



Workforce North Co-Investment Fund General Guidance

August 2026



Comhairle nan Eilean Siar
Ag Obair Còmhla Airson nan Eilean



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1. Introduction

The General Guidance provides overarching information relating to all three grant streams:

- **Stream 1:** Workforce Growth
- **Stream 2:** Workforce Innovation
- **Stream 3:** Workforce Accelerate

Applicants **MUST** also refer to the specific grant guidance for the funding stream they are interested in apply too.

If applicants have any additional queries, please email WFN@highland.gov.uk

Key Dates	
First Funding Round – applications can be received during this period	1st September to 30th October 2026
Second Funding Round	30th November 2026 to 29th January 2027
Future Funding Rounds	To be confirmed. To receive confirmation of future funding rounds, email WFN@highland.gov.uk

2. Workforce North Investment Levels

Funding

The fund will be operated initially on a 'first come first served' basis and will be available until 2029 with all funds having to be expended by 31st March 2029.

The Workforce North Co-Investment seed funding will fund 25% of eligible applications, with the exception of the Employer Recruitment Incentive – New Apprentices where a flat rate payment of £2500 is granted.

Local Authority Contribution

Each Local Authority may have different levels, if any, off funds to contribute towards applications. Applicants can clarify with their appropriate Local Authorities regarding whether the Local Authority is in the position to contribute towards the balance of the costs at any given time however it should be noted that the applicant must contribute a minimum of 50% of their own resources and/or other obtained private sector funding to the overall costs being applied for. Local Authority contacts can be seen in this Guidance in Section 5, page 8. Applicants match funding must not be 'in -kind'.

Where applications are supporting unemployed people to gain training and skills to support employment, there may be No One Left Behind (NOLB) funding through Local Employability Partnerships which could contribute towards these costs, and this could be considered as LA match. Each Local Employability

Partnership across the WFN geographic area will have different NOLB resource level, programmes and priorities therefore applicants should contact the relevant Local Authority to see clarification regarding available support, if any.

Applicants are required to view the Work Force North Ineligible expenditure in Section 6, page 9. If applicants are unsure regarding eligibility, please email WFN@highland.gov.uk for clarification prior to submitting an application.

3. How To Apply – Application and Assessment Process

Application

In developing an application, if applicants require further clarification of the criteria and eligibility, these should be sent by email to WFN@highland.gov.uk. If it would be helpful to have a conversation regarding the development of an application, please also email to request a call.

For Funding Stream 1: Workforce Growth, applicants are encouraged to have dialogue with the relevant Local Authority regarding applications.

For funding Streams 2 & 3: Innovation and Accelerator, applicants **MUST** have dialogue with the relevant Local Authority regarding applications prior to submission as feedback will be requested from the Local Authority as part of the overall assessment.

A flow chart detailing the application process is detailed on page 6 overleaf.

The grant will be considered as a subsidy (Minimal Financial Assistance). Please see Section 4, page 7 for further information.

Assessment Process

The assessment criteria is detailed in Section 7, page 10 of this guidance.

The assessment criteria has been developed to support transparent, consistent and proportionate funding decisions across all three funding streams.

The assessment framework applies a two-stage assessment process.

Stage 1: Pre-screen – (Pass/Fail) – All applications assessed against applicant eligibility, place – based delivery, eligible and ineligible costs, and compliance with the minimum co-investment requirements.

Stage 2: Weighted Scoring – Streams 2, – Innovation and Stream 3 – Accelerate **ONLY**: Applicants that pass pre-screening are assessed using a weighted scoring matrix. Whilst a common set of assessment criteria is used across the fund, weightings differ by stream to reflect their distinct objectives:

- **Funding Stream 2:** Workforce Innovation – Greater emphasis on innovation, learning and the potential to develop scalable workforce models where uncertainty or system barriers exist.
- **Funding Stream 3:** Workforce Accelerator – Greater emphasis on evidence of previous success and the ability to scale proven models to deliver region-wide or sector-wide impact.

Applications must score:

- A minimum overall weighted score of 60 out of 100
- A minimum score of 3 out of 5 on all mandatory criteria

If applications are unsuccessful, feedback will be provided and applicants will be able to re-submit amended applications once.

Workforce North Application Process

Workforce North Funding Streams

Application A: 1. Growth

Submit to WFN@highland.gov.uk

- Application assessed by fund administrators against set pass / fail criteria
- Applicant informed of outcome and grant offer issued – 2 weeks

Highland Council provides feedback to unsuccessful applicants with opportunity to re-submit.

Application B: 2. Innovation & 3. Accelerator

Submit to WFN@highland.gov.uk

- Assessed by Highland Council Officers
- feedback from relevant Local Authority contact
- Additional information sought from applicant if required
- Scored against published criteria
- Recommendations to Project Approvals Board

- Project Approvals Board reviews recommendation/s
- Project Approvals Board may seek additional information from Applicant
- Approves or rejects application
- Approval Panel agrees level of financial support

- HC, as Lead Partner, Issues Grant Offers
- HC provides feedback to unsuccessful applicants with opportunity to re-submit

4. Subsidy Control

Under current UK law, any support provided by a public body is subject to the Subsidy Control Act (2022). In granting the support noted above this act requires Highland Council, as administrator of the WFN Co-investment Fund to consider how to manage the subsidy and in this case the Council has chosen to place this subsidy under the **Minimal Financial Assistance (MFA) measure allowed in the act**.

MFA is an amount that each enterprise can receive for ad hoc grants or support calculated as minimal in their scale and impact. Each enterprise can receive up to a maximum of £315,000 in subsidies across any 3-year period (current fiscal year and the previous two fiscal years). These subsidies can come from more than one public body and all count towards the overall MFA maximum amount when calculated over a 3-year rolling period.

Under Section 37 (2)(c) of the act your Organisation will need to declare all support notified to you as subsidy that has been received or is currently awarded to you within the last three years to ensure that the offer the Council is making in this instance does not take your accumulated MFA subsidies beyond the maximum level noted above. The Council is required to confirm this information in advance of a formal offer of support is issued and is the final step in ensuring the subsidy can be awarded without any obstruction.

As part of your application, you will be asked to complete a table informing us of any subsidies you have received over the past three years the prior to the grant offer being issued, you will be asked to confirm that these details are still correct.

Once this confirmation has been received our teams will check and confirm that you have the capacity to accept the planned award. If the result is that you do have the capacity to accept the award, the letter of offer will be the next step. This will also include a declaration from the Council of the total subsidy and the date from which the subsidy should be recorded. If there are any issue with either your capacity to receive this support under MFA or anything we need clarification on to proceed, we will contact you immediately.

We would remind you that you must retain records of the award of the subsidy for a period of at least 3 years from the date of the award. This must include any subsidy or support that has been granted as Small Amounts of Financial Assistance and Special Drawing Rights. We would advise you to retain this letter and a copy of the table you complete along with all other communications in respect of this subsidy.

Further information on the Subsidy Control Act (2022) can be found at:

<https://www.legislation.gov.uk/ukpga/2022/23>

The Guidance notes for the Act can be found at:

<https://www.gov.uk/government/publications/uk-subsidy-control-statutory-guidance>

5. Local Authority Contacts

Workforce North Contacts

- Clarification on whether Local Authority can contribute to application at current time
- Advice in developing Stream 2 :Innovation and Stream 3: Accelerator applications.

Local Authority

Argyll & Bute Council
business.gateway@argyll-bute.gov.uk

Comhairle nan Eilean Siar
employability@cne-siar.gov.uk

Moray Council
Amy.Cruickshank@moray.gov.uk

Orkney Islands Council
economic.development@orkney.gov.uk

Shetland Islands Council
economicdevelopment@shetland.gov.uk

The Highland Council
WFN@highland.gov.uk

North Ayrshire Council – the islands of Arran and Cumbraes
TBC

No One Left Behind (NOLB) Contacts

- For proposals relating to Stream 1 – where applicants providing training for unemployed people or Streams 2 & 3 where the focus is on provision for unemployed people – to seek clarification on possible support through Local Employability Partnerships.

Local Authority

Argyll & Bute Council
business.gateway@argyll-bute.gov.uk

Comhairle nan Eilean Siar
employability@cne-siar.gov.uk

Moray Council
Amy.Cruickshank@moray.gov.uk

Orkney Islands Council
economic.development@orkney.gov.uk

Shetland Islands Council
economicdevelopment@shetland.gov.uk

The Highland Council
WFN@highland.gov.uk

North Ayrshire Council – the islands of Arran and Cumbraes
TBC

6: Ineligible Expenditure

Ineligible expenditure is listed below. Applicants should seek clarification at WFN@highland.gov.uk if they are unsure of the eligibility of their planned applications.

General

- Any staff costs related to staff employed by the Applicant or the funders of the Funded Activity
- Any overhead costs – direct or indirect – for the running of the place of work of the Applicant or the funders of the Funded Activity
- Any costs that are fundable by other sources
- Any travel and subsistence costs unrelated to the direct delivery of the Training/Project
- Any overseas travel costs
- Any First Class/Business travel costs
- Any travel and subsistence payments out with Council Policy/Rates
- Any entertaining/hospitality; gifts, or donations
- Any claims for costs incurred where Funded Activity progress is not in line with approved timelines
- Any payment in advance of service being delivered, agreed milestones/outputs achieved
- Any costs/liabilities incurred before Funded Activity contract commencement
- Any Value Added Tax (VAT) reclaimable by the Eligible Applicant
- Payments for costs of works or activities which the Eligible Applicant has a statutory duty to undertake
- Any employment costs arising from the Eligible Applicant's legal obligations to its employees, for examples parental leave, sick leave, redundancy
- Interest payments or service charge payments for finance leases
- Statutory fines, criminal fines or penalties, civil penalties, damages or any associated legal costs
- Bad debts to related parties
- Bad debt or liabilities write off
- Contingencies and contingent liabilities
- Payments for unfair dismissal or other compensation
- Depreciation, amortisation or impairment of assets owned by the Eligible Applicant(s)
- The acquisition or improvement of assets by the Eligible Applicant
- Paid for lobbying, which means exerting undue influence to change government policy
- Payments for activities of a political or exclusively religious nature
- Any costs linked to pensions or dividends

Funding Stream Specific Ineligibility

Stream 1: Workforce Growth

- In cases where upskilling/reskilling will be provided via the MA Apprenticeships Programme, these places will be funded and administered via existing SDS funding arrangements
- In cases where upskilling/reskilling will be provided via the Foundation Apprenticeship (FA) route – these will be progressed via the Pilot Phase of the Foundation Apprenticeship Enhancement Group and be considered for funding via Funding Streams 2 or 3.

- Training that is mandatory/statutory for current employment or where the employer would ordinarily fund that (or similar) training. Direct or indirect costs incurred by the employer applicant in the organising or delivery of the training. For the avoidance of doubt - the employer applicant is not entitled to deliver the training using its own internal training function or staff
- Claims for funded trainees who do not achieve any accredited element of the training (Early Leavers /Non- Completers)
- Payment in advance of service being delivered, milestones/ outputs achieved *

***Note: By exception, if formally agreed by the Council, payment may be part released in advance on receipt of confirmed bookings or special need for funds.**

Streams 2 & 3 - Workforce Innovation and Accelerator

- Costs which do not contribute to the development and piloting of delivery of training to learners in the priority sectors / subject areas specified below:
 - o Net Zero
 - o Construction and Built Environment
 - o Digital and Data Skills
 - o STEM-related subjects and progression opportunities
- Payment in advance of service being delivered, milestones/ outputs achieved. *

***Note: By exception, if formally agreed by the Project Approval Board, payment may be part released in advance for special need for funds.**

7. Application Scoring Framework

Purpose: Provide a transparent, repeatable scoring approach for Funding Stream 1 (Workforce Growth), Funding Stream 2 (Workforce Innovation) and Funding Stream 3 (Workforce Accelerator).

How to use this framework (transparent decision flow)

- **Step 1** – Pre-screen (Pass/Fail): confirm eligibility, cost eligibility, and funding contribution rules
- **Step 2** – Score: apply 0–5 scores against each criterion and multiply by the stream weighting
- **Step 3** – Thresholds: recommended minimum overall score $\geq 60/100$ AND all “Mandatory” criteria $\geq 3/5$
- **Step 4** – Record decision: capture rationale, conditions, and any amendments; retain as part of the decision record/minutes.

Scoring scale (0–5)

Score	Descriptor
0	Not addressed / insufficient evidence
1	Weak – major gaps or unclear; high concern
2	Limited – some evidence but material weaknesses
3	Adequate – meets minimum; acceptable with minor gaps
4	Strong – well evidenced; low concerns
5	Outstanding – exemplary; sets a clear benchmark

Step 1 – Pre-screen checks (Pass/Fail)

Funding Stream 1 – Workforce Growth (administered via streamlined approvals):

Check	Pass/Fail
Applicant meets Eligible Employer Applicant criteria for Funding Stream 1 (Workforce Growth)	
Place-based delivery: employer operational in WFN Geography and relevant local authority geography	
Private sector cash co-investment meets minimum (no in-kind)	
Costs are eligible (exclude staff/overheads/BAU/other fundable costs; no asset purchase)	
Training is aligned to priority sectors/subject areas (Net Zero, Construction & Built Environment, Digital & Data, STEM)	
Where unemployed participants: evidence of job opportunity within WFN geography; timing expectation within 4 months	
Supplier eligibility (UK-based and accredited/established; distinct from employer)	

Funding Streams 2 & 3 – Innovation / Accelerator (Project Approval Board):

Check	Pass/Fail
Application is for Funding Stream 2 (Workforce Innovation) or Funding Stream 3 (Workforce Accelerator)	
Applicant type is eligible (e.g., employer, sector partnership, consortia) and UK-based/operational in WFN geography	
Place-based delivery: aligned to local authority geography contributing to eligible costs	
Funding contributions compliant: max 25% Core Funding and at least 50% private sector cash; no in-kind	
Costs are eligible and not on ineligible list (incl. staff/overheads/BAU/asset acquisition etc.)	

Step 2 – Weighted scoring matrix (by stream)

Criterion	What to look for/evidence	Weight S2	Weight S3	Mandatory?
Strategic alignment to Fund objectives & relevant stream outcomes	Clear link to WFN objectives and the relevant stream objectives/outcomes; aligns to agreed priority sectors/subject areas where applicable.	10	15	Y
Employer-led demand & problem definition	Evidence of employer demand (vacancies, pipeline gaps, sector need) and a clear statement of the workforce problem being addressed.	10	15	Y
Additionality & avoidance of duplication/BAU	Demonstrates new or expanded delivery (not overheads/BAU); explains why other funding routes cannot cover costs; confirms no double funding.	10	10	Y
Co-investment leverage & funding compliance	Budget clearly shows compliant contributions (max 25% core; min 50% private sector cash); council declaration where required; no in-kind.	10	10	Y
Deliverability & readiness (plans, capacity, timeline)	Clear delivery plan, resourcing, suppliers, start readiness; realistic timetable and capacity; dependencies managed.	10	10	Y
Outputs, outcomes & milestones (measurable and proportionate)	Quantified outputs/outcomes; milestones and quality standards are reasonable; reporting approach aligns to quarterly monitoring expectations.	10	10	Y
Value for money (VfM) & cost reasonableness	Costs benchmarked/justified; unit costs reasonable; procurement approach proportionate; shows why approach is optimum.	10	5	N
Innovation & learning plan (Stream 2 focus)	For Stream 2: novelty/learning objectives, evaluation approach, and clear route to a scalable model suitable for roll-out.	15	0	N
Evidence base & scale pathway (Stream 3 focus)	For Stream 3: proven model/evidence of performance; clear scaling plan; reach across sectors/areas; demand confirmed.	0	15	N
Risk, assurance & compliance (FOI, data protection, subsidy, conflicts, fraud)	Risk register/mitigations; conflicts declared/managed; data/IP approach proportionate; subsidy control considered; fraud controls and reporting readiness.	15	10	Y