



**ORKNEY**  
ISLANDS COUNCIL

**Item: 1**

**Community Development Fund Sub-committee: 25 August 2026.**

**Application 0/5/8/16 – Friends of Hoy Kirk.**

**Proposed Restoration of Hoy Kirk Heritage Centre.**

**Report by Director of Enterprise and Resources.**

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## **1. Overview**

- 1.1. Friends of Hoy Kirk (FOHK) applied to the Community Development Fund (CDF) for assistance toward the first phase of a two-phase restoration and improvement programme that will secure the long-term future of the Hoy Kirk operating as a heritage, community and events centre. The works will address known structural and weather-related issues that, if left unresolved, will lead to continued deterioration of the building impacting its future use. The total project costings for this phase are £131,880 of which a CDF grant of £39,564 is sought amounting to 30% of the overall project costs.
- 1.2. If approved, the proposed funding will enable the FOHK to undertake essential repairs that will conserve the fabric of the building. External traditional heritage repairs will be made to the roof, bell-cot, windows, doors and pointing. This will ensure the building is both watertight and able to breathe. Internally traditional plaster repairs to the vestry and office will enable full and flexible use of the building. The wheelchair-accessible ramp will also be reinstated to ensure safe and inclusive access for all users.
- 1.3. These works include some element of specialist repairs and like for like replacement that would not ordinarily be eligible for CDF funding. However, as a restoration project to preserve the building for future use, these elements are required to deliver the project outcome and therefore are considered eligible in this instance.
- 1.4. Phase 2 – the final phase of the project – will seek external funding to introduce solar generation and battery storage to the building improving energy efficiency and reducing running costs. These works will ensure the building is cost effective and sustainable long into the future but are not anticipated to require future CDF funding.

- 1.5. FOHK have commenced these works at their own risk as funding and weather requirements necessitated that Phase 1 external works are completed in the Summer.

## **2. Recommendations**

- 2.1. It is recommended that members of the Sub-committee:
- i. Agree that a grant of up to 30% of total eligible costs, up to a maximum sum of £39,564, to be met from the Community Development Fund, be offered to Friends of Hoy Kirk, towards the restoration and preservation of the Hoy Kirk as a Heritage, Community and Events Centre, 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 Friends of Hoy 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 Friends of Hoy Kirk in respect of the funding detailed at paragraphs 2.1i and 2.1ii above.

## **3. Background**

- 3.1. The Hoy Kirk Heritage Centre, a former Kirk, was purchased by the Friends of Hoy Kirk in 2003 from the Church of Scotland. The building is thought to date from 1891 and is a replacement of an earlier Kirk at that site. Following the purchase, the building opened as a Community and Heritage Centre that attracts over 20,000 visitors annually.
- 3.2. FOHK undertook a comprehensive feasibility study in 2022 with £3,700 CDF funding, to inform a strategic development plan to secure the building's future as a community asset. The development plan sought to reduce carbon emissions, address rising energy costs, and explore how the community group could best develop their heritage offering. In 2024, CDF awarded £8,678 towards interpretation panels and display furniture enabling FOHK to archive, collate and display social and historic records for community and visitor access. The Heritage

Centre now attracts over 20,000 visitors annually. The building has also hosted several events including the Folk, Nature, Storytelling and International Science, festivals that FOHK are looking to build upon.

- 3.3. The condition of the building is of immediate concern as there is water ingress to the roof, windows and doors that has resulted in the vestry and office becoming unusable. Wheelchair access to the building is also in a poor state of repair and cannot currently be used. The bell in the bell-cot is not supported and potentially could cause further damage to the structure of the building if this is not remedied. The windows and doors are old, uninsulated and require repair or replacement. Several areas of the interior plasterwork are also needing to be repaired.
- 3.4. The requested funding will employ a specialist contractor to undertake craftsmanship repairs to the areas identified at paragraph 3.3 above. The restoration project will ensure that this historic building is preserved for future use of residents and visitors. Whilst CDF does not ordinarily support repairs and maintenance, these elements are required to deliver the project outcome and so costs, such as roof repairs, mortar removal, lime mortar replacement, and timber replacements in the form of doors, windows, are considered eligible in this case. These heritage restoration works will be completed with quality materials that should exceed the 15-year lifespan required for CDF funding.
- 3.5. FOHK were successful in their applications for Crown Estate Community Led Development Fund and The Orkney Fund, raising 70% of the project costs. The final 30% has been requested from CDF. Any delay to the works will lead to further deterioration to the building and likely increase the costs of the renovation. The works will be undertaken using traditional materials including lime render. However, this requires dry weather to sufficiently cure the lime render. The Trust proceeded with the essential external repairs and fabric improvements, critical to protecting the building and ensuring the success of the overall programme prior to approval and are aware this was at their own risk.
- 3.6. It should be noted that the Trust has limited income and reserves and use these to manage day-to-day running costs. This CDF award will ensure FOHK are able to sustain their community activities at current levels. FOHK intend to commence external fundraising for the final phase of the project toward solar generation and battery storage and modern heating. This will improve energy efficiency and reduce the building's running costs ensuring the Kirk's long-term affordability and sustainability for FOHK.

- 3.7. The table below gives a breakdown of the project costs and funding sourced for this phase. FOHK 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 FOHK.

| <b>Eligible Project Costs</b> | <b>£</b>       | <b>Funding</b>                                       | <b>£</b>       |
|-------------------------------|----------------|------------------------------------------------------|----------------|
| Tender inc VAT                | 131,880        | Community Development Fund                           | 39,564         |
|                               |                | * Crown Estate Community Led Development Fund CECLDF | 46,158         |
|                               |                | * Orkney Fund                                        | 46,158         |
| <b>Totals</b>                 | <b>131,880</b> | <b>Totals</b>                                        | <b>131,880</b> |

## 4. Project Appraisal

- 4.1. The principles that are applied to projects as outlined in the Guidance are as follows:

- Projects supported by the CDF should have a widespread and long-lasting community benefit.
- 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 following is an assessment and evaluation against each of the approved assessment and evaluation criteria for the CDF:

### Evidence of need

- FOHK engaged with the community from the outset of this project seeking their input into a comprehensive feasibility study on the building's potential uses. The

feasibility study identified that the building was deteriorating and required essential repairs if it were to continue as a community asset. Since the feasibility study was conducted FOHK have established the former Kirk as a heritage centre that attracts over 20,000 visitors.

### **Achievability**

- FOHK is a company limited by guarantee and a charity. There are 11 current Directors who have expertise in project management, heritage conservation, community engagement, and financial oversight. They have successfully completed other phases of this project.

### **Sustainability**

- FOHK receives much of its income from donations and grant funding. The community group is seeking to reduce running costs of the building and will achieve this with energy generation and improved heating provision.

### **Serving the local public and having lasting benefits**

- There has been considerable support for the project underpinned by the success of the Heritage Centre and events hosted in the building to date. FOHK intend to ensure that the building continues its success as a community and heritage and events centre and remains an asset to the Hoy community long into the future.

### **Opportunities provided or upgraded**

- The works will restore the building with traditional methods and quality materials enabling the building to serve the public for many more years to come. The proposed works will additionally serve as the foundation for the final project phase that will reduce the running costs ensuring the building is sustainable for the long term.

### **Enriching quality of life**

- This building plays an essential role in attracting visitors to Hoy making it an important community owned asset that supports income generation and employment for the Island. FOHK currently employ three people on a part-time basis to manage the building, heritage and community activities. Visitor numbers suggest it may also support wider employment in Hoy that could help sustain the population from outward migration.

## **Value for money**

- A local contractor submitted a tender for the project that was considered by FOHK and professional project advisers to offer good value. The contract has been split into phases, and this application supports the first phase of works to restore the building. The final phase will install solar panels, battery storage and cost-effective heating to reduce the building's running costs. It is anticipated that the final phase will be funded through specialised energy funding grants with no anticipated further ask from the CDF.

## **Partnership funding**

- Crown Estate Community Led Development Fund and The Orkney Fund have committed funding to this project and if CDF is approved, the funding package for the project will be completed.

## **5. Letters of Support**

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

- Island of Hoy Development Trust.
- Destination Orkney.
- Stromness Museum.
- Longhope Lifeboat Museum Trust.
- International Orkney Science Festival.
- Curator, Orkney Arts, Museums and Heritage.
- West Side Cinema.

### **For Further Information please contact:**

Carol Coleman, Economic Development Officer, extension 3330, Email:

[carol.coleman@orkney.gov.uk](mailto: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 July 2026, the current unallocated fund budget was £329,028 excluding reports before this Committee. 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** - 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 23 March 2026.

Friends of Hoy Kirk Development Plan.

CDF Guidance 2023.