

Review of Nomenclature of Units for Territorial Statistics (NUTS) Boundaries

November 2015

REVIEW OF NOMENCLATURE OF UNITS FOR TERRITORIAL STATISTICS (NUTS) BOUNDARIES

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. The purpose of this consultation is to help inform the Scottish Government's response to this review and to ensure that stakeholders views are taken into account before submitting proposals.

The NUTS geography is a hierarchical geography with 3 levels. NUTS1 is the highest level of the NUTS geography and Scotland is a NUTS1 region. NUTS levels 2 and 3 are sub-divisions of Scotland and should align to local administrative boundaries. Maps 1 on the following pages show the current boundaries of NUTS2 regions.

The Scottish Government will only be submitting proposals for changes to NUTS2 boundaries.

There are four NUTS2 areas in Scotland. Article 3 (2)¹ of the NUTS regulation, 2003 outlines the population thresholds for each NUTS level (NUTS2: 800,000-3,000,000, NUTS3: 150,000-800,000). The population ranges are guidelines only and Article 3 (5)¹ states that individual non administrative units may deviate from these thresholds because of particular geographical, socio-economic, historical, cultural or environmental circumstances.

The current UK NUTS structure was established in 1998 following an extensive consultation exercise two years earlier. All NUTS areas across Europe are reviewed regularly (normally every three years), with the last review completed in 2013.

Changes made as part of this review will come into force on the 1st January 2018, but will not impact on the allocation of structural funds beyond 2026.

Responses to this consultation are invited by 15 January 2016.

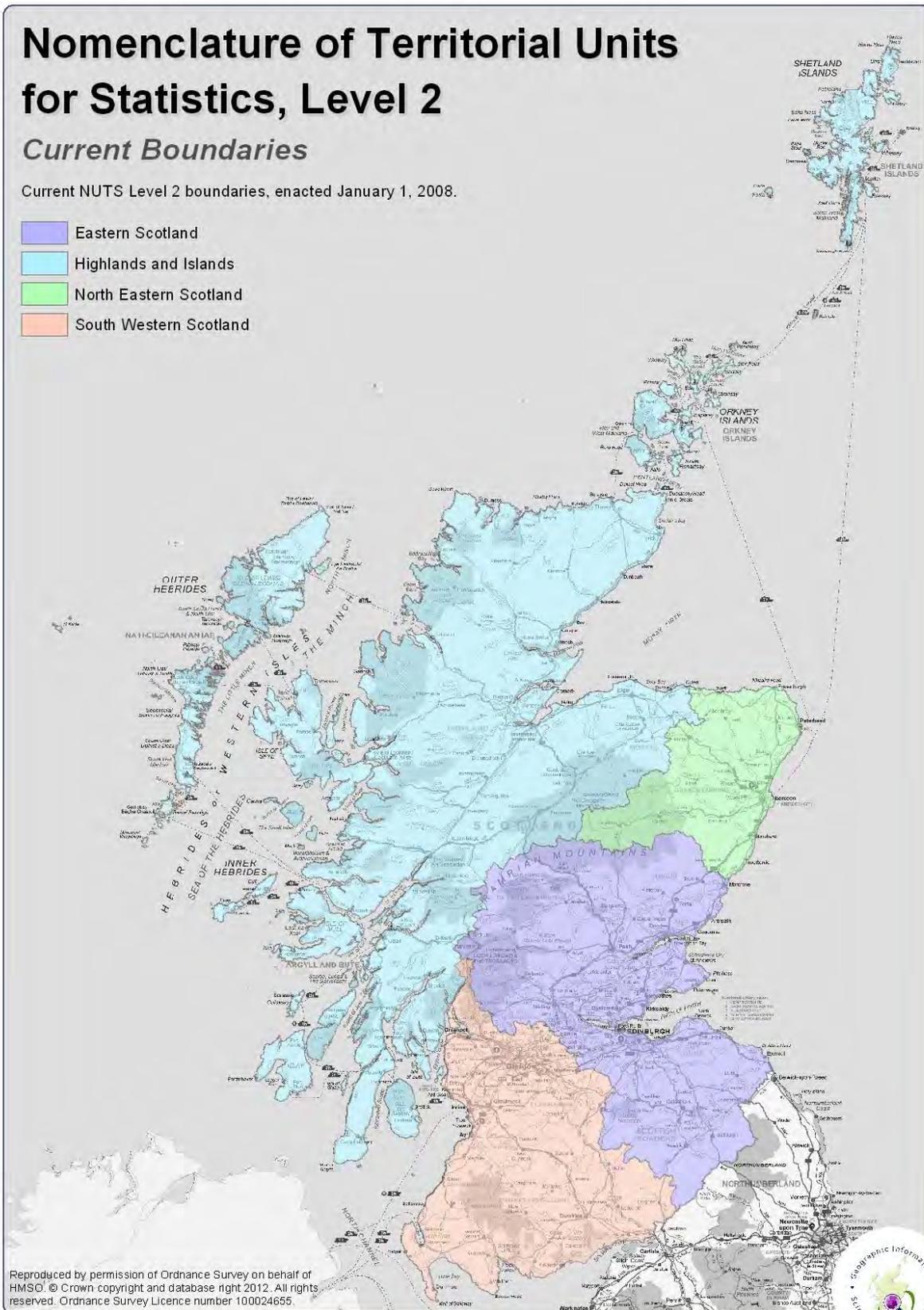
¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2003R1059:20110207:EN:PDF>

Nomenclature of Territorial Units for Statistics, Level 2

Current Boundaries

Current NUTS Level 2 boundaries, enacted January 1, 2008.

- Eastern Scotland
- Highlands and Islands
- North Eastern Scotland
- South Western Scotland



Map 1: Current NUTS Level 2 Boundaries

Statistical Issues

A number of statistical issues need to be balanced when reviewing NUTS boundaries: data availability, data protection, comparability across areas and stability over time.

All Member States have to report on a range of regional statistics to the EU on NUTS boundaries. In many cases, this is a legislative requirement, in other cases this is an ESS (European Statistical System) Agreement. ESS agreements are voluntary and there is no obligation on the UK to sign up to them, however, once signed there is an obligation to co-operate with them as part of wider EU obligations. Statistics are grouped into the following themes:

- general and regional statistic / EU policies;
- economy and finance;
- population and social conditions;
- industry and services;
- agriculture, forestry and fisheries;
- international trade;
- transport;
- environment and energy;
- innovation and information society

If any changes are made to NUTS boundaries, the Member State must also provide a back series on the new boundaries within two years of them coming into force. The length of the back series will be agreed between Eurostat and the administration responsible for the statistics.

Roughly standard populations across NUTS regions aid regional comparisons across the EU.

Comparability over time is essential for any time series analysis of statistics at the regional level. Boundary changes cause a discontinuity in the series and make it difficult to determine if a change in the statistics is due to a change in the geography or a change in the character of the area.

Policy Impact

The statistics supplied to the EU at NUTS regions are used to formulate regional policy initiatives and to determine regional funding allocations and eligibility. Any changes to the boundaries of NUTS regions will impact on the statistics used in these policies and which areas are affected by these policies.

€941 Million of Structural and Investment Funds were allocated over 7 years (from 2014 to 2020) to NUTS2 regions in Scotland. 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 NUTS2 region and changing the boundaries could change the figures. All areas of Scotland are eligible for funding in one of the supported categories.

A review of Structural Funds will be carried out in 2017 to determine funding over the period 2021-2026; however any **boundaries agreed during this review of NUTS boundaries will not come into force until 1st January 2018 and will not impact on the allocation of Structural Funds beyond 2026.**

Whether an area gains or loses Structural Funding eligibility will not be taken into account by Eurostat when considering changes to NUTS boundaries and they will not accept proposals simply intended to make an area eligible for Structural Funding.

The previous consultation looked at aligning the Arran and Cumbrae areas with the rest of the North Ayrshire Local Authority boundary. This consultation does not propose any changes to Arran and Cumbrae.

Proposals

Eurostat accept amendments to NUTS areas for two reasons:

- (i) Administrative change (for example, local government reorganisation) that affects the existing NUTS structure. Member States are asked to amend NUTS areas so that they reflect current administrative areas.
- (ii) Non-administrative change. Eurostat advise Member States to balance out the principles of increasing comparability between regions with retaining stability to preserve time series. Any changes proposed must respect the population thresholds (below) and reduce the standard deviation² of the size (in terms of population) of all EU territorial units for the NUTS level.

Population thresholds for NUTS areas

NUTS1	3 million - 7 million
NUTS2	800,000 - 3 million
NUTS3	150,000 - 800,000

The Scottish Government's proposals for NUTS2 regions is to create a fifth NUTS2 area to the south of Scotland. This requires changes to the boundaries of NUTS2 Eastern and South Western Scotland areas: This would include the following areas moving into a fifth NUTS2 area

- Scottish Borders local authority to move from Eastern Scotland to the proposed area;
- Dumfries and Galloway, South Lanarkshire, East Ayrshire and South Ayrshire local authorities move from South Western Scotland to the proposed area; and
- the North Ayrshire local authority mainland area, which is currently in the South Western Scotland region, move to the proposed area (Arran and Cumbrae will remain in the Highlands and Islands area).

² The standard deviation is a measure of spread or variation in data. If the population of NUTS areas have a low standard deviation, this would indicate that they all have populations close to the EU average population.

Map 2 shows the areas affected by these proposals.

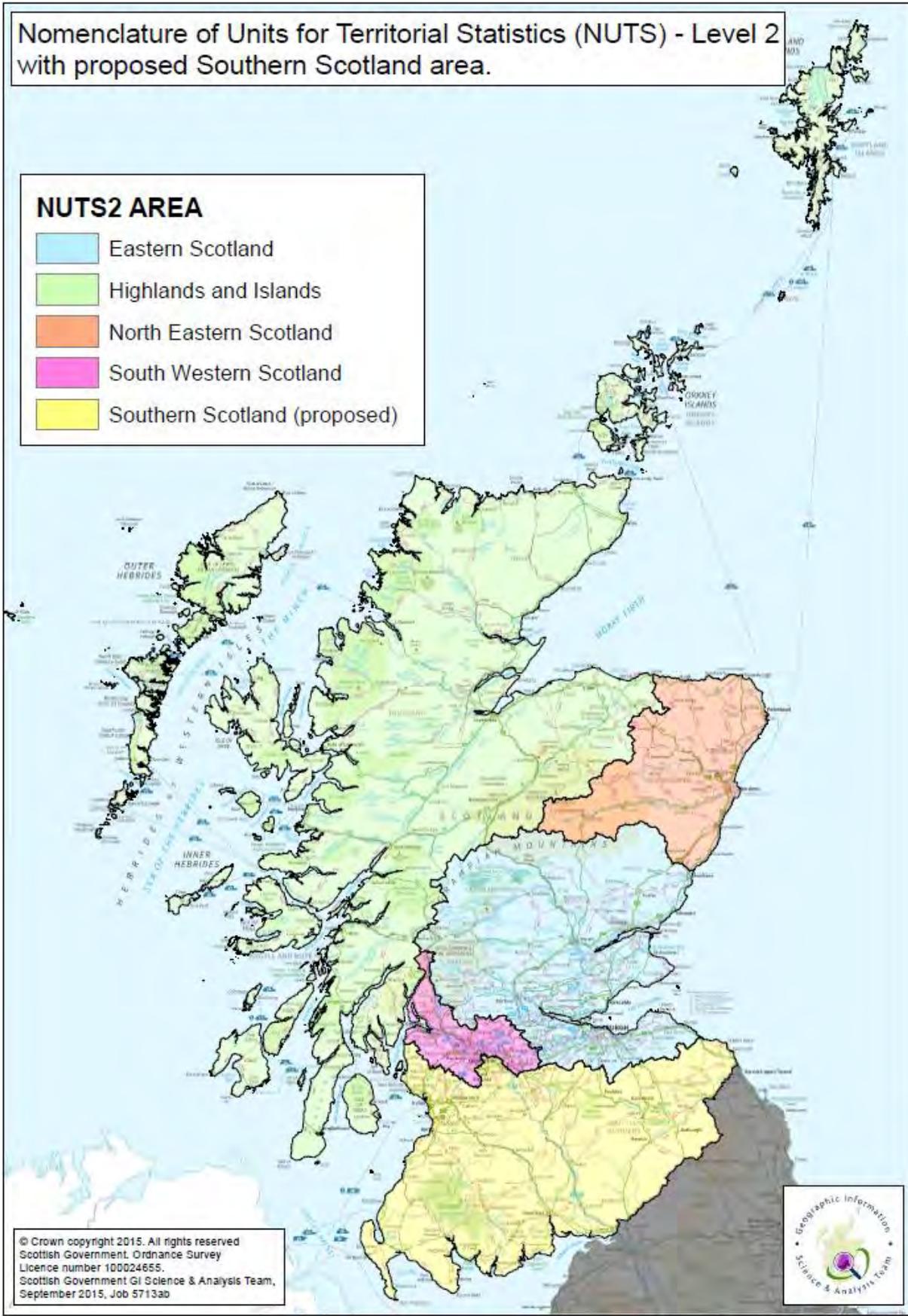
Maps 3 and 4 show a more detailed change to the boundaries in the east of Scotland. Maps 5 and 6 show more detailed changes to the boundaries in south western Scotland. Some boundaries may appear differently to the previous outlines due to changes in how coast and river lines are now calculated.

The full NUTS Regulations can be found here: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2003R1059:20110207:EN:PDF>

Nomenclature of Units for Territorial Statistics (NUTS) - Level 2
with proposed Southern Scotland area.

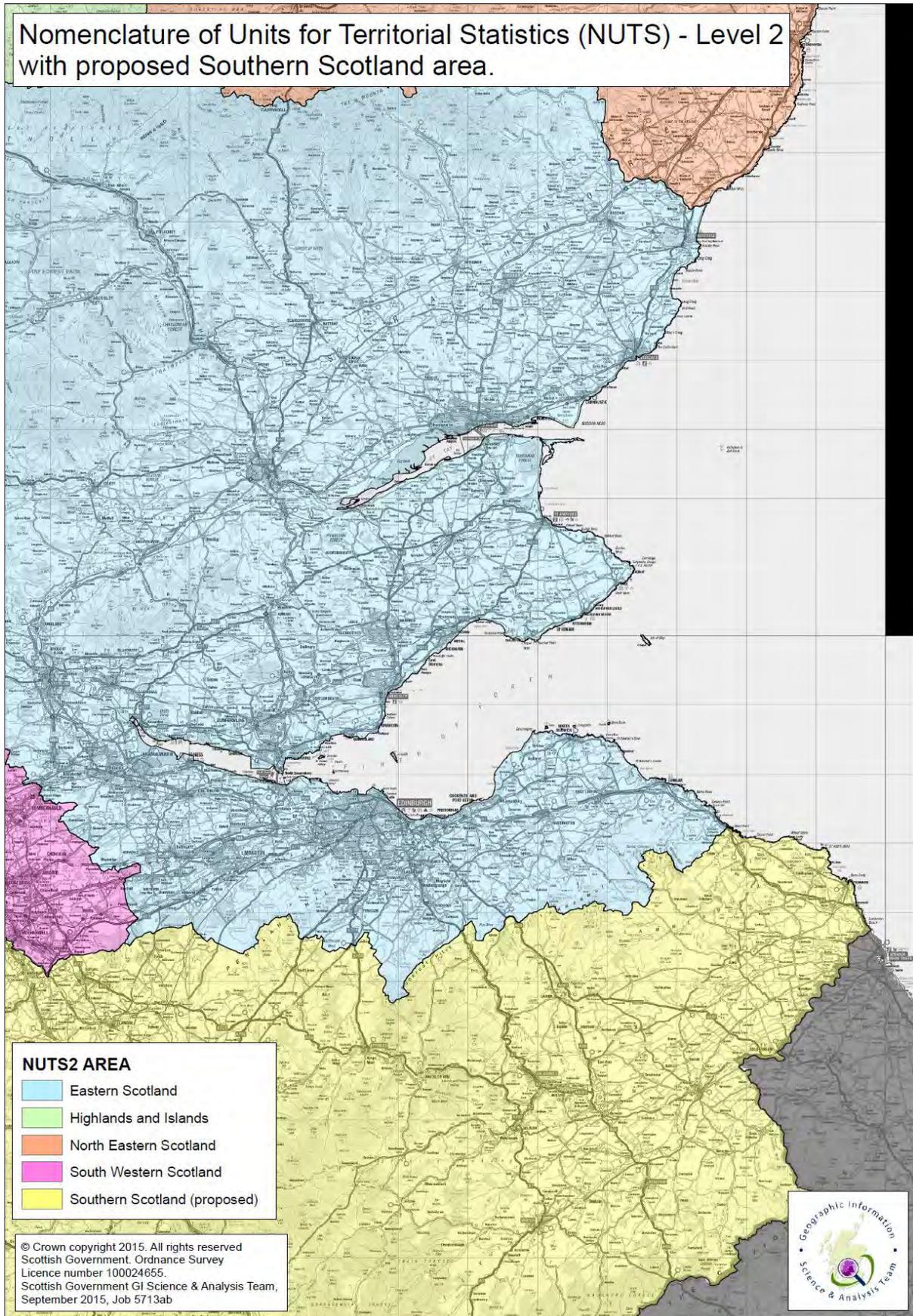
NUTS2 AREA

- Eastern Scotland
- Highlands and Islands
- North Eastern Scotland
- South Western Scotland
- Southern Scotland (proposed)

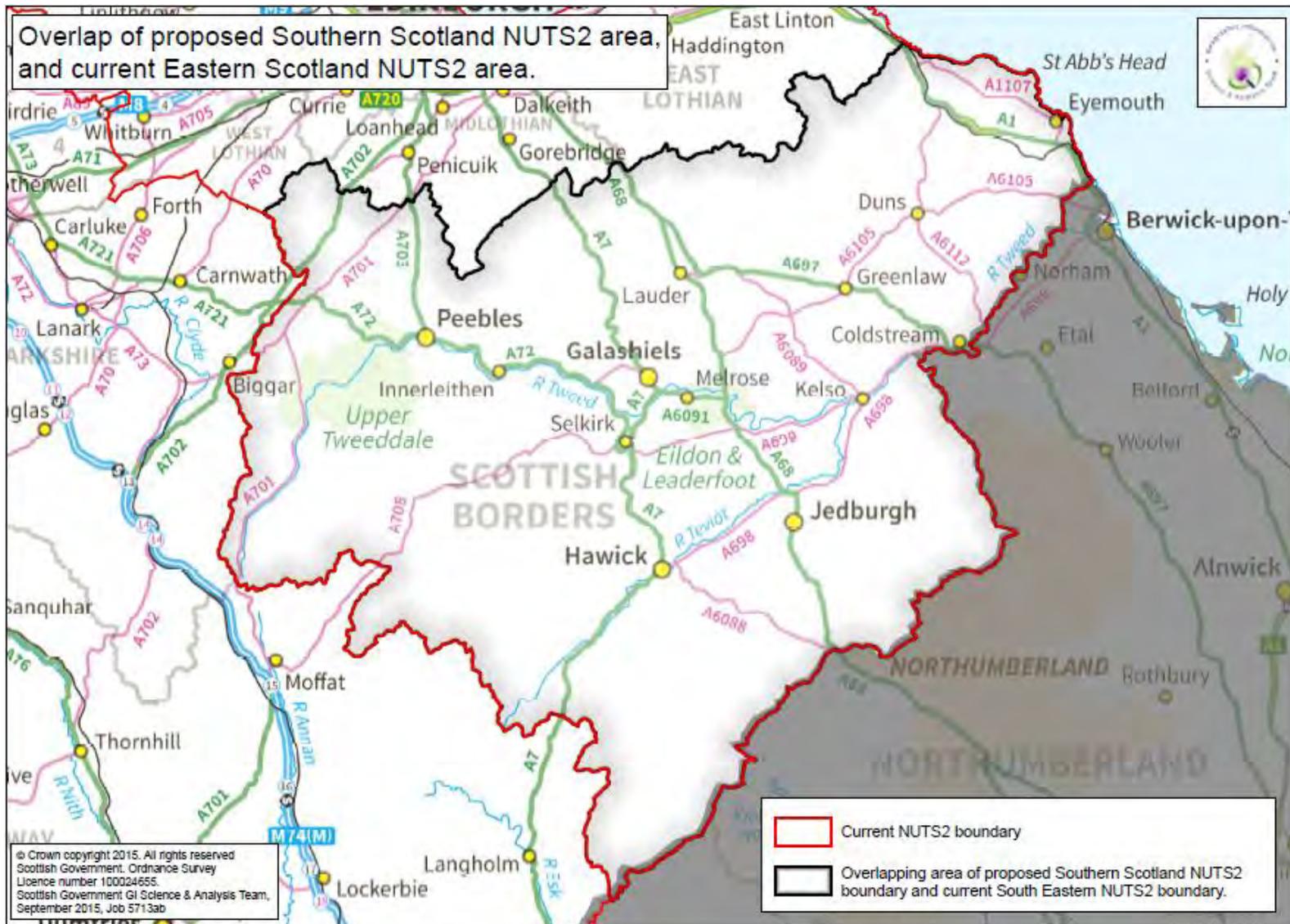


Map 2: Proposed Changes to NUTS2 Boundaries

Nomenclature of Units for Territorial Statistics (NUTS) - Level 2
with proposed Southern Scotland area.



Map 3: Proposed Changes to NUTS2 Eastern Boundary

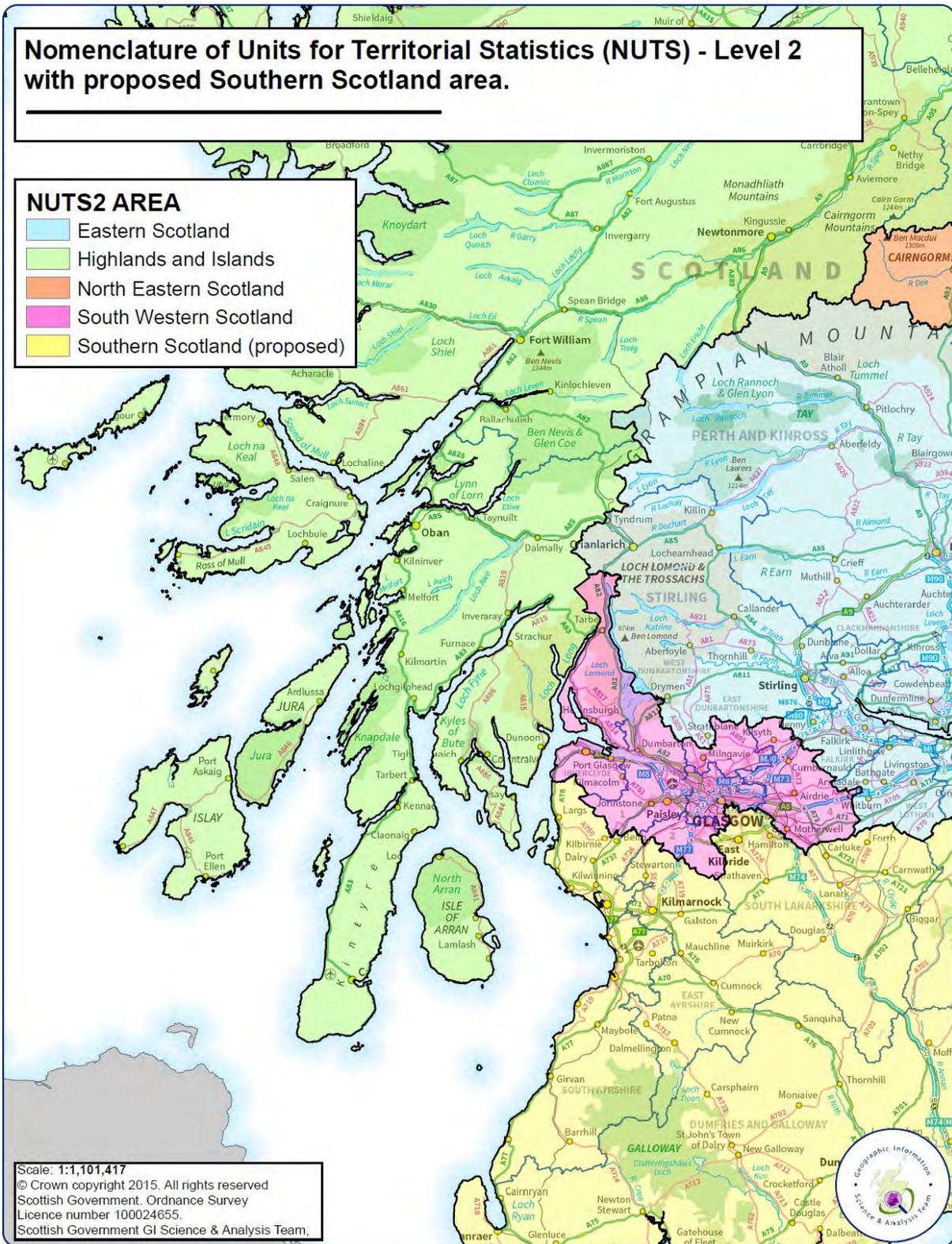


Map 4: Changes to NUTS2 Eastern Boundary (detailed)

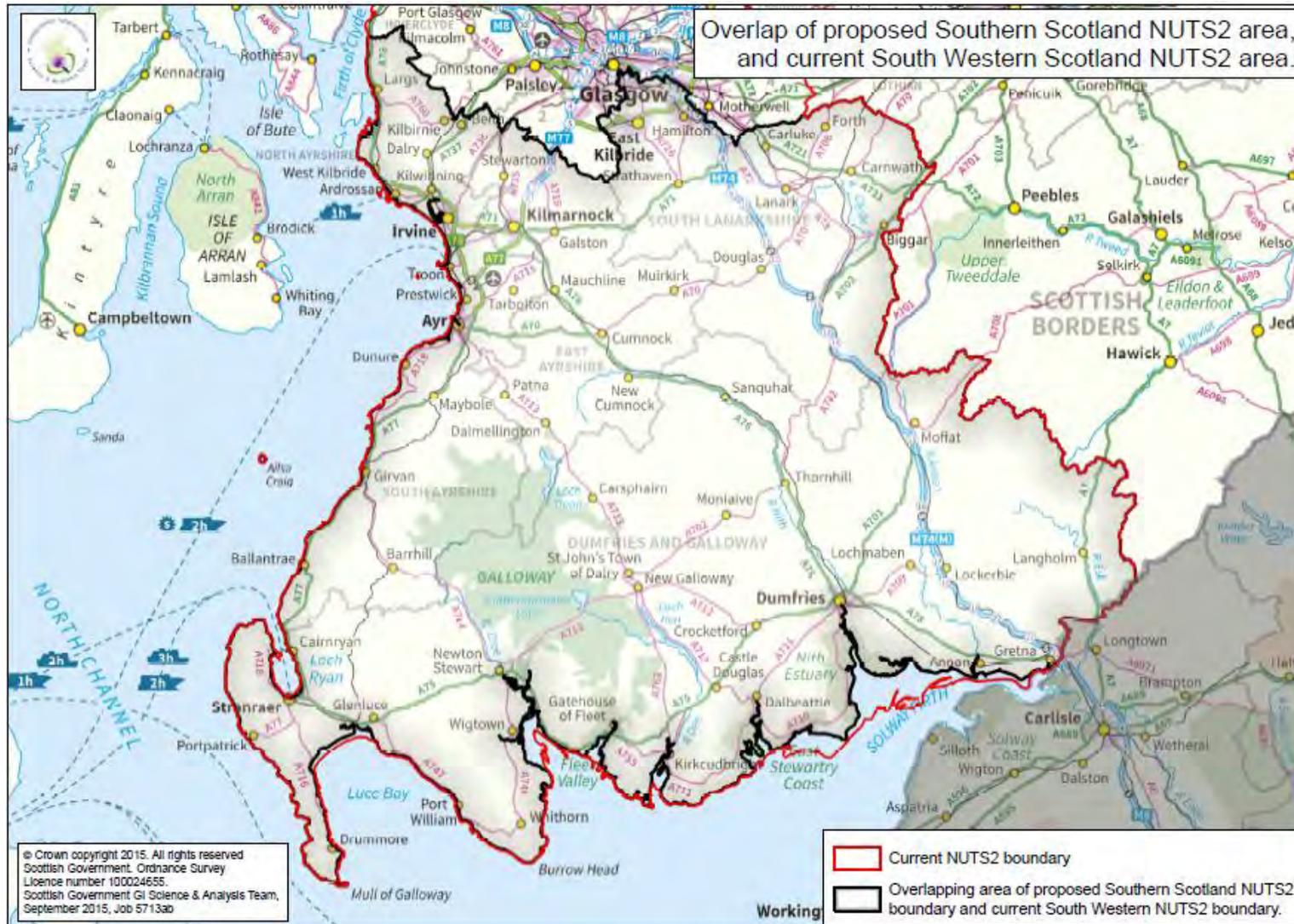
Nomenclature of Units for Territorial Statistics (NUTS) - Level 2 with proposed Southern Scotland area.

NUTS2 AREA

- Eastern Scotland
- Highlands and Islands
- North Eastern Scotland
- South Western Scotland
- Southern Scotland (proposed)



Map 5: Proposed changes to NUTS2 South Western boundary



Map 6: Proposed changes to South Eastern Boundary (detailed)

ANNEX A – POPULATION TABLES

Table A1 – Population of Current and Proposed NUTS2 areas

NUTS2 Area	Mid-2011 Population Estimates	
	Current	Proposed
Eastern Scotland	2,021,295	1,907,425
South Western Scotland	2,332,045	1,499,215
North Eastern Scotland	475,765	475,765
Highlands and Islands	466,300	466,300
South of Scotland	-	946,700

ANNEX B – HOW TO RESPOND TO THIS CONSULTATION

We are inviting responses to this consultation by 15 January 2015.

Please respond to this consultation online at <https://consult.scotland.gov.uk/digital-communications/review-of-nuts>. You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date.

If you are unable to respond online, please complete the Respondent Information Form (see more information in the “Handling your Response” section) and send by post to:

NUTS Consultation,
Office of the Chief Statistician and Strategic Analysis,
2W,
St. Andrew’s House,
Regent Road,
Edinburgh,
EH1 3DG,

Handling your response

We need to know how you wish your response to be handled and, in particular, whether you are happy for your response to be made public. Your completed Respondent Information Form, which forms part of the consultation questionnaire, will help us to treat your response appropriately. If you ask for your response not to be published we will regard it as confidential and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and so would have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

Information about Scottish Government Consultations

This consultation, and all other Scottish Government consultation exercises, can be viewed online on the consultation web pages of the Scottish Government website at <https://consult.scotland.gov.uk/>

The Scottish Government has an email alert system for consultations, <http://register.scotland.gov.uk>. This system allows stakeholder individuals and organisations to register and receive a weekly email containing details of all new consultations (including web links). It complements, but in no way replaces SG distribution lists, and is designed to allow stakeholders to keep up to date with all SG consultation activity, and therefore be alerted at the earliest opportunity to those of most interest. We would encourage you to register.

Next steps in the process

Where respondents have given permission for their response to be made public and after we have checked that they contain no potentially defamatory material, responses will be made available to the public in the Scottish Government Library. You can make arrangements to view responses by contacting the SG Library on 0131 244 4552. Responses can be copied and sent to you, but a charge may be made for this service.

What happens next?

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us finalise proposals for NUTS areas in Scotland. We aim to issue a report on this consultation process by March 2016.

Comments and complaints

If you have any comments about how this consultation exercise has been conducted, please send them to Roger Halliday, The Chief Statistician, Scottish Government, St Andrew's House, Regent Road, Edinburgh EH1 3DG or email Roger.Halliday@gov.scot

ANNEX C – LIST OF CONSULTEES

Responses to this consultation are welcome from any individual or organisation with an interest. The following have been 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;

ANNEX D – RESPONDENT INFORMATION FORM



REVIEW OF NOMENCLATURE OF UNITS OF TERRITORIAL STATISTICS (NUTS) BOUNDARIES

Please Note this form **must** be returned with your response to ensure that we handle your response appropriately

1. Name/Organisation

Organisation Name

Title Mr Ms Mrs Miss Dr *Please tick as appropriate*

Surname

Forename

2. Postal Address

<input type="text"/>		
Postcode	Phone	Email

3. Permissions - I am responding as...

<input type="checkbox"/> Individual	/	<input type="checkbox"/> Group/Organisation
<i>Please tick as appropriate</i>		

(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please tick as appropriate Yes No

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please tick ONE of the following boxes

Yes, make my response, name and address all available

or

Yes, make my response available, but not my name and address

or

Yes, make my response and name available, but not my address

(c) The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

Please tick as appropriate Yes No

(d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Please tick as appropriate Yes No

ANNEX E – 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 create a fifth NUTS2 boundary in the south of Scotland.

Do you have any comments on the Scottish Governments proposals for creating a fifth NUTS2 region?

Comments



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