

# **Review of Nomenclature of Units for Territorial Statistics (NUTS) Boundaries 2012: Analysis of Responses**

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## **Introduction**

The Nomenclature of Units for Territorial Statistics (NUTS) is a set of geographical boundaries set and regulated by the European Union. The core purpose of NUTS boundaries is the reporting of regional statistics to Eurostat, however those statistics are often used to inform regional policy development and determine regional funding allocations.

Eurostat are carrying out a review of NUTS boundaries and the Scottish Government carried out a consultation to inform our response to the Eurostat review. This report contains an analysis of the responses to this consultation.

## **What did the consultation cover?**

The consultation covered NUTS 2 and 3 boundaries and sought to identify views on making NUTS areas in Scotland compliant with administrative areas or to gather the evidence required for continued exemption. The consultation contained a set of proposals and asked 4 questions, seeking views on aligning NUTS 2 and 3 boundaries to Local Authority boundaries and for evidence in favour of or against exemptions for the NUTS areas below recommended population thresholds.

## **Overall Response**

A total of 275 responses were received, of which 241 were part of a campaign to keep Arran and the Cumbraes separate from North Ayrshire. The majority of the remaining 34 responses were from Local Authorities and other public bodies, but also included a number of responses from private individuals and businesses.

## **Summary of Findings**

There is substantial local opposition to aligning NUTS boundaries to Local Authority boundaries in Arran and the Cumbraes, as these islands are in the North Ayrshire Local Authority and the change would require them to leave the Highlands & Islands NUTS 2 area.

Objections to aligning to Local Authority boundaries cited historical links between the Cumbraes and Argyll & Bute Council area, differing socio-economic circumstances and differing service requirements.

The responses in favour of aligning to Local Authority boundaries cited reduced administration costs, minimal impact and reduced complexity in project delivery.

Responses were unanimously in favour of keeping the Highlands & Islands NUTS 2 area separate from the North East Scotland area and for not creating a non-contiguous NUTS 3 area to meet target population thresholds.

## **Scottish Government's Response**

We will be submitting proposals for no change to NUTS boundaries during the current review, due to the local opposition to the proposed changes to the Cumbraes. The responses to the consultation will be used to provide evidence to Eurostat that an exemption should be allowed for the NUTS areas that are below the population thresholds and non-compliant with Eurostat definitions.

The next review will be carried out in 2016 and we will consult widely on some of the proposals suggested during this review. The process will begin in Spring 2015.

## **Detailed Analysis of Responses**

### **NUTS 2**

There are 4 NUTS 2 areas in Scotland. The consultation asked for views on aligning NUTS 2 areas to Local Authority boundaries to make them compliant with Eurostat definitions. This would result in Helensburgh and Lomond moving into the Highlands & Islands NUTS 2 area, while Arran and the Cumbraes would move to the West of Scotland NUTS 2 area.

241 of the responses received were part of a campaign against these changes. The majority of these responses came from residents of the Cumbraes, citing concerns that they would lose regional aid funding or stated that they should remain in the Highlands & Islands NUTS 2 area because they are an island.

The more detailed responses from this campaign argued that islands need to be recognised through the current structure to ensure that they benefit from more appropriate and effective regional policies. Other benefits cited by respondents included allowing them to share ideas, training and experiences with other islands. There were some concerns raised around the problems of having NUTS 2 boundaries that don't align to Highlands and Islands Enterprise (HIE) boundaries or concerns that these changes might cause HIE to change their boundaries.

Other respondents stated that Arran and the Cumbraes have similar development needs to Argyll & Bute. A number of respondents highlighted the issues that Arran and the Cumbraes have with transport links and that this results in increased travel costs and a more insular economy. This means that Arran and the Cumbraes need policies that are tailored specifically for islands and remote areas. Respondents highlighted that Arran and the Cumbraes are remote and have a low population density, in common with the Highlands & Islands. In addition, their economic base is similar to the Highlands & Islands, with a strong dependence on primary sectors and the seasonal visitor economy.

A number of respondents pointed out that when the Highlands & Islands Development Board (HIDB) was formed, it did not include Arran & the Cumbraes, but they were later transferred into the HIDB due to similar socio-economic and demographic challenges to the Highlands and Islands. Additionally, Arran and the Cumbraes are in a different LEADER Rural Development Local Action Groups than

the rest of North Ayrshire so that they can benefit from a more tailored approach that reflects the islands needs. One respondent highlighted that Arran and the Cumbraes were part of the County of Bute prior to the 1975 local government reorganisation and that they have more historical links with Argyll & Bute than with North Ayrshire.

One response was opposed to the changes due to the differing socio-economic conditions within Helensburgh and Lomond compared with the rest of Argyll & Bute. The respondent expressed the view that Helensburgh and Lomond required different economic policies from other parts of Argyll & Bute, and held the view that it's easier to implement economic and transportation policy using the existing NUTS 2 boundaries.

One response expressed the view that the changes were minimal and sensible. Others were relaxed about the changes or simply stated that they supported them. One respondent stated that having NUTS boundaries that align to LA boundaries made it easier to manage development programmes and reduced the complexity of project delivery.

All respondents supported keeping Highlands & Islands NUTS 2 area separate from North East Scotland NUTS 2 area. Comments on this will be included in the analysis of question 3 of the consultation.

### **NUTS 3**

The consultation sought views on the proposal to align NUTS 3 areas to Local Authority boundaries.

The majority of respondents provided no comments on the proposals and instead only commented on NUTS 2 boundaries. NUTS 3 nests into NUTS 2 boundaries, so any changes to NUTS 2 boundaries will have a knock-on effect to NUTS 3 boundaries and many of the comments from the first question will apply to NUTS 3 boundaries as well.

One respondent stated that their organisation did not have a unified opinion on the changes.

A number of respondents simply stated that they were in favour of the changes.

One respondent raised concerns about the robustness of the data produced at some of the smaller NUTS 3 areas, however also stated that the smaller level data has been of considerable use.

A majority of respondents to this question were against the changes, stating that the current configuration is a reasonable reflection of the region's economic geography or stating that these changes would have implications for Arran and the Cumbraes.

A number of respondents are against the changes, due to the increased availability of sub-LA level data that smaller NUTS 3 areas allows. This helps address particular socio-economic characteristics, issues and challenges facing these areas and makes it easier to target projects at smaller areas within the LA.

One respondent was against the changes, stating that the Helensburgh and Lomond has more in common with East & West Dunbartonshire than with Argyll & Bute, and has a history of working together on various economic development projects.

One respondent was in favour of the changes, with the exception of the retention of the islands of Arran and the Cumbraes in the Argyll & Bute NUTS 3 area.

One respondent put forward the view that moving Arran and the Cumbraes into the South West Scotland NUTS 2 area would result in new competition for European funding in the area at the individual project level.

### **Highlands & Islands and North East Scotland**

Respondents were unanimously in favour of keeping the Highlands & Islands NUTS 2 area separate from the North East Scotland area. Comments providing evidence in favour of an exemption included:

- Significantly different population densities and distributions:
  - Highlands & Islands contain 11 people per sq. km. compared with 62 per sq. km. in the North East of Scotland;
  - Highlands & Islands has the lowest population density of any NUTS 2 area outside of Scandinavia;
  - 23% of the Highlands & Islands population live on islands, which mean a high proportion of the population experience high cost service provision.
- The different infrastructure necessary to provide services to the extremely remote and peripheral communities in the Highlands & Islands;
- Different geography of the two areas:
  - Highlands & Islands contain highly mountainous terrain and extremely remote communities;
  - Highland Fault Line provides a natural border between the two areas
- Concentration of Gaelic speakers in the Highlands & Islands;
- The different economies of the two regions:
  - North East has a GDP per head of 154% of the EU27 average, while the Highlands & Islands is 84%;
  - North East economy is largely centred around the oil industry, while the Highlands & Islands economy has a strong dependence on primary sectors and seasonal visitor economy;
  - Highlands and Islands has a highly insular economy;
- The increased risk of population collapse in the more remote and fragile parts of the Highlands & Islands.

### **Argyll & Bute and Moray Exemption**

The proposals were to align NUTS 3 areas with Local Authorities and respondents were asked to provide evidence in favour or against seeking an exemption to the

proposed Argyll & Bute and Moray areas, which would be below the target population thresholds.

Respondents were unanimously in favour of keeping these areas separate and provided the following comments:

- These areas are non-contiguous which causes administrative difficulties;
  - These councils do not regularly share services or have a history of bi-lateral cooperation;
  - They do not have any political, administration or institutional links in common;
- These areas face different issues:
  - Transport infrastructure will be a greater concern for Argyll & Bute;
  - Moray is largely self-contained, with approximately 91% of Moray's economically active residents study or working in Moray;
- The areas have differing historical and social issues;
- The population density of Moray is approximately 3 times that of Argyll & Bute;
- The geography of these areas are significantly different:
  - Argyll & Bute is very remote and contains 25 inhabited islands;
  - The areas are divided by mountainous terrain and have very few direct transport links;

## **Other**

A number of respondents requested changes to NUTS boundaries that will be considered at the next review of NUTS boundaries:

- Changing NUTS 2 & 3 boundaries in the East of Scotland to better align to city-regions;
- The creation of a new South of Scotland NUTS 2 area;
- A rearrangement of NUTS 3 Local Authority groupings in the East of Scotland;
- Creation of "city" NUTS 3 areas, e.g. Inverness City, Perth City, Stirling City;

One respondent also requested that more use is made of the LAU1 geography, citing a lack of key economic statistics at this level.

## **ANNEX A – LIST OF CONSULTEES**

This was a public consultation and responses were welcome from any individuals or organisations with an interest. The following were invited to respond:

- Convention of Scottish Local Authorities;
- Local Authority Chief Executives;
- Scottish Members of European Parliament;
- Equalities and Human Rights Commission;
- Scottish Human Rights Commission;
- South of Scotland Alliance;
- Scottish Enterprise;
- Highlands and Islands Enterprise;
- Information Services Division Scotland, NHS National Services;

### **Accessing Responses to the Consultation**

Non-confidential responses to the consultation are available to the public in the following ways:

- On the Scottish Government consultation web pages (<http://www.scotland.gov.uk/consultations>);
- At the Scottish Government Library, K Spur, Saughton House, Broomhouse Drive, Edinburgh, EH11 3XD. Copies of responses can be viewed by visiting the library or can also be provided by post. Charges for photocopies are made on a cost-recovery basis. To request copies by post and enquire about charges or make an appointment to view responses at the library, contact the Library on 0131 244 4565.

Given the large number of responses we have received arguing against the proposal relating to Cumbrae and Arran we have decided to make available a large sample of those responses. This decision has been made to save public money in processing and publishing multiple responses that raise the same concerns.



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