

Date: 19 March 2003

Venue: Committee Room 2

Title: **Update on Post Office Development Fund**

Purpose

1. To update the Committee on the progress of the Post Office Development Fund.

Summary

2. This paper outlines the response to the Post Office Development Fund and the background to the Minister's decision to expand the number of deprived and isolated electoral divisions eligible for assistance from the fund.

Background

3. Although Post Office policy is not a devolved matter, the Welsh Assembly Government takes a close interest in post offices and postal services, which are vitally important to community, social and economic life in Wales. Post offices will face a difficult period following the transfer to electronic payment of benefits from April 2003. It has been estimated that the new arrangements could mean a loss of up to 40% of income for the average post office. In recognition of the threats to existing postal services, the Minister for Finance, Local Government and Communities launched the Post Office Development Fund in November 2002.
4. The fund will run until December 2005 and will target around £2.5 million at supporting and expanding the range of services and facilities provided by local post offices in the most deprived and isolated electoral divisions in Wales. The Welsh Assembly Government is the first administration in the UK to introduce such a Fund. Over 300 application packs have been issued to date and 20 applications for funding were received in response to the first application round, which closed on 31 January 2003. Of those 20 applications, the Minister Finance Local Government and Communities has approved, in principle, funding of over £300,000 for nine projects.
5. In order to safeguard more post offices at risk of closure in deprived and isolated communities, the Minister for Finance, Local Government and Communities expanded the number of areas eligible for funding from the 100 to the 125 most deprived and 125 most isolated electoral divisions in Wales. This expansion is expected to increase the number of eligible post offices from around 360 to approximately 450.
6. Three of the first round applicants, who submitted worthwhile projects are outside the

100 most deprived and 100 most isolated areas but they fall within the expanded list of eligible areas and will automatically be entered into the second application round. The second application round closes on 31 April 2003. Unsuccessful first round applicants will receive the appropriate feedback.

Financial Implications

7. The resources available for the Post Office Development Fund are contained within existing budget provision or indicative planned expenditure.

Cross-cutting Themes

8. The Post Office Development Fund complements the current Communities First agenda by targeting assistance at the most deprived and isolated electoral divisions in Wales. The arrangements also contribute to the Assembly's priority to tackle deprivation in areas of greatest need identified in *Plan for Wales*.

Action for Committee

9. The Committee is asked to note the developments outlined in this Paper.

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