

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE: 20 MAY 2003

FUNDING FOR THE DEVELOPMENT OF POST OFFICE FACILITIES

Report by the Director of Development Services

1. PURPOSE OF REPORT

- 1.1** To advise the Committee of the funding available from the Scottish Executive for the development of post offices in both deprived urban, and rural areas.

2. BACKGROUND

- 2.1** In December 2002 the Scottish Executive announced two sources of funding for the development of post office facilities, one for post offices in deprived urban areas and one for rural post offices. These funds emerged as a result of the UK Government Performance and Innovation Unit report 'Counter Revolution - Modernising the Post Office Network' (2000). The fund for post offices in deprived urban areas is to be administered by Communities Scotland. The funds for rural post offices will be managed by the Post Office itself.
- 2.2** The funds are in recognition of the importance of post offices as community facilities and anchors for other retail uses in deprived urban and rural areas.

3. FUNDING FOR POST OFFICES IN DEPRIVED AREAS

- 3.1** Post offices in deprived urban areas in Scotland can apply to Communities Scotland for one off grants of up to £50,000 over the next two years. This is part of a £2m improvement fund aimed at making branches more self sustaining by developing services, improving security systems and allowing greater access for the disabled.
- 3.2** Eligible post offices must be both located in settlements with a population of 10,000 or more, and in the 20% most deprived areas, based on the Scottish Index of Deprivation. According to the 2003 Index of Deprivation East Ayrshire contains three such wards: Altonhill, Onthank and Shortlees.
- 3.3** Key criteria for considering grants will include:
- The applicant must also be able to prove that without assistance, the branch would be at risk of closure
 - The grant will only be available for capital projects for retail or other associated business development, not for the post office element itself.

4. FUNDING FOR RURAL POST OFFICES

- 4.1** £150m a year is also being provided by the UK Government to maintain the rural post office network up to 2006 (£450m in total). Scottish Post offices are expected to receive around £60m of this (£20m a year). This assistance will provide direct support to rural Post Office branches to maintain front line services in local communities and also give Post Office Ltd the financial flexibility to pilot modern, innovative service delivery.
- 4.2** There are approximately 1,200 rural post offices in Scotland, A rural post office is defined as a post office serving a community of less than 10,000, therefore in East Ayrshire every post office outwith Kilmarnock is eligible to receive support.

5. IMPLICATIONS FOR EAST AYRSHIRE COUNCIL

- 5.1** Communities have indicated that they are keen to ensure that grants made available through the fund complement other regeneration programmes taking place in the local area concerned, and form part of a local regeneration strategy. They consider councils to be an important partner in the process and are seeking the council's support in assessing applications. Critical to the process would be to ensure that relevant council partners participate, e.g. those that have supported the Community Planning process and are active within the SIP partnerships. It is recommended that a protocol be established to ensure that key partners are properly and timeously consulted.
- 5.2** As well as its role in commenting on applications the funds also provide an opportunity for the Council working with individuals post offices to seek the retention of their services in communities where their continued operation is under threat.

6. LEGAL AND FINANCIAL IMPLICATIONS

- 6.1** None

7. RECOMMENDATIONS

- 7.1** It is recommended that the Committee:
- (a) authorise the Department of Development Services to prepare a protocol to all applicants to ensure that all appropriate Council departments and the council partners are properly consulted when applications for support from urban post offices are received; and
 - (b) request the Post Office for more information on the impact of the scheme for rural post offices in East Ayrshire

BACKGROUND PAPERS

- 1. Communities Scotland letter**
- 2. Press Release**

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