



Department
for Work &
Pensions

Buckinghamshire Local Authority
Cornwall Council
Devon and Torbay Strategic Authority
Lancashire Strategic Authority
Surrey Local Authority
Warwickshire Local Authority

Department for Work and
Pensions
Caxton House
Tothill Street
Westminster
SW1H 9NA
www.gov.uk/dwp

Date: 15 April 2026

Dear Colleague,

Re: S31 Grant Determination (Ring-Fenced) Letter for Free Courses for Jobs (Level 3 Adult Offer) Funding: No. 31/7826 (DWP Grant Reference: L3AO-25-26)

This Determination is made between:

- (1) **The Secretary of State for Work & Pensions** and
- (2) **Buckinghamshire Local Authority
Cornwall Council
Devon and Torbay Strategic Authority
Lancashire Strategic Authority
Surrey Local Authority
Warwickshire Local Authority**

This letter confirms the amount of ring-fenced funding to be transferred in the financial year (FY) 2026-27 (1 April 2025 to 31 March 2026) for the delivery of the Level 3 Free Courses for Jobs in your devolved area. It also sets out the conditions for the use of this ring-fenced funding.

Payment arrangements

You will receive your FY2026-27 payment by mid-April 2026. The payment is in addition to the annual Devolved Adult Skills Fund (ASF) for the FY2026-27, which has been communicated separately.

We are providing this grant as a Section 31 (S31) ring-fenced transfer under the Local Government Act 2003 and have copied this grant letter to the Chief Finance Officer of your Combined Authority for information.

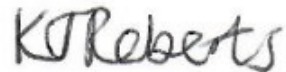
Grant Conditions

Annex B sets out the grant conditions that apply to the ring-fenced funding.

Enquiries

Please contact skills.devolution@education.gov.uk for further information.

Signed by authority of the Secretary of State for Work and Pensions,

A handwritten signature in black ink that reads "KJ Roberts". The signature is written in a cursive, slightly slanted style.

Katy Roberts
Adult Skills Fund
Deputy Director
Localism Strategy
Pathways to Work, Connect to Work, Localism, Employment Support and Adult
Skills Fund Directorate

Re: S31 Grant Determination (Ring-Fenced) Letter for Free Courses for Jobs Funding: No. 31/7826 (DWP Grant Reference: L3AO-25-26)

The Secretary of State for Education (“the Secretary of State”), in exercise of the powers conferred by section 31 of the Local Government Act 2003, makes the following determination:

Citation

1) This determination may be cited as the Free Courses for Jobs Determination for FY2025-26 [31/7826].

Purpose of the grant

2) The purpose of the grant is to support the Government’s ‘Lifetime Skills Guarantee’ and deliver a targeted Level 3 adult offer (now called Free Courses for Jobs,) to help adults without an existing full Level 3 qualification or above or who are unemployed or earning low wages by providing a free fully funded Level 3 qualification to learners aged 19 and over. Further details are set out in ASF funding rules.

Determination

3) The Secretary of State determines as the authorities to which grant is to be paid and the amount of grant to be paid, the authorities and the amounts set out in Annex A.

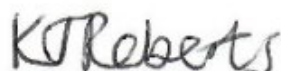
Grant conditions

4) Pursuant to section 31(4) of the Local Government Act 2003, the Secretary of State determines that the grant will be paid subject to the conditions in Annex B.

Treasury consent

5) Before making this determination in relation to specified Mayoral Combined Authorities in England, the Secretary of State obtained the consent of the Treasury.

Signed by authority of the Secretary of State for Work and Pensions



Katy Roberts
Adult Skills Fund
Deputy Director
Localism Strategy
Pathways to Work, Connect to Work, Localism, Employment Support and
Adult Skills Fund Directorate

Free Courses for Jobs funding transferred to specified Strategic Authorities¹

	FY 26-27 Total	AY 26/27 Total
Buckinghamshire	£292,257	£454,596
Cornwall	£852,077	£895,984
Devon and Torbay	£569,417	£909,451
Lancashire	£2,265,743	£3,452,492
Surrey	£571,133	£887,050
Warwickshire	£338,751	£533,133

Table covering Financial Year 2026-27

	Apr 26 to Jul 26	Aug 26 to Mar 27	Total
Buckinghamshire	£0	£292,257	£292,257
Cornwall	£250,781	£601,296	£852,077
Devon and Torbay	£0	£569,417	£569,417
Lancashire	£0	£2,265,743	£2,265,743
Surrey	£0	£571,133	£571,133
Warwickshire	£0	£338,751	£338,751

Table covering Academic Year 2026/27

	Aug 26 to Mar 27	Apr 27 to Jul 27¹	Total
Buckinghamshire	£292,257	£162,339	£454,596
Cornwall	£601,296	£294,688	£895,984
Devon and Torbay	£569,417	£340,034	£909,451
Lancashire	£2,265,743	£1,186,749	£3,452,492
Surrey	£571,133	£315,917	£887,050
Warwickshire	£338,751	£194,383	£533,133

Notes:

1. This is not the overall total for FY 2027-28, which will include an amount from the academic year (AY) 2026/27. We will confirm this amount in January 2027 and it will be issued under a separate S31 Grant Determination (Ring-Fenced) Letter.
2. For clarity and accessibility two tables are included here. Some of the same data is included in both tables (e.g. Aug to Mar funding figures)

¹ Only non-Mayoral Strategic Authorities are included here as they receive non-ringfenced FCFJ funding.

Grant Conditions

1. In this Annex:

“the Department” means the Department for Work & Pensions.

“the Authority” means the Combined Authority specified at (2) on page 1.

“the Secretary of State” means the Secretary of State for the Department for Work and Pensions.

Eligible expenditure

2. The Grant paid to the Authority under this determination is ring-fenced. This means the funding can only be used to support eligible expenditure.
3. Eligible expenditure means allocations made by the Authority, between 1 April 2026 and 31 March 2027, to the Authority’s Adult Skills Fund funded providers and for the delivery of Free Courses for Jobs.
4. This funding must only be used:
 - To deliver the qualifications in the [Level 3 Free Courses for Jobs offer](#) (note that this list is amended as qualifications are added to or removed from the offer. Please note the funding approval start and end date under funding details).
 - For the following learners:
 - adult learners aged 19+ without a first full Level 3 qualification or above and who meet the ASF residency criteria (subject to notifying the department whether you will continue to use these criteria); or
 - adults aged 19+ who are unemployed or earn below the earnings threshold, even if they hold a full Level 3 qualification or higher. Further details are set out in ASF funding rules.
5. However, the Authority has discretion to use up to 50% of its ring-fenced grant funding subject to meeting all the following conditions:
 - You may fund eligible learners (as outlined in paragraph 4) who are enrolled on Level 3 qualifications eligible for government funding.
 - You may fund eligible learners in the construction sector subject area at all levels (you can also adapt your prior attainment criteria as necessary)
 - You may fund CSCS cards but this will need to be recorded in the ASF and reflected in your statement of grant usage (as per paragraph 10)

- Usage of this flexibility must be tracked via the ILR as per the guidance the department has issued to SAs on this flexibility. During the reconciliation process at the end of the Academic Year, the SA will only be able to claim funding for learners which are recorded accurately on the ILR.

You cannot use your ring-fenced grant on any qualifications or learners that do not meet the above criteria. Any qualification delivered via this route will not attract uplifts funded from this ringfenced grant described in paragraph 7.

6. When determining its earnings threshold, (as per paragraph 4), the Authority may determine their own reasonable threshold, as long as this is at or higher than the National Living Wage annually (£26,800 per year from April 2026). You must inform the Department of your earnings threshold.
7. In addition, the qualifications included in the Free Courses for Jobs offer will attract an uplift:
 - £600 for qualifications of 360 Guided Learning Hours (GLH) and above (unweighted rate).
 - £150 for qualifications of 359 GLH and below (unweighted rate).
8. The Authority must apply the same ASF funding rates and formula and the above uplifts for delivery of the Free Courses for Jobs offer by the Authority's ASF funded providers. This will ensure consistency across devolved and non-devolved areas. Any uplift above this will not be funded from the ring-fenced Free Courses for Jobs offer grants.

Grant Usage

9. Grant usage will be calculated against academic years (AY) for the purposes of determining underspends. This applies to the whole grant including any of the flexibility outlined in paragraph 5.
10. To determine the Authority's grant usage, the Department and the authority will collect ILR data on the delivery of qualifications available in the list of qualifications for the [Free Courses for Jobs offer](#) (please note the funding approval start and end date detailed under funding details) and for the flexibilities outlined in paragraph 5. The Department will collect the following ILR data (though not limited to):
 - Details of the Authority's providers in receipt of funding.
 - Learning aims delivered (number of learners eligible for funding through the Free Courses for Jobs offer).
 - The age of learner.
 - Spend against the Authority's ring-fenced grant, to the extent it is collected on the ILR.

11. The Department will only consider grant usage against qualifications funded according to the [ASF Funding Rates and Formula](#). To ensure the ILR captures this correctly, please refer to the guidance in [ASF funding Rules](#) and any other guidance issued to SAs about how data should be captured in the ILR .
12. Any additional uplifts or alternative funding rates used by the Authority's ASF funded providers to deliver the Free Courses for Jobs offer must come from the Authority's 'core' ASF. The Department will not pay for any uplifts outside those outlined in the ASF Funding Rates and Formula document.
13. The Department will apply the Authority's grant usage, determined by the ILR, to the reconciliation process to verify delivery at Authority level. However, this information from the ILR may not be sufficient to tell us the total extent of legitimate SA expenditure on the FCFJ offer.
14. The authority must submit a statement of grant usage to determine legitimate spend, by a date specified by the Department. The statements must record the following accurately:
 - Any learning support in addition to the £150 per learner per month captured via the ILR using code 'LSF' (this may be captured via the Earnings Adjustment Statement, but this will not be broken down to identify Free Courses for Jobs offer spend).
 - Additional learner support.
 - Information which allows us to understand the true picture of delivery in the SA area covering providers' allocations and delivery against them. This allows us to understand whether recovery of underspend is required. Where an SA has paid a provider 100% against delivery of 97%-100% it will not count as an underspend (see below).
15. This statement of grant usage will be against **AY2026/27**. It will be required in early January 2028 (in a format specified by the Department). It will be a funding statement. This will be used to determine any underspends which the department will recover from the April 2027 payment. Any funding not used in accordance with the conditions in this letter between **August 2026 – March 2027** will be recovered from future grant payments. If returns are not provided to the department by the date specified, the Department will determine the level of usage based on its ILR records.

Assurance and financial management

16. We require the Authority to carry out appropriate assurance and checks to ensure this funding is used in accordance with the conditions in this letter and relevant funding rules, and to ensure the funding is not misused or fraudulently claimed. This can be conducted on an internal or external basis depending on the assurance arrangements in place at the Authority. The internal and/or external audit reports conducted must make clear that

the population sample includes Free Courses for Jobs and make explicit reference to financial spend related to Free Courses for Jobs. This is required even if the same assurance processes are used for general ASF spend.

17. The Authority must provide additional detail in the assurance statement where errors are found relating to a) the time period to which audit reports relate and b) the population size and sample used for the checks. We will also require an additional level of detail surrounding how these errors translate into costs and any relevant steps that have been taken to rectify the errors with the provider(s).
18. Whilst we expect these assurance arrangements to incur limited financial burden on the Authority, we will allow up to 1% of the total Free Courses for Jobs grant value to cover audit and administration costs relating to Free Courses for Jobs only. Usage of this funding must be accurately detailed in the Authority's financial statement of grant usage and, in the event of any discrepancies, may require further evidence relating to spend.
19. The Authority must inform the Department immediately of any significant financial irregularity/control issues raised during their audit and assurance processes, along with details of how the Authority intends to recover these funds. The Secretary of State may at any time require a further external validation to be carried out by an appropriately qualified independent accountant or auditor, on the use of the grant.
20. The Authority must also provide an assurance statement at the financial year end in line with the requirements set out in this letter. That assurance statement should include details of spend for the whole of FY2026-27 broken down by the relevant periods in AY2025/26 and AY2026/27 (recognising that AY2026/27 information will not be finalised at this point) and by provider. Any significant inconsistencies in the AY2025/26 spend (when comparing the assurance statement to the funding statement referred to in paragraph 16) will result in a further adjustment which will be made to the Authority's future payments to recover the difference.
21. We require that this assurance statement sets out how the Authority monitors the veracity of its providers' ILR returns in relation to this grant and any internal or external audit which is conducted on this spend. Any internal and/or external audit reports must be made available to the Department when they become available (and the Authority must retain copies for inspection for a period of 6 years).
22. As part of this assurance statement the Chief Finance Officer or designated SA s73 officer for each of the recipient authorities are required to sign and return to the team leader of the Adult Skills Team within the Localism Strategy Directorate of the Department of Work & Pensions a declaration, to be received no later than 30 April 2027, in the following terms:

“To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to the Free Courses for Jobs Determination No 31/7826 have been complied with.”

23. If an Authority fails to comply with any of the conditions and requirements of this letter and its annexes, the Minister of State may-
 - a) reduce, suspend, or withhold grant; or
 - b) by notification in writing to the Authority, require the repayment of the whole or any part of the grant.
24. Any sum notified under paragraph 23(b) shall immediately become repayable to the Department for Work & Pensions.
25. In the event of any discrepancies between the grant usage determined by the ILR data (supplemented by the information provided by the Authority through the statement of grant usage) and the Authority’s own records on spend against the grant, both Parties will share evidence and use all reasonable endeavours to agree an amount of acceptable grant usage.
26. Ultimately, if an amount of acceptable grant usage cannot be agreed between both Parties, then the final decision will rest with the Secretary of State.

Managing Under Delivery

27. The Authority will be responsible for managing any under or over delivery amongst the Authority’s ASF Funded Providers who receive a Free Courses for Jobs offer allocation, within the total ring-fenced grant provided.
28. We will account for AY2026/27 underspends into grants for FY2028-29.
 - **Net under delivery** - the Department will recover any net underspend below 100% of the total ring-fenced grant provided (1 August 2026 to 31 July 2027 period), by **reducing** the Authority’s ring-fenced grant in FY2028-29. This applies to the whole grant including any of the flexibility outlined in paragraph 5.
 - **The Department is content for an Authority to pay a provider 100% against delivery of 97-100% and count this as 100% spend for that provider.** This is in line with the Department model, which allows 97-100% delivery with no recovery. There will therefore be no recovery (through the adjustment of future years’ budget) of ring-fenced FCFJ funding for the portion of funding where the Authority agrees 100% funding to providers against delivery of 97-100%. We will consider this 100% delivery. This must be fully evidenced through the statement of grant usage return.

29. It will be made clear in the Authority's Grant Determination (Ring-fenced) Letter issued for FY2028-29, that any reduction in the Authority's grant attributed to FY2027-28 is in arrears.
30. Funding will be available via future grants to fund continuing learners beyond FY2026-27.

Financial Management

31. The Authority must inform the Department immediately of any significant financial irregularity/control issues identified or suspected as part of its assurance processes (e.g. in audit reports).
32. The Secretary of State may at any time require a further external validation to be carried out by an appropriately qualified independent accountant or auditor, on the use of the grant.

Evaluation

33. The Department may undertake or engage a third party to undertake an evaluation of the Free Courses for Jobs offer.
34. In relation to any such activity, the Authority will:
 - Provide all reasonable assistance.
 - Respond to all reasonable requests.
 - Provide any information reasonably required.

Changes to the Department's Requirements

35. The Department will give the Authority notice of any significant changes to the Free Courses for Jobs offer to which the Authority will be asked to respond. For example, if the qualification list for the Free Courses for Jobs offer changes or expands in the future.