

No One Left Behind

Good Practice Guidance for Commissioning
Employability Services in Scotland

Published December 2025



**Developed in partnership with key stakeholders from
across the employability landscape**

No One Left Behind GOOD PRACTICE GUIDANCE

for Commissioning Employability Services in Scotland

Background to this document:

Locally planned commissioning of employment services is a cornerstone of the No One Left Behind approach to employability in Scotland. This supports an emphasis on integration and alignment, a mixed economy of provision and a commitment to partnership working.

However, several reviews of the implementation of No One Left Behind have noted significant variation in commissioning models across Scotland and that some approaches are more likely to support these aspirations than othersⁱ.

This document builds on existing good practice guidance on funding in Scotland including:

- The TSI Network: [Third Sector Fair Funding Charter](#)
- SCVO: [Fair Funding Guidelines](#)
- Evaluation Support Scotland: [Principles for Positive Partnerships](#)
- Community Planning Improvement Board: [Guidance for Fair Funding of the Voluntary Sector](#)

This No One Left Behind Good Practice Guidance for Commissioning has been developed by a cross-sectoral working group with representatives from Scottish Government, Scottish Local Authorities Economic Development People (Employability) Group (SLAED), Improvement Service, Third Sector Employability Forum (TSEF), the Third Sector Interface (TSI) Network and Employment Related Services Association (ERSA).

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Contents

Good Practice Guidelines for Commissioning Employability Services - At a Glance:	3
Commissioning Language and Definitions:	4
Good Practice in Commissioning Employment Services in Scotland:	5
FOUNDATIONAL STRUCTURES:	6
PRINCIPLE 1: A Strategic Investment Approach	7
PRINCIPLE 2: Accessible Proportionate and Transparent Funding and Commissioning	9
PRINCIPLE 3: Adequate and Secure Funding	13
PRINCIPLE 4: Proportionate Evaluation and Reporting to Funders	15
Annex A: Putting the Principles into Practice	18
Annex B: Summary of Routes to Market	22
Annex C: Example Commissioning Timeline	25
Annex D: Glossary of Terms, Acronyms and Useful Links	26
Annex E: Endnotes	28

Good Practice Guidelines for Commissioning Employability Services - At a Glance:

Introduction:

This guide to good practice in commissioning employment services has been developed by a cross-sectoral team with experience in all aspects of commissioning and builds on existing principles of funding good practice.

It aims to support Local Authorities in their role as Lead Accountable Bodies and Local Employability Partnerships (LEPs) to ensure they are working towards and implementing good practice in commissioning for employability in their area.

Language and definitions:

Commissioning and procurement are terms frequently used interchangeably. This can often lead to confusion in discussions on the topic. Commissioning is an over-arching term which applies to all activities related to planning investment in services. Procurement is one form of commissioning, but so also are grant arrangements, challenge funds and alliancing.

Commissioning Principles and Examples of Good Practice:

<u>Foundational Structures</u>	These support all four principles of fair funding and include activities such as ensuring there is sufficient, skilled staff resource to plan and oversee commissioning and investing in capacity building for community organisations to submit effective proposals.
<u>Principle 1: A Strategic Investment Approach</u>	This ensures areas get best value for money and services are more likely to meet local need. Activities include pro-active evidence-based and co-produced forward planning to identify strategic priorities and collective allocation of full local resources.
<u>Principle 2: Accessible, Proportionate and Transparent Funding and Commissioning</u>	This ensures areas receive good quality proposals and providers are well placed to deliver effective services. This includes considering a range of commissioning models, market engagement, collective planning and assessment of bids, clear and fair timelines for both commissioning and closure.
<u>Principle 3: Adequate and Secure Funding</u>	This ensures good financial management and sustainability of provision. Activities include consideration of full cost recovery funding models, multi-annual funding, payment quarterly in arrears and where appropriate payment in advance (e.g. for start-up costs).
<u>Principle 4: Proportionate Evaluation and Reporting to Funders</u>	This supports continuous improvement as well as ensuring a healthy balance between delivery and reporting activity. Activities include person-centred data gathering approaches, timely reporting and analysis of performance, use of CRM systems and proportionate financial evidence requirements.

Commissioning Language and Definitions:

Commissioning and procurement are terms frequently used interchangeably, which can often lead to confusion in discussions on the topic. It is important therefore to provide definitions for these terms that can be consistently applied and understood.

Commissioning encompasses all activities related to assessing and forecasting local needs; planning the nature, scope, measures, and quality of future services; aligning investment with agreed outcomes while working collaboratively to implement these services and ensuring appropriate and effective governance processes. Therefore, it is not synonymous with procurement and other routes to market may result from the commissioning process.

Procurement is the process of purchasing specific services based on commissioning activity by a public authority. This means the organisation or organisations awarded the contract provide a specific service to the public authority. There are a variety of different procedures that can be used.

Alternatively, commissioning may be undertaken through a **grant arrangement** or a **challenge fund**. In the case of a grant, although procurement law does not applyⁱⁱ, we would expect good practice to be followed in terms of a structured, fair and transparent process. In a grant arrangement, the public authority contributes to a project carried out by an external organisation/s, or contributes directly to that organisation, because the project or activities they deliver contribute to the public authority's policy aims.

The Scottish Public Finance Manual extract below further clarifies the distinction between a grant arrangement and procurement of a service:

The [Scottish Public Finance Manual Annex 3](#) states that *“in practice it may not always be clear whether something could be properly funded by a grant or whether it should be procured under a contract and Scottish Government has been asked to produce this Annex as an additional easy read.”*

The distinction is drawn as such:

“In the case of a grant, the public authority contributes to a project carried out by an external organisation, or contributes directly to that organisation, because the project or activities contribute to the public authority's policy aims.”

“In the case of a procured contract, the public authority specifies the procured service it wants and receives that product (or service) in return.”

A summary of different routes to market can be found at Annex B.

Good Practice in Commissioning Employment Services in Scotland:

The following principles and guidance are based on the principles set out in the [TSI Fair Funding Charter](#).

Examples of good practice have been carefully selected by a cross-sectoral team with experience in all parts of the commissioning process from large and small providers to commissioning bodies.

Consideration has been given to ensure each example is beneficial to all parts of the employability eco-system, including service users.

The aim is to support Lead Accountable Bodies and Local Employability Partnerships (LEPs) to grow good practice in commissioning for employability in their area.

It is unlikely any area will be fulfilling all these examples currently.

These principles and examples of good practice are intended to help LEPs collectively identify priority areas for development relevant to their area, to inform future employability commissioning, funding and planning cycles.

***This Guidance has been written so it can apply to all forms of commissioning
whether a partnership chooses to use procurement, grant funding or a blend of approaches.***

FOUNDATIONAL STRUCTURES:

These actions will support all four principles for fair funding

Example of Good Practice	Good for Scot Gov't because...	Good for Local Authorities because...	Good for partners and providers because...	Good for people using services because...
Skilled staff resource is dedicated within the Local Authority to do this work well. It is not added on to someone's day job.	Key point of contact for relationship managers. Improved commissioning and reporting.	Not doing it on top of day job so well resourced. Avoids conflict of interest issues. Better partnership, commissioning approaches delivery and outcomes.	Key point of contact for providers. More transparent and relational Avoids conflict of interest issues.	Improved diversity and quality of service delivery. No gaps in support.
Resource is allocated to support capacity building for local community organisations to contribute to the local employability eco-system (e.g. via the TSI)	Supports locally relevant mixed economy of provision. Supports community wealth building.	Supports community wealth building agenda. Mixed economy of provision more likely to meet local needs and build community capacity. Supports partnership, inter-agency referral and service design.	Able to put in good proposals Increased ability to work collaboratively. Able to support service design approaches. Smaller community organisations are supported to engage.	Locally relevant services built on community resources.
Capacity building/continuous professional development support for Local Authority staff and partners on 'good commissioning' in complex service contexts.	Improved commissioning and reporting. Supports mixed economy of provision which better meets people's needs.	Transparent and robust commissioning approaches which can be supported politically. Improved relationship with external partners and improved outcomes.	More accessible and transparent commissioning in line with good practice. Greater involvement in process, improved reporting.	Improved diversity and quality of service delivery. More person-centred, less outcome driven. Better inter-agency referrals for support.

PRINCIPLE 1: A Strategic Investment Approach

This includes pro-active evidence-based and co-produced forward planning to identify funding priorities, best allocation of full local resources and appropriate commissioning approach.

Example of Good Practice	Good for Scot Gov't because...	Good for Local Authorities because...	Good for partners and providers because...	Good for people using services because...
Co-production of Commissioning Strategy	<p>There is clarity on what is being commissioned and how it meets need.</p> <p>Supports Service Design aspiration.</p>	<p>Services are more likely to meet local need and priorities.</p> <p>Can demonstrate to political leaders a clear rationale for approach.</p>	<p>Commissioning priorities are more likely to meet local need and priorities.</p> <p>Shared understanding of why certain things are prioritised.</p> <p>Sense of being 'in it together'</p>	<p>The resultant services are more likely to meet their needs.</p> <p>Citizens feel empowered and have ownership of the services in their area.</p> <p>Increased confidence more likely to positive outcomes.</p>
Ensure wide stakeholder involvement in developing the strategic plan – including early market engagement	<p>Greater chance AIP will include other relevant local funding streams.</p> <p>Reduced duplication of spend.</p> <p>Increased value for money.</p> <p>Improved governance locally.</p>	<p>Greater partnership buy-in to priorities for area.</p> <p>Lower risk of duplication and greater complementarity with other public sector funding.</p> <p>Other stakeholders bring awareness of what they are funding.</p> <p>Providers better prepared.</p>	<p>Greater involvement in process means an understanding of why certain things are prioritised.</p> <p>Commissioning more accessible.</p> <p>Greater integration with other sources of public and charitable funding in the area.</p>	<p>Less gaps in provision and feeling of an eco-system of support which is well connected.</p> <p>Services are more likely to meet need.</p> <p>Improved inter-agency referrals.</p>

Example of Good Practice	Good for Scot Gov't because...	Good for Local Authorities because...	Good for partners and providers because...	Good for people using services because...
Undertake strategic planning well ahead of financial year end/start so provision is ready to go once budget is confirmed	<p>Annual Investment Plan (AIP) is well informed and not reactive.</p> <p>Greater chance it will include other relevant local funding streams.</p>	<p>LA has evidence to support need for budget and/or gaps in budget. Or rapid spend decisions if additional resource comes forward or underspend is identified.</p> <p>Commissioning approach is approved by partners and can happen quickly once the budget is confirmed.</p> <p>Providers bring additional resource so more provision for area.</p> <p>Spend profile and outcomes more balanced.</p>	<p>Early awareness of commissioning priorities means proposals are higher quality and better prepared .</p> <p>Providers can use this as evidence to support applications. for funding elsewhere bringing additional resource to the area.</p> <p>No gaps in funding for staff and continuity of delivery.</p>	<p>There is more likely to be a feeling of an eco-system of support which is well connected.</p> <p>Services are more likely to meet need.</p> <p>Greater range or capacity of provision to engage with for support.</p> <p>Continuity of support and no cliff edges.</p>
Risk assessment undertaken for potential funding gaps and buffer funds or under-writing is put in place	Continuity and balance of provision relevant to need.	Continuity of support internally and externally.	Continuity of support internally and externally.	Continuity of support .

PRINCIPLE 2: Accessible Proportionate and Transparent Funding and Commissioning

This includes considerations around publication, guidance, application processes, timeous deadlines and decision-making, and end of funding care

Example of Good Practice	Good for Scot Gov't because...	Good for Local Authorities because...	Good for partners and providers because...	Good for people using services because...
LEP has a Commissioning Sub-group, with appropriate knowledge, to oversee whole approach (i.e. not just a panel for assessing applications.)	National stakeholders have a lens on what is being commissioned locally and why. Transparency of approach.	Can demonstrate to political leaders a clear rationale for and transparency of approach (avoids risk of conflict of interest). More likely to get a rounded and integrated approach to commissioning and delivery.	There is a partnership perspective on what matters and why. Improves transparency and accessibility. Reduces concern over conflict of interest.	The resultant services are more likely to meet their needs. More likely to be a feeling of an eco-system of support which is well connected.
Consider a range of funding models of different scales to ensure accessibility for smaller providers. This may include alliancing and non-competitive funding models where appropriate.	Supports mixed economy of provision. Increased transparency.	Supports integration of services and extends reach of mainstream provision via trusted partners. Can put in place alliancing where there are limited numbers of providers in the area.	Supports smaller/more rural providers. Increases capacity building and knowledge transfer.	Provision is closer to home. More local and trusted.
Ensure commissioning models encourage and support partnership approaches to delivery	Supports mixed economy of provision.	Get more integrated and wider balance of services More specialist and place-based approaches.	Supports collaborative approaches to working together and celebrating unique specialisms.	Better and more integrated approaches to service delivery.
All providers including, public, private and third sector are expected to have their proposals assessed through a transparent commissioning or alliancing process.	Feeds into strategy of mixed economy approach and co-production. Supports transparency.	Ensures LA delivery is aligned with overall plan for the area and overarching vision. Supports transparency and integration.	Feel valued, consulted and have a positive relationship.	See their voice shaping ALL delivery and design of provision.

Example of Good Practice	Good for Scot Gov't because...	Good for Local Authorities because...	Good for partners and providers because...	Good for people using services because...
Advance warning and publishing of timeline for commissioning process including a pre-call event for providers	<p>Better proposals will lead to better provision on the ground, so greater impacts and value for money.</p> <p>More likely to lever in match funding.</p>	<p>Better quality of proposals and greater chance of partnership working in submissions.</p> <p>Providers understand what is being asked for and why.</p> <p>Providers may source match funding.</p>	<p>More time to plan proposals that are relevant.</p> <p>More time to pull together partnership bids and source match funding.</p> <p>Able to forward plan and ensure relevant staff have time to complete application forms particularly when working across multiple LEP areas.</p>	<p>Better and more, well-designed services.</p> <p>Increased collaboration across and between services – so more inter-agency support and referrals</p>
Minimum timeframes from publication to submission agreed. This will vary depending on commissioning model and size of project. Suggested minimum 6 – 8 weeks	<p>Better proposals will lead to better provision on the ground, so greater impacts and value for money.</p> <p>More likely to lever in match funding</p>	<p>Better quality of proposals and greater chance of partnership working in submissions.</p> <p>Providers may source match funding</p>	<p>More time to plan proposals that are relevant.</p> <p>More time to pull together partnership bids and source match funding</p> <p>Better quality of proposal and enables longer term budget and staff planning.</p>	<p>Better and more well-designed services.</p> <p>Increased collaboration across and between services – so more inter-agency support and referrals.</p>
Application forms and processes are designed with provider representatives input to be simple, accessible and proportionate	<p>More likely to achieve a mixed economy of provision.</p>	<p>Less paperwork to deal with.</p> <p>Great diversity of applications and therefore provision.</p>	<p>Easier to complete, straightforward and relevant.</p> <p>Consistency of approach leads to better & more effective use of resources.</p>	<p>Smaller, community-based provision might be more likely to be successful.</p> <p>And these orgs play a key role in reaching those furthest from the labour market.</p>
Clear and published assessment criteria	<p>Transparency for public spend decision-making.</p>	<p>Transparency for public spend.</p> <p>Bids are more likely to address the issues you wish to assess.</p>	<p>Providers know what assessors are looking for and are better placed to write good bids which meet the relevant criteria.</p>	<p>Smaller, community-based provision might be more likely to be successful.</p>

Example of Good Practice	Good for Scot Gov't because...	Good for Local Authorities because...	Good for partners and providers because...	Good for people using services because...
Involvement of wider LEP partners and of Lived Experience perspectives in assessing bids	It meets SG commitment to Service Design and growing lived experience involvement.	The resultant commissioning decisions are informed by a range of relevant perspectives. Ensures transparency and reflects an inclusive approach.	Partners have been part of the process and shared responsibility and input. Provision which really has engaged with the perspectives of those they aim to support will be more likely to be successful.	Those on the panel grow confidence and skills. Resultant services are chosen by people who know what it feels like to need support.
Assessment panel members have equal voice and clear expectations on confidentiality and how to address conflicts of interest	Transparency for public spend decision-making.	Ensures external providers cannot make accusations of conflict of interest or sharing of confidential information. Develops trust-based relationships.	Information which could be deemed commercially sensitive is not shared with potential competitors (whether third, public or private). Intellectual property is respected. Develops trust-based relationships.	Services are funded because of the quality of their bid and not affected by conflicts of interest.
Explanation of decisions and why if successful or unsuccessful	Transparency for public spend decision-making.	Transparency for public spend. More likely to get better applications in the future. Future bids are better.	Providers can understand what they are doing well or could do better when it comes to future funding applications. Providers grow their skills. Community-led projects which have little application writing experience will grow their skills and are more likely to get funded in the future.	Growth in community-led delivery which empowers local people.

Example of Good Practice	Good for Scot Gov't because...	Good for Local Authorities because...	Good for partners and providers because...	Good for people using services because...
Equity of timelines between bidding and notice of award	<p>Meets good practice guidelines on commissioning.</p> <p>Supports a collaborative and open system.</p> <p>Encourages partnerships and joint bids which helps strengthen engagement with providers by better incorporating their perspectives and expertise.</p>	<p>Services are able to be in place timeously.</p> <p>Orgs are more likely to want to work in the area.</p> <p>Develops trust-based relationships.</p>	<p>Providers know whether to recruit or retain staff.</p> <p>Funder/provider relationship is respectful. Develops trust-based relationships.</p> <p>Ability to effectively plan required bidding resource where working across multiple LEP areas.</p> <p>Ability to recruit and prepare for delivery if successful.</p>	<p>Services are able to start timeously.</p>
Where reasonable and within procurement guidelines ensure there is opportunity to have dialogue and flexibility on details of final service delivery with successful providers. n.b. this should not be to the detriment of the provider financially or in terms of expected outcomes	<p>Provision on the ground is flexed to meet the available budget.</p>	<p>Provision on the ground is flexed to meet the available budget.</p>	<p>Providers might get awarded more or less funding to deliver a service, but they can have a dialogue with the commissioner about what is needed and what is possible before being a final decision is made.</p> <p>Subtle/local issues can be addressed that might not be relevant or simple to highlight or address in the commissioning process.</p>	<p>Provision is more flexible and also more varied.</p> <p>Service user needs are more likely to be met.</p>
Clear processes for managing end of contracts and timeous information	<p>Meets Fair Work principles.</p>	<p>Avoids conflict and last-minute reversals of decision or political intervention.</p> <p>Meets Fair Work principles.</p>	<p>Ensures can plan for staff changes and offer staff Fair Work conditions including redundancy notice where appropriate.</p>	<p>Avoids sudden endings to relationships of trust.</p> <p>Enables people to have a warm handover to alternative support where needed.</p>

PRINCIPLE 3: Adequate and Secure Funding

Funding covers full costs for delivery including relevant overheads, and is sufficient to ensure fair work for staff and of appropriate duration

Example of Good Practice	Good for Scot Gov't because...	Good for Local Authorities because...	Good for partners and providers because...	Good for people using services because...
Multi-annual funding	<p>More sustainable provision reaching those most in need.</p> <p>Greater financial and strategic certainty resulting in continuity of support and contributing to increased value for money.</p> <p>Will create significant scope on flexibility for Local Employability Partnerships to design and deliver support which meets the needs of users and local labour markets.</p>	<p>No rush to 'use it or lose it' when it comes to funding.</p> <p>One round of commissioning every few years rather than annually – reduces administration.</p> <p>More integrated pathway of provision.</p>	<p>Security of funding, and can leverage in additional funds from other areas.</p> <p>Less stop-start provision.</p> <p>Able to provide fair work for staff.</p> <p>Able to work more closely with other services in the area.</p> <p>Able to provide continuity of support for people.</p>	<p>Easier to find what support is out there.</p> <p>Able to build long-term relationships of trust with keyworkers.</p> <p>No cliff edges for support.</p> <p>Greater integration of services so more likely to get good outcomes.</p>

Example of Good Practice	Good for Scot Gov't because...	Good for Local Authorities because...	Good for partners and providers because...	Good for people using services because...
Full Cost Recovery – i.e. not unit costs or outcome-based payments	<p>Sector is more sustainable due to increased financial stability and certainty.</p> <p>Continuity of person-centred support, tailored to the needs of the individual.</p> <p>Supports Fair Work commitments</p>	<p>Easier to track what committed and what will be spent.</p> <p>Greater sustainability for providers so less likely to have provision disappear.</p> <p>Can enhance the whole budget as external providers are more able to leverage in additional resource.</p> <p>Providers have the necessary resource to do the required reporting.</p>	<p>Greater security of funding for the full contract which should lead to greater consistency of staff delivering services.</p> <p>Can meet Fair Work commitments.</p> <p>Can cover all costs for a programme such as premises, admin and management not just frontline contact time.</p> <p>Can leverage in other funding using this as match.</p>	<p>Greater continuity of provision.</p> <p>Frontline staff less stressed and more able to support.</p> <p>Expanded provision in the area.</p>
<p>Clear payment schedules with minimum of payment quarterly in arrears.</p> <p>Consideration of payment in advance where appropriate (e.g. for start-up costs)</p>	<p>Helps to provide an understanding of the impact of investment in the employability system and demonstration of value for money.</p> <p>Increases financial stability within the sector and helps to serve individual user needs by providing continuous employability support.</p>	<p>Ensures adequate and consistent cashflow. Supports budget planning.</p> <p>Can be based on submission of stats and data returns so this helps with data gathering.</p> <p>Improves relationships – greater feeling of partnership rather than commissioner/supplier approach.</p>	<p>Orgs are not out of pocket.</p> <p>Improves organisational cashflow which helps with getting funding. Better for staff.</p> <p>Encourages submission of evidence and reporting.</p> <p>Improves relationships – greater feeling of partnership rather than commissioner/supplier approach.</p>	<p>Greater continuity of provision.</p> <p>Frontline staff less stressed and more able to support.</p>

PRINCIPLE 4: Proportionate Evaluation and Reporting to Funders

Clear guidance provided at the outset and appropriate to the level of funding awarded, costs of evaluation and reporting included in funding

Example of Good Practice	Good for Scot Gov't because...	Good for Local Authorities because...	Good for partners and providers because...	Good for people using services because...
Continuous Improvement and learning mindset on performance data	<p>Supports SG commitment to service design and continuous improvement in line with national policy priorities and Shared Measurement Framework reporting requirements.</p> <p>Public spend is more likely to achieve its desired goals rather than be mis-directed to hit only job numbers.</p>	<p>The intention is always to find ways to make things better or to understand where things are going wrong.</p> <p>Provision across the area will grow, adapt and change according to need.</p> <p>Encourages partnership working across the LEP membership and in delivery.</p>	<p>Providers do not divert attention only to meeting targets.</p> <p>Supports person-centred and flexible approaches to delivery. Encourages reflexive practice.</p> <p>Allows for adaptation according to changing local contexts.</p> <p>Provision will only get better.</p>	<p>People are more likely to get the service they need, rather than the service which is on offer.</p> <p>Staff are more reflective and therefore more focussed on individual need.</p> <p>Supports continuous learning mindset for individuals receiving support.</p>
Data reporting requirements are person-centred and appropriate to scale and pathway stage of provision.	<p>Supports SG commitment to person-centred support and understanding impact.</p> <p>Reporting is aligned with SG priorities and Shared Measurement Framework reporting requirements on progression and experience.</p> <p>Data is more consistently measured across all Local Authorities.</p>	<p>Less time spent chasing providers for information they are not able to capture from clients.</p> <p>Greater confidence in data submitted to Scottish Government.</p>	<p>Able to be more sensitive in gathering data – not asking for everything in one go.</p> <p>Light touch support can use light touch data gathering formats.</p> <p>Reduced feeling of collecting data for data's sake.</p>	<p>They are not asked for highly personal information as a pre-requisite to seeking support.</p> <p>They are not expected to repeat their story unnecessarily.</p> <p>They are more likely to access support and can disclose personal information as trust grows.</p>

Example of Good Practice	Good for Scot Gov't because...	Good for Local Authorities because...	Good for partners and providers because...	Good for people using services because...
Ensure services gather feedback from service users and use this evidence to inform future planning and service adaptations	Supports person-centred, continuous improvement and Scottish Approach to Service Design.	Better evidence of impact. Continuous improvement and Service Design.	Continuous improvement and Service Design.	Services are informed by user views and better adapted to their needs.
Data required for delivery is agreed at the start of delivery and not changed unnecessarily mid-program	As above. Data is more consistently measured across all Local Authorities.	Time is not lost seeking new data from previous clients and adjusting forms and CRMS mid-programme. Greater confidence in data submitted to Scottish Government.	They can put in place systems for data collection and be confident it will be robust and appropriate. Time is not lost seeking new data from previous clients and adjusting forms.	They are not being asked to provide additional information, (other than relating to service outcomes), once they have left the programme.
Providers are trained and supported to understand what data is collected and why	Supports good quality data as needed for the Shared Measurement Framework. Data is more consistently measured across all Local Authorities.	Supports good quality data as needed for the Shared Measurement Framework. Less follow up data clarifications from SG.	Providers know what is needed and why and understand the data fields being asked about.	They are only being asked about information that is essential for delivery.
Separation of forms on equalities data whether digital or online	In line with equalities legislation. Equalities data can continue to be reported through the SG reporting methodologies.	Compliant with equalities legislation. Better quality data.	People are more likely to provide the data required if it is on a separate form.	Sensitive personal data not relevant to someone's journey to work is captured separately. Privacy is protected.

Example of Good Practice	Good for Scot Gov't because...	Good for Local Authorities because...	Good for partners and providers because...	Good for people using services because...
Financial evidence on spend is proportionate and reasonable whilst being robust	<p>They can be confident that public money is being spent as intended.</p> <p>Data captured will be aligned to national reporting requirements and policy priorities.</p>	<p>They can demonstrate financial robustness as Lead Accountable Body.</p> <p>Reduces unnecessary burdens of paperwork and evidence gathering.</p>	<p>Their balance of activity is towards the client.</p> <p>Behind the scenes admin is reduced, but still effective.</p> <p>They can demonstrate transparency to their Board and other funders.</p>	<p>Services are trustworthy and consistent.</p>
Use of a shared Customer Relationship Manager System (CRMS) with training for providers and a contact point for support	<p>Better and more reliable data on uptake and impact of NOLB funded provision.</p>	<p>Easier to provide reports to SG.</p> <p>Easier to track and understand performance between and across providers.</p> <p>Easier to see inter-agency referrals, repeat clients etc.</p>	<p>One system to use for multiple projects leads to less spend on administration costs – more on delivery.</p> <p>Can see activity of other providers in the pathway with an individual.</p> <p>Easier to track and understand projects performance and areas of challenge.</p> <p>Can see activity of individual staff as well as support for clients.</p>	<p>Increased provision and frontline resource to support.</p> <p>Greater privacy of information (if done well).</p> <p>Only required to share personal information once.</p> <p>Support inter-agency referrals for support.</p>

Annex A: Putting the Principles into Practice

The following section highlights examples of local authority areas and local employability partnerships which are already demonstrating elements of good practice commissioning principles in their current approaches. The information here is based on feedback from a survey sent to both local authorities and providers in August 2025.

Areas have been selected to demonstrate how good practice is evolving across Scotland and offer a point of contact for further enquiry.

Foundational Structures:

The Good Practice Guidance emphasises the importance of having good foundations to support successful commissioning.

Many local authorities such as **Dumfries & Galloway, Fife, Glasgow City and Renfrewshire**, now invest in separating the function of supporting the employability partnership and commissioning from that of managing their employability services.

While **City of Edinburgh** work with Arms-Length Organisation Capital City Partnership to manage the majority of their employability funding.

“We decided early on that we needed a dedicated post to support the LEP structure. With seven thematic sub-groups, commissioning over £1m of additional services and ensuring that the voice of service users influences our approach, our LEP Partnership Co-ordinator has been invaluable.

She is recognised as being independent, co-ordinating activity and supporting all local organisations to fulfil their roles on the LEP and is definitely one of the reasons our LEP is so strong.” Local Authority Lead, Renfrewshire

A growing number of areas also invest in capacity building within the local Third Sector Interface to support local organisations and enhance representation.

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Annex A (cont) Putting the Principles into Practice

Principle 1: A Strategic Investment Approach

Working collaboratively to understand and co-create collective strategic priorities ensures that the resultant services are more likely to add value and meet the local area needs.

In 2020 **Fife** invested in a large-scale service design process which engaged service users as well as providers and wider stakeholders to help shape their commissioning process for 2020-22. This foundation informed subsequent commissioning rounds and ensured good buy-in to the approach across the LEP and wider stakeholders. The framework has recently been updated for the 2026 – 2029 round of commissioning.

“In Fife we want to highlight the value of taking a strategic partnership approach to commissioning. Doing this through the Opportunities Fife Partnership means priorities are set collectively, using local evidence and national policy, with decisions shaped by input from a wide range of partners. This makes the process more transparent and helps providers see how their services fit into the bigger picture.” Opportunities Fife Partnership Manager, Fife Council.

Similarly, **Dundee** and **Edinburgh** have taken a co-production approach to developing their most recent strategies. Edinburgh and Fife also regularly consult with the wider provider network via local Forums to understand current and prospective service user needs and to inform local priorities.

Recently, to address concerns around commissioning and implementation in the **Highlands** the LEP created a cross-sectoral service design working group to identify priorities which in turn shaped an entirely new approach to commissioning for 2025 and beyond.

“The Service Design Working Group gave suppliers a structured way to feed into the development of the Challenge Fund, and the Continuous Improvement Working Group now provides an organised mechanism to review how the process is working in practice. These groups ensure that feedback is gathered systematically, commissioners can respond directly, and learning is carried forward into future commissioning rounds.” TSI Capacity Building Officer, Highland

Principle 2: Accessible, Proportionate and Transparent Funding and Commissioning

A key plank of good practice in commissioning is ensuring that the processes and systems in place for allocating funding are accessible, proportionate and transparent. This applies whether procurement, alliancing or grant funding models are being used.

Areas which have been particularly noted for their transparency, timely publication of funding opportunities, clear and simple forms and feedback processes include: **North Lanarkshire** who use a well-established grants process, **Renfrewshire** for their small grants challenge fund, **Dundee** and **Fife** for their multi-annual collaborative challenge fund approaches and **City of Edinburgh Council** who work with Capital City Partnership to oversee a range of different funding routes to commission large-scale multi-annual provision as well as shorter term, more specialist support from smaller providers. Some areas have also worked with their local Third Sector Interface to host small grant challenge funds and support engagement from smaller organisations.

“The whole grant process has been really supportive throughout. Great online information session followed by an invitation to connect and follow up by email, with good timeframes for applications and excellent communication throughout the process. The flexibility in their funding approach has been really helpful to suit our operational model. North Lanarkshire have been brilliant to work with.” Chief Exec, Third Sector Provider, North Lanarkshire

“It was apparent that a lot of work had gone into providing data and information on local needs and demographics as part of their guidance, clearly outlining the Challenge in Dundee. The detailed guidance was incredibly valuable as it made clear what the service expectations and needs were in Dundee, while also allowing space for providers to design services based on their own knowledge and experience. Their process allowed us to spend more time focusing on co-design and partnership building, resulting in a very robust service offer for Dundee, that strongly aligns with the principles of NOLB.” Partnerships Manager, Third Sector Provider, Dundee

Principle 3: Adequate and Secure Funding

Ensuring adequate and secure funding is critical to ensuring sustainability of local employability pathways and growing collaboration.

Dundee, Edinburgh, Fife, Glasgow and more recently the **Highlands** have all made the commitment to commission employability services on a multi-annual basis ‘subject to performance and budget’ basis.

These areas are also noted for making payments on a full cost recovery model which includes covering organisational overheads, and quarterly in arrears. In addition, Edinburgh ensure three months notification of funding end, to allow projects to wind down with due notice and ensure clients and staff are supported.

“The consortium models in Dundee and Glasgow work well for the third sector, they have enabled many organisations to access long term funding that is full cost recovery as well as ensuring authority wide strategic delivery... This enables long term planning, job security and continuity.” Chief Exec, Third Sector Provider

“The small grants process in Edinburgh is to commission for 3 years on a 1+1+1-year basis. ...The funding level provided is based on actual costs with a guide of what proportion should be on direct delivery and what on the support costs. An automatic uplift is written into projects for year 2 and 3 which gives reassurance that, depending on inflation, the employer can increase salary costs to encourage retention of staff.” Chief Exec, Third Sector Provider

Principle 4: Proportionate Evaluation and Reporting to Funders

Proportionate approaches to reporting and evaluation ensure that more money flows to frontline support and less on administrative processes.

Capital City Partnership in **Edinburgh** receives special mention for providing capacity building sessions for funded partners on using the local Management Information System. Their reporting process, whilst robust, is considered proportionate.

In **Argyll and Bute**, the third sector has created a partnership of nine smaller organisations, with a lead partner to address the burden of reporting. The partnership taps into knowledge and expertise of smaller, very local projects, ensuring tailored, person-centred employability support, whilst the lead partner has an overview of activity and processes to ensure they are meeting the reporting requirements of the funding.

Whilst some Local Authorities and providers still bear the scars of the previous, rigorous ESF reporting, there are a few areas who have taken the opportunity of NOLB and UKSPF funding, to review their processes and systems. **Perth and Kinross** are one area who have realigned their paperwork and processes to try to simplify the reporting burden.

“We previously found ESF reporting and evaluation process complex and confusing, and welcomed the change to reporting into the LEP. The reporting, claims and evaluation processes are much simpler with clear guidance.” LA Team Lead, Perth & Kinross

“Having local knowledge is a critical factor in supporting employability engagement and progression, however for many small, locally based organisations, the complexity of programme design, management and reporting can be overly cumbersome, creating a barrier for effective local delivery. A partnership and collaborative approach helps address this challenge.” Third Sector Partnership Lead, Argyll & Bute

Annex B: Summary of Routes to Market

The table below summarises the main options for routes to market and should not be considered to cover all options. LEPs should consider and undertake appropriate due diligence to ensure they are applying the most appropriate route to market for their local need.

Commissioning / Delivery Approach	Mechanism	Examples / Broader Description
Procurement	<ul style="list-style-type: none"> Invitation to Quote (ITQ) (typically below £50,000) 	A streamlined competitive process designed for lower value contracts. The purchasing organisation approaches a minimum of (normally 3) suppliers (where possible) to submit quotes against a defined specification. This allows for quicker turnaround times, reduced admin, and flexibility while still maintaining fairness and value for money. Tends to be suitable for urgent or low risk procurements.
	<ul style="list-style-type: none"> Locally Established Invitation to Tender (ITT) 	Established by a specific purchasing organisation, the Invitation to Tender (ITT) aims to appoint a supplier/s to deliver a defined service/s for a specific purpose and period. It involved pre-qualification checks and the full tendering process including specific values, costs, payment models, etc. It limited to the supply of services for the specific purchasing organisation and within the parameters of the ITT only.
	<ul style="list-style-type: none"> Locally Established Framework of Approved Providers – allowing future Direct Awards or Mini-Tendering Processes 	Established by a specific purchasing organisation, the Framework has a list of approved suppliers to provide pre-defined services with costs typically agreed for a specified period subject to review. The pre-qualification checks, tendering process, costs, payment model, etc. have been agreed. Therefore, the purchasing organisation can appoint a supplier/s throughout the lifetime of the Framework via Direct Award or a Mini-Tendering Process; removing the need for a full Invitation to Tender. It limited to the supply of services for the specific purchasing organisation.
	<ul style="list-style-type: none"> Nationally Established Framework of Approved Providers – allowing future Direct Awards or Mini-Tendering Processes 	Established by Scotland Excel on behalf of several purchasing organisations, the Framework has a list of approved suppliers to provide pre-defined services with costs typically agreed for a specified period subject to review. The pre-qualification checks, tendering process, costs, payment model, etc. have been agreed. Therefore, purchasing organisations can appoint a supplier/s throughout the lifetime of the Framework via Direct Award or a Mini-Tendering Process; removing the need for a full Invitation to Tender.
	<ul style="list-style-type: none"> Nationally Established Flexible Dynamic Purchasing System (DPS) 	Established by Scotland Excel on behalf of several purchasing organisations, the DPS has a list of approved suppliers to provide categories of services but where the full definition of the service is still subject to a Tendering Process i.e. only the pre-qualification checks have been completed. Find out more here: Employability services Scotland Excel

Commissioning / Delivery Approach	Mechanism	Examples / Broader Description
Procurement	<ul style="list-style-type: none"> Negotiated Procedure 	<p>A non-competitive procurement route permitted in only very specific circumstances under the Public Contracts (Scotland) Regulations 2015. This includes situations of extreme urgency caused by unforeseen events, where running a standard procurement is impractical, or where only one supplier can deliver the requirements for technical, artistic or exclusive rights reasons. The purchasing organisation negotiates directly with the chosen supplier to agree terms. This route must be fully justified, documented and able to withstand audit or legal scrutiny, as it carries a higher risk of challenge.</p>
Alliancing and Alliance Contracts	<ul style="list-style-type: none"> An alliance is “an agreement between two or more individuals or entities stating that the involved parties will act in a certain way in order to achieve a common goal.” 	<p>Alliance contracting is a collaborative commissioning approach. It formalises collaboration between partners without the need for new organisational forms and can become the mechanism to drive cultural shift within the sector towards strength based working and co-production where people with lived experience have a full role in service design and delivery.</p> <p>Alliances are growing in health and social care contexts. They can take many forms and can be applied to delivery of services, co-design, research and development, innovation and change programmes. Within an alliance, all parties are working to the same shared vision and outcomes.</p> <p>Typically, longer term (10+ years), with the Alliance meeting regularly to adapt plans in response to the evolving needs of end beneficiaries.</p> <p>Alliancing in Health & Social Care</p>
Grants	<ul style="list-style-type: none"> Direct Grant Arrangement Low Value Grants Awarding Process 	<p>Funds are awarded directly to a provider without a competitive process, often in recognition of their unique capacity, expertise or statutory role in delivering the service. This may be particularly relevant in rural areas where there is limited provision available to the specific local needs.</p> <p>Process provides awards typically below formal procurement thresholds. These grants are often used to support community initiatives, SMEs, and third sector and social enterprises. They may have simpler application processes however still require transparent approaches to promotion, assessment and governance. In some areas these are managed through partner organisations such as the local Third Sector Interface.</p>

Continued on next page

Commissioning / Delivery Approach	Mechanism	Examples / Broader Description
Grant	<ul style="list-style-type: none"> Challenge Fund 	<p>Established by a specific grant awarding organisation, a Challenge Fund seeks proposals from applicants to deliver support they can offer to end beneficiaries.</p> <p>Grant awarding organisations provide parameters for the award but unlike procurement, it is not for the supply of a specific / pre-defined service. This means they can offer flexibility to shape and adapt the service requirement during delivery depending on local context and need. Challenge Fund models can encourage collaboration and partnership submissions.</p> <p>Challenge Fund assessment processes allow (and benefit from) inclusion of partner organisations and lived experience panels in the assessment of applications. They can also provide flexibility with regard to options for multi-annual or funding extensions subject to performance and annual fluctuations in Scottish and UK Government funding.</p> <p>Challenge Funds require transparent processes for application, assessment and governance.</p>

Annex C: Example Commissioning Timeline

Commissioning timelines will vary dramatically depending on the size and scale of the commissioning

Commissioning planning design and development

Key Phases	Suggested Timeframe	Comments
Collaborative service design of strategic planning and commissioning priorities	6-12 months	Strategic Planning on priorities will need to happen in the absence of final budget but ensures readiness to go as well as helping identify gaps.
Agree commissioning model, including assessment criteria, evaluation panel and process	1-2 months	This should flow from strategic plan and model adopted should be discussed and agreed with the LEP
Indicative timeline and priorities for commissioning made public	As early as possible	Ensures potential providers can start planning, whilst recognising timeframes may change
Market engagement	2-4 weeks	Ensures space to refine and clarify elements of the final model before going to market.

Commissioning Implementation

Key Phases	Suggested Timeframe	Comments
Time to apply and submit questions	6-8 weeks, may be up to 12 weeks (can be shorter if using Quick Quotes)	The length of time to apply will vary depending on the size and scale of the contract.
Assessment, evaluation and refinement of bids	2-4 weeks	To support partner input this needs to be booked in diaries well ahead
Notifying successful and unsuccessful providers	Within 4 weeks of submission deadline/start date	Crucial to allow time to plan recruitment or redundancies
Inception meetings	4 weeks prior to start date	

Service Start/Closure

Key Phases	Suggested Timeframe	Comments
Payments	Minimum quarterly in arrears. Advance payments may be necessary for start-up or smaller organisations.	Whatever the payment timeframes a clear schedule for payments which is adhered to is critical.
Reporting and Monitoring meetings	Quarterly unless issues	Frequency may be adapted depending on provider needs and ability to deliver service
Project Closure notice	6-8 weeks prior to end of funding	

Annex D: Glossary of Terms, Acronyms and Useful Links

Key terms and links:

Capacity building for small community organisations: contact your local Third Sector Interface: [TSI Scotland Network website](#)

[Scottish Co-production Network website](#)

[Fair Work Convention website](#)

[Glasgow Council For the Voluntary Sector - Full Cost Recovery Page](#)

Lived experience: There are many lived experience networks in Scotland. A google search using lived experience networks Scotland generates a list.

Procurement: The [Procurement Journey](#) provides guidance for public sector buyers who procure goods, services and care and support services. **This Good Practice Guidance aligns with the requirements of the Sustainable Procurement Duty within The Procurement Reform (Scotland) Act 2014.** The [sustainable procurement duty](#) requires that before a contracting authority buys anything, it must think about how it can improve the *social, environmental and economic wellbeing of the area in which it operates, with a particular focus on [reducing inequality](#)*. It also requires a contracting authority to consider how its procurement processes can [facilitate the involvement of SMEs, third sector bodies and supported businesses](#), and promote innovation.

[Scottish Approach to Service Design](#)

Shared Measurement Framework: The Shared Measurement Framework (SMF) is the system used by local authorities and Scottish Government for recording and reporting data relating to client activity and employability outcomes funded through No One Left Behind. More information on the SMF can be found at this link: [Shared Measurement Framework](#)

Supplier: The [Supplier Journey](#) provides guidance on how to bid for public sector contracts.

Acronyms:

CRMS: Customer Relationship Management System. Many, but not all, areas use a CRMS to track participants across providers their journey to work

LAB: Lead Accountable Body, this is the local authority in relation to No One Left Behind funding

LEP: Local Employability Partnership, bring together a range of stakeholders in a local authority area to strategically guide employability provision, including through evidencing and prioritising local need based on their knowledge, experience, resources and data

NOLB: No One Left Behind, the policy framework which guides employability spending in Scotland. Find out more at [Employability in Scotland](#)

TSEF: the National Third Sector Employability Forum, is a network of large and small providers with an interest in employability. Find out more at [Knowledge Hub website](#)

TSI Network: The TSI Scotland Network is a body of charities that support, develop and advocate for the third sector and social enterprise and that also make it easier for people to volunteer. There are 32 Third Sector Interfaces across Scotland; one in each local authority area. Find out more at [TSI Scotland Network website](#)

SCVO: The [Scottish Council for Voluntary Services](#) is the national body for supporting third sector in Scotland, including providing advice and guidance on funding.

Annex E: Endnotes

ⁱ Research on NOLB: *No One left Behind and Young Person's Guarantee: Implementation Evaluation*, Scottish Government 2023, *Third Sector Employability Forum Research – NOLB Analysis*, TSEF 2024, 'Local Authority commissioning of employability support in Scotland and its impact on third sector provision', de Montfort University 2024, 'Exploring Employability Funding Allocation in Scotland', SPICe 2025

ⁱⁱ [Directive 2014/24/EU of the European Parliament and of the Council](#) now part of UK law in terms of the *European Union (Withdrawal) Act 2018*)