



Building Better Opportunities Essential update April 2022 - People from Ukraine, Employment Allowance and Annex O

People from Ukraine

People entering the UK on visas for either the [Ukrainian Sponsorship Scheme \(Homes for Ukraine\)](#) or the [Ukraine Family Scheme](#) have the right to live, work and study in the UK and access public funds. Therefore, will be eligible for ESF support (assuming all other criteria are also met).

Employment Allowance

Subsequent to our [February 2022 Essential update](#), in the [Government's Spring Statement](#) of 23 March 2022 it was announced that the Employment Allowance for 2022/23 would be increased from £4,000 to £5,000 for [eligible employers](#). This has now been updated in the [Guidance for employers](#) for 2022/23.

As noted in our [March 2022 Audit update](#) failure to account for the Employment Allowance in claims has resulted in irregularities being identified in Article 127 checks for both 100 per cent and part-time BBO staff. These irregularities attract a projected error, which can significantly increase the total irregularity.

For partners claiming the employment allowance, there are a few key points you should consider:

- When dividing the allowance between the number of employees, this should only include those earning over the secondary National Insurance threshold at which the employer National Insurance is paid.
- Any 1720 hourly rates (re)calculated using April 2022 or later as the reference period, you must ensure that the increased value of the Employment Allowance is factored into the calculation. (Please remember, that to recalculate any 1720 hourly rates, you must seek authorisation from your Funding Officer. See [October 2021 Essential update - part 2.](#))
- The most common methodology we've seen for 100 per cent and fixed percentage staff, is to ensure that the value of the allowance claimed in a month is divided by the number of



employees for which employer national insurance is paid during that month. For some organisations the full £5,000 may be used in one month, for others it may be over several months or even the full financial year for very small organisations.

[Annex O](#)

Annex O version 11 has now been uploaded to the [Guide to delivering European funding pages of our website](#). **Please use this for your Q2 2022 claims due to be submitted on 14 July 2022.** It should not be used for your Q1 2022 claims due this week. The annex has been updated to reflect the programmes extended length, allowing it to be used for claims up to Q2 2023.