

Gigabit Broadband Voucher Scheme

Eligibility Notes and queries

The following tables captures points of clarification and interpretation mainly related to eligibility and are published. These responses do not change or update the Scheme's established Terms and Conditions.

No.	Query	Response	Published Date
1	Are holiday homes eligible?	<p>Yes, but they are treated as a domestic residence and can therefore only benefit from a voucher with a maximum value of £500 and as part of a Project PRP. Any property being used as a home be it short or long term, needs to be treated as a residence and therefore only entitled to £500.</p> <p>In the case of landlord claiming for multiple let properties, that landlord could not seek connections with an aggregate value greater than £3000 from the Scheme.</p>	August 18
2	Can two businesses operating from the same premise each benefit from a business voucher?	Yes, provided that: the businesses are genuinely separate (test is filing separate tax returns); have separate defined spaces from which they trade (not shared) and that in each case the eligible costs claimed are genuinely incurred for each.	August 18
3	Can an agent, for example a landlord, agree to pay the VAT for their tenants?	The key point is that the vouchers cannot be used to cover the VAT element. How a landlord or other agent treats these costs, is subject to the usual VAT regulations.	August 18
4	How should VAT be applied?	VAT should be levied in the usual way on the invoices	August 18

		that you produce relevant to the services you are delivering, and in line with HMRC regulations. The important thing from a scheme compliance perspective is that voucher value is not used to fund VAT. We are not able to provide more detailed advice on VAT treatment.	
5	Are partnerships eligible as business beneficiaries?	Yes, these should be reported as “partnership” if a general partnership or “Partnership LLP” if set up in this way, in the company number box of the request form. Evidence may be sought. Partnerships will have UTR or if VAT registered should be able to provide a VAT number. The same SME rules apply as to other enterprises.	August 18
6	What checks can be carried out to check whether a church is eligible?	A church needs to be able to demonstrate that it is a qualifying enterprise in the same way as any other organisation. Established churches (Church of England/Catholic) do not qualify since they are larger “enterprises”. Small independent churches are more likely to meet the qualifying criteria of an SME. A charity and or company number should be provided.	August 18
7	Are landlords able to claim for vouchers for residential properties?	<ol style="list-style-type: none"> 1. Standard PRP - a landlord may benefit from a voucher for a premise rented to residents; this is treated as a trading address for the landlord. 2. Project PRP - with residents. The same principles apply. No single residential property may have more than £500 of voucher support. Flats - for instance - may have £500 each. If it's the same landlord who owns multiple residential properties then the landlord may benefit from multiple residential connections or each resident may benefit, but the £3000 maximum benefit to the landlord applies. 	August 18

8	Is a service on a 100mb bearer permitted? Is this deemed gigabit capable? I understood it needed to be a 1GB bearer only.	Yes, where the 100mb bearer is end-to-end fibre, this is permitted. In both cases (100Mb bearer, and 1Gb bearer) providing the underlying infrastructure is end-to-end fibre, its will therefore both meet the Scheme connectivity requirements.	August 18
9	Will the scheme support the costs of upgrading a fibre leased line from 100mbps bearer to a 1 Gb bearer	No. Leased lines are deemed gigabit capable. The only exception is a leased line not delivered using fibre.	August 18
10	Can a property with a fibre leased line installed benefit from a voucher?	Generally no. Any existing leased line delivered by fibre is considered to be gigabit capable and properties with such a service are not eligible for a voucher as part of the scheme. The one exception (as set out in the scheme documents) is where beneficiaries are using vouchers for new Gigabit capable NGA capability from the same supplier.	August 18
11	Can companies which are registered overseas benefit from the Scheme	Yes. The scheme is agnostic about the location of the company's registration, however all beneficiaries must be able to demonstrate that they qualify as an SME using the standard EU definition and that they actively trade from the location for which the voucher is requested	August 18
12	Sole Trader Verification - what evidence is acceptable to validate that a sole trader is operating from an address?	All of the documents set out in the Beneficiary T&C (3.iii) plus evidence from the landlord that the sole trader has paid the rent for the property. We may also request one other corroborating piece of evidence (website for example).	August 18
13	Late Voucher Requests What happens if a supplier fails to report the "sale" of a voucher within the timescale set out in the T&C?	We take a pragmatic view of this. The rule exists to ensure timely reporting, but we understand that a supplier may wait to request vouchers until a project has reached a critical mass. Where this delay in requesting the	August 18

		voucher is "material" - which we judge to be a month or more from the date of contract - suppliers should alert us to the fact that they acknowledge this by email at the same time as requesting the voucher and await our confirmation LFFNSuppliers@culture.gov.uk	
14	Are vouchers available in the Isle of Man?	No. The Isle of Man is not part of the UK.	August 18
15	How would you advise customers should adjust for the vouchers in their accounting system? For example if we have invoiced a customer for £3000 + VAT , how should we tell them to deal with the £3000 in their accounts?	The voucher value is a public grant. At the end of the process, we send every beneficiary a statement setting out how much aid they have had from us. It is a form of income. If your customers require any further advice, they should speak with their accountant or finance advisor.	August 18
16	We have a client that would like to claim the voucher. They have many sites and want one circuit per site. The customer says that each site is registered as a separate limited company and all the companies have the same ultimate parent company. If we bill each limited company per circuit, can they claim a voucher per circuit/site?	There are two issues to consider here: <ul style="list-style-type: none"> • Are these genuinely separate companies? The test we apply is to check whether they file separate accounts and pay tax as separate entities. • Secondly, they must qualify as SMEs. Since they are clearly linked or partner enterprises, depending on the nature of the ownership of the group determines how to check this, but they must meet the SME qualification rules (such as, fewer than 250 employees and so as set out in the Scheme T&C). This can become complex, but a practical starting question is to take the entire group as if it were one business and add up the employees, turnover and cash holdings, in aggregate the group to see if it is still meets the SME definition. For each business in the group to 	August 18

		qualify, then BOTH these rules must be met. The formal EU guidance may be found here	
17	Vouchers are valid for 12 months. When does the clock start?	The 12 months starts from the date of ISSUE, that is when we confirm that voucher is eligible. Usually this is a few days after the the voucher is requested but may take longer if eligibility evidence is requested.	August 18
18	Would a customer with a County Court Judgement in their name be able to benefit from a voucher?	Who a registered supplier enters into a contract with is a matter for the supplier to consider: <i>caveat venditor</i> .	August 18
19	Are franchise businesses eligible?	Businesses which operate as franchises are eligible to benefit from the scheme subject to the same rules as any other enterprise. They must be qualifying SMEs. Careful attention should be paid to the linked and partnership sections of the guidance about SME definition here .	August 18
20	Could a community split a project and seek gigabit vouchers for some premises - business - and also apply for to another scheme (for example, Access Broadband Cymru grant (ABC)) for residential properties to deliver a new FTTC service?	<p>A core principle is that only one source of public funding for broadband connectivity may be used for any single premise.</p> <ul style="list-style-type: none"> • GBVS PRP Project could support n SME vouchers at up to £3000 each and up to $n \times 6$ residential vouchers at £500 each. Note that the connectivity rules - gigabit capable and minimum of 100mpbs consumed - apply to both SME and residential beneficiaries • Additional residents could separately apply for ABC support in the same community and take only 10mpbs. <p>A resident who has already had an ABC grant for a 10mbps connection delivered by FTTC could also benefit from a GBVS voucher to upgrade to FTTP and consume</p>	August 18

		>=100mpbs, if they were part of a GBVS project.	
21	Can businesses take consumer grade products if they chose to do so supported by vouchers	An SME can take any service which meets the scheme connectivity requirements. Note that the value of the voucher must be commensurate with the eligible costs associated with delivery of the product (if the eligible costs are the same then this obviously has no difference on voucher value).	August 18
22	Can a customer who has received more than £200k of grant funding from The Big Lottery Fund in the last three years benefit from a voucher; does a lottery grant count as "state aid"?	No. Lottery funding IS considered as state aid and would therefore count towards the aid from which an enterprise has benefited. For most enterprises, the limit is €200,000 over a 3 year rolling period,	August 18
23	What are the rules about de minimis aid and farming?	<p>All de minimis aid should be declared as such by the authority granting it. Therefore, a farm should have been notified when/if it had de minimis aid - in short, the beneficiary should know how much de minimis aid it has had in a rolling three year period.</p> <p>State aid given under approved measures (for example General Block Exemption) is not de minimis aid and doesn't count towards the de minimis state aid for that enterprise as far as the scheme is concerned. The de minimis financial limits vary according to industrial sector, but for farming it is €15,000 in a rolling three year period. There is guidance about culmination of aid at COMMISSION REGULATION (EU) No 1407/2013, Art.5.2</p> <p>Many farming businesses have diversified and often use the "spun out" (for example a B&B business) as the beneficiary for de minimis aid for the GBVS.</p>	August 18

24	The contract for service that a customer enters into with a supplier must be for a minimum of 12 months of which at least 6 months must be fully paid. What does “6 months fully paid” mean?	The clause exists to prevent suppliers from offering connections supported by vouchers for which no charge is made in the first year. We know that the voucher can have the effect of reducing the monthly cost to the customer (by funding the capex up front) but even where this happens, the customer must pay an agreed commercial rate for the consumption of a connection which meets the scheme rules for at least 6 months.	August 18
25	Will you be forecasting when the fund will run out.	We have no plans to provide a forecast date when the fund will be fully allocated. Any information we decide to provide about the total value of vouchers issued will be communicated to all suppliers using one of our regular bulletins.	August 18
26	If businesses sign up and vouchers are issued to SMEs as part of a group scheme (Project PRP) what happens if in the intervening period (up to 12 months) before the supplier deploys the new network the voucher beneficiary ceases trading or moves to another premise? Would the total group voucher funding still be available or would the legal entity signing with the supplier on behalf of all the businesses become liable?	<p>This largely depends on the contract between the supplier and the SME. However, you should note the following:</p> <p>Cancelled vouchers may be "recycled" within the project's overall agreed value.</p> <p>Vouchers are not transferable and neither can a voucher be reinstated once cancelled.</p> <ul style="list-style-type: none"> - we will honour any vouchers issued for which a qualifying connection is delivered - if a company moves/closes before the voucher is delivered, then that service cannot be delivered to that beneficiary and the voucher must be cancelled. - as part of a Project PRP a new company taking over the original premise may request a "replacement" voucher for the same premise provided that: 	August 18

		<p>a) funds are still available in the scheme and b) the connection and the company are eligible under the scheme rules.</p> <p>This will be as a new voucher request.</p>	
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August 18