

Gigabit Broadband Voucher Scheme

Eligibility - notes and queries - #2 (Published Feb 19)

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. (27-42)

The previously published notes and queries are reproduced at the end of this note.

No.	Query	Response	Published Date
27	Can a residential beneficiary also benefit from a second business voucher for another address (sole trader)?	Yes, however, the maximum benefit for any entity is no greater than the Scheme's prevailing maximum value in aggregate (£2,500/£3,000). The sole trader and the resident are the same body. The natural person and the limited company are separate entities	Feb 19
28	If in the past we have delivered connectivity for a client using a Better Broadband voucher and they have gone from < 2Mbps to between 10Mbps and 30Mbps; would that same client still be eligible to benefit from a Gigabit Voucher, assuming a step-change to a gigabit capable connection with new and different infrastructure?	Yes, this is permitted provided all the other Scheme T&C are met and the Connectivity Requirements in particular. Please note that we operate both schemes and may intervene if we suspected that the terms of either scheme had been breached.	Feb 19
29	How should volunteers be treated as part of the calculation of the number of employees for an organisation? The official guide is silent on this point.	Our Scheme is compliant with the EU regulations on competition and operates within the <i>de minimis</i> thresholds for SME support. Whether volunteers count towards an enterprise's AWU figure is based on the nature of the "work" the volunteers carry out and the form of contract	Feb 19

		that exists between the enterprise and those workers - this will only be known by the beneficiary. If the enterprise concerned is of the view that it does not breach the threshold of SME eligibility through its use of volunteers, we are prepared to accept that statement, with the proviso that should this later be proved to be incorrect any liability would rest with the beneficiary rather than with DCMS.	
30	Registered suppliers may not benefit from the Scheme (PRP S2, 6e(ii)) but can a registered supplier's employees benefit as residents in a project that includes residential beneficiaries?	Yes.	Feb 19
31	<p>We are is a registered charity and a limited company. We receive grants annually from a number of public and private bodies which we use to deliver our charitable objectives. We are a strictly not for profit organisation.</p> <p>Are we eligible to benefit from the scheme?.</p>	<p>The kind of organisation you are is not relevant to the "de minimis" consideration. The limit for "de minimis" aid for you is €200,000 over a three year period (the limits differ for agricultural and road haulage sectors). Any aid from which you have previously benefited which was granted under de minimis must have been notified to you as such, so you should have a clear record of any other aid granted under this regulation.</p> <p>Other sources of state aid which are "approved measures" (state aid agreed under EU competition legislation), for example local authority business support schemes do not count towards this de minimis limit, as long as they are not in relation to the same eligible costs ie for a fibre broadband connection.</p> <p>Grants, loans or gifts from private sources (personal or business) are not state aid</p>	Feb 19

		<p>Ultimately, you will need to make your own assessment about whether you have breached these limits. You should be aware that if it was discovered that you had received more aid than is permitted, then you may be required to repay some or all of the aid.</p> <p>In summary, if you have received less than €200,000 in state aid of any sort over 3 years (including the value of the voucher), you have no reason to be concerned. If the amount of aid you have had exceeds this amount, you need to understand what type of aid you have had and form a view.</p>	
32	Can a consulate from another country benefit from a voucher?	A consulate is an activity carried out by a state or nation and therefore a public body under any sensible definition - it is not a UK public body but it is a public body of another state or nation - and therefore ineligible .	Feb 19
33	Can an MP, MEP or its equivalent outside of England benefit from a voucher?	No, and MP (or similar) is regarded as a holder of a public office and therefore a part of the public sector.	Feb 19
34	Can a customer benefit from a voucher to install our standard PRP as a backup to an existing leased line? It is a brand new installation which is to act as a failsafe to the business.	No . The existing leased line is already gigabit capable and the scheme cannot be used to provide back-up services.	Feb 19
35	Are housing associations eligible?	This depends on whether the association is judged to be part of the public sector as well as falling below the employment and financial thresholds of an SME. An enterprise is not an SME if 25 % or more of its capital or voting rights are directly or indirectly owned or controlled,	Feb 19

		jointly or individually, by one or more public bodies.	
36	What if your business is registered at another address but you work mainly from home (or another address)?	If the premises to be connected is a location from which the business genuinely trades - and you are able to corroborate this with evidence - the home address will be treated as a business address.	
37	Can political parties benefit from the scheme?	Yes , political parties are able to benefit from the scheme so long as all the other conditions of the scheme are met (connection and SME - fewer than 250 employees and below published thresholds for capital holdings and turnover). You may be required to provide evidence that you are an "undertaking" in the sense of carrying out some form of economic activity.	Feb 19
38	Can a lay preacher who takes a collection at the end of a service and who does not have a UTR be treated as a sole trader for the purposes of the Scheme?	No , this does not meet the threshold of an undertaking or a business and is regarded as a form of informal employment. The beneficiary may only benefit from a residential voucher if available in that location.	Feb 19
39	Can an amateur club or association that is not a registered company or charity benefit from the scheme as an SME?	No , this type of beneficiary will be treated as a residential beneficiary.	Feb 19
40	Can a company "in administration" benefit from a voucher?	It is possible for a company to continue to trade whilst in administration and if the administrators permit it and the supplier is willing to provide a qualifying connection - yes. Companies which have ceased to trade or dissolved cannot benefit from a voucher even if it was issued whilst they were trading.	Feb 19
41	Is a Virgin Media connection delivering up to 350mbps	If it's delivered by cable (DOCSIS) it is not regarded as	Feb 19

	eligible for an upgrade supported by the Scheme?	<p>gigabit capable and therefore eligible, if it is delivered using fibre optic it is gigabit capable and ineligible.</p> <p>Both technologies are used to deliver VM's Vroom products only DOCSIS is eligible for GBVS - all other T&C apply including the need to double the currently consumed speed.</p>	
42	Is the requirement that the new connection must be doubled in both directions? For example, what speeds must a current connection on FTTC at 72(down)/10(up) need to meet?	The higher speed - either up or down - should be at least doubled compared to the existing speed and must be 100Mbps or greater. All other T&C apply.	Feb 19

Previously published notes and queries - #1 (1-26)

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 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.	August 18
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	1. Standard PRP - a landlord may benefit from a	August 18

	properties?	<p>voucher for a premise rented to residents; this is treated as a trading address for the landlord.</p> <p>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.</p>	
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	August 18

		the location for which the voucher is requested	
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 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 _FFNSuppliers@culture.gov.uk	August 18
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.	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. 	August 18

	If we bill each limited company per circuit, can they claim a voucher per circuit/site?	<ul style="list-style-type: none"> 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 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	<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 <i>n</i> SME 	August 18

	FTTC service?	<p>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</p> <ul style="list-style-type: none"> • 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 ≥ 100mpbs, if they were part of a GBVS project.</p>	
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</p>	<p>August 18</p> <p>Amended Oct 18</p>

		<p>General Block Exemption) is not <i>de minimis</i> aid and doesn't count towards the de minimis state aid for that enterprise as far as the scheme is concerned, unless it is for the same eligible costs ie a fibre connection. 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 cumulation 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>	
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	This largely depends on the contract between the supplier and the SME. However, you should note the following: Cancelled vouchers may be "recycled" within the project's	August 18

	<p>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>	<p>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: <ul style="list-style-type: none"> a) funds are still available in the scheme and b) the connection and the company are eligible under the scheme rules. <p>This will be as a new voucher request.</p>	
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