

No One Left Behind

Best Practice Guidance 2025 /26

Jobs Self Confidence People
Commitment In-work Support Equity
Support Local Disabled People Continuous-Improvement
Tackling Inequalities Volunteering
Improve Scotland Learning
Skills No-Wrong-Door Approach Devolution
Fairness Long Term Health Conditions Awareness
Principles Growth
Key Workers Public Services Motivation
Evidence Outcomes Participation
All age Co-Design Employers
System Respect
Training
Increasing Journey

Local Government
Tackling Child Poverty Aligned Helping Inclusive
Scottish Government Approach Fair Work
Parental Income Straightforward Jointly
Education Partnership Public-sector Consistency
Improvement Service Better health Evaluation Services
Person Centred Collaborative
Lived Experience Mixed Economy COSLA
Work Dignity Labour Market Opportunities Just Transition Sustainable
Private Sector



Contents

1. INTRODUCTION	1
1.1. BACKGROUND	1
1.2. TACKLING CHILD POVERTY	2
2. NO ONE LEFT BEHIND NATIONAL PRODUCTS	4
3. EMPLOYABILITY PIPELINE	5
4. ELIGIBILITY	5
4.1. PARTICIPANT CHARACTERISTICS AND CIRCUMSTANCES	7
4.2. RECORDING EVIDENCE	7
4.3. YOUNG PERSONS EARLY INTERVENTION	8
5. PARTICIPANT JOURNEY	8
5.1. REFERRALS	8
5.2. PERSONAL SUPPORT – EMPLOYABILITY KEY WORKER	9
5.3. DURATION	9
5.4. COMPLETERS	10
5.5. PARTICIPANT DISENGAGES / SUPPORT VIA NO ONE LEFT BEHIND IS NO LONGER SUITABLE	10
5.6. MOVING ACROSS LOCAL AUTHORITIES	11
5.7. PARTICIPANT PROGRESSION AND MONITORING	11
6. SPECIALIST EMPLOYMENT SUPPORT	11
7. EMPLOYER RECRUITMENT INCENTIVES	12
8. TRAINING ALLOWANCES	13
9. ENGAGING WITH BUSINESS	14
10. DISCLOSURE SCOTLAND CHECKS	14
11. EQUALITIES	14
12. REPORTING & CLAIMING	15
12.1. COMPLETING THE FINANCE RETURN	16
13. PROGRESSION AND OUTCOMES	16
14. FAIR WORK FIRST	16
15. PAYMENT OF AT LEAST THE REAL LIVING WAGE	17
16. APPROPRIATE CHANNELS FOR EFFECTIVE WORKERS' VOICE	18
17. VERIFICATION	18
18. EDUCATION MAINTENANCE ALLOWANCE (EMA)	18
19. WELFARE BENEFITS	19
20. PARTICIPANT FEEDBACK	19

21. AUDIT AND COMPLIANCE	20
22. ELIGIBLE/INELIGIBLE COSTS	20
23. DISCRETIONARY PAYMENTS	22
ANNEX A	24
ANNEX B	28

1. Introduction

This Best Practice Guide supports you in the delivery of No One Left Behind. This update reflects the information contained in the 2025/2026 Grant Offer Letter.

Updates to Guidance

Update notifications will be shared via Live Running Memos (LRM's).

Questions / Queries

Questions / queries relating to this guidance should be directed to the shared mailbox – nooneleftbehind@gov.scot or your Relationship Manager.

1.1. Background

Scotland's [National Performance Framework](#) and [National Strategy for Economic Transformation](#) set out the Scottish Government's purpose and vision for inclusive economic growth. A critical aspect of inclusive growth is ensuring that as many people as possible, including those further from the labour market and facing complex or challenging circumstances, can access and progress within fair and sustainable work.

Building on the Scottish and Local Government [Partnership Working Agreement](#) for Employability, we are working with local government and other partners to design and deliver person-centred employability services that support people to move towards, into and within employment. The first phase of the new model was rolled out in April 2019 and the second phase in April 2022 supported by a [Local Employability Partnership Framework](#). Referrals to Fair Start Scotland ended in March 2024. From 1 April 2024, all-age employability support for disabled people, those with long term health conditions, and those at risk of long-term unemployment, is provided through our No One Left Behind approach.

Employability services have a key role to play in contributing to the four priorities set out in the [Programme for Government 2025-2026](#), with our activity focusing on:

- Growing the economy
- Eradicating child poverty
- Tackling the climate emergency
- Ensuring high quality and sustainable public service

[The No One Left Behind Strategic Plan 2024-27](#) was published jointly with CoSLA on 13 September 2024, outlining our priorities for devolved employability services moving forward, and reaffirming our commitment to continuous improvement.

Following the publication of the plan, work has been ongoing to establish a continuous improvement approach to address the actions that were set out. This includes a commitment to publish annual updates that will share progress, highlight good practice, present the benefits realised by people accessing services, and address any challenges that may arise.

Grant funding arrangements enable Local Employability Partnerships (LEPs) to apply flexibility to delivering employability support to ensure that services are responsive to both participants and local labour markets.

No One Left Behind continues to provide the opportunity to LEPs to ensure that a co-investment approach achieves Scottish and Local Government joint ambitions, delivering transformational change and an employability system that improves outcomes for all participants.

There is still work to be done to fully integrate employability services across Scotland, and the Scottish Government is continuing to engage with Local Government and other partners to develop the No One Left Behind approach. Continuous improvement remains at the heart of all we do, and we will continue to share best practice and learning both nationally and locally, gathering evidence of what works to inform future development.

1.2. Tackling Child Poverty

Employment can offer a sustainable route out of poverty for many families. The Scottish Government published [‘Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022-2026’](#) on 24 March 2022,

building on the work of the first Tackling Child Poverty delivery plan and setting out an ambitious target to support 12,000 parents into work and an additional 3,000 in-work parents to increase their income from employment.

Whilst employability has a key role to play in reducing child poverty, our ambitions cannot be met by employability support alone. Not only must we extend the reach of our services to parents, but we must build stronger links with other services locally to provide the integrated packages of support that parents need.

Parental Employability Support, delivered through No One Left Behind, will continue to provide both pre-employment and in-work support to low-income parents who are most at risk of experiencing poverty, including those from the priority family groups, to increase their earnings through employment.

As referenced in the 'Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022-2026, the priority family groups are:

- Lone Parent families
- Families with a disabled child or adult
- Families with a young mother (aged under 25 years)
- Minority ethnic families
- Larger families (3 or more children)
- Families where the youngest child is under 1 year

Our service eligibility also recognises different family structures, such as a grandparent or guardian caring for a child. The targeted support available supports parents to address challenges, upskill and/or re-train to help increase their family's income. It provides personalised support for parents who face challenges to entering employment and progressing their careers, including help to gain qualifications, improving skills or work experience, money advice, and motivational support.

2. No One Left Behind National Products

A series of products have been developed to help ensure that all employability services are consistent with the Scottish Approach to Service Design. These products can be found in the [National Products Handbook](#) published in December 2024. The handbook includes the following:

[Service Standards](#): Working collaboratively with partners from the public, third and private sectors we have developed our Service Standards to bring national coherence and define expectations of delivery. These Standards cover a broad range of activity, including LEP activity and our expectations of service providers. These will also be the basis of annual delivery reporting from Local Authority areas. Our Service Standards enable LEPs to deliver consistent service quality whilst being empowered to determine how best to implement services in a way that meets participant needs at a local level as per LEP Framework.

[Customer Charter](#): This Charter has been co-designed with participants of employability services and will help to ensure that people are at the centre of service design and delivery, and that all services are informed by lived experience.

[Shared Measurement Framework \(SMF\)](#): Employability services must make effective use of available data to understand how well they are reaching people in need and driving forward improvement. The SMF will continue to play a key role in enabling the development of a system that is driven by consistently defined and measured data and supports a shift from multiple, separate approaches to measuring the success of services, to a coherent view of what is working for people at national, local, and individual levels.

Employability Key Workers and staff involved in the delivery of services under No One Left Behind must familiarise themselves with the Service Standards and Customer Charter and actively consider how they ensure that these commitments are met.

The [Data Reporting Template \(DRT\)](#) has been co-designed with Local Authority partners and is used to report data to the Scottish Government on people accessing employability support under No One Left Behind.

3. Employability Pipeline

The Employability Pipeline has been developed as a framework to support the effective delivery of employability services.

The five stages are set out below:

Employability Pipeline	
Stage 1: Referral, Engagement & Assessment	<ul style="list-style-type: none"> • Reaching out to individuals • Supporting people into regular activity and positive routines • Helping people to connect with others
Stage 2: Needs Assessment	<ul style="list-style-type: none"> • Assessing the initial needs of participants • Agreeing on activities to be undertaken • Addressing challenges to employment or training
Stage 3: Vocational Activity	<ul style="list-style-type: none"> • Delivering a range of accredited training and employment training for core skills. • Job search advice and activities • Raising awareness of enterprise and entrepreneurship in order to meet the needs of individuals
Stage 4: Employer Engagement and Job Matching	<ul style="list-style-type: none"> • Arranging work or volunteer placements with employers • Assisting individuals to secure job vacancies • Matching job-ready participants to jobs
Stage 5: In-Work Support and Aftercare	<ul style="list-style-type: none"> • Supporting individuals to maintain and progress within the workplace

4. Eligibility

Given the wide range of challenges individuals may experience, the eligibility criteria to receive training for employment from No One Left Behind is purposefully broad to ensure local areas have the flexibility

they need to respond to local demand. At the start date, individuals must reside in Scotland* and fall within at least one of the following:

- Between the ages of 16 and 67 years (Pensionable age) and who are experiencing challenges to employment (must be experiencing at least one challenge)
- Young people over the age of 15 years who are within 6 months of the school leaving date and who are identified as being at risk of not moving on to a positive destination.
- A low-income parent or carer**.

* This includes asylum seekers and people with no recourse to public funds.

** Parents or carers who are employed may be eligible for support if they are on a low-income. Although there is a specific focus on the six priority family groups, our service eligibility also recognises different family structures.

It should be noted that:

- LEPs have discretion on how best to respond to local needs and circumstances in their local area based on evidence of need.
- Individuals awaiting the outcome of asylum applications who do not have a right to work status may participate in training for employment, but they cannot undertake paid work, nor can they participate in a paid work placement or ERI.
- Whilst all participants who meet the eligibility criteria above can access training for employment, participants covered by The Scotland Act 2016, namely those who are disabled or claiming reserved benefits and at risk of long-term unemployment where the support is provided for at least a year, are eligible for wider support to select, obtain and retain employment. The priority groups for No One Left Behind have been based on the wider evidence base around who is at risk of experiencing long-term unemployment. Whilst not definitive, this includes:
 - Disabled People
 - Parents (including kinship carers)
 - Care Experienced People
 - Unpaid Carers
 - People from Minority Ethnic Communities and Migrants
 - People with a history of addiction
 - People with a history of offending
 - Veterans
 - Homeless People
 - For all participants No One Left Behind funding can be used as part of a wider package of support for individuals alongside other funding sources.

4.1. Participant Characteristics and Circumstances

Participant Characteristics and Circumstances are listed within the DRT guidance noted above in section 2.

4.2. Recording Evidence

Evidence of eligibility should be recorded in line with each Local Authority's own guidelines and GDPR legislation.

4.3. Young Persons Early Intervention

For those who have been assessed as likely to benefit from participation and meet the eligibility criteria, early intervention and engagement can start no earlier than 6 months prior to the young person's official school leaving date. The Employability Key Worker may only provide support and advice to the participant during this period and cannot use No One Left Behind funding to pay for training courses.

5. Participant Journey

The success of participation should be based on achieving milestones which are agreed at the outset but may be varied and added to throughout the period of engagement, depending on emerging needs and the additional challenges identified. Milestones can be based on achieving soft skills such as increased confidence or using public transport, however, a suitable method of tracking progress against these skills must be utilised. From the outset, participants should be supported to articulate their goals in terms of their development and progression. Participation will form a clear pathway towards progression and will include activities specifically designed to prepare participants, such as taster sessions at college, time with training providers, mentoring, peer mentoring opportunities and innovative group projects.

Participants should have as a minimum:

- A personalised action plan which is reviewed and updated
- The opportunity to work with someone that they can build a trusting relationship with
- A single point of contact who should facilitate support from another professional or service if required
- Contact time that meets the individual's needs

5.1. Referrals

Whilst referrals for employability support come from a number of sources, each LEP is required to manage and maintain a transparent referral routeway to local provision. It is at the LEP's discretion how best to implement this in their area, however, this function must be set up to manage all referrals including those from other public services (Department for Work and Pensions, Skills Development Scotland, and wider Local Authority Services amongst others) in a timely manner. It is

also important to think about reach for those who are economically inactive and may not be engaged in the normal referral organisations.

MAPPA Process

Where DWP wish to refer a customer who falls into the MAPPA process, they are required to send a referral form with the customer's name and employability support requirements to the MAPPA SPOC but to note the customer address as 'RESTRICTED'. It is the responsibility of every LA to follow their own processes and procedures in how to deal with MAPPA cases from all referral routeways.

5.2. Personal Support – Employability Key Worker

Consistent advice, guidance and support underpins the all-age No One Left Behind approach. Local Authorities have the responsibility to ensure that Employability Key Workers have suitable skills and experience. The responsibility for ensuring there are sufficient, timely and quality learning and training opportunities across the strategic skills pipeline lies with Employability Leads. Employability Key Workers can be based either within the Local Authority or within private/third sector organisations where services have been commissioned.

Employability Key Workers can also provide pre-16 engagement support (but not provision or activity) for young people identified as requiring employability support for up to 6 months prior to leaving school. They are also expected to work with Developing the Young Workforce/Curriculum for Excellence Leads in schools, focusing on ensuring that young people re-engage with mainstream pathways.

Additionally, Employability Key Workers should provide In Work Support to enable participants to sustain progression and promote fair working practices, including payment of the Living Wage. Employability Key Workers are best placed to help people identify the most appropriate intervention for their individual needs and agree this jointly with the participant in their action plan

5.3. Duration

No One Left Behind is a voluntary service which provides an individually tailored package of support to help individuals progress towards, into and in work. The assessment of a participants needs should determine the content of the action plan. It is recommended that a minimum of 3

hours per week of engagement should be planned for from the outset. However, Employability Key Workers may use their discretion during assessment to determine the most suitable level of engagement and tailor support around individual needs.

The duration of support is also determined by the participant – allowing progression at a point when they are ready. Within this flexibility there must be a clear focus on the participant's progression towards more formal learning, training or employment. This carries an expectation that the activities in a participant's Action Plan might evolve or become more demanding, resulting in longer periods of participation as they progress. The participant may become more confident in carrying out activity on their own and therefore need less support.

For some people participation will be a short, focused intervention which helps them to become ready for more formal learning or employment. For others however, a longer timeframe may be needed. This will be dependent on individual need.

5.4. Completers

When a participant secures employment, moves into full time education or other positive destination and both they and the Employability Key Worker agree that further support, including In Work Support, is no longer required, the Key Worker should arrange and conduct an exit review to formally conclude the support process.

5.5. Participant Disengages / Support via No One Left Behind is No Longer Suitable

Where support through No One Left Behind is no longer suitable for the participant, this should be agreed and onward referral to an appropriate alternative support service should be made (if relevant) and recorded on the case notes.

A participant is regarded as having disengaged from No One Left Behind when the Employability Key Worker has been unable to make contact with the participant for at least 3 months.

Where possible, the reason why a participant has chosen not to engage or continue to receive support should be recorded in the case notes.

Details of any onward support established if the participant is willing should also be documented.

End dates should be recorded as per DRT guidance noted in section 2.

Further information will be provided with regards to disengagement as part of the Shared Measurement Framework review.

If the participant is under 26 years of age or care experienced, Skills Development Scotland must be notified so that the Participation Measure data can be updated accordingly.

5.6. Moving across Local Authorities

Where No One Left Behind funding is supporting a participant who lives out with the Local Authority boundary, the Local Authority providing the funding for the participant should record the activity rather than the Local Authority where the participant resides.

5.7. Participant progression and monitoring

It is important to ensure that when participants are moving between different providers, the risk of disengagement is mitigated. This means that, as well as a common process for assessing participant's needs, there should be a procedure for ensuring that information from existing systems is drawn on to support an individual's participation in a Learning Agreement/Action Plan and for appropriately reflecting their participation and progression. An important part of this will be monitoring the participant's progression when they complete their Learning Agreement/Action Plan; this will require close working with other learning providers.

6. Specialist Employment Support

Specialist Employment Support (SES) is a broad term encompassing a variety of delivery methods of support which offer more prescribed, structured and intensive delivery than mainstream employability services. Some of the well-known and defined models include Supported Employment and Individual Placement and Support. The common thread is that these models are targeted at people who are experiencing significant and on-going challenges to entering and sustaining

employment and who require more intensive pre-employment support and extended aftercare including in work support.

Specialist Employability Support for disabled people was implemented across all 32 Local Authorities from 1 July 2025, with LEPs taking decisions locally to the specific models offered. This should be based on models already in place, but we expect support to focus on “place and train” such as Supported Employment. The provision of SES should not displace or duplicate existing provision but rather increase the scale of support so that more disabled people with long term health conditions are supported to enter and sustain fair work.

Key Changes to Note:

Service Standards

The Service Standards have been amended to incorporate a new annex setting out the detail of SES for service providers and local employability partnerships.

SMF Data Template and Guidance

There have also been changes made to the SMF data template and guidance are to ensure we can evidence the number of participants benefitting from this additional support offer. These include:

- Addition of one new column called, ‘Specialist Employability Support’ with 6 drop-down options within the data template
- This new variable is in column AR in the attached template
- The data guidance document, also attached, has been updated to reflect this new data

7. Employer Recruitment Incentives

Funding for No One Left Behind services can only be used to fund “training for employment” unless the participant comes under the exceptions in the Scotland Act 2016 which allows for additional support for disabled people and those at risk of long term unemployment (and in receipt of reserved benefits, where the support lasts at least 12 months) to select, obtain and retain employment . If they do not meet that criteria, then a paid placement or Employer Recruitment Incentives (ERIs)

cannot be funded from No One Left Behind funding but could be funded from Local Authority general revenue or UKSPF funding.

Where ERIs are provided to employers these should be used for the creation of additional jobs within the workforce and not to replace existing jobs. Employers must pay participants the Real Living Wage or above.

Under the immigration rules, support from No One Left Behind for training for employment is not considered a public fund as set out in [section 115 of the Immigration and Asylum Act 1999](#) and at [paragraph 6 of the Immigration Rules](#). However the eligibility to take up a paid placement or ERI would depend on the individual's right to work status (this may be limited to specific job roles or industries) so it is not a straightforward eligibility. Employability Key Workers should carefully assess the statuses to ensure there are no relevant immigration-related restrictions. Further support on this should be sought from either the Scottish Refugee Council (Asylum Seekers only) or from the local immigration officer.

8. Training Allowances

Funding for No One Left Behind services can only be used to fund "training for employment" unless the participant comes under the exceptions in the Scotland Act 2016 which allows for additional support for disabled people and those at risk of long term unemployment (and in receipt of reserved benefits, where the support lasts at least 12 months) to select, obtain and retain employment. If they do not meet that criteria, then training allowances cannot be funded from No One Left Behind funding but could be funded from Local Authority general revenue or UKSPF funding.

Training Allowances are vital to encourage participation in employability training and to ensure that those from disadvantaged backgrounds are able to take advantage of the employability support available to them.

Training Allowances should align with other financial support available, such as Universal Credit for those aged 18+ and Education Maintenance Allowances for young people taking part in formal Learning Agreements. They should only be offered to those who are not eligible to access other

methods of financial support such as reserved benefits or college bursaries.

Local Authorities have discretion to decide on the level of funding available as a Training Allowance in the local area, but this should be a minimum of £55 per week for the duration of the training.

People who reside in Scotland and have no recourse to public funds may receive a training allowance, but those without the right to work cannot undertake paid work. Asylum seekers can receive a training allowance for materials required for the learning, lunch and travel expenses during their participation which can be in the form of vouchers, tickets or cash without it affecting their financial asylum support. It is advisable for advisors to accompany this with a note to indicate the purpose of the allowance.

9. Engaging with Business

Local Authorities must engage with local businesses in the private and third sectors to support No One Left Behind delivery and provide valuable opportunities for participants, including work placements, apprenticeships and sustainable jobs. There is also an emphasis on the provision of green jobs to help towards meeting net zero commitments.

10. Disclosure Scotland Checks

The Police Act 1997 introduced Disclosure Scotland checks to promote safer recruitment practices, and the Protection of Vulnerable Groups (Scotland) Act 2007 established the PVG Scheme which aims to protect vulnerable people.

Where Local Authorities deem that vulnerable people are in receipt of support then they are required to comply with the Local Authorities' Disclosure Policy.

11. Equalities

Local Authorities should be mindful that no one should be denied an opportunity because of their race or ethnicity, their disability, their gender, sexual orientation, or religion.

It is important to reflect on how you engage with minority groups as part of the EQIA process and consider whether any changes to engagement practises need to be put in place to ensure reach to those with protected characteristics.

It is the responsibility of local government to ensure compliance with the rules on provision of statutory impact assessments.

12. Reporting & Claiming

Local Authorities are required to submit a Quarterly Report, Annual Report and Grant Claim form (Schedule 2) within the dates set out in the Grant Offer Letter. The Quarterly Report consists of a data return spreadsheet containing individual-level participant data, a Financial Report, a section for input of narrative to support delivery and a section for good news stories and case studies. The narrative section allows Local Authorities to describe in more detail the activity being delivered each quarter by the Local Authority and other commissioned providers as well as enabling feedback on any specific points/challenges. There is separate guidance contained within the reporting template to explain what information should be included.

The Report must be fully completed, signed by the Finance Director and returned to Scottish Government within 28 days of the end of each Quarter. Incomplete or missing documents will delay the payment of the grant.

Completed Reports contain sensitive data and should be submitted to the OCEA Objective Connect folder – instructions and a tab on the Report template will direct you to this.

The Schedule 2 claim form does not contain sensitive data and should therefore be uploaded to the Local Authority Connect folder. The amount claimed on the Schedule 2, must be the actual expenditure within that quarter. Documentary evidence supporting expenditure is required to be retained by the Local Authority for 6 years and made available to Scottish Government on request.

Schedule 3 of the Grant Offer Letter is the Statement of Compliance which should be signed by the Finance Director and returned to Scottish

Government once final claims have been submitted at the end of the reporting year.

12.1. Completing the Finance Return

Quarterly finance returns, which are contained within the quarterly report mentioned in section 12, should be returned to Scottish Government within 28 days of the end of each Quarter. Each budget tab on the return should be fully completed, providing clear details of budget expenditure to date. Supporting narrative on actual expenditure against LA/LEP profiling as well as a description of the rationale on forecast outturn and steps taken to achieve this should also be included.

Additional monthly finance returns should be submitted as requested at the end of months May, August, November and February to provide an up-to-date forecast outturn position, including the rationale for how this will be achieved and an explanation on any variance from previous forecasts.

All returns must be signed / approved by the LA Director of Finance with the submitting email either coming directly from Director of Finance, or they must be cc'd into the email.

13. Progression and Outcomes

The data items that should be collected and reported from have been agreed via the [Shared Measurement Framework](#) and collaborative work taken forward via the Employability Data and Reporting Group. These are set out in the Data Reporting template (as noted in section 2), which is included with the Quarterly Report. Data suppliers are requested to retain data for 5 years from end date, please note this guidance is currently being reviewed.

14. Fair Work First

Fair Work First is the Scottish Government's policy for driving high quality and Fair Work across the labour market in Scotland by applying fair work principles to grants, other funding and contracts. In delivering No One Left Behind, Local Authorities will be expected to give regard to the Fair Work Framework, which can be found here: [Fair Work First Guidance](#). Local Authorities are required to meet the following two

mandatory Fair Work First criteria and to commit to working toward adopting the 5 desirable criteria in a way that is relevant and proportionate for their organisation:

Mandatory Criteria:

- Payment of at least the Real Living Wage
- Provide appropriate channels for effective workers' voice, such as trade union recognition

Desirable Criteria:

- Investment in workforce development
- No inappropriate use of zero hours contracts
- Address workplace inequalities, including pay and employment gaps for disabled people, racialised minorities, women and workers aged over 50
- Offering flexible and family friendly working practices for all workers from day one of their employment
- Opposing the use of fire and rehire practice

15. Payment of at least the Real Living Wage

In general, Local Authorities must demonstrate they are paying at least the Real Living Wage before a grant can be accessed. All UK-based staff aged 16 and over, including apprentices, who are directly employed by the Local Authority, 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 are sub-contractors or agency staff, must also be paid at least the Real Living Wage.

Local Authorities may apply to Scottish Government for limited exceptions to this, following the process outlined in the guidance above. Where an LA is granted an exception, this will be applicable to the supply chain if they are also unable to pay the Real Living Wage.

Even in cases where a grant recipient itself is meeting the Real Living Wage condition (and therefore does not need an exception), the grant recipient may approve an exception for a third-party for the grant in question. In such a case, it is for the third-party organisation to request an exception and the grant recipient to consider this in line with the

process outlined in the FWF guidance. SG must be notified of any such exceptions awarded.

16. Appropriate channels for effective workers' voice

All organisations with a workforce must be able to demonstrate, before they can access a grant, that all workers employed within that organisation have access to effective voice channel(s), including agency workers. There is no provision for an exception to meeting the effective voice condition, however, we recognise that there may be different forms of effective voice channels e.g. trade unions, staff networks.

17. Verification

As part of the grant application process, Local Authorities will be expected to provide a statement verifying their Fair Work First commitment and confirming it has been developed in agreement with the workforce. The representative providing confirmation should be from the relevant trade union(s) where one or more is recognised. For Local Authorities, an Accountant's certificate will be sufficient. Guidance on the evidence required can be accessed here: [Fair Work First: guidance - Verification of an organisation's Fair Work First commitment](#).

Should you have any queries in relation to Fair Work, please get in touch via the Fair Work Mailbox: FairWorkCommissioning@gov.scot.

18. Education Maintenance Allowance (EMA)

Young people (Age 16 –19) who are participating in No One Left Behind should have access to financial support in the same way as participants learning in more formal settings. To access EMA, in line with legislative requirements, participants must have a formal Learning Agreement and progress must be agreed by local Education Departments. Where EMA is not appropriate for the participant, consideration should be given to provision of a Training Allowance.

Young people may be eligible for EMA if the household income is £24,421 or less before tax (for households with one dependent child) or £26,884 before tax (for households with more than one dependent

child). The young person may be eligible for a weekly payment of £30 per week

Vulnerable young people undertaking support may require extra support in the application process in addition to developing and undertaking their tailored Learning Agreement.

A Learning Agreement sets out what's expected of participants around attendance and coursework. The Learning Agreement is set by the Key Worker (approved by the education provider) and takes the participant's personal circumstances into account.

The Local Authority Employability Lead should liaise with Education colleagues and agree the approach and process to be followed.

Guidance on Education Maintenance Allowance can be found here: [Education Maintenance Allowance Guidance](#).

19. Welfare Benefits

It is for Local Authorities to ensure that participants undertaking employability support are aware of the rules around taking part in employability training while they are in receipt of benefits. Participants in receipt of Universal Credit or legacy benefits should discuss with their Work Coach how taking part in No One Left Behind can help them to move into work and must obtain agreement, as part of their Claimant Commitment, prior to starting any employability activity. Under Universal Credit up to 12 weeks full-time employability training is allowed without benefits being affected.

The new [Social Security Adult Disability Payment](#) in Scotland was introduced through a phased approach from March 2022. Participants in receipt of the Adult Disability Payment or those who are still in receipt of Personal Independence Payment can receive employability support and take up employment without affecting their benefit payments.

20. Participant Feedback

All participants should have the opportunity to provide feedback on the support received, to inform continuous improvement. Employability Key Workers should ensure that there are a variety of suitable options for participants to provide feedback, that recognise the individual

circumstances of each participant. Participants who are no longer receiving support through No One Left Behind should be offered the option to complete an online survey or another appropriate feedback tool. Details of the methods utilised, and the feedback received should be reported in the Quarterly Progress Reports as requested.

Although feedback should be handled at the local level in the first instance, if participants do not wish to do so directly to their Key Worker/ service provider, they can follow the process as outlined in the [Customer Charter](#), which participants should be advised of at initial registration.

21. Audit and Compliance

Local Authorities will be expected to identify and develop internal review mechanisms and measures that ensure standards of delivery have been met. For audit purposes, services will keep all participant files up to date and retain any evidence obtained within case files which can be stored electronically. Overall quality reviews may be carried out by Scottish Government. The content of these reviews will be developed with partners recognising the person-centred approach.

22. Eligible/Ineligible Costs

The eligible costs are listed below:

- Support provided by Employability Key Workers, including: direct management and administration; workforce capacity in providing support to those for whom this intervention has been identified as appropriate; and engaging with young people no earlier than six months prior to the school leaving date
- Employer engagement and job brokering costs, for example, recruitment events and Job Fairs
- Providing appropriate training opportunities and/or provision to participants
- Providing funding for the achievement of accredited training, industry recognised certification and Vocational Qualifications
- Travelling expenses and related costs for participants to enable them to attend external training sessions and relevant interviews
- Travelling expenses and related costs for staff and Key Workers in connection with providing support to participants

- Capacity building within the local partnership to improve local partnership working to ensure delivery of objectives and milestones for the programme
- The administration and co-ordination costs associated with delivering No One Left Behind
- Training and development of Key Workers to ensure they are trauma informed, gender and diversity competent and equipped to support all participants, particularly those with additional support needs
- Specialist support as more fully described in section 6, which is required for participants who need more intensive employability support to help them enter the labour market
- Investment in both national and local Third Sector and Private Sector providers to deliver employability support and training, which can include provision of the equipment and accommodation directly required to deliver No One Left Behind
- A Training Allowance towards support for participants whilst undertaking employability training, where there is no alternative financial support available
- Reach – e.g. utilising employability hubs and providing Key Worker support within these hubs

In addition to the above, where participants fall under the exception to the job search and support reservation added by the Scotland Act 2016, namely disabled people and people who are claiming reserved benefits who are at risk of long-term unemployment and provided for support for at least a year, the eligible costs include:

- Discretionary payments which relate to supporting participants to select, obtain and retain employment – it is critical that delivery partners ensure there is no financial detriment to participants as a result of these payments (e.g. where there may be benefit or tax interactions)
- Employer Recruitment Incentives

Expenses can only be met under No One Left Behind where they relate specifically to **training** for employment. So, for example, if the travelling expenses relate to attending work, these costs are not eligible.

The ineligible costs are listed below:

- Any Value Added Tax (VAT) reclaimable by the Grantee
- Any employment costs arising from the Grantee's legal obligations to its employees, for example parental leave, sick leave, redundancy. There is no formal relationship between Scottish Government and the employee
- Costs for employability not directly related to No One Left Behind
- Council or other organisation/agency general overhead charges - capital, management, administration, accommodation, travel and subsistence costs where these do not directly relate to No One Left Behind
- Costs not related to training for employment. Scottish Ministers do not have powers to provide funding to support participants who are in work or transitioning into work. No One Left Behind funding can only be used to support a participant who is training for work unless the participant falls into one of the two categories covered by the Scotland Act 2016
- Ongoing childcare costs
- Any goods or services not received by the Grantee by the end of the financial year – 31 March
- Costs not directly supporting the grant purpose
- Discretionary payments related to supporting non-disabled participants to transition to or remain in employment
- Discretionary costs relating to those who fall outwith the category of being at risk of long-term unemployment, receiving assistance for at least a year and claiming a reserved benefit
- Staff relocation costs
- Insurance costs

23. Discretionary Payments

Delivery partners should take a proportionate approach to discretionary payments and ensure their use does not excessively reduce the funding available to deliver training for work to priority groups. All other avenues of available funding should be explored and exhausted first. Partners should also ensure that in providing discretionary payments to a participant that there is no detriment to the individual, given these payments can continue to cause interaction with the reserved benefit regime.

A Guide to discretionary payments in relation to parental transitions is attached at Annex A.

ANNEX A

Parental Transitions Support – Guidance for Scottish Local Authorities

Introduction

A number of Local Authorities have indicated their intent, subject to the availability of resources, to provide discretionary payments to low-income parents who have an offer of employment. The purpose of payments is to help tackle financial insecurity for parents when they start work by providing support to meet their priorities.

To support local policy development, the Scottish Government engaged with HMRC and DWP, on behalf of Local Authorities, to seek guidance on how such payments would be treated under reserved tax and benefit rules.

HMRC advised that, under regulations at that time (November 2023), such payments would be taxable as income and would be considered to be earnings for the purposes of Class 1 (employee and employer) NICs. In addition, the PAYE rules (regulation 12) mean that the Local Authority would be the 'other payer' and so would need to set up a PAYE system and be responsible for deducting income tax and NICs on the payments. Payments would be considered income for tax credits and individuals receiving payments wouldn't then be eligible for tax-free childcare.

In recognition of the positive impact payments may have on individuals, Treasury Ministers agreed to introduce regulations to formally exempt payments from tax and national insurance from 1 April 2024 onward. Payments made before this date will be subject to regulations in place at that time.

Local Authorities must meet the cost of payments from available resources. Where funds have been allocated for a specific purpose, Local Authorities must ensure compliance with any relevant terms. No One Left Behind funding cannot be utilised for payments of this nature.

This guidance covers payments made under the scheme.

Eligibility

Parents are eligible for payments, at local discretion, if they meet the following criteria:

- engaging in local employability services
- are in receipt of social security benefits on the basis of low income, or as a result of disability
- have a formal offer to start work
- their circumstances are assessed as appropriate by practitioners

Parents may be eligible for local employability support services if they are at risk of long-term unemployment or are in work and have low earned income.

A 'parent' is defined as any individual who is responsible for a dependent child or the partner of an individual responsible for a dependent child.

It is unlikely that repeat awards linked to employment will occur in a rolling year. Subsequent awards may be made at local discretion.

Making payments

Payments should be made by Local Authorities, with the method and timing of the payment agreed with the individual.

Local Authorities have discretion over the method used to make payments to households. It is recognised that, in most cases, payments will be made as a direct payment into the individuals bank account. Where an individual has expressed preference for an alternate payee, this should be considered on a case-by-case basis.

Alternate payment methods should be considered as appropriate and in agreement with the individual. This could include, for example, a gift card or voucher to the individual, a payment to an organisation delivering a service, or the purchase of an item on an individual's behalf / allocation of item(s) from existing stocks, for example, a bike/travel card.

Local Authorities have discretion in whether any payment is given at one time or split over a number of payments. HMRC considered proposals on the basis that payments may be split and paid in instalments over a short period, accounting for no more than 3 months, to suit requirements

of the individual. Payments over a period longer than 3 months are not covered by this guidance and may require additional consideration by HMRC.

Local Authorities have discretion over the cumulative value of payments/awards to be provided to an individual in any given period. HMRC considered proposals on the basis that payments did not exceed £1,000 in any given year. Payments considerably more than this value are not covered by the guidance and may require additional consideration by HMRC.

Treatment for tax and benefit purposes

From April 2024 onward, payments made in line with this guidance are non-taxableⁱ. Recipients do not need to inform HMRC of the amounts received and those who are self-employed do not need to report the amounts on their Self-Assessment tax returns. As these payments are non-taxable, they do not impact tax credits. Tax credits claimants do not need to report these payments as income to HMRC.

DWP have considered the purpose of such payments against the definition of ‘local welfare provision’ⁱⁱ in relevant legislationⁱⁱⁱ. On that basis, DWP have indicated that payments would be disregarded for the purpose of those benefit entitlements for which the legislation specifies that capital to be disregarded includes ‘any local welfare provision.’^{iv} 

ⁱ Regulations will be amended to include such payments in Part 10, Chapter 5 of the [Income Tax \(Earnings and Pensions\) Act 2003](#)

ⁱⁱ “Local welfare provision” means occasional financial or other assistance given by a local authority, the Scottish Ministers or the Welsh Ministers, or a person authorised to exercise any function of, or provide a service to, them, to or in respect of individuals for the purpose of:

- a) meeting, or helping to meet, an immediate short term need
 - i) arising out of an exceptional event, or exceptional circumstances; and
 - ii) that requires to be met in order to avoid a risk to the well-being of an individual; or
- b) enabling individuals to establish or maintain a settled home, where those individuals have been or, without the assistance, might otherwise be
 - i) in prison, hospital, a residential care establishment or other institution; or
 - ii) homeless or otherwise living an unsettled way of life;

ⁱⁱⁱ Regulation 2(1) of the Income Support (General) Regulations 1987, regulation 1(3) of the Jobseeker’s Allowance Regulations 1996, regulation 2(1) of the Employment and Support Regulations 2008, regulation 2(1) of the Housing Benefit Regulations 2006, regulation 2(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 and regulation 1(2) of the State Pension Credit Regulations 2002.

^{iv} Income-related Employment and Support Allowance, Housing Benefit, Income Support, Income-based Jobseeker’s Allowance, and State Pension Credit.

DWP have indicated that payments will be treated as capital for the purpose of Universal Credit and may impact upon entitlement where the total capital held exceeds £6,000, either prior to or as a result of this payment. Further information on the treatment of capital for the purpose of Universal Credit can be found on the understanding Universal Credit here: [Universal Credit: What you'll get](#).

DWP have noted that current legislation will not allow for the childcare costs element of Universal Credit to provide support where the childcare costs have already been paid elsewhere^v. Payments made by Jobcentre Plus Work Coaches, through the Flexible Support Fund, are exempt from tax^{vi} and can be reimbursed through Universal Credit^{vii}.

Local HMRC Customer Compliance Managers will be able to provide further advice in relation to tax and national insurance.

Monitoring and reporting

No additional reporting requirements have been agreed because of this guidance. It is encouraged to continue reporting details of awards through existing mechanisms, including annual Local Child Poverty Action Reports.

Local Authorities should maintain appropriate records of all payments made under this scheme.

^v [The Universal Credit Regulations 2013](#), section 34 (2)

^{vi} Exempt payments / grants are set out in Part 10, Chapter 5 of the [Income Tax \(Earnings and Pensions\) Act 2003](#)

^{vii} [The Universal Credit Regulations 2013, Section 34, 2 \(b\)](#)

Annex B

Document links
National Performance Framework
National Strategy for Economic Transformation
Partnership Working Agreement
Local Employability Partnership Framework
‘Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022-2026’
National Service Handbook
Service Standards
Customer Charter
Shared Measurement Framework
Data Reporting Template (DRT)
Fair Work First Guidance
Education Maintenance Allowance Guidance
Social Security Adult Disability Payment

Additional links
Improvement service data toolkit
No One Left Behind: review of employability services
2023 No One Left Behind National Discussions
No One Left Behind: employability strategic plan 2024 to 2027