

European Regional Development Fund (ERDF) Priority 3 – Urban Regeneration – Transport Call

Policy Rationale and Aim of Funding

While the focus of this latest round of ERDF funding is on transport related projects, regeneration remains the central theme of Priority 3.

The Scottish Government recognises that an efficient transport system is essential for enhancing productivity and delivering faster, more sustainable economic growth in a low carbon economy.

We need fast, reliable and integrated transport networks to connect the workforce to jobs and to facilitate the channelling of materials from production to manufacture, then onto point of sale. If Scotland is to be a competitive nation, then better transport links to the UK and international destinations need to be forged, and internally, our transport networks must contribute to making Scotland an attractive place to live, to visit and do business.

Investment from the European Regional Development Fund can play a role in securing economic development in a low carbon economy. 'Priority 3-Urban Regeneration' is seeking a range of projects that promote clean and sustainable public transport, linking areas of need with areas of opportunity as part of an integrated urban development plan.

There are currently 13 local authority areas in Scotland currently eligible for support under Priority 3 which have been hampered by high levels of social and economic exclusion: Clackmannanshire, Dundee, East Ayrshire, Edinburgh, Fife, Glasgow, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire, South Lanarkshire, West Dunbartonshire, and West Lothian.

Resources Available

There is currently between £10m-£15m available under 'Priority 3-Urban Regeneration'. The maximum grant intervention rate is 40%.

Strategic Objective of Funding

ERDF aims to strengthen economic growth and social cohesion in the European Union by correcting imbalances within its regions. Funding is available within the 'Priority 3 – Urban Regeneration' portfolio. To meet European Commission targets, proposals for funding towards clean and sustainable public transport interventions are being sought. However, it remains that any project coming forward must be able to demonstrate an impact on poverty, low levels of economic activity and exclusion.

Scottish Government transport policy

The *National Transport Strategy* (2006) identifies policy levers essential to delivering on a transport system which will contribute to the Government's Purpose of sustainable economic growth for the whole of Scotland:

- improving journey times and connections
- reducing emissions
- improving quality, affordability and accessibility.

In addition to supporting economic growth, transport investment must make positive environmental and social contributions to the communities they service. In doing so, project sponsors have an opportunity to invest in social and economic infrastructure, allowing disadvantaged areas to access training and employment.

The transport sector faces new and significant economic and environmental constraints. With these in mind, the Scottish Government's sustainable transport hierarchy promotes public transport and car sharing before single occupancy car use for the movement of people, and rail and water carriage over road for the movement of goods. Combined with this, our infrastructure development hierarchy seeks to maintain our transport networks and make best use of existing assets, before considering targeted new infrastructure enhancement.

Emissions from transport in Scotland are projected to be 25% of total Scottish emissions in 2011; therefore, transport has a key role to play in meeting our national climate change targets.

Emissions reductions will require a step change in driver behaviour, including the efficiency of the vehicles that we drive. The Scottish Government is committed to almost complete decarbonisation of road transport by 2050 with significant progress by 2030 through wholesale adoption of low and ultra carbon vehicles. Further reductions require modal shift to less fuel intensive forms of personal and commercial transport and reducing the need to travel. The *Low Carbon Scotland: Meeting the Emissions Reduction Targets 2010-2022* sets out the proposals and policies to be prioritised as we travel towards a low carbon economy.

Eligible Activity

- **Support for projects that promote clean and sustainable public transport to link areas of need with areas of opportunity. (NB this activity will only be allowed if it forms a component part of an integrated urban development plan).**

Priority areas of eligible activity include:

- Promotion of active travel and public transport use, in particular projects which address public transport provision and link people in deprived communities to centres of employment or emerging economic opportunities.
- Integrated ticketing initiatives
- Travel information and advisory services

The European Commission is clear that projects are most effective when they form part of a long term integrated regeneration plan, and while individual projects may come forward, there will be a strong emphasis on those which integrate several areas of eligible activity.

Best use must be made of the available funding to encourage and promote economic growth thus encouraging regeneration in the areas of greatest need.