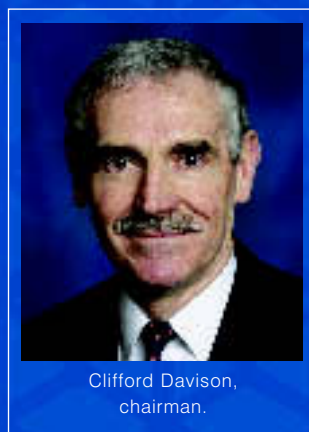




Gordon Cox ,
chief executive to Feb '05.



Maitland Hyslop,
chief executive.



Clifford Davison,
chairman.

Ross and Cromarty

Ross and Cromarty Enterprise (RACE) helped 43 new businesses to set up, ten existing businesses to improve productivity and a further ten to advance international trade opportunities.

RACE support for communities included funding for 24 cultural, sporting and arts projects.

Former chief executive Gordon Cox took up a new role with HIE after six years at RACE. Sally Cartwright stood down after five years as chairman, succeeded by Clifford Davison, whose board experience includes three years as vice-chairman.

Economic prospects in south west Ross were shaken by redundancies in aquaculture at Kinloch Damp (KLD) and Lighthouse of Scotland. The situation improved after KLD was bought, preserving 20 jobs. RACE and its partners helped redundant employees to retrain and get new jobs through two Partnership Action for Continuing Employment (PACE) schemes.

RACE also approved an assistance package to Aquascot to enable managers to buy the Cermaq Group's fish processing operation at Alness, securing 100 full-time equivalent jobs.

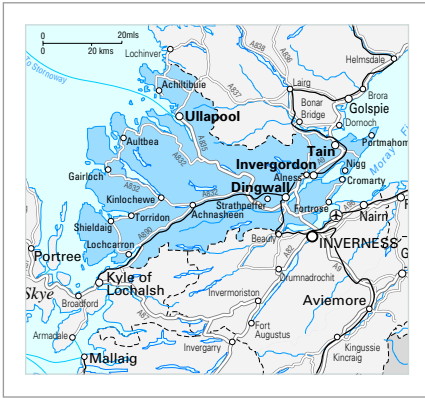
In the renewables sector, prospects were encouraging for a new wave energy device being developed by AWS Ocean Energy. RACE funding will permit further testing, which will pave the way for substantial equity investment. If the tests are successful and the product becomes commercially viable, the Cromarty Firth area will be well placed to benefit.

RACE invested in Scottish Provincial Press's new colour printing facilities, enabling the company to bid for newspaper publishing contracts outwith the Highlands.

With increasing numbers of migrant workers coming into the area, RACE worked closely with partner organisations to develop and deliver support services such as language courses, training and information.

Note: Gordon Cox was RACE chief executive until February 2005, when he was appointed project director, Network Management System with HIE. Between February and August 2005, Joyce MacLennan, now RACE's deputy chief executive, led the local enterprise company in an acting capacity.





2004-05 highlights

- Every £1 that RACE invested attracted private sector backing of nearly £6.
- 181 Modern Apprenticeship starts included 38 in building trades such as plumbers and electricians.
- RACE helped four businesses to develop e-business.
- Five Ross-shire businesses signed up to the business efficiency model of the Sustainable Development Research Centre (SDRC) after taking part in an SDRC energy efficiency pilot scheme.
- RACE helped to create or retain more than 289 local jobs.
- 38 organisations took part in RACE management and leadership learning.
- RACE helped fund a three-year archaeological programme by Tarbat Historic Trust to investigate an early Christian site at Portmahomack.
- Of 94 businesses that RACE contacted in the Business Learning Account pilot programme, 41 received funding approval.
- The Invergordon Development Partnership was set up under the EU-funded Community Economic Development (CED) programme.
- A partnership approach to supplying business advice contributed significantly to meeting RACE targets.



Liathach and Loch Clair, Torridon.

2004-05 targets and out-turns

Strengthening communities	Target	Out-turn	%
Enhanced community facilities	30	28	93
Percentage of community investment in priority areas	25	54	-
Community Economic Development (CED) projects supported	30	25	83
Projects enhancing environmental quality	25	18	72
Cultural and arts projects supported	20	20	100

Developing skills

Skillseeker starts	80	57	71
Modern Apprenticeships (MA) starts	180	181	101
Get Ready for Work (GRIW) starts	65	76	117
Percentage of Modern Apprenticeship leavers completing	55	49	-
Percentage of Get Ready for Work leavers progressing to Skillseekers, education or employment	40	21	-
Unemployed adults starting work-focused training programmes ▲	100	196	196
Percentage of adult leavers achieving employment	30	60	-
Businesses engaged in workforce development activities	65	90	138
Businesses engaged in management and leadership development	37	38	103

Growing businesses

New business starts	65	43	66
Percentage of new business starts achieving a 3-year survival rate	70	84	-
Organisations supported to apply business improvement tools	90	84	93
Businesses supported to achieve business benefits through environmental initiatives	20	18	90
Organisations supported to make progress up the e-adoption ladder *	20	22	110
Organisations supported to progress to stages 4/5 of the e-adoption ladder ♦	3	4	133
Research/innovation projects supported	7	5	71
New products/processes developed	5	5	100
Businesses supported to achieve productivity improvements	10	10	100

Making global connections

Businesses supported to progress on the international business development ladder	11	10	91
Percentage of business investment in priority areas	10	43	-
Jobs supported	220	289	131
Private sector earnings index ♦	108	109	-

- ▲ Revised target to include discretionary activity targeted at unemployed adults.
- * E-adoption ladder: Measures how Highlands and Islands firms are engaging in e-business activities.
- ♦ Revised target agreed with Scottish Executive.
- ◆ Private sector earnings index: This expresses wages in assisted projects relative to average wages in the local area. A value over 100 indicates higher than average wages.

Area profile

Stretching from coast to coast across the Highland mainland, Ross and Cromarty is an area of geographical and economic contrasts, from the mountainous Wester Ross to the comparatively flat Easter Ross. It covers almost 500,000 hectares and has a population of over 50,000.

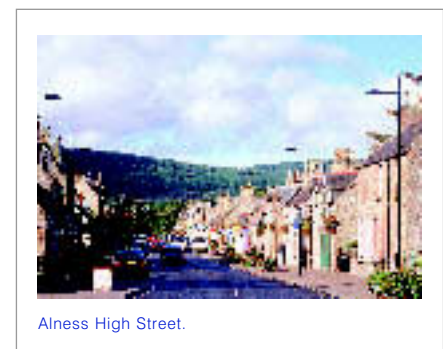
Most people live around the northern shores of the Cromarty Firth, where the main towns are Dingwall, Alness, Invergordon and Tain. Many of the challenges which the area will have to face in the coming years are common to all its communities.

The east coast area is a mixture of rich agricultural land and industrial development, much of which has been oil-related since the 1970s. A growing high-tech sector encompasses carbon fibre manufacture, e-business and contact centres.

The deep waters of the Cromarty Firth and the port facilities at Invergordon are major assets for industry and an increasingly popular port of call for international cruise liners.

Tourism remains one of the most important industries on both coasts.

The west coast of Ross and Cromarty stretches from Ullapool in the north to Lochcarron in the south. This mountainous area contains a number of vibrant communities and the 2001 census results show an increase in population in some areas. In addition to tourism, important industries include crofting, forestry, fishing, aquaculture, and food and drink.



Alness High Street.

Case studies



National award for Albyn's Applecross project

Invergordon-based Albyn Housing Society was commended in the Royal Town Planning Institute's Scottish awards in March 2005 for its affordable housing project at Craite Barn, Applecross. The project, part-funded by RACE and Communities Scotland, involved converting a Grade B listed barn and building new homes. Its quality and impact on sustaining a rural community led to The Highland Council using the project as a case study for good design.



Cannes benefits for Dingwall firm

Dingwall-based IT company Strategic Integration won several contracts and had more in the pipeline following a visit to the French Riviera in May 2004. With grant assistance from RACE, the company attended a trade fair that coincided with the Cannes Film Festival to market a new software package, Movie-Site. This includes a database of film locations, software for handling customers and a comprehensive business directory. And underlining that it can be used anywhere, the firm demonstrated Movie-Site to film industry contacts from Cannes' famous beach.



New research centre

A new Centre for Business Process Outsourcing was announced in November 2004. It is the UK's first research unit dedicated to helping the contact centre industry meet the demands of an increasingly competitive market, while improving the value of service and quality of employment. The centre is backed by RACE, the Call Centre Association, industry representatives and the University of Strathclyde. It provides access to expertise and the latest thinking in management science.



Achieving goals through life skills

Life Skills Through Sport (LSTS), a partnership between RACE and Ross County FC, received a two-year boost worth almost £650,000 in November 2004, with RACE contributing £224,932 each year. The project has already developed skills among thousands of young participants, older people and long-term unemployed. LSTS, set up in 2003, had a very successful first year, with 22,513 taking part in programmes that include summer schools, drugs awareness and adult education.

Forscot

A study into the feasibility of building a £1 billion integrated pulp mill, paper mill, sawmill and renewable energy generation plant was launched at Invergordon in 2004.

RACE, with HIE and Scottish Enterprise, is providing £200,000 towards the £500,000 cost of completing the feasibility phase of Forscot Ltd's proposed project.

The study, expected to be completed in 2005, will investigate both the project's viability and its impact on the surrounding area and environment.

Areas being explored include:

- the logistics of transporting raw materials to and from the site and the implications for transporting by road, rail and sea;
- the project's impact on the environment and the landscape;
- pulp, paper and energy market studies.

Representatives from the local community will be involved in detailed plans for the project, which could potentially create

2005–06 targets

Strengthening communities

New/enhanced community assets	60
Community groups with increased capacity	15

Developing skills

People supported to move towards and into sustainable work	365
Businesses supported to engage in developing the skills of those in work	100

Growing businesses

New business starts	60
Business growth projects	50

Making global connections

Private sector earnings index for Network assisted jobs ♦	108
Businesses engaging in international business development	15

♦ Private sector earnings index: This expresses wages in assisted projects relative to average wages in the local area. A value over 100 indicates higher than average wages.

around 500 full-time jobs, and over 3,000 jobs while it is being built.

Subject to the feasibility study's findings, Forscot could begin construction as early as 2006 and start manufacturing in 2008.

2005–06 priorities

- Work with partner organisations to secure an economically viable future for the Nigg fabrication yard.
- Help businesses make progress in international trade.
- Help migrant workers to contribute fully to the local economy.
- Capitalise on the success of the Life Skills Through Sport programme.
- Enable community groups to mature and make progress in developing their communities.
- Work with Forscot and partners to develop the opportunity to create an internationally important project for the area.
- Help to promote the community planning agenda for Ross and Cromarty.
- Contribute to measures that regenerate Invergordon's economy and community, building on the success of the town's High Street development.
- Develop Business Learning Accounts.



Site of proposed £1 billion Forscot development, Invergordon.

Ross and Cromarty Enterprise

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