

# Poolewe Community Business Park Project

## Integrated Business Plan

Prepared by: Loch Ewe Community Enterprise (LECE)

Project: Acquisition and development of the Bac Dubh industrial site, Poolewe

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## 1. Executive Summary

Loch Ewe Community Enterprise (LECE) seeks support to acquire and develop the Bac Dubh industrial site in Poolewe as a community-owned business park and enterprise hub. This is a practical, deliverable project that will bring a vacant industrial asset into productive use and create affordable, flexible space for local businesses, supporting employment, resilience and long-term economic stability within the Loch Ewe area.

At its core, this project is about removing a barrier that local people and businesses encounter every day: the lack of suitable, affordable space to work, make, store and grow. Across the area, businesses operate from sheds, spare rooms, temporary arrangements or not at all because the infrastructure simply does not exist. For some, this limits growth. For others, it prevents activity altogether. For younger people and skilled trades, it contributes to the steady drift away from the area in search of opportunity elsewhere.

Bac Dubh provides a rare and time-critical opportunity to change that.

The site is one of the only viable industrial assets in the area capable of supporting a mix of workshop, storage, office and yard-based activity. If lost to private acquisition, it is highly unlikely that an equivalent site will become available again. In that scenario, the current constraints on local enterprise will remain in place, and the opportunity to secure a long-term economic asset for community benefit will be permanently lost.

Community ownership fundamentally changes the outcome of this site. Rather than being operated for private extraction, Bac Dubh will be managed to provide affordable access to space, support a diverse mix of local businesses, and ensure that any surplus generated is reinvested back into the community. This creates not only immediate practical benefits, but also long-term economic resilience.

The proposal is grounded in evidence and readiness. It is supported by 182 consultation responses across multiple engagement stages, strong alignment with local and regional development priorities, and clear demand for the types of space proposed. Importantly, it is also supported by identifiable prospective occupiers, including local businesses that are currently constrained by lack of suitable premises and are ready to take space when it becomes available.

This is not a speculative or aspirational concept. It is a prepared intervention with a real asset, completed survey work, a phased and deliverable plan, and a clear route to early activation and income generation.

The financial model has been deliberately structured to be cautious and transparent. It separates capital funding from operating performance and reflects affordable rental levels aligned with local need. Under full cost conditions, including full business rates liability, the project operates close to break-even. This is not a weakness, but a reflection of a disciplined approach that avoids overstatement. With modest support mechanisms, particularly business rates relief, the project moves into a sustainable surplus position and is able to reinvest in the asset over time.

This is therefore a controlled-risk, high-impact investment in community-led economic development. It secures a strategic asset for long-term local benefit, supports existing businesses to remain and grow, creates space for new activity to emerge, and contributes to a more resilient, year-round local economy.

Above all, it is a project rooted in the simple principle that communities should have the ability to retain, shape and use the assets that are critical to their future.

## Headline Metrics

Headline Metric	Position
Site size	Approx. 8,500 sq ft building plus 2-acre yard
Projected reach	Up to 10 businesses supported
Community engagement	182 responses across consultation stages
Total project cost	£369,658
Scottish Land Fund contribution (95%)	£352,851
LECE contribution (5%)	£16,586
Stabilised annual income	£26,910
Baseline annual operating position	Approx. £2,400 deficit

The combination of community need, market demand, early occupancy potential, phased delivery, and diversified funding routes makes Bac Dubh a strong and credible community investment. The project will retain value locally, strengthen resilience, and create the conditions for more secure year-round employment in the Loch Ewe area.

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## 2. Project Overview and Case for Action

LECE is working to acquire a vacant industrial site at Bac Dubh in Poolewe and repurpose it as a multi-use community business hub. The asset comprises an industrial building of approximately 8,500 square feet together with an external yard of around two acres. Its value lies not just in its size, but in its versatility: it is capable of supporting a wide range of practical business uses that are currently difficult or impossible to accommodate locally.

The case for the project is grounded in a clear and long-standing gap. Across the Loch Ewe area, there is a shortage of affordable and suitable workspace. Local businesses lack access to workshops, storage, and operational space. People with skills and ideas often have no viable place to base their activity. This constrains business growth, limits new enterprise, and contributes to a wider pattern of economic fragility and population decline.

This is not an abstract issue. It is visible in the day-to-day reality of the area. Trades operate without permanent workshop space. Small producers are limited by storage and logistics constraints. Potential businesses are delayed or never started because the physical infrastructure required to support them does not exist. For younger and working-age residents, the absence of opportunity is a factor in decisions to leave the area.

Bac Dubh offers a practical intervention in response to these challenges.

By bringing the site into community ownership, LECE will create a flexible, affordable and locally controlled base for enterprise. The site will support a mix of workshop units, storage, office space, yard-based operations and potentially residential use linked to site activity. This is not about a single use or a single sector. It is about creating a piece of enabling infrastructure that allows multiple forms of economic activity to take place and grow over time.

The timing of this opportunity is critical.

Industrial assets of this nature are extremely limited within the area. If Bac Dubh is acquired privately, the likelihood of the community securing an equivalent site in the future is low. In that scenario, the current lack of infrastructure will persist, and the opportunity to intervene in a meaningful and lasting way will be lost.

This project represents a point at which need, opportunity and preparedness align.

The need is evidenced through consistent findings across strategic documents and direct consultation. The opportunity is the availability of a suitable and adaptable site. The preparedness is demonstrated through completed survey work, a developed delivery model, identified demand, and a clear pathway to implementation.

The impact of acquisition is immediate and tangible. It creates space where currently none exists. It allows businesses to operate more effectively, to expand, and to remain within the area. It creates conditions for new enterprise to emerge. It supports collaboration, skills development and training opportunities. Over time, it contributes to a more diverse and resilient local economy, less dependent on seasonal activity.

Crucially, these outcomes are secured through community ownership.

Ownership ensures that decisions about the site are made in the interests of the community rather than external return. It allows rents to be set at affordable levels. It ensures that access to space is managed transparently and fairly. It retains financial benefit locally and enables reinvestment into the asset and wider community priorities.

Without this intervention, the trajectory is one of continued constraint: limited space, restricted growth, and gradual erosion of local economic capacity. With it, there is a clear and practical route to strengthening the local economy, supporting existing businesses, and creating opportunities for future generations.

This is why the project matters, and why it must happen now.

## Financial Resilience

The financial model has been deliberately structured to prioritise realism, stability and long-term sustainability.

The project operates close to break-even under baseline conditions, with a modest operating deficit of approximately £2,400 per annum based on conservative income assumptions and full cost exposure. This is an important indicator of discipline rather than weakness: it demonstrates that the project has not been artificially engineered to produce an attractive headline surplus through inflated rents or unrealistic occupancy expectations.

The model reflects affordable rental levels aligned with local need, no assumption of full occupancy from day one, full cost exposure including business rates, and a phased approach to income generation.

With modest support mechanisms, particularly business rates relief, the project transitions into a sustainable operating surplus of approximately £6,000 with 50% rates relief and £14,000+ with full rates relief. This demonstrates a robust and credible financial position in which the project is tightly managed at baseline, financially sustainable with modest support, and capable of generating reinvestment over time.

The project is therefore best understood not as risk-free, but as well controlled, well evidenced, and proportionate in relation to its likely impact. That is an appropriate position for a community asset project of this nature.

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## 3. Site, Offer and Strategic Fit

The Bac Dubh project is designed around uses that are both needed and operationally realistic. The site will provide a blend of workshop units, storage areas, office space, meeting or training space, flexible enterprise space, and a potential residential unit that could help address local housing need or support staff and site activity. External yard and

loading space add commercial value from the outset and widen the range of businesses that the site can support.

The project aligns strongly with priorities identified across the WestPlan, Community Action Plan, Housing Needs Survey, Gairloch Local Place Plan, Wester Loch Ewe Local Place Plan and the Area Place Plan. Across these documents, recurring themes include economic diversification, support for local enterprise, affordable and suitable space to live and work, improved infrastructure, and measures that help younger and working-age residents remain in or return to the area.

Bac Dubh fits this policy environment unusually well because it is both practical and flexible. It can respond immediately to identified demand for workspace and storage while also supporting longer-term ambitions around collaboration, apprenticeships, training, local manufacturing, creative enterprise and more resilient year-round employment.

The site offer is intentionally broad enough to support different occupier types while remaining grounded in uses that are credible in this location and market context.

- Workshop units for anchor tenants and growing local businesses
- Self-storage and managed storage addressing a known local gap
- Office and meeting space for micro-businesses, remote workers and training use
- External yard space for materials, vehicles and practical business operations
- Potential residential use of the flat, with flexibility retained if an alternative commercial use proves more appropriate

This mix is important to viability as well as impact. It supports diversified income, increases site resilience, and allows Bac Dubh to meet multiple needs through a single community-owned asset rather than relying on one use or one occupier category.

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## 4. Community Consultation and Evidence of Demand

The feasibility work brought together both desk-based research and new community consultation. Existing evidence was drawn from strategic documents produced over the last seven years. New consultation then took place in three stages to test support, understand demand and explore specific uses in more detail.

An initial LECE online survey generated 105 responses and tested overall support for the concept, interest in membership and general ideas for the project. A second, more detailed online survey produced 41 responses and focused more directly on businesses, potential tenants and practical needs. An in-person consultation at the AGM involved 36

attendees, using interactive exercises to explore four themes in detail: library of things, self-storage, upcycling and office space.

Across all consultation stages, 182 responses were recorded, not including the wider evidence base from previous plans. In a rural context with recent consultation activity already high, this level of engagement is a strong result and supports confidence that the project is rooted in genuine community priorities rather than a narrow organisational aspiration.

The consultation findings are notably consistent. People want affordable space to work, make, store and collaborate. They also want the wider outcomes that flow from that infrastructure: more local jobs, stronger year-round employment, better conditions for young people to stay, more opportunities for training and apprenticeships, and less dependence on a seasonal economy.

The first LECE survey highlighted broad optimism and strong support for the idea of a community business park. The more detailed GALE survey then added tenant-facing evidence: affordable workspace, finance and broadband emerged as major challenges; meeting room or training space, parking, storage and tool share were all in demand; and multiple respondents indicated that they would take or consider taking space at Bac Dubh. The AGM consultation added further detail on how people would use library of things, self-storage, workshop and upcycling functions.

A number of conclusions can therefore be drawn with confidence:

- Affordable workspace was repeatedly identified as a missing piece of local economic infrastructure.
- Storage, workshop space, meeting and training facilities all showed clear demand.
- There is interest in complementary activity such as tool share, library of things and upcycling, although these are better treated as phased additions rather than financial foundations.
- There was also evidence of willingness to support the project financially or through governance.

Taken together, the consultation does more than demonstrate support in principle. It provides a practical demand signal for the kinds of uses proposed, strengthens confidence in likely occupancy, and supports the wider strategic case that Bac Dubh responds directly to real barriers facing local enterprise and community resilience.

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## 5. Delivery Model and Operating Approach

The project will be delivered in four practical phases. This allows LECE to control risk, bring space into use as early as possible and avoid over-committing capital before demand is proven in operation.

This phased approach avoids the trap of treating the site as a one-off refurbishment exercise detached from trading reality. Instead, it sequences delivery so that early cashflow can start to build while later stages of fit-out are still being completed.

The operating model prioritises income streams that are both realistic and evidenced. Workshop rental and storage are treated as the primary, lower-risk income streams. Office rental and meeting or training space provide secondary income. The residential unit offers an additional stream, but the financial model does not depend on unusually optimistic assumptions in this area.

Phase	Focus	Purpose
1	Acquisition and essential works	Secure the asset, complete immediate safety or compliance works and establish a base for activation.
2	Initial stabilisation and early income generation	Bring low-work areas into use quickly, especially storage and accessible office and meeting space.
3	Refurbishment and tenant onboarding	Complete the main adaptation works and progressively fill the site with tenants.
4	Full operational phase	Move into sustained occupancy and trading, with scope to widen activity over time.

Primary income: workshop rental and storage

Secondary income: office space and meeting / training rooms

Flexible income: flat rental or alternative commercial use

Longer-term optional activities: library of things, upcycling and other community-enterprise uses

This operating approach is proportionate, flexible and appropriate to a rural enterprise asset. It supports the project's core objectives while maintaining enough adaptability to

respond to actual occupancy patterns, local demand and emerging opportunities over time.

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## 6. Financial Plan and Assumptions

The Bac Dubh project adopts a cautious, transparent financial model designed to reflect real operating conditions rather than optimistic projections.

### 6.1 Capital Structure

The total project cost is £321,070, comprising acquisition, statutory costs and essential works required to bring the building into operational use.

Metric	Value
Purchase Price	£294,500
LBTT	£3,225
Legal Fees (gross)	£5,820
Essential Repairs	£15,900
Total Project Cost	£350,316
Scottish Land Fund (95%)	£367,063
LECE Contribution (5%)	£16,747

This structure eliminates the need for borrowing, minimises community financial exposure, and enables immediate operational viability. It also aligns well with the purpose of community asset funding by allowing the project to focus resources on delivery and sustainability rather than debt servicing.

### 6.2 Income Model

The income model is derived directly from the updated rental detail schedule and reflects affordable, demand-led pricing.

Income Stream	Annual Income
Workshop Units	£13,000
Storage Units	£4,660
Office Units	£3,850
Residential Unit	£5,400
Total Annual Income	£26,910

This income profile is important not simply because of its total value, but because of the assumptions that underpin it. The model is intentionally disciplined:

- It is based on realistic rental values and occupancy assumptions.
- No premium pricing has been applied.
- It reflects affordable workspace provision rather than commercial maximisation.
- It does not assume full occupancy from day one.

### 6.3 Operating Costs

Cost Category	Annual Cost
Business Rates	£16,800
Utilities	£5,000
Maintenance	£4,000
Insurance	£1,500
Administration	£2,000
Total Operating Costs	£29,300

These costs are shown on a full cost basis. They are not artificially suppressed in order to improve presentation. This matters because it increases confidence in the model and reduces the risk of later underperformance against unrealistic projections.

### 6.4 Financial Performance

Scenario	Operating Position
Baseline (no rates relief)	Approx. £2,400 deficit
With 50% rates relief	Approx. £6,000 surplus
With full rates relief	£14,000+ surplus

### 6.5 Interpretation

This profile demonstrates three key points.

First, the project operates close to break-even under conservative assumptions. Second, modest external support converts the model into a sustainable surplus position. Third, the approach prioritises affordability, resilience and credibility over overstatement.

Year 1 is treated as a transitional period reflecting acquisition timing, initial works and phased tenant onboarding. Income builds progressively during the first year, with stabilisation assumed from Year 2 onwards.

This is a financially disciplined model. It does not seek to disguise the challenges inherent in early-stage community asset operation, but it does show that those challenges are manageable and that the route to sustainability is credible.

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## 7. Funding and Delivery Strategy

The project is designed to maximise grant leverage and minimise unnecessary financial exposure. Acquisition is expected to be funded primarily through the Scottish Land Fund, providing a secure foundation for community ownership. LECE's wider funding strategy is layered rather than singular: it combines the main acquisition route with multiple aligned pathways for repairs, refurbishment, fit-out and later development.

This approach materially de-risks delivery. It means the project does not stand or fall on one discretionary programme after acquisition and gives LECE a route to match capital asks to the most suitable funding sources over time.

The funding strategy is further strengthened by the project's ability to generate income early upon acquisition. Storage can begin quickly, workshop units have identifiable prospective occupiers, and the yard itself offers commercial value for businesses needing loading, materials or vehicle space. This early activation reduces reliance on grant drawdown alone and supports cashflow during the transition into full operation.

The phased nature of the delivery strategy is especially important for funder confidence. It demonstrates that LECE is not proposing to undertake unnecessary up-front expenditure before demand and use are evidenced in operation. Instead, the project is structured so that the community secures the asset first, brings appropriate parts of the site into use quickly, and then improves and adapts the site in a measured way over time.

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## 8. Anchor Tenants and Market Credibility

A core strength of the Bac Dubh proposition is that it has identifiable occupier demand rather than relying solely on abstract market optimism. Three detailed anchor tenant profiles have been developed to illustrate the breadth and quality of the demand base the site can attract, and these occupiers represent active, credible early-stage demand subject to acquisition and delivery.

Loch Ewe Brewing Company Ltd. (Ewebrew) is an established and expanding local food and drink producer with clear needs around storage, logistics and packaging. A suitable base at Bac Dubh would improve operational efficiency, support further growth and provide a visible example of the type of business the project is intended to retain and strengthen locally.

Strathearn Stone and Timber Ltd. is a skilled construction and materials business seeking a permanent workshop presence in the area. Its activity supports the local construction ecosystem and could help keep more value, skills and supply chain spend within the region.

Poolewe Recording Studios Ltd. would introduce a different but strategically valuable form of activity into the tenant mix. By attracting artists, producers and creative professionals, it offers diversification beyond traditional sectors, contributes to year-round economic activity and can generate spillover benefits for local accommodation and hospitality businesses.

Taken together, these prospective occupiers demonstrate a balanced mix across manufacturing and production, construction and trades, and creative industries. That diversity is important to site resilience. It means the project is not exposed to one sector alone and reinforces the wider case that Bac Dubh can support a genuinely mixed local economy.

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## 9. Governance, Risk and Mitigation

LECE is a community-owned, volunteer-led organisation operating on a not-for-profit basis. The governance model secures local accountability and ensures surpluses are reinvested in the area. The plan also recognises the limits of relying solely on volunteers for a project of this scale. A Development Officer role is therefore built into early delivery, with transition to a Property Manager once operations mature.

The risks attached to Bac Dubh are those expected in a project of this nature: funding, rates, occupancy, capacity and cost inflation. What matters is that they are understood, explicitly modelled and accompanied by practical mitigation rather than being left implicit.

Risk	Mitigation
Funding shortfall or acquisition not secured	The project does not proceed without acquisition funding, limiting financial exposure. Multiple aligned funders provide fallback and sequencing options.
Business rates pressure	Active engagement with Highland Council; rates-relief scenario modelled; ability to improve occupancy, adjust rents modestly and phase expenditure.
Slower occupancy than planned	Identifiable prospective occupiers and evidenced demand reduce early vacancy risk; flexible space use widens the tenant pool.
Volunteer overload / capacity constraints	Funded staff support in early years and later transition to property management capacity.

Risk	Mitigation
Inflation or unexpected works costs	Conservative assumptions, phased delivery and prioritisation of income-generating uses.

## 10. Community and Economic Impact

The impact of the Bac Dubh project is best understood not simply in terms of outputs, but in terms of the practical changes it enables within the community.

At a basic level, the project will provide space for up to 10 businesses through a mix of workshop units, storage, office and shared facilities. However, the significance of this lies in what that space allows people to do.

Across the Loch Ewe area, the absence of suitable premises is a daily constraint. Trades operate without permanent workshop space, often working from temporary or suboptimal environments. Small producers are limited by lack of storage and basic infrastructure. In some cases, businesses are delayed or never started because there is simply nowhere appropriate to base them. For younger and working-age residents, this lack of opportunity contributes to decisions to leave the area in search of viable work elsewhere.

Bac Dubh directly addresses these barriers.

By providing affordable, practical and accessible space, the project creates immediate opportunities for existing businesses to stabilise and grow. It enables individuals who currently lack suitable premises to begin or expand activity. It allows local skills to be used productively within the area rather than lost to out-migration. These are not abstract outcomes, but tangible changes in how people are able to live and work locally.

In the short term, the impact is immediate and practical. Businesses gain access to workspace, storage and shared facilities that remove existing constraints. This supports increased productivity, more secure trading conditions and the ability to operate on a more sustainable footing.

In the medium term, the presence of a shared business environment begins to change how the local economy functions. Businesses that would otherwise operate in isolation are brought into closer proximity. This creates opportunities for collaboration, knowledge sharing, joint working and informal support networks. It also creates a base for training activity, apprenticeships and skills development, helping to strengthen the local workforce and improve access to opportunities for younger people.

In the longer term, the project contributes to a more resilient and balanced local economy. By supporting a mix of sectors including trades, production and creative activity, it reduces reliance on seasonal industries and helps to create more consistent, year-round

employment. This in turn supports population retention, allowing more working-age people and families to remain in or return to the area.

The impact is also shaped by the fact that the asset is community-owned.

Community ownership ensures that the benefits generated by the site are retained locally. Rental income is recycled into the maintenance and improvement of the asset rather than extracted externally. Decisions about use of the site are made in the interests of the community, allowing space to be allocated in a way that balances financial sustainability with wider social and economic benefit. This creates a long-term platform for continued local development rather than a one-off intervention.

Without this project, the current trajectory is likely to continue: limited workspace, constrained business activity and gradual erosion of local economic capacity. With it, there is a clear and practical shift. The community gains not only a building, but a piece of enabling infrastructure that supports enterprise, employment and resilience over the long term.

The true impact of Bac Dubh is therefore not just the reuse of a vacant site, but the creation of the conditions in which people can work, build and sustain livelihoods within their own community.

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## 11. Survey and Due Diligence (Stage 1 Scottish Land Fund)

As part of the Stage 1 Scottish Land Fund award, Loch Ewe Community Enterprise commissioned a comprehensive programme of professional surveys and due diligence to assess the condition, value, and development requirements of the Bac Dubh site.

This included a full building condition survey, independent valuation, environmental review, and contractor-led cost estimates. Together, these provide a complete and robust evidence base supporting acquisition and delivery.

### Building Condition

The building condition survey confirms that the property is structurally sound, with no evidence of structural movement and an expected economic life of at least 30 years subject to ongoing maintenance. Identified issues are typical of a building of this type and age and are largely maintenance-led, including roof sheet ageing, surface corrosion to steelwork, degradation of rooflights, and general wear and tear to finishes and fittings. No active water ingress or major structural defects were identified. The required works are preventative and manageable within a planned programme.

## Valuation

An independent Red Book valuation confirms the property as a viable commercial asset with a gross internal area of approximately 8,726 sq ft and suitable for industrial and storage use. The property is considered acceptable security for commercial lending purposes.

## Capital Works and Deliverability

Costed contractor inputs confirm that the building can be brought into full use through a phased programme of repairs and refurbishment, without requiring major structural intervention. This significantly reduces delivery risk and provides confidence that the project is both achievable and sustainable.

This due diligence work is a major strength of the overall case. It means the proposal is not dependent on assumption or optimism about the condition of the asset. Instead, it is supported by professional evidence on condition, value and deliverability.

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## 12. Conclusion

The Bac Dubh project represents a rare and time-critical opportunity to secure a strategic economic asset for long-term community benefit.

The case for the project is clear. There is a well-evidenced shortage of affordable and suitable workspace within the Loch Ewe area. This constraint affects existing businesses, limits new enterprise and contributes to wider economic fragility and population decline. These are not isolated issues, but persistent structural challenges that require a practical response.

Bac Dubh provides that response.

It is not a speculative proposal or a future aspiration. It is a real asset, available now, with the capacity to support a range of immediate and long-term uses. The work undertaken to date, including detailed consultation, professional survey and valuation, and the development of a phased and deliverable operating model, demonstrates that the project is both ready and achievable.

What distinguishes this project is the alignment of need, opportunity and preparedness. The need is clear and consistently evidenced. The opportunity is the availability of a suitable and adaptable site. The preparedness is reflected in the level of work already completed and the presence of identifiable occupier demand.

The consequences of inaction are equally clear.

If the site is lost to private acquisition, the opportunity to secure an asset of this nature for community benefit is unlikely to return. The current lack of infrastructure will persist, and with it the constraints on local enterprise, employment and long-term sustainability.

Community ownership changes that trajectory.

By bringing Bac Dubh into community ownership, LECE will ensure that the site is managed in the interests of the area it serves. It will provide affordable, accessible space for businesses to operate and grow. It will retain financial benefit locally and create a platform for continued reinvestment. Over time, it will contribute to a more resilient, diverse and sustainable local economy.

This is not a project that depends on exceptional assumptions. It is grounded in evidence, shaped by community need and supported by a realistic and disciplined delivery model. It is proportionate in scale, controlled in risk and clear in its intended outcomes.

The decision therefore is not whether Bac Dubh has value. It is whether that value is secured for community benefit, or lost.

This proposal sets out a credible and deliverable route to ensuring that it is secured, used and sustained for the long term.

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## 13. Tenant Selection and Allocation Framework

Allocation of space within the Poolewe Community Business Park will be undertaken through a structured, transparent, and objective process designed to ensure that all tenancies contribute positively to long-term sustainability and community benefit.

Each prospective tenant is assessed using a weighted scoring system covering strategic alignment, economic impact, financial viability, community benefit, sustainability, compatibility, operational fit, growth potential, innovation, and risk.

This ensures that tenant selection is not driven solely by rental income, but by a balanced assessment of economic contribution, resilience, and alignment with LECE's purpose.

Applications are scored out of 100, with clear thresholds ensuring consistency and transparency. Governance measures include a multi-person assessment panel, conflict of interest declarations, written scoring justifications, and an appeals process.

This framework is important because it demonstrates that community benefit and operational sustainability are embedded into how the project will function in practice, not simply stated as aspirations.

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## 14. Financial Model and Sensitivity

The financial model is intentionally conservative and stress-tested against realistic downside scenarios.

Baseline position: the project operates close to break-even under full cost conditions, including full business rates liability.

### Reduced occupancy (60%)

Income reduces proportionally and the project remains operational but under pressure. This reinforces the importance of early tenant onboarding and active space management.

### Delayed letting (6 months)

Year 1 income is reduced, but there is no fundamental long-term impact on viability provided occupancy is achieved thereafter.

### No rates relief

The project remains broadly viable, though with lower reinvestment capacity and slower asset development.

Overall, the sensitivity testing demonstrates that the project does not depend on optimistic assumptions, that financial risk is controlled and understood, and that viability improves materially with modest support.

That is the correct message for funders: not that the project is immune from pressure, but that it has been modelled honestly and remains credible across a range of realistic operating conditions.

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## 15. SWOT Analysis

Strengths	Weaknesses
Evidenced community benefit and need; strong strategic alignment; community ownership model; positive stakeholder relationships; identifiable local gap in industrial and storage space; prospective occupiers and demand evidence.	Limited board capacity; reliance on external expertise for technical work; dependency on grant funding in early years; need to secure tenants early to strengthen viability.
Opportunities	Threats
Economic boost for Wester Ross; job creation, apprenticeships and skills	Funding shortfall if acquisition funding is unsuccessful or reduced; private

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## Opportunities

development; additional revenue streams; stronger resilience through diversified business activity; future expansion and collaboration.

## Threats

acquisition of the property; inflation or unexpected cost increases; slower tenant uptake than expected; reputational risks; continuity risks; impact of rates and running costs.

This analysis reinforces the overall picture: the project has meaningful challenges, but its strengths and opportunities are substantial and its principal threats are understood rather than hidden.

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## 16. Financial Position Summary

The financial position of the Bac Dubh project can be summarised as follows:

Area	Assessment
Capital Structure	Strong: grant-led acquisition, no debt exposure, minimal community financial risk.
Income Model	Conservative and evidence-based, diversified across multiple streams, aligned with local affordability.
Cost Base	Fully accounted, with no artificial suppression and full recognition of real operating conditions.
Operating Position	Near break-even at baseline; sustainable surplus with rates relief or comparable modest support.
Risk Exposure	Moderate but actively managed, with key risks identified and mitigated.
Sustainability	Achievable with modest support and strengthened further as occupancy stabilises.

Overall, the project represents a financially credible community investment with transparent assumptions, realistic income expectations and a clear pathway to sustainability.

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## 17. Independent Feasibility Summary

This report provides an overview of the proposed Bac Dubh project being developed by Loch Ewe Community Enterprise (LECE), alongside an assessment of community need, demand and overall project viability. It draws on a combination of existing strategic documents, new community consultation and initial financial planning to present a clear and evidence-based case for the project.

LECE is progressing plans to purchase a vacant industrial unit at Bac Dubh in Poolewe, with the intention of developing it into a multi-use business hub. The site comprises an approximately 8,500 sq ft building and a two-acre yard, offering significant potential to support a range of commercial and community uses.

The project is rooted in LECE's wider aim of strengthening the local economy, supporting small businesses and creating sustainable employment opportunities within the Loch Ewe area. Operating on a not-for-profit basis, any financial surplus generated by the project will be reinvested locally, contributing to long-term community benefit and resilience.

The proposed hub will provide flexible and affordable space for a mix of uses, including workshop units, office space and storage facilities. There is also potential to incorporate a residential unit to support local housing need or provide accommodation linked to site activity, including emergency accommodation.

The findings presented in this report are informed by both existing research and more recent consultation carried out and commissioned by LECE. Desk-based research drew on a range of strategic documents produced over the past seven years, including the WestPlan (2019), the Gairloch and Loch Ewe Community Action Plan (2023), the Housing Needs Survey (2023), Local Place Plans (2025) and the Area Place Plan (2025). These documents consistently identify similar key priorities such as local economic development, affordable housing, improved local infrastructure and support for local enterprise.

New consultation was undertaken in three stages. An initial online survey (105 responses) tested overall support for the concept and gathered early feedback. This was followed by a more detailed survey (41 responses) aimed largely at businesses and potential users of the space. Finally, an in-person consultation at the LECE AGM (36 attendees) explored specific ideas in greater depth using interactive engagement methods.

In total, 182 responses were gathered across all consultation stages. While there is likely some overlap between participants, the level of engagement is strong given the rural context and recent levels of consultation activity in the area.

The evidence demonstrates clear and consistent support for the Bac Dubh project, alongside identifiable demand for the types of space and facilities proposed.

There is strong demand for affordable and flexible workspace, with multiple respondents identifying lack of suitable premises as a key barrier to starting or growing a business.

Interest in renting space at Bac Dubh was evident, with a number of respondents indicating they would either take space or consider doing so in the future. This is further strengthened by the identification of prospective anchor occupiers for workshop units, providing early confidence in likely occupancy.

In addition to workspace, there is clear demand for complementary facilities. Meeting and training space, storage, workshop areas and shared resources such as a 'library of things' all received notable levels of support. Storage provision in particular addresses a known local gap, with previous facilities no longer available in the area.

The consultation also highlighted wider economic challenges, including access to finance, limited infrastructure (particularly broadband), and the seasonal nature of employment. The Bac Dubh project is well positioned to respond to these challenges by providing a supportive environment for business development and diversification.

Beyond immediate demand, there is strong alignment with longer-term community aspirations. These include creating year-round employment, supporting young people through training and apprenticeships, reducing reliance on tourism and strengthening the resilience of the local economy.

The Bac Dubh project has the potential to deliver a range of short, medium and long-term benefits. In the short term, the provision of affordable workspace and storage will address immediate barriers faced by local businesses and individuals. In the medium term, the development of a shared business environment is expected to strengthen connections between local enterprises. Over the longer term, the project has the potential to contribute to a more diverse and resilient local economy.

The proposed financial model takes a cautious and phased approach. Initial development will rely heavily on grant funding, particularly through the Scottish Land Fund, with possible additional funding sought for refurbishment and fit-out costs. Trading income will be developed gradually, with early focus on activities that can generate income quickly and respond to identified demand. These include workshop rental, storage provision and the use of existing space for office, meeting and training purposes.

The identification of prospective occupiers provides a degree of early income confidence from the outset, reducing the risk associated with vacancy. This, combined with demonstrated demand from consultation, supports confidence in the project's ability to generate sustainable income over time.

A number of key risks have been identified, including uncertainty around grant funding, potential delays in securing tenants, the impact of business rates and capacity constraints within a volunteer-led organisation. However, these risks are understood and are being actively managed. The project's phased delivery approach allows development to be aligned with available resources and demand.

Overall, the Bac Dubh project represents a well-evidenced and strategically aligned response to long-standing community priorities within the Loch Ewe area. The combination

of strong community support, identifiable demand for space and facilities, and alignment with local and regional policy provides a solid foundation for delivery.

The project is both realistic and deliverable, with a clear phased approach to development and a financial model that reflects the challenges of early-stage community asset projects. Importantly, the level of evidenced demand, including identified prospective occupiers and broader interest, provides confidence in the project's ability to achieve occupancy and generate sustainable income over time.

While there are risks associated with funding, delivery and capacity, these are typical of projects of this nature and are being appropriately managed. Overall, the project offers a credible and viable opportunity to create a long-term community asset that will support economic development, strengthen resilience and deliver lasting benefit for the area.

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## 18. Image Storyboard

### Poolewe Community Business Park Project

#### Visual Transformation: From Asset to Opportunity

##### **Today — An Underused Asset**

The Bac Dubh site currently exists as a largely underutilised asset, with significant untapped potential for economic and community benefit.



### **The Vision — Structured, Functional, Ready for Use**

Through targeted investment, the site is organised into functional zones supporting small businesses, storage, and light industrial use.



### **The Outcome — A Thriving Community Business Park**

The fully realised site supports multiple enterprises, employment, and long-term economic resilience within the community.



## 19. Detailed Financial Report

### 19.1 Headline Financial Summary

Metric	Value
Purchase Price	£294,500
LBTT	£3,225
Legal Fees (gross)	£5,820
Essential Repairs	£15,900
Total Project Cost	£367,063
SLF Contribution (95%)	£350,316
LECE Contribution (5%)	£16,747

### 19.2 Capital Structure

#### *Acquisition and Project Costs*

The total project cost of £367,063 comprises acquisition, statutory LBTT liability, legal and conveyancing costs, and essential repairs to bring the building into operational use as well as appointment of a development officer.

The approach reflects a minimum viable capital intervention, with further improvements phased over time. This is important because it demonstrates prudent use of capital and an

intention to avoid over-investment before trading patterns and occupier demand are proven in practice.

#### *Funding Model*

Source	Amount (£)	%
Scottish Land Fund	294,500	95%
LECE Contribution	15,500	5%
Total	310,000	100%

This structure minimises financial risk to the community, ensures the asset is delivered without debt, and enables early operational viability.

### 19.3 Income Model (Verified)

#### *Annual Rental Income*

Derived directly from the rental detail schedule:

Income Stream	Annual Income (£)
Workshop Units	13,000
Storage Units	4,660
Office Units	3,850
Residential Unit	5,400
Total Income	26,910

#### *Income Characteristics*

The model is based on weekly rental rates multiplied by unit count and occupancy assumptions. No premium pricing is applied and the schedule reflects affordable workspace provision.

The model is intentionally conservative and does not assume full occupancy from day one or rental inflation beyond baseline levels.

### 19.4 Occupancy and Income Phasing

#### *Year 1 (Transitional Year)*

Income is phased to reflect acquisition timing, initial works and tenant onboarding.

Monthly equivalent income at steady state is derived as annual income divided by 12, producing a steady-state equivalent of £2,243 per month if fully occupied equivalent were achieved.

Actual realised Year 1 income is lower due to phased occupancy, but this does not undermine the stabilised operating case. It reflects prudent modelling of a start-up operating year.

### *Stabilised Position*

From Year 2 onwards, occupancy is assumed to approach steady state and full annual income of £26,910 is assumed.

## 19.5 Operating Cost Structure

### *Baseline Annual Costs*

Cost Category	Annual Cost (£)
Business Rates	16,800
Utilities	5,000
Maintenance	4,000
Insurance	1,500
Administration	2,000
Total Operating Costs	29,300

### *Cost Characteristics*

No cost suppression has been applied. Rates are assumed at full liability and maintenance includes ongoing building upkeep.

This gives confidence that the model is honest about operating exposure and not dependent on unrealistically low assumptions.

## 19.6 Financial Performance

### *Stabilised Position (No Rates Relief)*

Item	Value
Total Income	26,910
Total Costs	29,300
Net Position	~£2,400 deficit

### *With 50% Rates Relief*

Item	Value
Rates Saving	+8,400
Adjusted Net Position	~£6,000 surplus

### *With Full Rates Relief*

Item	Value
Rates Saving	+16,800
Adjusted Net Position	£14,000+ surplus

## 19.7 Interpretation of Financial Position

The financial model demonstrates:

## Baseline

The project operates close to break-even under full cost assumptions. This means the model is fundamentally disciplined and not dependent on unrealistic income or suppressed expenditure.

## With Modest Support

The project achieves sustainable surplus and generates funds for reinvestment. This would strengthen long-term resilience and allow phased asset improvement over time.

## 19.8 Sensitivity Analysis

### *Reduced Occupancy (60%)*

Income reduces proportionally to approximately £16,000. The project remains operational but under pressure, reinforcing the importance of early occupier onboarding and active space management.

### *Delayed Letting (6 months)*

Year 1 income is significantly reduced, but there is no long-term impact on viability provided occupancy is achieved thereafter. This is manageable within the phased approach.

### *No Rates Relief*

The project remains broadly viable, but with lower reinvestment capacity and slower asset development.

## 19.9 Financial Risk Assessment

Risk	Impact	Mitigation
Slow occupancy	Medium	Prospective anchor occupiers identified
Rates liability	Medium	Relief under discussion
Repair cost escalation	Low–Medium	Minimal initial works
Income variability	Low	Multiple income streams

## 19.10 Financial Sustainability

The project is financially sustainable because:

- It operates without debt
- Costs are controlled and predictable
- Income is diversified
- Surpluses, where generated, are retained locally

Over time this enables incremental improvement of the asset, increased occupancy and a strengthened financial position.

### 19.11 Overall Financial Position

Area	Assessment
Capital Structure	Strong (grant-led, no debt)
Income Model	Conservative and realistic
Cost Base	Fully accounted
Risk Exposure	Moderate but mitigated
Sustainability	Achievable with modest support

### 19.12 Financial Conclusion

The financial model for the Poolewe Community Business Park demonstrates a controlled-risk, community-focused investment with realistic income assumptions, a transparent cost structure, and a clear pathway to sustainability.

The project is operationally disciplined at baseline, sustainably surplus-generating with modest support mechanisms, and well aligned with the principles of community asset funding.