

# Tackling Child Poverty: Guidance for New Flexible Workforce Development Fund (New FWDF) in Colleges AY 2026–27



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**Summary:** This funding supports delivery of key commitments in the Scottish Government’s third Tackling Child Poverty Delivery Plan, [Bringing Hope, Building Futures \(2026–2031\)](#).

This document provides guidance for colleges on the Child Poverty focussed **New Flexible Workforce Development Fund** (New FWDF) for colleges in Academic Year (AY) 2026–27 and 2027–28, including funding allocations, eligibility criteria, and reporting requirements.

**FAO:** Principals / Chairs / Finance Directors of Scotland’s colleges and the general public.

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## Strategic purpose and national mission

1. The Scottish Government has set in statute the ambition to eradicate child poverty through [The Child Poverty \(Scotland\) Act 2017](#), with targets to significantly reduce the number of children living in poverty by 2030.
2. The third Tackling Child Poverty Delivery Plan, [Bringing Hope, Building Futures: Tackling child poverty delivery plan 2026–2031](#), was published by Scottish Government in March 2026, setting out concrete action to drive continued progress on child poverty. The delivery plan makes clear that employment offers a sustainable route out of poverty for many families, with increasing earned incomes a critical element of the approach to reducing child poverty.
3. To help unlock the labour market for more parents, and to help parents in work increase their earnings, the plan establishes a £21 million skills package delivered in partnership with colleges.
4. This guidance covers New FWDF funded provision, with separate [guidance](#) published for Raising Income through Skills and Education (RISE) and Training Access Fund (TAF).
5. Running from August 2026 to December 2027, the New FWDF initiative contributes to Scotland’s mission to increase earned incomes and eradicate child poverty by investing £10 million in colleges. This targeted investment equips colleges to upskill in-work parents, carers, young people and other priority groups, boosting household incomes for those in, or at risk of, in-work poverty. Simultaneously, it helps employers to close skills gaps, adopt Fair Work practices, and drive business productivity.
6. This fund is specifically aimed at low-income parents, carers, disabled and care-experienced young people within the workforce, and employer partnership is essential.

## Funding methodology

7. To ensure resources are directed toward the areas of greatest socio-economic need, funding is distributed via a regional allocation model rather than standard credit-based formulas.
8. In recognition that colleges may require additional resource to assist with administration and set-up costs, particularly to respond to a need discussed with an employer in the region and aligned with the allocation methodology for RISE and TAF funding we have assigned a baseline of £20,000 within each allocation, with the remaining allocation informed by Scottish Child Payment (SCP) data (as at December 2025). Colleges have the flexibility to utilise the baseline £20,000 for delivery if additional administration budget is not required.
9. The SCP data serves as the most robust proxy for mapping financial hardship and child poverty within a region. Unlike broader economic indicators, SCP data provides a direct, real-time reflection of Scotland’s lowest-income households with children.

10. By utilising this targeted data, instead of SIMD or standard SFC College Teaching Allocations, the fund can precisely direct resources to the communities where the risk of child poverty is most acute, ensuring an entirely evidence-led intervention.
11. A full breakdown of allocations for each college can be found in [Annex A](#).

### New FWDF eligibility

12. In line with the aim of the New FWDF, funded training opportunities are open only to workers with an individual annual **income below £33,000** who are either: parents or carers of a child aged under 18 living at home, individuals aged under 24, or care-experienced/disabled individuals aged under 30.
13. Applications can be made by either an employer or an individual worker; however, in the latter case, a self-referred learner must confirm that their employer is aware of their intention to access training through the fund.
14. Eligibility is determined by **self-declaration**. Colleges are not expected to seek proof of family status, care-experience or income, ensuring the process respects the dignity of the learners.
15. Colleges should be satisfied that applicants meet the necessary eligibility criteria by taking a trauma-informed approach to applications.

### Priority family groups

16. Colleges should proactively promote the fund to the [six priority family groups](#) at greatest risk of poverty, as with RISE and TAF funded activity, to ensure barriers to participation are effectively removed or reduced.
17. While funding is not exclusively restricted to these groups, outreach, marketing and recruitment efforts should proactively focus on them. The identified priority groups are:
  - Lone parent families.
  - Families with a disabled adult or child.
  - Larger families (three or more children).
  - Minority ethnic families.
  - Families with a child under one-year-old.
  - Families with mothers under 25-years-old.
18. The Scottish Government have published [summary evidence on groups at greatest risk of poverty](#) that should be considered in the development of activities.

## Employer requirements and Fair Work

19. The New FWDF is available to all employers in Scotland across the public, private and third sectors. Employers must operate in Scotland and be implementing Fair Work practices or, if not yet doing so, be committed to working towards doing so. Applications from employers for funded training must contain an explicit statement from the employer confirming this commitment.
20. An overview of the link between New FWDF and Fair Work can be found in [Annex B](#).
21. To track uptake by employer type and size, Colleges must gather details of each learner's employer and determine their status (Small or Medium Enterprise [SME], levy payer, micro-business).
22. Access to funding is not determined by these factors. However, this insight will help inform future development of the New FWDF.

## Training delivery

23. Colleges must deliver content which is relevant to business needs. These are ideally short, employability and employment-focused courses intended to support career and earning progression, delivered in a work-friendly and family-friendly way.
24. Recognition of prior learning (RPL) must be considered wherever possible to build on existing skills.
25. Funding per employer will be capped to a maximum of £15,000 per annum.
26. Employers operating on a Scotland-wide basis or across more than one college region may submit only one New FWDF application to the college of their choice. On their application, employers are required to formally declare that their application is on behalf of the whole company and is their sole New FWDF application. If through national monitoring it is found that an employer has made more than one application, SFC will contact the college and advise on next steps.
27. Funding per eligible learner will be capped to a maximum of £5,000 per person.

## Key exclusions

28. Please note that the explicit purpose of this funding is to engage new learners who are not currently benefitting from further education and skills provision, utilising a multi-agency collaborative approach. The following criteria for key exclusions to the allocation of this funding apply:
  - **Non-Eligible Costs:** This funding cannot be used to provide additionality to apprenticeship provision, compensate parents for lost income/benefits, cover standard funding shortfalls, or maintain pre-existing college activities.
  - **Enrolled Students:** This funding must not be used to support full-time students.

- **Statutory Training:** This funding cannot be used to provide industry qualifications or training that businesses are legally required to provide. However, if an employer can evidence additional training needs **over and above** their statutory obligations, that extra training may be eligible for funding.

## Accreditation

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

## Collaboration

31. Colleges and employers are encouraged to work in partnership and consider flexible means of delivery which suits both learner and employer needs.
32. Colleges must demonstrate a robust, collaborative and local approach, working with a wide range of external stakeholders to effectively reach those in the greatest need and minimise duplication. This should include other colleges, community learning and development, and [No One Left Behind](#) delivery partners (such as Local Employability Partnerships [LEPs], enterprise agencies, third sector organisations and the Department for Work and Pensions [DWP]).
33. Colleges should also undertake extensive additional employer engagement activity, working with employers across all sectors, including those who have been identified from Labour Market Intelligence (LMI) as more likely to employ individuals from the identified priority groups and with employers that are able to offer suitable opportunities for sustainable employment.

## Reporting requirements

34. To demonstrate impact, colleges must provide robust data via a template to be issued by SFC through the SFC CDC SecureShare site. This should include a breakdown of businesses by status (levy payers, SMEs) and industry sector and the total number of employers and individuals supported within each category.
  - **Flag all supported learners:** Including the six priority family groups, under 24-year-olds and care-experienced or disabled under 30-year-olds and SCP recipients.
  - **Record volume and course details:** Capture the total number of individuals accessing training and support, including the course title.

- **Maintain financial oversight:** monthly progress meetings will include total spend, any underspend and RAG rating progress to date.
35. Success will be measured by relevant course completion delivered to the target groups. Colleges should also report on non-completion and the reasons for non-completion.
  36. Detailed reporting on total spend and underspend will be gathered via the Secure Share site and during monthly progress meetings with SFC which will include updates on total spend, underspend and 'RAG rating' progress to date.
  37. An overview of employer reporting requirements can be found in [Annex C](#).
  38. Colleges will also be expected to submit a FES record for each student as normal (even though the students will not attract credits).
  39. At the application stage, Colleges must ask individuals to complete the privacy statement that will enable SFC to utilise data to undertake an end of year evaluation. SFC will share a proposed application template which will include necessary data protection statements for this purpose.

## Branding and timelines

40. Employers' commitment to **Fair Work** is essential, and this fund offers an opportunity to encourage those who have not yet implemented Fair Work practices to do so. Therefore, marketing should include clear links to the Scottish Government Fair Work resource hub [Introduction to Fair Work](#) to provide a "pathway to commitment".
41. An overview of the link between New FWDF and Fair Work can be found in [Annex B](#).
42. SFC will work with Colleges Scotland and College communication leads to develop a national marketing and communications plan for all Tackling Child Poverty funded activity (RISE, TAF and New FWDF) and institutional communications leads should work closely to align engagement to this work.
43. All materials must feature Scottish Government, Scottish Funding Council and Colleges Scotland logos.
44. It is expected that funded provision will be delivered over 16 months from August 2026 – December 2027 and should be available over the traditional academic year holiday periods, in a way which aligns with demand from all learner groups and employer needs.
45. Delivery schedule:
  - **Commences** – August 2026.
  - **Completion** – by 31 December 2027.

## Payment of funds and in-year redistribution

46. Colleges will be paid in four equal instalments (August 2026, November 2026, February 2027, and April 2027). This will ensure that we do not pay in advance of need and are able, if necessary, to redistribute funds between Colleges. In the Highlands and Islands regions, the University of the Highlands and Islands (as the Regional Strategic Body) is responsible for the allocation of funds to its assigned colleges.
47. Through a combined process of timely, ongoing reporting via the CDC Secure Share site and monthly monitoring meetings, Colleges will be expected to identify accurate spending on a quarterly basis.
48. In liaison with the Scottish Government, SFC may adjust individual allocations in-year across RISE, TAF and New FWDF and across colleges/college regions if (a) there is evidence that any funding is being underutilised (and therefore at risk of being unspent) and (b) there is evidence of unmet demand elsewhere. Unspent funding will be fully recovered after the end of the delivery period.

## Conditions of funding

49. This funding must only be used for the purpose(s) for which it is being allocated, as outlined above. Standard college [Conditions of Funding](#) will apply.
50. Any queries/requests for further information should be directed to SFC's Tackling Child Poverty mailbox [TCP@SFC.ac.uk](mailto:TCP@SFC.ac.uk) in the first instance.

## Annex A: Funding Allocations

Name of college	Baseline	New FWDF	Total
Ayrshire College	£20,000	£606,852	<b>£626,852</b>
Borders College	£20,000	£140,320	<b>£160,320</b>
City of Glasgow College	£20,000	£951,740	<b>£971,740</b>
Dumfries & Galloway College	£20,000	£202,182	<b>£222,182</b>
Dundee & Angus College	£20,000	£527,016	<b>£547,016</b>
Edinburgh College	£20,000	£933,056	<b>£953,056</b>
Fife College	£20,000	£638,779	<b>£658,779</b>
Forth Valley College	£20,000	£435,827	<b>£455,827</b>
Glasgow Clyde College	£20,000	£704,725	<b>£724,725</b>
Glasgow Kelvin College	£20,000	£446,791	<b>£466,791</b>
Highlands & Islands Regions	£140,000	£657,751	<b>£797,751</b>
New College Lanarkshire	£20,000	£704,587	<b>£724,587</b>
Newbattle Abbey College	£20,000	£5,118	<b>£25,118</b>
North East Scotland College	£20,000	£548,372	<b>£568,372</b>
Sabhal Mor Ostaig	£20,000	£7,597	<b>£27,597</b>
South Lanarkshire College	£20,000	259,833	<b>£279,833</b>
SRUC	£20,000	£121,499	<b>£141,499</b>
West College Scotland	£20,000	£817,857	<b>£837,857</b>
West Lothian College	£20,000	£290,099	<b>£310,099</b>
<b>TOTAL</b>	<b>£500,000</b>	<b>£9,000,000</b>	<b>£9,500,000</b>

Less than 5% of total budget allocated for national marketing, evaluation, and administration.

## Annex B: New FWDF and Fair Work

1. The Scottish Government has established a national ambition for Scotland to become a leading **Fair Work Nation**, with specific targets integrated into Scotland's **National Performance Framework** to monitor progress on workplace equality and fair practices.
2. The [Fair Work Action Plan](#) (and its subsequent progress reports monitored by the Fair Work Oversight Group) sets out concrete actions to drive workplace inclusivity. This plan makes clear that embedding **Fair Work practices** – such as paying the real Living Wage, secure employment, flexible working and effective worker voice – are critical elements to transforming Scotland's economy, driving sustainable growth, and reducing workplace inequalities.
3. The **New Flexible Workforce Development Fund (New FWDF)** moves away from being a transactional training grant. Instead, it acts as a strategic lever designed to incentivise, support, and accelerate an employer's journey towards embedding Fair Work practices within their business, recognising that good employment conditions make a significant contribution to tackling in-work and child poverty.
4. Adopting Fair Work practices drives clear mutual benefits. It boosts business productivity and staff retention while significantly improving individual wellbeing and job satisfaction.

### An inclusive “Pathway to Commitment”

5. The New FWDF serves as an accessible entry point to help a business begin or continue its Fair Work journey by:
  - **Recognising Existing Leaders:** It supports employers who are already champions of Fair Work by funding the upskilling of their lowest-paid staff to enable career progression.
  - **Encouraging Progress:** For businesses not paying the Real Living Wage, offering flexible working or providing secure contracts, the fund offers tangible financial support to employers who are committed to making progress towards Fair Work.

### Embedded workplace flexibility and respect

6. To access the fund, employers and colleges must collaborate to deliver training that is inherently flexible, work-compatible, and family-friendly. By encouraging alternative training locations, flexible shift patterns, and close alignment with accompanying support systems like RISE, the fund establishes a practical blueprint for workplace respect and a healthy work-life balance.

## Direct gateway to Fair Work infrastructure

7. The fund creates a touchpoint between businesses and Scotland's Fair Work infrastructure. All marketing, application processes, and guidance documentation are explicitly linked to the Scottish Government's **Introduction to Fair Work** guidance. This introduces employers directly to the [Fair Work resource hub](#), giving them immediate access to self-assessment tools, case studies, and practical templates to further develop a positive workplace culture.

## Integration with Local Employability Partnerships

8. The New FWDF is intended to align with Scotland's devolved employability infrastructure. Where supporting an existing employee to upskill results in onward progression to a new role within the business and a vacant position, the employer can access recruitment support through their LEP. Details can be found on the [Employability in Scotland](#) website.
9. Whilst employers accessing the New FWDF should be encouraged to backfill vacancies through LEPs, the services and support offered are available to all employers regardless of how the vacancy has arisen.

## Annex C: Employer Monitoring Data Required

Category	Data Field / Metric	Required Detail / Format
Employer Profile	Business Status	Levy Payer, SME, or Micro
	Fair Work Commitment	Yes or No
	Industry Sector	Level 1 <a href="#">UK Standard Industrial Classification (UK SIC)</a>
	Total Employers	Count of unique businesses supported
	Business name	Name of the business
	Business address	Primary contact address for the business
Participant Details	Total number of individuals	Unique count per business
Financial Oversight	Actual Spend	Real-time expenditure