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## Crossapol Business Units Allocations Process – Information Pack

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### Allocations Process Overview

Tiree Community Enterprise Ltd. (TCEL) will construct 4 light commercial business units in Crossapol, on a site directly west of the Island Centre. This development is supported by a number of funders including:

- The Scottish Government (Regeneration Capital Grant Fund)
- Highlands and Islands Enterprise (HIE)
- Argyll and Bute Council
- Tiree Community Development Trust (Windfall Fund)

We envisage that the business units will be completed and ready for occupation and use in early 2024.

Due to the high level of interest in the units, TCEL will conduct a formal allocations process to determine which interested parties will be allocated a business unit.

TCEL will accept applications from interested parties wishing to lease one or more of the business units by 5PM Monday February 5<sup>th</sup> 2024.

After the advertised closing date, TCEL will accept no further applications. TCEL reserves the right to extend the deadline for applications; however any extension will be subject to an internal decision-making process. Any extension will be advertised publicly.

Applications must be completed in full to be considered by the scoring panel. They must include all requested information and supporting documents.





Applications that fail to answer all questions or provide all supporting documents may be classified as fundamentally non-compliant. In that situation, those applications will not be considered by the scoring panel.

TCEL will ensure that:

- All applications will be treated in the same manner;
- Application detail and supporting documents will be treated in confidence (with the exception of your business name and primary business activity - note further detail in the declaration on the application form);
- All applications will be reviewed and scored in a fair and transparent way;
- That a closing date for applications will be advertised.

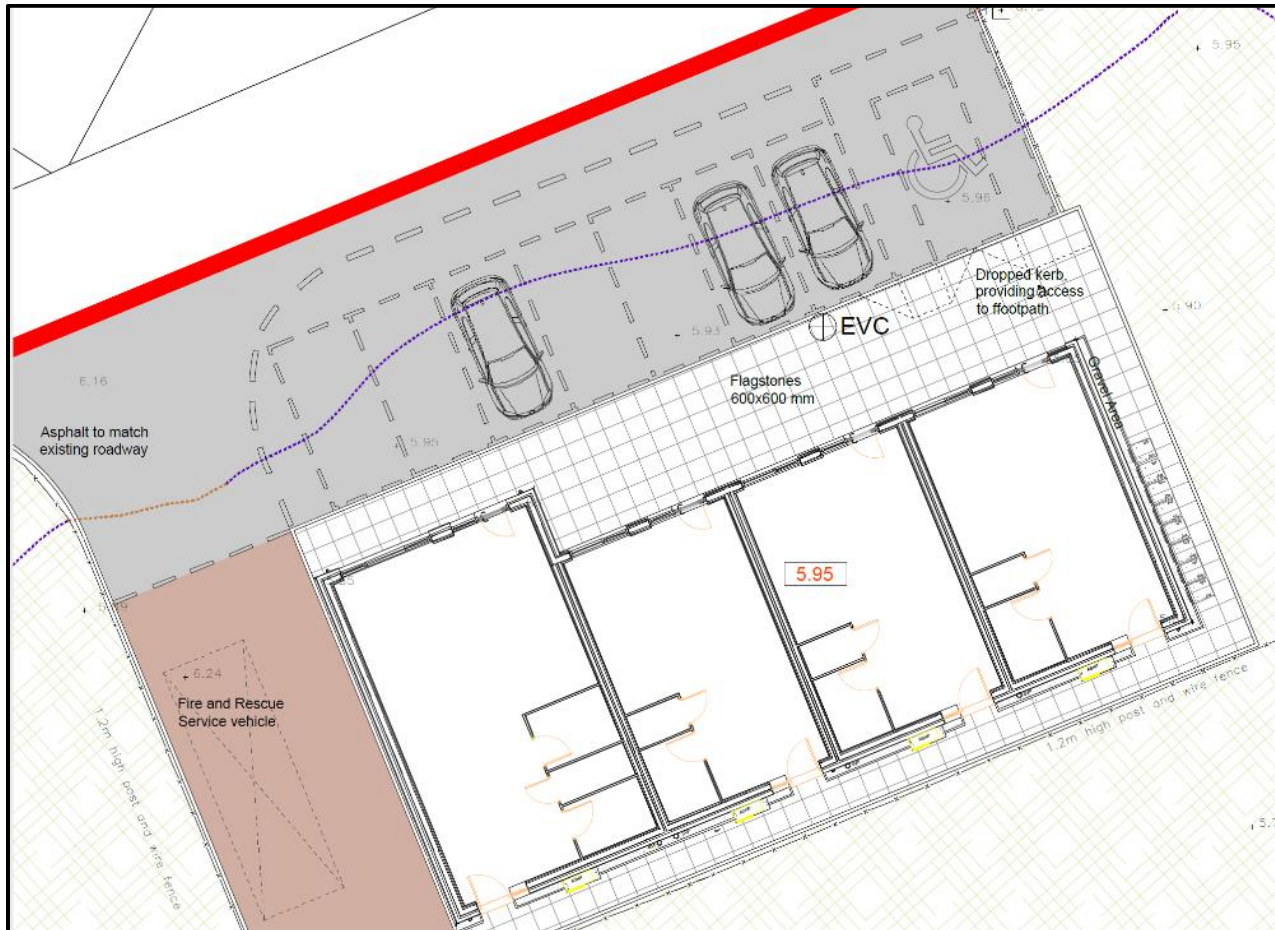
Application scoring will be undertaken by a scoring panel, comprising five people (see page 9). All members of the scoring panel have declared they do not have any conflicts of interest in the process. Any conflict of interest which may arise for panel members before applications are scored will disqualify those panel members from the entire scoring process.

## **Site Summary & Lease Rates**

### **The Site**

The site will comprise 4 units, specifically:

- 1 x 60m<sup>2</sup> unit
- 3 x 40m<sup>2</sup> units



*For indicative purposes only - this may not represent the final interior design*

#### Additionally:

- Each unit can be accessed via both a front (street-facing) and rear door.
- Each unit will have a large street-facing window.
- The units will be wheelchair accessible.
- There will be 8 parking spaces in front of the units, including an accessible parking space.
- There will be one rapid EV charger installed in the parking area, with two of the parking bays designated for this use.
- The units will share a septic tank.

The full site map and unit drawings can be viewed in Annex A.



## Unit Profiles

<p><b>60m2 Unit</b></p>	<p><i>Space</i></p> <ul style="list-style-type: none"> <li>• 51m2 work space</li> <li>• 4m2 bathroom space</li> <li>• 4m2 kitchen space</li> <li>• 2m2 storage space</li> </ul> <p><i>Ceiling Height</i></p> <ul style="list-style-type: none"> <li>• 2.8m</li> </ul> <p><i>Insulation</i></p> <ul style="list-style-type: none"> <li>• 150mm ceiling</li> <li>• 165mm wall</li> <li>• 100mm floor</li> </ul>
<p><b>40m2 Units</b></p>	<p><i>Space</i></p> <ul style="list-style-type: none"> <li>• 35m2 work space</li> <li>• 4m2 bathroom space</li> <li>• 2m2 storage space</li> </ul> <p><i>Ceiling Height</i></p> <ul style="list-style-type: none"> <li>• 2.8m</li> </ul> <p><i>Insulation</i></p> <ul style="list-style-type: none"> <li>• 150mm ceiling</li> <li>• 165mm wall</li> <li>• 100mm floor</li> </ul>

## Utilities

All units will have a three-phase power supply.

All units will be heated via an air-to-air source heat pump.

All units will be provided with a broadband connection via Tiree Broadband, which will be factored into the service charge.

The units will be connected to the mains water supply and will have individual electricity meters installed in each unit. Units will be billed on a monthly basis for their electricity usage by TCEL.

All other utilities contracts (including water) will be the unit occupant's sole responsibility.

## Furnishings





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All units are unfurnished. Occupants will be responsible for furnishing their unit.

### Lease Terms and Rates

The units will be available on a Full Repairing and Insuring Lease.

The units are expected to be leased at an initial rate of **£55 per m2 per year** (ex. VAT) for ground rent. This rate would rise annually in line with the Consumer Price Index (CPI), based on the increase calculated at a fixed date.

- For a 60m2 unit, the initial annual ground rent would be £3,300 (ex. VAT)
- For a 40m2 unit, the initial annual ground rent would be £2,200 (ex. VAT)

The ground rent is exclusive of all utilities.

Applicants will be able to indicate their preferred lease length on their application form.

### Service Charge

Unit occupants must pay a service charge in addition to the ground rent. The service charge will be calculated on an annual basis, covering items such as high-speed broadband, building insurance, upkeep for communal areas, and utilities (e.g. lighting) for communal areas.

The service charge paid by each occupant will be calculated proportionally based on the size of their unit in relation to the size of the site.

As an estimate to assist with creating a cashflow, the approximate annual service charge for each unit is currently expected to be:

- 60m2 unit - £1,400 (ex. VAT)
- 40m2 unit - £950 (ex. VAT)

### Additional Considerations

There is **no external storage space**. Site users will not be able to use the shared space for storage or commercial activities.

Users cannot place advertising material (branding, signage, or other advertising) on shared space. Signage may be placed on the frontage of units, but this will be subject to approval.



## Allocations Scoring Criteria and Weighting

All applications will be scored against the same criteria, with marks awarded in line with the scoring criteria and methodology set out below.

Applicants must provide the requested classifying information. Applicants will then be scored against the following criteria:

Scoring Criteria	Weighting	Notes
<b>Business Suitability – Class of Use</b>	Pass/Fail	<p>Applicants’ businesses or organisations will required to have a class of use that is aligned with the “light commercial” nature of the site.</p> <p>Use classes can be viewed <a href="#">here</a>.</p> <p>Due to the nature of the site, if applicants require any of the following as their primary class of use, <u>their application cannot be considered</u>:</p> <ul style="list-style-type: none"> <li>• Class 5 – “General Industrial”</li> <li>• Class 7 – “Hotels and Hostels”</li> <li>• Class 8 – “Residential Institutions”</li> <li>• Class 9 – “Houses”</li> </ul>
<b>Real Living Wage</b>	Pass/Fail	<p>Applicants must guarantee that all staff are paid the Real Living Wage as a minimum.</p> <p>The Real Living Wage is calculated by the <a href="#">Living Wage Foundation</a> and reflects true cost of living.</p> <p>At the time of writing, the Real Living Wage is £10.90/hr for the UK (excluding London).</p> <p>Applicants <u>do not</u> have to be accredited by the Living Wage Foundation or any other organisation, but must demonstrate (i.e. through their cash flow) that all employees (including direct subcontractors) will receive at least the Real Living Wage.</p>
<b>Business Case and Financial Sustainability</b>	Pass/Fail	<p>Applicants must submit a business plan as an accompanying document. This should outline how your business / organisation will benefit from utilising</p>





		<p>the Business Unit. It must also evidence the financial sustainability of your business, and show evidence-based consideration for business opportunity or service demand.</p> <p>For the financial sustainability section, this includes providing a minimum 3-year cashflow.</p> <p>For the business opportunity section, this must include an evidence-based analysis of the business opportunity. This should describe how your business/organisation will benefit from the occupation of a business unit, and market research showing how your business/ organization will compete in the local/wider market. This analysis could include the use of open-source information, survey/interview evidence, or statistics compiled as part of the operation of your business/organisation (e.g. sales figures).</p> <p>To pass this section, the scoring panel must be satisfied that your business will be financially sustainable during the term of your lease, and that there is a rational case for how your business or organisation will benefit from occupying the unit.</p>
<p><b>Employment Impact</b></p>	<p>Cumulative</p>	<p>Applicants will receive a score based on the net employment impact they will have on Tiree's community.</p> <p>This will consider each job a business is forecast to preserve by occupying a unit, and each additional jobs they are forecast to directly create over the next three years.</p> <p>Applicants will receive a score for each job preserved or directly created as follows:</p> <p>Full-Time Job – 5 Points          Part-Time Job – 3 Points          Seasonal Job – 1 Point</p>





		<p>This section is cumulative. An applicant will score points for each job preserved or directly created, with no limit.</p> <p>The figures for jobs preserved or created should correspond with the cashflow provided in the business plan.</p>
<b>Community Impact</b>	/30 Points	<p>Applicants will be marked against fixed-score questions relating to the wider impacts their business or organisation will have on the community.</p> <p>Each question is worth 5 points, for a total of 30 points.</p> <p>The scoring methodology for this section is shown below.</p>

**An applicant's score is the total number of points they have received for their “employment impact” and “community impact” responses. They must also pass all “pass/fail” sections.**

For the awarding of each unit, applicants will be scored against others who have bid for the same unit. For example, the highest scoring applicant for the 60m2 unit will be allocated that unit, and the three highest scoring applicants for the 40m2 units will be allocated those units.

Please note:

- If an applicant has requested multiple units, they must score higher than the next two scored bids for each individual unit, combined, in order to secure both units.
- There is an option for applicants who initially request a 60m2 unit to be assessed for a 40m2 unit if they are unsuccessful in their bid for a 60m2 unit.

*Please note that in the event two applicants receive tied scores, the scoring panel reserves the right to factor into the allocations process that additional benefits might be created for the whole site by awarding units to businesses or organisations whose proximity to each other will be co-beneficial.*

### **Scoring Methodology**

For the fixed-score “community impact” questions; the following marking methodology will be used:





<b>0</b>	The response is not relevant and contains no supporting evidence.
<b>1</b>	The response is partially relevant, but generally poor. It contains poorly evidenced or un-evidenced points which somewhat support the statement, but demonstrate no meaningful impact.
<b>2</b>	The response is relevant, and contains evidenced point/s which somewhat support the statement, demonstrating minor meaningful impact. The response lacks detail.
<b>3</b>	The response is relevant and contains evidenced point/s which largely support the statement, demonstrating some meaningful impact.
<b>4</b>	The response is clearly relevant and detailed, containing well evidenced point/s which support the statement and demonstrate clear meaningful impact.
<b>5</b>	The response is completely relevant and detailed, containing multiple clearly evidenced points which clearly support the statement and collectively demonstrate a major meaningful impact.

## Awarding the Units

The scoring process for Phase 2 allocations is forecast to be complete in February 2024.

Once the scoring panel have completed the scoring of submissions, the highest scoring applicants will be provisionally awarded each unit. Successful applicants will be notified of their successful application. At this stage, further conversations regarding any required material changes to the units will take place.

Expectations and timeframes for finalising and agreeing lease terms will also be communicated at this stage. The TCEL Board currently envisage signing the lease agreements close to the completion of the construction of the units, to ensure that occupants have a high degree of certainty about the date on which they can occupy their unit.

Those applicants who fail to secure a unit will be placed on a reserve list. In the event that an initially successful applicant withdraws before a lease is agreed, the next highest scoring applicant on the reserve list will be contacted regarding occupying the unit.

## The Scoring Panel

The allocations scoring panel will consist of up to 5 members and may include:

- 2-3 members of the TCEL Board
- 1-2 representatives from local community organisations

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A private limited company registered in Scotland  
Company No: SC675841  
VAT no: 368537260



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- Trust Staff

All members of the scoring panel have declared they do not have any conflicts of interest relating to the allocation of the business units.

*If you have any queries, or would like more information, please contact [tcel@tireetrust.org.uk](mailto:tcel@tireetrust.org.uk). You can also visit the Trust Office at the Island Centre, Crossapol during opening hours (9-5 weekdays, 9-1 Saturdays).*

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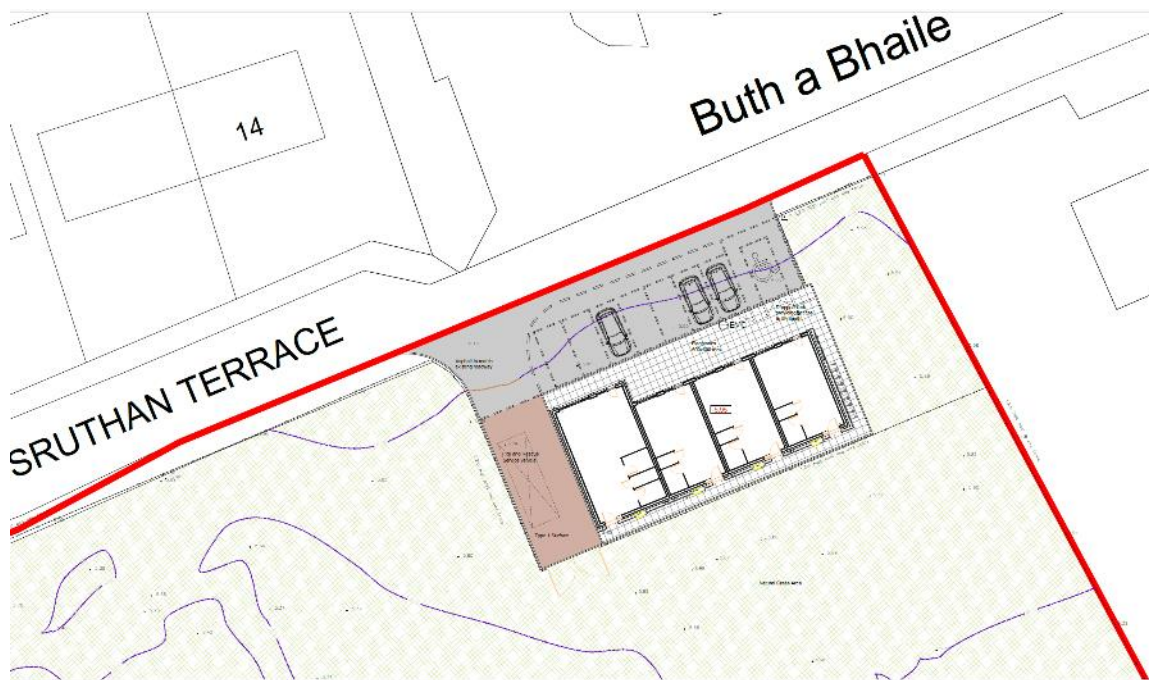
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## Annex A



Tiree Community Enterprise Ltd  
A private limited company registered in Scotland  
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VAT no: 368537260

