

No One Left Behind

Employer Recruitment Incentive Framework

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Developed in partnership with key stakeholders from across the employability landscape

No One Left Behind Employer Recruitment Incentive

Updated Framework – April 2026

PURPOSE

This framework sets out the minimum standards and good practice to support consistency in implementing an Employer Recruitment Incentive (ERI) delivered through Scottish Government No One Left Behind funds.

This guidance applies specifically to ERIs funded through No One Left Behind and **does not apply** to ERIs implemented using other funding sources, for which Local Authorities may establish their own rules.

This framework supports the commitment to deliver the No One Left Behind (NOLB) approach to employment support in Scotland, including the delivery of parental employability support in line with [Bringing Hope, Building Futures](#), Tackling Child Poverty Delivery Plan 2026 – 2031.

It is based on principles which underpin the approach contained within the Partnership Agreement for Employability and [Local Employability Partnership Framework](#) agreed by Scottish and Local Government.

This framework will support partners, allowing them to effectively implement the policy for a better aligned and integrated approach to national and local employability support in Scotland. This is reflecting the need to deliver a more coherent employability provision locally, in line with the Local Outcome Improvement Plan and aligned to the [National Performance Framework](#).

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BACKGROUND

The No One Left Behind Employer Recruitment Incentive (ERI) has been developed to help stimulate demand in the labour market - while also protecting and supporting fair work and a stronger labour market. ERIs play an important role in supporting those **most in need**, with the **greatest barriers to employment**, enabling them to obtain and remain in sustainable employment.

ERIs should integrate and link fully with existing employability and skills programmes and be available to use as a contribution to the additional costs of recruiting and sustaining eligible individuals in employment.

ERIs are paid directly to employers and can be used by them in several ways, where additional support is not already available, such as:

- supervisory costs
- training
- initial travel to work costs
- specialist in-work support
- wages

ERIs represent a progression step for participants, building on earlier work-related interventions. They are occasionally used as a continuation from other paid opportunities such as paid work placements and Intermediary Labour Market (ILM) roles.

Unlike these earlier interventions, where funding covers a participant's wage with no expectation of employment beyond the funded period, an ERI is intended to move the participant closer to sustained employment by supporting their progression into a longer-term post.

ERIs build on the strengths of existing employment support services, including Access to Work, to better align funding to improve outcomes for individuals and employers.

Responsibility for agreeing how much No One Left Behind funding should be allocated to ERI delivery in each local authority area, sits with the relevant Local Employability Partnership as part of local Annual Investment Planning.

OBJECTIVES

This framework, developed in partnership between the Scottish and Local Government, third sector and employer representatives, outlines agreed guidance and national minimum standards for publicly funded employer recruitment incentives to support people of all ages who meet the required eligibility criteria, whilst also embedding fair work principles into our support measures.

The **objectives of the framework** are:

- To provide consistency on ERI implementation across Scotland in line with legal requirements and policy priorities whilst also ensuring flexibility to adapt to local circumstances and a responsive approach which meets the needs of individuals and employers.
- To provide consistency in processes and practice in a way that builds trust, achieves improved outcomes, and helps to ensure that there are no unintended consequences such as labour market displacement.
- To ensure ERIs are accessible to employers, with access to support and simplified, fair and proportionate administrative processes.

The **objectives of No One Left Behind funded ERIs** are to:

- Positively contribute to a fairer, more inclusive economy and address the challenges of inequality and disadvantage within the Scottish labour market.
- Reduce the number of people who are unemployed or economically inactive
- Prioritise an inclusive approach to ensure that no one is left behind, particularly those participants defined in the Scotland Act 2016, namely disabled people; or those at risk of long-term unemployment, in receipt of reserved benefit, and where support will last for at least a year.
- Align with locally available jobs as well as emerging labour market opportunities, including green jobs, employment gaps and occupational segregation.
- Act as an important step in a flow of interventions that support an individual to obtain and remain in fair work.

ELIGIBILITY CRITERIA FOR CLIENTS

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**.

This allows for additional support – such as ERIs - to select, obtain and retain employment, only for the following groups:

- disabled people and people with a long-term health condition
- those at risk of long-term unemployment (and in receipt of reserved benefits, where the support lasts at least 12 months*).

ERIs for other target client groups which do not meet these criteria, can only be funded from Local Authority general revenue or alternative funding sources.

**Eligibility as per annual No One Left Behind Grant Offer Letter issued to Local Authorities by the Scottish Government – and in the Best Practice Guidance.*

ELIGIBILITY IN RELATION TO IMMIGRATION STATUS

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.

EMPLOYERS

Employers from all sectors, including the public sector, are eligible for ERI and there is no restriction on the size of employer. However, there should be an emphasis on SMEs, micro-businesses, and third sector organisations, including social enterprises.

- The number of individuals an employer can recruit and appropriately support using an ERI can be determined on a case-by-case basis and determined by the local delivery partner.
- Recruitment to an ERI funded position should be made through collaboration between the employer and the local Employability Team. This may take place through direct matching, open recruitment or any other means, as long as the recruited individual meets the No One Left Behind eligibility criteria.
- Employers receiving an ERI should be strongly encouraged to promote and embed fair work in line with the [Fair Work First Guidance](#). For example - ensure that the participant receives formal training and/or induction as part of their job and as part of their investment in workforce development and be proactive in their collection and use of data to address specific equality issues.

ELIGIBILITY CRITERIA FOR EMPLOYERS

Where ERIs are provided to employers, they should be used to create additional jobs within the workforce or to fill existing vacancies, and **must not be used to replace redundant roles, cover sickness or maternity leave.**

In line with the Scottish Government's Commitment to Fair Work, employers must pay the postholder the [Real Living Wage](#) or above.

Applying Fair Work First Conditionality

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 are expected to give regard to the Fair Work Framework, which can be found here: [Fair Work Employer Support Tool](#).

Any employer who receives No One Left Behind ERI funding, must meet the below mandatory criteria and commit to work towards the desirable criteria.

Mandatory Fair Work Criteria:

- All employees in the organisation, including apprentices, must be paid at least the real Living Wage
- Provide appropriate channels for effective workers' voice, such as trade union recognition

Desirable Fair Work 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 employment
- Opposing the use of fire and rehire practice.

These Fair Work First criteria seek to address particular challenges in Scotland's labour market, to make a real difference to people and their communities, business and other organisations and the economy. The mandatory criteria will be the minimum standard required for a grant award, and grant applicants should also confirm that they are committed to working towards the five remaining desirable criteria.

REMINDER: Employers **cannot** use ERI funding to:

- Cover sickness or maternity leave.
- Replace a redundant post.

GEOGRAPHICAL ELIGIBILITY

The ERI is a beneficiary employment support measure based on the **participant's postcode**, meaning that funding for an ERI is provided by the Local Employability Partnership (LEP) for the area where the individual lives. However, Scottish Government funding for ERIs is intended to be person-centred, so the funding is expected to follow the individual.

This means employers offering opportunities to No One Left Behind participants **do not** need to be located in the same local authority area as the participant. When designing ERI programmes, Local Employability Partnerships should consider travel to work areas, wider regional opportunities, and the individual's personal circumstances, including their ability to travel.

If an individual's LEP **does not** offer ERIs, but the employer's LEP **does**, then the employer's LEP **should consider** supporting the individual and ensure the participant and ERI is recorded on the Data Reporting Template.

It is also expected that Local Authorities/ Employability Providers will support the employer to:

- Conduct regular reviews between the Employee, Employer and Provider.
- Take action to create a more diverse and inclusive workplace.
- Ensure a safe and healthy working environment. Comply with all statutory requirements such as ensuring a safe and healthy working environment and having Employers Liability Insurance.
- Make a commitment to retain the participant in post after the ERI investment ends, with the ambition of offering a permanent contract.

PAYMENTS

The Employer must demonstrate they are paying at least the Real Living Wage to all employees before a grant can be accessed. All staff aged 16 and over, including apprentices, who are directly employed as part of the ERI must be paid at least the Real Living Wage.

Local partnerships will have the flexibility to decide what level and duration of ERI should be allocated based on the needs of the individual, for example funding can be pro-rata for 6 months, but the offer of support from an employability provider should last for a minimum of 12 months.

CONTRACT EXPECTATIONS

The maximum amount that can be paid over the course of 12 MONTHS (pro-rata if a shorter duration), if supported by Scottish Government funding will be:

- 10 to 15 contracted hours per week, paid at real Living Wage rates or above = £4,000
- 16 to 20 contracted hours per week, paid at real Living Wage rates or above = £6,000
- 21 to 29 contracted hours per week, paid at real Living Wage rates or above = £8,000
- 30 or more contracted hours per week, paid at real Living Wage rates or above = £10,000.

NB: Where a Local Authority chooses to support a post under 10 hours to meet client need, it may apply its discretion in determining pro rata rates. While posts must be a minimum of 8 hours per week, limited flexibility below this threshold may be considered in exceptional circumstances.

Local partnerships can decide to use other sources of funding to supplement their ERI. The payment arrangements and financial compliance will be agreed between the funding partner/delivery partner and the employer reflecting public sector financial regulations and procedures.

Payments

To ensure ERIs remain accessible and proportionate for employers of all sizes, Local Employability Partnerships should take account of the following when setting payment schedules and evidence requirements. These considerations are particularly relevant for SMEs, micro-businesses and third sector organisations, where cashflow and administrative capacity may be more limited.

Payment Frequency

Local Employability Partnerships could consider adopting payment schedules that provide sufficient financial support to smaller employers with suggested minimum standards aligned to the following structure examples:

- **Initial start/fixed payment**, followed by **13, 26 and 52-week payments**
Or
- **Regular payments at 13, 26, 39, 52 weeks**

This approach provides early financial support for employers while maintaining appropriate checks on sustained employment.

Evidence Requirements

Evidence requirements for drawing down ERI payments must be proportionate, clear and aligned with standard employer practice. Excessive or complex financial reporting may place an unnecessary burden on smaller employers and discourage participation.

As a minimum, local areas should request:

- **A copy of the employment contract**,
- **Wage slips** to confirm hours and pay, and
- **A quarterly review** in line with ongoing in-work support practices

Local Employability Partnerships should ensure that all evidence requirements are communicated clearly and consistently to employers, and that they are not more onerous than necessary to demonstrate compliance.

Payment **should not**:

Duplicate costs that will be paid for other programmes such as the Youth Hiring Incentive or the Jobs Guarantee being introduced by the UK Government.

However, it can be used to pay for support for a period prior to Access to Work funding being established, to ensure the job is retained. It does not replace an employer's duty under the Equality Act to make reasonable adjustments. This is particularly relevant to Public Sector employers, who have a duty to provide reasonable adjustments which must be funded directly.

Local Employability Partnerships may consider requesting more detailed information on the distribution of No One Left Behind ERI funding.

The ERI can be aligned to other employability delivery, such as paid work placements, where appropriate to support the sustainability of employment, and can be used consecutively.