



Scottish Funding Council  
Comhairle Maoinachaidh na h-Alba

## Flexible Workforce Development Fund 2021-22: Levy-payers

**SFC Guidance**

Issue Date: 17 August 2021

## Flexible Workforce Development Fund 2021-22: Levy-payers

Issue date: 17 August 2021

Reference: SFC/GD/14/2021

Summary: Programme guidance for colleges on the AY 2021-22 Flexible Workforce Development Fund (Year 5) for Apprenticeship Levy-paying employers, including funding allocations.

FAO: Principals/Chairs of colleges and Regional Strategic Bodies; Apprenticeship Levy-paying employers in Scotland.

Further information: **Contact:** Sharon Drysdale  
**Job title:** Assistant Director, Skills & Economic Recovery  
**Department:** Access, Learning & Outcomes  
**Tel:** 0131 313 6682  
**Email:** [sdrysdale@sfc.ac.uk](mailto:sdrysdale@sfc.ac.uk)

## Contents

Flexible Workforce Development Fund for AY 2021-22 (Year 5) .....	4
Purpose .....	4
Background .....	4
Policy drivers.....	5
National outcomes and regional outcome agreements .....	5
National skills priorities .....	6
College training.....	6
Eligibility.....	6
Timeframe for funded activity.....	7
Access for Levy-payers.....	7
Inclusion of supply-chain companies .....	8
Methodology: Allocating funds to supply-chain companies.....	8
Inclusion of supply-chain staff in training .....	9
Priority groups .....	9
Accreditation .....	10
Allocation of funding .....	10
Application process .....	11
Monitoring and reporting.....	13
Monitoring the use of funds.....	13
Value for money .....	13
Development costs .....	13
Reporting to SFC .....	13
Further information.....	14
Appendix.....	16
Frequently Asked Questions (FAQs).....	16

## Flexible Workforce Development Fund for AY 2021-22 (Year 5)

### Purpose

1. To provide programme guidance for colleges on the Flexible Workforce Development Fund for Academic Year (AY) 2021-22 (Year 5) for Apprenticeship Levy-paying employers in Scotland, including funding allocations.

### Background

2. In December 2016 the Scottish Government announced the introduction of a Flexible Workforce Development Fund (FWDF) to provide Apprenticeship Levy-paying employers<sup>1</sup> with workforce development training to upskill and reskill their existing workforce. The FWDF was developed in direct response to feedback from the Scottish Government's consultation on the introduction of the UK Government Apprenticeship Levy.
3. The FWDF was piloted in 2017-18 and, in accordance with the Programme for Government commitment, reviewed by the Scottish Government through commissioning an independent evaluation of Fund functionality.
4. The purpose of the FWDF is to provide Levy-payers with flexible workforce development training opportunities to support inclusive economic growth through upskilling or reskilling of employees and to support economic recovery following the impact of the COVID-19 pandemic. The Fund is in addition to apprenticeship support, access to which is available to all employers in Scotland; and Individual Training Accounts (ITAs), which provide eligible individuals with the opportunity to undertake learning opportunities to develop their skills for employment. Other funds available that also support upskilling and reskilling include the Upskilling Fund, National Transition Training Fund and Young Persons Guarantee.
5. The FWDF may be particularly beneficial in addressing skills gaps and training needs of the older workforce and/or employees with one or more protected characteristics listed in section 4 of the Equality Act, e.g. women, disabled people, black and minority ethnic people.
6. The annual budget allocation for the FWDF since AY 2017-18 has been £10 million. This was increased to £13 million in AY 2020-21. **The FWDF budget available for levy payers in AY 2021-22 will again be £13 million in what will be the fifth year of the programme.** FWDF is distributed between colleges<sup>2</sup> across Scotland by the Scottish Funding Council (SFC).

---

<sup>1</sup> From this point forward we refer to UK Apprenticeship Levy-paying employers as 'Levy-payers'.

<sup>2</sup> All references to 'college(s)' in this document relate to colleges/college regions/ regional strategic bodies (as appropriate), unless specifically identified.

7. It is estimated there are around 4,400 Levy-payers operating in Scotland across the private, public and third sector. In this, the fifth year (2021-22) of the FWDF, Levy-payers will continue to be able to access training up to a maximum value of £15,000.

### **Policy drivers**

8. The key policy drivers for the FWDF are:
  - Supporting the needs of Levy-paying employers in Scotland.
  - Supporting employer workforce development in line with the aims of the Scottish Government's [Labour Market Strategy](#), [Disability Employment Action Plan](#), [Race Equality Action Plan](#) and the [Gender Pay Gap Action Plan](#) (particularly in the areas of upskilling/reskilling Scotland's existing workforce) and the Fair Work Action Plan and consistent with the ambitions to raise productivity.
  - Supporting employers to adapt and respond to the impacts of COVID-19 and help employees to upskill and reskill to support Scotland's economic recovery.
  - Supporting employers to identify and address skills needs resulting from the transition to net zero.
  - Ensuring the Fund further strengthens college engagement with Levy-paying businesses.

### **National outcomes and regional outcome agreements**

9. The FWDF continues to support the delivery of SFC's strategic outcome of greater innovation in the economy and the Scottish Government's strategic priority of high quality learning in a system which is seamlessly connected for the learner. This includes learning which prepares people well for the world of work and successful long-term careers, prioritising provision that meets known skills gaps in the economy.
10. The FWDF also continues to contribute to the following Scottish Government priorities, anchored in Scotland's Economic and Labour Market strategies:
  - A strong labour market that drives inclusive, sustainable economic growth.
  - A skilled, productive and engaged workforce capable of meeting the needs of Levy-payers.
  - Equality of opportunity to access work and to progress, to ensure everyone is able to maximise their potential.

- Increasing productivity.

### **National skills priorities**

11. The COVID-19 pandemic and associated lockdown has led to an unprecedented impact on our society, economy and labour market. The FWDF has a key role in providing skills interventions that can be flexed to address the very significant employability and skills needs we know employers and employees will have in the coming months.
12. Protecting Scotland, Renewing Scotland: The Government's Programme for Scotland 2020-21 sets clear priorities for dealing with the economic, health, and social crisis created by coronavirus. Central to economic recovery is a new national mission to help create new jobs, good jobs and green jobs and to work with employers and individuals to build the skills and infrastructure that will be required in the industries of the future.
13. The FWDF has a key role in providing skills interventions that can be flexed to address the very significant employability and skills needs we know employers and employees will have over the coming period.

### **College training**

14. Colleges are required to develop a suite of training provision available at their institution(s) in support of the FWDF. The suite of training provision should be developed in line with the national priorities previously outlined and be informed by local Labour Market Intelligence, Regional Skills Assessments, and Skills Investment Plans. SFC expects this will be further enhanced by previous experience of working with employers in each college region.
15. Colleges should ensure the ethos of the FWDF is enacted through their provision - a fund driven by Levy-payers who can access training to help meet their recognised skills gaps. Provision offered through FWDF should have due regard to public value for money, be driven by the needs of levy-payers and have a clear goal of boosting productivity.

### **Eligibility**

16. The FWDF is available to all Levy-paying employers in Scotland across the private, public and third sector. Employers are required to provide evidence of their Levy-paying status as part of their FWDF application to colleges. Further information is available below (see paragraphs 47-48).
17. The FWDF does not support provision of industry qualifications/training where there is a **statutory** obligation required by law, i.e. training legally required for businesses to operate. This remains the employer's responsibility and will not

be provided through FWDF. However, where employers can evidence additional training needs over and above those usually provided to meet statutory requirements, potentially as a result of COVID-19 and as training is adjusted to meet (for example) physical distancing and hygiene guidance, this training will be eligible for funding.

18. **Mandatory** training associated with specific job roles where employers are looking to provide additional training relating to skills outwith their employees' core role or relating to a new area of work, whilst also required by law, would be considered as upskilling/reskilling and therefore could be supported by FWDF. Further details on courses not eligible for FWDF funding can be found in the Frequently Asked Questions ([FAQs](#)) section at the end of this guidance.

### Timeframe for funded activity

19. Year 5 of the FWDF covers AY 2021-22, with the application window open from 1 August 2021 to 31 July 2022.
20. The table below sets out the timeframe for Year 5 FWDF activity:

Training contractually agreed	Training commenced	Training delivered and completed
by 31 July 2022	by 31 August 2022	by 31 December 2022

21. All training must be contractually agreed by 31 July 2022 (and have commenced by 31 August 2022) to be included as part of colleges' Year 5 (2021-22) FWDF allocations. We expect all training provision associated with 2021-22 funding to be delivered and completed by the end of December 2022. (SFC would encourage all training to commence as soon as possible after being agreed.) Where there are exceptional or extenuating circumstances (e.g. delivery of SVQ training) colleges should contact SFC to discuss any possible revision to this deadline. SFC is aware that ongoing COVID-19 related social distancing restrictions may impact on delivery timeframes.

### Access for Levy-payers

22. Colleges should work with Levy-payers in their region to provide the training they require that will help make a demonstrable return on investment. This may be commonly understood as a 'training needs analysis' and should be proportionate in nature.
23. The college should work with employers to identify priority groups such as women, disabled and minority ethnic employees. The analysis should form the basis of the employer's application, and colleges should work with Levy-payers to support the application process. This analysis should take into account the current circumstances arising from the COVID-19 pandemic and show how this

investment is positively responding to those circumstances to enable the Levy-payer to secure its productivity and development goals.

24. If a college is unable to provide the training provision the Levy-payer requires, the college should advise the employer of the most appropriate alternative college to meet their identified training needs and broker contact with the employer. If the training need is of a more specialised nature and cannot be met by a college, then the employer should contact [Skills Development Scotland](#) (SDS) who will provide information on an appropriate alternative training provider.
25. Levy-payers operating on a Scotland-wide basis or across more than one college region may submit only one FWDF application to the college of their choice. (This also applies to supply-chain companies – see paragraphs 26-30). On their application, Levy-payers are required to formally declare that their application is on behalf of the whole company and is their sole FWDF application. If through our national monitoring it is found that an employer has made more than one application, SFC will contact the college and advise on next steps.

#### **Inclusion of supply-chain companies**

26. Levy-payers who are eligible for the FWDF have the ability to bring benefit to their supply-chain in two ways:
  - (a) Levy-payers can relinquish their access to the FWDF and nominate up to two of their supply-chain companies to receive all or part of their allocation, or
  - (b) Levy-payers can include supply-chain company staff in training they have identified as a collective priority.
27. This is specifically with the purpose of bringing greater benefit to the Levy-payer through investing in the development of their supply-chain. In each of these methodologies, the supply-chain companies involved should not be Levy-payers in their own right or accessing the FWDF as an SME.

#### ***Methodology: Allocating funds to supply-chain companies***

28. The Levy-paying employer will be required to demonstrate their eligibility at the college of their choice. The Levy-payer should then identify the training required through discussion with the college and supply-chain company. The Levy-payer is required to state on their FWDF application whether they wish to pass on access to some or all of their FWDF to one or two of their supply-chain companies.

29. There is flexibility in how the FWDF allocation, up to a maximum of £15,000, can be fully passed on and split between two supply-chain companies or between the Levy-payer and one/two supply-chain companies. For example:

	<i>Example 1</i>	<i>Example 2</i>	<i>Example 3</i>
Levy-payer	£0	£0	£5,500
Supply-chain company A	£15,000	£9,000	£3,000
Supply-chain company B	£0	£6,000	£1,000
Total	£15,000	£15,000	£9,500

### ***Inclusion of supply-chain staff in training***

30. Training which includes supply-chain company staff should have been agreed as a collective priority for both the Levy-paying employer and the supply-chain company. The Levy-payer should identify in their application that their employees and/or those of their supply-chain companies will be undertaking training involving the same learning product. The number of supply-chain companies through this avenue is not limited, providing they are not Levy-payers or accessing the FWDF as an SME in their own right.

### **Priority groups**

31. Levy-payers have the choice and flexibility to train members of their workforce (through college provision) to bring the greatest benefit to their organisation. Businesses with diverse workforces, where everyone is supported to reach their full potential, are more productive and more innovative.
32. In line with Scottish Government priorities on reducing the gender pay gap, halving the disability employment gap, inclusive growth and Fair Work, Levy-payers should consider as part of their application how they can support women workers, disabled workers, minority ethnic workers, and other groups protected under the Equality Act 2010 to gain access to training through the FWDF. Upskilling and reskilling these priority groups is a way to tackling occupational segregation which also addresses skills gaps and the FWDF is an important means by which employers can support colleagues to develop their skills and be successful in their careers.
33. Fair work is key to supporting people and business to flourish and is critical as part of our ongoing response to the pandemic and a central theme for economic recovery. Colleges and The Open University in Scotland should adopt the Fair Work First criteria as an employer in their own right and should also ensure that employers they engage with through the FWDF are committed to advancing the Fair Work First criteria.
34. Levy-payers should also give due consideration to other specific groups in their workforce where training could bring disproportionately positive benefits such

as carers (who are mainly women), care-experienced workers, older workers, those in low skilled jobs (who are often predominantly women), those working regularly with younger workers/apprentices, and veterans/early service leavers.

35. Colleges should be aware of these priorities when consulting with Levy-payers on training needs and skills gaps, and be mindful of their responsibilities to advance equality and reduce discrimination under the public sector equality duty. Under the Equality Act, when deciding which staff will access training, Levy-payers must not discriminate on the grounds of a protected characteristic such as gender, disability or race. The Equality and Human Rights Commission has published [guidance for employers meeting the requirements of the Equality Act when making decisions on staff training](#).

### **Accreditation**

36. Colleges should make every practicable effort to deliver accredited training. In the context of the FWDF, that is training that is recognised by the Scottish Credit & Qualifications Framework (SCQF) and/or training that meets the requirements of an appropriate industry/employer standard. At the absolute minimum, the application form will require details of the projected developmental goal for the employees involved.
37. Colleges should also ensure that certification is provided for each employee participating in FWDF-funded training.

### **Allocation of funding**

38. Consistent with principles established by the Scottish Government, SFC has set out a breakdown of AY 2021-22 (Year 5) funding allocations to colleges in **Annex A**. Allocations continue to be based on the estimated number of Levy-paying employers, and their employees, in each region, but also continue to reflect the uptake of funding in previous years by each college. (The balance of funding, £120,000, has been retained by SFC towards the programme management, monitoring and reporting purposes for all FWDF activity.)
39. Due to the COVID-19 pandemic we acknowledge that delivery in AYs 2019-20 and 2020-21 has been very challenging due to the extended periods of lockdown, as well as the impact of ongoing restrictions and social distancing requirements on both employers and colleges. We are therefore aware that there is a significant amount of Year 4 funding allocated for AY 2020-21 that remains unspent. **Colleges will be permitted to carry-forward any unspent funds into AY 2021-22.**
40. The Scottish Government has committed to making available the same level of FWDF in Year 5 (2021-22) to colleges and employers in each region as Year 4

(2020-21). The funding allocation that colleges will receive in Year 5 will however be adjusted to reflect the level of underspend carried-forward from Year 4.

41. The amount of underspend will be identified in colleges' Year 4 reporting forms due to be sent to SFC at the end of July 2021. Any funding that has not been contractually committed with a start/end date confirmed<sup>3</sup> will be rolled forward and included in colleges' Year 5 allocation for AY 2021-22. A balance of funding will then be added to maintain your FWDF allocation at the same level as AY 2020-21.
42. To provide further flexibility in the current climate, we have extended the start date for Year 4 (2020-21) activity to 30 November 2021, however **the end date remains unchanged at 31 March 2022**.
43. Colleges are expected to draw-down funding each month, based on actual need. This will ensure we do not pay in advance of need and are able, if necessary, to redistribute funds between colleges. In multi-college regions, the regional strategic body is responsible for the allocation of funds to their assigned colleges.
44. In liaison with the Scottish Government, SFC may adjust individual college allocations in-year based on college uptake in 2021-22 if there is evidence that any funding is underutilised (and therefore at risk of being unspent) and there is evidence of unmet demand elsewhere.

### **Application process**

45. Colleges must work with Levy-paying employers in their region to identify the training they require to help make a demonstrable return on investment, and should support Levy-payers in developing their applications.
46. In instances where the Levy-payer wishes to pass on their allocation to supply-chain companies, it should ultimately be on the basis of what benefits the Levy-paying employer (although there should also be obvious benefits to the supply-chain company). The Levy-payer, along with the proposed supply-chain company/companies, should therefore be involved in the process of engagement with the college, the training needs analysis and the application; which must be signed by both the Levy-payer and the supply-chain company.
47. 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

---

<sup>3</sup> Year 4 training must be contractually committed by 31 July 2021, must start by 30 November 2021 and be completed by 31 March 2022.

copy of the relevant part of the most recent Employer Payment Summary (EPS) which reports the level of Apprenticeship Levy contribution. See [HM Revenue & Customs guidance](#).

48. SFC is aware that these documents can vary greatly in layout, presentation and ease of production, depending on the payroll systems in use by the Levy-payer. We will therefore also accept P32 documents (that summarise the monthly amounts Levy-payers have paid to HMRC) or other documents generated by employers' payroll systems that show Levy payments.
49. In addition to evidence of employer Levy eligibility, the following information is required in all funding applications (for both the Levy-payer and the supply-chain company if applicable):
  - Company name and sector.
  - Company registration detail and number.
  - Details of skills gap(s) to be addressed.
  - Impact of training on productivity (particularly in the context of the COVID-19 pandemic).
  - Cost of training.
  - Training identified/to be delivered.
  - Timescale for training delivery.
  - Number of employees to be enrolled.
  - Number and level of qualifications to be achieved.
  - Number of notional hours of study.
50. SFC has provided an application template and process flow-chart at **Annex B**. Colleges may use their own application form, but must include all the information required by SFC.
51. Where demand from Levy-payers is greater than their regional allocation, colleges should create a waiting list and include this in their reporting process to SFC (see **Annex C**).
52. Levy-payers have the right to appeal a decision made by the college on their application for training. In practical terms, an appeal is only likely to arise where there are insufficient funds available to enable the college to undertake the training or where an application does not meet eligibility criteria. Levy-payers should be directed to appeal through the SFC FWDF mailbox:  
[fwdfappeals@sfc.ac.uk](mailto:fwdfappeals@sfc.ac.uk).

## **Monitoring and reporting**

### ***Monitoring the use of funds***

53. While there is no credit target associated with the delivery of FWDF, SFC will monitor the uptake of activity through college reporting and Further Education Statistics (FES) returns.
54. Personal student/employee data should also be supplied and reported via FES. This information is to enable the Scottish Government to improve and inform policy options for the development of Scotland's workforce, to tackle poverty and to improve opportunities for future employment. Guidance on FES reporting requirements can be found in **Annex D**.
55. Additional information on data requirements is also included in the Reporting Template in **Annex C**.
56. In addition to using this data to monitor the use of funds, SFC will use student data to calculate a Full-Time Equivalent (FTE) student figure for statistics purposes.

### ***Value for money***

57. SFC continues to expect colleges to have due regard to public value for money in the use of their FWDF allocations for training, and we will monitor the activity delivered and the volume of learners benefitting.

### ***Development costs***

58. From AY 2021-22, where there is a requirement to develop **new** bespoke training, colleges will be able to use up to 5% of their total FWDF allocation towards development costs. Where development costs are applied to a course these costs should be logged on the Reporting Template (shown in **Annex C**).

### ***Reporting to SFC***

59. Colleges must use the template provided to report agreed/committed activity. This reporting process will ensure that both SFC and the Scottish Government are able to evidence the level of employer demand in each college region and that the activity delivered meets the needs of Levy-payers and addresses SFC and Scottish Government priorities.
60. Colleges are required to report to SFC every two months - at the end of September 2021, November 2021, January 2022, March 2022, May 2022 and July 2022. The July 2022 report should have all Year 5 FWDF contractually committed. A final report will be required by 30 September 2022 after all

training courses have been started, which will be used for reconciliation purposes.

61. Reports should identify all agreed/committed training to date and **should advise of any projected underspend by 31 January 2022** to enable SFC to redistribute funding to other colleges where there is evidence of unmet demand.
62. The reporting template (**Annex C**) must be completed and updated on an ongoing basis and submitted to the SFC FWDF mailbox [fwdf@sfc.ac.uk](mailto:fwdf@sfc.ac.uk) by the required reporting date. The reporting template should record when training has been agreed or committed with the Levy-payer.
63. SFC and the Scottish Government are also interested in monitoring unmet demand. If any college is unable to meet the demand from Levy-payers due to a shortage of funds, they should develop a waiting list and this information should be reported back to SFC on the reporting template provided (**Annex C**).
64. In order to develop an evidence base which captures information about Levy-payer requirements and the ability of the college sector to meet them in a responsive and agile manner, colleges should retain employer application information for the purpose of ongoing and future reporting to SFC and the Scottish Government.
65. The Scottish Government is planning to commission an independent review of FWDF in 2021-22. The aim of the evaluation will be to assess impact of programme, including expanded delivery to SME and non-college provision.

### Further information

66. In addition to this guidance document, the following annexes are also available to support this process:
  - Annex A: Funding allocations to colleges.
  - Annex B: Process flowchart and application form.
  - Annex C: College reporting forms.
  - Annex D: FES reporting requirements.
67. We have also provided an [FAQ](#) list as an Appendix to this document.
68. It is a condition of funding that colleges must provide data returns requested by SFC to the deadlines and standards specified, including FES reporting requirements (as set out in **Annex D**). SFC is committed to processing any personal data fairly, transparently and in accordance with the law. [SFC's privacy notice](#) is available on our website.

69. SFC will use the information submitted by colleges to provide regular updates to the Scottish Government on the current uptake and use of the Fund. The [Scottish Government's privacy notice](#) is available on their website.
70. Any queries/requests for further information should be directed to SFC's FWDF mailbox [fwdf@sfc.ac.uk](mailto:fwdf@sfc.ac.uk), in the first instance.

A handwritten signature in black ink, appearing to read 'Dunphy'.

**James Dunphy**  
Director, Access, Learning and Outcomes

### Frequently Asked Questions (FAQs)

***Q1. How much can an UK Apprenticeship Levy paying employer claim for training available via the FWDF?***

Up to a maximum of £15,000 via either a local college in Scotland (£13 million fund). If the training need is of a more specialised nature and cannot be met by a college then the employer should contact [Skills Development Scotland](#) (SDS) who will provide information on appropriate alternative training (£2 million fund).

***Q2. Are public funded bodies eligible for FWDF?***

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

***Q3. Will SFC provide a list of Levy-payers in each college region?***

This information is currently unavailable because the Levy is not collected by the Scottish Government.

***Q4. What evidence is required from Levy-payers to demonstrate eligibility?***

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

***Q5. Why is a training needs analysis necessary?***

Through engagement between a Levy-paying employer and college (and supply-chain company where relevant), an agreement should be reached about what the Levy-payer 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 should also reflect on the impact of COVID-19. 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 colleges should work with Levy-payers to support the application process.

***Q6. What training courses are NOT supported by the FWDF?***

- Statutory training that organisations are required by law to provide, as part of running a service, or where a statutory body has instructed an organisation to provide certain training on the basis of specific legislation (see Q7 below for further information).
- 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.

***Q7. 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). Also where employers can evidence additional training needs over and above those usually provided to meet statutory requirements as a result of COVID-19, and as training is adjusted to meet (for example) physical distancing and hygiene guidance, this training can be provided.

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 outwith their employees' core role or relating to a new area of work, then this would be considered as upskilling/reskilling and could be supported by FWDF. For example, if a plumber is being upskilled into the role of a heating engineer or if an employer is upskilling its workforce into a new area of work such as to address the transition to net zero.

For example: The 18th Edition wiring regulations for electricians is an industry requirement and as such is not a statutory requirement. Therefore companies if they meet the criteria could attract funding from the FWDF.

***Q8. Why is an employer cap applied to FWDF?***

The FWDF is designed to maximise the potential number of Levy-paying employers who are able to access the Fund, while providing a degree of simplicity for employers and colleges.

***Q9. What happens if the cost of an employer's training needs exceeds the capped amount capped amount for the FWDF?***

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

***Q10. How were the college allocations of FWDF devised?***

Allocations are based on the estimated number of Levy-paying employers, and their employees, in each college region; adjusted to reflect the uptake of funding. In liaison with the Scottish Government, SFC may further adjust individual college

allocations in-year if funding is underutilised and there is evidence of unmet demand elsewhere.

***Q11. What is the timeframe for funded activity to take place under FWDF?***

All training must be contractually agreed by 31 July 2022 (and have commenced by 31 August 2022) to be included as part of colleges' Year 5 (AY 2021-22) funding allocations.

We expect all training provision associated with Year 5 funding to be delivered by the end of December 2022. Where there are exceptional or extenuating circumstances (e.g. delivery of HNC/SVQ training) colleges should contact SFC to discuss any possible revision to this deadline. SFC is aware that ongoing COVID-19 related social distancing restrictions may impact on delivery timeframes.

***Q12. What happens if the college declines an employer's FWDF application?***

The 'training needs analysis' undertaken between the college and employer should ensure an employer's identified training needs reflect FWDF criteria and priorities, including priority groups outlined in the guidance. Levy-payers should be notified by the college, in writing, if their application has been unsuccessful. It may be that as a result of high demand for the FWDF, the application was unsuccessful; if so, the employer's application would be held on a waiting list until funds were redistributed or until future rounds of funding became available.

If an employer wishes to appeal a decision taken by a college they should make an approach to the SFC in the first instance. Approaches will be handled on a case by case basis and led by an overseeing group of SFC and Scottish Government officials.

***Q13. Where can FWDF training be delivered?***

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

***Q14. How are the Scottish Government and SFC going to monitor the FWDF?***

The FWDF will be monitored through regular college reporting on the quantitative outputs using the SFC reporting form provided. This may be subject to change as SG are currently reviewing the monitoring requirements for the fund. SFC expects colleges to have due regard to public value for money in the use of their FWDF allocations for training. As part of the reporting process SFC will monitor the activity delivered, costs associated with delivery and the volume of learners benefitting from the training.