



Department
for Work &
Pensions

Guidance

Draft apprenticeship funding rules: summary of changes

Published 22 April 2026

Applies to England

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This publication is available at <https://www.gov.uk/government/publications/apprenticeship-funding-rules-and-assessment-plan-guidance-2026-to-2027/draft-apprenticeship-funding-rules-summary-of-changes>

Purpose

On 22 April 2026, we published the draft 2026 to 2027 apprenticeship funding rules. Alongside this, we are publishing a summary of changes, to make it easy to identify the differences between the 2025 to 2026 and 2026 to 2027 rules.

This document sets out amendments to the following document:

- Apprenticeship funding rules, August 2025 to July 2026 version 3

These funding rules apply to:

- main providers and employer-providers receiving funding for delivering apprenticeship training and on-programme assessment in England
- employers of apprentices who are accessing funding for apprenticeships in England

These funding rules will apply to all apprenticeships starting on or after 1 August 2026 unless stated otherwise.

We have identified the rules that have changed from the 2025 to 2026 funding rules in the tables below. Note that evidence requirements have been updated in line with any rule changes.

This document is intended as a summary of changes and does not replace the funding rules themselves. You should refer to the main funding rules document for the complete rules.

Introduction and purpose of the document

Change	Paragraph number(s)	Additional notes / rationale to support the change
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Clarification: We have clarified the position of this draft rules document and confirmed that we will issue an updated version of this document to confirm the final funding rules in May.	2	-
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Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: We have clarified that we may make changes to these rules at any time and that this includes changes to funding and the products available under the growth and skills levy.	5	-
Clarification: We have clarified the language and definitions in this section following the Machinery of Government change to transfer responsibility for apprenticeships from the Department for Education (DfE) to the Department for Work and Pensions (DWP).	7 to 8, 24	-
Update: We have removed the reference to Annex C. The minimum volume of off-the-job training for each standard can now be found on the Skills England website (on each standard).	-	-
Policy update: We have included reference to the funding rules for the delivery of apprenticeship units which started in April 2026.	13	-
Policy update: We have removed reference to the funding rules for the Growth Pilot which ends in March 2026.	-	-
Policy update: We have updated definitions throughout the document to refer to the growth and skills levy.	14	-
Clarification: We use the term end-point assessment to refer to assessment arrangements for existing versions of standards that have not yet had their assessment plans revised under the apprenticeship assessment reforms.	25	-

Learner eligibility

Change	Paragraph number(s)	Additional notes / rationale to support the change
Policy update: We have removed reference to the need for all of the working hours in the apprenticeship to be known in advance in order to meet the requirement that 50% of working hours need to take place in England.	29.5	-
Policy update: Apprentices starting the Level 2 Administration Assistant apprenticeship standard (ST1472) will only be eligible for funding, if, at the start of the apprenticeship, they are aged between 16 and 24 years old (or 15 years of age if the apprentice's 16th birthday is between the last Friday of June and 31 August).	32	-
Clarification: We have clarified that individuals undertaking a government funded Skills Bootcamp are not eligible for apprenticeship funding.	33.5	-
Clarification: We have clarified the evidence requirements around visas and ordinary residence.	Evidence requirements	-

Recognition of prior learning and experience

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: A skills scan can also be conducted against a training plan, provided it maps across to the standard's outcomes.	37.2	-
Policy update: The reference to accelerated apprenticeships has been removed; this terminology is no longer used.	37.3	-
Policy update: The reference to progression profiles linked to a Skills Bootcamp has been removed as this product was not developed.	-	-
Clarification: We have added a list of regulated professions.	38.2.1	-

Apprentices who need access to learning support

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: To confirm that where the learning support need is stable, due to a permanent disability, and this is unlikely to change, then reviews may be light-touch.	43.5	-

Support for English and maths training

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: We have clarified that the provider must establish whether the apprentice will study towards a standalone English and / or maths qualification as part of their apprenticeship at the initial assessment stage.	46	-
Clarification: We have clarified that where English and / or maths is an essential component of any mandatory qualification it must be completed as part of the apprenticeship. The awarding organisation can advise further.	46.2	-
Clarification: We have clarified that the provider is responsible for ensuring that active learning for English and / or maths is taking place in line with the signed training plan using an accurate start and end date of delivery.	48.2	-
Clarification: We have clarified that English and / or maths training must not be fully delivered by self-directed distance learning.	48.3 / 49.3	-
Clarification: We have clarified that if an apprentice, who is aged 19 year old or over , withdraws from English and / or maths after opting-in, the provider must withdraw them to the last day of learning.	49.2	-
Clarification: We have clarified how the initial assessment must determine the level at which apprentices should start English and / or maths at.	51.2	-
Clarification: We have clarified the requirement for English and / or maths for those apprentices who already hold an approved level 1 in English and / or maths.	53.2.1	-

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: We have clarified that apprentices may use their statutory entitlement to study English and / or maths under the adult skills fund budget whilst being on an apprenticeship.	56.2	-
Clarification: We have clarified that the provider must support apprentices who are exempt from regular English and / or maths to develop their English and / or maths skills, which could be done through material from level 1 or level 2 English and / or maths courses.	59	-

Programme eligibility - Overview

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: Wording now aligns with knowledge, skills and behaviours (KSB) language in standards.	66	-
Policy update: Wording changed to reflect that all new apprentices must start on an approved apprenticeship standard that is eligible for funding. Providers must ensure that they comply with any restrictions / limits on the delivery of specific standards as detailed in the terms and conditions of their individual funding agreements.	67	-
Clarification: If a non-mandatory qualification is being used this qualification	67.3	-

Change	Paragraph number(s)	Additional notes / rationale to support the change
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must not be at a higher level than the level of the standard. (For example, Level 7 qualifications must not be used to deliver Level 6 content / standards).

Employment arrangements (between the employer and the apprentice)

Change	Paragraph number(s)	Additional notes / rationale to support the change
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Clarification: The employer must keep their PAYE information in their apprenticeship service account up to date.

68.2

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Apprenticeship agreement (between the employer and the apprentice)

Change	Paragraph number(s)	Additional notes / rationale to support the change
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Clarification: A reminder that the individualised learning record (ILR) planned end date must not change once submitted, even if the apprenticeship agreement is extended.

69.4

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Off-the-job training

Change	Paragraph number(s)	Additional notes / rationale to support the change
Update: The reference to Annex C has been removed. The minimum volume of off-the-job training for each standard can now be found on the Skills England website (on each standard).	84	-
Clarification: A reminder that only eligible off-the-job training can be included in the actual hours field.	89	-
Clarification: A reminder that the provider is responsible for the evidencing of all required off-the-job training, even if another party (e.g. subcontractor, employer) delivers this training.	90	-
Clarification: A reminder that off-the-job training (OTJT) active learning does not include English and maths standalone qualifications.	94.1	-
Update: The evidencing off-the-job training section has been included in the evidence box text.	-	-

The training plan

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: Providers are already able to include a summary of the initial assessment on the training plan.	99.3	-
Policy update: The training plan must now also include a section to allow the employer, provider and learner to sign off that the content of the training plan has been delivered. This will align the main programme with the Apprenticeship Unit rules.	99.15	-

Progress reviews

Change	Paragraph number(s)	Additional notes / rationale to support the change
Policy update: Where an alternative progress review timetable is agreed with the employer this should be in advance and reviews must be no more than 6 months apart.	100.1	-

What can be funded

Change	Paragraph number(s)	Additional notes / rationale to support the change
Restructure: The section has been restructured and superfluous text removed. Some costs have been combined. Some text has been moved to the 'price of an apprenticeship section' of the funding rules.	-	-
Update: The term 'on-programme assessment' has been removed throughout the rules. Previously this was defined as any (formative) assessment activity required as a result of a mandatory qualification during the programme (e.g. an exam at the end of a module). Given the recent EPA reforms we have reviewed this language and decided to remove it to avoid confusion.	-	-
Policy change: A non-mandatory qualification must not be at a higher level than the level of the standard.	105.5	-

Additional payments for employers, providers and care leaver apprentices

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: To clarify that both the provider and the employer will receive the additional payment, where the apprentice meets the eligibility criteria.	123	
Clarification: To confirm what information providers should be providing to their apprentices – this is to avoid the risk that	125.1	

Change	Paragraph number(s)	Additional notes / rationale to support the change
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providers do not share all the information that apprentices may need to declare their care leaver status.

Clarification: To confirm what the minimum expectations are on providers when contacting employers for their bank details.

130

Place-holder – Apprenticeship hiring grant for non-levy employers

Change	Paragraph number(s)	Additional notes / rationale to support the change
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Policy update: From October 2026, non-levy paying employers will be able to get a hiring grant of £2000 when recruiting new apprentices aged 16 to 24. This will apply to those starting an apprenticeship from 1 October 2026, providing they have started their job with their employer within the past 3 months. The grant will be in two instalments and the employer will be eligible for the first payment once the learner has completed the first 90 days of their apprenticeship. We will provide further information in the next version of these funding rules.

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Foundation apprenticeships

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: To confirm that where the apprentice does not give consent to share the information (as stated in paragraph 150), then this apprentice will be ineligible for funding and must not be placed on a foundation apprenticeship.	151	-

Funds in an employer's apprenticeship service account

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: To confirm that the 20% completion payment is not aligned to the assessment costs.	178	-

Use of an employer's apprenticeship service account

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: To confirm that the PAYE scheme used to pay apprentices must be declared in the employer's apprenticeship service account.	181.3	-

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: To confirm that we may ask employers to provide evidence about the PAYE scheme that their apprentices are declared on.	182	-
Clarification: To confirm that this also includes third parties not being able to access or operate payments in an employer's apprenticeship service account.	185	-
Clarification: To confirm that in order for a reconciliation to take place changes must be actioned within the current academic year (by the final ILR submission) – any changes made in a previous academic year will not automatically be paid.	186.1	-

Reservation of funds by non-levy employers

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: To confirm that employers can give providers permission to reserve funds on their behalf.	189.1	-
Clarification: To confirm that we only expect reservations to be backdated by exception.	190	-

The price of an apprenticeship

Change	Paragraph number(s)	Additional notes / rationale to support the change
Update: This rule has been moved from the subcontracting section.	196	-
Policy change: To aid simplification the contract for services (with the employer) can now be at programme level (rather than learner level); this will mean fewer updates.	197	-
Policy change: To aid simplification there is no longer a requirement to break down the price in the contract for services into the eligible cost areas. The provider must however include a statement that the funding will only be used directly on eligible costs.	197.1	-
Clarification: Learner level pricing will now be managed through the ILR and apprenticeship service.	199	-
Clarification: We have provided further information around the use of Total Negotiated Price 2 (TNP2) estimates, the acceptable sources of the data used and how often this information must be updated. We would remind providers that they only need to update TNP2 information where they are using an estimate; they still have the option to leave this field blank until a price has been confirmed with the end-point assessment organisation (EPAO).	200.1	-
Policy change: We have removed the need for the employer to approve a different split between TNP1 and TNP2. The employer will only need to approve a price change where the total price increases. This applies to new starts and continuing learners where the	200.2	-

Change	Paragraph number(s)	Additional notes / rationale to support the change
price change occurs on or after 1 August 2026.		
Update: The previous rule that said the agreed price that is entered into the ILR and the apprenticeship service must be the same has been removed as a result of the payment simplification project (entering data once).	-	-

Employer Co-investment

Change	Paragraph number(s)	Additional notes / rationale to support the change
Policy update: For new starts from 1 August 2026 where a levy payer has insufficient funds in their AS account, the employer co-investment rate will be 25%.	202	-
Policy update: For new starts from 1 August 2026 where an employer does not pay the levy and the apprentice is aged 25 or above (at the start of their apprenticeship training), the employer co-investment rate will be 5%.	202	-
Policy update: For new starts from 1 August 2026, where an employer does not pay the apprenticeship levy, government will fund all the apprenticeship training and assessment costs (up to the funding band maximum) for those apprentices who are aged between 16 and 24 years old (or 15 years of age if the apprentice's 16th birthday is between the	203	-

Change	Paragraph number(s)	Additional notes / rationale to support the change
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last Friday of June and 31 August) at the start of their apprenticeship training.

Qualifying days for funding

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: We have amended 'planned end date' to 'actual end date' to reflect the position more accurately.	211	-
Clarification: We have clarified that where a learner does not complete one episode of learning, the provider must remove the learner record from the ILR.	212	-
Clarification: We have clarified the position on breaks in learning during the qualifying period.	214	-

Subsidy control

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: We have clarified that public sector employers receiving	223.1	-

Change	Paragraph number(s)	Additional notes / rationale to support the change
transfers of levy funds do not fall within the scope of these subsidy control rules.		

Apprentices funded by transfers of levy funds

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: To confirm that the transfer allowance covers both apprenticeships and apprenticeship units.	224	-
Policy Update: We have removed reference to the 10% government top up payment which will no longer be added to new funds entering levy accounts from 1 August 2026.	224.1	-
Clarification: To confirm how and when automated features operate within the online pledge service.	232	-

Subcontracting

Change	Paragraph number(s)	Additional notes / rationale to support the change
<p>Policy change: ‘On-programme assessment, previously used as a term to mean the formative assessment linked to a mandatory qualification. has been removed from the funding rules. Given the upcoming EPA reforms, we have removed the term to avoid confusion with the summative assessment that will, in future, be carried out (by providers) during the programme. Subcontracting is now only related to the delivery of training.</p>	-	-
<p>Update: The reference to “Using Subcontractors in the Delivery of Apprenticeships’ has been removed. This document is no longer current.</p>	-	-
<p>Policy change: A new universal £25,000 de-minimis has been introduced. This will allow low value specialist training / subject matter experts to add value and complement existing apprenticeship programmes, without the need to be on thre apprenticeship provider and assessment register (APAR).</p>	252.3	-
<p>Update: An amendment to the existing de-minimis to change the current ‘less than £100,000’ to ‘between £25,001 and £99,999 of apprenticeship training’.</p>	252.4	-
<p>Clarification: This final exemption will only be used to meet short term skills needs.</p>	252.5	-
<p>Clarification: To be clear that irrespective of how a subcontractor is selected (including whether they are on APAR), the provider is responsible for adhering to the subcontracting rules.</p>	253	-
<p>Update: The Public Contract Regulations (PCR) 2015 was replaced by the Procurement Act (PA) 2023 on 24 February</p>	257	-

Change	Paragraph number(s)	Additional notes / rationale to support the change
2025. PCR 2015 will continue to govern existing procurements; PA 2023 applies to new procurements.		
Update: Following the Machinery of Government Changes on 1 April 2026, a reference to DWP has been added.	273	-
Update: In relation to the subcontracting standard there is an update of what information must be submitted and by when.	273.1	-
Glossary Clarification: We have updated the definition of a subcontractor to make it clearer who is and who is not a subcontractor. The subcontracting rules only apply if the person / organisation being used is a subcontractor.	-	-

Change of circumstance

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: We have clarified that where the apprentice has not commenced new employment within 4 weeks of the apprenticeship agreement and / or their employment ending, the provider must, after 4 weeks, record the apprentice as on a break in learning to ensure funds are not paid when the apprentice is not employed.	296.1	-
Clarification: We have clarified that where the apprentice does not re-start with a new	296.2	-

Change	Paragraph number(s)	Additional notes / rationale to support the change
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employer within 8 weeks of the start of their break in learning (a total of 12 weeks following the end of their employment), the main provider must withdraw the apprentice.

Breaks in learning

Change	Paragraph number(s)	Additional notes / rationale to support the change
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Clarification: We have clarified that where an apprentice is absent from work for medical reasons, they may continue with their apprenticeship.

299.3

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Redundancy

Change	Paragraph number(s)	Additional notes / rationale to support the change
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Policy update: If the apprentice is being fully funded to completion they are able to become self-employed. We would treat this the same way as a job with a new employer not related to the apprenticeship (e.g. the new employer (the apprentice) would not assume responsibility). Note that self-

303.1,
303.2

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Change	Paragraph number(s)	Additional notes / rationale to support the change
employment is not an option with the time-limited (up to) 12 weeks funding support.		

Changing to a new version of a standard

Change	Paragraph number(s)	Additional notes / rationale to support the change
Policy update: For apprentices wishing to move to a new version of a standard where the assessment plan has been revised, please see also see the Changes to apprenticeship assessment 2025 to 2026 guidance .	318	-
Clarification: We have clarified that the minimum duration requirements will be those that applied to the standard on the apprentice's original start date.	329	-

Annex A

Change	Paragraph number(s)	Additional notes / rationale to support the change
Policy update: We have added an additional exemption to those outside	364.6	-

Change	Paragraph number(s)	Additional notes / rationale to support the change
England able to be funded for an apprenticeship.		

Annex B

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: We have included context as to why the provider must engage an assessment organisation at the start of the apprenticeship.	372	-
Clarification: We have clarified the responsibilities of the assessment organisation.	373.1	-
Clarification: We have clarified that the price negotiated with the assessment organisation must reflect the role of each party in the development, design and delivery of the assessment including quality assurance.	373.2	-
Clarification: To reflect that apprenticeship assessment can now take place at any stage of the apprenticeship, we have clarified that the term 'gateway' or 'gateway to assessment' has been replaced by 'gateway to completion'.	377	-
Clarification: We have clarified the requirements for an apprentice reaching 'gateway to completion'.	378	-

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: We have clarified the requirements in relation to ongoing conversations between employers and training providers throughout the learning period and regular progress reviews including with the apprentice.	379	-
Clarification: We have clarified the requirements regarding the apprentice's employment.	380	-
Policy Update: For revised assessment plans where a mandatory qualification fully or substantially covers the required knowledge and skills, the requirement for someone from the occupation in the delivery and grading decision who has not been involved in the training element of the apprenticeship will no longer apply.	383	-
Clarification: We have confirmed the assessment process for integrated standards.	385	-
Clarification: We have included the rules for certification.	387	-

Glossary

Change	Paragraph number(s)	Additional notes / rationale to support the change
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Note added/amended definitions of the following terms: Additional payments,

Change

Paragraph number(s)

Additional notes / rationale to support the change

Apprenticeship levy, Care experienced, Care leaver, Co-investment, Completion payment, Directly managed and controlled, Gateway to completion, Growth and skills levy, Irrefutable, IR35, Learning actual end date, Learning planned end date, Levy, On-the-job training, Progression profiles, Public Contract Regulations (PCR) 2015, Skills England, Subcontracting, Subcontractor

The following terms have been deleted:
Accelerated apprenticeship, On-programme assessment.

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