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Council

# **Stirling & Clackmannanshire Fair Work Incentive**

## **2024 – 2025 Information Pack**

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## Introduction

The [Fair Work Incentive](#) helps people of working age with the greatest barriers to employment get jobs and stay in jobs. It is funded by the UK Government and Scottish Government<sup>1</sup> and administered by Stirling and Clackmannanshire Councils.

Employers can apply for funding to help with the costs of recruiting and employing someone who fits the eligibility criteria for the [Fair Work Incentive](#). It can provide up to £8,000 for **newly created jobs or vacancies**. Employers who are successful in applying for funding receive the money direct.

Employer Recruitment Incentives play an important role in supporting those with the greatest barriers to employment, to enable them to obtain and remain in sustainable employment. The [Fair Work Incentive](#) has been developed to integrate and link fully with existing employability and skills programmes and is available to use as a contribution to the additional costs of recruiting and sustaining eligible individuals in employment.

The [Fair Work Incentive](#) can be utilised in several ways such as for additional supervisory costs, training, initial travel to work costs, specialist in work support, or wages. No single use is prescribed.

This employer's pack summarises the key points of the fund and includes information on the terms and eligibility conditions and how to apply for the funding.

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<sup>1</sup> Scottish Government funding includes No One Left Behind and Tackling Child Poverty.

## About the Fair Work Incentive (FWI)

The objectives of FWI are to positively contribute to a fairer more inclusive economy and to help address many of the deep-seated challenges of inequality and disadvantage within the Scottish labour market. The specific objectives are:

- ✓ To reduce the number of young people and adults who are unemployed.
- ✓ To create a person centred, more joined up, flexible and responsive form of support.
- ✓ To provide a seamless set of interventions that complements each other.
- ✓ To improve the employment opportunities for people from ethnic minority backgrounds and people with a disability.
- ✓ To improve pay and flexible working opportunities for women and others who may have to balance work with caring responsibilities.

### Is this funding for me?

Employers from all sectors are eligible for FWI and there is no restriction on the size of employer, but priority will be given to private SMEs<sup>2</sup> and third sector organisations (including social enterprises). You should use FWI to fill vacancies and create new and additional jobs.

The number of individuals you can recruit and appropriately support using the FWI is usually no more than two individuals in any 12-month period; however, additional applications will be determined on a case-by-case basis. All employers in receipt of the FWI must adhere to Scottish Government's Fair Work First Guidance which, for any public sector grants awarded, the default position is that Fair Work First criteria is for paying at least the Real Living Wage and providing effective workers' voice will be mandatory while the other criteria will continue at this stage to be encouraged.

In general, a grant recipient must demonstrate it is paying at least the Real Living Wage before it can access a grant.

All UK -based staff aged 16 and over, including apprentices, who are directly employed by the grant recipient must be paid at least the Real Living Wage; and any UK-based workers who are not directly employed but are directly engaged in delivering the grant-funded activity, whether they be sub-contractors or agency staff, must also be paid at least the Real Living Wage.

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<sup>2</sup> Micro business and small to medium sized companies or organisations from the Private and Third sectors with up to 250 employees

The FWI is a beneficiary employment support measure and relates to the employee’s post code but you, as the employer, can be located throughout Scotland. This means that you should apply for funding via the local authority in which your new employee lives. The [Fair Work Incentive](#) can only offer funding for employees with home postcodes within the Stirling or Clackmannanshire local authority areas (the employer’s postcode does not need to be within Stirling or Clackmannanshire).

**What can I use the funding for?**

You can use the funding to help with the costs of recruiting and keeping a person in employment including an apprenticeship for a minimum of 52 weeks. Costs may include:

- ✓ wages
- ✓ additional supervisory costs
- ✓ initial travel to work costs
- ✓ training
- ✓ other job-related costs, e.g. to support flexible working

**What does the funding offer?**

The funding offers an employer a tiered amount of up to £8,000 over a period of 52 weeks. The amount you receive is based on the contracted hours for each employee as shown in the table below:

A job where pay is at the Real Living Wage or above	
Contracted Hours Per Week	ERI Amount (£)
8 - 15	2,000
16 – 20	4,000
21 – 29	6,000
30+	8,000

**How does the funding work?**

- ✓ We pay the funding directly to employers.
- ✓ It applies to new job starts up to 31 March 2025.
- ✓ New employees should not start the post until funding is agreed.

For a job to be eligible for funding it must:

- ✓ offer a minimum of 52 weeks employment
- ✓ guarantee a minimum of 8 hours employment each week
- ✓ pay Real Living Wage rate or higher
- ✓ pay a salary greater than funding received

- ✓ have a contract of employment i.e. permanent contract, a fixed term contract for 52 weeks or more or a fixed term contract for the duration of the apprenticeship. Companies who employ a person on zero-hour contracts will not be eligible
- ✓ and, by law, employees must receive a written contract of employment within two months of starting. (We will need to see a copy of this.)

FWI funding should not:

- ✓ Be used to create a job to cover a period of existing staff sickness or maternity leave.
- ✓ Be used to replace a post from which someone was made redundant.
- ✓ Duplicate costs that will be paid for by other programmes.
- ✓ It **can** be used as a progression from other programmes into paid employment but the conditions of the ERI funding must be met.
- ✓ It **can** be used to pay for support for a period prior to Access to Work funding being established, in order to ensure the job is retained, but it does not replace your duty under the Equality Act to make reasonable adjustments. This is particularly relevant to Public Sector employers, who have a duty to provide reasonable adjustments which must be funded directly.

The FWI can be aligned to other employability programmes where appropriate to support the sustainability of employment, however they cannot be used at the same time.

#### How do we pay the grant funding?

- ✓ We will pay you directly providing you send us the necessary documentation, following the payment schedule below. This schedule starts from your employee's first day of employment. We will only make a payment if the employee completes each stage.
- ✓ If your employee leaves your employment before the end of the 52 week period, monies already paid to you are not required to be returned to us.

Payment Points	Contracted Hours per Week	8 -15	16 - 20	21 – 29	30+
	ERI Amount	£2,000	£4,000	£6,000	£8,000
	4 weeks after employment start date No payment for less than 4 weeks	200	600	1,000	1,400
	13 weeks after employment start date No pro-rata payment between 5 - 12 weeks	400	800	1,200	1,600
	26 weeks after employment start date No pro-rata payment between 14 – 25 weeks	400	800	1,200	1,600
	39 weeks after employment start date No pro-rata payment between 27 - 38 weeks	400	800	1,200	1,600
	52 weeks after employment start date No pro-rata payment between 40 – 51 weeks	600	1,000	1,400	1,800

### What are the timeframes for recruitment?

- ✓ The FWI is for new job starts up to **31 March 2025**. There are a limited number of places so we will deal with applications on a first come, first served basis.
- ✓ All applications for jobs starting within the incentive period must be completed, approved and the individual started their employment by **31 March 2025**.
- ✓ If you would like help to advertise your vacancy, we can provide free support to do this via:  
Stirling Council - [employerengagement@stirling.gov.uk](mailto:employerengagement@stirling.gov.uk) / 01786 237517; or  
Clackmannanshire Council - [employerengagement@clacks.gov.uk](mailto:employerengagement@clacks.gov.uk) / 01259 226699.

Please let us know if you would like this support.

### Meeting the Real Living Wage Rates

You must pay at least the Real Living Wage to new starts, as well as all existing staff including apprentices, to be eligible to apply for the fund. The current Real Living Wage is £12.00 per hour for those aged 18 years and older.

### Minimum Financial Assistance Subsidy Control Act 2022

The Grant is offered as a Minimum Financial Assistance (MFA) subsidy under the Subsidy Control Act (2022). Before making the grant award, written confirmation is required that receipt of the award will not exceed the Subsidy Control Statutory Guidance 96 MFA threshold of £315,000 cumulated over this and the previous two financial years as specified in Section 36(1) of the Subsidy Control Act (2022). This means you must confirm that you\* have not received more than £315,000 (minus the value of the Fair Work Incentive) in MFA subsidies or comparable types of subsidies (see Section 42(8) of the Subsidy Contract Act) between 1 April [year beginning the calculation period] and the date of the Fair Work Incentive award. You are required to keep a written record of the amount of MFA you have received and the date(s) when it was received. The written record must be kept for at least three years beginning with the date on which the MFA was given. This will enable you to respond to future requests from public authorities on how much MFA you have received and whether you have reached the cumulative threshold.

[\*The MFA threshold applies at company group level.]

### Who can I employ?

You can employ someone who meets **all** of the following:

- ✓ is unemployed/economically inactive (or coming to the end of a paid work experience programme) is aged between 16-67 years
- ✓ lives within Stirling Council or Clackmannanshire Council Local Authority areas

- ✓ has the right to live and work in the UK
- ✓ has **one or more** barriers to employment – see Appendix 1 on page 10 for eligibility criteria)

The [Stirling and Clackmannanshire Fair Work Incentive](#) is for people of working age. However, it is not for everyone. It is for people who experience barriers to employment and, without additional support, might not make a successful transition into or be able to secure work.

- ✓ You need to give employees a written contract of employment. It is a legislative requirement that an employee receives a contract of employment within two months of starting. The employment contract should be a permanent contract; a fixed term contract for 52 weeks or more; or a fixed term contract for the duration of the apprenticeship. Companies who employ a person on zero-hour contracts will not be eligible.

The following do not meet the eligible criteria for the fund:

- ✓ unpaid voluntary work
- ✓ registration with a recruitment agency or other third-party employment fully or part financed by additional public-sector funding. This includes Intermediate Labour Market (ILM) or UK Shared Prosperity Funded projects taking part in other work that is not subject to a contract of employment or registration with an employment agency (unless employees are employed solely for the agency and no other party)
- ✓ employment which has already started
- ✓ zero hours contracts.

## Application guide and conditions

### The application process

- ✓ Funding is not guaranteed – we assess applications on a case by case basis. You **cannot** employ a person **before** your application for funding is approved.
- ✓ You cannot apply for funding for someone who is already in post. It must be for a new job and the person must be out of work at the time of applying. The employee cannot start the post until funding is approved.
- ✓ When you have selected your employee and before they start work, we will need to visit you both to complete the paperwork and make sure all parts of the application process are signed and completed as we are required to record information about the job and the employee on our management information system.
- ✓ We will need to carry out quarterly reviews throughout the 52 weeks and will arrange a suitable time for this with you and your employee.

- ✓ We will need a copy of your employee's employment contract within two months of their start date.
- ✓ We need to show how the Fair Work Incentive funding is allocated and spent. We will therefore need all applicants and recipients to comply with the Scottish Government and Stirling and Clackmannanshire Councils' application, monitoring and finance processes.
- ✓ To receive payment from us, we will require you to submit payslips and an invoice.

### How do I get the funding?

- ✓ We will pay you directly providing you send us the necessary documentation. The payment schedule starts from your employee's first day of employment. We will only make a payment if the employee completes each stage.
- ✓ If your employee leaves your employment before the end of the 52 week period, monies already paid to you are not required to be returned to us.
- ✓ We will make payments within 30 days of receiving satisfactory invoice and supporting documentation (wage slips, contract of employment etc.).
- ✓ As part of the Fair Work Incentive, we will carry out reviews with your employee to check they are still in employment and to monitor progress within their role. A member of our team will contact you and your employee when they begin employment and again after weeks 4, 13, 26, 39 and 52 weeks.

### Contact us

To apply and for more information, please contact us at:

Stirling Council – [employerengagement@stirling.gov.uk](mailto:employerengagement@stirling.gov.uk) / 01786 237517

Clackmannanshire Council – [employerengagement@clacks.gov.uk](mailto:employerengagement@clacks.gov.uk) / 01259 226699

## Appendix 1: Who you can employ – eligibility criteria

Individuals, including Graduates, are eligible for the Fair Work Incentive if they are unemployed (or coming to the end of a paid work experience programme) and if they meet **one or more** of the following criteria:

### Characteristics:

- Disabled and or D/deaf person
- Person experiencing mental health issues and those who have an impairment or long-term health conditions
- Care experienced young people
- Person with a conviction (including CPO's)
- Person aged over 50 years
- People from Ethnic Minority backgrounds and racial groups
- Gypsy/travelling community
- Person requiring support with language, literacy, or numeracy, including those for whom English is an additional language
- A young person who was receiving additional support for learning in school
- Refugee or other granted leave to stay in the UK

### Circumstances:

- Primary carers, with a particular focus on parents/ carers from the priority family groups, specifically:
  - Lone parents
  - Parents or children with a disability
  - Parents with 3 or more children
  - Parents from a minority ethnic background
  - Parents with a child under 1 year
  - Families with a parent under 25 years
- Other low income parents – e.g. kinship carers
- Those with no or limited work experience
- Early leavers from the armed forces, veterans and ex-forces personnel
- Long term unemployed who are not on Community Work Placements
- Person who has failed their ESA Work Capability Assessment
- Low skilled<sup>3</sup>
- Homeless person – including temporary or unstable accommodation
- Person affected by substance misuse
- Living in a household with children in poverty
- Person living in the 15% most employment deprived SIMD geographies
- Person living in an area defined as “rural area<sup>4</sup>” or “very remote rural”
- Living in a jobless household.

***Specific priority should be given to those with multiple barriers to gaining sustainable employment.***

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<sup>3</sup> Individual's highest level of qualification is at SCQF Level 4 or below