

Agenda Item	4
Report No	CIA/15/18

HIGHLAND COUNCIL

Committee: City of Inverness Area

Date: 31 May 2018

Report Title: Developing Economic Links with Augsburg – Update

Report By: Director of Development and Infrastructure and
Inverness Area City Manager

1. Purpose/Executive Summary

- 1.1 This report updates Members on progress with the development of economic links with Inverness' twin city of Augsburg. The report gives details of the various initiatives currently under discussion, aimed at ensuring that the current social and cultural links with Augsburg are complemented by economic development opportunities.

2. Recommendations

2.1 Members are asked to:

- note the contents of this report;
- support the continued development of economic links with Augsburg, and to work with partners to ensure that the initial activity undertaken by the Council is developed and built upon; and
- agree to the commitment of additional resources, to a maximum of £10,000 from the Inverness Common Good Fund to compliment the Development and Infrastructure Service, and HIE financial input.

3. Background

- 3.1 The City of Inverness Area Committee agreed at its meeting of 19 June 2017 to work towards the development of economic links with its twin city of Augsburg.

Initial discussions were held in Augsburg with a variety of academic and business interests aimed at examining the potential for developing economic links. This visit was part of the Civic visit, led by the Provost of Inverness to Augsburg for the commemoration ceremony marking the 60th anniversary of the twinning link between the two cities.

As a result a strategy for taking this work forward has been developed, with a broad range of organisations becoming involved in identifying shared common aims and objectives. The purpose of this being to identify lead organisations for specific initiatives as well as to ensure that there is close cooperation between all the partner organisations.

- 3.2 These themes can be summarised as follows:

- development of the relationship with the Klinikum Augsburg and the opportunity for collaboration around healthcare related activities, specifically centred around the UHI Healthcare and Life Sciences Centre;
- investigating the potential for identifying opportunities for Highland based companies to develop links with businesses in Bavaria by building on the initial contact made through the Chamber of Commerce; and
- attraction of foreign direct investment from Bavaria into the Highlands. The Scottish Government and the Bavarian Regional Government have concluded a joint declaration, committing both countries to working together to encourage enhanced economic co-operation. The Scottish Government has also recently opened an international trade hub in Berlin. The Highlands are well placed to play a leading role in this initiative given the preliminary work already undertaken.

4. Strategic Initiatives

- 4.1 Health Care and Life Sciences:

The opportunity for medical and research healthcare related collaborations is an important element in identifying economic development links. The University of the Highlands and Islands (UHI) has been taking a lead on this aspect of the strategy, and as part of a wider Trade Mission facilitated by the Inverness Chamber of Commerce, representatives from UHI visited the Klinikum Augsburg, a major hospital employing 6,000 personnel. A range of potential collaborative opportunities were discussed, including the development of joint links relating to the formation of Medical Schools at both locations, student exchanges and the development of a professional framework for nurse training in Augsburg using the professional framework for nursing used in Scotland. Medical and research healthcare related collaborations are also being explored, with the potential to drawdown EU funding.

- 4.2 Development of Business Links:

Inverness Chamber of Commerce arranged a successful trade mission to Augsburg in May 2017. They have recognised the potential for businesses in the Highlands from the development of trading opportunities with Augsburg. A number of Highland businesses from a range of sectors, Food and Drink, Life Sciences and Renewable Energy joined the mission, along with representatives from HIE and UHI. This initiative was arranged by the Chamber of Commerce in consultation with the Scottish

Government, and initial responses, from those businesses who participated have been positive. In support of this, the Highland Council's Enterprise Europe Network (EEN) team are taking the lead for EEN Scotland to work with their EEN colleagues, located across Bavaria (Augsburg, Nuremberg and Munich) highlighting current Bavarian and Scottish business partnering opportunities as well as encouraging and facilitating potential business matches. The Council was represented at Expo Real in Munich last year as part of the Scottish Cities Alliance (SCA) presence. Expo Real is an inward investment/property development conference held annually and it is an opportunity to promote development opportunities to the German market. The potential within the Bavarian economy is huge, and the Scottish Cities Alliance (SCA) of which the Council is a member, is currently examining the potential for utilising twinning relationships as a basis for developing economic opportunities more widely across all of Scotland's seven cities.

4.3 Vocational Training Opportunities:

Inverness College UHI visited Augsburg for initial discussions on the potential for exchanges between Inverness and Augsburg for students/staff involved in vocational training activities. Opportunities for further cooperation are under discussion. The Council and HIE have also been active in relation to training opportunities with contacts being made with the SGL Group based at Muir of Ord but with its headquarters on the outskirts of Augsburg.

5. Next Steps

- 5.1 The Director of Development and Infrastructure from the Council and the Inner Moray Firth Area Manager from HIE recently visited Augsburg (April 2018) to discuss how to move forward with the development of economic links. In particular, it was an opportunity to meet with representatives of the economic development agencies in the City of Augsburg as well as in the wider Schwaben region. Meetings were also held with SGL Carbon and the Klinikum. A full list of attendees is included in **Appendix 1**.
- 5.2 There is a view that Scotland (and the Highlands) should be concentrating on developing trade partnerships with Germany in general and to move away from a focus solely on Inward Investment which is problematic due to uncertainties over BREXIT. The initial visit to Augsburg by Inverness Chamber of Commerce was an attempt at developing trading links, and this mission identified potential for developing opportunities around the Food and Drink sector. This has been underlined following the recent Highland Council/HIE visit which concluded that there is potential to encourage Highland food and drink producers to attend existing food and drink festivals held in Augsburg and vice versa. Tourism promotion would also be part of the attraction of attending these events.
- 5.3 As referred to at 3.1 above, there is potential to develop the relationship with SGL, and to look at ways in which the Highlands can work with them to develop careers in Science, Technology, and Maths (STEM). The Science Skills Academy, established as part of the Inverness and Highland City Region Deal would be an ideal vehicle for the delivery of this, and initial work has been undertaken to examine the possible establishment of bespoke apprenticeships through this route.
- 5.4 Previous connections with local government representatives in Augsburg have been on a civic/twinning level. The recent meeting with Augsburg city and regional representatives considered a variety of issues where we could work jointly. The promotion of food and drink was an option and there may be lessons to learn and to share around energy and tourism as well as the work the Council is undertaking on

Smart Cities.

- 5.5 The City of Augsburg has its own arms-length energy company which has an established track record in biomass, hydro and solar PV. They also run public transport and car-sharing initiatives. The potential exists to share this experience with the Highland Council's Energy and Sustainability team which is active in a number of EU-funded projects.
- 5.6 There is considerable scope for collaboration with the Klinikum Augsburg, the NHS in the Highlands and with UHI. The sharing of experience on Nursing training, which does not have a professional framework in Germany, could enable opportunities for students to spend time in Inverness as part of the training of nurses from Augsburg. Furthermore, both Institutions are in the midst of developing Graduate Medical Schools, so again an opportunity to share best practice and to develop joint working projects for example around Digital Health, surgical training, infection control and on research projects.
- 5.7 There may be opportunities around Horizon 2020, particularly around energy and the details of the Bavarian Government's list of potential partnering possibilities have been circulated to UHI and HIE.

6. Conclusions

- 6.1 It is clear that there is an opportunity for Inverness and the Highlands to successfully exploit its positive relationship with Augsburg. It is equally clear that the Council cannot do this on its own and the participation of other public sector institutions and the private sector will be crucial if there is to be any further progress. The Council itself could be in a position to develop additional link/projects with colleagues in Augsburg however the main driver behind this initiative is to foster economic links. The challenge now is to turn these links into tangible projects.
- 6.2 Work has commenced on the promotion of trading links with Augsburg. The Inverness Chamber facilitated a trade mission last May to the region and this was attended by a number of Inverness/Highland based companies. The Chamber is keen to continue this work, and they are promoting the next visit to the region, led this time by Glasgow and Edinburgh Chambers and scheduled for 25 to 28 June to Berlin and Munich this year.
- 6.3 UHI have concluded a Memorandum of Understanding with the Klinikum Augsburg and are currently considering how they wish to progress, be that with further visits to Augsburg, or through setting up links with NHS Highland staff involved in the delivery of a range of projects. The Klinikum is interested in offering placements in the Highlands as part of its training courses.
- 6.4 There is no shortage of opportunity, as well as the projects potentially detailed above there are a number of EU related opportunities, not least the Horizon 2020 programme. The Bavarian Research Alliance (**Appendix 2**) also promotes opportunities for the development of joint working, using EU Programmes and they also have a tie up with the Enterprise Europe Network (EEN) hosted in the Highlands by the Council, and referred to in section 3 of this report.
- 6.5 The next stage is positive engagement, due to the efforts of a consultant for the Council, DS Consulting based in Munich, good connections have been made across Bavaria, and not just in Augsburg. The advice to the Council now is that to move from

the dialogue stage to the actual development of joint projects.

- 6.6 DS Consulting, from its base in Munich, is very well placed to assist the Council further; without assistance in Bavaria the Council would not have been able to progress to the position it is currently in. DS Consulting has been able to bring the Council together with the relevant people within Bavaria and in Augsburg, building upon our own civic connections by introducing us to economic development representatives both in the city but also in the wider Schwaben region. Furthermore, the firm's knowledge of, and connections with, the Bavarian Government has been important both from the point of view of the Highlands, but also nationally, where the firm was prominent in bringing together the Scottish and Bavarian Governments.

7. Implications

- 7.1 Resource – Additional resources will be required to engage further specialist consultancy advice for the continued development of Economic links with Inverness' twin city of Augsburg. It is anticipated to be in the region of £20,000 over the next financial year and will be found from a combination of Highland Council funds, the Development and Infrastructure Services' Economic Initiatives Budget, the Inverness Common Good Fund (City Promotions Budget). Following their participation in the recent Augsburg visit it is anticipated that HIE will also contribute to the costs.
- 7.2 Legal - There are no legal implications arising from this activity.
- 7.3 Community (Equality, Poverty and Rural) – There are no specific community implications arising from this. While the twinning relationship is predominantly between The City of Inverness and its twin city Augsburg, there is every possibility of benefits accruing in rural areas of the Highlands as a result of this activity.
- 7.4 Climate Change/Carbon Clever - No Climate Change/Carbon Clever issues arising from this report
- 7.5 Risk – There are no risk implications arising from this report.
- 7.6 Gaelic - There are no issues relating to Gaelic arising from this report

Designation: Director of Development and Infrastructure and Inverness Area City Manager

Date: 15 May 2018

Author: Kenny Macinnes, Principal Economy Officer

Background Papers: City of Inverness Committee Reports 3 December 2015 and 1 September 2016, 19 June 2017

Augsburg Visit

Augsburg Chamber of Commerce

Lisa Dallner, Communication and Marketing, EXPO REAL

City of Augsburg

Karl Bayerle, Head of EDA, Economic Development

Dieter Saborowski, Mayor of Augsburg's Office

Bianca Mayr, Economic Development

Thomas Aselmann, Area Manager, Stadwerke Augsburg Energie

Jana Lovell, Director International Affairs, IHK Schwaben

Nina Reitsam, Innovation, Environment and Energy, IHK Schwaben

SGL Group

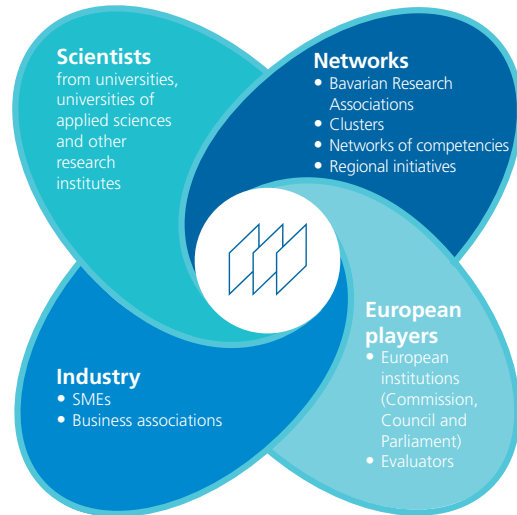
Clemens Hauswirth, Head of Operations/ Composites, SGL

Dr Andreas Wöginger, VP Product Management, SGL

Klinikum Augsburg

Dr Renata Linne, Project Leader, University Hospital Augsburg

Key players and networks



Our Associates are

- University of Bavaria e. V.
- The Bavarian Universities of Applied Sciences

Supported by

- Bavarian State Ministry of Education, Science and the Arts
- Bavarian State Chancellery

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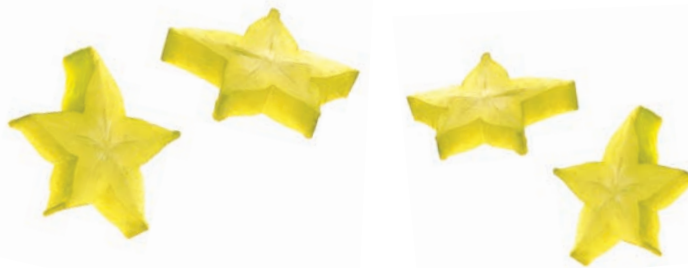
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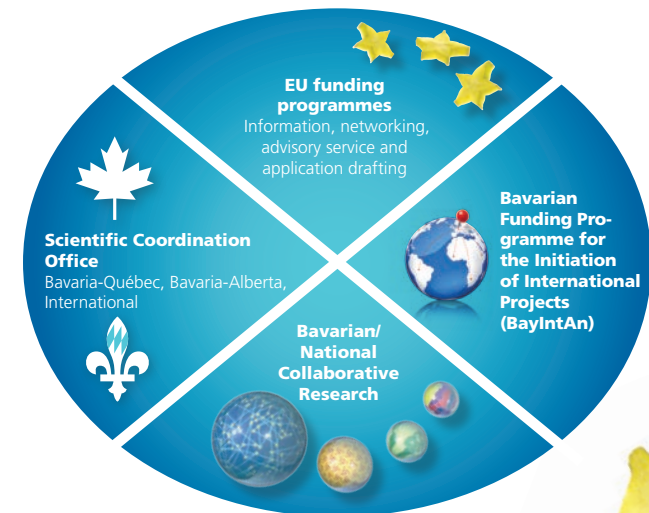


About the Bavarian Research Alliance

Solely excellent research can generate the necessary innovative capacity for European universities and enterprises to persist in global competition. Bavaria is home to such research and the European Union promotes it with its Framework Programmes. The Bavarian Research Alliance (BayFOR) provides support to Bavarian universities and enterprises particularly within the EU fundraising process, and stands for a better networking between scientists and industry.

Our four core competencies are:

- EU funding programmes
- Bavarian/National Collaborative Research
- Scientific Coordination Office
Bavaria-Québec/Alberta/International
- Bavarian Funding Programme for the
Initiation of International Projects (BayIntAn)



Research funding

Interested in participating in an EU project or in launching a consortium? Get in touch with us!

- We have adequate resources and expertise to support your efforts competing for research funding
- We provide a sound knowledge of regional, national and European research funding
- We identify project partners in your area of science and business
- We support you from project initiation to completion
- We assist you in project management issues
- We contribute to the successful positioning of Bavarian research interests within the European Research Area through our EU Liaison Office in Brussels

Main activities from project initiation to completion



Enterprise Europe Network

We are a partner organisation in the EU-funded Enterprise Europe Network project. It helps small and medium-sized enterprises across Europe with their search for suitable international cooperation partners for R&D projects and with application for EU funds. It promotes competitiveness and innovation at European level.



Bavarian Research Associations

Since 1985, the Bavarian Research Associations have been pursuing the concept of interdisciplinary and applied research projects in Bavaria. A Bavarian Research Association comprises a group of science and industry partners who jointly work on complex topics. The experience from successful regional networks provides an excellent background for later European cooperation.

Typically, a Research Association exists for three to four years, has a multidisciplinary approach and acts at multiple sites. Partners from industry get involved with financial and personnel resources, too.

BayFOR identifies scientific expertise in Bavaria and integrates it with the ultimate goal of obtaining funding from programmes financed by the European Commission. As a partner of Bavarian Research Associations, we possess a thorough knowledge of Bavaria's research landscape and maintain close contact to outstanding scientists.

Research Associations are organised within worlds of sciences:

- The cultural world
- The living world
- The material world
- The information world



Scientific Coordination Office Bavaria-Québec/Alberta/International

Over the years, Bavaria and the Canadian province of Québec have established a strong collaboration in research, science, and technology. The Scientific Coordination Office Bavaria-Québec/Alberta/International promotes the set-up of joint research projects in close cooperation with the industry. It aims at increasing the presence of both regions abroad.

The Scientific Coordination Office:

- Is responsible for over 20 joint scientific projects
- Provides professional scientific, administrative, and financial management service for bilateral research projects – from the initial idea to project implementation
- Promotes networking activities between research key players in Bavaria and Québec
- Facilitates scientific cooperation between Bavaria and Alberta
- Coordinates the scientific activities of the Regional Leaders Summit (RLS)

BayIntAn – Promoting cooperation

We have been commissioned by Bavaria's State Ministry of Education, Science and the Arts to look after the Bavarian Funding Programme for the Initiation of International Projects (BayIntAn). Our efforts are aimed at initiating or strengthening transnational collaborative research involving Bavarian universities and universities of applied sciences. The goal of this support is to promote Bavaria as a centre for science and innovation by means of comprehensive international networking.

Bavarian state universities and universities of applied sciences are entitled to apply. The objective of the projects that are funded is to further transnational scientific cooperation. In other words, every project must have at least one international partner. We usually allocate the funds in the form of grants for travel and accommodation expenses. In this regard, we select the most promising projects from the intended cooperation projects and award the corresponding funds on the basis of the budget resources that are available. The grants normally represent a partial financing. The maximum grant is EUR 10,000 per application.

More information about possible funding opportunities for prospective research cooperation projects and a template for project blueprints are available at www.bayfor.org/internationalisation.

