

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

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

The Scottish Government will only be submitting proposals for changes to NUTS 2 and 3 boundaries.

There are four NUTS 2 areas and 23 NUTS 3 areas in Scotland. Article 3 (2)¹ of the NUTS regulation, 2003 outlines the population thresholds for each NUTS level (NUTS 2: 800,000-3,000,000, NUTS 3: 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 taking place in 2010.

Changes made as part of this review will come into force on the 1st January 2015, but will not impact on the allocation of structural funds until 2021.

Responses to this consultation are invited by Thursday, 10 January 2013.

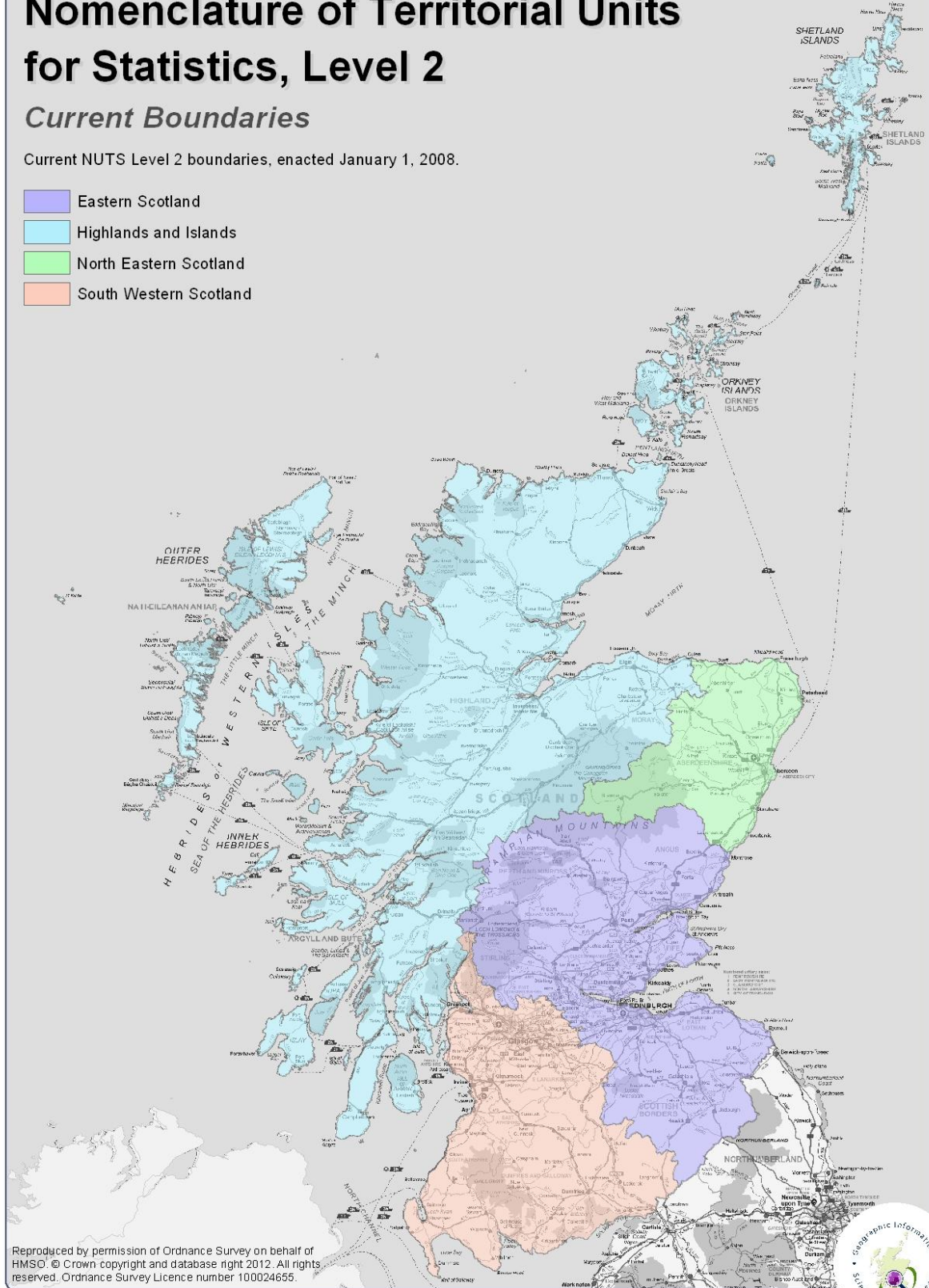
¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2003R1059:20110207:EN:PDF>

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


















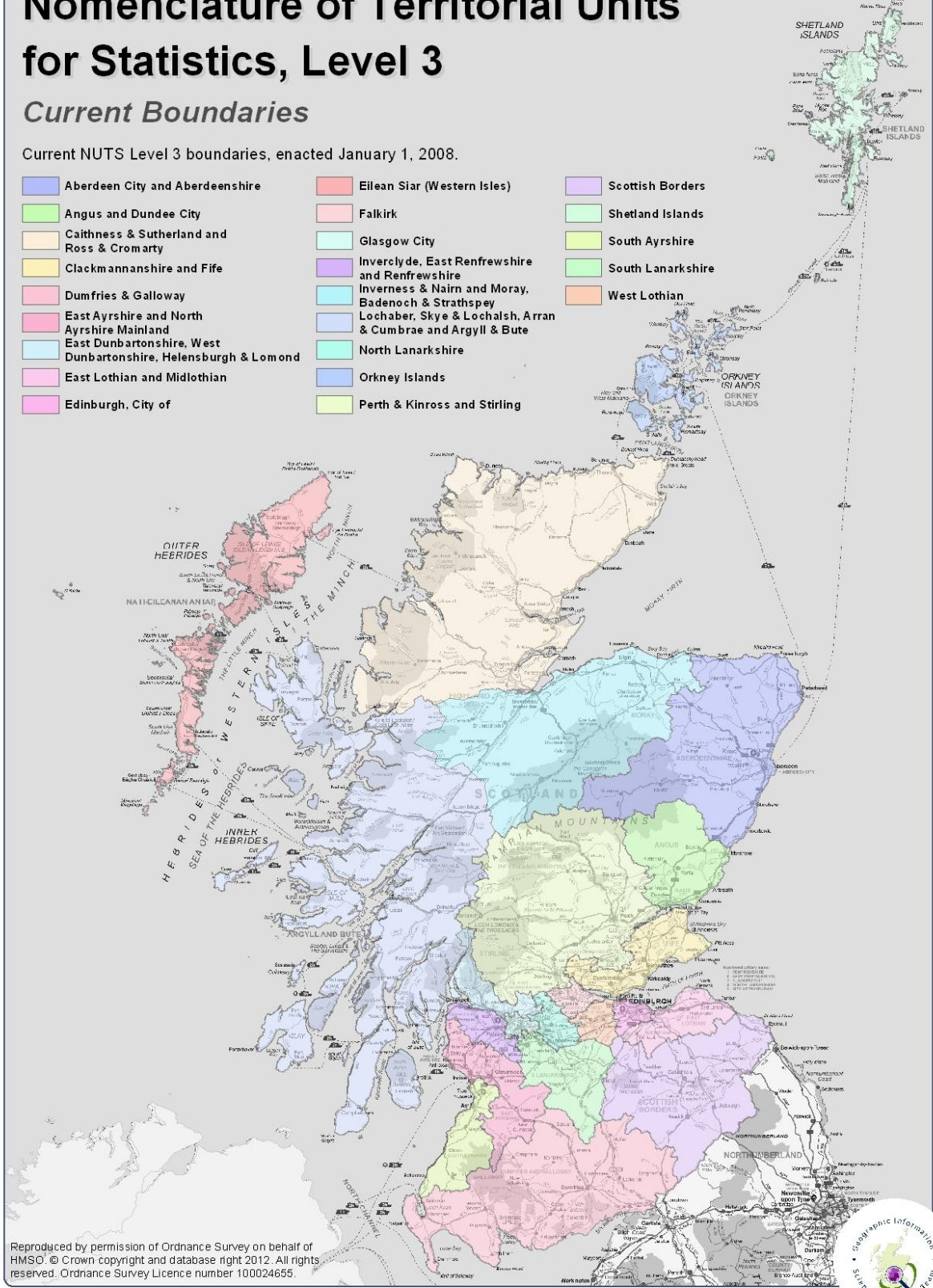
Map 1: Current NUTS Level 2 Boundaries

Nomenclature of Territorial Units for Statistics, Level 3

Current Boundaries

Current NUTS Level 3 boundaries, enacted January 1, 2008.

- | | | |
|--|--|---|
|  Aberdeen City and Aberdeenshire |  Eilean Siar (Western Isles) |  Scottish Borders |
|  Angus and Dundee City |  Falkirk |  Shetland Islands |
|  Caithness & Sutherland and Ross & Cromarty |  Glasgow City |  South Ayrshire |
|  Clackmannanshire and Fife |  Inverclyde, East Renfrewshire and Renfrewshire |  South Lanarkshire |
|  Dumfries & Galloway |  Inverness & Nairn and Moray, Badenoch & Strathspey |  West Lothian |
|  East Ayrshire and North Ayrshire Mainland |  Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute | |
|  East Dunbartonshire, West Dunbartonshire, Helensburgh & Lomond |  North Lanarkshire | |
|  East Lothian and Midlothian |  Orkney Islands | |
|  Edinburgh, City of |  Perth & Kinross and Stirling | |



Map 2: Current NUTS Level 3 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. Table 1 provides an overview of the statistical reporting requirements of Eurostat.

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.

Table 1: Overview of Reporting Requirements

Domain	Content	NUTS level
Demography	Population and area Population change Population projections Regional level 2001 Census	NUTS 2 or NUTS 3
Migration	Internal migration: arrivals, departures by sex, origin and destination	NUTS 2
Economic accounts	GVA and GDP Growth of real GDP Compensation of employees Employment Gross Fixed Capital Formation Household accounts	NUTS 2 or NUTS 3
Rural development	Coordination of indicators specific to the subject of rural development	NUTS 2 or NUTS 3
Labour Market	Economically active population Employment and unemployment Socio-demographic labour force statistics Labour market disparities Labour market data based on pre-2003 methodology (data up to 2001)	NUTS 2 or NUTS 3
Science and Technology	R&D expenditure and staff Human resources in science and technology Employment in high technology sectors	NUTS 1 or NUTS 2

	European patent applications to European Patent Office	
Structural Business	Structural Business Statistics yearly and multi yearly data Credit institutions	NUTS 1 or NUTS 2
Agriculture	Land use/cover Farm Structure Surveys Animal and crop production Economic accounts for agriculture Agri-environmental indicators	NUTS 2 or NUTS 3
Maritime Policy	Spatial data and indicators relevant to the coast and the sea	NUTS 2 or NUTS 3
Health	Causes of death Health care infrastructure, Health status Hospital patients	NUTS 2
Tourism	Tourist accommodation, arrivals, nights spent	NUTS 2 or NUTS 3
Transport	Road, rail, maritime, inland waterways and air transport Transport infrastructure, stock of vehicles and road accidents	NUTS 2 or NUTS 3
Education	Number of students by sex, age, education level, orientation, educational attainment and lifelong learning	NUTS 2
Information Society	Internet access Computer usage	NUTS 1 or NUTS 2
Environment	Water resources Wastewater treatment Solid waste	NUTS 1 or NUTS 2

Due to the regulatory requirements to provide data at NUTS 2 and 3 level, it is essential that any proposed boundary changes allow data suppliers to meet their reporting requirements.

Aligning to local administrative boundaries is one of the criteria for NUTS boundaries. Local Authority is not listed as an administrative boundary in Annex II of the NUTS Regulations, however it is the most widely accepted administrative boundary in Scotland and meets the definition of administrative unit set out in Article 3 (1) of the NUTS Regulations. Aligning to Local Authority makes statistical reporting much easier for the majority of domains, as the data is often collected and reported on at Local Authority level. This reduces the administrative burden associated with EU reporting.

Misaligned geographical boundaries can result in a disclosure risk, in particular disclosure by deduction. This occurs when statistics are reported on two very similar, but slightly different areas and it is possible to subtract one set of figures

from another to calculate statistics on the small area where the geographies do not align. This increases the risk of an individual or household being identified and in order to mitigate this risk, data are withheld or distorted, so aligning to Local Authority boundaries will increase the availability and quality of data supplied on NUTS regions.

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.

€780 Million of Structural Funds were allocated over 7 years (from 2007 to 2013) to NUTS 2 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 NUTS 2 region and changing the boundaries could change the figures. All areas of Scotland except the NUTS 2 Highlands & Islands (H&I) region are currently in the least intensively supported category.

A review of Structural Funds will be carried out in 2013 to determine funding over the period 2014-2020; however any **boundaries agreed during this review of NUTS boundaries will not come into force until 1st January 2015 and will not impact on the allocation of Structural Funds until 2021.**

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 NUTS 2 and NUTS 3 areas are also used to set eligibility for Regional Selective Assistance under the European Union's Regional Aid Guidelines, a policy which spends on average £50 million through SE and HIE per annum, and which creates roughly 6,500 jobs per year in Scotland. Changes to NUTS boundaries should not materially affect Scotland's Assisted Areas Map as we already select areas within NUTS 2 and 3 areas.

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

NUTS 1	3 million - 7 million
NUTS 2	800,000 - 3 million
NUTS 3	150,000 - 800,000

Eurostat have asked us to consider merging the Highlands & Islands with the North Eastern Scotland NUTS 2 area so that all areas within Scotland have populations within their recommended thresholds. The Scottish Government is not in favour of this change and will request that these areas should be allowed to deviate from those thresholds due to their unique geographical, socio-economic and cultural circumstances (Article 3 (5) of the NUTS Regulations).

The Scottish Government plan to submit proposals based on administrative change. We propose to align NUTS boundaries to current Local Authority boundaries, while making minimal changes beyond that. At NUTS 2 level, this would involve the following changes:

- The Highlands and Islands NUTS 2 area would be expanded to include all of Argyll & Bute Local Authority, so that the Local Authority is entirely contained within a single NUTS 2 area;
- The Isle of Arran and The Cumbraes would move into South Western NUTS 2 area so that they are in the same NUTS 2 region as the mainland part of North Ayrshire.

Other minor changes will occur where Local Authority boundaries have changed since the 2006 review, however these will only affect a small number of postcodes.

Map 3 highlights the areas that would be affected by these changes.

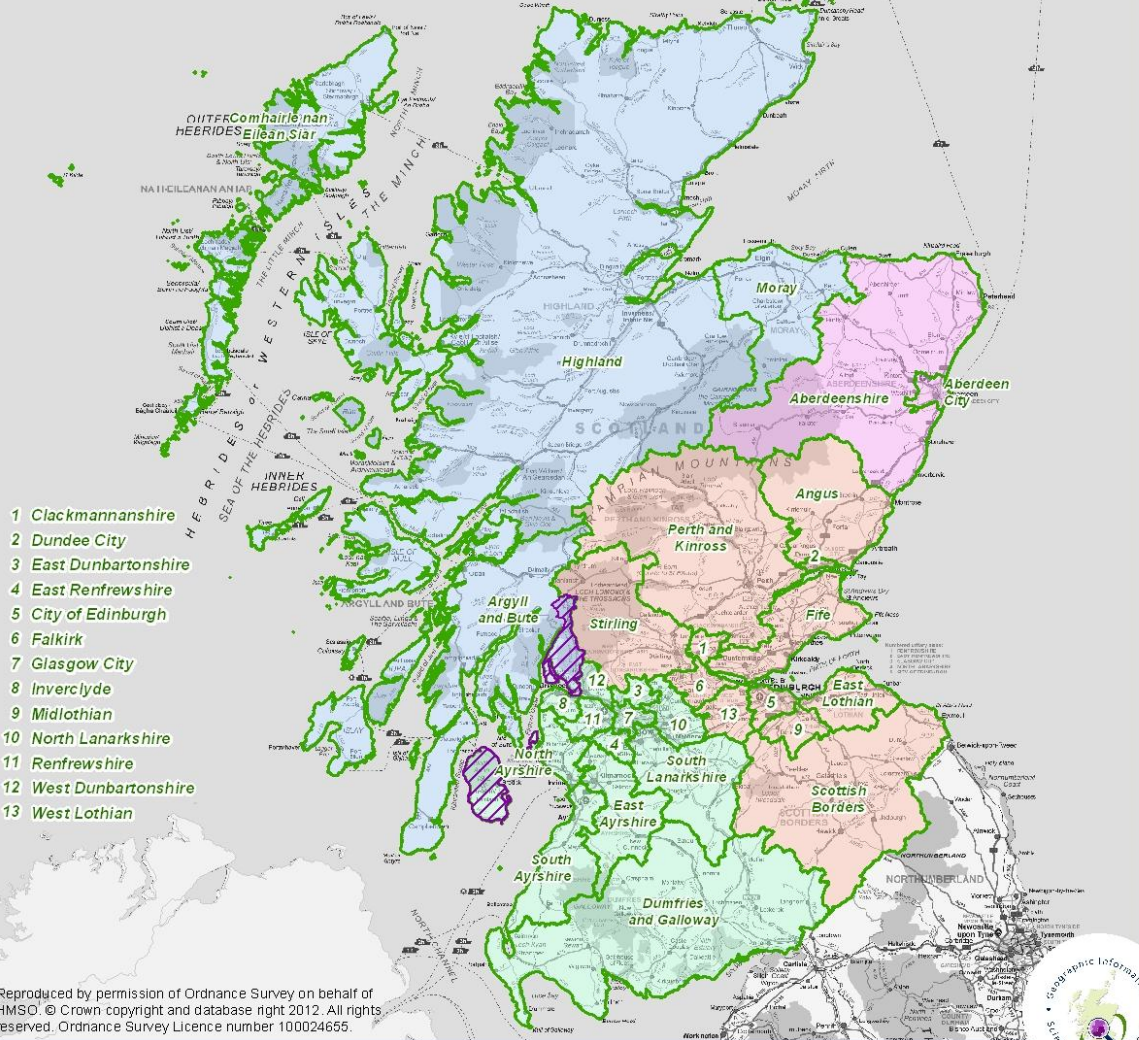
² The standard deviation is a measure of spread or variation in data. If the population of NUTS areas have a low standard deviation, this would indicate that they all have populations close to the EU average population.

Nomenclature of Territorial Units for Statistics, Level 2

Proposed Changes

Boundaries are re-aligned to be coterminous with Local Authorities. Significant changes here are the inclusion of the entire Argyll and Bute Local Authority within the Highlands and Islands region, and the Isle of Arran within the South Western Scotland region.

- Eastern Scotland
- Highlands and Islands
- North Eastern Scotland
- South Western Scotland
- Areas of Significant Change
- Local Authority Boundary



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Scottish Government GI Science & Analysis Team, October 2012, Job 5320 - KT



Map 3: Proposed Changes to NUTS 2 Boundaries

The Scottish Government's proposals for NUTS 3 regions are to align to Local Authority boundaries. This requires slightly more changes to the boundaries than at NUTS 2 level, but would leave much of the South and East of Scotland unaffected:

- East Dunbartonshire, West Dunbartonshire and Helensburgh & Lomond will become East and West Dunbartonshire and reflect the Local Authority boundaries of the same names;
- The East Ayrshire and North Ayrshire Mainland NUTS 3 area would become East and North Ayrshire. This NUTS 3 area would contain both the mainland and island parts of the East Ayrshire and North Ayrshire Local Authorities;
- Three new NUTS 3 areas: Highlands, Moray and Argyll & Bute. These three NUTS 3 areas will align to the Local Authorities of the same name and replace the three NUTS 3 areas of Caithness & Sutherland and Ross & Cromarty, Inverness & Nairn, Moray and Badenoch & Strathspey, and Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute.

Other minor changes will occur where Local Authority boundaries have changed since the 2006 review, however these will only affect a small number of postcodes.

Map 4 below shows the areas affected by these proposals.

Eurostat have suggested that Moray could be combined with Argyll & Bute to create a non-contiguous NUTS3 area that complies with their population thresholds. Although non-contiguity is acceptable to Eurostat, the Scottish Government is not in favour of such an approach and plan to request an exception under Article 3 (5) of the NUTS Regulations.


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

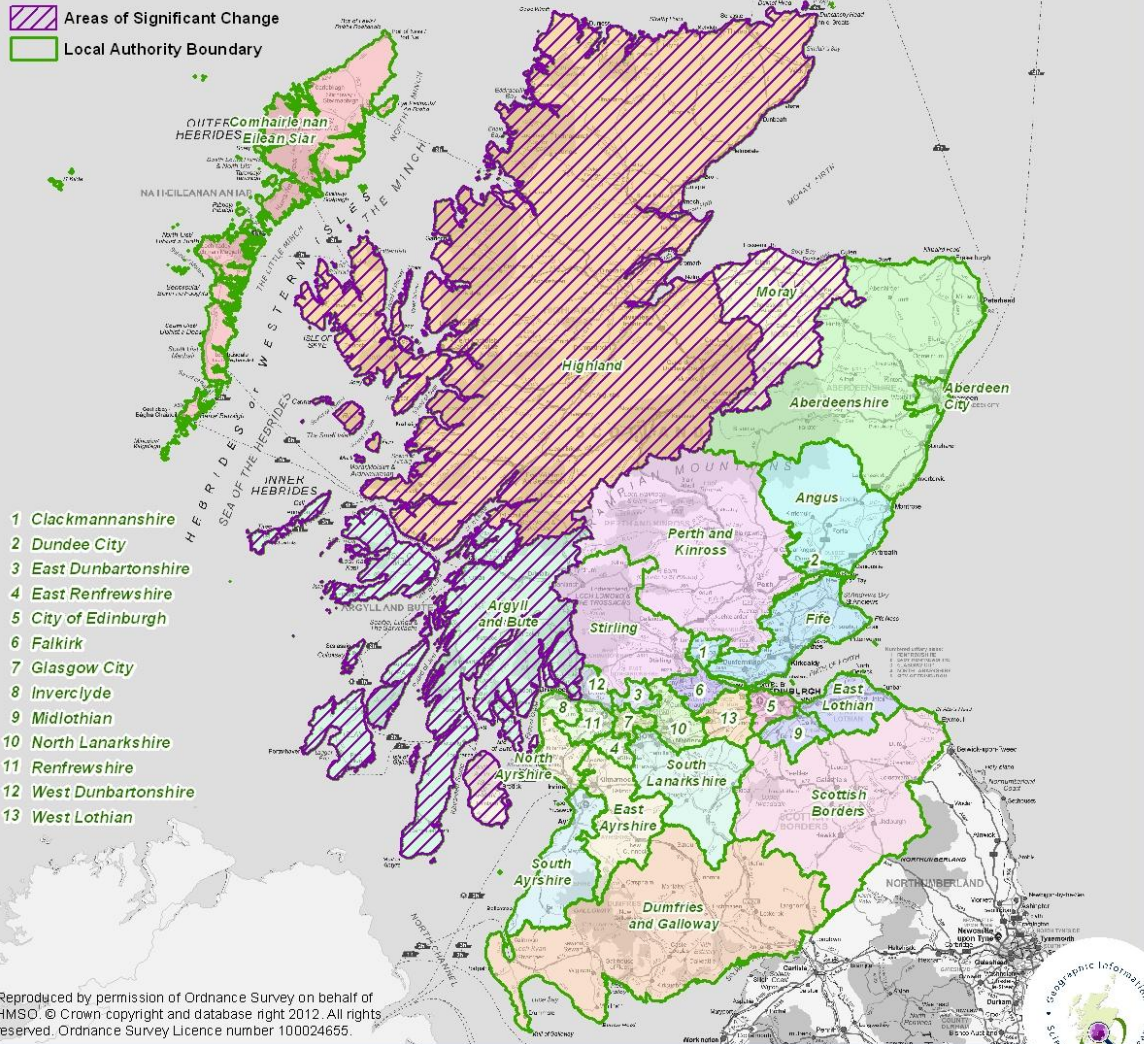
Nomenclature of Territorial Units for Statistics, Level 3

Proposed Changes

Boundaries are re-aligned to be coterminous with Local Authorities. Three new regions are created to replace the Highland areas, these are Highlands, Moray and Argyll and Bute, and reflect the Local Authorities of the same name.

 Aberdeen City and Aberdeenshire	 Eilean Siar (Western Isles)	 Orkney Islands
 Angus and Dundee City	 Falkirk	 Perth & Kinross and Stirling
 Argyll and Bute	 Glasgow City	 Scottish Borders
 Clackmannanshire and Fife	 Highlands	 Shetland Islands
 Dumfries & Galloway	 Inverclyde, East Renfrewshire and Renfrewshire	 South Ayrshire
 East Lothian and Midlothian	 Moray	 South Lanarkshire
 East and West Dunbartonshire	 North Eastern Ayrshire	 West Lothian
 Edinburgh, City of	 North Lanarkshire	

-  Areas of Significant Change
-  Local Authority Boundary



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Map 4: Proposed Changes to NUTS 3 Boundaries



ANNEX A – POPULATION TABLES

Table A1 – Population of Current and Proposed NUTS 2 areas

NUTS 2 Area	Mid-2011 Population Estimates	
	Current	Proposed
Eastern Scotland	2,031,050	2,031,050
South Western Scotland	2,307,059	2,287,770
North Eastern Scotland	468,020	468,020
Highlands and Islands	448,671	467,960

Table A2 - NUTS 3 mid-2011 Population Estimates – Current Boundaries

NUTS 3 Area	Population
Aberdeen City & Aberdeenshire	468,020
Angus and Dundee City	256,200
Caithness & Sutherland and Ross & Cromarty	91,047
Clackmannanshire and Fife	418,140
Dumfries & Galloway	148,060
East Ayrshire and North Ayrshire mainland	248,635
East Dunbartonshire, West Dunbartonshire and Helensburgh & Lomond	220,914
East Lothian and Midlothian	180,540
Edinburgh, City of	495,360
Eilean Siar (Western Isles)	26,080
Falkirk	154,380
Glasgow City	598,830
Inverclyde, East Renfrewshire and Renfrewshire	339,720
Inverness & Nairn, Moray and Badenoch & Strathspey	186,616
Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute	102,268
North Lanarkshire	326,680
Orkney Islands	20,160
Perth & Kinross and Stirling	240,290
Scottish Borders	113,150
Shetland Islands	22,500
South Ayrshire	111,560
South Lanarkshire	312,660
West Lothian	172,990

Table A3 - NUTS 3 mid-2011 Population Estimates – Proposed Boundaries

NUTS 3 Area	Population
Aberdeen City & Aberdeenshire	468,020
Angus and Dundee City	256,200
Argyll & Bute	89,590
Clackmannanshire and Fife	418,140
Dumfries & Galloway	148,060
East and North Ayrshire	255,330
East and West Dunbartonshire	194,930
East Lothian and Midlothian	180,540
Edinburgh, City of	495,360
Eilean Siar (Western Isles)	26,080
Falkirk	154,380
Glasgow City	598,830
Highland	222,370
Inverclyde, East Renfrewshire and Renfrewshire	339,720
Moray	87,260
North Lanarkshire	326,680
Orkney Islands	20,160
Perth & Kinross and Stirling	240,290
Scottish Borders	113,150
Shetland Islands	22,500
South Ayrshire	111,560
South Lanarkshire	312,660
West Lothian	172,990

ANNEX B - HOW TO RESPOND TO THIS CONSULTATION

We invite written responses to this consultation by Thursday, 10 January 2013.

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

How to respond

When responding you must complete the Respondent Information form and return it to us with your response (please see 'handling your response' below).

Please send your response to: statistics.enquiries@scotland.gsi.gov.uk

Or by post to:

NUTS Consultation,
Office of the Chief Statistician and Performance,
G.WR,
St. Andrews 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 <http://www.scotland.gov.uk/consultations>.

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 2013.

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 Andrews House, Regent Road, Edinburgh EH1 3DG or email Roger.Halliday@Scotland.gsi.gov.uk

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

3. Permissions - I am responding as...

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

(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 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?

Comments

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

Comments

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?

Comments

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



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