

Reviewing Employability Services in Scotland: Our findings on the future of No One Left Behind

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At the start of September, Minister for Business and Fair Work Tom Arthur [announced a review](#) into employability support in Scotland. Employability is one of the key levers that the Scottish Government has to influence the labour market and health inequality, although according to our research from earlier this year, employability's ability to fundamentally transform these areas [may be limited](#).

No One Left Behind (NOLB) is Scotland's central funding source and organisational structure for employability, and it can be a complicated programme to understand. For a background to NOLB and a discussion on some of its associated challenges, see our [report on Employability in Scotland](#).

Over the course of the last year, we have conducted a range of research into the way that employability programmes operate in Scotland, and into the way that No One Left Behind has been implemented. This work included a series of interviews with people working in the employability sector, across national and local government, third sector, and private organisations. We also ran a series of [Action Learning Sets](#) in Edinburgh and North Lanarkshire and are currently conducting a third set in Dumfries and Galloway.

These conversations brought to light a range of information that we feel the Scottish Government should consider through this review process.

We can broadly group our findings into three categories:

1. **What NOLB gets right**
2. **Funding:** Challenges with funding include concerns about annualised funding cycles and ringfenced funding, funding transparency, siloed policy areas and geographical challenges under this category. Funding challenges also affect staff caseloads, burnout, and turnover.
3. **Data:** There are concerns around the collection and burden of the Shared Measurement Framework and ongoing concerns around labour market data, especially as it relates to local area benchmarking and funding provision. It is also challenging to measure and evaluate the range of outcomes associated with NOLB.

Finally, we conclude by discussing what we hope to see from this review.

What NOLB gets right

Through our conversations with people working across the employability space, **nearly all have highlighted the value of local service provision.**

“I think everybody agrees that there should be a programme of activity that is localised, that does hopefully meet the needs of local people, that does target those at greatest risk of being left behind”

Interview participant, national organisation

Although we discuss some challenges with funding siloes, we find that **NOLB is actually a relatively good example of de-siloed, cross-government working.** A central feature of NOLB’s organisational structure is the fact that people seeking employability support are paired with a key worker, who helps move them closer to the labour market. This support can include traditional employability support, like CV guidance and interview preparation, but often covers a wide spectrum of individual challenges, like accessing housing, transport, childcare, or health support.

“... when we have somebody who presents to us with a housing issue, we have a good referral pathway into housing that can pick that individual up and can help with that much quicker than probably other organisations can. Equally, we have good ones with health improvement, we have good direct links with GPs through the link worker programmes.”

Interview participant, local organisation

The person-centred nature of NOLB is also often cited as a positive element of the programme. NOLB funds are also often used for people furthest from the labour market, meaning that soft outcomes, beyond getting people into work, are considered.

“It's not just about job outcomes; it's about engaging people who are a bit further from the labour market.”

Interview participant, local organisation

In fact, these soft outcomes are a key feature of NOLB, and **in conversations across the employability sector, people have repeatedly discussed how they appreciate Scottish Government’s awareness of the value of outcomes beyond employment.** Soft outcomes can take a long time to result in work, if ever, especially for people with complex sets of needs.

“Employability and [careers services] have a real understanding of what ‘good’ looks like being set by the individual. [...] when you have young people at the moment who have potentially not left the house in three years, what success looks like for them in a year compared to a young person closer to the labour market is very, very different.”

Interview participant, local organisation

Because of these features, participants felt strongly that **NOLB can have an important impact on health inequality.**

“[...] you're improving their mental health, you're improving their resilience, you're [...] reducing isolation for them. You're creating networks and contacts for them that then increases their motivation, that then makes them less likely to want to self-harm, less likely to, you know, all of these things. So, I believe that employability is a key plank to health improvement.”

Interview participant, local organisation

Funding and administration

Funding, unsurprisingly, is a key issue for people working in the employability sector. Annualised funding cycles were often the first problem that people brought up when talking about challenges with NOLB. Ringfenced funding, funding transparency, siloed working, the administrative burden associated with funding, challenges with geography, and staff turnover are also important considerations for designing the next phase of employability support.

Annualised funding cycles

Annualised funding cycles add to the challenge of providing long-term support to people furthest from the labour market. It also adds to staffing challenges, which we explore further on.

Over the last few years, the Government has committed to upholding NOLB funding levels for multiple years, moving it closer to a multi-year funding cycle.

We have found, however, that there are some reasons why this multi-year promise is often not felt at an organisational level. In some cases, the local authority itself is holding up payment until the funds have been received from Scottish Government, and so the gap in funding can be due to the local area being more or less risk averse. Organisations also receive funding from other sources, which may be time-limited or annualised.

In conversations with key workers, they highlighted the direct impact that funding gaps have on their support provision. While staff salaries are paid during the few months between the start of the financial year and the date that organisations actually receive their funding (which can, again, be several months), other provision freezes, and staff are unable to deliver for their clients.

In general, single year funding is provided from April to March, although funds are often not released until June or July, according to participants in many of our sessions. While salaries are paid during this time, other provision – like the ability to sign people up for programmes or refer them to other services – often become unavailable. This means that, in practice, our participants reported that some provision is only available for nine months out of the year.

This has a compounding effect on both clients and key workers alike: clients are stuck on waiting lists and unable to access support, thus facing increasingly poor outcomes that could have been avoided with more consistent service provision. It also has a negative impact on the workers, whose caseloads can change dramatically once funding comes through.

“Nobody’s getting referred since the provision’s not funded, then [there’s a] tsunami of 84 referrals needing sorted.”

Action Learning Set Participant, local organisation

In the reporting around NOLB, however, we have seen little analysis around waiting lists, and do not have a clear understanding of how long prospective clients can expect to sit on a waiting list, nor how many people are likely affected.

Challenges with ringfenced funding

Ringfenced funding is also an issue with NOLB. In the 2026/27 budget, [nearly half of all funding](#) was ringfenced for parental employability support to address child poverty, rising from 15% of employability funding in 2022/23.

We have [previously questioned](#) this allocation, and our research participants were similarly unconvinced about this funding decision.

This increase in parental employability funding posed multiple challenges for local areas. Changes in ringfencing do not always require changes in provision, if local authorities are already meeting the new funding conditions through existing programmes. This would nevertheless require local authorities and service providers to undergo a considerable amount of work to ensure and demonstrate that they remained compliant with new grant conditions.

When local authorities did not have the level of support available to meet the new parental funding conditions, they had to work through an additional challenge: how do you meet the new grant conditions without defunding other key provisions?

Importantly, parental employability support funding was often perceived to supersede funding towards young people or disabled people, who historically had dedicated ringfenced funds, and was thought to detract from other priority groups, like people from ethnic minority backgrounds.

Funding for young people is now solely under “All-age support,” the non-ringfenced budget line of NOLB. In general, interview participants felt that parental support should fall under all-age support, or that ringfenced funds should be distributed in a more equitable way across different user demographics.

“I think [most people working in employability] would prefer that the [all age support] and parental employability support money was one and the same. However, they do totally understand that there is the drive on tackling child poverty, but sometimes they feel that there is too much money in child poverty and not enough in all age [support].”

Interview participant, national organisation

“We still see that the challenges to young people are huge [...]. I'm a bit disappointed they lost the focus there. [...] I think it's quite right we target [care-experienced and disabled people], but I think it has to be data-driven. I'm less convinced about the parents.”

Interview participant, local organisation

In 2026/27, £5million of the £86million employability budget went to [supported employment](#), which many people found to be insufficient. This fund is dedicated to specific employability models which place people into work and train them. Other programmes that support disabled people and people with long-term health conditions receive all-age funding, although it is not clear how much beyond this ringfenced amount.

“When we come to health and people with long-term health conditions, the supported employment element of the No One Left Behind funding is so small that it doesn't follow the numbers that require support. So I think some of the, that's quite unhelpful in terms of that sort of siloing as the policy comes down.”

Interview participant, local organisation

Disabled people and people with long-term health conditions made up 37% of the [NOLB client base in 2025/26](#), a recent publication from the Scottish Government on service users' experiences with the service also discussed the challenges that disabled people face, supporting the sentiment that this funding level may be inadequate.

"[...] disabled people face the greatest barriers to employment of any group analysed, with markedly lower job entry rates, longer times from starting to receive support to entering employment, and lower rates of sustained employment at 52 weeks."

[No One Left Behind \(NOLB\) – User Experience Research](#), Scottish Government (2026)

These findings raise questions around whether current allocations – and ringfencing in general – are justifiable. The fact that half of NOLB funding is ringfenced arguably contradicts a key premise of NOLB, namely that local authorities are best placed to assess the needs that are present in their own areas and manage their services accordingly.

Funding transparency

That said, it is difficult to understand precisely which groups employability services support. Some local authorities have previously published detailed investment plans, discussing which organisations receive NOLB funds. Others do not, citing concerns around market sensitivity.

Last year, our colleagues at the Fraser of Allander Institute discussed [how difficult it is to understand](#) which provisions are available in which local authority, especially for disabled people. This likely leads to a "postcode lottery," where some local authorities are better serviced than others, but because of this lack of transparency, we are not able to understand where services are lacking.

However, local authorities need to report which organisations they fund to the Scottish Government, and charitable organisations are required to report their funding sources. This means that this information exists, both in a (privately held) compiled format and in the public sphere (although it is difficult to trace). Why not, then, make information about funded provision and organisations more transparent?

Organisational siloes and administrative burden

In some cases, ringfenced funding may be better served to break down siloes, rather than to address priority groups. Although NOLB key workers are often keyed into other support areas and organisations, and although we find NOLB to be a relatively good example of cross-government working, transport remains a consistent barrier to employment, especially in rural local authorities. Funding a long-term, cross-departmental solution to this barrier could better support employment goals in the long run.

There are currently budgeted attempts towards bridging this gap. In the spring, for instance, the Scottish Government awarded £19million in funding to address transport as an employment barrier as part of the [Tackling Child Poverty Delivery Plan](#), with £9million going to employability and the remaining to regional transport partnerships.

It is not clear how coordinated these bodies were in improving access to employment, but early conversations indicated that the money was delivered before long-term solutions could be

considered. At the time we conducted these interviews, which was in April and May 2026, this was causing a considerable amount of confusion among our interviewees:

“Things like award of funding coming out of the blue is really difficult. So local government have just been awarded an additional 9 million pounds worth of funding to be spent in this financial year for tackling child poverty [...] that is to be focused on transport to employment for parents to remove transport barriers. Now, there's only so much you can spend on bus fares and train tickets.

[At the time of the interview, there was] actually no guidance on what that can be spent, [and organisations had] not had their grant offer letters because of the [2026 Scottish Parliamentary] election.”

Interview participant, national organisation

Some local authorities already use employability funding for transport solutions; the [Shetland Islands](#), for instance, have historically funded driving lessons through NOLB. Other local authorities use discretionary funding pots to provide things like bus tickets to get people to job interviews. In discussions with key workers, however, there can be significant administrative barriers at a local authority level to accessing this:

“Evidence upon evidence and proof is needed, then you find you missed something – you need a ticket for tomorrow, today you realise you don't have enough evidence – it's easier to give client [money out of your own pocket] to pay for ticket.”

Action Learning Set Participant, local organisation

“It's awful [but we] avoid certain parts of our roles [because of the administrative burden]. We all do it, because it is horrendous. [It's] like being accused of a crime... for getting a bus ticket.”

Action Learning Set Participant, local organisation

One suggestion was that local authorities allow for more flexibility in discretionary funding, especially for well-known employment barriers, like transport. This administrative burden creates a compounding expense: how much does a £5 bus ticket end up actually costing an organisation, when the cost of key worker and administrator time is added on? And, importantly, how valuable is a £5 bus ticket to an individual that otherwise could not afford or access it?

Staff turnover and burnout

This administrative burden, coupled with short-term funding, contribute to staff burnout. As discussed previously, gaps in funding directly lead to almost overnight changes in caseloads, and insecure funding cycles also mean that key workers face insecure contracts. In one session, key workers observed the irony of being expected to help people find secure, sustainable employment while lacking that security in their own roles.

Challenges with insecure contracts and burnout furthermore leads to high turnover among frontline employees, meaning that the remaining key workers are forced to pick up additional caseloads and take on trainees, further adding to their workloads and to their potential for burnout.

“If you stick it out and risk it, your caseload is doubled and tripled until the vacancies are filled”

Action Learning Set Participant, local organisation

Some also spoke about the emotional burden that this entails, and the challenge of understanding what good support looks like but being unable to provide it because of systemic or operational constraints.

“You carry a lot of responsibility without the authority or tools to change things.”

Action Learning Set Participant, local organisation

Geographical challenges

Some people in our interviews discussed geographical challenges related to funding, as borders may not align to the realities of where people live and work. However, the Scottish Government does not stipulate that funding needs to be used for businesses or clients within the boundaries of that local area, which they [clarified in a publication](#) from April 2026.

“I was [...] talking about young people who were leaving [secondary school], which is in Edinburgh, but it would be easier for them in terms of bus routes and being just across the road to access training in West Lothian, but they can't.”

Interview participant, local organisation

It is not clear if this confusion is due to a misunderstanding of Scottish Government guidance, or due to a deliberate local authority or institutional decision to exclude people based on their post code. Our interviews were also conducted around the same time as this publication, and some of this concern may have already been addressed, although it is worth exploring this gap in understanding further.

Additionally, the Scottish Government's [recent announcement](#) that they intend to cut down from 32 Local Authorities to as little as six presents an interesting opportunity: if employability were organised under a wider regional body, this would likely remove this challenge, depending on how the lines were drawn. However, a more complex two-tier system, like those found in some parts of England, could create additional challenges in accessing support. This summer's [Milburn Review](#) interim report, looking at young people and work, found that geographic misalignment in England contributed to young people's struggles finding support across both health and employment:

“A young person in a single town [in England] may fall under one of 36 NHS integrated care boards, a different one of 19 combined or strategic authorities, one of 317 local authorities for housing and social care, and one of 37 Jobcentre districts for welfare and employment support. Despite four overlapping maps, there is no single institution seeing the whole picture for that young person.”

[Young people and work: interim report](#), DWP

As we discussed in [our response to the review](#), Scotland does not face this issue to the same extent currently thanks to a less convoluted geographical picture. Implementing employability policy along new boundaries would therefore need careful consideration to avoid this problem.

Data

With NOLB, there are two strands of data to consider: the data that employability providers collect and report to Scottish Government, and the data that local authorities use for decision making (which is likely also used to determine how much money local authorities receive, although the formula used for allocation is unclear).

The Shared Measurement Framework

As a condition of receiving NOLB funding, providers are required to collect data that is outlined in [the Shared Measurement Framework](#) (SMF), which includes more than 100 data points on an individual, although providers may collect additional data for their own purposes. Gathering this data involves asking questions can be quite sensitive, covering topics like criminal convictions, health conditions, sexual orientation, and problem substance use.

Our interviewees even joked about how invasive these questions can be, saying it included peoples’ “inside leg measurements”, “shoe sizes”, “everything but what their favourite pudding is,” or “they almost want a DNA sample from every person that we work with”.

In conversations with the Scottish Government, they have made it clear that these questions do not need to be asked at first intake and should only be collected if they serve as a barrier to employment. The data can also be updated and changed throughout an individual’s journey, as they progress and as they build trust with their key worker. However, there is a clear gap between this expectation at the national level and how these expectations are either communicated or interpreted, hampering its implementation at a local level.

In some local authorities, their computer systems require all of these questions to be completed in order to onboard new clients – a daunting and invasive protocol for a person just entering employability services. Others do not require this.

“The data is a barrier because what frontline staff are saying, anecdotally, [...] is that asking 70 questions at the outset [...] creates a barrier and is off-putting. And especially when those questions are quite personal”.

Interview participant, national organisation

The way that the data under the SMF is collected and stored is also problematic and creates a significant administrative burden. In learning about the SMF, a member of SHERU sat through a mock onboarding session for employability support, and going through the entirety of the SMF took around an hour. The process involves inputting data into a client management system and then taking that data and inputting it into the Data Reporting Template, which is then shared with the Scottish Government.

There are some positive aspects to this volume of data collection from a research perspective, especially when considering health inequalities. The Scottish Government’s [quarterly employability statistical publications](#) include disaggregated data on disability, for instance, which is useful to understand. This information would ideally be used towards service planning or towards better understanding on how outcomes differ for people with different life circumstances.

However, our interviewees found that the level of effort also does not appear to pay off in any meaningful way, and many people working in employability reported that the data from the SMF does not help them plan or deliver support.

“[The SMF] is onerous and it doesn't pay off what you put in, so you don't get any good information from it that will enable you to reshape or improve your service.”

Interview participant, local organisation

“What No One Left Behind is counting and calculating - it means almost nothing to us. They are producing data, line by line data on individuals which cannot be collated in any usable way [...] We have a management information system. It's not particularly easy to pull out the data that No One Left Behind asks us for, you know, that Scottish Government colleagues ask us for. It's not particularly easy, but we can do it. But we don't use that. That's not how we report.”

Interview participant, local organisation

These and other discussions have led us to wonder how much of NOLB's funding is used towards collecting and reporting data that is not used by the organisations that collect it, not used by local areas for service planning, and not used by Scottish Government in their quarterly reporting. As we discussed with regards to discretionary budgets, these costs compound and absorb key worker time that could likely be better spent supporting clients.

Challenges with measuring outcomes from NOLB

As we mentioned earlier, the person-centred nature of NOLB is broadly regarded as a key positive element of the programme, and the soft outcomes, like improved confidence and social skills, are important to highlight. Often, in conversations, we are reminded that employment is not the only positive outcome from NOLB, but measuring and reporting on soft outcomes is a challenge.

This is a daunting task for the Scottish Government, and neither the SMF nor local labour market indicators are particularly good at assessing these things. The Government's employability publication only covers employment progression, qualifications, and entering higher or further education or training. These are important outcomes to measure, and as we stated earlier, we find that there is a lot of useful data in the Scottish Government's [quarterly employability statistical publications](#).

Given this, what should NOLB measure, and how should the government go about doing so?

Both of these questions can and should be addressed through engagement with key workers, who are likely best placed to discuss what soft outcomes are common and desirable for users. Things like increased confidence, improved social skills, connections to other services, and improved health outcomes are likely to derive from NOLB, and deserve to be measured alongside things like employment and education. Understanding clients' values and goals are also crucial.

Regarding measurement, in interviews, our participants discussed moving from the SMF to a centrally administered user survey alongside a lighter touch intake questionnaire. This is an interesting idea, and would feasibly reduce the burden of the SMF, reduce key worker workload, and to allow the Government to ask questions that better reflect soft outcomes. A longitudinal element to this survey may also allow the Government to understand how these soft outcomes contribute to sustained employment over time.

“It could be really interesting to do an annual survey of anybody that's accessed provision, for example, and ask about the other impacts, you know, whether it would be health, whether it be benefits, whether it would be personal kind of development, whatever it might be [...] which would fit with the public service reform agenda [and] help show that interconnection between supporting someone to move into good and fair work and supporting somebody beyond ‘they've just got a job.’”

Interview participant, national organisation

Challenges with labour market data used for decision making

Finally, there are substantial issues with the quality of the data that local authorities use for decision making.

Members of the Local Employability Partnership (LEP), which is a board made of a variety of stakeholders that determines which organisations to fund, are expected to bring relevant data to meetings. Organisations like the Improvement Service, COSLA, and SLAED all work to support LEPs in making decisions about service provision, and a key document in this regard is the [NOLB Data Toolkit](#) from Glasgow City Region's Intelligence Hub. This toolkit compiles poverty and employment indicators at the local authority level and was developed with SLAED using a range of indicators selected through a series of stakeholder consultations.

The Annual Population Survey (APS) and the Labour Force Survey (LFS) are the primary sources of many of these indicators, in spite of them being generally unreliable at the local authority level. In fact, local-level data from the survey is almost comically poor in some areas. [In Orkney](#), for instance, the APS reported that employment volume fell from over 14,000 people in 2023 to less than 2,000 in 2024.

These problems are not new, nor are they a secret. We have [written repeatedly](#) about data concerns related to the APS, and in October 2025, the Scottish Government made the decision to stop [funding a boosted sample size](#) for the LFS. Both the Scottish and UK Governments now recommend using a suite of different labour market sources, not just the APS and LFS estimates.

For their part, the team behind the NOLB Data Toolkit has made an effort to communicate the problems with APS-derived indicators to local authorities. At the same time, they need to continue to provide these indicators, because there is no clear alternative to this data. To mitigate this problem, we at SHERU maintain a [data dashboard](#) which provides quarterly modelled estimates of labour market activity at a local authority level. This model uses administrative tax data from HMRC and population data from the National Records of Scotland.

The way that local authorities are held to APS and LFS figures varies: as we understand it, in some areas, LEPs set goals using these indicators, and report on these goals to relationship managers. In other cases, they are reporting to community planning partnerships or other local authority structures.

We do not know what data is used to determine funding allocations, but given that the LFS and APS remain the only official source for unemployment and economic inactivity rates at a local authority level, we would not be surprised if these decisions were also made using flawed data.

Final thoughts

We are keen to see what the future steps for employability provision in Scotland will be. It is important to restate the positives: the local and person-centred nature of NOLB is widely considered to be appropriate, and we have found that key workers are able to reach across siloes more successfully than other statutory services can. NOLB also closely works with disabled people and people with long-term health conditions, and its impact on health inequality is important. The fact that people at every level of employability value and champion soft outcomes is also noteworthy; understanding how to measure those is therefore a worthwhile challenge for the future.

What do we hope to see come out of this review?

Given our findings, we hope that the Scottish Government considers the following elements of NOLB as part of their review:

- Work with local authorities to understand and address gaps in provision and variability in funding models, especially those that are due to local systems rather than Scottish Government funding allocations.
- Make details on local-level employability funding allocations and provisions publicly available.
- Move away from ringfenced funding in favour of all-age support. If ringfencing is desirable, rather than ringfencing around priority groups, explore ways of ringfencing funding to encourage cross-government coordination around key barriers to work.
- Encourage local authorities and organisations to allow for more flexibility in discretionary funding, especially for well-known employment barriers, such as transport.
- Some exploration of how to implement employability policy along new geographical borders needs to be done carefully to avoid chaotic and unclear support provision.
- Engage with key workers on how to develop a better and more resilient workforce.
- Understand the cost of the administrative burden on organisations and local areas, especially with regards to the SMF.
- Review the current use of the SMF to consider whether elements of the data collection could be streamlined at the point of entry, with additional demographic and outcome information collected later in the user journey.
- Work with key workers and clients to outline the soft skills that NOLB helps develop, and to understand how to measure them.
- Move away from the use of the APS and LFS for funding allocations and decision making, and work with bodies like COSLA and SLAED to emphasise alternative sources for labour market benchmarking.