Item: 2

St Magnus Cathedral Sub-Committee: 27 October 2026.

Visitor Experience Proposals.

Report by Director of Enterprise and Resources.

ORKNEY ISLANDS COUNCIL

1. Overview

1.1. On 17 March 2026, the St Magnus Cathedral Sub-committee considered a report which set out details on the visitor offering and experience at St Magnus Cathedral, identifying complexity in the donation and retail offering to visitors and tourists as an issue for consideration.

1.2. The Director of Enterprise and Resources was instructed to review the donation facilities and retail offering within the Cathedral, consider options for consolidation and streamlining, liaise with relevant stakeholders, and present recommendations to the St Magnus Cathedral Sub-committee on how the offering could be most effectively rationalised.

1.3. The relevant stakeholders were identified as:

i. Orkney Islands Council.
ii. The Society of the Friends of St Magnus Cathedral.
iii. The St Magnus Centre.
iv. The Church of Scotland (Cathedral congregation).
v. The Orkney Pilgrimage (St Magnus Way).

1.4. This report sets out the finding of the review, and presents options for rationalisation.

2. Recommendations

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

i. Approve Option 3 as the most appropriate means of rationalising the donation and retail offerings in the Cathedral, namely that the Council should take on responsibility for all donation and retail offering in the Cathedral, and committing to make an annual donation to other stakeholders to compensate for lost income.

ii. Consider whether the Candle donation point, operated by the Congregation, should be included or excluded from Option 3, noting the case from the Congregation requesting its exclusion as set out in Appendix 1.
iii. Approve an ancillary rationalisation to Option 3 that the Congregation will no longer be asked to make payments to the Council by way of contribution to the running costs of the Cathedral, but will instead make a contribution to the St Magnus Centre to compensate for lost income from the sales table, with the Council making no payment to the St Magnus Centre.
iv. Delegate authority to the Director of Enterprise and Resources to finalise the details of, and implement the preferred option, to commence by 1 April 2027, with any costs in doing so to be met from existing service budgets.
v. Agree that the new arrangements be reviewed after a period of two years, with any recommended changes reported to this Sub-committee.

3. Background

3.1. St Magnus Cathedral is managed by Orkney Islands Council on behalf of the people of Orkney. This includes responsibility for maintaining the fabric of the building, as well as staffing and operation of the building for visitors.

3.2. The Cathedral is non-denominational, with the resident congregation being Church of Scotland (per the 1929 agreement).

3.3. The St Magnus Centre is a separate entity under the auspices of the Church of Scotland which operates the St Magnus Centre building located behind the Cathedral, and raises funds for activities of the congregation, acting as a 'church hall' for the congregation.

3.4. The Society of The Friends of St Magnus Cathedral is a charity, originally formed in 1958 when it became apparent that additional funds would be required for the long-term maintenance and development of the Cathedral. The main objective of the Society is to raise funds to ensure the preservation of St Magnus Cathedral as an inspiring place to visit and worship.

3.5. Over the last sixty years the Society has contributed over £1.5 million towards Cathedral projects. It presently supports both staff and maintenance costs.

3.6. Orkney Pilgrimage is a charity established to promote and maintain the St Magnus Way, a pilgrimage across Orkney following the story of St Magnus, and concluding at the St Magnus Cathedral.

3.7. At present all five organisations noted above have capacity to generate income from donations and/or sales within the Cathedral. This includes seven donation points (four cash, two card, one QR code), and three pay points for goods sold (all cash, no change given). A summary of the donation and payment options in the Cathedral is set out below.

Stakeholder	**Payment options**	**Use of funds**
Orkney Islands Council	2 card donation points 3 cash donation boxes	Cathedral operations and maintenance
Society of the Friends of St Magnus Cathedral	2 cash boxes for guidebook purchase, doubling as donation points	Society funds, to be used for Cathedral operations and maintenance
St Magnus Centre	Sales table with cash box for payment, doubling as donation point.	Church congregation costs (consumables etc) and towards St Magnus Centre operation costs
Church of Scotland	1 donation box for lighting electric candles	Donations go to a variety of local, national and international charities
Orkney Pilgrimage	1 cash donation box, and one QR code donation point	St Magnus Way maintenance, signage and interpretation

3.8. The above organisations all have other means and methods of receiving donations and/or making sales in other locations and online.

3.9. The above array of donation and payment options have evolved largely informally over time.

3.10. Visitor Services staff in the Cathedral have noted that, whilst visitors are generally keen to donate and purchase available goods, visitors often find the range of donation and retail offerings confusing. Common issues include;

i. Visitors not having any understanding of the different uses of money depending on which box they place their donation in.
ii. Visitors having card, but no cash, and therefore being unable to purchase goods or guidebooks, and only able to donate to the Council.
iii. Visitors having cash, and seeking to combine purchase of souvenirs and guidebooks with donation, but being told they have to provide a separate payment into different boxes to achieve this.

3.11. This led to the Sub-committee instructing the Director of Enterprise and Resources to review the donation facilities and retail offering within the Cathedral, consider options for consolidation and streamlining, liaise with relevant stakeholders, and present recommendations to the Sub-committee on how the offering could be most effectively rationalised.

4. Review Undertaken

4.1. In order to undertake a review of payment and donation facilities, each identified stakeholder was consulted individually between May and June 2026.

4.2. It was presented and agreed that the basis for engagement on this topic should be as follows:

i. Each stakeholder is transparent about income received from donation and sales within the Cathedral over a representative period of time. All stakeholders agreed that four years, 2022-2025, was an appropriate time period to consider.
ii. Only with transparency amongst all stakeholders would it be possible for each stakeholder to take a view on the fairness of any options developed.
iii. No stakeholder should be materially worse off from any change implemented.
iv. The scope of the review included all donation, sales and payment points, but did not include income from church activities, ceremonies, events, tours etc.

4.3. On that basis each stakeholder duly provided relevant financial information, summarised in Section 5, and this information was shared at a round table workshop with all stakeholders on 16 September 2026. Options for rationalisation were also explored at this workshop.

4.4. Further to the workshop, stakeholders submitted responses to the proposals discussed and an additional meeting with all stakeholders was held on 13 October 2026. A members' seminar with Councillors on the St Magnus Cathedral Sub-Committee was held on 29 September 2026.

4.5. An overview of each stakeholder's concerns/position is outlined in Section 6.

5. Income Summary

5.1. The average annual net income (accounting for cost of sales) from donations and sales activity in the Cathedral from each stakeholder for the four-year period from 2022-2025 is set out below:

Stakeholder	Activity	Average annual net income (2022-2025)	Income expressed as % of total
OIC	Donations	£51,562	69%
Cathedral Congregation	Donations (candles)	£9,850	13%
Friends of St Magnus Cathedral	Guidebook and donations	£9,350	12%
St Magnus Centre	Sales table	£3,806	5%
Orkney Pilgrimage	Donations	£635	1%
Total		**£75,204**	

6. Stakeholder Summary

6.1. Feedback from stakeholders identified a number of common and specific issues with the present and potential new arrangements.

Common issues

6.2. Common issues included:

i. An accepted audit risk in a number of people individually collecting and counting cash from different organisations.
ii. Significant time input from volunteers in administering different income streams.
iii. Concerns over longer-term succession planning for volunteer effort.
iv. Duplication in tasks between stakeholders.

Orkney Islands Council

6.3. The Council receives income from cash and card donations. Cash donations are split into Cathedral Promotion and Cathedral Fabric funds, where they accrue and are used for specific Cathedral projects. Card donations go into the general Cathedral cost code and are used to contribute towards running costs.

6.4. The revenue budget (for staffing and running costs) for the Cathedral is £368k in 2026/27. Over the last four years capital expenditure on property repair and maintenance for the Cathedral has been around £520k.

6.5. Operation and maintenance of the Cathedral is therefore a significant net cost to the Council. With service budgets under pressure the Council relies on donations, and the support of the Friends of St Magnus Cathedral, to balance the Cathedral budget.

The Society of the Friends of St Magnus Cathedral (The Friends)

6.6. The main objective of the Friends is to raise funds to ensure the preservation of St Magnus Cathedral as an inspiring place to visit and worship. As such the Friends have a long history of working closely with the Council, contributing towards staff costs, maintenance costs, and individual projects. They also support activities of the other stakeholders linked to the Cathedral.

6.7. Within the Cathedral building, they receive income from cash donations, as well as cash sales of guidebooks.

6.8. The Friends have indicated that it is broadly supportive of the rationalisation of donation and sales options.

6.9. The Friends have recently completed production of a new guidebook, ready to roll out in April 2027, and would seek reimbursement of costs of production if the Council was to take on sales of the guidebook.

Church of Scotland Congregation

6.10. The Church of Scotland Congregation receive income from cash donations to light electric candles. This was changed from real candles to electric candles due to safety considerations. The Congregation annually selects three charities (one local, one national, one international) to receive these funds.

6.11. The candles are popular, and there is consensus that it would be desirable to keep the candles as a donation option. The Congregation has set out a clear preference that there is no change to operation of this donation point. Further detail is provided in Appendix 1.

6.12. Via a separate agreement, the Church of Scotland Congregation makes an annual payment to the Council towards the running costs of the Cathedral building, recognising the unusual situation where the resident congregation is not responsible for the upkeep of the building. Whilst there is no known formal agreement, it is accepted that there has been a long-term understanding that the Cathedral Congregation's contribution would be set at 50% of the electricity cost for the Cathedral. The Council used to invoice the Congregation for this, but at the request of the Congregation this was changed to be an annual donation from the

Congregation to the Council. In recent years the Congregation has remitted £5,000 per year to the Council. With increases seen in the cost of electricity, this figure is less than 50% of electricity cost. The Congregation is aware of this and has indicated an intent to maintain the same £5,000 contribution going forward.

St Magnus Centre

6.13. The St Magnus Centre is operated as a 'church hall' for the Cathedral Congregation, and also provides meeting room rental, a shop, and shows a film on the life of St Magnus.

6.14. The St Magnus Centre runs a sales table in the Cathedral with a cash-only honesty box. The stock largely matches that available in the St Magnus Centre itself. Items on the sales table are intentionally low value, to mitigate against potential losses from theft.

6.15. Income from the sales table is used towards supporting the activity of the St Magnus Centre. The Centre currently operates at a loss and the St Magnus Centre has highlighted the importance of the income it receives from the Cathedral sales table.

6.16. The St Magnus Centre has indicated that it is broadly supportive of the rationalisation of donation and sales options, noting that it will require to understand potential issues with regard to transfer of stock should there be a change in operation.

6.17. The St Magnus Centre has also highlighted the importance of signposting to the Centre from the Cathedral.

Orkney Pilgrimage

6.18. Orkney Pilgrimage promotes and maintains the St Magnus Way. It has a table in the Cathedral which acts as an end point for pilgrims undertaking the walk where completion certificates can be collected. Orkney Pilgrimage is broadly supportive of rationalisation of donation points, but is keen to maintain a table with an endpoint for the walk.

6.19. The Orkney Pilgrimage receives income via a cash box, and also has a QR code leading to its website for online payments. The overall level of income it receives is modest, but is viewed as being important to the charity.

7. Options Appraisal

7.1. Further to discussions with all stakeholders, five options were developed to consider changes to the donation and sales offering in the Cathedral with a view to achieving rationalisation.

Option 1- Do nothing and continue business as usual

7.2. This option would require no change but would fail to address the purpose of the review which is to rationalise the donation and retail offering in the Cathedral.

Option 2- IT solution

7.3. It would be technologically possible to have an IT system in the Cathedral which enabled all stakeholders to remain independently active in the Cathedral, with visitors able to choose which organisation to donate to, and to combine transactions across stakeholders.

7.4. In one sense this would minimise change, and it could improve the visitor experience of concluding a transaction.

7.5. The way in which information is presented to visitors using the IT system would require careful design, as visitors may be easily 'nudged' between giving a donation to one entity, or another.

7.6. A system such as this would also require visitors to invest time in trying to understand the difference between each stakeholder before making a choice. It is generally accepted that the majority of people making a donation in a setting such as this are looking for a frictionless interaction which takes seconds, not minutes. Adding complexity into the donation 'decision' could be a barrier and lead to reduced interaction.

7.7. The back-office IT and financial systems required would be relatively complex and come at a financial cost which would reduce the benefit of donations.

7.8. Overall it is considered that, whilst technologically feasible, this option would have significant practical challenges. It would digitalise the existing arrangements, but not deliver substantial rationalisation.

Option 3- OIC coordination and dispersal

7.9. This option would see the Council take over collection of all visitor donation points and retail offering in the Cathedral, whilst at the same time committing to pass on income to other stakeholders in a fair way to adhere to the principle that 'no stakeholder should be materially worse off from any change implemented'.

7.10. This would involve rationalisation (reduction) of the number of donation points in the Cathedral, as well as the messaging used. The Council would take on operation of the sales table, sales of guidebooks, and operation of the electric candle donation point.

7.11. The Council would then commit to making a payment to each Stakeholder to reflect the lost direct income it receives. For the candles it would remit funds directly to the Friends, as a charity with direct interest in the Cathedral, maintaining the principle of these donations going to charity.

7.12. This would achieve rationalisation because one entity would be responsible for administering and dispersing all income from donations and retail, there would be one interface for visitors, and no duplication of effort. It would involve the Council taking on more responsibility (particularly for the sales table), and all other stakeholders still receiving income, but without having to undertake any activity to generate that income.

Option 4- Per option 3 but with specific carve outs

7.13. It is possible that a special case could be made that any one of the elements proposed to be taken under Council administration in Option 3 could be carved out and left with the existing stakeholder to deliver.

7.14. The Church of Scotland Congregation has consistently stated that it feels the electric candle donation point should be excluded in any option put forward.

Option 5- Per option 3 but OIC retains all income

7.15. Other than the Council, no stakeholder has any known right or explicit permission to be deriving income from activity within the Cathedral, and each stakeholder is using income in different ways.

7.16. The Council keeping all income from activity in the Cathedral would reduce administration and could ensure that all income is used for the Cathedral.

7.17. This option would however not be in the spirit of the basis in which stakeholders have engaged with and shared information with the Council, specifically the principle that no stakeholder should be materially worse off from any change implemented.

Assessment

7.18. Based on the above, the following assessment has been made:

Option	Assessment
Option 1- Do nothing and continue business as usual	Discounted due to failure to achieve aim of rationalisation and/or address concerns which led to the review.
Option 2- IT solution	Discounted due to practical and operational challenges in implementation, and failure of option to deliver meaningful rationalisation.
Option 3- OIC coordination and dispersal	Selected as preferred option for detailed proposals to be worked up.
Option 4- Per option 3 but with specific carve outs	Considered feasible if a strong case can be made by individual stakeholders, noting that any carve out would detract from the aim of rationalisation.
Option 5- Per option 3 but OIC retains all income	Discounted on the basis that it is not in keeping with the principles in which stakeholders had engaged with the Council.

8. Preferred Option and Detailed Proposal

8.1. Option 3 is the preferred option. This option would see the Council take on the management and operation of all donation points and retail offerings in the Cathedral. The Council would then commit to each stakeholder receiving an annual donation equivalent to the income lost.

8.2. Option 3 is broadly supported by all stakeholders, with the exception that the Congregation is seeking that the electric candles are excluded from this option (per Option 4).

8.3. Operationally implementation of the above in full would involve a number of elements set out below.

8.4. Donation points (cash boxes):

i. The Council takes over collection from all visitor donation points (cash and card), reduces number of donation points, and simplifies messaging along the lines of 'Your donation helps look after the Cathedral'.
ii. This would include donation points currently managed by the Friends and Orkney Pilgrimage.

iii. The Council commits to the Friends and Orkney Pilgrimage receiving an annual donation equivalent to the income lost.

8.5. Donation point (candles):

i. Per Option 3 the Council would reimburse the Congregation for the cost of the electric candle stand, and collect all future donations. The Council would then commit to forwarding an equivalent proportion of income from the candles to the Friends, preserving the desire and expectation that candle donations should go to charity, but ensuring that the funds go to a charity with a purpose of direct benefit to the Cathedral.
ii. Per Option 4 the Congregation has made a request that the candles be treated as an exception and that they continue to receive separate cash donations for the lighting of candles, income from which to go to charities determined by the Congregation.
iii. The case for inclusion or exclusion of the candles is detailed in Appendix 1.

8.6. Sales table:

i. The Council becomes responsible for management and stocking of the sales table/Cathedral shop and keeps income from sales.
ii. The St Magnus Centre ceases to have responsibility for the retail offering in the Cathedral, however there may continue to be a relationship with regard to the Council sourcing selected stock from the St Magnus Centre.
iii. Longer term this is hoped to include a modest expansion and improvement of the current set up, with new display cabinets.
iv. The Council commits to the St Magnus Centre receiving an annual donation equivalent to the income lost.

8.7. Guidebooks:

i. The Council would reimburse the Friends for costs in producing the initial stock of new guidebooks, and thereafter take on future printing costs, as well as take all income from sales.
ii. The Council commits to the Friends receiving an annual donation equivalent to the income lost.

8.8. Signposting and volunteering:

i. The Council commits to continued and improved signposting between the Cathedral and the St Magnus Centre.
ii. An end point (pilgrim table) within the Cathedral for the St Magnus Way is maintained.

iii. The Council recognises that the above proposals mean a reduction in volunteer effort in the Cathedral and continues to develop plans to establish new volunteer opportunities in the Cathedral, providing a new opportunity for the wider community to continue to contribute towards the Cathedral.

8.9. Financial agreement:

i. It is considered that a financial agreement between the parties needs to balance fairness with simplicity. Parties have provided annual income over a four-year period and the four-year average (presented at section 5.1) is considered a fair assessment of the scale of each party's interest.

ii. The basic principle of setting an annual payment at a round number roughly equivalent to the four-year average income therefore seems like an appropriate balance of fairness and simplicity, as it would avoid having to recalculate and adjust payments annually.

iii. Additionally, it is noted that, at present, the Cathedral Congregation makes a £5,000 donation annually to the Council as a contribution towards running costs of the Cathedral. Under the proposals here, the Council would make a donation of around £4,000 to the St Magnus Centre to account for lost income from the sales table. An ancillary simplification therefore presents itself that, instead of these two transactions, the Congregation could instead make a single annual payment to the St Magnus Centre (the entity running its church hall) and all three parties would end up in roughly the same position. Both stakeholders have indicated that they would be content with this ancillary simplification, which would also reduce the administrative burden on the Council.

iv. It is therefore proposed that annual payments be set at:

Stakeholder	**Payment**
Friends of St Magnus Cathedral	£10,000 re guidebooks, additional £10,000 if candles included
Cathedral Congregation	Candles - no change if excluded from rationalisation, or zero income if candles income instead remitted to Friends. Running costs- £5,000 annual payment from Congregation to OIC ceases, instead payment made to St Magnus Centre.
St Magnus Centre	OIC makes no payment, instead Congregation makes payment.
Orkney Pilgrimage	£750

v. Donation income is known to be linked strongly to visitor footfall, and donation behaviour might substantially change with rationalisation. It is therefore considered appropriate that new arrangements are reviewed after a period of two years, with any recommended changes reported to this Sub-committee.

9. Next Steps

9.1. Should the proposed changes be approved by the Council then the Director of Enterprise and Resources would continue discussions with stakeholders to finalise implementation of the changes, with any costs met from existing service budgets. The changes would be implemented by 1 April 2027.

9.2. Future reports to this Sub-committee will review the changes, and may also be required to consider any significant proposals to change the sales table/Cathedral shop in future.

For Further Information please contact:
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Implications of Report

1. **Financial:** The report specifically seeks to review and streamline the donation facilities and retail offering within the Cathedral. The report does not include any detail of additional resources that may be required to implement the preferred option. Any additional costs, for example purchasing the guidebook stock, display cabinets, or additional staffing requirements, etc., will be met from existing approved budgets, additional consolidated donations received from this rationalisation, or through successful external funding applications.
   It should be considered that the recommendation in this report may adversely impact the level of donations received. The preferred option creates financial commitments to third parties which may be beyond the 4-year average agreed. This risk is mitigated through the review after two years' operation.
   Section 6.4 details the current General Fund net revenue budget for 2026/27 at £358k. The running costs include insurance at ~£90k, and utility costs at ~£50k. Note, the Council receives no specific settlement support for this, concluding that Council Tax receipts, and/or part of the draw on reserves is the likely source of funding for the Cathedral budget.
2. **Legal:** It would be prudent to formalise the approved proposal by way of a letter of agreement between the Council and the stakeholders.
3. **Corporate Governance:** None.

4. **Human Resources:** The proposals in this report would mean Council staff in the Cathedral taking on some additional responsibility noting that such work is expected to be in line with activity already undertaken.
5. **Equalities:** None.
6. **Island Communities Impact:** None.
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:** The proposals in this report would mean Council staff in the Cathedral taking on some additional responsibility noting that such work is expected to be in line with activity already undertaken, and that overall the proposals should reduce administrative burden and simplify staff interaction with visitors.
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

St Magnus Cathedral Sub-committee – 17 March 2026: Item 1 – Visitor Experience Overview.

Appendix

Appendix 1 – Case for carve out of electric candle stand from donation rationalisation.

Appendix 1 - Case for carve-out of Electric Candle stand from donation rationalisation

Stakeholders are content with the proposed rationalisation for payment and donation points in the Cathedral with one exception: the Congregation has requested that arrangements regarding the electric candles remain unchanged. This means that the Congregation wish to continue to maintain the electric candles, and to apportion the income received to local, national and international charities as it sees fit. This is in contrast to the Council proposition under Option 3 which is that Council takes on maintenance and income from the candles, and remits an equivalent annual donation to the Society of the Friends of St Magnus Cathedral, thus ensuring that donations still go to charity, albeit a charity with a focus on supporting the Cathedral itself.

In support of the Congregation's stance, the Congregation Admin Group has submitted the following statement:

> *"The OIC Cathedral Sub-committee wishes to address the issue of confusion caused by multiple payment points within the Cathedral building. Our position is that the Votive Candle stand operated by the congregation does not form part of the problem which the sub-committee is looking to solve and should be left as a separate entity.*
>
> *The Votive Candle Stand is an integral part of the congregational use of the Cathedral. It must be appreciated that from the congregation's point of view the Cathedral is primarily a place of worship. It is appreciated of course that it is also a major visitor attraction. The use of the candles is a form of worship for visitors outwith church services. The stand was set up by the congregation in response to requests from visitors who wish to remember loved ones.*
>
> *The stand consists of coin-operated electric lights. Both in its location within the Cathedral and the method of its operation the stand differs from other payment points in the Cathedral. It operates entirely separately and for a different purpose from other payment points. We can therefore see no logic or need for the candle stand to be brought into the proposal when the congregation remains able and willing to operate it, with the income used for congregational purposes and the congregation continuing to meet the associated costs of maintenance and replacement."*

It is accepted that the argument put forward, that donations to light candles are generally a religious or memorial act and therefore different to other types of donation, is material. It is also considered that, from a practical perspective, it would be relatively easy to leave the candles as a separate donation point in the Cathedral whilst rationalising all other parts.

The case for bringing the candles under Council control is that it would fully rationalise all donation points, and also ensure that these donations would be used more directly for the Cathedral. It is understood that the Church of Scotland does not have candle lighting facilities for visitors in any of its other church buildings in Orkney, with the practice of lighting candles not being particularly associated with Presbyterianism, so the current arrangements are relatively unusual.

In short, it is considered that it would be possible to proceed with either option, and the case for which option is most appropriate requires a judgment call on the merit of the Congregation having control of an element of donation more closely linked to religious practice.