



ORKNEY
ISLANDS COUNCIL

Item: 5

Community Development Fund Sub-committee: 1 July 2025

Application 0/5/8/0076 – The Hoy Trust – Burnmouth Bothy.

Report by Director of Enterprise and Resources.

1. Overview

- 1.1. The Hoy Trust (the “Trust”) have applied for Community Development Fund (CDF) funding to preserve and protect the Burnmouth Bothy (the “Bothy”) in Hoy to secure its long-term future. The proposed works to the A listed building include structural and masonry repairs, roofing, replacement doors and windows, plumbing and electrical installations and decoration. The total cost of the proposed works, following a competitive tender process, is £173,286 of which a CDF grant of £86,643 is sought amounting to 50% of the project costs.
- 1.2. The Bothy is a traditional 19th century croft house believed to date to the mid-1800s or earlier with heather thatch and flagstone roof situated in Rackwick on the west coast of Hoy. The building was restored and opened as a bothy in the 1970s attracting visitors from all over the world but has since fallen into decline and is likely to become unusable in the relatively short term.
- 1.3. The works will preserve the heritage, reinstate the Bothy as a safe sustainable and culturally vibrant asset for the community and visitors alike reinforcing Hoy’s position as a destination for low-impact heritage tourism and ensure future generations can continue to engage with its unique landscape and history.

2. Recommendations

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

- i. Agree that a grant of up to 50% of total eligible costs, up to a maximum sum of £86,643, to be met from the Community Development Fund, be offered to The Hoy Trust towards restoration of the Burnmouth Bothy, Hoy, 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 The Hoy Trust.
- 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 The Hoy Trust in respect of the funding detailed at paragraphs 2.1i and 2.1ii above.

3. Background

- 3.1. The Hoy Trust (the "Trust") is a Scottish Charitable Incorporated Organisation (SCIO) registered in 2019. In 1979, the Trust purchased and sympathetically renovated the croft house prior to opening it as a bothy with a small campsite. In 1999, the building was recognised for its historical significance with A rated listed building status, particular note was given to the heather thatched roof that is one of the few remaining on Orkney and in Scotland.
- 3.2. The Bothy is both culturally and economically significant to the Island of Hoy. It began life as a traditional croft house dating back to the late 1880s but since being taken over by the Hoy Trust in the 1970s it now serves as a free to access shelter for visitors and climbers visiting the Old Man of Hoy, a site that draws thousands to the island annually. Since opening, the Bothy has attracted visitors from around the world whilst also playing an important role in outdoor education for Orkney's primary and secondary school children.
- 3.3. In recent years there has been some decline in the fabric of the building that has led to concerns that the Bothy is becoming unsafe. Urgent conservation and restoration works are required to safeguard and preserve the heritage of the Bothy for future generations. If the proposed works are not undertaken the Bothy is likely to close in the relatively short term.
- 3.4. The restoration will ensure continued access to safe, sustainable accommodation, encouraging longer stays and deeper visitor engagement with Hoy's natural and cultural heritage. Additional benefits are anticipated in further seasonal employment opportunities in addition to safeguarding the role of the existing local warden.

- 3.5. The table below gives a breakdown of the project costs and funding for the project. A tender process was used to select the contractor with heritage skills that was most cost effective. A local firm tendered a competitive fixed price and was the winning bid. It is noted that the Trust is investing a large sum to this project to ensure that the Bothy remains open as a free to access shelter. Additionally, a number of volunteer hours have been offered and there is recognition for the potential heritage skills to be developed during project delivery.

Eligible Costs	£	Funding Applications	£	%
Project Tender	144,405	SG CLLD - £50,000	50,000	28.85
VAT	28,881	CDF	86,643	50
		Own Funds	36,643	21.15
Totals	173,286		173,286	100%

- 3.6. The works include some element specialist repairs and like for like replacement that would not ordinarily be funded from the CDF. However, as a restoration project these elements are required to deliver the project outcome and so costs such as roof repairs, timber replacements in the form of doors and windows etc and beams are considered eligible in this case. Bothies are basic accommodation intended to provide shelter, warmth and a clean welcoming place to eat and sleep. Improvements to the toilet facilities would likely be supported by the CDF as an improved facility. The Trust is looking to future proof the bothy and create an online booking system. The combination of these works will significantly optimise use of the Bothy by visitors. The works when completed are likely to be viewed as a significant improvement to the building overall despite there being an element of repair and maintenance.
- 3.7. CDF funding is intended to support heritage projects and a listed building would fall within this. It is inevitable with any heritage project that there will be a need to undertake some repairs as part of preserving its Heritage. The Trust does not charge visitors for use of the Bothy and there is no direct economic benefit to the Trust to support this building. It is a well-used facility that helps bring much needed tourism to Hoy in addition to creating a safe haven for climbers, sailors and walkers who might otherwise not visit Hoy.

- 3.8. The Trust has a small portfolio of properties from which it earns a modest income. The Trust also holds an investment portfolio which provides a modest income. These properties and investments contribute to the level of fixed assets identified in their accounts as unreserved funds. The income from the investments ensure that the Trust can continue its operations for the benefit of the community with projects including the Bothy. Property investments come with associated costs of repairs and maintenance and buildings insurance. The accounts identify various costs in maintaining these properties. Funds immediately available to the Trust are therefore reduced with a relatively small year in year increase that shows the Trust is operating within its means and trust status.
- 3.9. Community Led Local Development Fund (“CLLD”) are funds provided by Scottish Government and administered by the Local Action Group. Applicants to this funding stream are therefore eligible to seek co-funding from other Council funding streams, including the Community Development Fund.
- 3.10. The Trust explored other funding options without success. A barrier to external funds appears to be linked to limited visitor data. The Trust is looking to rectify this by collecting visitor data for their properties that are open to the public (including the Bothy) which it hopes will facilitate access to external funding sources for future projects.

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. 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; 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 Trust supported their application with a development plan that proposes to ensure the sustainability of the bothy for the long term, supporting sustainable low impact tourism whilst preserving Orkney's culture and heritage. The Bothy was restored in the 1970s prior to the building becoming listed in the 1990s. The level of the previous restoration is unknown. However, it is fair to assume the current restoration works will significantly exceed the 15 years minimum required and will ensure there are no ongoing costs to the Council that arise from the works. The Bothy has been operating in this capacity attracting and supporting visitors to Hoy as well as providing opportunities for outdoor education for Orkney's school children.
- 4.3. The Community Development Fund and its predecessor, the Community Development Fund for the New Millennium, have supported a wide range of development projects involving heritage projects and community facilities. CDF was established to primarily support projects with recreation as the main theme and the Bothy meets this objective.
- 4.4. With regard to the Trust's application for support towards the restoration and preservation of the Burnmouth Bothy in Hoy, the following is an assessment and evaluation against each of the approved assessment and evaluation criteria for the CDF:

4.4.1. Evidence of need

- For over 45 years the Burnmouth Bothy has offered warmth and shelter to visitors to Hoy. Its cultural heritage as a croft house dating back to the 19th Century is deemed of such significance that it has been granted Grade A listed status, but ultimately it is a key part of Orkney's heritage that is becoming rare and should be protected. The heather thatched roof, whilst not original to the building, is one of only ten remaining in Orkney (1 of 200 in the whole of Scotland) identifying a local vernacular that is in decline. The Trust has played an important role in protecting and preserving the heritage of Hoy and this building is a key part of the Trust's success having renovated the building in the 1970's before opening it as a bothy attracting visitors from across the world.
- Concerns have been raised by the residents of Hoy that the condition of the Bothy is poor and there are clear indicators that the building is becoming unsafe. Without expenditure the Bothy will be forced to close. This will remove a vital tourist opportunity for Hoy in addition to important revenue streams.
- The Bothy is used by both primary and secondary school pupils of Orkney and may result in schools looking for alternative outdoor activity centres to fulfil this part of

the curriculum. The local parent council has identified further educational and physical wellbeing opportunities for the school children of Hoy at the Bothy that they are seeking to implement.

- The scale of the restoration required by the building is beyond the capacity of the Hoy Trust, (who like most Trusts on Orkney are a small volunteer group), to manage alone.

4.4.2. Achievability

- The Trust are experienced in managing projects that seek to preserve the culture and history of Hoy including restoring and maintaining heritage buildings. They have considered the options with the Bothy and appreciate that the listed status will place additional liability on the Trust should the works not be completed and mean the do-nothing option is not readily available in this instance.

4.4.3. Sustainability

- The Trust have explored options for the ongoing maintenance of the building and plan to have website links to the history of the building that ask for voluntary donations and contributions from visitors. The Trust are also seeking to operate an online booking system that will give more certainty to visitors wishing to use the facilities. Additionally, it will also produce a record of visitor activity and feedback for any future external grant funding requests as funders look to report fund outcomes in a more limited funding environment.

4.4.4. Serving the local public and having lasting benefits

- The Bothy is an accessible space for all and offers lasting cultural and heritage benefits. Aside from tourists, the Bothy is visited by Orcadians and has become a key part of the outdoor curriculum for Orkney's school children. The Trust are exploring opportunities with small cruise stops to bring additional much needed additional revenue to Hoy. The Bothy would be a unique part of this attraction.
- The Trust identifies that the facilities at the Bothy will be used by visitors to the beach and the Old Man of Hoy (a three-hour round-trip trek). For those who stay overnight in the Bothy there is shelter, warmth of the fire and basic facilities including toilet where they will get a chance to step back into the history of life on Hoy. The facilities will additionally preserve the area for those wild camping.
- Members of the Longhope Lifeboat Station have identified that the project supports visitor safety by ensuring there is shelter available to those in need that may also include sailors seeking safe harbour from a storm.

- The restoration seeks to preserve heritage skills for the next generation by using the restoration as an opportunity to learn crafts and redevelop skills that are in decline.

4.4.5. Opportunities provided or upgraded

- Following on from the restoration, the Trust's Development Plan contains the aspiration to protect the future of the building by raising funds through voluntary donations and by raising the profile of the unique and special nature of the Bothy. This, they hope, will ensure the long-term sustainability of the site.

4.4.6. Enriching quality of life

- This project supports outdoor activity, health and wellbeing and social interaction, thereby contributing to mental and physical health. It protects Orkney's heritage so that it may be passed on for generations to come.

4.4.7. Value for money

- The capital cost for the full restoration of Burnmouth Bothy comes from fully tendered costs. The most cost effective and least expensive bid was by an Orkney contractor and includes both essential fabric repairs and improvements to the infrastructure that will ensure long-term resilience and usability. When considering the potential liability from not undertaking the essential works to the fabric of a listed building and implications to insurance costs the works are felt to represent excellent value of money. The Tender was on a fixed price basis and means that costs are unlikely to escalate during the build.

4.4.8. Partnership funding

- The Trust sought external match funding from National Lottery Awards for All and Highlands and Islands Enterprise but were unsuccessful on this occasion. As a result, the Trust is extending its own fund contribution to 21.15% to the sum of £36,643. This is a considerable amount of the Trust's readily accessible reserves. By ensuring booking information and feedback from users is available this will assist the Trust in maximising access to external funding opportunities for future projects.

5. Letters of Support

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

- Hoy Development Trust – Community.
- Longhope Lifeboat Museum – Heritage.
- North Walls Community School Parent Council - Youth/Education.
- Destination Orkney - Community/Tourism.
- Lord Lieutenant of Orkney – Community / heritage.
- Destination Manager Visit Scotland – Tourism.
- Longhope Lifeboat Station – 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 31 May 2025, the unallocated fund budget was £312,878. 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** N/A.
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:** N/A
10. **Risk:** N/A
11. **Procurement:** N/A
12. **Health and Safety:** N/A
13. **Property and Assets:** The project is the restoration of the Burnmouth Bothy owned by the Hoy Trust.
14. **Information Technology:** N/A.
15. **Cost of Living:** N/A.

List of Background Papers

- Application from The Hoy Trust dated 09/06/25
- Community Development Fund Guidance (July 2023)