

## 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?**

Argyll and Bute Council is opposed to the Scottish Government proposal to align NUTS 2 areas with local authority boundaries which would extend the Highlands and Islands NUTS 2 area to include Helensburgh and Lomond. Whilst it may appear to make sense in terms of the gathering of statistics, it does not make sense from an economic development policy perspective. Statistics are gathered as a basis for policy making, but Argyll and Bute Council believes that Helensburgh and Lomond should continue to be classed as part of the South Western Scotland NUTS 2 area and not as part of the Highlands and Islands.

Helensburgh and Lomond is distinct from the rest of Argyll and Bute in terms of how its economy operates, where the population live and work, population density and settlement structures. These differences are reflected in the fact that both areas are included in different economic development agency operational areas (Helensburgh and Lomond is part of the Scottish Enterprise area whereas the rest of Argyll and Bute operates within the Highlands and Islands Enterprise area). We would be concerned that if the proposed Scottish Government NUTS 2 changes affecting Argyll and Bute were adopted this could also have policy implications. Economic development policy and transportation policy and associated funding streams in particular, which are strongly based on NUTS 2 boundaries, should continue to be implemented within the existing operational areas as they are currently defined.

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

Argyll and Bute Council is strongly in favour of the status quo position for the designated NUTS 3 areas. As mentioned in the response to the previous question, Helensburgh and Lomond and the rest of Argyll and Bute are very different areas in terms of their economies, population density and settlement patterns. The Helensburgh and Lomond area has more in common with East and West Dunbartonshire and they historically work well together. They share a common economic development area and have worked together on various economic development projects. Splitting up this NUTS 3 area for the purpose of gathering statistics makes no sense for the Helensburgh and Lomond area, nor for the rest of Argyll and Bute.

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?**

Argyll and Bute Council supports the exemption proposal put forward by the Scottish Government. If the exemption was not in place, then Eurostat would propose merging the Highlands & Islands with the North Eastern Scotland NUTS 2 areas to meet the recommended population threshold. From a statistics gathering and policy perspective this makes no sense. The two areas in question are operationally and economically very different - the North East of Scotland enjoys a GDP of 153.9% of EU27 average (the highest in UK outside of London) whilst the Highlands & Islands GDP is 84.1% of EU27 average. If the only justification for merging is to meet a population target then this should be rejected outright. The two areas operate within two separate economic development agency areas and due to their vastly different economies should continue to do so.

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?**

Argyll and Bute Council supports the exemption under Article 3 (5) of the NUTS Regulations for the proposed Moray and Argyll & Bute NUTS 3 areas. Without the exemption, Eurostat is proposing to combine Argyll and Bute with Moray (for statistical purposes) to create a NUTS 3 area which meets the minimum population threshold.

A merger of this nature, which is purely about meeting a statistical population threshold, makes no policy sense. The areas concerned are not only geographically remote from one another (drive time from one of Argyll's largest towns, Lochgilphead, to Elgin in Moray is 4 hours and 40 minutes) but have very distinct geographies and economies. Population density in Moray is almost three times that of Argyll and Bute. Argyll and Bute also has a large coastline with 25 inhabited islands giving it unique challenges which cannot be compared with the geography and local economic circumstances of Moray.

In addition, there is no statistical argument for the proposed merger. Any data would be meaningless as it would not provide an insight into conditions in either Argyll and Bute or Moray but an aggregate based on two distinct economies that function entirely independently of one another.