Department for Work & Pensions

Guidance

Apprenticeship funding rules: summary of changes (version 3)

Updated 29 July 2026

Applies to England

Contents

Purpose

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

We published the draft version to provide the sector with an opportunity to feed back on the 2026 to 2027 rules before we issued the final version. We published version 1 of the 2026 to 2027 rules on 15 June 2026 and version 2 of the 2026 to 2027 rules on 15 July 2026. We are now publishing version 3 of the 2026 to 2027 rules to reflect updates to co-investment policy.

- This summary of changes highlights additional changes that have been made in version 3 as well as continuing to include the changes that were made to versions 1 and 2.

This document sets out amendments to the following document:

- Apprenticeship funding rules: August 2026 to July 2027 (version 2)

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.

Subcontracting review

We will undertake a full review of the subcontracting section in July or August 2026. This will include a review of the underpinning policy, the rules and evidence requirements and the associated definitions. We will involve sector representative bodies in this review and aim to conclude the review by September 2026. Changes will come into effect from 2027. Further details of the scope of the review will be made available in due course.

Introduction and purpose of the document

Change	Paragraph number(s)	Additional notes / rationale to support the change
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	-
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).	-	-
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.	15	-
Clarification: We use the term end-point assessment to refer to assessment arrangements for existing versions	26	-

of standards that have not yet had their assessment plans revised under the apprenticeship assessment reforms.		
New for version 1 – Update: We have removed reference to the draft rules document.	2	-
New for version 1 – Update: We have included reference to apprenticeship hiring payments for non-levy employers.	9	-
New for version 2 – Update: We have included reference to the Funds in an employer's apprenticeship service account section (paragraph 190).	4.3	-

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.	30.5	-
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).	33	-

Clarification: We have clarified that individuals undertaking a government funded Skills Bootcamp are not eligible for apprenticeship funding.	34.5	-
Clarification: We have clarified the evidence requirements around visas and ordinary residence.	Evidence requirements	-
New for version 1 – Clarification: We have clarified the evidence requirements around the rule regarding 50% of working hours taking place in England.	Evidence requirements	-
New for version 2 – Correction: We have added this line back in following it being omitted from the previous versions.	34.6.4	-
New for version 2 – Clarification: We have further clarified the evidence requirements around the rule regarding 50% of working hours taking place in England.	-	-

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.	38.2	-
Policy update: The reference to accelerated apprenticeships has been removed; this terminology is no longer used.	38.3	-
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.	39.2.1	-

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.	44.5	-

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	47	-

their apprenticeship at the initial assessment stage.

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.	47.2	-
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.	49.2	-
Clarification: We have clarified that English and / or maths training must not be fully delivered by self-directed distance learning.	49.3 / 50.3	-
Clarification: We have clarified that if a 19+ apprentice withdraws from English and / or maths after opting-in, the provider must withdraw them to the last day of learning.	50.2	-
Clarification: We have clarified how the initial assessment must determine the level at which apprentices should start English and / or maths at.	52.2	-
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.	54.2.1	-
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.	57.2	-
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.	60	-

The outcome of the initial assessment

Change	Paragraph number(s)	Additional notes / rationale to support the change
New for version 1 – Clarification: The link between the job role and the apprenticeship must be clear and substantial, with the apprenticeship leading to full occupational competence for that role.	65.4	-

Programme eligibility - overview

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: Wording now aligns with KSB language in standards.	67	-
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.	68	-

New for version 1 – Clarification: A level 7 non-mandatory qualification must not be used to deliver the content of a Level 6 standard.	68.3	-
New for version 2 – Clarification: A level 7 non-mandatory unit or qualification must not be used to deliver the content of a Level 6 standard. We are working with Skills England to ensure that the content of each standard is clear with regards to mandatory / non mandatory qualifications.	68.3	-

Employment arrangements (between the employer and the apprentice)

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: The employer must keep their PAYE information in their apprenticeship service account up to date.	69.2	-

Apprenticeship agreement (between the employer and the apprentice)

Change	Paragraph number(s)	Additional notes / rationale to support the

		change
New for version 1 – Clarification: A reminder that the original ILR planned end date must not change once submitted, even if the apprenticeship agreement is extended (unless there has been a break in learning and subsequent restart).	70.4	-

Apprentice wages

Change	Paragraph number(s)	Additional notes / rationale to support the change
New for version 1 – Update: If a provider is made aware that a learner is not being paid in line with the National Minimum Wage Regulations, the learner must be withdrawn from the programme.	76.1	-

Off-the-job training

Change	Paragraph number(s)	Additional notes / rationale to support the change
Update: The reference to Annex C has been removed.	85	-

The minimum volume of off-the-job training for each standard can now be found on the Skills England website (on each standard).		
Clarification: A reminder that only eligible off-the-job training can be included in the actual hours field.	90	-
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.	91	-
Clarification: A reminder that OTJT active learning does not include English and maths standalone qualifications.	95.1	-
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.	100.3	-
New for version 1 – Policy update: At the end of the programme, the employer, provider and learner must agree that the content of the training plan has been delivered. This can either be recorded in the training plan or in the provider’s gateway review process.	101	-

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.	102.1	-

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 level 7 non-mandatory qualification must not be used to deliver the content of a Level 6 Standard.	107.5	-
New for version 2 – Clarification: A level 7 non-mandatory unit or qualification must not be used to deliver the content of a Level 6 standard. We are working with Skills England to ensure that the content of each standard is clear with regards to mandatory / non mandatory qualifications.	107.5	-
New for version 2 – Update: We have removed reference to the costs of reporting employer co-investment.	110.4	-

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.	125	
Clarification: To confirm what information providers should be providing to their apprentices – this is to avoid the risk that providers do not share all the information that apprentices may need to declare their care leaver status.	127.1	
Clarification: To confirm what the minimum expectations are on providers when contacting employers for their	132	

bank details.

Apprenticeship hiring payment for non-levy employers

Change	Paragraph number(s)	Additional notes / rationale to support the change
Policy update: From October 2026, non-levy paying employers will be able to get a hiring payment 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 paymen twill 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.	-	-
New for version 1 – Policy update: We have included the funding rules on the apprenticeship hiring payment for non-levy employers.	133 -141	-
New for version 2 – Clarification: We have clarified that the apprenticeship hiring payment for non-levy employers is applicable to foundation apprenticeships.	133	-

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.	162	-
New for version 2 – Clarification: To confirm that for eligible apprentices, employers who do not pay the levy will receive the new hiring payment.	170	-

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.	190	-

New for version 2 – Policy update: Removed reference to our monthly payments being matched with equivalent employer co-investment payments.	189.2	-
New for version 2 – Policy update: Removed reference to the employer co-investment having to be collected and recorded on the ILR in order for the completion payment to be released.	190	-

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.	192.3	-
Clarification: To confirm that we may ask employers to provide evidence about the PAYE scheme that their apprentices are declared on.	193	-
Clarification: To confirm that in order for a reconciliation to take place changes must be actioned within the current funding year (by the final ILR submission) – any changes made in a previous funding year will not automatically be paid.	195.1	
Clarification: To confirm that this also includes third parties not being able to access or operate payments in an employer’s apprenticeship service account.	197	-

New for version 1 – Update: This rule has been updated to take into account the revised process under which providers record the learner and training details to the ILR, this data is then shown in the employer's apprenticeship service account – employer must review and approve these records in order to access funding.	195

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.	200.1	-
Clarification: To confirm that we only expect reservations to be backdated by exception.	201	-

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.	207	-

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.	208	-
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.	208.1	-
Clarification: Learner level pricing will now be managed through the ILR and apprenticeship service.	210	-
Clarification: We have provided further information around the use of 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 EPAO.	211.1	-
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 price change occurs on or after 1 August 2026.	211.3	-
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).	-	-
New for version 2 – Clarification: TNP1 must only contain the cost of training.	211.1	-

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 Apprenticeship Service (AS) account, the employer co-investment rate will be 25%.	213	-
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%.	213	-
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 last Friday of June and 31 August) at the start of their apprenticeship training.	214	-
New for version 2 – Update: We have changed the terminology to focus on what the government will contribute towards the training and assessment costs	213	-
New for version 2 – Policy Update: We have removed references to the completion payment being withheld if the employer co-investment is not collected and recorded in the ILR.	-	-

New for version 3 – Policy Update: To confirm that for new starts from 1 August 2026 where a levy payer has insufficient funds in their AS account and the apprentice is aged 25 or over (at the start of their apprenticeship training), the government will fund 75% of the training and assessment costs (up to the funding band maximum).	213.1	-
New for version 3 – Policy Update: To confirm that for new starts from 1 August 2026 where a levy payer has insufficient funds in their AS account, government will fund all the 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 last Friday of June and 31 August) at the start of their apprenticeship training.	214.2	-

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.	221	-
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.	222	-
Clarification: We have clarified the position on breaks in learning during the qualifying period.	224	-

Subsidy control

Change	Paragraph number(s)	Additional notes / rationale to support the change
Clarification: We have clarified that public sector employers receiving transfers of levy funds do not fall within the scope of these subsidy control rules.	233.1	-
New for version 1 – Clarification: We have clarified that the apprenticeship hiring payment for non-levy employers does not fall within the scope of subsidy control from 1 August 2026 to 31 July 2027.	230	-
New for version 1 – Clarification: We have clarified that public sector employers (i.e. employers owned, funded, or controlled by government and to the extent they are not engaged in economic activity within the meaning of Section 7 of the Subsidy Control Act 2022) receiving transfers of levy funds do not fall within the scope of these subsidy control rules and therefore do not need to complete an MFA declaration.	233.1	-

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.	234	-
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.	234.1	-
Clarification: To confirm how and when automated features operate within the online pledge service.	242	-

Subcontracting

Change	Paragraph number(s)	Additional notes / rationale to support the change
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.	-	-
Update: The reference to “Using Subcontractors in the Delivery of Apprenticeships’ has been removed. This document is no longer current.	-	-
Clarification: To be clear that irrespective of how a	263	-

subcontractor is selected (including whether they are on APAR), the provider is responsible for adhering to the subcontracting rules.		
Update: The Public Contract Regulations (PCR) 2015 was replaced by the Procurement Act (PA) 2023 on 24 February 2025. PCR 2015 will continue to govern existing procurements; PA 2023 applies to new procurements.	267	-
Update: Following the Machinery of Government Changes on 1 April 2026, a reference to DWP has been added.	283	-
Update: In relation to the subcontracting standard there is an update of what information must be submitted and by when.	283.1	-
New for version 1 – Update: An amendment to the existing de-minimis to remove the stipulation that this can only be used by providers who have achieved the subcontracting standard. This exemption can now be used by all providers, for delivery from 1 August 2026.	262.3	-
New for version 1 – Update: As we have extended the existing de-minimis to all providers, there is no need for a specific exemption for ITT provision. This has been removed.	-	
New for version 1 – Glossary Clarification: We are reviewing the definition of a subcontractor to make it clearer who is and who is not a subcontractor and what we mean by directly managed and controlled. The intended definitions for both are included. New definitions will be implemented following the subcontracting review that will shortly take place (see Summary of Changes from further information); any changes following the review will likely apply from 1 January 2027.	-	-

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.	306.1	-
Clarification: We have clarified that where the apprentice does not re-start with a new 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.	306.2	-
New for version 1 – Correction / 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 of the apprenticeship agreement / employment ending, record the apprentice as on a break in learning to ensure funds are not paid when the apprentice is not employed.	306.1	-
New for version 2 – Policy Update: We have removed the reference regarding the mandatory requirement for employer co-investment to be collected and recorded.	301.2	-

Breaks in learning

Change	Paragraph number(s)	Additional notes / rationale to support the change
New for version 1 – Update: Following feedback, queries received and further legal advice, we have removed the reference to apprentices who are absent from work for medical reasons being able to continue with their apprenticeship.	-	-

Redundancy

Change	Paragraph number(s)	Additional notes / rationale to support the change
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-employment is not an option with the time-limited (up to) 12 weeks funding support.	313.1, 313.2	-

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 Annex B of this document and the Changes to apprenticeship assessment 2025 to 2026 guidance.	328	-
Clarification: We have clarified that the minimum duration requirements will be those that applied to the standard on the apprentice's original start date.	339	-

Annex A

Change	Paragraph number(s)	Additional notes / rationale to support the change
Policy update: We have added an additional exemption to those outside England able to be funded for an apprenticeship.	374.6	-

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.	382	-
Clarification: We have clarified the responsibilities of the assessment organisation.	383.1	-
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.	383.2	-
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’.	387	-
Clarification: We have clarified the requirements for an apprentice reaching ‘gateway to completion’.	388	-
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.	389	-
Clarification: We have clarified the requirements regarding the apprentice’s employment.	390	-

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.	393	-
Clarification: We have confirmed the assessment process for integrated standards.	395	-
Clarification: We have included the rules for certification.	416	-
New for version 1 – Policy update: We have included the rules for moving to a new version of a standard following assessment reform.	397	-

Glossary

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

New for version 1 – Note added/amended definitions of the following terms: Funding year, Settled purpose (residency), published typical duration, Subcontractor.	-	-
New for version 2 – Note amended definitions of the following terms: Apprenticeship levy, Co-investment	-	-
New for version 3 – Note amended definition of the following term: Co-investment	-	-

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