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Introduction

Across the country, devolution is moving important choices about local investment and training from government to local decision makers.

The Greater Lincolnshire Combined County Authority is consulting on changes it is considering making to the Adult Skills Fund rules that would see money redirected to adult literacy courses.

The Adult Skills Fund is an existing budget currently managed by central Government and is due to be devolved during 2026. It is the largest of central government's budgets for educating and training adults aged 19 and above.

It is estimated that £18m Adult Skills Fund will be devolved to Greater Lincolnshire for the academic year starting August 2026 and the Department for Education will confirm the amount in February 2026.

Funding for adult skills was cut across the UK last year and the amount that is devolved to Greater Lincolnshire is likely to be less than has been available in previous years. In light of reduced budgets from central Government, the Authority must make decisions on how it is spent for Greater Lincolnshire residents.

The Authority is seeking views on the changes it is considering from Greater Lincolnshire residents as well as key stakeholders including further education colleges, training providers, employers, and community groups.

The consultation will allow the Authority to assess the impact of the funding rule changes being considered and responses will inform a final decision that will be made at the meeting of the Authority in February 2025.

The consultation will remain open until 21st January 2026.

Adult Skills Fund – What is it?

The devolved adult skills budget covers different areas of learning:

Tailored Learning (approx. 20% of the budget) is available within the Adult Skills Fund budget to deliver non-qualification and non-regulated learning. It is used to support wider outcomes such as to improve health and wellbeing, equip parents/carers to support their child's learning and develop stronger communities.

The Adult Skills Fund (approx. 70% of the budget) supports adult learners to gain skills and qualifications up to Level 2 which will lead them to employment or enable them to progress to further learning which will deliver that outcome.

The Free Courses for Jobs Fund (approx. 7% of the budget) helps adults gain valuable skills and qualifications to improve their job prospects and earning potential by fully funding a Level 3 qualification in particular subjects.

Innovation Funding (approx. 3% of the budget) encourages local innovation and supports providers to be able to develop new provision, in partnership with local employers and others. It is only available to Grant Funded Providers (Colleges and Local Authorities).

Fully funded (free to the learner) and co-funded (partly funded by the learner) training courses for adults include:

- English and Maths up to Level 2 (Age 19 and over)
- First full Level 2 (for ages 19–23) in a wide range of subjects
- First full Level 3 (for ages 19–23) in a wide range of subjects
- Essential Digital Skills up to Level 1

(Level 2 is equivalent to the complexity of a GCSE and Level 3 is equivalent to the complexity of an A Level. The duration of courses varies from several hours, to many weeks, and training may take place in the learner's own time if employed)

The funding is targeted. Its purpose is to support adults (aged 19 and older) who have no, or low levels of learning or qualifications and it helps them to gain skills for employment, or to progress in their careers. Statistics show that 1 in 6 adults in England (6.6 million) have very poor literacy skills. The changes that are being considered by the Authority would free up funding for more literacy courses.

The funding is provided to colleges, Local Authorities and training organisations who use it to deliver training courses to adults living in Greater Lincolnshire. It is not the only fund for adult training.

For the purposes of this document and the consultation questions, unless otherwise stated, please assume that Adult Skills Fund includes Tailored Learning and Free Courses for Jobs funding.

Changing these rules will not affect how Apprenticeships or T Levels, or degrees are funded.

The Proposal

The proposal below explains the changes that are being considered.

1. Change to Residency Eligibility

The Authority is considering the re-introduction of the residency eligibility rules that were in place for over a decade up to July 2025. These rules stated that to be eligible for free or subsidised training through the Adult Skills Fund, learners must be ordinarily resident in the UK for 3 years, except for certain groups such as members of the armed forces, refugees and others covered by national exemptions. Those residency rules are within the 2024-2025 funding rules: [Adult skills fund: funding and performance management rules 2024 to 2025 - GOV.UK](#)

Current national rules, which came into force on 1st August 2025, say that learners should be ordinarily resident in the UK on the first day of learning to qualify for any free or partly free training. The current national rules in full are here: [Adult skills fund: funding and performance management rules 2025 to 2026 - GOV.UK](#)

The money saved by reinstating the three-year residency requirement will be redirected to provide more free or partly free training opportunities for adults residing in Greater Lincolnshire. It will not be used for anything other than the adult learning programme.

Analysis of data from the 2021 Census provides an estimate that approximately 5,800 people per year come to live in Greater Lincolnshire from outside of the UK. More recent data is not available, and neither is there any information about the number of Greater Lincolnshire residents who had lived in the UK for less than 3 years who received fully or subsidised training last year.

2. English for Speakers of Other Languages (ESOL)

Central Government currently approves which qualifications and training courses are eligible for state funding. When funding is devolved, the Authority is legally permitted

to alter which courses it will fund for Greater Lincolnshire learners (outside of a few that central Government says it must offer).

The Authority is proposing to stop funding all ESOL courses, i.e. any course or training that teaches English for Speakers of Other Languages (ESOL) would not be funded by the Authority. Funding would be redirected to provide additional literacy training. No exemptions to this rule would be made by the Authority. Residents who want to learn to speak English could access commercially available courses, funded privately, or access free online learning.

Under current rules unemployed adults, and adults earning an annual salary below £25,700 (gross) are eligible for fully funded (free) ESOL training. Adults who earn above the threshold can access ESOL training that is partly funded, 50% subsidised by Government. The individual (or the employer) must pay for the other 50%.

In 23/24 approximately £1m was spent on ESOL qualifications and training to 1427 Greater Lincolnshire residents. No learner numbers are currently available to the Authority for 24/25, but estimates are that it was significantly higher.

The money saved if this rule were introduced would be redirected to provide additional free literacy opportunities for adults residing in Greater Lincolnshire. It would not be used for anything other than the adult learning programme.

Other Statistics

Literacy: 1 in 6 (18% / 6.6 million people) adults aged 16 to 65 in England have very poor literacy skills (Survey of Adult Skills, Report for England, 2023)

Population by Residency (2021 Census):

- 91% of residents in Greater Lincolnshire were born in the UK.
- 57,000 (5.3%) were born overseas and have been in the UK for 10 years or more.
- 21,300 (1.9%) were born overseas and have lived in the UK between 5 and 10 years.
- 13,800 (1.3%) were born overseas and have lived in the UK between 2 and 5 years.
- 10,400 (1.0%) were born overseas and have lived in the UK for less than 2 years.

English Language Proficiency (Census 2021, residents aged over 3 years):

1. Of the Greater Lincolnshire residents whose main language is not English (62,650), just over 47,000 (75%) speak English well, or very well.
2. 13,490 people (1.3% of the Greater Lincolnshire population) could not speak English well.
13,490 was broken down as follows:
 - 7,976 had lived in the UK for over 5 years; (4,655 of these for over 10 years)
 - 2,657 had lived in the UK for between 2-5 years,
 - 2,251 had lived in the UK for less than 2 years,
 - 606 were born in the UK
3. 2,128 people (0.2% of the Greater Lincolnshire population) could not speak English at all.
2,128 was broken down as follows:
 - 839 had lived in the UK for over 5 years; (447 of these for over 10 years)
 - 583 had lived in the UK for less than 2 years,
 - 418 had lived in the UK for between 2-5 years,
 - 288 were born in the UK.

Ends