Workforce North
Luchd-obrach Tuath

Workforce North Co-Investment Fund
Stream 1: Workforce Growth

August 2026

Skills Development Scotland
UHI
HIE Highlands and Islands Enterprise Iomairt na Gàidhealtachd 's nan Eilean
DYW Developing the Young Workforce
Scottish Funding Council Promoting further and higher education
Inverness & Cromarty Firth Green Freeport
HIREP
Department for Work & Pensions
MCR Pathways
Argyll Bute Council
The Highland Council Comhairle na Gàidhealtachd
Comhairle nan Eilean Siar Ag Obair Còmhla Airson nan Eilean
moray council
North Ayrshire Council
Orkney Islands Council
Shetland Islands Council
TalEntEd Islands

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Stream 1: Workforce Growth Purpose

This guidance is specifically for Stream 1: Workforce Growth. Applicants should also refer to the Workforce North Co-Investment Fund General Guidance on the WFN website. This Stream supports employer- led activity where there is immediate training/skills demand and delivery capacity already exists. It is designed to provide a flexible response to short-term labour market pressures while enabling employers to address identified skills gaps quickly and effectively. It will therefore support:

- Training e.g. targeted upskilling aligned to urgent workforce needs
- Pipeline activity i.e. including fast entry training for unemployed or career changing individuals
- Apprenticeship recruitment

It is expected that delivery is ready to start and that employer's own financial contribution is in place.

As a pilot fund, the initial priority sector/subject areas for this fund are:

- Net Zero
- Construction and Built Environment
- Digital and Data Skills
- STEM related subjects and progression opportunities

There are two elements of Stream 1 Workforce Growth:

A: Training & Skills Fund

B: Employer Recruitment Incentive for New Apprentices

Applicants are encouraged to engage with their relevant Local Authority prior to submitting their application. The Local Authority contacts can be found within the General Guidance.

A: Training and Skills Fund

What can be supported

The Training & Skills fund will support:

- Accredited or industry-recognised training (non-statutory)
- Short SCQF – levelled/certified training blocks linked to live vacancies/employer needs
- Trade and industry certification (e.g. safety, technical, compliance) – new rather than re-certification of existing employees
- Rapid recruitment entry-to-work training for unemployed or career-changing adults

Eligible Applicants

Applicants must be Operational in (i) the Workforce North (WFN) Geographical Region and (ii) the geographical boundary of the local authority where the Local Authority are contributing to the Eligible Costs of the Funded Activity applied for AND one of the following:

- A micro business employing fewer than 10 employees (or full-time equivalents – >34 hours p/w) at the date of the application for funding
- A WFN Geographical Region SME (≤ 249 FTE)
- Any size of employer working with unemployed individuals to take up, following successful completion of training, job opportunities the employer has identified
- A supply chain partner (≤249 FTE) of a larger employer (≥ 249 FTE), where that larger employer is operating in the WFN Geographical Region and holds a direct contract for major construction or infrastructure projects. For avoidance of doubt, funded trainees must meet trainee eligibility criteria
- A Local Authority "Arm's Length External Organisation" (ALEO) that delivers "novel/peripheral areas/non-standard services" normally not delivered by a local authority
- A Local Authority seeking funding in respect of eligible job roles in Facilities Management services

Eligible Training

- The funded trainee has a demonstrable need to acquire the new skills and/or learning under the programme of training for the purposes of obtaining work in the WFN Geographical Region, and not just a need for certification (or re-certification) of existing skills and/or learning.
- The programme of training will significantly improve the funded trainee's prospects of accessing or upskilling/reskilling for jobs in the WFN Geographical Region and is a suitable, appropriate and achievable course of training given the funded trainee's existing qualifications and work experience.
- The programme of training is likely to lead to the funded trainee meeting the employer applicant's identified training needs for its employees and/or for unemployed trainees to acquire the skills required to secure a job opportunity identified by the employer applicant in the WFN Geographical Region within a reasonably short period of time following completion of the training and no more than 4 months from the completion of training.
- The programme of training will be undertaken in full by the funded trainee within the UK, whether provided online or in person. Details of the manner and location of the training must be included with the funding application.
- The programme of training is SCQF (or equivalent) rated or where it is not SCQF rated, the programme of training is suitable and adequate to meet the employer's requirements and represents best value for money. For details of SCQF please see the Scottish Credit and Qualifications Framework website here.

- The programme of training has industry recognition and/or is required by the employer applicant to meet its job roles in the WFN Geographical Region.
- The programme of training shall be completed by the funded trainee within 12 months of the funding application approval and by 31 March 2029 at the latest. A funded trainee will be deemed to have completed a programme of training when they have completed all the training and any work-based learning comprised in the programme of training in accordance with the descriptions set out in the employer's application and the approved training provider course materials and undertaken all required assessments. Funding shall not be available in the event the funded trainee does not, for any reason, complete the programme of training. Where funded trainee attendance (whether in person or remotely) at any component of training is expected, and is not fulfilled by the funded trainee, the funded trainee will be deemed not to have completed the programme of training.
- Training providers must be located in the UK and:
    - be accredited from a recognised awarding body/industry to provide training services or
    - be established suppliers of same/similar services AND
    - be distinct from the employer applicant i.e. the employer applicant is not entitled to deliver the training using its own internal training function or staff.

Funding for Training & Skills

Workforce Growth will support 25% of the training costs up to maximum levels as detailed below. Employers can seek additional funding, if available, from their respective Local Authority however must contribute a minimum of 50% of the training costs from their own resources or other obtained private sector sources. For grant rates, please refer to the table below:

Employer	Grant Support
Micro and SME <250 FTE	Maximum £2,000 grant per individual learner with £500 uplift where individual is unemployed
Employers >250 FTE	Maximum £2,500 per unemployed participant only
Example – a training course/qualification for a trainee costs £5,000. 25 % (£1,250) from the Workforce Growth Grant and 75% (£3,750) comes from Applicant. The applicant can approach their Local Authority to enquire if the Local Authority are in the position to contribute towards the 75%. The applicant must however contribute at least 50% of the overall cost from their own or other obtained private sector sources. The grant will be paid retrospectively on receipt of evidence of payments of costs.	

B: Employer Recruitment Incentive for New Apprentices

What can be Supported

The grant fund will provide a contribution to employers who recruit additional apprentices to their workforce.

Eligible Applicants

Applicants must be Operational in (i) the Workforce North (WFN) Geographical Region and (ii) the geographical boundary of the local authority where the Local Authority are contributing to the Eligible Costs of the Funded Activity applied for AND one of the following:

- Micro Businesses < 10FTE: payment for first apprentice
- SMEs (≤60 FTE); payment to employers who already have at least 5% of their work force as apprentices, up to a maximum of 10 FTE.

Example: If an employer with 60 FTE has 3 apprentices (5%). The fund would support apprentice number 4, 5, 6 etc. If employer has 35 FTE, 5% = 1.75 apprenticeship's – this would be rounded up to requiring 2 apprenticeships to be already in workforce with the fund supporting apprentice 3, 4 etc. If employer has 25 FTE, 5% is 1.25 apprenticeships – this would be rounded down therefore one apprentice would require to be in workplace already with the fund supporting apprentice 2,3 etc.

- Any size of employer where the funding is an incentive for the employer to employ an apprentice (who has been made redundant prior to the completion of their apprenticeship) to enable the apprentice to complete their apprenticeship

Fair Work Compliance

To apply for funding towards the wage cost of employing an apprentice, employers must meet the Scottish Government's mandatory Fair Work requirements of:

a) paying the Real Living Wage (currently £13.45 per hour) to all employees including apprentices. Employers can apply for limited exemption from paying the Real Living Wage where a potential grant recipient can evidence that they genuinely cannot afford to pay the Real Living Wage to part(s) or all of work force. To apply for an exemption, Please click here for the exemption form and submit with your Stream 1 application form (attached)

b) providing channels for effective workers' voice, such as trade union recognition. **Funding for Employer Recruitment Incentive for Apprentices**

The WFN Growth Fund will provide a grant of £2,500 per apprentice. Employers can seek additional funding, only if available, from their respective Local Authority of up to an additional £2,500.

General Information for Work Force Growth Training Fund and Employer Recruitment Incentive for Apprentices

Trainee Eligibility – Training & Skills and Apprenticeships

The funded trainee has the right to live and work in the UK and one of the following applies:

- the funded trainee has only one place of residence which is within the WFN Geographical Region or, where the funded trainee has more than one place of residence, their main place of residence is within the WFN Geographical Region
- that they reside for more days of each UK tax year at their residence in the WFN Geographical Region, than in any other place of residence) OR
- where the funded trainee is employed by the applicant (i.e. is not self-employed) the applicant has a place of business within the WFN Geographical Region; OR
- where the funded trainee is unemployed, and does not live within the WFN Geographical Region, the applicant has a place of business within the WFN Geographical Region and has identified a job opportunity for the unemployed funded trainee to take up following the successful completion of the training

Funding Cap

- Micro and SME <250 FTE – Cap of £20,000 per eligible employer or £25,000 for eligible employer supporting unemployed individuals.
- Eligible employers >250 FTE – Cap of £40,000 per eligible employer to provide for unemployed individual.

Additional Information

Applicants must also read the Workforce North Co-Investment Fund General guidance. If applicants require further clarification, please email WFN@highland.gov.uk