



ORKNEY
ISLANDS COUNCIL

Item: 2

Community Development Fund Sub-committee: 25 August 2026.

Application 0/5/8/0008 – Westray Development Trust.

Proposed Construction of Community Hub.

Report by Director of Enterprise and Resources.

1. Overview

- 1.1. Westray Development Trust (the Trust) has applied to the Community Development Fund (CDF) for funding towards the construction of their new Community Hub building that will create a flexible community space to support the needs of the community both now and in the longer term. The total project costs exceed £1.6 million of which a CDF grant of £100,000 is sought representing 6.2% of the total project costs.
- 1.2. The Community Hub project resulted from a community consultation which led to the asset purchase of the old Community Hall. The Trust obtained planning permission and has demolished the original building in preparation for this project. The new building will provide meeting rooms and office space that can be booked by visitors and islanders. There will also be bookable treatment rooms for visiting practitioners to use that will enable additional services to be delivered on Westray. There will also be a community hall with a fully equipped kitchen for community events.
- 1.3. The Trust has secured £1.2m from the Scottish Government's Regeneration Capital Grant Fund (RCGF) and is contributing over £112k of its own resources to the project. The Orkney Fund and the Crown Estate Community Led Development Fund (CECLDF) have each awarded funds to the project. The CDF request, whilst significant, represents a small proportion of the overall project costs. Additionally, the Trust has applied to Highlands and Islands Enterprise (HIE) for the remaining £100k that will complete the funding package required for the project to proceed.

2. Recommendations

2.1. It is recommended that members of the Sub-committee:

- i. Agree that a grant of up to 6.2% of total eligible costs, up to a maximum sum of £100,000, to be met from the Community Development Fund, be offered to Westray Development Trust towards a new Community Hub building, 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 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 Westray Development Trust in respect of the funding detailed at paragraph 2.1i above.

3. Background

- 3.1. Westray Development Trust (The Trust) is a company limited by guarantee with registered charitable status (SC029471). The community of Westray had a vision to 'turn the tide' on island depopulation by creating employment opportunities whilst developing community facilities that will support social connection and improve quality of life for the people of Westray.
- 3.2. The Trust was formed to implement this vision by delivering key infrastructure projects. Past projects include the development of a 900KW wind turbine at Callowhill that has generated healthy income for The Trust through ringfenced subsidiary Westray Renewable Energy Limited.
- 3.3. The Trust with support from Highlands and Islands Enterprise (HIE) undertook a review of community assets in 2024. This roadmap identified a need for more office space for the Trust along with a need for improved community space that would allow events and activities to be held within school hours. The Old Community Hall was listed for sale and, whilst it was in a poor state of repair, the land and existing car park offered ideal opportunities for a new Community Hub. The Scottish Land Fund (SLF) supported the Trust with feasibility study costs which were match funded by an award of £10,000 from the CDF under delegated powers. SLF also provided the funds to complete the asset land transfer.

- 3.4. Ownership of the Old Community Hall was transferred to the Trust in November 2024, and plans were developed for a new sustainable and flexible community building. The Trust used a tender process to secure a contractor, raising a large proportion of the total build costs from RCGF.
- 3.5. The Community Hub will provide office space and meeting rooms for community and visitor use. A bookable health and beauty treatment room will bring additional services to Westray that will improve quality of life for islanders, particularly those who are unable to travel to appointments in Kirkwall. The building is designed to optimise energy efficiency thereby ensuring its long-term sustainability.
- 3.6. Other projects that the Trust is working on that will further support this Community Hub project are E-bike provision and maintenance area funded by HITRANS through Transport Scotland's People and Place Programme. Satellite internet provision and solar panels on the Community Hub will offer additional resilience.
- 3.7. The table below gives a breakdown of the project costs and funding secured for this project. Westray Development Trust selected the contractor through a competitive tendering process and utilised the skills of a consultant with quantity surveyor experience. Only one contractor (a local firm) submitted a tender for the works, which is commonplace for isles projects. The quote was assessed as offering good value by the consultant and the Trust.

Eligible project Costs	£	Funding	£
Tender	1,612,535	Scottish Regeneration Capital Grant Fund (RCGF)	1,200,000
		Westray Development Trust	112,535
		Crown Estate Community Led Development Fund (CECLDF)	50,000
		Orkney Fund	50,000
		Community Development Fund	100,000
		Highlands and Islands Enterprise	100,000
Totals	1,612,535	Totals	1,612,535

4. Project Appraisal

- 4.1. CDF was established to primarily support projects with recreation as the main theme. The fund is flexible in its criteria and allows the opportunity to support a wide range of projects that benefit the community. The following principles are applied to projects as outlined in the CDF Guidance:
- 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; and
 - 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 Development Fund and its predecessor, the Community Development Fund for the New Millennium, have supported a wide range of development projects including community facilities. CDF was established to primarily support projects with recreation as the main theme and the Community Hub meets this objective.
- 4.3. With regard to the Trust's application for support towards the development of a new Community Hub located at Clickhammer in Westray, the following is an assessment and evaluation against each of the approved assessment and evaluation criteria for the CDF:

Evidence of Need

- The new Community Hub building enables community events to be held within school hours. Additionally, the flexible office space and treatment room will enable hairdressers, podiatrists, chiropractors, etc to visit Westray providing a vital lifeline and enhancing the quality of life for islanders, particularly those unable to travel due to cost or mobility issues.

Achievability

- The Trust has considerable experience of managing projects of scale and has a clear plan and funding in place that support this build. The Trust's Development Officer is at hand and has good knowledge of the project.

Sustainability

- The building will meet modern insulation standards and is designed to be sustainable and low cost. Room booking fees will be used to offset any running costs for the building. The Trust offices will be in the building further facilitating ease of access for the community and visitors.

Serving the local public and having lasting benefits

- Community support for the project has been demonstrated through community consultations with additional letters of support from Westray Community Council, Westray Community Association and Westray Junior High School who identify that the current provision for room hire at the school is not able to meet the needs of the community and a new Community Hub will make a considerable difference to the events that can be held. These areas confirm that the Community Hub will deliver long lasting community benefit.

Opportunities provided or upgraded

- The Community Hub will also be home to the first public electric vehicle chargers on Westray ensuring visitors with electric cars do not run out of charge. There will also be improvements to internet connectivity with satellite infrastructure. The Trust identifies this will improve opportunities for Islanders.

Enriching quality of life

- This project supports social interaction and will create opportunities for much needed services to be offered on Westray including hairdresser, beauty treatments, podiatrists, and chiropractor, among others. Residents who are able currently travel to Kirkwall for these services, increasing appointment costs and undermining treatment benefits.

Value for money

- The Trust selected the contractor through a competitive tendering process and utilised the skills of a Project Consultant with extensive quantity surveyor experience. Only one contractor (a local firm) submitted a tender for the works as is commonplace for isles projects. The quote was assessed as offering good value by the Project Consultant and the Trust and is within the average cost per square metre for large North Isles projects.

Partnership funding

- This project has raised substantial funds from the RCGF and the Trust is personally contributing 9.4% to the project. Council managed external funding for the project include The Orkney Fund and CECLDF. The Trust hopes to secure the final £100k for the project from HIE.

5. Letters of Support

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

- Westray Community Council.
- Westray Community Association.
- Westray Junior High School.

For Further Information please contact:

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Email: carol.coleman@orkney.gov.uk.

Implications of Report

- 1. Financial** - In June 2026, a further £300,000 was allocated to the Community Development Fund.

Community Development Fund records show that as at 30 June 2026, the unallocated fund budget was £324,952. Therefore, at present there is sufficient budget within the 2026 Community Development Fund tranche to consider this project.

- 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** – A tender process has been followed.
12. **Health and Safety** – The building will comply with planning laws and building consents.
13. **Property and Assets** – The building offers a lasting legacy for the Trust.
14. **Information Technology** – The proposals include improved connectivity.
15. **Cost of Living** - None

List of Background Papers

CDF Application Form
Business Case
CDF Guidance