

**Local Full Fibre Networks Programme
Gigabit Broadband Voucher Scheme
Supplier Bulletin #24
16 Jan 20**

Introduction

Suppliers will be aware that the Gigabit Broadband Voucher Scheme (**Scheme**) is part of both the Local Full Fibre Networks (**LFFN**) and Rural Gigabit Connectivity (**RGC**) programmes and benefits from LFFN and RGC funding.

Up until 18th December the LFFN part of the Scheme had connected over 17,200 premises supported by vouchers with a value of around £39.4m - an increase of £3.2 m since the end of November. In addition, almost 10,200 vouchers - with a value of around £18.6m - are issued pending connection. This commits around £58m of the available LFFN £67.8m fund.

In addition to the committed £58m, we have a pipeline of projects agreed with a value in excess of £20m yet to be issued – and which is therefore not committed. We also have a significant number of Project PRP applications pending review. Clearly, this fund is approaching full commitment and we will communicate our closure plans for this part of the Scheme in due course.

The RGC programme has committed around £7.7m of vouchers up until 18th December. The rural vouchers are one element of the £200m RGC programme.

Suppliers are again advised (as in Bulletin #21) to divert their attention to developing rural projects from which their customers are now more likely to benefit as part of the Scheme.

IMPORTANT: SCHEME CHANGES

Following a recent review of the Scheme a number of changes to the terms and conditions will be made. These changes are intended to increase the effectiveness of the Scheme and to simplify some criteria related to eligibility. Details of the changes are set out below. None of the changes apply retrospectively. You should read the updated Terms and Conditions carefully and make sure that they are communicated to all relevant colleagues. A copy of this bulletin has uploaded to the Scheme website at <https://gigabitvoucher.culture.gov.uk/>

Tier 1 Changes

The three key changes we are making to the Scheme terms (being Tier 1 Changes) are as follows:

- 1) The current speed eligibility criteria for both LFFN vouchers and RGC vouchers will change to: not Gigabit capable and <100Mb/s available (referenced in Schedules 3 and 7 of the Supplier Terms and Conditions)
- 2) The minimum new speed outcome for both LFFN vouchers and RGC vouchers will change to: 30Mb/s and at least double current speed (delivered on Gigabit-capable infrastructure) - (referenced in Schedules 3 and 7 of the Supplier Terms and Conditions)
- 3) Voucher grants for LFFN residential beneficiaries will now fund VAT. This means that these vouchers will have a fixed value of £600 inclusive of VAT (unless Suppliers require residential beneficiaries to pay the VAT (without the VAT being funded by the Scheme), in which case the value of the vouchers will be £500). Previously, these vouchers had a value of £500 exclusive of VAT (see clause 6.6 of the Supplier Terms and Conditions).

Note that in respect of (3) that this additional funding may **only** be claimed to offset VAT costs for future voucher requests and may not be used to recover any other eligible cost.

The tables below summarise the eligibility changes for LFFN vouchers and RGC vouchers:

Parameter (LFFN Vouchers)	Current	New
Current Speed Threshold for Eligibility	Not Gigabit-capable	not gigabit-capable and <100Mb/s available
New Speed Outcome	“Step change” (double current speed, at least 100Mb/s), and Gigabit-capable	“Step change” (double current speed, at least 30Mb/s), and Gigabit-capable

Parameter (Rural Vouchers)	Current	New
Current Speed Threshold for Eligibility	<30Mb/s available	not gigabit-capable and <100Mb/s available
New Speed Outcome	Min 30Mb/s, and gigabit-capable	“Step change” (double current speed, at least 30Mb/s), and Gigabit-capable

Other changes

The Scheme terms are also being updated with other changes in addition to the Tier 1 changes described above. The updated terms containing the Tier 1 and the other changes are as follows:

- GBVS Supplier Terms and Conditions v5.2
- GBVS Beneficiary Terms and Conditions v5.2

The appendix to this bulletin contains summary descriptions of the other changes. Please read these carefully along with the updated Scheme terms. We have also corrected a small number of typographical errors that are not highlighted in the appendix. The relevant Scheme terms should be regarded as the authoritative source of the Scheme changes.

Effective date of the Scheme changes

The effective date of the Scheme changes is as described in the relevant Scheme terms. Items (2) and (3) of the Tier 1 changes (relating to the new speed outcome, and VAT for residential LFFN vouchers) shall apply from Thursday 16th January 2020. A summary view of the timing of item (1) of the Tier 1 changes (relating to eligibility) is set out in a table at the end of this bulletin.

The relevant content in the Supplier Terms and Conditions is as follows:

“Version 5.2 of these Terms and Conditions supersedes and replaces version 5.1 of these Terms and Conditions with effect from 12:00 on Thursday 16th January 2020, except that:

1. The changes made in version 5.2 of these Terms and Conditions (which are highlighted in Supplier Bulletin number 24) shall not apply retrospectively;
2. For Standard PRPs, item (1) of the Tier 1 Changes shall take effect from 12:00 on Friday 31st January 2020;
3. For Project PRPs which either:
 - (i) have already been received or approved by BDUK prior to 12:00 on Thursday 16th January 2020; or
 - (ii) are new and are received by BDUK prior to 12:00 on Friday 14th February 2020, item (1) of the Tier 1 Changes shall take effect from 12:00 on Friday 29th May 2020 in respect of such Project PRPs; and
4. For new Project PRPs received by BDUK after 12:00 on Friday 29th May 2020, the version of these Terms and Conditions that is in force at that time shall apply in respect of such Project PRPs.

For the purposes of these Terms and Conditions, “**Tier 1 Changes**” means the following changes in version 5.2 of these Terms and Conditions: (1) the current speed eligibility criteria for both LFFN vouchers and RGC vouchers being amended to <100Mb/s **and** not Gigabit capable; (2) the new speed outcome for both LFFN vouchers and RGC vouchers

being amended to 30Mb/s and double current speed (delivered on Gigabit-capable infrastructure); and (3) voucher grants for LFFN residential beneficiaries now funding VAT, meaning that these vouchers will have a fixed value of £600 inclusive of VAT (unless Suppliers require residential beneficiaries to pay the VAT (without the VAT being funded by the Scheme), in which case the value of the vouchers will be £500).”

What to do if you do not accept these changes

In accordance with the terms of the Scheme, if you do not accept these changes you may decide to de-register from the Scheme or withdraw one or more of your PRPs. In order to do so, you should send us an email with the subject line “De-register” to LFFNSuppliers@culture.gov.uk. Questions about the changes should also be sent to this address.

Additional guidance for suppliers - change requests

In order to request changes to Project PRPs which may be impacted by the Tier 1 changes above, suppliers should submit a change request using the self-service function when signed in to the website. The changes shall not apply retrospectively. Only change requests where there is a justifiable increase in voucher grant (in accordance with the Scheme T&Cs) will be accepted. Please note that changes to geographic scope of existing Project PRPs containing LFFN-eligible postcodes only will **not** be accepted.

Voucher Commitment

Suppliers are reminded that no commitment exists to fund a connection supported by a voucher until the voucher has been issued by us. We will honour all vouchers we issue and that are delivered in compliance with the terms of the Scheme.

If you have any questions about the Scheme please contact at using the self-service function when signed in on the website.

Guidance Tables

Date	1. Standard PRPs (LFFN only)	2. Project PRPs (containing RGC vouchers only)	3. Project PRPs (containing LFFN vouchers only)	4. Project PRPs (containing both RGC and LFFN vouchers)
<p>Thu 16th January 12 noon</p>	<p>n/a</p>	<p>Change to RGC voucher eligibility parameters effective</p>	<p>n/a</p>	<p>Change to RGC voucher eligibility parameters effective - change requests or new Project PRPs accepted using new eligibility rule. All RGC voucher requests considered in accordance with new parameters.</p>
<p>Friday 31st January 12 noon</p>	<p>Last day for request of LFFN vouchers in >100Mb/s areas</p>	<p>n/a</p>	<p>n/a</p>	<p>n/a</p>
<p>Friday 14th February 12 noon</p>	<p>n/a</p>	<p>n/a</p>	<p>Last date for submission of new Project PRPs containing LFFN vouchers which are eligible only in accordance with “old” eligibility rules. Requests for LFFN vouchers within Project PRPs received or registered before this date continue to be assessed in</p>	<p>n/a</p>

			accordance with “old” eligibility parameters	
Friday 29th May 12 noon	n/a	n/a	Last date for LFFN voucher requests within Project PRPs which are eligible only in accordance with “old” eligibility rules	Last date for LFFN voucher requests within Project PRPs which are eligible only in accordance with “old” eligibility rules.

Appendix - Other Scheme Changes

A summary description of the other changes (in addition to the Tier 1 changes) that have been made in v5.2 of the Supplier Terms and Conditions is set out below. Minor typographical and formatting changes are not identified in the table below.

Location	Amendment description/purpose
Pg 3, Part A	Clarifies the effective date of the changes contained in version 5.2
Pg 5, clause 5.1.1	Clarifies the requirement for Suppliers to have delivered Gigabit connectivity commercially before registering for the Scheme
Pg 9, clause 7.4	Addition of the word "demonstrably"
Pg 9, clause 7.8	Clarifies that premises are not eligible for the Scheme if they are scheduled to receive a connection <u>at any time</u> which meets the Connectivity Requirements as part of a State Aid intervention. The previous drafting focussed only on the next 12 months
Pg 9, clause 8.2	Clarifies in (ii) the provision of evidence that Eligible Costs have been legitimately incurred and are in fact Eligible Costs
Pg 10, clause 9.6	Removal of redundant drafting regarding Supplier reports
Pg 11, clause 10.2	Clarifies that suppliers are required to take reasonable steps to mitigate implementation delay
Pg 11, clause 12.1	Introduces the commercial assurance assessment process in relation to Project PRPs
Pg 11, clause 12.2	Clarifies the requirement regarding cost evidence provided by suppliers in response to cost audits
Pg 13, clause 14.1	Extends the information sharing provisions to include Ofcom
Pg 26, Sch 4, paragraph 1.10	Clarifies the right of the Authority to assess cost items within Supplier proposals as not eligible for voucher funding
Pg 27, Sch 4, paragraph 3.1	Clarifies that (unless the Authority approves otherwise) margin on goods and services provided by related parties is not eligible for voucher funding
Pg 31, Sch 6, paragraph 1.1.5	Extends the circumstances under which the Issue Escalation Procedure may be invoked