **Orkney Towns Board: 12 May 2025**

#### **Workshop Outcomes**

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## **1. Overview**

- 1.1. On 2 May 2025, the Board, supported by Economic Development Officers, held a workshop to shape the grant funding strategy. The workshop focused on three key areas:
  - Identifying funding priorities
  - Planning the funding allocation strategy
  - Designing the funding application process
- 1.2. This report outlines the key outcomes from the event and the next steps, which will be essential in effectively delivering the programme.

## **2. Recommendations**

- 2.1. It is recommended that members of the Orkney Towns Board:
  - i. Consider whether a further prioritisation be required to help focus and manage the potential volume of Expressions of Interest (Eols).
  - ii. Agree that key outcomes be incorporated into development of the application process, beginning with the launch of relevant Eol call in early June 2025.

## **3. Background**

- 3.1. In setting funding priorities, the Board reviewed consultation summary sheets prepared by Officers drawing on information from over 800 project submissions. These sheets distilled community feedback into a set 10 themed challenges and opportunities facing Orkney's communities Along with the identified themes the Board also referenced the three strategic pillars previously agreed that aligned with the broad range of community submissions.

- 3.2. The Board agreed to rationalise the original 10 sub-themes and 3 pillars into six broader themes. This move aims to focus the fund's identity and impact by concentrating on selected priority areas, rather than spreading funding too widely. Some previous themes were merged or removed during the process and Officers requested to synthesise a summary as included as Appendix 1.
- 3.3. The six agreed priority themes are (see Appendix 1 for detailed descriptions):
- Theme 1: Community and Cultural Wellbeing (healthy, active and inclusive)
  - Theme 2: Secure, Safe, Welcoming Public Spaces
  - Theme 3: Heritage, Conservation and Regeneration
  - Theme 4: Retail and Supportive Creative-Working Spaces
  - Theme 5: Connected and Inclusive Communities
  - Theme 6: Climate and Net Zero Innovation
- 3.4. The second discussion focused on the funding allocation strategy. The Board reviewed the 10-year delivery timeline and acknowledged the limitations on annual project funding. It was noted that approximately £4m in revenue funding and £15m in capital funding is available over the duration of the programme. Given the scarcity of available revenue funding, the Board agreed that smaller revenue requests may be considered for 100% funding, while larger revenue projects should be required to secure external match funding. This approach aims to maximise the reach and impact of the fund while preserving the strategic use of scarce revenue funds.
- 3.5. While revenue funding can be converted into capital, the Board generally considered that revenue funding is too valuable for this to be considered a viable option. The possibility of forward funding projects was also raised; however, previous discussion with senior Council officers had indicated that borrowing from the Strategic Reserve Fund would necessarily incur an interest rate of 7.7%, making this a costly approach that would ultimately dilute deliverable funds.
- 3.6. A valuable resource during this exercise was a pipeline list of known projects compiled by the Economic Development Team. This helped highlight project scales, funding requirements, and the landscape of potential match funders. The exercise provided useful insight into the resources needed for delivery-ready projects. It also illustrated the impact that even a few large-scale projects would have on the overall budget and spend profile.

- 3.7. The final discussion addressed the Expression of Interest (Eoi) process and how projects will be selected for inclusion in the 4-year regeneration plan. It was suggested that there should be a separate Eoi process for the capacity funding and Capital project delivery funding, as the projects funded through each would be distinctly different.
- 3.8. The option to fund Place Plans will be subject of a Board paper at the next meeting and Officers will provide a draft Eoi for Board consideration
- 3.9. It was also proposed that the Eoi phase should ideally open in early June 2025 and remain open for one month. Following this period, suitable submissions will be invited to complete a full application. From the pool of applicants, the Board will then select projects that best align with the programme's strategic goals, demonstrate strong potential for match funding, and can be delivered within a realistic timeframe. These selected projects will form the basis of the 4-year regeneration plan, which is to be finalised and approved in Winter 2025.
- 3.10. The Board also emphasised the need for a fair and transparent process to ensure accountability. Assessment criteria will include match funding levels, delivery timescales, intervention rates, and applicant eligibility. These and other parameters will help ensure that funding is used strategically, remains focused on agreed priorities, and delivers maximum impact across Orkney.
- 3.11. Discussion focussed on contribution levels and whilst decisions will still be required to determine the Board's steer, the issue of Subsidy Control was noted as a key consideration, but one that Officers will be able to advise on in determining appropriate terms and conditions of grant funding.
- 3.12. Appendix 1 was prepared by officers for further scrutiny by the Board with the caveat offered that the 6 themes remain broad in terms of potential funding bids. This meeting therefore provides an opportunity for the Board to review, amend, or further discuss any of the decisions outlined in this report before implementation work begins.

OTB Programme Framework	Descriptor	Outcomes	Benefits
Theme 1 Community and Cultural Wellbeing	Community Sports and Recreation Facilities	Increased access to inclusive, quality sports and recreation spaces	Better health, stronger community cohesion, and more active lifestyles across all ages
	Cultural and Arts Facilities	Improved access to vibrant cultural and creative facilities	Greater community engagement, local pride, and creative opportunities
	Inclusive Community Hubs	Accessible, multi-use spaces that bring people together	Stronger social connections, reduced isolation, and improved support networks
Theme 2 Safe, Accessible, and Vibrant Spaces	Accessible Infrastructure Improvements	Upgraded infrastructure that meets accessibility needs	Safer movement for community members, including those with disabilities or mobility challenges
	Welcoming Public Spaces	Public areas that are attractive, inclusive, and community-friendly	Increased use of shared spaces, stronger community pride, and social interaction
	Community Safety Initiatives	Safer neighbourhoods through targeted prevention and design	Reduced crime and anti-social behaviour, and greater feeling of safety
Theme 3 Heritage, Conservation, and Regeneration	Regeneration of Historic Buildings and Structures	Restoration and revitalisation of historic buildings to preserve cultural heritage	Improved local character, tourism attraction, and the preservation of cultural identity
	Revitalisation of Underutilised Areas	Transformation of neglected or underused spaces into vibrant community assets	Economic growth, increased community engagement, new opportunities for business
	Historic Environment Engagement	Increased public awareness and participation in the preservation of heritage sites	Strengthened community pride, educational and tourism opportunities, greater recognition of local history
Theme 4 Local Enterprise and Creative Support	Vibrant Retail Spaces	Revitalisation of retail areas to attract businesses and customers	Boosted local economy, increased foot traffic, and stronger business growth opportunities
	Community-Led Creative Initiatives	Support for community-driven arts and creative events	Enhanced local culture, community involvement, and artistic expression
	Employability and Skills Development	Increased access to training and job opportunities for local residents	Improved employment prospects, upskilled workforce, and stronger economic resilience within the community
Theme 5 Connectivity	Rural Transport Link Development	Themes 1 to 4 are recommended for approval as the core funding priorities. While Themes 5 and 6 are valuable in principle, they are better suited to complement existing projects rather than stand alone, given the significant costs and broad scope typically involved. Excluding them at this stage will help reduce the number of eligible Expressions of Interest and streamline the application assessment process.	
	Community Transport Subsidy Scheme		
	Expanding Access to Digital Services		
Theme 6 Climate Action, Energy Efficiency & Decarbonisation	Energy Efficiency		
	Net Zero Innovation		
	Climate Resilience Infrastructure		