

Report to: Lead Member for Economy

Date of Meeting: 17 March 2026

By: Director of Communities, Economy and Transport

Title: Adult Skills Fund: 2026/27 Grant allocation and delivery Arrangements

Purpose: To inform the Lead Member that the Department for Education intend to provide the County Council with an additional allocation of £940k Adult Skills Fund to deliver additional adult learning provision during the 2026/27 academic year and to seek agreement to accept the funding and deliver the programme.

RECOMMENDATIONS

The Lead Member is recommended to:

- 1) Accept the additional Adult Skills Fund allocation; and
 - 2) Delegate authority to the Director of Communities, Economy and Transport to take any actions necessary in relation to the implementation of the additional Adult Skills Fund in line with existing responsibilities for Adult Skills Fund (Skills Bootcamps and Adult Community Learning).
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1 Background information

1.1 The Department for Education's (DfE) Adult Skills Fund (ASF) brings together multiple adult learning budgets to fund flexible, employment-focused skills provision for residents aged 19+. It typically supports:

- Accredited and non-accredited adult learning
- Skills for Work courses
- English for speakers of other languages (ESOL) and basic skills
- Short vocational skills programmes aligned to employer need
- Community-based learning that supports progression into work or further training

1.2. On the 12 February 2026 the DfE formally confirmed that as part of the second year of the Pathway to Devolution pilot, the County Council will be allocated an additional indicative allocation of £940,000 of ASF, in addition to its Skills Bootcamp and Adult Community Learning provision for the academic year 2026/27. The additional allocation is to be used to deliver formula funded, qualification based ASF provision, split across both core ASF and Free Courses for Jobs (FCFJ). Final allocations are expected to be confirmed in March 2026 when a grant offer letter will be issued.

1.3. As with other devolved skills funds, the County Council will act as the accountable body, with the Adult Learning Team (Employment and Skills) responsible for commissioning delivery, managing performance and ensuring compliance with DfE funding rules.

1.4. The Get Sussex Working Plan (GSWP), identifies that East Sussex has a low qualifications base, with only 54% educated at Level 3 or above, hindering productivity. This is reinforced by the current draft Local Skills Improvement Plan (LSIP) which is due to be submitted to Skills England by Sussex Chamber of Commerce (the Employer Representative Body) by the end of May 2026.

1.5. ASF provision will address this issue, contributing to the objectives laid out within the East Sussex Economic Prosperity Strategy 2024-2050 and support the County Council's core priority outcomes (i) driving sustainable economic growth; (ii) keeping vulnerable people safe; (iii) helping people to help themselves; and (iv) making best use of resources now and for the future.

1.6. In 2026/27, the Council will be fully accountable for the ASF spend. For the 2027/28 academic year it is anticipated that ASF will be devolved to the Sussex and Brighton Combined County Authority (SBCCA) to oversee, although this is dependent on the SBCCA being legally constituted by August 2026, and on the Department for Work and Pensions (DWP) who Government have confirmed will be responsible for overseeing ASF in the future, approving the devolution of the funding from this date. Should the funds not be devolved to the SBCCA from 2027/28, they would continue to remain with the County Council to oversee and commission for an additional year.

2. Supporting information

2.1. The County Council already has agreements in place to receive £1.68m of ASF (comprising £1.5m Skills Bootcamp funding and £180k of Adult Community Learning). The funds are allocated to the County Council in accordance with Section 14 Education Act 2002 and Section 100(1) Apprenticeships, Skills, Children, and Learning Act 2009 and the contract specifies that “The Provider must use the Funding solely for the purpose of delivering the Services as set out in this Agreement.”

2.2. As with the Skills Bootcamps programme, the County Council will be required to procure adult training providers through an open competitive process that ensures transparency and accountability.

2.3. The Adult Learning Team will work with relevant officers to determine the best process for procuring ASF contractors and will mobilise swiftly to ensure that contracting takes place in time for delivery of ASF provision from September 2026.

2.4. Procurement will be undertaken with West Sussex County Council (WSCC) and Brighton and Hove City Council (BHCC), who have also received additional allocations, so that common procurement methods can be used in order to facilitate and hasten the process and to identify the most effective use of funds in order to inform the development of specifications.

2.5. Training delivery provision that can be commissioned using the funds include:

- Skills shortages (e.g. digital, health & care, construction, green skills);
- Residents furthest from the labour market;
- FCFJ provision, supporting adults to gain entry-level and intermediate skills aligned to employer demand and enabling progression into Skills Bootcamps, apprenticeships or work-related training;
- Foundation skills including ESOL, English and maths;
- Progression pathways aligned to employer demand and the GSWP ambitions (reflected in the GSWP skills shortage analysis).

2.6 The Adult Learning Team will be working with WSCC and BHCC colleagues to develop the specifications for delivery in line with needs identified through data analysis of current ASF provision in the county, feedback from Skills and Employment East Sussex task groups regarding skills gaps and LSIP analysis.

Programme Management and Oversight

2.7 The programme will be overseen by the Adult Learning Team within the Employment and Skills Team, to ensure that the programme aligns with wider Adult Skills provision (e.g. Skills Bootcamps), maximises efficiencies from the same IT systems and management processes used to deliver Skills Bootcamps and draws on current resources within the team. The DfE permits up to 15% of the budget to be used to support costs associated with preparing for this additional delivery. Known as 'Preparatory Funding' this will be issued as a separate grant, and the amount awarded will be deducted from the County Council's overall allocation. The County Council intends to use £89,100 of this funding to cover the costs for the April 2026 to September 2026 period as follows:

Procurement and legal costs:	£20,000
Staff preparatory and planning time February - September:	£45,600
Management Information Systems subscription:	£4,500
ASF Datacube analysis and reporting to inform programme specification:	£15,000
Marketing of provision:	£4,000
TOTAL:	£89,100

2.8 Some of this funding will be used in conjunction with funds from partners in West Sussex and Brighton and Hove in order to secure efficiencies.

2.9 Up to 20% of the remaining budget (£170,180) can be used for project management to deliver:

- Contracting and relationship management
- Quality assurance and learner-outcome monitoring
- Finance and compliance oversight
- Reporting to DfE

2.10 The Council intends to use these funds for project oversight. The programme will draw on the existing Adult Learning Team staff resources with some additional staffing required for the additional data administration and quality assurance oversight.

Risk / liability for the County Council

2.11 Preparation costs are allocated separately so that there is no risk to this portion of the funding. It is understood that these costs are paid in advance by the DfE. Project Management costs of £170,180 are ringfenced and are normally paid in advance.

2.12 The remaining delivery element of the funding (£680,720) will be allocated to delivery partners in arrears, on evidence of delivery against agreed targets, thus posing no financial risk to the Council.

2.13 The main risks are:

- Holding the ASF would place the County Council under Ofsted scrutiny, creating risks around capacity, compliance and reputation. To mitigate risk, Quality Assurance will be built into the procurement process and will form part of the project management budget. The County Council has recently been inspected in 2023, and it is not anticipated that an inspection will take place during the current contract lifetime.
- Contracting with delivery providers will carry risk, because the Council remains fully accountable for the quality, compliance and learner outcomes even when another organisation delivers the training. Payments to providers will be made on the delivery of outcomes, and they will need to cost their proposed provision sensibly, and/or will need to over-recruit to their courses in order to achieve outcomes. Contracts will specify the retrospective nature of funding.

2.14 To mitigate risks, the DfE reviews provision and enables ongoing project amendments such as moving funds between providers, from less successful courses to those that are achieving their goals.

2.15 As the accountable body for the programme, the County Council would be responsible for ensuring that the grant funding is spent in accordance with the grant agreement (which is due to be issued in Spring 2026).

2.16 As the accountable body, the County Council will also be required to allocate contracts to local providers, using an approach that the County Council determines meets its financial and legal obligations.

2.17 The County Council would be responsible for reporting on project activities, outputs and outcomes throughout the project at regular intervals via the same DfE online system and processes that are currently used by the County Council to manage the Skills Bootcamp programme.

3 Conclusion and reasons for recommendations

3.1 The indicative allocation of £940,000 Adult Skills Fund presents a significant opportunity to support residents to upskill and address labour-market gaps highlighted in the Get Sussex Working Plan, Local Skills Improvement Plan and supports the East Sussex Prosperity Strategy.

3.2 The Lead Member for Economy is therefore recommended to accept the additional Adult Skills Fund allocation and note the proposed outline delivery and management of the Adults Skills Fund programme in East Sussex.

3.3 The Lead Member for Economy is also recommended to delegate authority to the Director of Communities, Economy and Transport to take any actions necessary in relation to the implementation of the additional Adult Skills Funding in line with existing delegations relating to Skills Bootcamps and Adult Community Learning.

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LOCAL MEMBERS

All members