

## CONSULTATION QUESTIONS

NUTS boundaries are used for reporting of regional statistics to Eurostat and those statistics are used to inform regional policy. The Scottish Government is proposing to make minimal changes beyond aligning existing NUTS boundaries to Local Authority Boundaries.

### Do you have any comments on the Scottish Governments proposals for NUTS 2 regions?

We would like to register our **opposition** to the proposal that :

‘The Isle of Arran and The Cumbraes would move into the South Western NUTS 2 area so that they are in the same NUTS 2 region as the mainland part of North Ayrshire’.

Whilst this may seem a logical administrative step it fails to appreciate the fact that these islands, whilst in the middle of the Clyde and within sight of the mainland, still face the same economic and social problems as occur in perceived ‘more remote’ areas. Namely high unemployment, economies largely based on tourism, seasonality of the tourist industry, an aging population and high cost of living because of travel costs. Arran and the Cumbraes are recognised as having fragile economies and we would disagree with the statement that this change would result in ‘minimal changes beyond aligning existing NUTS boundaries to Local Authority Boundaries.’ The proposed changes would, in reality, have a substantial impact on EU policy, and the associated regulatory and funding regimes which apply to these islands; and would mean that Arran and the Cumbraes would not be in the same EU administrative category as other Scottish islands. As stated in the consultation document

‘Changing the boundaries of these regions may, in the long term, affect the levels of support different areas are eligible for, as Structural Funds are distributed based on GDP per capita in each NUTS 2 region and changing the boundaries could change the figures’.

Many of the recent initiatives aimed at stimulating the economies of Arran and the Cumbraes have been full or part-funded by the Highlands and Islands Council and so have directly benefited from European Structural funds as part of their inclusion in the Highlands and Islands NUTS 2 category. From our organisations viewpoint (as a large local employer), the involvement of H&I has been extremely beneficial. It is easily conceivable that many projects (and future planned ones) on the islands would not occur if funds from the Highlands and Islands were not available. As stated in the document, all the other areas of Scotland are currently in the least intensively supported category, except from the NUTS 2 Highlands & Islands (H&I) region. In the consultation document the Governments’ opposition to the merging of the Highlands & Islands with North Eastern Scotland to create a new area that’s closer to the recommended population thresholds is clearly stated and something our institute agrees with. However, the plan to request that these areas should be allowed an exemption under Article 3 (5) of the NUTS Regulations due to their geographical, socio-economic, historical, cultural and environmental circumstances, also provides a clear case for the Isle of Arran and The Cumbraes to be left in the

Highlands and Islands Nuts regions 2 – they have the same unique geographical, socio-economic, historical, cultural and environmental circumstances which make them logically, and socio-economically part of the H&I region. Isle of Arran and The Cumbraes have been historically underfunded and so altering the regions so that they are in the same NUTS 2 region as the mainland part of North Ayrshire has no perceivable, stated socio-economic benefits apart from administrative ease. If there are any socio-economic benefits to this change they have not been stated in the document. We do not believe that removing the Cumbraes and Arran from the Highlands and Islands region for the sake of statistical reporting is a credible option from the point of view of the local economies and social welfare of the communities associated with these islands.

**Do you have any comments on the Scottish Governments proposals for NUTS 3 regions?**

We agree with the Scottish Governments request that these areas should be allowed exemption under Article 3 (5) of the NUTS Regulations because of their geographical, socio-economic, historical, cultural and environmental circumstances.

Eurostat have requested we consider merging the Highlands & Islands with North Eastern Scotland to create a new area that's closer to the recommended population thresholds. The Scottish Government plan to request that these areas should be allowed an exemption under Article 3 (5) of the NUTS Regulations, i.e. because of particular geographical, socio-economic, historical, cultural or environmental circumstances, especially in the islands and the outermost regions.

**Please provide any evidence in favour of or against an exemption under Article 3 (5) of the NUTS Regulations for Highlands & Islands and North Eastern Scotland NUTS 2 areas?**

As stated above, the Highlands and Islands are unique in terms of their socio-economic development, historical/cultural and environmental circumstances. Consequently, merging the Highlands and Islands with North Eastern Scotland for ease of 'global statistical reporting' is not a credible option and certainly a detrimental one to these vulnerable areas.

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Eurostat have suggested that the Scottish Governments proposals for NUTS 3 should include merging Moray with Argyll & Bute Local Authority to create an area that meets their recommended population ranges.

**Please provide any evidence in favour of or against an exemption under Article 3 (5) of the NUTS Regulations for the proposed Moray and Argyll & Bute NUTS 3 areas?**

Comments