2001 No. 2664

POSTAL SERVICES

The Sub-Post Office Start-Up Capital Subsidy Scheme Order 2001

Made - - - - -	*18th July 2001*
Coming into force - -	*19th July 2001*

Whereas a draft of this Order has been laid before Parliament in accordance with section 122(12) of the Postal Services Act 2000(**a**);

And whereas the said draft as so laid has been approved by resolution of each House of Parliament;

Now, therefore, in exercise of the powers conferred upon her by sections 103 and 122(2)(b) of the Postal Services Act 2000, the Secretary of State, with the consent of the Treasury, hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Sub-Post Office Start-Up Capital Subsidy Scheme Order 2001 and shall come into force on the day after the day on which it is made.

The Scheme

2. The Scheme set out in the Schedule to this Order shall have effect.

Douglas Alexander,
Minister of State for E-Commerce and Competitiveness,
Department of Trade and Industry

13th July 2001

We consent,

Anne McGuire,
Tony McNulty,
Two of the Lords Commissioners of Her Majesty's Treasury

18th July 2001

(**a**) 2000 c. 26.

SCHEDULE Article 2

THE SUB-POST OFFICE START-UP CAPITAL SUBSIDY SCHEME

Interpretation

1. In this Scheme, ''sub-post office'' means a public post office from which services are provided on behalf of a universal service provider but does not include a public post office owned or occupied by a universal service provider.

Delegation

2.—(1) The functions of the Secretary of State under this Scheme, other than those under the following sub-paragraph, shall be exercisable by the company.

(2) The company's exercise of functions under this Scheme shall be subject to such conditions as the Secretary of State may notify to the company in writing from time to time.

(3) A sum which, pursuant to those conditions, becomes repayable by the company to the Secretary of State shall be recoverable as a debt.

(4) In this paragraph, ''the company'' means Post Office Counters Limited (a company registered in England and Wales with registration number 02154540) or any company which carries on, in succession to Post Office Counters Limited, the business carried on by that company as at the date on which this Scheme came into effect.

Applications for subsidy under the Scheme

3. An application for a payment of subsidy under this Scheme shall be made in such form as the Secretary of State may require.

Scope of the Scheme

4.—(1) The Secretary of State may make a payment of subsidy under this Scheme in respect of the costs of establishing a sub-post office in a settlement if—

(a) (i) a sub-post office in that settlement has closed within the 18 months preceding the making of the application for the payment; or

(ii) it appears to her that a sub-post office in that settlement is likely to close within six months of the making of the application for the payment;

(b) it appears to her that, but for the making of the payment, no replacement sub-post office will be established in that settlement;

(c) she is satisfied that there is a suitable person willing to act as sub-post master in respect of the proposed sub-post office; and

(d) the settlement has a population of fewer than 10,000 inhabitants.

(2) The Secretary of State may make a payment of subsidy under this Scheme in respect of the costs of securing the continued operation of a sub-post office in a settlement if—

(a) it appears to her that, but for the making of the payment, it is likely that the sub-post office will close within six months of the making of the application for the payment;

(b) she is satisfied that there is a suitable person willing to act as sub-post master in respect of the sub-post office; and

(c) the settlement has a population of fewer than 10,000 inhabitants.

(3) A payment of subsidy may be made to the person who owns or occupies, or who will own or occupy, the sub-post office which is the subject of the application for subsidy or to the sub-post master or the prospective sub-post master of that sub-post office.

Amounts payable under the Scheme

5.—(1) The maximum amount available for payment of subsidy under this Scheme shall be £2,000,000.

(2) The maximum amount payable in respect of an application for subsidy under this Scheme shall be £20,000.

(3) A payment of subsidy under this Scheme shall meet the costs of the eligible items required for the establishment or continued operation, as the case may be, of the sub-post office or such proportion of those costs as the Secretary of State considers appropriate.

(4) A payment of subsidy under this Scheme shall, where the Secretary of State considers it appropriate, include the Value Added Tax payable on the eligible items.

(5) In this paragraph, "eligible items" means the items set out in the Annex to this Scheme.

Scheme criteria

6.—(1) In deciding whether to make a payment of subsidy under paragraph 4(1) or (2) of this Scheme, the Secretary of State shall have regard to the following criteria—

(a) the availability of grants and subsidies, in addition to subsidy under this Scheme, for the establishment or continued operation, as the case may be, of the sub-post office;

(b) whether the costs applied for represent reasonable value for money.

(2) In deciding whether to make a payment of subsidy in the circumstances described in paragraph 4(1)(a)(i), the Secretary of State shall have regard to whether the settlement concerned is adequately served by the remaining sub-post offices in the settlement and in the surrounding area.

(3) In deciding whether to make a payment of subsidy in the circumstances described in paragraph 4(1)(a)(ii) or (2), the Secretary of State shall have regard to whether the settlement concerned will be adequately served by other sub-post offices in the settlement or in the surrounding area if the sub-post office concerned closes.

Offers of payment under the Scheme

7.—(1) An offer of subsidy under this Scheme shall be made in writing and shall include such terms and conditions (including terms and conditions as to repayment of subsidy) as the Secretary of State considers appropriate.

(2) A payment of subsidy under this Scheme which becomes repayable shall be recoverable as a debt.

ANNEX—ELIGIBLE ITEMS

1. Building works and structural alterations.

2. Installation of partitions, screens, counters and store cupboards.

3. Improvements to the means of access to the premises.

4. Redecoration and making good of the premises.

5. Provision of fixtures, fittings, furniture and equipment.

6. Provision of water supply, electricity supply, telephone lines and other services to the premises.

7. Costs of obtaining planning permissions, building regulation approvals and other consents and approvals.

8. Legal costs and other professional fees.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order sets out the Sub-Post Office Start-Up Capital Subsidy Scheme. The Scheme provides for the payment of subsidy by the Secretary of State in respect of the costs of establishing a sub-post office in a settlement of fewer than 10,000 inhabitants where an existing sub-post office has closed or is likely to close. The Scheme also provides for the payment of subsidy to secure the continued operation of a sub-post office in a settlement of fewer than 10,000 inhabitants where it appears to the Secretary of State that the office is likely to close. The functions of the Secretary of State under the Scheme are exercisable by Post Office Counters Limited. The maximum amount of grant payable in respect of an application is £20,000 and the total maximum amount of subsidy available is £2,000,000.

£1.75

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