Item: 9

Enterprise and Infrastructure Committee: 10 November 2026.

Enterprise Service Annual Review.

Report by Director of Enterprise and Resources.

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1. Overview

1.1. This report presents a review of the Enterprise Service for the period 1 April 2025 to 31 March 2026, for members' information.

1.2. The Enterprise Service comprises Economic Development, Community Led Local Development, Strategic Tourism, Digital Connectivity and the Orkney Living Landscape project team. The attached Annex details the work of the service over the course of the 2025-26 year, in supporting Orkney's economy, communities, biodiversity and digital infrastructure through its projects and funding streams.

1.3. Key outputs for the Service in 2025-26 include supporting the delivery of projects worth over £8.1 million through funding commitments of £1.65 million.

2. Recommendation

2.1. It is recommended that members of the Committee:

i. Note the Enterprise Service Review for 2025-26, attached as Annex 1 to this report.

For Further Information please contact:
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Implications of Report

1. **Financial:** Financial implications are summarised at section 1.3 above and detailed in the Annex to this report
2. **Legal:** The Council's performance monitoring systems help the Council to meet its statutory obligation to secure best value.
3. **Corporate Governance:** Not applicable.
4. **Human Resources:** Not applicable.

5. **Equalities:** An Equality Impact Assessment is not required in respect of financial and performance reporting.
6. **Island Communities Impact:** An Island Communities Impact Assessment is not required in respect of financial and performance reporting.
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:** Not applicable.
10. **Risk:** Not applicable.
11. **Procurement:** Not applicable.
12. **Health and Safety:** Not applicable.
13. **Property and Asset:** Not applicable.
14. **Information Technology:** Not applicable.
15. **Cost of Living:** Not applicable.

List of Background Papers

None.

Annex

Annex 1 – Enterprise Service Annual Review 2025-26.

Annex 1

Enterprise Service Annual Review 2025-2026

ORKNEY ISLANDS COUNCIL











Purpose

To provide an overview of the work undertaken by the Enterprise Service during 2025-26, illustrating the wide range of activities and outputs that the Service achieves in delivering the Council's Strategic Priorities and Objectives.

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Enterprise Service – Impact Statement 2025/26

The Enterprise Service comprises the following areas:

Economic Development, Community Led Local Development, Sustainable Tourism, Digital Connectivity and the Orkney Living Landscape project.

The Service is allocated various Council budgets to deliver services but is also significantly involved in administering or securing external sources of funding that benefit the local economy and a range of community organisations. A broad summary is outlined below.

Grant and external funding summary 2025/26			
Funding Source	**Commitments**	**Total Project Costs**	**Description**
OIC Ec Dev Grant	£268,383	£942,754	Business Grants
OIC CDF	£178,136	£512,240	Investing in Community assets
OIC CE EcDev Fund	£96,500	£192,500	Standalone development projects:
OIC Crown Estate CLDF	£439,297	£5,016,608	Community-led development projects
UK Govt Orkney Fund (£20M)	£363,177	£319,096	Orkney Fund budget
SG CLLD	£233,243	£1,027,713	Annual CLLD budget
Orkney Living Landscape project	£79,188	£187,195	Committed to the funded project work
Total	**£1,657,924**	**£8,198,106**	

The funding summary above recognises **over £1.65 million** of public funds being managed by the Enterprise Service over the year to deliver projects serving the local community and economy. This has enabled and leveraged a total investment figure of **over £8.1 million**.

The body of this report provides context around the achievements of the service over the year, which extend far beyond management and dispersal of funding.



Orkney Businesses

The Enterprise Service enables local Economic Development through a range of interventions that include business grants and support of key industry sector and focusses its resources on the following priorities endorsed by the Council's Enterprise and Infrastructure Committee:

- SME business start-up and development.
- Sustainable development of tourism and destination management.
- Energy, renewables and energy-systems management.
- Primary production challenges.
- Internationalisation and marketing

Further information on some of the methods utilised to deliver business support are set out in the following sections.

Economic Development Grants

With an annual budget of £321,700, a range of delegated grants schemes or Enterprise and Infrastructure Committee funding decisions were delivered during 2025/26 as summarised below.

Economic Development support scheme grants awarded 2025/26			
Grant scheme	**No of grants**	**Total Grant**	**Total costs**
New Business Start Up	23	£33,509	£39,207
Small Business Training Grant	14	£13,094	£20,813
Flexible Business Development Grant	10	£31,178	£66,944
Economic Development Grant	7	£135,602	£504,902
Graduate Placement Grant	1	£15,000	£37,600
Total		**£228,383**	**£669,466**

A wide range of businesses were supported with the existing Economic Development grant schemes. This included examples from the Creative, Food and Drink and Tourism sectors along with a range of local service sector businesses. However, business confidence, similar to the previous year remained relatively low for larger scale investments. Ongoing energy price driven inflation being the main reason cited.

The Enterprise and Infrastructure Committee also approved the following budget commitments.

Economic Development Budget commitments approved by E&I Committee 2025/26		
Committee Grant	**Award**	**Total costs**
Archaeology Grants	£40,000	£273,308
Total	**£40,000**	**£273,308**

Crown Estate Economic Development Funding

The service also manages the OIC Crown Estate Economic Development fund that awarded funding to three significant projects during 2025/26 under delegation.

Project	Outputs	Awarded
Trade stand management contract	Supporting the collective Orkney branding at sector trade shows and exhibitions	£66,500
Sheep Scab awareness and dipping Campaign	Funding to support NFUS with the creation of an informational film on dipping as an effective method of control for sheep scab	£4,000
Orkney LoRaWAN seed phase project	Part of a £122,000 project to establish the first Long Range Wide Area Network, which is low-power, long-range and effective where other signals are not. Demonstrator project with OHAL to monitor mould and damp in properties	£26,000
Total		**£96,500**

During financial year 2025/26, £268,383 of Economic Development Grant budget was committed. In addition, taking into Crown Estate Economic Development funding, a total of **£364,883 Business Support** funding was committed that is expected to leverage **£866,891 in investment.**

Business Gateway

In addition to delivery of 23 New Business Start Up grants and 14 Small Business Training grants, the Orkney Business Gateway Service delivered within the Council's Economic Development Team reported the following.

Key Engagement Metrics



302
Adviser Hours Delivered



2,444
Website Page Views

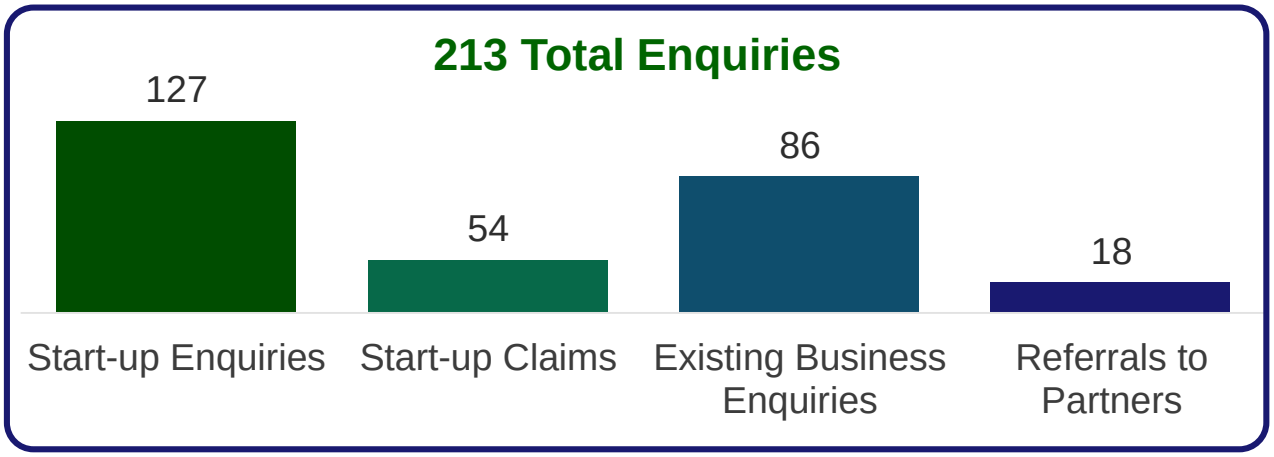


155
Businesses Supported



14
Digital 121 Support Sessions

Enquiries and Startups



Workshops and Events

A total of 144 attendees were registered for 16 Business Gateway events throughout the year.

Think BIG Business Development Course

Funded by the Council's business and improvement growth service the Think BIG Business Development Course took a further cohort of eight business owners and delivered an exclusive and inspirational programme, designed specifically for existing business owners in Orkney.

Connect to Grow

Funded through the remaining budget allocation from the Scottish Government Pathways Grant awarded in 2024/25, a second cohort of the Women's Entrepreneurial Programme was delivered to nine participants. The programme received excellent feedback, with attendees highlighting its value in supporting their business development and growth ambitions.

Sector Group Support

The Service continued to work closely with key sector groups, Highlands and Islands Enterprise (HIE) and other funders to support the employment of Sector Managers for:

- Orkney Food and Drink,
- Creative Orkney and
- Destination Orkney.

Additional schemes and activities are noted below:

Agriculture

In partnership with HIE and ICNZ up to **£500,000** of OIC Economic Development funding was committed to establish a new Dairy Support scheme. This scheme will enable Orkney dairy farmers to invest on robotics and energy efficiency measures resulting in several benefits. It was specifically designed to enable significant increase in Orkney's total milk yield that will sustain the Orkney Cheese company as an important exporter.

To assist the local farming community with understanding the support implications of new agricultural policy the **Orkney LAG and CLLD team allocated £20,000 of Scottish Government** funding (Scottish Rural Network) to commission an Orkney study into new Greening policy rules and support. The resulting report was submitted to the Scottish Government Cabinet Secretary and used to inform an information roadshow also funded by CLLD during the year to be delivered in partnership between SRUC and NFUS during the summer of 2025.

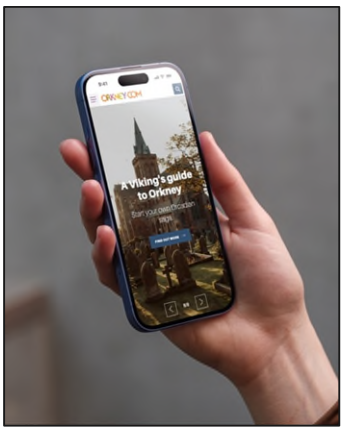
Fisheries

The service continues to arrange the annual lease of Council fishing quota via an agreed process with Orkney Fish Producers Organisation. This provided the Council with **£125,173 rental income** for its quota that had a market valuation of **£4.3M as a capital asset** at 31 March 2026.

In addition, productive dialogue with Orkney Fisheries Association was re-established with the appointment of a new CEO. This has enabled renewed exploration of sectoral support opportunities recognising more recent but significant changes in the structure of local inshore fishery.

Orkney Marketing Programme 2025/26

The Council committed £214,100 to the Orkney Marketing Programme (OMP), a multi-faceted collaborative programme to build Orkney as a brand, which has been run in partnership with HIE and industry for over 30 years. An advisory group is in place with representation from Destination Orkney, Creative Orkney, Orkney Food and Drink and OREF to help guide the programme towards shared goals.



The programme funds and manages the orkney.com website and its associated social media channels, an email database of customers interested in Orkney, an image library, a comprehensive exhibition/trade show programme, film, TV, press, influencer visits and PR and from time to time specific marketing campaigns.

Website and Social Media

Social media channels saw a continued growth in audience (net increase of 4,000) and engagement (up 8.2%). 'Threads' is a new channel for this year and is becoming increasingly important alongside Facebook and Instagram. The orkney.com website developments this year saw the introduction of 'Today in Orkney", an easy to access, single source digital collection of the information that tourists had been seeking from the Visitor Information Centre prior to its closure.



Hosting Support

Hosting support was provided for visiting film crews, journalists, writers and influencers which create good quality film and TV content, articles in leading magazines, newspapers and on social media that will continue to be published in future years. Assistance was also provided to Screen Scotland, VisitScotland, Scottish Locations Network and Historic Environment Scotland, all ensuring Orkney gets the best possible profile. Recent examples have been supporting the Timmy Mallet visit, Lonely Planet updates and a Scotsman Food and Drink podcast.



Campaigns and Trade Shows

Two specific marketing campaigns ran, one supporting creative and food and drink product e-sales for Christmas and one promoting early Spring visits. Both campaigns saw a significant uplift in web traffic.

The following trade shows were supported:

- Royal Highland Show (Food and Drink).
- All Energy (Renewable Energy).
- Scotland's Trade Fair (Spring) (Creative).
- Deck the Halls (Creative).
- Birmingham Good Food Show (Food and Drink).





Orkney's Communities

The Enterprise Service has a strong focus on community led development involving specific staff resources and various programmes and funding delivered during the year.

Community Led Local Development Team

The Community Led Local Development (CLLD) funding from Scottish Government builds on the positive legacy of the EU LEADER Programme. The Orkney CLLD Programme aims to 'achieve an increase in sustainable employment and incomes, and in social cohesion and quality of life, and to conserve and enhance the high quality of heritage and environment whilst maximizing the benefits of economic, social and environmentally sustainable terms.'

Scottish Government CLLD Funding

Since 2022/23, CLLD funding has been used to support the local economy and communities to become stronger and more resilient, building capacity within communities. To achieve this, core themes were identified as priorities for the Orkney CLLD programme in the Orkney Local Action Group's (the LAG) Rural Community Led Visions approved by the Scottish Government, these being:

- Ensuring high quality and sustainable public services.
- Tackling the climate emergency.
- Eradicating child poverty.
- Growing the economy.

The CLLD fund is an annual grant allocation to Orkney from the Scottish Government. It is delivered by the CLLD Team with project funding determined by the LAG. Funding covers the following

- CLLD Community group project funding.
- Youth Local Action Group (YLAG).
- Other CLLD projects.
- Administration and staff costs.

The team manage the call for funding proposals and expressions of interest but add value to this process thought liaison with other officers and sources of funding.

In 2025/26 **grants totalling £222,623** were committed to 15 projects with a total project cost of £806,267. Details of the awards are provided in Appendix 1.

YLAG

CLLD also supports the Youth Local Action Group (YLAG). The Orkney YLAG is part of a national network that supports and gives voice to young people with representation at the annual Scottish Rural and Islands Youth Parliament. In 2025/26 CLLD funded the YLAG to deliver funding of **£10,620** to four projects with a total project cost of over £221k. Details of the awards are provided in Appendix 1.

Value of CLLD

The Scottish Government Funding delivered in Orkney is summarised below

CLLD 2025/26		Total Project cost
Number CLLD projects approved by LAG	15	
Total CLLD funding committed/spent	£222,623	£806,267
Number YLAG projects approved by YLAG	4	
Total YLAG funding committed/spent	£10,620	£221,446
Total CLLD & YLAG funding	**£233,243**	**£1,027,713**

The CLLD projects attracted total match funding of over £1 million during the period.

Crown Estate Community Led Local Development Fund

In addition, the CLLD Team and LAG deliver the Council's Crown Estate Community Led Development Fund (CECLDF) utilising a portion of the funds that the Council receives annually from Crown Estate Scotland revenues.

In **2025/26 grants of totalling £407,721** were provided to 14 projects with **total project costs of £5,506,506.** Details of the awards are provided in Appendix 1.

Community Development Fund

The OIC CDF administered by Economic Development Officers alongside the CDF Sub-Committee approved a total of **£178,136 grant** funding to nine community projects with an overall **project value of £512,240**. In liaison with CLLD Team this included support for the flagship Burnmouth Bothy restoration project on Hoy and several island wide sailing club projects that were a legacy of the Island Games in July 2025. CDF Grant details are included in Appendix 1.



Funded Programmes

The Orkney Fund

During 2025/26, the Economic Development Service continued to support the Orkney Fund Board in developing and delivering **Orkney's £20 million, 10-year Pride in Place programme**. The Fund's Regeneration Plan, comprising a 10-Year Vision and 4-Year Investment Plan, was completed and subsequently endorsed by the UK Government, providing the strategic framework for investment across Orkney. The Plan was shaped by more than 800 ideas submitted through community engagement and focuses investment around four priorities:

- Community and Cultural Wellbeing.
- Safe and Accessible Spaces.
- Heritage, Conservation and Regeneration.
- Local Enterprise and Creative Support.

A dedicated Orkney Fund website was also developed and launched during the year, giving communities a place to access information on the Fund, follow its progress and find details of supported projects.

The Fund also began awarding revenue and capacity-building support during the year. An initial £40,000 allocation supported the development of Local Place Plans across a number of communities, while a further round awarded just over £120,000 to 12 community-led projects for feasibility studies and capacity-building activity across areas including sports, heritage, community facilities and local enterprise. By March 2026, **capacity funding had supported 17 projects** across Orkney.

Orkney Living Landscape Project

Following the end of the successful North Isles Landscape Partnership Scheme (NILPS) in December 2024 an additional 18 months of funding was approved by the National Lottery Heritage Fund (NLHF) and the Council to utilise programme underspend through to September 2026. During 2025/26 this funding was used to explore a range of biodiversity enhancement projects. These intiatives have also informed a successful NLHF application to fund a further two-year project to develop natural heritage and biodiversity content for the Heritage Places Strategy.

The 18-month programme has built on the key wildlife and nature projects delivered as part of NILPS and has supported a range of pilot projects to research and trial measures that can benefit the numerous species, habitats and landscape features that make up Orkney's unique natural environment.

During 2025-26 a range of conservation and community organisations were supported through small grants, and several stakeholder engagement events and activities have taken place. The funding has support place-based approaches to environmental improvements, better access to important biodiversity knowledge and information and it has helped build a clearer picture of the natural history landscape across Orkney with the aim of creating a basis for future expansion and development. Projects commissioned are listed below with further details in Appendix 1

- Sanday Development Trust.
- Orkney Waters Trust.
- Rousay, Egilsay and Wyre Development Trust and UHI Orkney.
- Papay Development Trust.
- Stromness Museum.
- Orkney Wildlife Recording Group.
- Marine and Peatland scoping studies.

The Steering Group of NILPS partners continued to meet to oversee this interim project delivery.



Other External Funding

Significant external funding was managed and secured by the service over the course of the year.

Regeneration Capital Grant Fund

The CLLD Team supported the Westray Development Trust to co-ordinate a funding bid with the Council funding team that led on a successful application to the Scottish Governments Regeneration Capital Grant Fund (RCGF) in 2025, with approval of a £1.2 million RCGF grant award confirmed in 2026 for the Trust's Community Hub.

Nature Restoration Fund

This has been an annual award of capital grant to Orkney Islands Council from Scottish Government for a number of years. In 2025/26 it totalled £79k per year and was split between the Orkney Living Landscape project and landscaping at the new Kirkwall Care home.

Other Funding Successes

Working in partnership with HIE, the Council's Economic Development and CLLD staff secured match funding and supported Community engagement over the preceding two years that enabled the South Ronaldsay and Burray Trust to apply to the Scottish Land Fund (SLF) to purchase the Tomb of The Eagles in South Ronaldsay. **The Trust was awarded £357,705** from SLF to purchase the Neolithic cairn in South Ronaldsay, along with the surrounding land and the Tomb of the Eagles visitor centre.





Sustainable Tourism

The Sustainable Tourism team was established in recognition of the critical importance of tourism to the Orkney economy. The team leads on the strategic development of the Council's tourism management framework, and facilitates the development of wider initiatives in support of sustainable tourism development. Team activity for the year 2025-26 is set out below.

Tourism Levies

Feasibility investigations on a potential overnight visitor levy, including stakeholder engagement and cost-benefit analysis, were completed jointly with Shetland Islands Council and Comhairle nan Eilean Siar in **winter and spring 2025**. The final report was presented at a Members' seminar in **August 2025**. The Policy and Resources Committee recommended in **September 2025** not to progress implementation of an overnight visitor levy and also agreed that engagement with the Scottish Government and other relevant stakeholders should continue on alternative tourism levy models appropriate to an island context.

Lobbying activity on a point-of-entry levy continued throughout the year. This involved close collaboration with Marine Services and regular engagement with the Scottish Government, CoSLA, Liam McArthur MSP, other local authorities (particularly Highland, SIC and CnEs), and Destination Orkney. Informal engagement also took place with national cruise stakeholders at Scotland's Cruise Conference in Dundee in **December 2025** regarding the implications of a potential cruise ship levy.

During **autumn 2025 and winter 2026**, attendance was maintained at regular national forums with the Scottish Government, CoSLA and other local authorities to discuss provisions for the draft Visitor Levy Amendment (Scotland) Bill. The Bill was introduced in the Scottish Parliament in **January 2026**, and evidence was provided to the Local Government, Housing and Planning Committee later that month, outlining the overnight visitor levy feasibility findings, specifically why an overnight visitor levy would not be feasible regardless of amendments to its enabling legislation, and presenting the case for a point-of-entry levy as the most equitable option for islands.

The Government's cruise ship levy consultation analysis was published in **March 2026**, with ministers acknowledging strong island interest in a point-of-entry levy and indicating willingness to continue discussions, though any further action will depend on the priorities of the next administration. Follow-up stakeholder correspondence and discussions took place on the implications of the findings and potential next steps.

Visitor Management Plan (VMP)

The VMP, a Council plan to strengthen the quality and resilience of Council services that support tourism, is underpinned by robust evidence gathered through a comprehensive programme of stakeholder engagement **between April and November 2025**. This included two facilitated group conversations in **April 2025** with representatives from community development, tourism and energy sectors, local business and public sector organisations, and a virtual roundtable in **June 2025** with six local authorities exploring complementary or alternative income-generation measures to a tourism levy to support Council services.

It also included the *Our Orkney, Our Story* research project, which took place from **August to November 2025**, gathering community stories and conducting interviews with industry stakeholders to understand experiences and perceptions of tourism in Orkney. Findings were then explored through community tourism workshops to identify priority actions for the VMP.

Local Development Plan Review

Support was provided to the Development Planning team in developing tourism accommodation policy as part of the LDP review. This included engagement with Destination Orkney and other Council services, such as Licensing, Development Management, Revenues and Benefits teams, and the Assessor's Office, alongside primary and secondary research. A survey of short-term let licensees was undertaken in **November-December 2025** to understand how STLs operate across Orkney and their relationship with housing and the visitor economy. The final report was completed in **February 2026** and shared with Destination Orkney and all STL operators. Engagement with Development Planning and Housing colleagues on policy development continues.

Strategic Tourism Routes Review

In early 2026 support was provided to the Roads Service to secure a **£20,000 design grant** from VisitScotland's Rural Tourism Infrastructure Fund. The project will complete a structured assessment of pressures on Orkney's roads network from increasing visitor traffic, particularly coaches and campervans, alongside road safety concerns. The work will inform targeted adaptation of essential infrastructure to accommodate tourism traffic and enhance road safety and wayfinding, supporting safe and efficient visitor movement.

Dounby Market Green

Completed in **February 2026**, the Dounby Visitor Infrastructure Hub project delivered a comprehensive upgrade of the Council car park at the A986/B9057 crossroads in Dounby. It created a civic space serving both the local community and visitors, replacing outdated public conveniences and transforming an unmarked car park into an accessible, multi-functional hub. The project was delivered £134,000 under budget.

Support was provided in March and April 2026, in coordination with Community Councils, Development Planning and Communications colleagues, for a community-led opening event held in May 2026.

Orkney World Heritage Site (OWHS) Programme

Ongoing support continued throughout the year for the OWHS Programme. This included participation in monthly Steering Group meetings and regular cross-service meetings to ensure wider strategic tourism planning remained aligned with OWHS Programme priorities.



Digital Connectivity

Within the Economic Development team, our Digital Connectivity Officer also works to advance digital connectivity across Orkney, supporting residents, businesses and public services through engagement with telecommunications providers, government programmes and local partners. While digital infrastructure sits outside of the Council's remit, it is recognised that digital resilience is critical to work and life in Orkney, with considerable commercial and individual impacts when things do go wrong.

Broadband Connectivity

R100 Programme

To date, **3,330** properties in Orkney have received a fibre connection through the Scottish Government's R100 Programme, including **657** overspill properties.

During 2025, fibre became available to eligible properties in Westray, Sanday, Eday and Stronsay. Works in Harray and Deerness are now complete. Delivery is nearing completion in St Margaret's Hope, while works for Hoy and Longhope were released in October 2025, with most construction expected to be complete by autumn 2026.

Openreach has indicated plans to accelerate deployment.

The Scottish Broadband Voucher Scheme (SBVS) has supported upgrades for 148 properties in Orkney, providing grants of up to £5,000 for premises excluded from the main R100 build.



Project Gigabit

Project Gigabit is the UK Government programme aimed at delivering gigabit-capable broadband to hard-to-reach areas.

Current consultation data indicates that approximately 7,400 premises in Orkney either already have, or are planned to receive, gigabit-capable connectivity through existing commercial investment or R100. A further **5,091** premises have been identified as potentially eligible for Project Gigabit intervention.

Procurement commenced in December 2024, with contract award expected during 2026. Final coverage areas will be confirmed once an operator is appointed.

Mobile Coverage

Mobile Coverage Mapping

In early 2026, Orkney Islands Council undertook mobile coverage mapping using Streetwave equipment supplied by the Scottish Futures Trust and deployed on Environmental Services vehicles.

Key findings included:

- Stronger performance at basic coverage thresholds across much of Orkney.
- Significant usability gaps in some rural areas, particularly Outertown.
- West Mainland identified as a priority area for further assessment.
- A clear distinction between technical coverage and coverage capable of supporting modern data services.
- Coverage quality remains affected by factors including terrain, weather, buildings, network loading and device type.

The evidence gathered will support engagement with mobile operators, help prioritise improvement areas and provide better information for residents and businesses.

Connectivity Resilience

The service has supported OIC IT and Resilience teams during major telecommunications incidents by coordinating intelligence, engaging with providers and helping assess impacts on communities and critical services.

Key activities included:

- Supporting incident response and recovery efforts.
- Assessing impacts on telecare, emergency services, schools, businesses and vulnerable users.
- Challenging resilience assumptions where mobile and fixed networks share common points of failure.
- Seeking stronger provider commitments on resilience, communications and service restoration.
- Supporting engagement with Scottish Government, UK Government and Ofcom.

While the Council does not own telecommunications infrastructure, it continues to act as a convenor, advocate and source of local intelligence to improve resilience outcomes.

Orkney LoRaWAN Project

The Orkney LoRaWAN Project is a seed-phase demonstrator testing low-power, long-range IoT connectivity to support innovation and data-driven decision-making.

Initial use cases include:

- Indoor climate monitoring within OHAL properties to help identify damp and mould risks.
- Energy monitoring for local businesses to improve efficiency and reduce costs.

The project is also exploring wider applications across housing, environmental monitoring, resilience, agriculture and public sector services. If successful, the infrastructure could form the basis of a longer-term community digital asset.

PSTN Switch-Off

During 2025-26, the Council continued its awareness, engagement and digital inclusion programme to help residents and businesses prepare for the January 2027 PSTN switch-off.

Activities included:

- Maintaining dedicated online guidance.
- Delivering communications and social media campaigns.
- Providing casework support to residents and vulnerable users.
- Hosting digital switchover events in Shapinsay, Stromness and Burray.
- Delivering a CyberScotland Week Digital Safety Roadshow across several islands.

This work has helped improve awareness of Digital Voice migration, scam prevention, resilience considerations and available support.

Radio Teleswitch Service (RTS) Withdrawal

Officers established and chaired an Orkney RTS Stakeholder Group, bringing together Energy UK, Ofgem, local elected representatives, housing providers and community stakeholders.

The group works to identify barriers to RTS meter replacement, gather evidence of local impacts and ensure Orkney-specific issues are raised directly with energy providers and regulators.

Additional Activity

- Small Cell Deployment: Engagement with operators and Scottish Government to explore solutions to mobile network congestion during peak tourism periods.
- Artificial Intelligence: Representation on both the Scottish Government AI Working Group and OIC AI Short Life Working Group.
- World Heritage Site Gateway Project: Providing advice and input on digital connectivity requirements.



Partnership Working

The service continues to represent the Council in a range of partnerships and groups relating to Economic and Community development that involved the public, private and third sectors. Most active during the year have been:

Scottish Local Authorities' Economic Development Group and its subgroups: Tourism, Business, Funding, Rural Development.

Offshore Supply Chain Engagement: In partnership with HIE, hosting Breakfast Briefings and Offshore Wind Developer Partnering Events for the local Supply Chain.

Scottish Rural Network: CLLD Team is active and Influential in this Government forum, also access to national LAG and YLAG networks

Highlands and Islands Regional Economic Partnership and its subgroups: The HIREP Officer Group supporting function for the HIREP Board, Subgroups attended Subsidy Control, Tourism Visitor Levy, Skills, Community Wealth Building, Addressing Depopulation and Workforce.

Orkney Tourism Partnership: A local tourism partnership including Destination Orkney (Limited), OIC, HIE, VisitScotland and Historic Environment Scotland.

Orkney Marketing Programme and the Orkney Marketing Advisory Group: A long-standing Partnership programme funded and delivered by the Council and HIE, collaborating with key sector groups.

OIC Economic Development and HIE continue to support the business-led **Orkney Business Forum** in consultation with key sector group representatives.

Scotland's Towns Partnership: Provides peer networking on place-based investment and Shop Local initiatives and facilitates networking for national Pride in Place funded areas (The Orkney Fund).

Officers attend working Groups of the Community Planning Partnership including the **Sustainable Development Delivery Group, the Local Employability Partnership** and the **Community Wealth Building Group**, **Community Engagement Group.**

Working with Highlands and Islands Enterprise (HIE) and the Scottish Environment Food Agriculture Research Institutes (SEFARI) a guide for practitioners on developing SME-Scale **Controlled Environment Agriculture** in the Highlands and Islands was produced.

Appendix 1- Details of funding recipients

The 2025/26 Scottish Government CLLD Projects, beneficiaries and grants awarded are listed below:

Grant Recipient	Project Description	Total Project Cost	CLLD Grant Award
SRUC	Agri Support Roadshow project – funding will contribute to a series of meetings and drop-in sessions across Orkney to highlight current policy changes and proposed funding changes to the current agricultural system.	£ 10,799	£ 6,799
Orkney Music and Culture	Orkney Community Youth Choir Funding will contribute to the establishment of an inclusive youth choir from August 2025 to June 2026 to fill this gap with a view to it becoming a long term established activity.	£ 8,003	£ 4,860
Orkney Rowing Club	Funding will enable the Club to move from feasibility stage into pre-construction readiness by securing the professional services required to take the project through statutory approvals and final design.	£ 9,066	£ 9,066
Stenness Community Association	Stenness Outdoor Community Space (SOCS) - Following a feasibility study SOCS have worked with Scotplay to create a playpark to meet everyone's needs. Phase 1 and 2 will be installed in Summer 2025. Funding will contribute towards capacity building to project manage delivery of phases 1 and 2 (front play area; rear play area) to completion over summer 2025, towards delivery of phase 3 (polycrub) and move forward at pace with the next stage.	£ 18,000	£ 10,000
Stenness Community Association	Stenness Outdoor Community Space – this funding will contribute to groundworks, purchase of equipment and installation of the playpark under phase 1 of the project.	£ 77,321	£ 25,000
Stromness Golf Club	Stromness Golf Club Development –supporting Stromness Golf Club in becoming an anchor organisation for the development of the South End of Stromness for the benefit of visitors and the local community. This award will contribute towards purchase of kitchen equipment to support food and beverage offering; upgrade of visitor experience by providing hospitality and hire clubs; upgrade of the Doctor's Shelter for visitor access; installation of partition in	£ 183,087	£ 39,594

Grant Recipient	Project Description	Total Project Cost	CLLD Grant Award
	clubhouse and new carpets to increase flexibility of use.		
The Hoy Trust	Supporting the essential restoration and enhancement of Burnmouth Bothy, an A-listed, flag-roofed crofthouse in Rackwick, Hoy and one of the most iconic heritage structures in Orkney and the most northerly bothy in the UK. This phase will focus on urgent conservation works required to safeguard the building's fabric, improve usability, and secure its future as a cherished community and visitor resource. Works will include, upgrading toilet facility and minor landscaping and repairs to boundary walls. These works will retain the building's historic authenticity while making it safe, sustainable and accessible for long-term use.	£ 173,286	£ 50,000
Orkney Sailing Club	OSC will use the funding to purchase the following: - Six legacy Laser Ilka sailing dinghies from the Orkney Island Games - Essential ancillary equipment to support training and sailing development in Orkney, and to facilitate Orkney sailors to participate in events and activities outwith Orkney - Maintenance equipment to help ensure the long-term sustainability of the boats and ancillary equipment	£ 57,432	£ 13,334
Longhope Sailing Club	Supporting the purchase of four ILCA sailing dinghies to expand inclusive sailing opportunities for youth and adults in Orkney. These boats will be used for structured sail training, open community sessions, and team racing events - supporting both beginner engagement and progression in the sport. This project builds upon recent successful funding for Optimist dinghies and a safety boat upgrade, and forms part of a long-term, inclusive development plan supported by RYA Scotland.	£ 28,000	£ 6,750
Dounby Community School Parent Group	Upgrade of the Dounby Community School Play Park. To provide new items and upgrade within the Play Park providing a long-lasting, safe, and high standard play area Additionally, this project looks to enhance the current regeneration project nearing completion in Dounby Village with direct pathway links to these proposed additional/renewed children's facilities.	£ 51,000	£ 24,225

Grant Recipient	Project Description	Total Project Cost	CLLD Grant Award
Voluntary Action Orkney	A pilot project to run the outcomes of the projects funded through the Communities Mental Health and Wellbeing Fund - due to CMHW funding changes spanning across 2 years rather than 1. Funding will contribute towards a licence for the Social Value Engine (SVE). This will enable VAO to use SVE more widely to measure the impact of their work overall. With the SVE VAO aim to work with OIC directly to help develop a growing common approach to impact measurement across Orkney.	£ 4,200	£2,875
Burray Community Association	Establishing a new 'Water Sound Bluegrass & Roots Festival' – a unique cultural event bringing bluegrass and roots music to the South Isles of Orkney. This festival will celebrate a range of musical traditions, showcasing both local talent and internationally-renowned musicians. It aims to provide a platform for local musicians to perform alongside established artists, creating an exciting exchange of skills and knowledge. This award will contribute towards sound and lighting costs	£ 8,450	£ 4,225
South Ronaldsay and Burray Development Trust	This element of The Tomb of The Eagles project will see vital upgrades to the Visitor Centre contributing to the successful reopening and long-term sustainability of the site under community ownership. Works will provide a welcoming, functional and compliant working space that benefit staff, volunteers, the wider community and visitors alike.	£159,623	£12,895
Sanday Development Trust	Development of a Place Plan for Sanday	£12,000	£10,000
Westray Development Trust	Development of a Place Plan for Westray	£6,000	£3,000
Total		**£806,267**	**£222,623**

The 2025/26 YLAG Projects, beneficiaries and grants awarded are listed below:

Grant Recipient	Project Description	Total Project Cost	YLAG Grant Award
Stromness Primary School Parent Council	Equipment for a new sensory room being installed in the School, specifically an interactive floor projector and blinds, to promote inclusion, self-regulation and support to help children maximise their learning opportunities and access more areas of the curriculum.	£3,000	£3,000
West Mainland Youth Achievement Group	The young people involved are working towards awards in cooking, crafts, and games, which require them to take part in and organise activities. To support these goals and build on their community involvement, they plan to run six community "Warm Space" events between March 2025 and March 2026. These sessions will provide a welcoming space where individuals and families can enjoy a hot meal, crafts, and games while connecting with others. Inspired by previous work on youth loneliness, the young people will organise and deliver the events themselves, including preparing meals, baking, and leading activities.	£1,620	£1,620
Papdale East Playpark Association	The funding will support Phase 4 of the project, delivering the construction stage of a fully inclusive outdoor play and fitness space in Orkney. This includes the supply and installation of major play and fitness equipment, safety surfacing, landscaping repairs, and associated logistics, project management, and site safety measures required for island delivery and construction.	£211,826	£3,000
Papdale Primary Parent Council	Funding will be used to install colourful interactive playground markings, including educational games, activity trails, and play zones, to support the school's focus on health and wellbeing while promoting creativity, physical activity, confidence, inclusion, and positive social interaction for all children.	£5,000	£3,000
Total		**£221,446**	**£10,620**

The 2025/26 Council Crown Estate Community Led Development Fund (CECLDF) Projects, beneficiaries and grants awarded are listed below:

Grant Recipient	Project Description	Total Project Cost	CECLDF Award
Stromness Golf Club	Stromness Golf Club Development - supporting marketing and golf course transformation at the club in development of the South End of Stromness for the benefit of visitors and the local community.	£183,087	£50,000
East Mainland Agricultural Society	Construction of a pavilion within the EMAS show park in Toab containing toilet facilities, changing/feeding areas and weatherproof catering area. In addition to this, the pavilion will provide dry storage area for other local community groups to use throughout the year.	£117,750	£23,133
Loch of Ayre Walkway Association	To develop a sheltered area for the local community to gather in addition to a programme of activities and workshops including lectures, bird watching, yoga, art classes and kayaking.	£35,297	£16,148
Rousay, Egilsay and Wyre Development Trust Pier Restaurant	To bring the Pier Restaurant building back into community use, creating a foundation for its future development. Volunteers leading the project will gain practical catering and hospitality experience through occasional community events.	£21,000	£9,870
Longhope Lifeboat Museum	Restoration project to modernise the museum and its historic assets and improve public access, attract new audiences, and secure the long-term sustainability of the heritage site. Works include structural repairs, improved accessibility, a new visitor centre with exhibition, café and retail space, restoration of the vintage lifeboat, enhanced digital and interactive experiences, Project staff team, and expanded education, volunteering, and skills development opportunities.	£2,599,577	£50,000
Papdale East Playpark Association	Supporting Phase 4 of the project, delivering the construction stage of a fully inclusive outdoor play and fitness space in Orkney. This includes the supply and installation of major play and fitness equipment, safety surfacing, landscaping repairs	£211,826	£45,000

Grant Recipient	Project Description	Total Project Cost	CECLDF Award
Westray Development Trust Community Hub	The funding will support Phase 4 of the project, delivering the construction stage of a fully inclusive outdoor play and fitness space in Orkney. This includes the supply and installation of major play and fitness equipment, safety surfacing, landscaping repairs, and associated logistics, project management, and site safety measures required for island delivery and construction	£1,600,000	£50,000
Friends of The Hoy Kirk	The funding will support urgent conservation and access improvements at Hoy Kirk to prevent further deterioration and protect the building for ongoing community use. Works include roof and masonry repairs, delivered using conservation best practice.	£131,880	£46,158
Holm Community Heritage at St Nicholas Kirk	Modernisation of the historic building to create a sustainable, low-cost community and heritage venue for Holm and the wider area. Improvements include weatherproofing and refurbishment works, flexible heritage display space, upgraded visitor and artist facilities, and the integration of sustainable energy technology	£330,923	£50,000
Orkney West Mainland Agricultural Society	The funding will support infrastructure improvements at the Dounby Show park to enhance sustainability, accessibility, safety, and visitor experience across the site. Works include caravan hook-up facilities, road and connectivity upgrades, improved amenities and event infrastructure, and measures to strengthen site security and year-round community use.	£47,029	£8,846.44
West Side Cinema	The project will upgrade the technical facilities at Stromness Town Hall by modernising the audio and lighting systems to improve usability, audience experience, and operational efficiency. The improvements will reduce volunteer workload, lower energy consumption and maintenance costs, and better support the wide range of community and cultural groups that use the venue.	£20,667	£6,200
Stenness Community Association	Supporting Phase 3 of the Stenness Outdoor Community Space project and the purchase and installation of a Polycrub to provide a year-round sheltered space for	£26,400	£10,737

Grant Recipient	Project Description	Total Project Cost	CECLDF Award
	outdoor learning, community activities, and sustainable growing projects. This development will expand the site's accessibility and community use.		
The Craft Hub, Rousay	Phase 1 of improvement works to make the site safer, more accessible, and better equipped for community use following community purchase. Planned works include upgraded access routes, parking and drainage improvements, disabled access infrastructure, landscaping, and pedestrian safety measures to create a sustainable and inclusive community asset ahead of future development phases.	£45,259	£20,129
Orkney Sailing Club on behalf of the Orkney Sailing Hub	The funding will support a three-year sailing development programme across Orkney through the appointment of the area's first full-time Sailing Development Officer. The programme will expand participation, strengthen coaching and volunteer capacity, improve access to training and equipment, and support sustainable growth of sailing clubs and opportunities across the islands.	£135,810	£21,500
Total		**£5,506,519**	**£407,721**

CDF

The 2025/26 Community Development Fund (CDF) Projects, beneficiaries and grants awarded are listed below:

Community Group	Project approved	Project Costs	CDF Grant
Stenness Community Association	Playpark Phase 1	£77,321	£10,000
Orkney Sailing Club	Purchase of boats and equipment	£57,432	£13,334
Holm Sailing Club	Purchase of boats and equipment	£62,321	£30,160
The Hoy Trust	Restoration of Burnmouth Bothy at Rackwick	£173,286	£86,643
Rousay Sailing Club	Purchase of boats and equipment	£26,365	£9,999
Longhope Sailing Club	Purchase of boats	£28,000	£6,750
Loch of Ayre Community Association	Feasibility Study	£10,500	£5,250
Burray Community Association	Renewable Energy for Community Hall	£51,092	£6,000
Loch of Ayre Community Association	Stone shelter	£25,923	£10,000
Total		**£512,240**	**£178,136**

Orkney Living Landscape Proposal Projects

During 2025/26, using NILPS programme underspend, the following projects were supported. These projects will help inform a new application to the National Lottery Heritage Fund in Summer 2026 that builds on the success of natural heritage projects delivered as part of NILPS. The new project will focus on biodiversity restoration and enhancement across Orkney.

2025/26 Funded projects

Applicant	Project Description	Project Costs	Grant Award
Sanday Development Trust	Sanday Naturally: a project to restore important coastal dune habitat and reduce erosion. The aim is to reduce pressure, re-plant marram grass in areas lacking vegetation and stabilise vulnerable sections of dune face. The funding supports Sanday Development Trust to employ a young person to August 2026.	£35,150	£15,000
Stromness Museum	Natural History Collection: a project to digitise 5,000 items from the natural history collection at the museum, making them accessible locally, nationally and globally for the first time.	£68,371	£4,500
Orkney Waters Trust	Freshwater pilot project: to undertake a series of baseline ecological and physical surveys of a freshwater stream catchment, engage with local land managers and communities to raise awareness of the local freshwater environment.	£32,693	£22,207
Orkney Wildlife Recording Group	Making Orkney's wildlife records publicly accessible (phase 1): Since the Orkney Environmental Records Centre closed in 2021 it left a database of c.350,000 records that were not accessible to the public. This funding is supporting paid time for 40,000 valuable records to be uploaded to national databases and accessible to the public for the first time.	£10,250	£8,000
Rousay, Egilsay and Wyre Development Trust	Wildflower nursery: the project will collect and propagate wildflower seeds native to the 3-island community to preserve local genetics and avoid the need to import non-	£20,000	£10,000

Applicant	Project Description	Project Costs	Grant Award
	local varieties. Funding is directed towards infrastructure to support the delivery of the project – a Keder greenhouse and its installation in Rousay.		
Papay Development Trust	Papay Sea State: a project to support Papay Development Trust deliver a series of community consultation and engagement events and activities that aim to help the community learn more about Papay's marine environment and inform future marine conservation decisions and projects led by the Papay community. The project includes input from academics, potential boat trips, surveys and snorkelling, but also creative workshops and sessions to help engage with people in a variety of ways.	£5,750	£5,000
Stromness Museum	100 years of Magnus Spence Herbarium at Stromness Museum: A small project to create a wildflower area outside the museum – it will showcase Orkney's native plant species, support pollinators and offer an accessible way for visitors to find out more about Orkney's biodiversity and the museum's natural history collection generally. Interpretation will link directly to the Magnus Spence herbarium, a collection of over 900 plants, algae and bryophytes gathered in the late 19th and early 20th centuries in Orkney and held in the Museum.	£4,000	£4,000
UHI Orkney	Wildflower Nursery: Phase 1 of the project supported seed collection and some equipment to get the project up and running and enable plug plants to be grown. Phase 2 supported a greenhouse structure to be built to secure additional space to develop and keep the project going. The project included an educational element as students learn about horticulture and ecology whilst growing plants during their National Certificate in Rural Skills course.	£10,981	£10,481

Applicant	Project Description	Project Costs	Grant Award
Total		**£187,195**	**£79,188**