Item: 1

ORKNEY ISLANDS COUNCIL

Community Development Fund Sub-Committee: 5 November 2026.

Application 0/5/8/0101 – Friends of Sanday Kirk Limited.

Proposed Restoration and Preservation of Cross Kirk.

Report by Director of Enterprise and Resources.

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1. Overview

1.1. This report presents a revised application submitted by the Friends of Sanday Kirk Limited, for consideration.

1.2. On 25 August 2026, the Community Development Fund Sub-committee considered an application and resolved, in terms of delegated powers, that a grant of up to 10.98% of total eligible costs, up to a maximum sum of £36,897, to be met from the Community Development Fund, be offered to the Friends of Sanday Kirk Limited towards the restoration and preservation of Cross Kirk, Sanday, subject to conditions.

1.3. Following the meeting on 25 August 2026, it was noted that, due to figures from an earlier application being used when preparing the report, the funding package presented, and which was the basis of the decision taken by the Sub-committee, was outdated. This has been acknowledged and the most recent application dated 3 July 2026 has now clarified the full funding package position.

1.4. The project estimates a six-month window to deliver the project, beginning Spring 2027 to maximise the good weather. Total costs for the project are £347,069 of which a CDF grant of £62,297 is sought amounting to 17.95% of the project costs.

1.5. The proposed funding package will enable the Friends to preserve the structure of the building with a full roof upgrade to ensure the building will be wind and watertight, removal of porous harling and replaced with traditional lime-based harling. This conservation measure allows the masonry to breathe and regulate the internal humidity naturally. Double-glazed vestry windows and a new external door will also be installed. Heritage restoration is undertaken with quality materials that will exceed the 15-year lifespan required for CDF.

2. Recommendations

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

i. Note that, on 25 August 2026, the Community Development Fund Sub-committee resolved, in terms of delegated powers, that a grant of up to 10.98% of total eligible costs, up to a maximum sum of £36,897, to be met from the Community Development Fund, be offered to the Friends of Sanday Kirk Limited towards the restoration and preservation of Cross Kirk, Sanday, subject to conditions.

ii. Note that, subsequent to the decision detailed above, figures from an earlier version of the application, submitted by the Friends of Sanday Kirk Limited, had been used in calculating the proposed grant award.

iii. Note that, in accordance with Standing Order 23.2, the Chief Executive is satisfied that a material change of circumstances has occurred and, accordingly, Standing Order 23.1 does not require to be suspended to enable consideration of the application from the Friends of Sanday Kirk Limited.

iv. Agree that a grant of up to 17.95% of total eligible costs, up to a maximum sum of £62,297, to be met from the Community Development Fund, be offered to the Friends of Sanday Kirk Limited, towards the restoration and preservation of Cross 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.

v. 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 2.1ii above, on receipt of invoices, to assist cash flow requirements of the Friends of Sanday Kirk Limited.

vi. 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 Friends of Sanday Kirk Limited in respect of the funding detailed at paragraphs 2.1ii and 2.1iii above.

vii. Note that, should the recommendations outlined above be approved, the offer of grant to the Friends of Sanday Kirk Limited would supersede the grant offer approved by the Community Development Fund Sub-committee on 25 August 2026.

3. Background

3.1. Cross Kirk was built in 1867. It has operated as the final ecclesiastical landmark on Sanday. A community campaign brought about the needs case to bring the Kirk into community ownership in 2023, the Friends applied to the Scottish Land Fund for assistance in purchasing the Kirk from the Church of Scotland. The Friends successfully took ownership of the Kirk at the end of 2024 and have worked towards bringing the building into everyday use, carrying out repairs and helping preserve local heritage.

3.2. Following a successful planning application, the Friends have utilised a tender process to source contractors.

3.3. Following a successful application for Community and Renewable Energy Scheme (CARES) funding, the Friends will install ground mounted solar panels and battery storage. This system, combined with the improved thermal performance from the lime harling and roof insulation will drastically reduce the building's carbon footprint.

3.4. The table below gives a breakdown of the project costs and funding sourced from the revised application received 3 July 2026. The Friends selected the contractor through a competitive tendering process that was selected for best value.

Project Costs	**£**	**Funding**	**£**
Full property upgrade	306,619	*The National Lottery Heritage Fund	192,812
Equipment	31,450	*Scottish Government Community and Renewable Energy Scheme (CARES)	25,160
Professional Fees	9,000	*Crown Estate Community Led Local Development CECLLD	49,800
*Project evaluation, Contingency, Website, Publicity and Opening Event (Fully Funded by NLHF and not included in project cost for purposes of CDF)	*38,991	Community Development Fund	62,297
		* SSE Spurness Community Grant	10,000
		* Own funds 'Buy a Slate' fundraising campaign	7,000

Totals	**347,069**	**Totals**	**347,069**

* External funding.

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.
- 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 assessment and evaluation against each of the approved assessment and evaluation criteria for the CDF was completed in the previous report to the Sub-committee on 25 August 2026 and the project remains unchanged with letters of support from the local community received.

For Further Information please contact:
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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 21 October 2026, the current unallocated fund budget was £133,500 excluding reports before this Sub-committee Therefore, at present there is sufficient budget within the Community Development Fund to consider this project.
- The option of accessing Community Development Fund grant as an advance payment, in order to assist cashflow, 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.
    - Standing Order 23.3 states: A material change of circumstances may include the following:
        - 23.3.1. Where there has been a new development which has a bearing on the original decision or that an important piece of information has become available since the original decision was made.
        - 23.3.2. If the change had taken place before the Council took its decision or, had the Council known all the facts relevant to the decision, the change of circumstances would have influenced its judgement, and the Council might reasonably have taken a different decision.
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 3 July 2026.

Development Plan July 2026 – Cross Kirk, Sanday.

CDF Guidance 2023.

Community Development Fund Sub-committee held on 25 August 2026.