



ORKNEY
ISLANDS COUNCIL

Item: 2

Community Development Fund Sub-committee: 27 May 2026.

Application 0/5/8/72 – Holm Community Heritage at St Nicholas Kirk:

Proposed Restoration and Preservation of St Nicholas Kirk.

Report by Director of Enterprise and Resources.

1. Overview

- 1.1. Holm Community Heritage at St Nicholas Kirk (the Community Group) has applied to the Community Development Fund (CDF) for funding to modernise, restore and preserve the historic St Nicholas Kirk building as a heritage and events hub. The works include a comprehensive programme of internal and external improvements in addition to conservation works to preserve the structure of the building.
- 1.2. The project has been phased over two years partially due to weather constraints but also to assist the Community Group deliver the project on a timescale that they feel is realistically manageable. The total project costings for phase 1 are £167,422 of which a CDF grant of £50,000 is sought amounting to 29.86% of the project costs.
- 1.3. The funding proposed will enable the Community Group to refurbish the interior of the Kirk to support a wider range of community activities and events and to host a modern, flexible, and regularly updated display of Holm and Orcadian heritage. The works include adding toilet facilities for visiting performers, improved lighting and to purchase flexible exhibition panels to display heritage information.
- 1.4. Additionally, external works proposed will be divided over the two phases and include replacing defective render with breathable lime render that will protect the fabric of the building. Heritage craft window and roof repairs will also be undertaken along with the reinstatement of the original bellcote. The works include some element of specialist repairs and like for like replacement that would not ordinarily be eligible for funding from the CDF. However, as a restoration project to preserve the building for future use, these elements are required to deliver the project outcome and so costs, such as roof repairs, lime rendering, timber replacements in the form of doors, windows, are considered

eligible in this case. Heritage restoration is undertaken with quality materials that will exceed the 15-year lifespan required for CDF.

- 1.5. The Community Group hope to deliver the first phase in Summer 2026 and anticipate that the final phase of the renovation will be delivered in the Spring/Summer 2027, subject to successful fund raising. The Community Group have sourced external funding sources for both phases but anticipate a further CDF funding ask to complete the final phase.
- 1.6. St Nicholas Kirk is located near to the shoreline off Scapa Flow. Its location has supported successful exhibitions, including the building of the Churchill Barriers, that the Community Group intend to repeat. The history of Holm will be told through local historical artifacts displayed at St Nicholas Kirk and will be regularly updated. The location has and will continue to support musical events that provide a much-needed draw to the East Mainland. The approach that the Community Group has taken will mean that the community and events hub will actively complement other East Mainland visitor attractions including the Churchill Barriers, Italian Chapel and the Orkney Fossil and Heritage Centre in Burray.

2. Recommendations

- 2.1. It is recommended that members of the Sub-committee:
 - i. Agree that a grant of up to 29.86% of total eligible costs, up to a maximum sum of £50,000, to be met from the Community Development Fund, be offered to Holm Community Heritage at St Nicholas Kirk, towards the restoration and preservation of St Nicholas Kirk, subject to:
 - Confirmation of the subsidy control position to the satisfaction of the Director of Enterprise and Resources.
 - Confirmation of the full funding package being secured.
 - ii. Delegate powers to the Director of Enterprise and Resources, in consultation with the Head of Finance, to authorise, if required, advance payment of the grant, referred to at paragraph 2.1i above, on receipt of invoices, to assist cash flow requirements of Holm Community Heritage at St Nicholas Kirk.

- iii. Delegate powers to the Director of Enterprise and Resources, in consultation with the Head of Corporate Governance, to determine whether appropriate security can be put in place and, if so, to conclude an Agreement, on the Council's standard terms and conditions, with Holm Community Heritage at St Nicholas Kirk in respect of the funding detailed at paragraphs 2.1i and 2.1ii above.

3. Background

- 3.1. St Nicholas Kirk was built in 1816 over the site of the former Kirk, believed to have been in place since 1570. The last public service was held in 1939. At the start of World War 2, the armed forces took over the building for the duration of the War. The building was later sold to the Friends of St Nicholas Community Group in 2009. The Community Group changed its status to a Scottish Charitable Incorporated Organisation (SCIO) and changed their name to Holm Community Heritage Centre at St Nicholas Kirk. The Community Group has done their best to ensure that the building is preserved and maintained. However, completing the level of works that are required to safeguard the building for future generations will require additional funding that is beyond the capacity of the Community Group to afford.
- 3.2. A CDF award of £1,860 was granted towards a feasibility study in 2021 to explore potential future sustainable uses of the building that would optimise the benefit to the community. The feasibility study identified several uses for the building that included the opportunity to hold themed exhibitions, concerts and book launches, whilst also preserving the history of Holm in the form of accessible archives.
- 3.3. In recent years, the Community Group has hosted numerous events including book launches, musical performances, historical and cultural and creative exhibitions, in addition to operating as a venue for performances in the St Magnus Festival. The ambience of the building has particularly served musical events including the annual Holm Community Festive Musical Concert.
- 3.4. The renovations will expand the use of the building with improved lighting; emergency exits signs and provision of toilet facilities that will support additional events being hosted at the Kirk, including that of the Folk Festival. The number of successful events that have been held at St Nicholas Kirk and ongoing enquiries provide a strong indication that its use as an events and heritage venue will be extremely successful.

- 3.5. A second feasibility study received CDF funding of £8,279 in 2024, which enabled the Community Group to create a development plan, seek listed building consent and planning permission for a range of improvements to the fabric of the building. Following a successful planning application, the Community Group has utilised a tender process to source contractors.
- 3.6. Following a successful application for Community and Renewable Energy Scheme (CARES) funding, the Community Group has been able to install solar panels and battery storage that provide essential electricity to the off grid building that further supports its use as a community hub and events venue. The solar panels have reduced reliance on expensive generator fuel and have helped to ensure the building is managed sustainably.
- 3.7. The table below gives a breakdown of the project costs and funding sourced for phase 1. The Community Group selected the contractor through a competitive tender process that was selected for best value.

Eligible Project Costs	£	Funding	£
Refurbishment of Property	143,984	Community Development Fund	50,000
Equipment	23,438	* Crown Estate Community Led Local Development CECLLD	50,000
		* Orkney Fund	50,000
		* National Lottery Awards for All	10,000
		* Own funds	7,422
Totals	167,422	Totals	167,422

* External funding.

- 3.8. An objective of the CDF is that it attracts as much external funding to Orkney projects as possible. Internal Council funding sources are not permitted to be a match fund for CDF. As the Council manages two of the noted funds that derive from external sources summary information is included below.
- 3.9. The Crown Estate Community Led Local Development fund (CECLDF) receives annual budget from Crown Estate Scotland revenue monies that the Council receives each year. At establishment of the fund in 2022 it was classed as external funding in order for it to be available to match existing Council and other public agency schemes.

- 3.10. The Orkney Fund is funded by UK Government's Pride in Place Programme through a grant to the Orkney Fund. Funds are awarded by an independent Board. Applicants to this funding stream are therefore eligible to seek co-funding from other Council funding streams, including CDF.

4. Project Appraisal

- 4.1. CDF was established to primarily support projects with recreation as the main theme and more specifically community facilities and heritage projects. The fund is flexible in its criteria and allows the opportunity to support a wide range of projects that benefit the community. There are a number of principles that are applied to projects as outlined in the Guidance as follows:
- Projects supported by the CDF should have a widespread and long-lasting community benefit.
 - The CDF should attract the maximum amount of external match funding into the County as possible.
 - There should be no ongoing cost to the Council as a result of any of the projects supported by the CDF.
 - No CDF assistance should be given to projects that would normally be carried out by the Council itself.
 - All CDF assistance is discretionary.
 - The intention of the CDF is that a project should be sustainable for a minimum of 15 years without any additional assistance from the Council.
- 4.2. The Community Group has and continues to explore external funding options having committed considerable amounts of resource in repairs and cleaning of the building. They are looking to raise funding for phase 2 with applications to Heritage Environment Scotland and National Lottery.
- 4.3. The Community Group has broken the project into two phases. The rationale for this is partly due to the time it takes for lime render to cure (dry) directly impacting the amount of work that can be achieved in the relatively short Orcadian summer months. It will also help the Trust to manage and deliver what is essentially a large project and will help the trust to identify further funding sources for phase 2.

- 4.4. The Community Development Fund and its predecessor, the Community Development Fund for the New Millennium, have supported a wide range of development projects including community facilities and heritage projects. CDF was established to primarily support projects with recreation as the main theme and this project meets these objectives.
- 4.5. With regard to the Community Group's application for support towards the modernisation, restoration, and preservation of St Nicholas Kirk as a community and events hub, the following is an assessment and evaluation against each of the approved assessment and evaluation criteria for the CDF:

Evidence of need

- The community of Holm identified the need to preserve the heritage of St Nicholas Kirk and has demonstrated the value of the building as a community and events hub serving the local and wider Orkney communities. Without CDF assistance the building is likely to deteriorate further extending the repair costs and potentially leading to closure and further decline of this much-loved community asset.

Achievability

- Holm Community Heritage at St Nicholas Kirk has an experienced team of Trustees in which to support the delivery of this project that includes construction management, architecture and design, administration, accounting, building surveying, heritage curation, and community development. Management of initial phases provide assurance that this project will be successfully completed and will protect an important part of Orkney's heritage for many years to come.

Sustainability

- A small voluntary contribution is requested of visitors that provides a small income to the Community Group. These funds, along with income from music events offer sufficient income for the Community Group to manage the building including future repairs and maintenance once the initial renovations are complete. The Community Group are focused on reducing costs whilst maximising visitors and donations as they feel this is the best solution to support St Nicolas Kirk's continued use as a community asset.

Serving the local public and having lasting benefits

- There has been considerable support for the project underpinned by the success of events that have been hosted there to date. The Community Group intend to ensure that the building continues its success as a community and events hub and remains an asset to the Holm community long into the future and offering lasting benefits to Holm and Orkney.

Opportunities provided or upgraded

- Lighting and exit signs are part of the modernisation works that will equip the building in line with modern safety regulations required for events including the Orkney Folk Festival that it intends to hold. Toilet facilities and changing area for performers will improve practicalities and comfort. Additionally, the purchase of display boards for heritage displays will ensure that the building's use is maximised for the benefit of all the community and its visitors.

Enriching quality of life

- This project supports social interaction, cultural events and inclusion that will have considerable mental health and community wellbeing benefits. The community space will provide a place to house Holm's rich heritage so that it may be enjoyed by the Holm and wider Orkney Communities for many generations to come.

Value for money

- Three local contractors submitted tenders for the project and the winning bid was chosen on the basis of best value. The contract has been split into phases and will be delivered over two consecutive years to ensure weather delays are minimised whilst also supporting the Community Group to fully manage the project.

Partnership funding

- The Community Group has explored several external funding options for the project and are in the process of applying to Historic Environment Scotland for Phase 2. Additional external funding sources include Orkney Towns Fund who are keen to support this project and the National Lottery Awards for All fund.

5. Letters of Support

5.1. Letters of support in relation to this project have been received from the following groups and individuals:

- East Mainland, South Ronaldsay and Burray Councillors.
- Italian Chapel.
- St Magnus International Festival.
- Holm Community Council.
- Orkney Heritage Society.
- Ten letters of support from the local community.

For Further Information please contact:

Carol Coleman, Economic Development Officer, extension 3330, Email: carol.coleman@orkney.gov.uk.

Implications of Report

- 1. Financial:** In December 2022, a further £1,000,000 was allocated to the Community Development Fund, with £100,000 ring-fenced for Community Councils. Community Development Fund records show that as at 1 May 2026, the current unallocated fund budget was £152,326 excluding reports before this Sub-Committee. Therefore, at present there is sufficient budget within the 2022 Community Development Fund tranche to consider this project. The option of accessing Community Development Fund grant as an advance payment, in order to assist cash flow, will be required to ensure the project reaches a satisfactory conclusion.
- 2. Legal:** Subject to the content of the third bullet point (below) there are no legal constraints to the recommendations in this report being implemented and the relevant powers are contained in section 20 of the Local Government in Scotland Act 2003. If grant assistance is to be provided by the Council, a legally binding agreement will require to be entered into between the Council and the recipient setting out the terms on which the funding is being provided. Any financial assistance provided by the Council will need to be assessed to determine if the financial assistance proposed meets the definition of a subsidy under section 2 of the Subsidy Control Act 2022 (the 2022 Act). If it is determined that the financial assistance is a subsidy, then it will need to be provided in a manner compliant with the provisions of the 2022 Act.
- 3. Corporate Governance** – Determination of applications for funding from the Community Development Fund is delegated to the Community Development Fund Sub-committee.

4. **Human Resources** – None.
5. **Equalities** – An Equality Impact Assessment is not required.
6. **Island Communities Impact** – An Island Communities Impact Assessment is not required.
7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - Growing our economy.
 - Strengthening our Communities.
 - Developing our Infrastructure.
 - Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
 - Cost of Living.
 - Sustainable Development.
 - Local Equality.
 - Improving Population Health.
9. **Environmental and Climate Risk** – None.
10. **Risk** – None.
11. **Procurement** – None.
12. **Health and Safety** – None.
13. **Property and Assets** - None.
14. **Information Technology** – None.
15. **Cost of Living** – None.

List of Background Papers

CDF Application Form dated 5 April 2026.

Holm Community Heritage at St Nicolas Kirk Development Plan.

CDF Guidance 2023.