

# ITEM No. 9 (a)

Report No 704/96

## ANGUS COUNCIL

PLANNING AND TRANSPORT POLICY COMMITTEE

29 AUGUST 1996

SUBJECT: RURAL SHOPS AND COMMUNITY POST OFFICE CONVERSION  
GRANT SCHEME

REPORT BY DIRECTOR OF PLANNING, TRANSPORT & ECONOMIC DEVELOPMENT

**Abstract:** This report presents for consideration the details of the proposed joint grant scheme for Rural Shops and Community Post Office Conversions to be operated by Angus Council.

### 1 RECOMMENDATION

It is recommended that the Committee:-

- I. agrees to operate a joint Rural Shops and Community Post Office Conversion grant scheme in accordance with the terms and conditions detailed in this report and agrees to a budget allocation of £5,000 being made for the current financial year, this expenditure to be met from the Department's revenue budget; and
- II. requests the Director of Planning, Transport and Economic Development to monitor demand for the grant scheme and to report back on the future financial implications in due course.

### 2 INTRODUCTION

- 2.1 Members will no doubt recall that, in December 1995, the Committee agreed in principle to adopt a joint grant scheme for Rural Shops and Community Post Office Conversions and requested the Director to undertake a review of the eligibility, operational, administrative and financial aspects of the scheme.

### 3 THE GRANT SCHEME

- 3.1 The objective of the Rural Shops Scheme originally introduced by Tayside Regional Council was to support a basic level of convenience shopping in rural areas as part of a strategy to maintain rural population levels. The scheme was one element of a package which also included advice and training for shopkeepers with the assistance of SET's Retail Business Counsellor.
- 3.2 The scheme was the subject of monitoring and review including provision for assisting "second shops" where these did not directly compete in the range of goods sold within a rural community. It was also extended to allow the award of second grant where application was made at least three years after the date of the payment of the first grant.

- 3.3 The Post Office Conversion scheme was introduced in 1991 to encourage potential Community Post Office operators to provide a post office service within the rural communities. It was a requirement of the grant that applicants had secured a contract from Post Office Counters Limited to operate a Community Status Post Office.
- 3.4 Despite uptake of the above grants fluctuating annually, all the indications are that the schemes operated successfully and were easily understood by the applicants. It is therefore suggested that, in operating a joint scheme, Angus Council adopts similar levels of grant assistance and criteria for eligibility as those previously operated by Tayside Regional Council. In view of budgetary constraints however, it is suggested that the scheme is not extended to cover second shops and second grants at this time. The latter would not of course apply to shopkeepers who had previously received grant from the Regional Council. Summary details of the proposed scheme are attached.
- 3.5 It is proposed that the joint scheme be administered by the Planning, Transport and Economic Development Department in conjunction with the Angus Business Shop and Post Office Counters Limited. The Chief Quantity Surveyor is willing to offer advice on the value of eligible works and on the standard of workmanship etc., a procedure adopted in various grant schemes operated by Angus Council. As this is a discretionary grant, it is further proposed that each application for assistance be referred to this Committee for consideration.

#### **4 FINANCIAL IMPLICATIONS**

- 4.1 It is impossible to predict with any accuracy the likely future demand for grant assistance but it is anticipated that it will not be high. Previous uptake of the Regional Council's scheme in Angus fluctuated from four awards in the first year of the scheme to some years where no awards were made in Angus. In view of this and bearing in mind the time of year, it is suggested that a budget allocation of £5,000 for the remainder of the current financial year should be adequate. This expenditure could be met from the Planning Third Party Payments 1996/97 revenue budget. The situation would be continuously monitored in order to manage the available resources and to help forecast requirements for further years.

#### **5 CONSULTATION**

- 5.1 The Chief Executive and Directors of Finance, Law & Administration and Environmental & Consumer Protection have been consulted in the preparation of this report.

#### **6 CONCLUSION**

Village shops and post offices fulfil a special role in the life of rural communities but often they exist on very low turnovers. The proposed grant scheme will help existing shopkeepers to carry out improvements and/or adopt good business practices thus increasing the viability of their businesses or encourage people to run a Community Post Office from their homes and should therefore be supported.

**NOTE**

The following background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above Report -

- Report No. 164/95 by the Director of Planning, Transport and Economic Development to the Planning and Transport Policy Committee.

AA/RM/IAL  
22 August 1996

Alex Anderson  
Director of Planning, Transport & Economic Development

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**APPENDIX****VILLAGE SHOP AND COMMUNITY POST OFFICE CONVERSION SCHEME****ELIGIBILITY -**

- A. Food shops or general stores which provide the sole source of a range of convenience goods in a rural community, operate for 12 months of the year and are over one mile from the nearest alternative town providing an extensive range of shopping, or
- B. Any one wishing to run a rural Community Status Post Office. The applicant must be contracted by Post Office Counters Limited as a Sub-Postmaster/Mistress to issue pensions and allowances, sell stamps and postal orders and handle posting and telephone account business.

**ELIGIBLE WORKS -**

- A. Essential physical improvements to the interior and exterior of the property associated with increasing the viability of the business, making the shop more attractive to potential customers and complying with Environmental Health and Food Hygiene Regulations, or
- B. Essential physical alterations to an applicant's premises which must be carried out to satisfy Post Office Counters Limited's operational requirements.

**GRANTS AVAILABLE -**

Discretionary grant up to a maximum of:-

- 1) £3,000 or 90% of approved works, whichever is the lower, or
- 2) £2,500 or 90% of approved works, whichever is the lower if the shop is less than three miles from the nearest provision.

**CONDITIONS -**

- Grant will be based on the lower of two written quotations and the work must be executed by the contractor submitting that offer unless authorised in writing.
- No work can commence before written approval of grant is issued.
- The Council may, in agreeing to the payment of grant, impose conditions on the works to be carried out or on the operation of the shops.
- All necessary statutory consents must be obtained prior to application for grant.
- Payment of grant will be made on the satisfactory completion of works and submission of receipts confirming that expenditure has been incurred.

- In the event of the applicant disposing of the shop or discontinuing its use within three years of the date of payment, Angus Council may require repayment of all, or part, of the grant - 100% in year 1, 75% in year 2 and 50% in year 3.
- Free standing equipment purchased under the grant scheme shall not be disposed of without the written consent of Angus Council. Angus Council reserves the right to require repayment of all, or part, of the grant.
- Where the business consultant identifies the need for further training and/or counselling, payment of the grant will be made subject to:-
  - the applicant agreeing to undertake the appropriate training
  - the applicant completing the training to the satisfaction of the business consultant.

