Item: 2

Community Development Fund Sub-committee: 5 November 2026.

Application 0/5/8/0044.

Longhope Lifeboat Museum Trust – Feasibility Project.

Report by Director of Enterprise and Resources.

1. Overview

1.1. Longhope Lifeboat Museum Trust (LLMT) has applied for funding from the Council's Community Development Fund in respect of a feasibility study to determine the scope of work and produce a Bill of Quantities (BoQ) including tendering and contract award, building warrants, quantity surveyor work and that of other contractors required for the renovation of the Longhope Lifeboat Station shed, slipway, lifeboat and the construction of a visitor centre, at a total cost of £109,896.

1.2. The LLMT has been working towards the substantial renovation of the existing lifeboat station building, slipway and lifeboat and the construction of a visitor centre for seven years. This is a particularly complex project not only due to the number of contributing funders and the inherent complexity of renovating a listed heritage property but because the costs associated with the work have changed over time.

1.3. The project legacy will be that LLMT will be in a position to clearly identify the scope of work and up to date costs through the establishment of a BoQ which will enable the contributing funders, including, amongst several others, a previously extended CDF offer of support of £100,000 as well as a substantial National Lottery Heritage Fund (NLHF) grant offer of over £1.6 million.

1.4. LMTT request grant support to be made available upfront of expenditure on submission of invoices due to insufficient funds to cashflow the project. LMTT will submit proof of expenditure once invoices are paid.

1.5. Further details relating to the application are outlined in sections 3 and 4 below.

2. Recommendations

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

i. Agree that a grant of up 21.5% of total eligible costs, up to a maximum sum of £23,628, to be met from the Community Development Fund, be offered to Longhope Lifeboat Museum Trust towards the cost of undertaking a feasibility study to determine the scope of work and production of a Bill of Quantities, 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 Longhope Lifeboat Museum Trust.

3. Background

3.1. LMTT has been operating in its current form as a Registered Scottish Charity (SCO032029) for 25 years. The LMTT has been in existence on its current site since 1906. The lifeboat station and the adjoining area is of particular importance to the Hoy community as a result of the tragic loss of the crew of the Longhope lifeboat on 17 March 1969, one of the worst tragedies in RNLI history.

3.2. LMTT has been working towards achieving a full funding package for this renovation and construction project for several years during which time the project requirements and costs have changed. To establish an accurate project cost now will enable this project to finally proceed. The NLHF has allocated a generous grant towards the project in recognition of the importance of the maritime heritage of this project. Therefore, this project will lever significant funds across the funding agencies.

3.3. LLMT requests assistance of £23,628 towards the feasibility project which includes:

- The creation of architectural drawings.
- The provision of a BoQ and other associated work for the total project.

3.4. To date the total project costs have been determined by means of estimates and is currently over £2.5 million. The proposed funding arrangements for the feasibility study, are outlined below (inclusive of VAT as LLMT is not VAT registered):

Eligible Costs	**£**	**Funding applications**	**£**
Conservation Architect, including BoQ, tendering and contract award, building warrants and quantity surveyor work and that of other contractors required.	53,374	CECLDF up to 21.5%	23,628
New Build Architect including BoQ, tendering and contract award, building warrants and quantity surveyor work and that of other contractors required.	48,522	OIC CDF up to 21.5%	23,628
Project Management.	8,000	NLHF up to 57%	62,640
TOTAL	**£109,896**	**TOTAL**	**£109,896**

3.5. An award from the Community Development Fund will enable the leverage of a significant grant funding from HLHF towards the total project cost. The NLHF grant, as well as other grant funders are unable to make these funds available unless an up-to-date verification of costs is available. As regards this feasibility project the final CDF funding award will be no more than the recommended support of up to a maximum of £23,628, being approximately 21.5% of the total feasibility project value.

3.6. The applicant has not obtained quotes from architects other than those previously involved as this is a complex project nearing an important juncture.

3.7. There is a degree of urgency regarding this feasibility project as the project must commence as soon as it can to ensure that costs do not continue to escalate due to the current instability of material costs.

4. Project Appraisal

4.1. This feasibility study will provide clarity regarding the current costs involved with the project renovation and construction proposal. The LLMT has confirmed that the resulting project is for the use of a wide age range from the community. It will also serve to future proof the LMTT as part of the critical mass of tourist attractions on the island of Hoy as well as preserve the marine heritage of the island.

4.2. The Community Development Fund and its predecessor, the Community Development Fund for the New Millennium, have supported a range of development projects tourism related and community facilities.

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 Funds records show that as of 10 September 2026, the unallocated fund budget was £133,500. At present there is therefore sufficient budget within the current Community Development Fund tranche to consider this request.
    - The option of accessing Community Development Fund grant as an advance payment, to assist cash flow, will be required regarding this project as LLMT has insufficient funds in hand to bankroll the feasibility study.

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 be required 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 in respect of feasibility studies, up to a maximum award of £10,000, is delegated to the Director of Enterprise and Resources. As the request from LLMT exceeds that amount, the request is being submitted to the Community Development Fund Sub-committee for determination.
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

Community Development Fund Feasibility Application from Longhope Lifeboat Museum Trust for Community Development Fund assistance dated 2/10/26.
Community Development Fund Guidance (Version July 2023).