

2014 - 2020 Assisted Areas Map

Consultation stage 1: Common Principles and Local Intelligence

JULY 2013

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Respond by: Monday 30th September 2013

 $Enquiries\ to: \underline{AssistedAreasConsultation@bis.gsi.gov.uk}$

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1. Foreword from the Minister of State for Business and Enterprise



Updating the UK's Assisted Areas Map for 2014-20 delivers an opportunity to help drive sustainable strong growth, which will help to rebalance the UK economy.

Assisted Area status permits the granting of additional financial support to small businesses and large enterprise in economically disadvantaged locations. This support is to encourage business in these communities to grow, innovate and thrive, which can positively affect these locations and the whole UK economy.

The Government believes that local leaders and businesses are best placed to set the strategic direction for their area; this consultation is evidence of our belief. The assistance of Local Enterprise Partnerships in England and Local Authorities in Scotland and Wales is particularly needed to help inform tough decisions in identifying those areas best placed to make a telling contribution to the local economy.

Stage One of this consultation gives you the chance to influence the criteria used to define the areas that should be included on the Map and to provide local intelligence on priorities for Assisted Area status. Your local knowledge of business and industry is vital to enabling maximum benefit to be realised from Assisted Areas status.

Stage Two, expected to commence in late 2013, will build on your responses, consulting on a draft Assisted Areas Map informed by the evidence you provide in Stage One.

The Government is committed to making the UK the best place in Europe to start, finance and grow a business. Your responses will help to shape the new UK Assisted Area Map, which will help to unlock the growth potential in your regions. We want you to identify, support and ultimately to utilise economic opportunities in your area to deliver strong, sustainable growth where it is most needed.

M.J. Fullon

The Rt. Hon. Michael Fallon MP

2. Overview

- The UK Government is reviewing the Assisted Areas Order that came into force in 2007. In this process, BIS is working with the Scottish and Welsh Governments. This is in response to the 2014-2020 Regional Aid Guidelines (RAG) issued on 20 June 2013 by the European Commission.
- 2. The RAG sets the rules for how, when, where and to whom, regional aid (a form of state aid) can be granted. EU Member States can offer regional aid to undertakings, typically businesses, to promote economic development in selected economically disadvantaged regions known as Assisted Areas (AA). Although EU Member States have some flexibility when choosing which areas become Assisted Areas, designations must be compliant with the RAG^{1 2}.
- 3. References to the RAG are made in this document, but to avoid any misinterpretations, we suggest that respondents also familiarise themselves with the original text issued by the Commission:

 http://ec.europa.eu/competition/state_aid/regional_aid/regional_aid.html.
- 4. Regional aid is typically granted as a percentage of the eligible costs of a capital investment, or less commonly for wage costs made by undertakings, typically businesses. Eligible costs are defined in paragraph 20 of the RAG and key Government programmes that grant regional aid, such as England's Regional Growth Fund (RGF)³, are outlined in paragraph 46 below. Assisted Area status does not guarantee funding and does not affect the amount of European funds regions receive from the EU Structural Funds budgets. Any regional aid given in Assisted Areas is directed by domestic authorities. Whilst regional aid and European Structural and Investment funds can be used in conjunction to support some projects, in such cases both count as public support for State Aid purposes.
- 5. This document seeks views on the designation of the next Assisted Areas in Great Britain. Separate arrangements will apply for Northern Ireland⁴.

¹ On grounds of low GDP per capita the RAG also directly designates 'Cornwall' and 'West Wales and the Valleys' as Assisted Areas – see Section 7 below. On grounds of sparse population, the RAG also directly designates Caithness & Sutherland and Ross & Cromarty; Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute; and Eilean Siar (Western Isles) as Assisted Areas – see Section 7 below.

² The Commission requires that Assisted Areas must comply with certain qualifying criteria, see paras 52 to 67 below. A specific application from the UK Government is required for Assisted Area status to be granted in certain, typically wealthier, parts of the UK. These places are listed in Table 9.1.

³ Other schemes include the Business Premises Renovation Allowance, Scotland's Regional Selective Assistance scheme, and Wales's Welsh Government Repayable Business Finance. Further details are in paragraph 46

⁴ This was announced in the 14 June 2013 economic agreement for Northern Ireland: Building a Prosperous and United Community https://www.gov.uk/government/publications/building-a-prosperous-and-united-community.

- These new Assisted Areas are expected to be in effect from 1 July 2014 to 31
 December 2020 alongside the 2014-2020 RAG. These dates are common to all Member States.
- 7. Consultation on the 2014-2020 Assisted Areas will be held in two stages:
 - This first stage proposes common principles for drawing the 2014-2020 Assisted
 Areas Map. These are found in paragraphs 109-116 and again in 157-164. Question
 D01 on the response forms relates to these common principles, these forms are
 available from https://www.gov.uk/government/consultations/assisted-areas-map-2014-to-2020, www.scotland.gov.uk/Topics/Government/State-Aid and
 https://wales.gov.uk/consultations/;jsessionid=2A173646359D86BA3CF12CC0727ED
 146?lang=en.
 - Stage 1 also seeks local intelligence on areas of economic opportunity and need, primarily gathered from Local Enterprise Partnerships (LEPs) in England, and Local Authorities (LAs) in Scotland and Wales. This includes asking those LEPs in England and LAs in Scotland and Wales with 2007-2013 Assisted Area coverage to suggest distributions of 2014-2020 coverage with i) a maximum population of 80% of that granted on the 2007-2013 Map, and ii) up to 100% of that granted in 2007-2013 in order that some second order local priorities are identified in the difference. These LEPs and LAs can also note further wards with economic opportunities, which if awarded AA status, could support the development of economically disadvantaged localities. Likewise, for their locality, LEPs in England and LAs in Scotland and Wales without 2007-2013 coverage can suggest wards with economic opportunities situated within their areas of economic need for potential Assisted Area status.
 - UK Ministers will agree to the Great Britain wide Map ahead of it being issued for the second stage consultation. Stage 2 will invite comments on that draft 2014-2020 Assisted Areas Map, the development of which will be informed by Stage 1 consultation responses.
- 8. This first stage of consultation is most relevant to Local Enterprise Partnerships (LEPs) in England and Local Authorities (LAs) in Scotland and Wales, whom BIS is asking to coordinate the local intelligence responses that will help Government incorporate local priorities into determining the 2014-2020 Assisted Areas Map. In England, LEPs can help identify and respond to economic priorities across administrative boundaries as when developing their LEP strategic economic plans. This is beneficial given that wherever possible within the workings of the RAG, Assisted Area status should respond to economic geography and not political boundaries. In England, LEPs are expected to work closely with the LAs in the area when developing their response.
- 9. Scotland and Wales do not have LEPs so LAs are asked to assume an equivalent role there. LAs are also asked to work with the Enterprise Agencies in Scotland. Many other parties, such as businesses, business groups, trade and professional organisations, may wish to feed into these locally coordinated responses, and can also respond to BIS directly, and where applicable, copy-in the Scottish or Welsh Governments.
- 10. Given the role that LEPs in England and LAs in Scotland and Wales have been asked to perform in terms of offering local intelligence to Government, a particular form (Form 1) is being made available for the responses from these organisations. Other individuals 6

and bodies are encouraged to feed key information on the potential designation of future Assisted Areas in their vicinity to their local LEP in England or LA in Scotland or Wales. However, Form 2, the 'other respondents' form, provides the option of a direct response to Government.

- 11. Responses taking into account the views of key local stakeholders and recording contributors are particularly welcome. A fully aligned or agreed local response may not always be possible and so space is included on the response form to record significant minority concerns that Government should be aware of.
- 12. Aiming for an effective spread of Assisted Area coverage, and robust consideration of the distribution of economic need and opportunity, Government encourages LEPs and LAs to work in groups to identify any suggested Assisted Areas that cross LA or LEP boundaries. Potential Assisted Areas that cross the England/Scotland and England/Wales borders should be considered by bodies in these areas.
- 13. Some local information offered by respondents may be commercially sensitive. Both response forms provide options for respondents to state where they consider that all or some information should be treated confidentially. A summary of responses to this consultation will be published on the .GOV website.
- 14. Although BIS is consulting on the proposed principles for drawing the 2014-2020 Assisted Areas Map (listed in Sections 9 and 10), these principles should also be used to inform responses to the local intelligence parts of Stage 1 of the consultation. Stage 2 of consultation (the draft Map) will offer respondents the opportunity to comment on the draft Map, taking into account any material changes made to the common principles following the first stage of consultation.
- 15. This first stage consultation will close on 30 September 2013. The second stage consultation, seeking views on a draft 2014-2020 Assisted Areas Map, is expected to commence in winter 2013/14.
- 16. When preparing the draft 2014-2020 Map, Government plans to take account of:
- Responses to Stage 1 of the consultation;
- National economic datasets;
- Commercial and economic intelligence;
- Government strategy and policies e.g. the UK Industrial Policy and the location and nature of Enterprise Zones; and
- The views of key national teams responsible for regional aid.
- Regional economic plans will also be considered in Scotland and Wales.
- 17. These sets of evidence will allow Government to consider relative combinations of place-based economic opportunity and need against each other. The resulting Assisted Areas will be constructed from 2011 Census wards and typically have minimum

- contiguous populations of 100,000 people, though some other minimum populations, apply in a minority of places, as set out in paragraph 168 of the RAG.
- 18. Between the two stages of consultation, when BIS, the Welsh Government and the Scottish Government are developing the draft 2014-2020 Map, clinics will be offered with LEPs in England who responded to the first stage consultation. These will be held at government offices, primarily to explore the local intelligence and priorities returned to Government in Stage 1. Equivalent clinics for LAs will be offered by the Scottish and Welsh Governments.
- 19. After the second stage of consultation, the Assisted Areas Map will be refined by BIS, working with the Welsh and Scottish Governments, before again being agreed by UK Government Ministers. The UK Government will then submit the UK Map to the Commission for approval. Although Member States have some flexibility to designate which areas become Assisted Areas, designations must be compliant with the RAG.

Navigating this document – key chapters:

- Section 4 sets out the role of the Scottish and Welsh Governments
- Sections 5 to 7 provide policy context for developing the 2014-2020 AA Map
- Section 8 provides more specific information on the consultation process
- Section 9 sets out what information should be returned by LEPs in England and LAs in Scotland and Wales
- Section 10 sets out what information should be returned by other respondents

3. How to respond and make any queries

- 20. The consultation closes on 30th September 2013. Until that date, response forms are available electronically on the consultation page: https://www.gov.uk/government/consultations/assisted-areas-map-2014-to-2020.
- 21. Response forms and any queries should be submitted by email or by letter to:

Assisted Areas Team
Local Growth Directorate
4th Floor, Spur 2
Department of Business, Innovation and Skills
1 Victoria Street
London
SW1H 0EH

Email: AssistedAreasConsultation@bis.gsi.gov.uk

22. If the response or query concerns an area of Scotland, please copy in:

Future Funds and Regional Aid Team European Structural Funds Division Scottish Government Atlantic Quay 150 Broomielaw Glasgow G2 8LU

Email: AssistedAreasConsultation@Scotland.gsi.gov.uk

23. If the response or query concerns an area of Wales, please copy in:

Assisted Areas Mailbox, 1st floor South,
Strategy Team
Economy, Science and Transport Department
QED Centre
Main Avenue
Treforest Industrial Estate
Treforest
Pontypridd
Rhondda Cynon Taf
CF37 5YR

Email: AssistedAreasConsultation@Wales.gsi.gov.uk

24. This first stage of consultation opened on 31 July 2013 and the last date for responses is 30 September 2013. These dates respond to the European Commission issuing the RAG on 20 June 2013, offering sufficient time for responses to be developed and

agreed during the summer period, and the need for Government to progress in a timely fashion towards submitting the proposed Assisted Areas Map to the Commission in early 2014.

- 25. A list of those organisations and individuals consulted is in Annex 4. We would welcome suggestions of others who may wish to be involved in this consultation process.
- 26. Reference to the Government's <u>consultation principles</u> is included in Annex 3. If you do not feel that the principles have been adhered to, details of how to respond are also included in Annex 3.
- 27. Under Cabinet Office guidance, BIS consultations are digital by default but, if required, printed copies of the consultation document can be obtained from:

BIS Publications Orderline ADMAIL 528 London SW1W 8YT

Tel: 0845-015 0010 Fax: 0845-015 0020 Minicom: 0845-015 0030

https://www.gov.uk/government/publications?departments%5B%5D=department-for-

business-innovation-skills

- 28. A Welsh language version of this document is available from https://www.gov.uk/government/consultations/assisted-areas-map-2014-to-2020 and http://wales.gov.uk/consultations/;jsessionid=2A173646359D86BA3CF12CC0727ED146 https://wales.gov.uk/consultations/;jsessionid=2A173646359D86BA3CF12CC0727ED146 https://wales.gov.uk/consultations/;jsessionid=2A173646359D86BA3CF12CC0727ED146
- 29. Other versions of the document in Braille, other languages or audio-cassette are available on request from BIS Publications Orderline.

4. The Role of the Scottish and Welsh Governments

- 30. The Department for Business Innovation and Skills (BIS), acting on behalf of the UK Government, is coordinating this consultation exercise and, after UK Ministerial sign-off, is responsible for submitting the 2014-2020 UK Assisted Areas Map to the Commission.
- 31. The Assisted Areas Map should allow public bodies the flexibility to support investment in disadvantaged areas across the UK. BIS is therefore launching a single Great Britain wide consultation, aiming to ensure that the method of identifying Assisted Areas is coherent across Great Britain and that local economic priorities are taken into consideration.
- 32. The Welsh and Scottish Governments therefore have an important role to play in the gathering of local intelligence and coordinating the development of the draft Maps for Scotland and Wales to be presented in the Stage 2 consultation. They will also have a key role to play in refining the Maps for Scotland and Wales in light of the comments received in Stage 2 of the consultation.
- 33. In addition to the information available on https://www.gov.uk/government/consultations/assisted-areas-map-2014-to-2020, further information on the development of the Scotland Map can be found on www.scotland.gov.uk/Topics/Government/State-Aid and further information on the development of the Wales Map can be found on http://wales.gov.uk/consultations/;jsessionid=2A173646359D86BA3CF12CC0727ED1467 https://wales.gov.uk/consultations/;jsessionid=2A173646359D86BA3CF12CC0727ED1467 https://wales.gov.uk/consultations/;jsessionid=2A173646359D86BA3CF12CC0727ED1467
- 34. Respondents in Scotland and Wales should therefore copy the Welsh and Scottish Governments into any responses or enquiries made to BIS. Contact details are in Section 3 above.
- 35. This process underlines that the UK Government is keen to work with the Scottish and Welsh Governments in developing the 2014-2020 Assisted Areas Map, and to benefit from their expertise in understanding economic priorities in Scotland and Wales.

5. Context for the Proposals

- 36. The regional aid rules allow public authorities to provide financial assistance for undertakings, typically businesses, investing in disadvantaged areas under state aid rules. This supports the EU objective of regional cohesion, which aims to ensure geographically inclusive economic opportunity across the EU and that the economic disparities between more and less advantaged regions in the EU are reduced.
- 37. The UK Government's Growth Strategy⁵ has many of the same aims, particularly around rebalancing the economy between sectors and regions, and lessening some regions' reliance on the public sector.

The European Context: State Aid Modernisation

- 38. The European Commission issued the 2014-2020 RAG on 20 June 2013. The 2014-2020 UK Assisted Areas Map must be drawn in accordance with the RAG.
- 39. The RAG is part of a wider package of State Aid frameworks and law. All of these State Aid Frameworks are being reviewed through a 'State Aid Modernisation' programme which was launched May 2012. An effective state aid regime helps create a level playing field for business across the EU and ensures that state aid granted by national governments does not unduly distort competition in the EU single market. The modernisation programme aims to promote a more efficient use of scarce public resources, ensuring that aid is well-designed and targeted. The modernisation programme should also create an alignment of practices and rules across the different aid frameworks, and ensure that aid granted has a clear incentive effect, leveraging additional private investment to deliver sustainable growth and jobs.

UK Growth Strategy and Regional Economic Plans for Wales and Scotland

- 40. As regional aid is designed 'to promote the economic development of certain disadvantaged areas within the European Union', it has an important role in helping to address the needs of localities with specific market failures and achieving sustainable growth.
- 41. The UK announced its 'Plan for Growth' in 2011, which included an objective to achieve sustainable and balanced growth that is more evenly distributed across the country and sectors. The Government wants to ensure that regional aid is eligible to be granted in the areas where it is most needed, to help rebalance our economy, and to address local economic need, helping to increase productivity and raise employment rates. This is very much in line with the Government's wider growth agenda, which provides an important mechanism for the Government to achieve three different types of rebalancing: geographically, between sectors, and in terms of reducing some place's reliance on the public sector through additional private sector investment.

⁵ www.gov.uk/government/uploads/system/uploads/attachment_data/file/184602/2011budget_growth.pdf

- 42. In addition to the UK strategy, the Devolved Administrations Scotland, Wales and Northern Ireland also have regional development plans.
- 43. The Government's Industrial Strategy explores how government can work with the private sector to encourage economic growth. It notes which industrial sectors could make the greater contribution to future economic growth and employment in the UK, and then considers in which Government action can add most value. These include parts of advanced manufacturing, including aerospace, automotive and life sciences. Enabling sectors, such as energy and construction, are also incorporated. Manufacturing is considered particularly relevant to the granting of regional aid, given its capital intensive nature and its deep, sometimes local, supply chains.

UK's use of State Aid Frameworks

- 44. The UK makes significant use of state aid frameworks in encouraging jobs and growth. Many of the schemes which the Government supports do not depend on the RAG as they use the other 'horizontal' aid frameworks, aimed at tackling specific market failures that can occur across the UK, such as aid for R&D, risk capital, SME investments, training or environmental protection.
- 45. Regional aid is unique within state aid in being spatially focused that is, the criteria for awarding any financial assistance includes geographic location and in being able to support capital investment in new activities. Whilst SME aid and risk capital can be used to support capital investments by small and medium sized enterprises, only regional aid can be used to support such investments by large companies outside of R&D&I, environmental or energy projects. Through direct employment and supply chain and spillover effects such as innovation and skills transfers, large firms can offer significant economic benefits to local economies.
- 46. The main examples of schemes offering regional aid across Great Britain, using the 2007-13 rules, are:
- Regional Growth Fund this scheme operates in England and aims to leverage private sector investment to help rebalance the economy sectorally, by increasing employment levels and productivity, particularly in areas with lower than average proportions of private sector employment. The Regional Growth Fund uses several state aid frameworks, such as R&D and training, as well as regional aid.
- BPRA, which is the Business Premises Renovation Allowance, permitted by HMRC to renovate and bring back into use derelict or sub-standard business premises, particularly where the likely tenants are SMEs. This scheme has been extended beyond its initial 5-year lifespan, and will run until April 2017.
- Regional Selective Assistance scheme this scheme is the primary Scottish scheme under the RAG and is operated by Highlands and Islands Enterprise and Scottish Enterprise. Grants under this scheme may be given in conjunction with aid under other aid frameworks, for example R&D or skills and training.
- Welsh Government Repayable Business Finance this scheme offers discretionary financial support to eligible businesses in key business sectors and certain strategically important projects outside these. It helps fund capital investment, job creation,

research, development and innovation and certain eligible revenue projects throughout Wales. Objectives include creating/safeguarding/maintaining better skilled jobs; encouraging innovative research; increase entrepreneurship and development of SMEs.

 The Enhanced Capital Allowances permitted at some Enterprise Zones are reliant on Assisted Area status.

Differentiating Assisted Areas from European Structural and Investment Funds

- 47. Assisted Area status itself is not a guarantee of funding; rather it provides an area-wide eligibility for the granting of regional aid by national Governments. Care should be taken to distinguish between regional aid and European funding, such as European Structural and Investment (ESI) Funds. Although Assisted Areas and ESI Funds may share some broad economic development ambitions, it is important to note that ESI Funds are allocated by the EU to national Governments. Projects supported by the ESI Funds must be in line with EU rules, including those on state aids such as the regional aid guidelines and the general block exemption.
- 48. ESI Funds aim to deliver sustainable growth across Europe. In the UK, they cover four funds: European Regional Development Fund (ERDF), the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD), and the European Maritime and Fisheries Funds (EMFF). The funds will be aligned under a Common Strategic Framework for 2014-2020 with a particular focus on innovation including R&D, SME competitiveness, skills, low carbon and employment. Sub-national allocations for ERDF and ESF were announced by the UK Government in June 2013. Further information can be found here: www.gov.uk/government/speeches/european-regional-development-fund-and-european-social-fund-allocations-2014-to-2020

6. New Regional Aid Rules

Summary of relevant changes

- 49. In line with its aims to limit aid to those cases where it is necessary in order to ensure investment proceeds, the Commission has made a number of changes to the kinds of aid permitted under the RAG. These relate especially to:
 - Aid to large enterprises, apart from those in "a" areas⁶: this is more restricted than in the past, and from July 2014 will only permitted for investment that creates "new economic activities" in regions (as defined in paragraph 20 of the RAG) and, following individual notification to the Commission, new product diversification or process innovation.
 - Aid intensities have been lowered for most areas. For those that are the subject of this consultation, the aid intensity will be 10%, with increased levels for small and medium companies.
 - Aid is not permitted where this is linked to the closure of similar activity by the same company in the European Economic Area.
 - Regional Aid will now be permitted for Shipbuilding but can no longer be given to the Energy Sector, where Energy and Environmental Aid is expected to be used instead.
- 50. Further details of these legislative changes can be found within the RAG: http://ec.europa.eu/competition/state_aid/regional_aid/regional_aid.html
- 51. In addition, the Commission will extend current maps and rules by six months to allow proper consideration to be given to drawing up new maps in Member States; and to allow the remainder of the State Aid Modernisation programme to complete. This means that new rules and the new Assisted Areas Map are expected to come into force on 1 July 2014.

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⁶ See Paragraph 55 - 58 below.

7. Key EU rules for preparing the new Map

52. The RAG requires each Member State to produce a regional aid map. The map has to declare the list of areas designated by Member States for Assisted Area status, in compliance with the conditions laid down in the RAG, for subsequent approval by the Commission. The 2014-2020 Assisted Areas Map will therefore be drawn in accordance with the 2014-2020 RAG. A series of criteria and steps determine the options for drawing up that Map and these are set out in sections below.

Amount of UK Coverage

- 53. In 2007-2013, the Commission's guidelines allowed up to 23.9% of the UK population to be designated as Assisted Areas. UK population coverage for the 2014-2020 Map is set in the 2014-2020 RAG at 27.05%. Coverage of up to 22.79% of the UK's population is designated by the UK Government, subject to Commission approval. Other types of coverage are predefined by the Commission. Further details of how this total UK coverage is derived are found in Table 7.1 below.
- 54. The population for Great Britain will be divided into indicative allocations for England, Scotland and Wales ahead of the draft 2014-2020 Map being drawn.

Types of Coverage: 'a' and 'c' Coverage

- 55. The RAG specifies the criteria for defining which areas are awarded 'a' status. The 'a' areas designated by the Commission in the UK are 'Cornwall and Isles of Scilly' and 'West Wales and the Valleys'. These NUTS2⁷ areas qualify for 'a' status on grounds on having a GDP per capita of less than 75% of the EU average. Projects in 'a' areas are eligible for higher aid intensities than 'c' areas.
- 56. The following UK NUTS 3 areas have been predefined by the Commission for 'c' status under the 2014-2020 RAG as sparsely populated areas NUTS3 areas with population densities below 12.5 persons per square kilometre:
 - Caithness & Sutherland and Ross & Cromarty (NUTS3), Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute (NUTS3), and Eilean Siar (NUTS3)
- 57. These three NUTS3 areas account for 0.35% of the UK's population coverage. However, the guidelines do offer some flexibility here to designate parts of these areas and include adjacent contiguous areas, provided that these also have a population density of less than 12.5 inhabitants per km² and that maximum allowance for 'sparsely populated' pre-defined c coverage is observed⁸.

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⁷ The NUTS classification (Nomenclature of territorial units for statistics) is a hierarchical system for dividing up the <u>economic territory of the EU</u> http://epp.eurostat.ec.europa.eu/portal/page/portal/nuts_nomenclature/introduction. NUTS3 areas, typically groups of local authorities, nest into NUTS2 areas, which are larger aggregations of local authorities.

⁸ See paragraph 161 of the RAG.

58. The Commission predefines sparsely populated areas as 'c' coverage because of the additional costs of economic activity there. For the same reason, higher proportions of project costs can be awarded in pre-defined 'c' areas than in non-predefined c areas – 15% vs. 10% respectively before bonuses for SMEs.

Table 7.1 – Assisted Area Coverage in the UK granted by the Commission for 2014-2020

11 '4 117'			
United Kingdom	NUTS regions	GDP per capita	Percentage of national population
'a' areas	UKK3 Cornwall and the Isles of Scilly	72.67	0.86 %
	UKL1 West Wales and The Valleys	69.67	3.05 %
Predefined 'c' areas (sparsely populated areas)	UKM61 Caithness & Sutherland and Ross & Cromarty		0.15 %
	UKM63 Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute	_	0.16 %
	UKM64 Eilean Siar (Western Isles)		0.04 %
Non-predefined 'c' areas		_	22.79 %
Total population coverage 2014-2020		_	27.05 %

Non-predefined or 'discretionary' 'c' coverage

59. The remainder of the population coverage is 'non-predefined' 'c' coverage. The Government will have some flexibility to geographically allocate this coverage, on the basis of the first 4 criteria laid out in paragraph 168 of the RAG and set out below.

Criterion 1: contiguous areas of at least 100 000 inhabitants located in NUTS 2 or NUTS 3 regions that have:

- a GDP per capita below or equal to the EU-27 average, or;
- an unemployment rate above or equal to 115 % of the national average.

Criterion 2: NUTS 3 regions of less than 100 000 inhabitants that have:

- GDP per capita below or equal to the EU-27 average, or;
- an unemployment rate above or equal to 115 % of the national average.

isolation (for example, peninsulas or mountain areas) that have:

- a GDP per capita below or equal to the EU-27 average, or;
- an unemployment rate above or equal to 115 % of the national average,
 or; less than 5 000 inhabitants.

Criterion 4: NUTS 3 regions, or parts of NUTS 3 regions that form contiguous areas, that are adjacent to an 'a' area or that share a land border with a country outside the EEA or the European Free Trade Association (EFTA).

- 60. As stated in Table 7.1 above, up to 22.79% of the UK's population can be awarded non-predefined c coverage. As the European Commission must approve the UK Map, it is important that this 'discretionary' coverage is allocated to the UK Map in accordance to the spirit of the RAG, demonstrably supporting EU economic convergence objectives.
- 61. If the NUTS2 or NUTS3 area in question meets at least one of the relevant criteria then it may be possible to designate some contiguous wards within the area as an Assisted Area. Meeting more than one criterion does not give more validity for Assisted Area status than if only one is met. All UK NUTS3 areas that do not pass any of the above criteria are listed in Table 9.1.
- 62. It is also important to note the requirement to create contiguous zones, typically with a minimum population of 100,000 people, which may also place constraints on which areas can be covered or indeed which areas have to be covered.
- 63. Paragraph 169 of the RAG, notes that Assisted Areas should be developed from a member state's LAU2⁹ units. The UK's LAU2 units are 2011 Census wards. Wards will therefore be the building block used to develop the 2014-2020 Assisted Areas formed from non-predefined 'c' coverage.

Special cases: Areas experiencing structural change or serious decline

64. Some NUTS3 areas do not meet any of the criteria above and areas within them can only be designated as Assisted Areas following a successful special dispensation application to the Commission in accordance with Criterion 5 in paragraph 168 of the RAG. These NUTS3 areas are listed in Table 9.1 below.

Criterion 5: contiguous areas of at least 50 000 inhabitants that are undergoing major structural change or are in serious relative decline, provided that such areas are not located in NUTS 3 regions or contiguous areas that fulfil the conditions to be designated as predefined areas or under Criteria 1 to 4.

65. Any such applications for Assisted Areas through Criterion 5 are made by the Member State government to the Commission, not by the locality concerned. They are made at the time the proposed 2014-2020 UK Map is notified to the Commission.

⁹ LAU - Local Administrative Unit - the smallest geographical unit in Eurostat's hierarchy of geographical classifications.

- 66. Criterion 5 applications cannot cross a NUTS3 border to include populations that could, if chosen for designation, be awarded Assisted Area status under Criteria 1-4.
- 67. Awarding Assisted Area status under Criterion 5 requires a special dispensation application to the Commission. This suggests that the Commission see such cases as exceptional and warranting additional scrutiny.

Mid-term Review and Population Reserve

- 68. If a mid-term review of the 2014-2020 UK Assisted Areas Map is undertaken, any revisions are expected to come into effect on 1 January 2017 as per paragraph 183 of the RAG. Any decision on whether to hold a mid-term review of the UK 2014-2020 Assisted Areas Map will be taken at a later date.
- 69. Member States can choose to hold a population reserve to later allocate to the Map, subject to this coverage being added in accordance with the RAG. Question D03 in this consultation relates to the possibility of population reserve being held back in the UK for later allocation to the Map. Further details are in paragraphs 180-182 of the RAG.

8. The Consultation Process

- 70. Consultation on the 2014-2020 Assisted Areas will be held in two stages. The first stage proposes common principles along which the 2014-2020 Assisted Areas Map will be drawn. It will also seek local intelligence on areas of economic opportunity and need, gathered primarily from Local Enterprise Partnerships (LEPs) in England, and Local Authorities (LAs) in Scotland and Wales. This first stage consultation is due to close on Monday 30th September 2013.
- 71. Taking into account the responses from Stage 1 of the consultation, BIS, the Scottish and Welsh Governments will then consider which places should be included as Assisted Areas on the draft Map to be consulted on in Stage 2 of the consultation. This will be constructed using a variety of means of testing economic need and the potential to grow disadvantaged domestic economies using regional aid to invest in undertakings, typically businesses in those areas. Local priorities and other responses returned in Stage 1 of the Consultation will be considered alongside the principles set out in draft below.
- 72. Stage 2 of the consultation is expected to commence in winter 2013/14 asking for comment on a draft 2014-2020 Assisted Areas Map. The English part of this draft Map will be developed by BIS, the Scottish part of the Map by the Scottish Government and the Welsh part of the Map by the Welsh Government. Under the supervision of UK Ministers, these constituent parts will be aggregated into a Great Britain wide draft Map for the second stage consultation.
- 73. The draft Assisted Areas Map for England will then modified by BIS, and the draft Maps for Wales and Scotland will be modified by the Welsh and Scotlish Governments respectively. Feedback gathered in the Stage 2 consultation will be considered when doing so. UK Ministers will then agree the version of the UK Map to submit for Commission approval. The 2014-2020 Assisted Areas Map is due to come into effect on 1 July 2014 alongside the 2014-2020 RAG. This timeframe is the same for all EU Member States.

Consultation Stage 1 - Common Principles and Local Intelligence

- 74. This stage of the consultation represents a more-bottom up approach compared to the first stage consultation for the 2007-2013 Map. It seeks to make more use of locally provided economic intelligence in the draft Map's development.
- 75. Firstly, BIS and its partners in the Scottish and Welsh Governments, want to check the suitability of the proposed principles for developing the 2014-2020 AA Map (set out in paragraphs 109-116 and again in paragraphs 157-164 below) in terms of developing a fair and effective AA Map. These principles have also been included to guide the nature of responses setting out local economic evidence and priorities regarding appropriate future Assisted Area coverage.
- 76. Secondly, understanding the geography of local economic opportunity is vital if Government is to determine, at both a national and a local level, which places offer the most significant opportunities for governments to potentially use regional aid to support economically disadvantaged economies. Government will need to consider both the extent and severity of local economic need and also the nature of the economic

- opportunities that could potentially support these economies, and locally driven intelligence will be vital in building up this detailed picture.
- 77. UK assisted areas maps date back to the Special Areas Act 1934. Over an 80 year timeframe, these maps show repeated geographical patterns emphasising, in general, that spatial patterns of economic need are often entrenched. This is despite significant evidence that the advantages attached to Assisted Area status have been a valuable asset in attracting employment to places. The distribution of Assisted Areas in the most recent of these maps, the 2007-2013 Map, resulted from significant public consultation and evidence-based government analysis, and was approved by the European Commission. Taking into account the current operational 2007-2013 Map when developing its 2014-2020 successor also mirrors elements of the RAG.

Assessing Economic Opportunity

- 78. It is proposed that economic opportunity will be assessed in terms of the potential to catalyse the economies of economically disadvantaged places through the granting of regional aid to undertakings, typically businesses.
- 79. Supporting UK manufacturing is a key policy goal of the UK Government's objectives to sectorally rebalance the economy. Regional aid, typically being capital investment, is well suited to investing in manufacturing, which is a capital intensive concern, with often deep and local supply chains. Manufacturing firms are often therefore the beneficiaries of Government schemes and programmes that spend regional aid (see Section 5 above).
- 80. Although used less frequently for these purposes, regional aid can also support property development and renovation, for instance through Business Premises Renovation Allowance permitted by HMRC¹⁰, and in some types for regeneration support provided by Property Support Schemes.

Assessing Economic Need

- 81. The metrics of economic need suggested below are in line with the Industrial Development Act 1982 that provides the primary legislation for the forthcoming 2014 Assisted Areas Order. In terms of Assisted Areas, this states that "In exercising his powers under the preceding provisions of this section the Secretary of State shall have regard to all the circumstances actual and expected, including the state of employment and unemployment, population changes, migration and the objectives of regional policies."
- 82. They are also similar to metrics used in the development of the 2007-2013 Assisted Areas Map, which considered high rates of working age population with skill levels of NVQ2 and below, low employment rates, and high levels of incapacity benefit claimant rates to indicate economic disadvantage and indicating suitability for Assisted Area status. Although not a metric of economic need, for the reasons set out in the text

¹⁰ Her Majesty's Revenue and Customs.

prefacing Principle 8, high rates of manufacturing employment was also included in the set of metrics employed in 2007-2013 and is suggested for retention in 2014-2020.

- a) Low Employment Rate
- b) Low Skills Rate (level 2 and below)
- c) High Working Age Benefit Claimant Count Rate
- d) Low population growth/ net out migration of working age population
- e) High rates of manufacturing
- 83. Some data are already published for the metrics described above. However, currently not all data are in the final format that BIS proposes to use. This is mainly due to the timing of census outputs, where outputs are being released over a number of different stages. A description of the current state of play with data is as follows:
 - a) Employment rates: These are currently available from the 2011 census at: http://neighbourhood.statistics.gov.uk/dissemination/LeadHome.do (follow Topics, then census, then economic activity and download the dataset for administrative hierarchy). However, this gives rates for those aged 16-74. BIS proposes to use economic activity rates for those of working age (16-64) excluding full time students as distortions can arise in places with large student populations. This should be available for England and Wales later in the summer and in Scotland in the autumn. Details of proposed census outputs are at: www.ons.gov.uk/ons/guide-method/census/2011/census-data/2011-census-prospectus/index.html for England and Wales and at: www.scotlandscensus.gov.uk/en/news/articles/outputsprospectus.html for Scotland.
 - b) Skills: Skills data for those with level 2 or higher qualifications are also available from the census at: http://neighbourhood.statistics.gov.uk/dissemination/LeadHome.do (follow Topics, then census, then highest level of qualification and download the dataset for administrative hierarchy). Again, however, this is not the format that BIS proposes to use as it covers all of those over 16. BIS proposes to use instead the working age population. This data will be available as described above from census outputs.
 - c) Working age benefits: This is available currently for Great Britain from DWP administrative data and this can be found at: https://www.nomisweb.co.uk/query/select/wizpopular.asp (select benefit claimants working age clients for small areas). This dataset is currently only available at the older ward boundaries. This data can still be aggregated up from LSOAs to areas close to those using the new ward boundaries, but there could be some discrepancies in places, one of the reasons why the use of metrics cannot be too prescriptive.
 - d) Out migration: This is available for 2011 for the new ward boundaries and for 2001 on the older boundaries via NOMIS at http://neighbourhood.statistics.gov.uk/dissemination/LeadHome.do (follow Topics, then census for both 2001 and 2011). The majority of wards are unchanged between the two sets of data but we propose to aggregate up to a level (LEP) in England where boundary changes make very little difference. In Scotland and Wales, data would be aggregated

to Local Authority level and again, this will alleviate most problems with changing ward boundaries.

- e) Jobs in manufacturing: Data for Great Britain for district, county and unitary authority level is partly available (manufacturing is combined with the smaller 'mining quarrying and utilities' to give a broader grouping of 'Production' at: http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-254601. BIS proposes to produce a customised analysis of ONS's Business Register to produce data at ward level. This data will not be published, but data for aggregated areas may be released subject to disclosure checking. Metrics a, b and e are retained from 2007-2013. It is proposed to use working age benefit claimant counts instead of incapacity benefit claimant rates as this takes into account a broader range of economic disadvantage and effects of barriers to the labour market. Low population growth/net out migration relates back to the text of the 1982 Industrial Development Act and is included to reflect that a lack of employment opportunities is a key driver of population movement.
- 84. This set of proposed metrics is bespoke to this policy area, and seeks to best capture those places that would benefit from the granting of regional aid. Other sets of metrics, such as the indices of multiple deprivation, may be better suited to determining other policy interventions.
- 85. It is proposed that relative economic need will be considered at two spatial scales:
 - 1) at the Local Enterprise Partnership (LEP) level in England, and at the Local Authority (LA) level in Wales and Scotland; and
 - 2) at the Assisted Area level or in its constituent wards
- 86. It is proposed that metrics a, b, and c above are suitable for considering at both 1) the LEP level in England and LA level in Wales and Scotland; and 2) at a more localised level such as the potential Assisted Area or the ward being used as a building block to construct the potential assisted areas¹¹.
- 87. It is proposed that metric d) should only be considered at the LEP level in England and LA level in Wales and Scotland, and not at a more localised level such as the potential Assisted Area or constituent ward. This is because at more localised levels, many other factors apart from labour market conditions are stronger factors for population movements. It is proposed that rates of manufacturing employment metric e are only considered at the localised level e.g. the potential Assisted Area or the wards being used as a building block to construct these potential assisted areas. This is because manufacturing jobs are often concentrated in certain vicinities and can be disguised when considering employment in larger spatial areas.

¹¹ Metric c) may not be available for 2011 ward boundaries by the time analysis of potential Assisted Areas is being undertaken by BIS. If this is the case and this metric is being employed, then a suitable equivalent measure will be used.

88. Considering economic need at the LEP (in England) or LA (in Scotland and Wales) level, in addition to the Assisted Area level, will allow those places with relatively high levels of economic need but relatively low levels of economic opportunity more geographical flexibility in their suggestion of potential Assisted Areas.

Responding to Consultation Stage 1

- 89. Two types of forms for responding to Stage 1 of consultation are available from https://www.gov.uk/government/consultations/assisted-areas-map-2014-to-2020, www.scotland.gov.uk/Topics/Government/State-Aid and https://wales.gov.uk/consultations/;jsessionid=2A173646359D86BA3CF12CC0727ED146 https://wales.gov.uk/consultations/;jsessionid=2A173646359D86BA3CF12CC0727ED146 https://wales.gov.uk/consultations/;jsessionid=2A173646359D86BA3CF12CC0727ED146 https://wales.gov.uk/consultations/;jsessionid=2A173646359D86BA3CF12CC0727ED146 https://wales.gov.uk/consultations/;jsessionid=2A173646359D86BA3CF12CC0727ED146 https://wales.gov.uk/consultations/jsessionid=2A173646359D86BA3CF12CC0727ED146 https://www.gov.uk/consultations/jsessionid=2A173646359D86BA3CF12CC0727ED146 https://wales.gov.uk/consultations/jsessionid=2A173646359D86BA3CF12CC0727ED146 https://www.gov.uk/consultations/jsessionid=2A173646359D86BA3CF12CC0727ED146 https://www.gov.uk/consultations/jsess
- 90. The form aimed at LEPs in England and LAs in Scotland and Wales (Form 1) offers more boxes to provide information about their local economy than the 'other respondents' form (Form 2).
- 91. This is because in England, LEPs are asked to coordinate a single local response to the 'local intelligence' part of the Stage 1 consultation. Scotland and Wales do not have LEPs so LAs are asked to assume an equivalent role there.
- 92. Government is asking LEPs in England to assume this coordinating role because:
 - 1) LEPs are an integral part of the England's economic development architecture and giving LEPs this coordination role encourages coherence between the development of Assisted Area consultation responses, spatial development priorities noted in the LEP strategic economic plans, and spending plans for the LEP Single Local Growth Fund; and
 - 2) Criterion 1 of paragraph 168 of the RAG means that most UK Assisted Areas require a minimum population of 100,000. In representing an area that covers a number of local authorities, LEPs can help identify and respond to economic priorities across administrative boundaries. This is beneficial given that wherever possible within the workings of the RAG, Assisted Area status should respond to economic geography and not political boundaries.
- 93. Indeed, aiming for an effective spread of Assisted Area coverage, and robust consideration of the distribution of economic need and opportunity, Government encourages LEPs to work in groups to identify any suggested Assisted Areas that cross LEP boundaries.
- 94. Likewise, in both Scotland and Wales, coordinated responses from groups of local authorities are encouraged and the Scottish and Welsh Governments support this objective.
- 95. LEPs and groups of LEPs in England and LAs and groups of LAs in Scotland and Wales should respond to the consultation using **Form 1**. The guidance for filling out this form is in Section 9 below.

- 96. Other individuals or bodies may wish to input into the responses being coordinated by LEPs and groups of LEPs in England and LAs and groups of LAs in Scotland and Wales. This is best done by contacting the relevant LEP (England) or LA (Scotland and Wales) directly to feed in the information for them to consider. The LEP Network website provides a clickable map, which shows which LEP to contact about a specific area and how to contact them. www.lepnetwork.org.uk/leps.html. Alternatively, you can e-mail AssistedAreasConsultation@bis.gsi.gov.uk for assistance. If you are seeking to make a response for an area of Scotland or Wales and wish to make contact with a local authority, for assistance, please e-mail AssistedAreasConsultation@Wales.gsi.gov.uk or AssistedAreasConsultation@Wales.gsi.gov.uk or AssistedAreasConsultation@Wales.gsi.gov.uk or AssistedAreasConsultation@Scotland.gsi.gov.uk. If you do not have access to e-mail, please write to the BIS, Scottish or Welsh Government teams named in Section 3 of the consultation document.
- 97. LEPs (England) and LAs (Scotland and Wales) are requested by Government to play a lead role in developing and coordinating local responses for their areas. The form for LEPs (England) and LAs (Scotland and Wales) **Form 1** therefore contains a different set of questions to **Form 2**, which should be returned by other respondents. Guidance on filling out **Form 2** is available in Section 10 below.
- 98. Individuals and organisations across Great Britain will also have chance to comment on the draft 2014-2020 Assisted Areas Map, which will form the cornerstone of the Stage 2 consultation.

9. Returning Form 1 - the form for LEPs in England and LAs in Scotland and Wales

99. This section contains guidance on filling out the form for LEPs in England and Local Authorities in Scotland and Wales. If you do not represent one of these bodies, please refer to Section 10 below where guidance for other respondents is available.

Section A – Freedom of Information

- 100. Respondents should be aware that BIS and the Welsh and Scottish Governments, are subject to legal requirements concerning the release of information which they hold, including the Freedom of Information Act 2000 ("FOIA"). Information provided may in some circumstances be exempt from release (including under section 40, 41 or 43 of the FOIA), and the relevant public authority will, subject to those legal requirements, look to respect confidentiality where applicants have asked us to do so. In order to help the relevant public authority deal with any Freedom of Information requests efficiently, please untick the green FOI box next to the questions where you would not want us to release your answer should we receive a FOI request. Where you do not untick the green FOI box next to a question this is assumed to mean that you consent for the information to be released under the FOIA.
- 101. Alternatively, you may untick the green FOI box referring to the whole form where you would not want us to release any of your answers should we receive a FOI request.
- 102. If you have unticked a box this does not guarantee that the information will not be released. Please set out the reasons why you have opted out in Box A02, including why you consider the information to be exempt information as defined in the FOIA (for example, because release of the information would prejudice commercial interests in your area).
- 103. Please note though that the ultimate decision on whether to release information rests with the relevant public authority having regard to the legal requirements of the FOIA and any other relevant legislation. Some FOIA exemptions require analysis of public interest considerations. Before reaching a decision, a public authority is often required carefully to balance opposing factors, based on the particular circumstances of the case. More information on the FOIA can be found at: http://www.ico.gov.uk/for organisations/freedom of information/guide.aspx

Section B - Personal Details

104. Please fill out the details as requested on the form. Please contact AssistedAreasConsultation@bis.gsi.gov.uk with any queries.

Section C - Coordinating Local Reponses

105. To ensure coordinated local responses, Form 1 offers questions C01 to C04 for information that we hope will encourage single coordinated responses from a number of bodies. This is particularly important in Form 1 given that Government has asked LEPs in England and LAs in Scotland and Wales to coordinate and develop the more detailed local intelligence returns asked for in Section E of Form 1. Similar questions are also included on the 'other respondents' Form 2 to understand which bodies and individuals contributed to those returns.

C01: Is this a response from a single LEP (England)/LA (Scotland and Wales) or a group of LEPs (England)/LA (Scotland and Wales)?

C02: Which organisations or persons have contributed to this response?

C03: Please list any minority standpoints that have been submitted to the LEP (England)/LA (Scotland and Wales) or group thereof making this response, which are not included within the responses to the questions below. Where possible, please note which body or bodies provided this information.

C04: Please set out any other information relevant to how this response was developed and collated.

106. It is the UK Government's intention to meet with any LEP or group of LEPs who submit a response to Stage 1 of the consultation, and who desire a meeting. These 'clinics' will be held after the Stage 1 of the consultation closes and before Stage 2 opens. Dates will be issued by BIS during the Stage 1 of the consultation. LEPs are welcome to bring representatives from other local bodies, such as English local authorities. The Scottish and Welsh Governments will host equivalent clinics for local authorities there. These clinics are primarily designed to explore the local intelligence (Section E) returns made by LEPs in England and local authorities in Scotland and Wales.

Section D – Proposed Common Principles for drawing the 2014-2020 AA Map

- 107. Set out below are a number of common principles along which the UK intends to draw the 2014-2020 Assisted Areas Maps. The likelihood of obtaining the Commission's timely approval is a key concern when developing the Map. These principles are being consulted on as part of Stage 1 of this consultation. While these principles may subsequently change, respondents should use them as guidelines when completing the local intelligence and priorities section of this consultation questions E01 to E05. Stage 2 of the consultation will offer respondents the opportunity to submit comments with respect to the draft Map taking into account any changes made to the common principles following the Stage 1 consultation.
- 108. Principle 1: Assisted Areas in the UK should reflect opportunities to support businesses with regional aid in locations that will support the economies of economically disadvantaged places. (see paragraph 76 above)
- 109. Principle 2: a combination of quantitative and qualitative economic evidence and intelligence (such as consultation responses), and relevant economic 27

policy considerations should be used by Government to determine a place's relative economic need and economic opportunity in terms of the potential to use regional aid to support economic convergence objectives. (see paragraph 16 above)

- 110. Principle 3: In some circumstances, the primary purpose of designating some wards as Assisted Areas may be to link together other wards containing the characteristics sought for Assisted Area status i.e. significant economic opportunities that could catalyse disadvantaged economies within a minimum contiguous population (typically 100,000 people). (for other minimum populations see paragraph 168 of the RAG)
- 111. Principle 4: The 2007-2013 Assisted Areas Map should be a material consideration when developing its 2014-2020 successor. (see paragraph 77 above)
- 112. Principle 5: Providing eligibility to support large firms with regional aid should be a consideration of the 2014-2020 Assisted Areas Map given there are fewer constraints on Government to support small and medium sized enterprises with capital investment under other forms of state aid. (see paragraph 45 above)
- 113. Principle 6: Offering UK public bodies the flexibility to invest regional aid in expanding and developing UK manufacturing should be a key goal when developing the Assisted Areas Map. (see paragraphs 43 and 79 above)
- 114. **Principle 7:** (see paragraphs 81 to 85 above): **The metrics of economic need** that should be used to inform the Map's development are:
 - a) Low Employment Rate
 - b) Low Skills Rate (level 2 and below)
 - c) High Working Age Benefit Claimant Count Rate
 - d) Low population growth/ net out migration of working age population
 - e) High rates of manufacturing
- 115. Principle 8 (see paragraphs 86 to 89): it is proposed that relative economic need will be considered at two spatial scales:
 - 1) at the Local Enterprise Partnership (LEP) level in England, and at the Local Authority (LA) level in Wales and Scotland; and
 - 2) at the potential Assisted Area level or in its constituent wards
- 116. The consultation response forms each contain a question relating to the above eight principles for drawing the Map: **D01** asks, do you broadly support the principles for developing the 2014-2020 Assisted Areas Map set out in 109-116 of the consultation document? If there are any principles you do not support, evidence why in **D02**.

- 117. Under paragraphs 180 182 of the RAG, Member States can choose to hold back population coverage from their regional aid maps. This population can be added to their Maps at later dates, possibly in response to emerging economic opportunities or need. To add places to the Map using this reserve, no places need to be removed from the Assisted Areas Map.
- 118. Question **D03** asks: For the one country you have chosen to respond for (England, Wales or Scotland), do you consider that some predefined c coverage should be held back for allocation to the 2014-2020 Map at a later date? A key advantage of a population reserve is that it can be used to respond to later economic opportunities and shock. A key disadvantage is that a reserve will only be effective once it is added to the Map, so only for part of the 2014-2020 period. Question **D04** asks for reasoning behind your answer to **D03**.

Section E - Local Intelligence

- 119. The consultation response form also asks a number of questions seeking to gather local intelligence to feed into Ministers' determination of UK Assisted Areas to propose to the Commission. Local intelligence returned will be considered by Government alongside economic data and other intelligence as well as policy considerations.
- 120. LEPs (England) and LAs (Scotland and Wales) are requested by Government to play a lead role in developing and coordinating local responses for their areas in terms of providing Government with intelligence that will help inform the development of the 2014-2020 Map.
- 121. We recognise that the UK's economic geography and priorities have evolved over the last seven years, but for the reasons outlined in paragraph 77 above, we propose that the 2007-2013 AA Map should inform the development of the 2014-2020 Map. Questions **E01** and **E02** below therefore seek to gain an understanding of how the economic geography of the places with current Assisted Areas coverage has changed since the 2007-2013 Map was developed, and this includes increasing our understanding of which wards Assisted Areas status is now less of a local priority.
- 122. Question **E01** therefore asks LEPs or groups of LEPs (England) and LAs or groups of LAs (Scotland and Wales) with existing 2007-2013 Assisted Area population coverage, as defined in Tables 1 to 3 in Annex 1 below, to list 2011 Census wards that form locally desired Assisted Areas. Question **E01** should be returned on the spreadsheet that forms Form 1, Part 2.
- 123. The area(s) suggested should conform to the RAG, notably in terms of the NUTS3 or NUTS2 area in which they lie meeting any of Criteria 1 to 4 of paragraph 168 of the RAG. Of particular note, any minimum population threshold typically 100,000 persons should be met. Criterions 2 and 3 do though offer the chance for eligible to return lower population contiguous areas.
- 124. The English and Scottish NUTS3 areas that do not meet any of these criteria are set-out below in Table 9.1. Wards lying within the NUTS3 areas listed in Table 9.1 would require Criterion 5 applications if they are to be included on the Assisted Areas Map.

- 125. The total population of these wards returned for question **E01** should not exceed 80% of the population of the LEP's (England) or LA's (Scotland and Wales) 2007-2013 population coverage as specified in Tables 1-3 of Annex 1 of the consultation document. Ward populations should be taken from the 2011 UK census. The 2011 census ward populations for England and Wales are included in the Form 1 Part 2 spreadsheet that responses to question E01 should be returned in. 2011 census populations for output areas will be available for Scotland from August 15th 2013. Soon after this date, BIS will issue 2011 LAU2 ward populations for Scotland based on a best fit of output areas into ward boundaries. Until then, it is suggested that any planning conducted by local authorities in Scotland for responses to questions E01 and E02 is based on 2011 mid-year population estimates provided by the Scottish Government for LAU2 wards 12, available from the Scottish Government website at http://www.scotland.gov.uk/Topics/Government/State-Aid/RegionalAid/AAConsultation
- 126. It is suggested that a mapping exercise is key to the selection of these wards, and for those in question **E02** below.
- 127. Question **E02** asks LEPs (England) or LAs (Scotland and Wales) with 2007-2013 Assisted Area coverage to submit a list of 2011 wards in addition to those listed in E01 above. The population coverage of these wards, added to those listed in E01 above, should not exceed 100% of the LEP's or LA's 2007-2013 population coverage as shown in Annex 1, Tables 1-3, of the consultation document. You should not include wards in response to this question if they lie within any of the NUTS3 areas listed in Table 9.1 of the consultation document; such wards would require Criterion 5 applications if they are to be included on the Assisted Areas Map. Question **E02** should be returned on the spreadsheet that forms Form 1, Part 2.
- 128. The relevant LEPs (England) and LAs (Scotland and Wales) should also return two maps showing the extent of these suggested Assisted Areas one for **E01**, another for **E02**. BIS would prefer to receive these in JPEG format accompanied by any GIS file used to develop them, preferably a 'MapInfo .TAB file' or an 'ESRI Shapefile'. It is suggested that this mapping exercise is used as a tool to assess spatial distributions of wards when developing the lists for questions **E01** and **E02**.
- 129. It is hoped that questions **E01** and **E02** will help those localities with existing coverage to spatially prioritise local economic development. In England, this work should align with the development of LEP Strategic Economic Plans. Government welcomes responses to these questions as considerations from a local perspective, and at a local scale, on how the 2007-2013 Assisted Areas Map can be used to inform the development of the 2014-2020 Map. Those wards highlighted in **E02** should be a lower local priority for inclusion on the Map than those listed in **E01**. This local intelligence will be useful for when BIS and the Scottish and Welsh Governments conduct similar exercises to determine which places should be included on the 2014-2020 Map.

¹² These have been produced on a best fit basis using datazone population estimates. However, it should be noted that the fit of datazone to LAU2 wards is 88.7%, As such results should be used with caution and 2011 Census data should form the basis of responses to questions E01 and E02.

- 130. It is preferable in terms of presenting an acceptable Map to the Commission that the selection of wards returned for question **E01** and **E02** does not form a 'doughnut' shape with a hollow middle.
- 131. If the LEP(s) (England) or LA(s) (Scotland and Wales) that you are responding on behalf of, does not have enough population coverage under question **E01** or **E02** to form a single contiguous 100,000 population area, then an area of less than 100,000 should be offered. This only applies to the first contiguous area of Assisted Area coverage suggested by an LEP (England) or LA (Scotland and Wales).
- 132. The returns to questions **E01** and **E02** form suggestions to Government. No decisions have been made on the amount of coverage any LEP or local authority will receive. There is no guarantee that any particular areas suggested for potential Assisted Area coverage will feature on the 2014-2020 Assisted Areas Map.
- 133. Question **E03** asks relevant LEPs (England) and LAs (Scotland and Wales) to evidence their choice of wards returned in questions **E01** and **E02**. This response does not require a justification for every ward chosen, but it should strategically consider what economic opportunities these wards offer and the benefits to the local economy of Assisted Area status being granted there, including reference to overcoming economic need through safeguarding, upskilling or creating jobs. It may be useful to highlight a few major investments that could be supported by regional aid and economic activities identified for future development. When denoting economic opportunities, reference to key industrial sectors, businesses and development sites will likely be included. Economic development plans for the area should be referenced, as should the benefits of presently having Assisted Area status.
- 134. LEP areas (England) and LA areas (Scotland and Wales) without Assisted Area coverage in 2007-2013 will not be able to return an answer to questions **E01**, **E02** and **E03**. They will though, like the areas with existing coverage, be able to return a response to Question **E04**, which asks LEP or group of LEPs (England) and LAs or groups of LAs (Scotland and Wales) to submit a list of wards that contain key economic opportunities e.g. important factories or commercial developments not covered by the responses to **E01** and **E02** above. These economic opportunities should be prioritised into groups of ten 2011 Census wards. There is no ask from Government to rank wards individually within these groups of ten. The wards submitted do not have to form a standalone contiguous area, although ideally they should form the core on which Government can build contiguous areas. The wards should be identified by their Ward Name and Ward Code (2011 Census ward boundaries).
- 135. As a guideline, any opportunities listed have the potential to create or safeguard at least 30 jobs. 30 jobs refers to the individual site not the ward total. The quality of these jobs is also a consideration. If development sites are listed, please evidence that they are deliverable within the lifetime of the Map e.g. that they at least have outline planning permission. Wards should not be submitted in response to this question if they lie within any of the NUTS3 areas listed in Table 9.1 of the consultation document, where Criterion 5 applications are required. Question **E04** should be returned on the spreadsheet that forms Form 1, Part 2.
- 136. You are then ask to comment strategically in question **E05** on how the responses

to question **E04** offer the potential to effectively deploy regional aid in supporting economic convergence between poorer and wealthier areas of the UK.

- 137. The response to **E05** should be evidenced, relating the opportunities listed to economic policy and investment strategy for the area, including in England, the emerging LEP Strategic Economic Plans. The response to E05 should strategically consider the benefits to the local economy of Assisted Area status potentially being granted there.
- 138. Questions E01 to E05 do not underpin a bidding system for Assisted Area coverage. Scenarios such as the following are possible:
 - An area to receive a different distribution of population coverage to that it suggested to Government
 - A LEP (England) or LA (Scotland and Wales) to not make a return to this consultation, but to receive Assisted Area coverage

Potential Criterion 5 applications

139. The final question on **Form 1** – question **E06** - is set in reference to Criterion 5 of paragraph 168 of the Regional Aid Guidelines. Criterion 5 of Paragraph 168 of the RAG is a potential route to Assisted Area status for areas that cannot qualify under Criteria 1 to 4 of paragraph 168 of the RAG.

Criterion 5: contiguous areas of at least 50,000 inhabitants that are undergoing major structural change or are in serious relative decline, provided that such areas are not located in NUTS 3 regions or contiguous areas that fulfil the conditions to be designated as predefined areas or under Criteria 1 to 4.

140. Footnotes 71 and 72 of the RAG refer to Criterion 5. Footnote 71 is not applicable to the UK. Footnote 72 states that:

For the purpose of applying Criterion 5, the Member State must demonstrate that the applicable conditions are fulfilled by comparing the areas concerned with the situation of other areas in the same Member State or in other Member States on the basis of socioeconomic indicators concerning structural business statistics, labour markets, household accounts, education, or other similar indicators. For this purpose, the Member State may refer to data provided by its national statistical office or other recognised sources.

- 141. According to the RAG, Criterion 5 applications can only be made for places within the NUTS3 areas set out in Table 9.1. This question is therefore only aimed at LEPs (England) and LAs (Scotland) that contain places on this list. There are no areas in Wales that require Criterion 5 applications in order to receive Assisted Area status. Under the RAG, Criterion 5 applications cannot be made for parts of the UK not listed in Table 9.1.
- 142. Criterion 5 applications are available so that member state governments can notify the Commission of localised economic decline within NUTS3 areas that would otherwise not be expected to contain Assisted Areas. As awarding Assisted Area status under 32

Criterion 5 requires a special dispensation application to the Commission, this suggests that the Commission see such cases as exceptional and warranting additional scrutiny.

143. If you would like the UK Government to consider making a Criterion 5 application for any parts of the NUTS3 areas listed in Table 9.1, you should set out why the area being nominated is undergoing major structural change or in serious decline relative to other areas in the UK or in other Member States. Comment on the relative economic disadvantage of the area and potential to utilise regional aid to support the local economy should also be described in any case made to Government for your area. Respondents should note that Criterion 5 seeks contiguous areas of at least 50,000 residents, all of whom must live within the NUTS3 areas listed in Table 9.1. If a LEP (England) or LA (Scotland) is considering asking the UK Government to make a Criterion 5 bid for a part of their area, they should familiarise themselves with the full guidance surrounding paragraph 168 of the RAG.

Table 9.1 – NUTS3 areas of England and Scotland where Criterion 5 applications to the Commission would be required if Assisted Areas are to be designated within them.

NUTS3 Name	NUTS3 code
Warrington	UKD61
Cheshire East	UKD62
Cheshire West and Chester	UKD63
Leicester	UKF21
Leicestershire CC and Rutland	UKF22
West Northamptonshire	UKF24
Hertfordshire	UKH23
Berkshire	UKJ11
Milton Keynes	UKJ12
Buckinghamshire CC	UKJ13
Oxfordshire	UKJ14
Brighton and Hove	UKJ21
Surrey	UKJ23
West Sussex	UKJ24
Portsmouth	UKJ31
Southampton	UKJ32
Hampshire CC	UKJ33
Bristol, City of	UKK11
Bath and North East Somerset	UKK12
Gloucestershire	UKK13
Swindon	UKK14
Edinburgh, City of	UKM25
West Lothian	UKM28
Aberdeen City and Aberdeen	UKM50

- 144. Question **E06** seeks an incisive overview that gives BIS a good idea of whether a case potentially warrants a Criterion 5 application. Further information will be gleaned on these potential Criterion 5 cases at the LEP (England) or LA (Scotland) clinics in the autumn. Ministers will then decide for which places, if any, a Criterion 5 application should be made to the Commission following the Stage 2 of the consultation. Stage 2 consultation the draft Map will denote any Criterion 5 cases being considered by the UK Government at that stage.
- 145. BIS Local teams in England are able to offer limited assistance to LEPs drawing up the responses to questions **E01** to **E06**. This will be in terms of advising LEPs on strategically prioritising local economic opportunities to support economically disadvantaged areas. The Scottish and Welsh Governments will provide equivalent advice for their local authorities.

Concluding Comment

146. BIS, working in conjunction with the Scottish and Welsh Governments, thank you for your interest and for any responses made before Monday 30 September 2013.

10. Returning Form 2 - the form for other respondents

- 147. Guidance on filling out **Form 2**, the form for individuals and bodies other than Local Enterprise Partnerships (LEPs) in England and Local Authorities (LAs) in Scotland and Wales is found in this section. If you represent a LEP in England or an LA in Scotland and Wales, please refer to the guidance in Section 9 above.
- 148. Government encourages the production of coordinated local responses, so instead of returning **Form 2**, individuals and bodies may wish to consider instead or additionally contacting their local LEP in England or LA in Scotland and Wales to feed into their response. Details of how to do so are in paragraph 97 above.

Section A - Freedom of Information

- 149. Respondents should be aware that BIS and the Welsh and Scottish Governments, are subject to legal requirements concerning the release of information which they hold, including under the Freedom of Information Act 2000 ("FOIA"). Information provided may in some circumstances be exempt from release (including under section 40, 41 or 43 of the FOIA), and the relevant public authority will, subject to those legal requirements, look to respect confidentiality where applicants have asked us to do so. In order to help the relevant public authority deal with any Freedom of Information requests efficiently, please untick the green FOI box next to the questions where you would not want us to release your answer should we receive a FOI request. Where you do not untick the green FOI box next to a question this is assumed to mean that you consent for the information to be released under the FOIA.
- 150. Alternatively, you may untick the green FOI box referring to the whole form where you would not want us to release any of your answers should we receive a FOI request.
- 151. If you have unticked a box this does not guarantee that the information will not be released. Please set out the reasons why you have opted out in Box A02, including why you consider the information to be exempt information as defined in the FOIA (for example, because release of the information would prejudice commercial interests in your area).
- 152. Please note though that the ultimate decision on whether to release information rests with the relevant public authority having regard to the legal requirements of the FOIA and any other relevant legislation. Some FOIA exemptions require analysis of public interest considerations. Before reaching a decision, a public authority is often required carefully to balance opposing factors, based on the particular circumstances of the case. More information on the FOIA can be found at: http://www.ico.gov.uk/for organisations/freedom of information/guide.aspx

Section B - Personal Details

153. Please fill out the details as requested on the form. Please contact AssistedAreasConsutlation@bis.gsi.gov.uk with any queries.

Section C - Coordinating Reponses

154. **Form 2** gives space (Boxes C01, C02 and E02) for information that we hope will encourage coordinated responses to this first stage of consultation.

C01: If any other organisations or persons have contributed towards this response please list them here,

C02: Have any concerns been submitted to the body or individual coordinating this form, which have not been included in responses to Section D or E, which you wish to inform BIS of? Where possible please include which body or bodies hold this view.

Section D - Proposed Common Principles for drawing the 2014-2020 AA Map

- 155. Set out below are a number of common principles along which the UK intends to draw the 2014-2020 Assisted Areas Maps. The likelihood of obtaining the Commission's timely approval is a key concern when developing the Map. These principles are being consulted on as part of Stage 1 of this consultation. While these principles may subsequently change, respondents should use them as guidelines when completing the local intelligence and priorities section of this consultation question E01 to E02. Stage 2 of the consultation will offer respondents the opportunity to submit comments with respect to the draft Map taking to account any changes made to the common principles following the Stage 1 consultation.
- 156. Principle 1: Assisted Areas in the UK should reflect opportunities to support businesses with regional aid in locations that will support the economies of economically disadvantaged places. (see paragraph 76 above)
- 157. Principle 2: a combination of quantitative and qualitative economic evidence and intelligence (such as consultation responses), and relevant economic policy considerations should be used by Government to determine a place's relative economic need and economic opportunity in terms of the potential to use regional aid to support economic convergence objectives. (see paragraph 16 above)
- 158. Principle 3: In some circumstances, the primary purpose of designating some wards as Assisted Areas may be to link together other wards containing the characteristics sought for Assisted Area status i.e. significant economic opportunities that could catalyse disadvantaged economies within a minimum contiguous population (typically 100,000 people). (for other minimum populations see paragraph 168 of the RAG)
- 159. Principle 4: The 2007-2013 Assisted Areas Map should be a material consideration when developing its 2014-2020 successor. (see paragraph 77 above)
- 160. Principle 5: Providing eligibility to support large firms with regional aid should be a consideration of the 2014-2020 Assisted Areas Map given there are fewer constraints on Government to support small and medium sized enterprises with capital investment under other forms of state aid. (see paragraph 45 above)
- 161. Principle 6: Offering UK public bodies the flexibility to invest regional aid in

expanding and developing UK manufacturing should be a key goal when developing the Assisted Areas Map. (see paragraphs 43 and 79 above)

- 162. **Principle 7:** (see paragraphs 81 to 85 above): **The metrics of economic need** that should be used to inform the Map's development are:
 - a) Low Employment Rate
 - b) Low Skills Rate (level 2 and below)
 - c) High Working Age Benefit Claimant Count Rate
 - d) Low population growth/ net out migration of working age population
 - e) High rates of manufacturing
- 163. Principle 8 (see paragraph 86 to 89): it is proposed that relative economic need will be considered at two spatial scales:
 - 1) at the Local Enterprise Partnership (LEP) level in England, and at the Local Authority (LA) level in Wales and Scotland; and
 - 2) at the potential Assisted Area level or in its constituent wards
- 164. The consultation response forms each contain a question relating to the above eight principles for drawing the Map: **D01** asks, do you broadly support the principles for developing the 2014-2020 Assisted Areas Map set out in 109-116 of the consultation document? If there are any principles you do not support, evidence why in **D02**.
- 165. Under paragraphs 180 182 of the RAG, Member States can choose to hold back population coverage from their regional aid maps. This population can be added to their Maps at later dates, possibly in response to emerging economic opportunities or need. To add places to the Map using this reserve, no places need to be removed from the Assisted Areas Map.
- 166. Question **D03** asks: For the one country you have chosen to respond for (England, Wales or Scotland), do you consider that some predefined c coverage should be held back for allocation to the 2014-2020 Map at a later date? A key advantage of a population reserve is that it can be used to respond to later economic opportunities and shock. A key disadvantage is that a reserve will be effective once it is added to the Map, so only for part of the 2014-2020 period. Question **D04** asks for reasoning behind your answer to **D03**.

Section E - Local Intelligence

167. The consultation response form also asks a number of questions seeking to gather local intelligence to feed into Ministers' determination of UK Assisted Areas to propose to the Commission. Local intelligence returned will be considered by Government alongside economic data and other intelligence as well as policy considerations.

- 168. LEPs (England) and LAs (Scotland and Wales) are requested by Government to play a lead role in developing and coordinating local responses for their areas in terms of providing Government with intelligence that will help inform the development of the 2014-2020 Map. Their form **Form 1** therefore asks for a more detailed set of responses in Section E than does this form, **Form 2**.
- 169. Government encourages respondents other than LEPs (England) and LAs (Scotland and Wales) to feed any local economic intelligence to their LEPs (England) and LAs (Scotland and Wales) in order that a single consolidated response can be made to Government. However, should this not be possible, other respondents can answer question E01.
- 170. **E01**: Please note any UK places that you think should be awarded Assisted Area status in 2014-2020, being as specific as possible. This question can be considered at different spatial scales for instance, a town or a city, or areas within them perhaps neighbourhoods or ideally wards. Using relevant evidence of economic need and opportunity, please evidence your choice of response. This response should strategically consider what economic opportunities these places offer and the benefits to the local economy of Assisted Area status being granted there, including reference to overcoming economic need through safeguarding, upskilling or creating jobs. It may be useful to highlight a few major investments that could be supported by regional aid and economic activities identified for future development. When denoting economic opportunities, reference to key industrial sectors, businesses and development sites will likely be included. Economic development plans for the area should be referenced, as, if relevant, should the benefits of presently having Assisted Area status.
- 171. Respondents who answer question **E01** are asked to also respond to question **E02**, which asks whether the information provided on Form 2 has been fed to the LEP (in England) or LA in (Scotland and Wales) that correspond to your place(s) of interest?

Concluding Comment

172. BIS, working in conjunction with the Scottish and Welsh Governments, thank you for your interest and for any responses made before Monday 30 September 2013.

11. What happens next?

- 173. Government will respond to this stage of the consultation within 3 months of the close of consultation.
- 174. The responses to this stage of consultation will inform the development of the draft Assisted Areas Map that will form the cornerstone of the Stage 2 consultation.
- 175. Notice of the Stage 2 consultation will be published in places that include the .Gov website, the LEP Network website www.lepnetwork.org.uk, and on the Local Government Association website www.local.gov.uk. All LEPs and LAs in Great Britain will also be contacted directly by letter to inform them of the consultation commencing.

Annex 1: Population Totals in 2007-2013

Listed in the tables below are the LA areas in Scotland and Wales and the LEP areas in England that had non-predefined 'c' coverage in 2007-2013. The population totals are taken and calculated from those the Commission were notified of when the 2007-2013 Map was submitted. Using those ward populations to create the totals below was deemed the fairest way, given that 2011 census populations are not available for the 2003 CAS ward boundaries used in the 2007-2013 submission to the Commission.

The notes below the relevant tables highlight areas that received pre-defined population coverage in 2007-2013. If an LA (Scotland and Wales) or LEP area (England) is not referred to in this annex, no 2007-2013 Assisted Areas were designated within its boundaries.

Annex 1, Table 1 – Scotland

Local Authority Area	AA Coverage 2007-2013 (persons)	80% of AA Coverage 2007-2013 (persons)
CLACKMANNANSHIRE	23,960	19,168
DUNDEE CITY	114,677	91,742
EAST AYRSHIRE	75,957	60,766
EAST DUNBARTONSHIRE	19,136	15,309
FALKIRK	60,513	48,410
FIFE	171,666	137,333
GLASGOW CITY	299,560	239,648
HIGHLANDS AND		
ISLANDS (see note below)	220,500	176,400
INVERCLYDE	74,422	59,538
NORTH AYRSHIRE	100,042	80,034
NORTH LANARKSHIRE	257,020	205,616
RENFREWSHIRE	83,534	66,827
SOUTH AYRSHIRE	34,369	27,495
SOUTH LANARKSHIRE	118,235	94,588
STIRLING	19,780	15,824
WEST DUNBARTONSHIRE	59,914	47,931
Total	1,733,285	

Note 1: The Highlands and Islands in 2007-2013 was a 369,400 population Statistical Effect Region Coverage. Now for 2014-2020, the NUTS3 areas of UKM61 Caithness & Sutherland and Ross & Cromarty; UKM63 Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute; and UKM64 Eilean Siar (Western Isles) have been predefined by the European Commission as sparsely populated 'c' areas. In a Eurostat population dataset – Cronos annual average population 2005 - used to develop the 2007-2013 Map, those parts of the Highlands and Islands not now predefined by the Commission have a population of 220,500. This figure is employed in the table above.

Annex 1, Table 2 - Wales

Local Authority Area	AA Coverage 2007- 2013 (persons)	80% of AA Coverage 2007-2013 (persons)
CAERDYDD/CARDIFF	30,837	24,670
CASNEWYDD/NEWPORT	40,838	32,670
POWYS/POWYS	8,015	6,412
SIR Y FFLINT/FLINTSHIRE	97,745	78,196
Total	177,435	

Note 2: the West Wales and the Valleys is not included in the table above because it again for 2014-2020 has been designated by the European Commission as an 'a' area. The UK's submission for the 2007-2013 Map states its population as being 1,854,674.

Annex 1, Table 3 - England

LEP Area	AA Coverage 2007- 2013 (persons)	80% of AA Coverage 2007-2013 (persons)
Black Country	839,160	671,328
Buckinghamshire Thames Valley	0	0
Cheshire and Warrington	0	0
Coast to Capital	0	0
Cornwall and the Isles of Scilly	0	0
Coventry and Warwickshire	252,011	201,609
Cumbria	197,149	157,719
Derby, Derbyshire, Nottingham and Nottinghamshire	372,315	297,852
Dorset	0	0
Enterprise M3	0	0
Gloucestershire	0	0
Greater Birmingham and Solihull	559,924	447,939
Greater Cambridge & Greater Peterborough	0	0
Greater Lincolnshire	53,345	42,676
Greater Manchester	629,285	503,428
Heart of the South West	157,380	125,904
Hertfordshire	0	0
Humber	161,115	128,892
Lancashire	187,071	149,657
Leeds City Region	233,496	186,797
Leicester and Leicestershire	0	0
Liverpool City Region	1,093,376	874,701
London	126,159	100,927
New Anglia	0	0
North Eastern	1,189,350	951,480
Northamptonshire	0	0

LEP Area	AA Coverage 2007- 2013 (persons)	80% of AA Coverage 2007-2013 (persons)
Oxfordshire	0	0
Sheffield City Region	978,057	782,446
Solent	0	0
South East	142,748	114,198
South East Midlands	140,994	112,795
Stoke-on-Trent and Staffordshire	266,640	213,312
Swindon and Wiltshire	0	0
Tees Valley	420,432	336,346
Thames Valley Berkshire	0	0
The Marches	0	0
West of England	0	0
Worcestershire	3,463	2,770
York and North Yorkshire	20,474	16,379
Total	8,023,944	

Note 3: Cornwall and the Isles of Scilly NUTS2 was in 2007-2013 designated by the European Commission as an 'a' area. The UK's submission for the 2007-2013 Map states its population as being 502,077. Cornwall has again been designated as an 'a' area for 2014-2020.

Note 4: Where LEPs overlap in England, the population coverage in this overlap has been apportioned equally between the overlapping LEPs.

The Assisted Areas Order 2007 lists all 2007-2013 Assisted Areas. Please note that the wards listed have 2003 boundaries, whilst the non-predefined 'c' areas of the 2014-2020 Map will be built from 2011 census boundary wards:

http://webarchive.nationalarchives.gov.uk/20110207093142/legislation.gov.uk/uksi/2007/107/pdf s/uksi_20070107_en.pdf

Annex 2: Confidentiality & Data Protection

- 176. Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want information, including personal data that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.
- 177. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

Annex 3: Government consultation principles

The principles that Government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation are set out in the consultation principles.

http://www.cabinetoffice.gov.uk/sites/default/files/resources/Consultation-Principles.pdf

Comments or complaints on the conduct of this consultation

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please write to:

John Conway, BIS Consultation Co-ordinator, 1 Victoria Street, London SW1H 0ET

Telephone John on 020 7215 6402 or e-mail to: john.conway@bis.gsi.gov.uk

However if you wish to comment on the specific policy proposals you should contact the relevant policy team (see section 3).

Annex 4: List of Individuals/Organisations consulted

A letter alerting organisations to this consultation is being sent to:

- * Every local authority in England, Scotland and Wales
- * Every Local Enterprise Partnership (LEP) in England
- * A number of interested national organisations. These are:
 - British Chambers of Commerce (BCC) / LEP Network
 - Chief Economic Development Officers Society (CEDOS)
 - Confederation of British Industry (CBI)
 - EEF the Manufacturers' Organisation (Engineering Employers Federation)
 - Federation of Small Businesses (FSB)
 - Industrial Communities Alliance (ICA)
 - Institute of Directors (IoD)
 - Institute of Economic Development (IED)
 - Local Government Association (LGA)
 - Royal Institute of Chartered Surveyors (RICS)
 - Royal Town Planning Institute (RTPI)
 - Town and Country Planning Association (TCPA)
 - Trades Union Congress (TUC)

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