



Edinburgh's Employer Recruitment Incentives 2026 – 2027 Information Pack



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Introduction

[Edinburgh's Employer Recruitment Incentive](#) helps people with the greatest barriers to employment into, and staying in, jobs. It is funded and administered by the City of Edinburgh Council, in line with the Scottish Government's [No One Left Behind](#) ethos. Employers can apply for [up to £10,000](#) to help with the costs of recruiting and employing someone who fits the eligibility criteria for the fund. Employers who are successful in applying to the fund receive the money directly.

The Edinburgh Employer Recruitment Incentive has been developed to integrate with, and link to, other 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 funding can be utilised in several ways, for example to cover 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, the eligibility conditions and a guide to help you complete your funding application.

About EERI

Edinburgh's Employer Recruitment Incentives (EERI) aim 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 people unemployed
- create a person-centred, more joined up, flexible and responsive form of support
- provide a seamless set of interventions that complement each other, with co-ordinated resources to improve opportunities and outcomes
- prevent and reduce the number of people who are long term unemployed
- support more people into sustainable, greener, and fairer employment, and have due regard to tackling inequality in all its forms including occupational segregation
- increase the number of people in employment who are engaged in learning and skills development
- increase the number of people achieving qualifications
- reduce levels of in work poverty by providing security of pay and contracted hours
- support career progression
- increase the number of people accessing apprenticeships with a specific focus on equalities groups
- to stimulate demand for employment within the labour market

Is this incentive for me?

Employers from all sectors are eligible for EERI and there is no restriction on the size of employer, but priority will be given to private SMEs¹ and third sector organisations (including social enterprises). You can only use EERI to fill vacancies and create new and additional jobs, not for existing employees or to cover long-term absences.

EERI is a beneficiary employment support measure and is linked to the employee's postcode. This means that you should apply for funding via the local authority in which your new employee lives. Edinburgh's Employer Recruitment Incentive can therefore only offer funding for employees with home postcodes EH1 to EH17, EH28 to EH30 but you, as the employer, can be located anywhere throughout Scotland.

¹ Micro business and small to medium sized companies or organisations from the Private and Third sectors with up to 250 employees

Who can I employ?

You can employ anyone who meets **all** the following criteria:

- is **either** at risk of long-term unemployment and in receipt of [reserved benefits](#) (e.g. Universal Credit, Job Seekers Allowance etc) **and/or** is disabled (seen or unseen) or has a long-term health condition
- is aged between 16-67 years
- lives within Edinburgh (EH1 to EH17, EH28 to EH30)²
- has the right to live and work in the UK

We will need to verify the identity of the employee, their address and their right to live and work in the UK and will therefore ask for evidence of this at our first meeting with you both.

Edinburgh's Employer Recruitment Incentive is for all ages. 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.

- **barriers** mean that one or more of the factors presents an obstacle to a person's learning or entering the workplace.

How much is the incentive?

The incentive is a tiered amount of up to £10,000 over a period of 52 weeks. The amount you receive is based on the hourly rate of pay and weekly contracted hours for each employee as shown in the table below:

All ages and jobs (apprentices must be completing a recognised SQA framework)	
Between 10-15 hours at Real Living Wage rates or above	£4,000
Between 16-20 hours at Real Living Wage rates or above	£6,000
Between 21-29 hours at Real Living Wage rates or above	£8,000
Above 30 hours or more at Real Living Wage rates or above	£10,000

See page 8 for up-to-date information regarding wage rates.

How does the incentive work?

- We pay the funding directly to you, the employer.
- It applies to new job starts up to 31 March 2027.
- New employees should not start the post until funding is agreed.

What can I use the incentive for?

You can use the fund to help with the costs of recruiting and keeping a person in employment, including an apprenticeship. Costs may include, but are not limited to:

² Funding for employees who live outside Edinburgh may be available from their local authority.

- wages
- additional supervisory costs
- initial travel to work costs
- training
- specialist support designed to help a person sustain a post
- other job-related costs.

For a job to be eligible for funding it must:

- offer a permanent contract of employment, unless the post is for a fixed-term apprenticeship. In this case, employers must offer a contract of employment with an additional 6 months beyond the apprenticeship length
- guarantee a minimum of 10 hours' employment each week. If your employee regularly does not receive the agreed hours, your funding amount may be amended or stopped
- pay the [real Living Wage](#) rates to all employee
- pay a salary greater than funding received.

By law, employees must receive a written contract of employment within two months of starting, a copy of which will be required to receive funding, where details of hours and pay should be confirmed.

The following do not meet the eligible criteria:

- 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 European Social Funded (ESF) 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.

EERI 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 subsidised programmes or national funding such as Job Start Payment and Access to Work.
 - it **can** be used as a progression from one of these programmes into paid employment but

the other conditions of the EERI 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.

EERI can be aligned to other employability programmes, where appropriate, to support the sustainability of employment, however they can't be used at the same time.

How is the incentive paid?

- you will receive payment directly into your account, provided you have completed and returned all the necessary documentation, following the payment schedule below. This schedule starts from your employee's first day of employment. Payments will only be made if the employee completes each stage.
- if your employee leaves their employment before the end of the 52-week period, money already paid to you do not require to be returned but no further payments will be made, nor will partial payments be made for incomplete stages.

	Total Award Amount	Total Award Amount	Total Award Amount	Total Award Amount
Payment Due Date	£4,000.00	£6,000.00	£8,000.00	£10,000.00
13 weeks after employment start date	£1,000.00	1,500.00	£2,000.00	£2,500.00
26 weeks after employment start date	£1,000.00	£1,500.00	£2,000.00	£2,500.00
39 weeks after employment start date	£1,000.00	£1,500.00	£2,000.00	£2,500.00
52 weeks after employment start date	£1,000.00	£1,500.00	£2,000.00	£2,500.00

You will be awarded a pro-rata amount for each milestone your employee reaches, as shown. No funding will be awarded for incomplete milestones.

What are the timeframes for recruitment?

- all applications must be completed, approved and the individual started their employment by **31 March 2027**. There are a limited number of places so applications will be assessed on a first come, first served, basis.
- you should receive a decision on your application within 10 working days. As soon as you have received a decision you can issue a start date to your new employee if you are proceeding with

employment.

- if you would like help to advertise your vacancy, we can provide free support to do this via [The Edinburgh Guarantee](#). Please let us know if you would like this support.

Meeting the wage rates

You must pay the [Real Living Wage](#) or above to the employee to be eligible to apply for the fund. The real Living Wage rate of pay was increased to £13.45 per hour from 23 October 2025. We expect this to increase in Autumn 2026. Employers should implement the new rate at the latest by 1 May 2027.

Fair Work

All employers in receipt of EERI must embed Fair Work practices within their business, in line with the [Scottish Government's Fair Work Convention](#).

It is also expected that the employers receiving EERI funding aim to:

- ensure that the participant receives formal training as part of their job and as part of their investment in workforce development
- undertake quarterly reviews to ensure a quality experience for both participant and employer
- be proactive in their collection and use of data to address specific equality issues. For example, employers may wish to establish their ethnicity pay gap and produce an action plan to deliver identified outcomes
- take action to create a more diverse and inclusive workplace
- ensure a safe and healthy working environment
- make a commitment to retain the participant beyond the period of the EERI support.

Minimal financial assistance

Similar to the de minimis threshold available under EU law and Small Amounts of Financial Assistance (SDR) under the TCA, Minimal Financial Assistance (MFA) allows public authorities to award low value subsidies without needing to comply with the majority of the subsidy control requirements. MFA has a financial threshold - no recipient can receive more than £315,000 over the applicable period, defined as:

- the elapsed part of the current financial year (i.e., from 1 April), and
- the two financial years immediately preceding the current financial year.

Please note previous low value subsidies cannot be disregarded. Therefore, before giving any subsidies using MFA, recipients will need to account for any previous Small Amounts of Financial Assistance (SDR)

and EU De-minimis payments made within the three-year fiscal period to ensure they do not exceed the £315,000 MFA threshold. You will be provided with written confirmation of your MFA for your records.

Conflict of Interest

Impartiality when assessing eligibility for funding is critical, so if you are aware of anything that could be considered a conflict of interest, such as receiving additional funding for the role or if you or your employee have a pre-existing relationship with one of the members of staff within the City of Edinburgh Council's Business Growth and Inclusion team, you need to bring this to the team's attention as soon as you become aware of this. This does not mean that you do not qualify for the funding, but it will ensure that measures can be put in place to mitigate any potential conflicts.

Application guide and conditions

Your application

- funding is not guaranteed – applications are assessed on a case-by-case basis
- 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
- you can make an application for funding before you know who you wish to employ. You will receive a provisional decision, and your application will be reassessed once you have selected an employee, in order to ensure they meet the eligibility criteria. A provisional decision does not mean that funds will be earmarked until your employee is identified
- your application will be scored based on the information you provide, so please ensure you provide as much detail as possible. If information is missing, you will be asked to supplement your application with this, which will delay the process for you
- you will need to outline the economic and employment benefits of your application. Below are some suggestions:
 - **economic benefits** - How does your organisation/this job contribute to the Edinburgh economy? Small businesses contribute to local economies by bringing growth and innovation to the community where the business operates. Small businesses also help stimulate economic growth by providing employment opportunities to people who may not be employable by larger corporations. How will the employee contribute to business growth? Will having an additional member of staff allow you to increase workload/output?

- **sector potential for growth** – What is the predicted growth of the sector over the next few years? Are you expecting an increase in demand for your goods or service? Why?
- **employability Benefits** - What training and qualifications will the employee gain? What are the employee's prospects beyond this post? Will skills, knowledge, qualifications and experience gained by the employee help them to find work elsewhere beyond this employment?
- make sure you and the employee sign the form. The employee can sign at a later date if you do not know who this will be at the point of application.
- any information provided in the form will only be used to process your application and, if unsuccessful, will be removed from all systems. If you would like to remain on the mailing list, please make sure you 'opt in' on the application form. Please be aware that, for all successful applications, information about the job and the employee will be recorded on the Council's client management information system, [Helix](#)

The application process

You can apply online at www.edinburgh.gov.uk/employerincentive

Please provide as much detail as possible in your application and answer all questions. This will ensure decisions are based on accurate information and helps avoid complications at later stages of the funding period.

- your application will be scored, and the outcome should be confirmed to you within 10 working days. If it is successful, you will need to return a signed acceptance form. Once this has been returned, you will be issued with a formal offer of the grant and you can issue an official start date to your employee which is suitable to you both
- if you have made an application without a specified employee, you will need to confirm the employee information within 4 weeks of receiving your provisional decision. If you do not, we will consider your application to have been withdrawn
- you and your employee will need to meet with a member of the team to complete the final paperwork and make sure all parts of the application are completed and signed
- you will need to provide a copy of your employee's employment contract within two months of their start date
- if you have any questions, please email wage.incentives@edinburgh.gov.uk or call 0131 529 3139.

What happens next?

- before your employee starts work, they will need to meet with a team member to agree an action plan of support for the funding period. This will be arranged at a suitable time with you and the employee. Quarterly reviews will be performed throughout the 52 weeks, again this will be

arranged at a suitable time for you and the employee. The meetings will be in person for the first meeting, at 26 weeks and at 52 weeks. The meetings at 13 and 39 weeks will be as required and can either be in person or online.

- in order to receive payment, you will be required to submit payslips and an invoice, along with completed action plans. You may also be asked to provide proof of funds paid to the employee (i.e. a bank statement from either the employee or yourself).

How do I get the funds?

- you will be paid directly, providing you provide the necessary documentation. The payment schedule starts from your employee's first day of employment. Payment will only be made if the employee completes each stage, pro-rata payments will not be made for half completed stages.
- if your employee leaves your employment before the end of the 52-week funded period, monies already paid to you are not required to be returned to us, but no further payments will be made.
- if you have not already been set up as a supplier to the City of Edinburgh Council, you will need to be. The Council's finance team will send you a 'vendor' or 'new supplier' form. Please complete this and return it to the email address on the form as soon as possible. If you are already registered as a supplier, you may be asked to register again due to changes in the law regarding storing data.
- when a payment is due, you will need to send:
 - an invoice addressed to Edinburgh's Employer Recruitment Incentive c/o The City of Edinburgh Council, 1.4 Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG. This should be exclusive of VAT and include a 'Purchase Order' number, which will be sent to you in advance;
 - payslips to cover the full stage period (13 weeks, 26 weeks, 39 weeks and 52 weeks);
 - completed action plans;
- please return these documents to: wage.incentives@edinburgh.gov.uk. Alternatively, you can post them to the above address.
- payments will not be made until after each payment stage has been completed. Before any payments can be made, you must complete and return **all** required paperwork.
- once we have received all required documentation (invoice, wage slips, proof of payment to employee, contract of employment etc.) we will make payments within 30 days, in line with the City of Edinburgh Council's payment processes.
- as part of the Edinburgh's Employer Recruitment Incentive funding, we will carry out four quarterly reviews (action plans).

Contact us

You can [make an application or get more information](#) on our website. Alternatively, you can contact us at: Edinburgh's Employer Recruitment Incentive, The City of Edinburgh Council, Waverley Court, BC1.4, 4 East Market Street, Edinburgh EH8 8BG. Email wage.incentives@edinburgh.gov.uk Telephone 0131 529 3139

- If you would like support with advertising the post through Edinburgh Guarantee, or access to potential candidates please let us know.

Appendix 1: Barriers to Employment

See the list below for the eligible groups.

1. Disabled and or D/deaf person who is unemployed (includes those experiencing mental health issues and those who have an impairment or long-term health condition) ³
2. Person at risk of long-term unemployment **and** in receipt of [reserved benefits](#) (e.g. Universal Credit, Jobseekers Allowance etc)

Due to changes in Scottish Government funding our criteria has reduced from previous years

In addition, we ask that you highlight if the employee is:

3. A lone parent who is unemployed
4. A parent with a disability or has a disabled child
5. A parent who is unemployed and has 3 or more children
6. A parent from a minority ethnic background who is unemployed
7. A parent who is unemployed and has a youngest child under 1 years of age
8. A parent who is aged under 25 who is unemployed.

³ A person with a disability (also referred to as a disabled person) is defined by The Equality Act 2010 as a person who has a physical or mental impairment and the impairment has a substantial and long-term adverse effect on their ability to carry-out normal day-to-day activities (S6(1)). For the purposes of EERI, this can also include a young person with additional support needs, where a careers advisor or related professional believes this is significant and an ongoing barrier to employment.