

Flexible Workforce Development Fund (FWDF) – SDS Route

Frequently asked questions

January 2023

Q1. What is the Flexible Workforce Development Fund for?

The Flexible Workforce Development Fund supports employers in Scotland to up-skill and re-skill their Scottish employees to support inclusive economic growth in Scotland. As an employer you can use it to address priority skills gaps and get training tailored to your needs.

Q2. What is the maximum amount that an employer can claim?

Each Employer can access the following level of support:

UK Apprenticeship Levy-paying employers can access up to £15,000 of the FWDF fund through 2 routes –

- Through local college provision or the Open University in Scotland - [Scottish Funding Council - FWDF](#)
- Through private training provision administered by Skills Development Scotland - [Our Skillsforce Flexible Workforce Development Fund](#)

Non-levy paying SMEs referred by their local College can access up to £5,000 of the FWDF fund through 2 routes –

- Through local college provision or the Open University in Scotland - [Scottish Funding Council - FWDF](#)
- Through private training provision administered by Skills Development Scotland following a referral from a college
- Further information on your local College - [List of Colleges in Scotland](#)

The funding will be allocated on a ***first-come, first-served basis***.

Q3. Who can access the FWDF?

The Fund is available to all Scottish employers, including small and medium enterprises (SMEs). The Fund will provide up to £14 million of support in academic year 2022-23.

Colleges

- To deliver training to **UK Apprenticeship Levy-paying employers** in Scotland.
- To deliver training to **non-levy paying SME employers** in Scotland

The Open University in Scotland (OUiS)

- To deliver online training at undergraduate and postgraduate level to **UK Apprenticeship Levy-paying employers** in Scotland AND **non-levy paying SME employers** in Scotland.

Independent Training Providers

- For **UK Apprenticeship Levy-paying employers** in Scotland AND **non-levy paying SME employers** in Scotland **referred by their local College** to access training through Private Training Providers where the training is not available from Colleges. Skills Development Scotland administer this portion of the Fund through a Grant Award.

Q4. Why is an employer cap applied to FWDF?

The FWDF is designed to maximise the potential number of levy-paying employers and non-levy paying SMEs who can access the Fund, while providing a degree of simplicity for employers.

Q5. What happens if the cost of an employer's training needs exceeds the capped amount for the FWDF?

FWDF can be used as part-payment towards training of a higher cost.

Q6. Are public funded bodies eligible for FWDF?

The Fund is available to all Levy-paying employers and non-levy paying SMEs in Scotland across the private, public and third sectors.

Q7. Can an employer access more than one strand of the FWDF?

No, employers can **only** access one route, **either** the FWDF through College provision/ The Open University in Scotland **or** Private Training Providers via SDS and only once in the academic year.

However, it may be possible to access training from more than one provider:

- If you apply to either a College or OUIS they can collaborate with each other or, in a College's case, with another College, if they are unable to meet all of your training needs. In this instance all your FWDF training would be collated and reported back to SFC by just one of the training providers.
- If you apply via the SDS route you will receive a Grant which will allow you to use any funds to purchase training from other training provider(s) (Private Training Provider, college in Scotland or OUIS).

Q8. What happens if an employer applies to the Fund, but the application is unsuccessful as the Fund has already been fully allocated?

If an employer's application is unsuccessful as a result of high demand for the FWDF the employer's application may be held on a waiting list until funds become available. The Fund will close on 31st July 2023 or when the Fund has been fully subscribed.

Skills Development Scotland may also refer the application to the College route of the fund administered through the Scottish Funding Council.

Q9. What happens if I am part of a Group?

Employers who are part of a group can only claim once per academic year for the whole group (if single payroll function) unless they can evidence that each employer (in the group) is a separate legal entity with separate payroll.

Q10. What happens if an employer's FWDF application is declined?

A 'training needs analysis' developed with the support of SDS should ensure an employer's identified training needs reflect FWDF criteria and priorities, including the priority groups outlined in the guidance. Employers will be notified by SDS, in writing, if their application has been unsuccessful.

It may be that as a result of high demand for the FWDF – SDS route, an application is unsuccessful; if so, the employer's application will be held on a waiting list until funds are redistributed or until future rounds of funding become available. SDS may refer the employer to the College route as an alternative.

In instances where identified courses can be provided by college provision, SDS will reject the application and refer the employer to this route.

Q11. Can I appeal if my application is declined?

If an employer wishes to appeal a decision taken by SDS they should make an appeal in the first instance to fwdf@sds.co.uk. Approaches will be handled on a case-by-case basis.

Q12. Where can FWDF training be delivered?

The most appropriate and practicable arrangements for the delivery of training should be discussed and agreed by the Private Training Provider and employer.

Q13. Why is the FWDF only available to employees who work and live in Scotland?

As skills and education are under the powers of the devolved administration, the Scottish Government are responsible for outlining the strategy and budget for Scotland's skills landscape. Other home nations have the same responsibility, and you can access this information here:

- England – Education and Skills Funding Agency (EFSA) - [Manage Apprenticeship Funds](#)
- Wales – Education and Skills - [Post 16 Education and Skills](#)
- Northern Ireland – Employment and Skills - [Employer Support Programmes](#)

Q14. What evidence is required from employers to demonstrate eligibility?

UK Apprenticeship Levy-payers are required to submit evidence of their eligibility to pay the levy to accompany their FWDF application. This should normally take the form of a copy of the relevant part of the most recent Employer Payment Summary (EPS) which reports the level of apprenticeship levy contribution. HMRC guidance is available at the following link:

<https://www.gov.uk/guidance/what-payroll-information-to-report-to-hmrc>

Alternatively, a P32/P35 or other official document generated by employers' payroll systems that show Levy payments is also acceptable.

Non-levy paying SMEs will need to provide a signed copy of an official document proving your status as a business, such as:

- A business bank account.
- VAT registration.
- PAYE registration.
- Companies House info (latest accounts, etc.)
- Registration for self-assessment tax return (HMRC).

Q15. Is a Training Needs Analysis (TNA) required?

Yes, all applications must be supported by a relative training needs analysis. SDS can provide a template TNA for a business to use.

Q16. Why is a Training Needs Analysis necessary?

Through engagement between an employer and SDS, an agreement should be reached about what the needs are, based on increasing productivity and tackling known skills gaps, including those of priority groups, and what they will apply to the FWDF for.

This process should be proportionate to the size of the business and Fund size available. The analysis should form the basis of their application and SDS are available to work with levy-payers to support the application process.

Q17. Can a training needs analysis be taken from a Skills for Growth programme?

Yes, if a business has gone through the [Skills for Growth](#) process this could be used as part of a training needs analysis.

Q18. What training courses are supported by the FWDF?

Training that has been identified with the aim of increasing productivity and/or supporting economic recovery and/or filling known skills gaps. SDS can offer employers support to understand needs, please contact fwdf@sds.co.uk or visit www.ourskillsforce.co.uk.

Q19. What training courses are **NOT** supported by the FWDF?

- Training which is a statutory requirement based on legislation for the individual's continuing employment, including any training which an employee is required by law to undertake to carry out the duties associated with their employment (e.g., certain health & safety training).
- Lessons towards attaining a driving licence category A or B.
- Outward bound type courses: and leisure or sporting activities other than those that lead to a recognised coaching or teaching qualification.
- VAT is not payable.
- Consultancy costs.
- Costs related to travel or accommodation.
- Costs to develop training.

For any queries regarding eligible courses, please contact fwdf@sds.co.uk.

Q20. What is the timeframe for funded activity to take place under FWDF?

All training must be contractually agreed by 31 July 2023 (and have commenced by 31 August 2023). Where there are exceptional or extenuating circumstances (e.g., delivery of SVQ training) levy-paying employers should contact SDS to discuss any possible revision to this deadline.

Flexible Workforce Development Fund Year 5		
Training contractually agreed	Training Commenced	Training completed and paid for
No later than 31 st July 2023	No later than 31 st August 2023	No later than 31 st December 2023

Q21. Does the FWDF cover training required by law?

The FWDF does not support provision of industry qualifications/ training where there is a statutory obligation required by law. This remains the employer's responsibility and will not be provided through FWDF.

Q22. Will FWDF cover the cost of online "licenced" training platforms?

Online training platforms offered on a licenced basis for employees will be considered on a case-by-case basis although any application made to FWDF must be able to demonstrate the following (to be considered).

- The training is aligned to your model of operation, for example if this has changed to home working or hybrid working due to the pandemic.
- The training is aligned to employees' roles and responsibilities and covered as part of their career development plans or promotion opportunities; is consistent with your organisation's recruitment onboarding or succession planning.
- There is a clear link between the training and employee needs and the platform is inclusive; the platform does not prohibit any employee from being able to access and undertake training (e.g., support hearing or visual impaired).
- The training offered by the platform is **NOT** currently delivered by the College Network; that technical training elements (if appropriate) can be delivered online, and the training platform is aligned to an industry body / approved accreditation centre and certificated where appropriate.
- That you can demonstrate participation / uptake of the training by employees as requested by SDS as outlined on the grant award through "usage" reports.
- The training platform represents "best" value for money.

Q23. What is the difference between statutory and mandatory training and when could FWDF be used towards this training?

FWDF does not support provision of training which is a statutory requirement for the individual's continuing employment, including any training which an employee is required by law to undertake in order to carry out the duties associated with his or her employment. In other words, it is training legally required for businesses to operate. This remains the employer's responsibility.

However, where employers can evidence that statutory requirements have been met and additional statutory training is required, over and above the minimum statutory requirements, this training can be supported by FWDF (e.g., certain health & safety training).

In terms of mandatory training required by law and associated with specific job roles, where employers are looking to provide additional training relating to skills out with their employees' core role or relating to a new area of work, then this would be considered as up-skilling/ re-skilling and could be supported by FWDF. For example, if a plumber is being up-skilled into the role of a heating engineer or if an employer is up-skilling its workforce into a new area of work such as to address the transition to net zero.

The FWDF can be used to support businesses transitioning towards net zero. Employers who are transitioning to low carbon/ net zero and developing trainer capacity in their workplace to upskill the workforce could access transition training via FWDF in advance of the need of future requirements for what would otherwise be mandatory training once the transition has been completed. Following the initial training for the post, employers will again be required to meet ongoing costs in line with existing FWDF guidance.

Any decisions on whether an employer is eligible to access transition training through FWDF will be made on a case-by-case basis. Please contact SDS at (fwdf@sds.co.uk).

Note: where it is agreed that FWDF can be used for statutory/ mandatory training, it is only the training element of the qualification that can be funded by FWDF – any registration or exam costs are not eligible to be covered by FWDF.

Q24. Will the funding go direct to the provider or to the Employer?

The funding will go to the employer. The training will be paid for by the employer and then the funding will be claimed back from SDS, conditional on enough evidence being provided and SDS due diligence being completed.

Q25. What happens if an employee leaves their employment during or after receiving training funded through the FWDF, can these costs be claimed back by the employer?

No. The funding for FWDF training is provided by the Scottish Government, not the employer, to help upskill or reskill employees in Scottish-based companies therefore it is not appropriate for an employer to reclaim the cost of the course from the employee.

Q26. Why are there questions around Fair Work Policies?

Skills Development Scotland is committed to the delivery of high-quality public services and recognise that this is critically dependent on a workforce that is well-motivated, well led, has appropriate opportunities for training and skills development and is engaged in decision making at all levels across the organisation where we promote everyday leadership.

To ensure the highest standards of service for FWDF we expect employers, as grant recipients, to take a similarly positive approach to fair work practices as part of a fair and equitable employment and reward package for all employees whether permanent, temporary or agency.

Levy-payers accessing the fund must outline what measures they undertake in relation to fair work around (but not limited to):

- Having appropriate channels for effective voice and employee engagement, such as trade union recognition
- Commitment to Investment in workforce development
- No inappropriate use of zero hours contracts
- Positive action to tackle equalities in the workplace to create a more diverse and inclusive environment
- Payment of the real Living Wage
- Flexible and Family friendly working practice
- No inappropriate use of fire and re-hire practice

Guidance can be found here:

- [Fair Work Action Plan: becoming a leading Fair Work nation by 2025](#)
- [Fair Work First - Guidance to support implementation](#)
- [Fair Work Information Sheet](#)
- [Fair Work Toolkit](#)

SDS reserve the right to reject any application that does not meet the expectations of Fair Work First practices.

Q27. Why does the FWDF guidance talk about tackling inequality and child poverty when this is an upskilling support fund for employers?

The [National Strategy for Economic Transformation](#) (NSET) published in March 2022 sets out a vision for 2032 for Scotland to be a thriving, inclusive and entrepreneurial country delivering a just transition to a net zero, nature positive, wellbeing economy. A Skilled Workforce is one of five key themes included within the NSET.

As part of the Skilled Workforce strand of NSET, there is a commitment to a strategic lifetime skills offer. In developing this, we are committed to targeting resources at those living in or at risk of poverty.

We know many of those living in poverty in Scotland today are in work. Some families are much more likely to be in poverty, including families with a single parent, particularly where the parent is female and those with a disabled child or parent in the household.

In these particularly challenging economic times, we are committed to using all possible levers to help families out of poverty and we know that higher skills levels can help people move into better paid jobs. By targeting those workers who can benefit more from upskilling opportunities through funds such as the FWDF, businesses can support the greater financial security of their workforce, while supporting the business aims and objectives of the organisation.

Q28. What new provisions are in place for Subsidy Control (previously known as 'state aid')?

The law governing subsidy control (previously referred to as 'state aid') changed following Brexit, and a new Subsidy Control Act 2022 is now in place.

In accordance with the new Act, Skills Development Scotland is offering the FWDF funding on the basis that the total FDWF grant award that SDS pays to any recipient is treated as Minimum Financial Assistance (MFA). (You may be familiar with similar permitted subsidy arrangements in place before the Act, which were known as 'de minimis' and 'Special Drawing Rights'). The rules are slightly different, so it is important that you understand how MFA applies. Further guidance is available [Subsidy Control Guidance](#). Cumulation rules apply to MFA, and you require to declare that the total value of all low value subsidies you have received in a specified period, including the maximum grant award available under the FWDF scheme, will not exceed the permitted threshold. By submitting an application for the FWDF fund you will be confirming that your organisation* has, since 1 April 2020, not received more than £300,000 in total from the following: -

- MFA payments;
- Services of public economic interest (SPEI) payments
- 'De minimis' payments under the previous state aid regulations
- 'Special Drawing Rights' (SDR) payments under the Trade and Co-operation Agreement

*** *The MFA financial threshold applies at company group level***

It is essential that the person making the application for your organisation has checked that the confirmatory statement is true. If all of those payments added together would exceed £300,000 you cannot apply for this fund.

You should also note that, as before, you will be required to keep a record of any funding you receive under any FWDF award, for a period of three years from the date you receive the payment and may require to disclose that you have received that payment if applying for further subsidy in the future.

You should be aware that non-compliance with the subsidy control requirements may result in a number of legal consequences, including a requirement to repay the contribution together with interest.

Q29. How are the Scottish Government and SDS going to monitor the FWDF?

The FWDF will be monitored through regular reporting on the quantitative outputs using the collection of information in the application form and by collating information on employee's equality data who are participating in the training.

SDS is expected to have due regard to public value for money in the use of their FWDF allocations for training. As part of the reporting process SDS will monitor the activity delivered, costs associated with delivery and the volume of learners benefitting from the training.

Q30. Where can I access more information on the FWDF?

You can access more information by:

- Contacting your local college directly - [list of colleges in Scotland](#)
- Further information on [The Open University in Scotland](#)
- Further information on [accessing training via ITPs](#)