



## Apprenticeship Funding Rules 2025-26

The Department for Education (DfE) has released the 2025-2026 [Apprenticeship Funding Rules](#), setting out important changes that will impact how apprenticeships are delivered, funded, and assessed from 1 August 2025.

All apprenticeships can now be found within Skills England Apprenticeship Finder:

### [Apprenticeship search / Skills England](#)

Here is a summary of the key updates and what they mean for FE colleges, training providers, employers, and apprentices. The new rules will apply to any apprenticeships starting on or after 1 August 2025. Any apprentices that started prior to **1 August 2025**, will continue to follow the rules applicable at that time.

### Minimum duration and prior learning: A more flexible model

From 1 August 2025, **apprenticeships can now be as short as 8 months**, provided they still meet key training requirements. This is a significant change from the current 12-month minimum.

What's changed:

- **Prior learning must be assessed and recorded.** Where prior experience shortens the programme, providers must show a **reduction in both content and cost**.
- The minimum eligibility for apprenticeship funding now stands at **8 months or 187 off-the-job (OTJ) training hours**.
- If an apprentice has **no prior learning**, they must receive **the full published OTJ training hours** for that standard.
- Programmes can be delivered flexibly across any timeline (as long as they meet the 8-month minimum), without affecting OTJ hour requirements.

This change offers greater agility in designing apprenticeships tailored to individuals' starting points, it also means robust initial assessment and clear documentation are more important than ever.

### Simplification of part-time vs full-time OTJ adjustments

DfE has removed the distinction between full-time and part-time apprenticeships when it comes to OTJ training delivery. This means you no longer need to automatically extend durations for part-time apprentices. Instead, providers must ensure the planned training is realistic based on working hours.



### **Off-the-job training hours: New standard-by-standard requirements**

The 20% rule is being phased out, marking a shift in policy. From August, each apprenticeship standard will have its own published minimum OTJ training requirement, removing the need to calculate hours based on working time.

- These published figures apply only to apprentices with no relevant prior learning.

In practice, most of these figures remain close to 20% of normal working hours, but this standardisation brings welcome clarity and consistency.

### **Foundation Apprenticeships: A new model for young people**

Foundation Apprenticeships (FAs) are a new entry route for young people or those with additional needs. They come with unique rules and funding conditions.

#### **Who's eligible?**

- Young people aged 16-21
- Some aged 22-24, including:
- Those with an Education, Health and Care Plan (EHCP)
- Care leavers
- Individuals in or recently released from prison

#### **Key features:**

- Apprentices can do a Foundation Apprenticeship at the same or lower level than a qualification they already hold, if it develops new knowledge, skills and behaviours.
- Maths and English remain required, but the assessment is not mandatory before completion (though encouraged if appropriate).
- Incentive payments: Up to £2,000 in total is available to providers and employers for eligible learners, plus an additional £666 progression payment for those who go on to a higher-level apprenticeship.

#### **What's now eligible for funding?**

DfE has clarified what training costs are eligible under the levy. These include:

- Initial assessment and onboarding
- Tutor and delivery costs
- Learning materials and software licences
- Employer support and mentoring (where required by the standard)
- Mandatory qualification-related costs (registration, exams, one resit)
- Subcontractor management and lesson planning



- End-point assessment administration
- Use of apprenticeship software systems

This transparency supports more accurate costing and budgeting for providers and employers alike.

### End-point assessment (EPA) reforms are coming

Significant changes are also ahead for apprenticeship assessments. In February, the government announced a new set of EPA principles, with all existing assessment plans set to be rewritten on a standard-by-standard basis from April 2025.

#### What to expect:

- New guidance in summer 2025
- Revised assessment plans to reflect simpler, clearer, and more consistent EPA expectations

Until then, providers should continue with existing plans but prepare for further updates in the months ahead.

### Accelerated apprenticeships

An accelerated apprenticeship is now officially recognised. These are programmes shortened by at least three months due to prior learning.

Remember:

- They must still meet the minimum 8-month duration and 187 OTJ hour requirement.

#### In summary

The 2025-26 apprenticeship funding rules represent a shift toward **greater flexibility, personalisation, and clarity**. They support a more inclusive and responsive apprenticeship system, with key implications for:

- **Initial assessment** and programme planning
- **OTJ training hour calculations**
- **Eligibility and funding for new Foundation Apprenticeships**
- **Clearer guidelines on what training activity is funded**
- **Impending assessment reforms**

Source: [City & Guilds](#)



### **Apprenticeships care leavers' bursary (updated June 2025)**

The bursary is for eligible apprentices who are care leavers or still in care.

Care leavers often face additional financial barriers as they are likely to be living independently, without family support. The bursary provides additional financial support to help them access and complete apprenticeships. There are no rules around what an apprentice can spend the bursary on.

It is paid in instalments during the first year of an apprenticeship. It is claimed by training providers who pass the instalments on to apprentices.

It is separate to the [additional funding](#) that employers and training providers can receive to support care leaver apprentices.

#### **Headlines:**

#### **Bursary Amount**

- £3000, paid in three instalments over the first year.
- Applies to apprentices starting on or after 1 August 2023.
- Apprentices who started before 1 August 2023 receive £1,000 paid once.

#### **Payment Schedule**

- £1000 at approximately 3 months (after 60 days)
- £1000 at approximately 6 months (after 120 days)
- £1000 at approximately 12 months (after 300 days)

For shorter standards or foundation apprenticeships, the third payment may be made earlier.

#### **Eligibility Criteria**

- Apprentice must be under 25 at the start of the apprenticeship.

Must meet the legal definition of a care leaver:

- Eligible child: 16-17, looked after for 13+ weeks since age 14.
- Relevant child: 16-17, left care after 16th birthday.
- Former relevant child: under 25, previously eligible or relevant.

#### **Claiming the Bursary**

- Claimed by the training provider, not the apprentice.
- Apprentice must provide written confirmation of care leaver status from their local authority.

Training providers must:

- Inform all under-25 apprentices about the bursary.
- Record eligibility in the ILR using code EEF4.



- Pass each payment to the apprentice within 30 days of receiving it.

### **Consent and Employer Funding**

- Employers may receive additional funding for care leaver apprentices aged 19-24.
- Apprentices must consent to share their care leaver status with the employer.
- If consent is not given, training providers must use Learning Delivery Monitoring code 362 to prevent employer payment.

### **Tax and Benefits**

- The bursary is not taxable, not subject to National Insurance, and does not affect Universal Credit

DfE Apprenticeship care leavers' bursary guidance can be found [here](#).

You can also direct apprentices to the [Apprentice Support Centre](#), which includes a guide for care experienced apprentices with information about the bursary and the Care X network for care experienced apprentices.