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SFSY Connection and Innovation Voucher Scheme

Guidance for Applicants: Connection Vouchers

The purpose of the Connection Vouchers are to assist businesses and third sector organisations to meet the upfront capital costs of a high speed/high grade broadband connection to their premises. The Scheme is funded by Sheffield City Region, European Development Fund (ERDF), part of the European Structural Investment Fund (ESIF 2015-2020).

1. Is my business eligible to apply?

The basic eligibility for the Scheme is described by the European Commission's definition of a Small and Medium Sized business – SME. To be eligible your business must be a trading entity. So a Sole Trader is eligible and so are not-for-profit organisations and charities so long as they meet the SME definitions. People who are employees are not eligible. Your business must:

- 1.1: Employ fewer than 250 people or volunteers
- 1.2: Have a turnover of less than €50m and/or have a balance sheet of less than €43m
- 1.3: Have received less than €200k in public grants in the last 3 years (the "de-minimis" limit)

1.4: Not operate in a sector which is excluded from the scheme, namely:

Fishery and aquaculture sectors supported by European Fisheries Fund, primary production, processing and marketing of agricultural products, supported by European Agricultural Fund for Rural Development, coal, steel and shipbuilding sectors, the synthetic fibres sector, generalised (school age) education, banking and insurance companies.

1.5: Have a parent company or linked enterprise which does not meet the eligibility criteria:

Linked and Partner Enterprises: if enterprises are linked or in partnership they will be treated as a single entity. So, if you add up the employees or financials of your businesses and they exceed the SME limits, then you won't be able to have a voucher. If in aggregate they still qualify as an SME then they are eligible for a voucher – so long as the other Scheme rules are met.

1.6: Your business must also not have had a Connection Voucher already.

1.7: Your business property must be located within an eligible area, these are the local authority areas in the Sheffield City Region. You must pay business rates to one of the listed local authorities, this will be confirmed as part of your application. If your business has any business rates arrears, these must be cleared prior to application.

1.8: The address must be the registered office or trading address of your business. If you work from a residential property as your main business base you can still apply. You cannot apply if you are employed and work from home.



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1.9: If you are a tenant of a business park or a commercial property landlord, additionally you must have the approval of your landlord to proceed with the work.

2. What can I use my Connection Voucher for?

2.1: To be eligible for a Connection Voucher you need to show us that the new connection is a 'step change' from what you had before. The following conditions apply, depending on what kind of new connection you choose:

- For new Next-Generation Access (NGA) Connections, your supplier must provide a minimum of 30Mbps to your premises. If your existing NGA-based broadband service is 30Mbps or greater, then the upgraded NGA-based broadband service must deliver at least a doubling of speeds compared to the service you currently use. So for example if you already have 30Mbps, you must upgrade to at least 60Mbps.
- If you have chosen a business grade connection as your new service, it must have both of the following characteristics:
 - Offer a minimum of 30Mbps services to your premises now and be capable of being configured/upgraded in the future
 - Deliver at least a doubling of speeds when compared to your current business grade connection. So if you are already on business grade, you must for example go from 20 to 40Mbps or 30 to 60Mbps. If you are transferring from NGA to business grade, the requirement for a doubling of speed does not apply.

Business Grade connections are those that are provided on a dedicated/uncontended basis to customers and are supported with service level guarantees. We recognise that these services can be provided in the form of leased lines (including Ethernet services) or point-to-point microwave links but we do not specify a particular type of service.

2.2: You cannot use the voucher to provide a second high speed or high grade connection to your business premises/property, or for inter-site connectivity.

2.3: You can only apply for one Connection Voucher. If you have multiple premises you may use the voucher to upgrade more than one premise but the total value of all connections may not exceed £5,000 excluding VAT.

2.4: You cannot use the voucher to pay early termination charges if you switch from another supplier.

2.5: The cost of your connection must be more than £1000 excluding VAT. If it is below that, we cannot offer you a grant.



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3: Qualifying costs:

The lines of demarcation in the network that qualify for subsidy are:

- Network side: The downstream port from the nearest active switching/routing device to a customer's Network Terminating Equipment (NTE); and
- Customer side: the customer-side ports (or wireless antenna) of the Network Termination Equipment (NTE) to which a Network Communicating Equipment (NCE) is connected.

Passive and powered splitters/combiners, amplifiers, repeaters and regenerators which do not provide a switching/routing function that are within these lines of demarcation qualify for subsidy, as do other intermediate items that are required to provide the requisite service, as described below.

Customer Premises Equipment (CPE) or NTE devices which provide a general computing function beyond supporting a network data service do not qualify for subsidy, including most NCE devices, telephones, tablets, laptops and PCs. By contrast CPE devices that only provide a networking function, including, modems, (wireless) routers, 4G dongles, and internal 4G modules for laptops do qualify.

While the precise categories of permitted expenditure will be dependent on the solution offered to the SME the following categories of eligible expenditure are intended to provide suppliers with an indication of the likely qualifying items.

Qualifying Network connection costs (for all types of connection):

- Planning, survey, acquisition, site preparation, installation, and commissioning fees;
- Provision of building entry points and (including breaking/drilling charges for entry through external and internal walls), trunking and tray work (within end-user's curtilage) and fibre cable and jointing;
- Necessary supporting structures including poles and other mountings, brackets, fixings, and associated civil works (including craneage);
- Power supplies equipment to support network electronics and optics, including power
- Company connection costs, but excluding any CPE power supplies beyond an existing 240V AC socket;
- Copper and fibre optic cables, sheaths, connectors, joints, splitters and enclosures, coaxial lines, copper waveguide, microwave feeders, jumpers, connectors, antenna radomes and enclosures, lighting protection devices, and electrical earthing systems;
- In-building wiring on the network side of the CPE necessary to support the connection of the customer in multi-tenanted blocks (e.g. in-building installation of fibre, cat5e, or RG6 coax cable);
- Costs related to the purchase of wayleaves or other easement rights¹; and

¹ Way leave and easement rights being payments made to private land owners for the legal right to access that land in order to install and maintain communications cabling and piping.



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- Adapters/converters to ensure that all the pre-existing communications functionality is effectively maintained (e.g. adapters/converters for analogue telephones, dialup modems, alarm diallers or other devices that may contain embedded modems such as medical alarms).

Qualifying Network connection costs (for fixed NGA only):

- Provision of new footway and carriage boxes, poles and duct infrastructure; and
- CPE (e.g. Optical Network Terminal (ONT) or fibre modem), backup battery, patch panel and residential gateway and associated intermediate power and fibre communications cables).

Qualifying Network connection costs (for wireless NGA only):

- Provision of building location points (including all associated mounting costs);
- Radio Frequency (RF) connectors, splitters, combiners, duplexors, filters, antennas, radomes and enclosures;
- External and in-building wireless repeaters if necessary for coverage; and
- Fixed wireless CPE costs.

Business connectivity (leased lines) connection costs (for fixed connections only):

- Provision of new footway and carriage boxes, poles and duct infrastructure;
- Costs related to the purchase of way leaves or other easement rights; and
- CPE (e.g. Optical Network Terminal (ONT) or fibre modem), backup battery, patch panel and residential gateway and associated intermediate power and fibre communications cables).

Business connectivity (leased lines) connection costs (for wireless connections only):

- Provision of building location points (including all associated mounting costs); and
- Wireless CPE costs.

4: Excluded costs:

The connection voucher cannot be used to cover:

- SME connections to basic broadband technologies²;
- SME connections to sub 30Mbps service
- Additional charges for expedited connection e.g. time related charges (TRCs);
- Cancellation fees for any pre-existing connection;
- Cabling on the customer side of the CPE to support connection (e.g. in-premise installation of fibre, cat5e or RG6 coax cable);

² Several different technology platforms can be considered as basic broadband networks including asymmetric digital subscriber lines (up to ADSL2+ networks), non-enhanced cable (e.g. DOCSIS 2.0), mobile networks of third generation (UMTS) and satellite systems.



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- Inter-site connectivity;
- Historic capital costs associated with network deployment;
- Any of the network elements that may require upgrading to support the final connection e.g. 'middle' mile/trunk, and core upgrades that are required to support the final connection; and
- Operational expenditures and overheads (Opex), save for those that are direct incremental and one-off costs associated with the installation of the new high-speed / high-grade connection.
- Any retrospective costs incurred prior to the issuing of a connection voucher

5. What other conditions apply?

5.1: You must not have already received public sector funding to improve the broadband connectivity to your business premises/ property.

5.2: You or your business/organisation must have no outstanding debts to the Local Authority at the time you apply.

5.3: You must confirm that you have not already received de minimis aid that, together with this voucher, would exceed the threshold of €200k over a three-year fiscal period. You will have been issued with a letter by any schemes that grant de minimis aid telling you how much aid you have received. You can find more guidance at <https://www.gov.uk/government/publications/state-aid-a-beginners-guide-guidance-notes> or see the full EU de minimis Regulation at: Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid, L 379/5, OJEU, 28 December 2006, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:379:0005:0010:en:PDF>

Businesses in certain sectors are not eligible for de minimis aid or are eligible but with different financial limits. If your business/organisation is active in the fisheries, agricultural or coal sectors, or if you are unsure of your entitlement to benefit from de minimis aid, it is recommended that you seek professional advice before participating in the scheme.

5.4: Your organisation is not a public sector organisation or is not (i) a school funded by DFE (ii) a privately funded school operating over the ages of 3-18 or (iii) an organisation solely involved in offering provision under the requirement for young people to remain in education or training until their 18th birthday.

5.5: Your business must be financially viable at the time you apply.

6. What's the process?

6.1: Check that your business is in eligible area, these are the local authorities in the Sheffield City Region, a map is on our website.



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6.2: We advise that you read the following documents before you start your application:

- Applicant Terms and Conditions: Connection Vouchers
- Guidance for Applicants: Connection Vouchers
- Connection Voucher Application: Information Needed to apply
- Procurement Law ESIF Compliance Guidance Note (ESIF-GN-1-001)

6.3: If you are eligible, you need to get three fully itemised valid quotes from suppliers in line with ERDF procurement rules and complete the 'Quotation Scoring Matrix' to justify your chosen supplier. Submit your application online, and post in all the supporting documents requested. If you are unable to provide three quotes there is space to explain why in the application form.

6.4: When we receive your application form we will check your eligibility, check that your chosen suppliers quote is appropriate for the kind of connection that you have requested and, if ok, we will send you an email confirming that you have an offer of a Connection Voucher and confirm the value of that voucher. Vouchers will fund 50% of the cost of final invoices between £1000 and £5000, so the voucher value would be between £500 and £2500, excluding VAT.

6.5: Once you have your voucher you have up to 28 days to place your order with your chosen supplier. Please make sure you complete the process in that time as we may withdraw your offer if you do not. You must let the SFSY Connection and Innovation Voucher Team know when you have placed your order. Once you have placed your order you have 3 months for the connection to be made and paid for. After this time the voucher will expire.

When the connection is made, you need to make your claim and send the original supplier fully itemised invoice (which includes evidence of the new speeds), along with your voucher redemption invoice and other supporting documentation listed on the claim form. If you need the original invoice returning, please let us know. The form contains a declaration that the new service has been installed and is performing as expected. You must pay the full value and any VAT due, and any costs not covered by the voucher direct to the supplier. Once they have checked your claim the SFSY Connection and Innovation Voucher Team will reimburse you to the value of the voucher.

We then send you a letter to say how much grant you have received from the Connection Voucher Scheme.

The SFSY Connection and Innovation Voucher Scheme final end dates for applications and claims are listed on the website. Please make sure that you apply and make your final claim before the end dates, these may be subject to change.



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7: Key timescales:

Activity	Timescale
SFSY: Process application and issue connection voucher	10 working days from receipt of application & all supporting documents*
Applicant: Order must be placed with supplier within	28 days from receipt of voucher (un-used vouchers expire after 28th day)
Applicant: Connection installed within	3 calendar months
SFSY: Assess claim and pay Voucher Redemption Invoice	28 days from receipt of completed claim documentation**

*subject to eligibility and documentation being completed correctly

**subject to documentation being completed correctly

If you have any questions at any time through the process, contact the SFSY Connection and Innovation Voucher team. Contact details can be found at our website.