



The Orkney Fund

Application Guidance 2026-27

Introduction

Orkney has been selected as one of 75 areas across the UK to receive funding through the Ministry of Housing, Communities and Local Government's Pride in Place programme. This £20 million UK-wide initiative, delivered over 10 years, aims to support thriving places, strengthen community connections, and empower local people to shape their future.

For the 2026/27 financial year, there is a capital budget of £360,000 and a revenue budget of £232,000 to support community-based organisations deliver initiatives that align with the Board's funding priorities across Orkney. From 2027 onwards, the annual capital budget will increase to between £1.6 million and £1.7 million, enabling the Orkney Fund Board to support a greater number of initiatives and larger scale projects identified through earlier community engagement.

The Orkney Fund is currently open to community-based organisations operating within Orkney. Applications from individuals, sole traders, organisations outwith Orkney, political or religious groups, and private businesses are not eligible for funding at this stage.

Priority will be given to projects that align with and contribute to The Orkney Fund's key themes, which are:

- **Community and Cultural Wellbeing:** *improving access to sports, recreational, community and arts facilities to foster inclusivity, strengthen community ties, and support overall health and wellbeing.*
- **Safe and Accessible Spaces:** *investing in infrastructure and safety initiatives that meet accessibility needs, create welcoming spaces, and build a stronger sense of security and belonging.*
- **Heritage, Conservation, and Regeneration:** *revitalising historic buildings and promoting local heritage to bring underused areas back into use and strengthen Orkney's sense of place and identity.*
- **Local Enterprise and Creative Support:** *promoting vibrant retail spaces and community-driven projects to stimulate the local economy, boost employability, and celebrate Orkney's distinct cultural identity.*





Eligibility

Applications can be made by any of the following organisations:

- Registered Charities in Scotland.
- Formally constituted community and voluntary groups such as Community Councils, Development Trusts, Community Associations, SCIO and Heritage Societies.
- Local Authority departments for non-statutory projects.
- Other public sector bodies for non-statutory projects.
- Collective community interest groups/sector-wide bodies.
- Religious organisations may be considered where the project delivers a clear, inclusive community benefit and is not primarily religious in purpose.

Applications not considered from:

- Individuals.
- Informal groups.
- Sole traders.
- Organisations outwith Orkney (unless the full project delivery and benefits would be achieved in Orkney).
- Organisations whose primary purpose is religious worship or political advocacy, where the proposed project is religious or political in nature.
- Private business unless part of a community collective or industry wide initiative.

What can it fund?

The scheme can consider revenue and capital costs. Funds from this scheme can be used to pay costs including:

- Construction or upgrade of buildings (this may include associated professional fees)
- Professional fees.
- Consents, permissions.
- Non recoverable VAT.
- New equipment
- Participatory budgeting.
- Salary costs.
- Project overheads.
- Volunteer expenses.
- Core running costs in special circumstances showing new, additional or innovative offer.



- Continuation of ongoing revenue projects in special circumstances showing new, additional, or innovative offer.

All costs must be essential to the successful delivery of the project. Project costs must be additional to core organisation costs and must not be the costs that would be incurred if the project did not go ahead.

In exceptional circumstances, limited core organisation costs may be considered eligible where applicants can clearly demonstrate that:

- The cost is directly attributable to delivery of the project.
- The cost is time-limited to the project period.
- The cost is not part of the organisation's normal operating costs.
- Without the cost, the project could not reasonably be delivered.

Any request for funding under exceptional circumstances must be clearly justified in the application and will be assessed on a case-by-case basis. Applicants must also demonstrate that all project costs represent value for money and provide evidence to support this. Grant payments will be made only on submission of evidence of actual expenditure.

This scheme will not consider the following:

- Purchase of land or buildings, including associated legal or transaction costs.
- Projects which result in displacement of existing activity or may otherwise be to the detriment of existing project(s)/organisation(s) or businesses.
- Projects whose primary purpose is political advocacy or religious worship, instruction, or promotion will not be eligible.
- Loan repayments, service charges arising on finance leases, hire purchase, credit arrangements, fines, financial penalties and expenses of litigation.
- In-kind contributions, such as volunteer time or donated goods and services, are welcomed and can demonstrate community support and value for money. However, grant funding can only be paid against actual cash costs that are incurred and evidenced. In-kind contributions cannot be funded or included as eligible project expenditure.
- Statutory responsibilities of central or local government.
- Project costs that have already been committed to or spent prior to the project start date.
- Project costs incurred or invoiced after the project end date.
- Costs involved in winding up a company or organisation.
- Payments not supported by invoices and/or documents proving expenditure.
- Consumables – unless directly related to delivery of the project.



- Repair and maintenance costs deemed as unplanned, reactive works as part of routine works for buildings, plant, equipment or any other items.
- Items that only benefit an individual i.e., prizes, gifts, awards, and alcohol.
- Lobbying/influencing parliamentary decisions.
- VAT reclaimable from HMRC.
- Payments for works or activities that the lead local authority/project deliverer/any member of partnership has a statutory duty to undertake/or that are fully funded by other sources.
- Contingencies and contingent liabilities.
- Dividends.
- Bad debts/costs resulting from the deferral of payments of creditors or winding up a company.
- Expenses in respect of litigation, unfair dismissal or other compensation.
- Costs incurred by individuals in setting up and contributing towards private pension schemes.
- Any other costs deemed ineligible.

How much can you apply for?

Funding is available for 2026/27 within the following parameters:

- Capital projects: up to £50,000 funding, at a rate of up to 50% of total eligible project costs.
- Revenue projects: up to £20,000 funding, at a rate of up to 50% of total eligible project costs.

The minimum total eligible project cost for applications is £10,000 for capital projects and £5,000 for revenue projects.

In exceptional circumstances, the minimum and maximum thresholds and rates may be adjusted.

Capital project example activity:

Examples of capital project delivery includes, but is not limited to:

- Providing essential capital to support community groups that already own, lease, or have secured long-term control of land or buildings, to fund early-stage construction, refurbishment, or upgrade works that enable projects to become operational and deliver community benefit.
- Supporting elements of the community-led projects identified in local place/development/action plans.



- Funding the creation, extension, or upgrade of physical facilities and spaces that support community wellbeing, recreation, and social activity (e.g. buildings, outdoor facilities, accessibility improvements).
- Capital works that support the long-term resilience and sustainability of sector-based community organisations through improvements to property, equipment, or other tangible assets.

Revenue project example activity:

- The development of Place Plans, where the community has indicated a desire for such a plan to ensure that their wishes influence future planning decisions. Place Plans also identify the priority projects that the community wish to see progressed and lend weight to funding applications.
- The development of Feasibility Studies, where the engagement of external expertise or resources is necessary to advance a project toward delivery. To be eligible, applicants must demonstrate that such support will significantly progress the project. Applicants are required to provide a competitive quote for the proposed work and confirm that the chosen contractor has the capacity to complete the work within the permitted timeframe.
- The engagement of Capacity Building resource/expertise to move a project forward where it can be shown that support of this nature will progress a project to the point of delivery. This will help empower the group with additional skills or policies to enable them to deliver a project. Applicants wishing to access this support would be required to provide evidence that they have a competitive quote for the work and that the contractor has capacity to deliver within permitted timescales.



Capital project thresholds

The Scottish Government has set minimum limits on asset capitalisation for the core portfolios. This avoids items of immaterial value being classified as capital expenditure and assists with the management of the asset register. Any expenditure on items costing less than these values should not be treated as capital expenditure. The below values should be used as a general guideline.

Core Scottish Government capitalisation thresholds (with effect from 1/4/2024)

Item	Limit per Item in Entirety inc VAT
Land and Buildings	
Enhancements to land, building structures and car parks eg: energy efficiency improvements, small renewables (within the threshold) and Electric Vehicle charging points.	£10,000
Enhancement to fixed plant & machinery	£5,000
Replacement of an existing sub asset in its entirety, eg: replacement of faulty solar panel in solar panel array.	No limit*
Furniture, Fixtures and Fittings	
Artwork	
Vehicles eg: bikes/electric bikes/accessories.	
ICT, Hardware & Software and Telecommunications	
ICT projects	£100,000*
Single purchase/transaction	£25,000

Specific examples have been provided below:

1. If a car is being manufactured, all of the parts which are bought to make it e.g. windscreen may be £1k each but it is the final product of the car which is recognised as the asset. Therefore, if the grant is for £10k and they use 5x £2k parts to build it then it is still an asset with a cost of £10k – they can't be individually valued with individual elements being recorded as resource as it needs to be seen as one asset.
2. A community project would like to purchase 30 bikes. The bikes invoice in total comes to around £30k but individually each bike is less than the threshold. In this case the 30 bikes together are one whole project. Therefore, this scenario would need to be classed as capital spend. Although these are individual items and not being used as components to build a larger item, this would still be viewed as one project and therefore we would need to take into account the total value of the individual assets combined. If it was 1 bike for the whole project, it would be below the threshold.
3. Similar to example 2, if 30 bikes were split between two different suppliers with different invoices these would still need to be treated as a whole, the same reason as above – overall the costs for the total bikes would exceed the threshold.



4. If different assets are purchased by a project that fall within the same category (E.G transport) but are different types of items (bikes and scooters), these should also be grouped together when reviewed against the thresholds.

Orkney Islands Council, as accountable body for the Orkney Fund, has an obligation to ensure that the level of grant awarded to an applicant is in line with the UK's international obligations on subsidy control.

Match Funding

All match funding secured from other sources for the project activity must be transparently declared in the grant applications and any changes to this funding package notified to the Council.

Application Process/Technical Assessment

The fund requires completion of the full application form. Applications will be required to include a range of supporting documents as indicated in the list below.

Applicants are required to supply the following:

- Governance document such as Constitution, Memorandum and Articles of Association, Partnership Agreement.
- VAT registration number if applicable.
- Evidence of need and/or community support, e.g. community questionnaire/ letters of support.
- Quotes or tenders for project costs.
- Most recent 3 years audited/certified annual accounts.
- Most recent bank statement covering a period of 3 months.
- Job profile and person specification (if applicable for revenue project).
- Permissions and statutory consents confirmed where applicable (e.g., planning permission, building warrant, completion certificate).
- Confirmation of match funding where applicable (or submission of application and likely date of outcome).

Applicants may also be asked to provide:

- List of Directors/trustees/committee with relevant experience.
- Organisational Policies where relevant (e.g., equal opportunities, health and safety, Protection of Vulnerable Groups, environmental).
- Evidence of Ownership of property or long-term lease/landowner permission (if applicable for capital project).
- Photographs, plans, drawings as appropriate to project.



- Project cash flow (essential request for any up-front payment request from an applicant).
- Amount of public funding in the last 3 financial years that qualifies as a subsidy under Minimum Financial Authority.
- Relevant insurance policy certificates.
- Any other appropriate information as requested.

Decision Process

Administration of the fund will be coordinated by Council staff in Economic Development.

Project applications will be approved by the Orkney Fund Board. A letter will then be sent to all applicants to inform them whether they are successful, if further work is required or they are unsuccessful.

Applying does not guarantee funding. Where an application is unsuccessful, or only partially successful, feedback will be offered and applicants may be signposted to alternative funding opportunities.

There is no right of appeal against funding decisions. Complaints will only be considered where a specific process failure has been identified.

Assessment Criteria

The following criteria will be taken in account when determining funding awards:

- 1. Strategic Fit** – To what extent does the project align with the key outputs of the Orkney Fund and the Pride in Places Programme?
- 2. Proportionality/ Need for Grant** – Are the benefits, outcomes and impact proportionate to the funding requested, and is the grant the minimum required?
- 3. Project Need/Demand and Community Support** – Is there clear evidence of need and sufficient community engagement?
- 4. Capacity to Deliver** – Does the organisation have capacity to deliver (financial and professional skills) as set out and on time?
- 5. Legacy and Sustainability** – Will the project deliver a legacy beyond its lifetime and be sustainable once grant funding has ended?

Any work undertaken or items purchased before the date on which a signed acceptance of the Offer of Grant is received and acknowledged by Orkney Islands Council are ineligible.



Guidelines for Best Value

Applicants to The Orkney Fund must be able to justify actions taken and demonstrate best value for public funds as part of its two-stage grant application. To that end, please refer to the following thresholds in the Table below.

Goods, works and services.	Best Value requirements.
Under £1,000.	One quote required, although value for money must be demonstrated. This means achieving the most appropriate balance between cost, quality and outcomes.
Between £1,001 and £10,000.	Minimum of two quotes sought*.
Between £10,001 and £50,000	Minimum of three quotes or quick quotes. A quick quote may include written email quotes or price confirmations.
Between £50,001 and over	Public notice of tenders, minimum of 3 invited

*In the event the required number of quotes/tenders are not received by the applicant, the applicant is expected to demonstrate the process undertaken. This could include providing copies of invitations to quote or tender for the project, an explanation that quotes/tenders were not readily obtainable for more than one supplier or contractor, or it can be demonstrated that no equivalent is available otherwise for technical reasons or other reasons. It may be that there is only one provider who has the necessary skills or equipment to undertake the work.

Quotes from a supplier of the product or service need to be sent to the applicant and contain the company name and address, date, name of the individual within the company supplying the quote, company registration number (if they are a limited company), VAT number if applicable, a detailed itemised breakdown of costs with a price which is either inclusive or exclusive of VAT depending on VAT registration. Quotes that do not meet the requirements will be rejected.

Recruitment of Funded Posts

Applicants to the Orkney Fund seeking to employ staff as part of their project must ensure and demonstrate they have undertaken an open recruitment process for funded posts.

This should include the following:

- Post advertised.
- Job profile and personal specification prepared.
- Shortlisting and interviews conducted.



- Appropriate level of pay in line with Fair Work First requirements (evidence benchmarking with similar posts).

In exceptional circumstances existing staff will be considered if there are sufficient evolution, additionality, innovation, best value and transparency.

Fair Work and Real Living Wage

Fair Work First is the Scottish Government's flagship policy for driving high quality and fair work, and workforce diversity across the labour market in Scotland by applying fair work criteria to grants, other funding and public contracts being awarded by and across the public sector, where it is relevant to do so.

For public sector grants awarded on or after 1 July 2023, the default position is that Fair Work First criteria for paying at least the Real Living Wage and providing appropriate channels for effective workers' voice will be mandatory while the other criteria will continue at this stage to be encouraged. All UK-based staff aged 16 and over, including apprentices, who are directly employed by the grant recipient, must be paid at least the real Living Wage; and any UK-based workers who are not directly employed but are directly engaged in delivering the grant-funded activity, whether they be sub-contractors or agency staff, must also be paid at least the real Living Wage.

Conditionality in public sector grants - Evidence and compliance with Fair Work conditionality

In addition to the joint statement from the grant recipient and Trade Union/worker representative to be provided under current Fair Work First arrangements at both the grant application stage and before the final payment is paid, the following evidence is to be provided for real Living Wage and effective workers' voice. Employers who are accessing grant funding are also asked to include a short joint statement on their website, highlighting their commitment to advancing the Fair Work First criteria, including the real Living Wage and effective voice conditions. Grant recipients should provide the most appropriate evidence for their organisation from the list below. They may need to provide more than one source of evidence depending on the make-up of their workforce and whether contractors/agency workers are employed to directly support delivery of the funded project/activity.



Evidence of payment of the real Living Wage

Grant value	Evidence			
	Directly employed staff	Apprentices	16-17 year old workers	Contracted and agency staff
Below £100k (cumulative)	<ul style="list-style-type: none"> Living Wage Accreditation; <u>or</u> Self-declaration 	<ul style="list-style-type: none"> Self-declaration 	<ul style="list-style-type: none"> Self-declaration 	<ul style="list-style-type: none"> Self-declaration
Equal to or above £100k (cumulative)	<ul style="list-style-type: none"> Living Wage Accreditation; <u>or</u> Anonymised payroll; <u>or</u> Accountant certificate 	<ul style="list-style-type: none"> Anonymised payroll; <u>or</u> Accountant certificate 	<ul style="list-style-type: none"> Anonymised payroll; <u>or</u> Accountant certificate 	<ul style="list-style-type: none"> Anonymised copy of contract for relevant contractors/ agency workers

Living Wage Employer Accreditation

Living Wage Employer Accreditation applies to only:

- directly employed staff aged 18 years of age and over
- those who are not apprentices

Fair Work First guidance for organisations seeking public sector grants can be found at the following link:

[Fair Work First Guidance: Supporting the implementation of Fair Work First in workplaces across Scotland \(www.gov.scot\)](http://www.gov.scot)

Travel and Subsistence

Travel and subsistence are granted and paid in line with Orkney Islands Council rates. These must be evidence by original receipt, a staff/volunteer claim form detailing the amount and reason for the claim relating to the project which is then signed by a staff/committee member, evidence of payment by the organisation.

Data Protection Act 2018 / Freedom of Information (Scotland) Act 2002

The information provided by you is processed in accordance with the Data Protection Act 2018 to allow us to effectively manage the Council’s Grant Aid Schemes. The Data protection Act 2018 gives you the right to know how we will use your data. Further information about how we use your personal data is available from the Council’s website.

Please note that your information, should you be successful, will be stored by the Council for 5 years plus current year before being destroyed. The information for unsuccessful applications will be stored for 1 year plus current year before being destroyed.

Please note the Freedom of Information (Scotland) Act 2002 gives any person the right to request certain information we hold. The Council regularly releases information about



grant awards and information regarding your application may be made available to the public. Any personal information provided will be processed in accordance with the Data Protection Act 2018.

Claim

Claims for the project costs must be made to the Council's Economic Development staff in a timely manner. Costs will be paid out retrospectively on evidenced expenditure incurred by the organisation up to the maximum contractually agreed amount. Special allowance will be made on a case-by-case basis, on bank statement/cash flow evidence, to those organisations that can demonstrate the need for upfront payment to assist with their cash flow. This requirement must be captured at the application stage and if approved, payment of grant at the agreed intervention level, can be released on evidence of invoices, enabling the applicant to make project payments to the supplier/contractor once funds from the Orkney Fund have been transferred into the claimant's account.

An on-site inspection of the project will take place by one of the Economic Development team before the final claim is paid to the applicant and completion of the project. Other visits may also be required in the duration of the project.

Monitoring/Assessing Impacts and Evaluation

Recipients of the Orkney Fund will be required to monitor delivery, measure the impact of their project and provide evidence of the improvement to agreed outcomes. This could include providing regular performance information, and/or project evaluations and case studies as appropriate.

The Council's Economic Development staff will have to report the monitoring of the project to the Orkney Fund Board and to the UK Government. This report will include information about the projects funded, the impact of projects against outcomes and case studies.

Projects in receipt of the Orkney Fund will be required to provide an end of project report and possibly a further project evaluation one year after completion of project to demonstrate outcomes achieved.

Publicity/Logos

The Orkney Fund is wholly funded by the UK Government and administered by the Orkney Islands Council with the Orkney Fund Board. If the project is a revenue project for staff resources their email signature should acknowledge the funding with the appropriate logos and a poster should be displayed in the office. The Council's Economic Development staff will provide successful applicants with the relevant logos. Capital projects may be required to display a plaque provided by the Orkney Fund. Projects successfully awarded funding require to ensure that there is appropriate acknowledgement for the funding in press/media releases, website and or project publications and publicity material.