



Department  
for Education

# **Apprenticeship Funding Rules**

**August 2024 to July 2025**

**Summary of Changes – Version 2**

**February 2025**

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## Introduction

We are committed to continuing to simplify and improve the apprenticeship system, to make it easier for employers and providers to support high-quality apprenticeships.

To support this aim, we have reviewed and have made a number of improvements for 2024/25. We have worked in partnership with a range of stakeholders who have helped us to make the policy changes and clarifications set out in the tables below. The changes include:

- **Reducing the administrative requirements associated with onboarding an apprentice and monitoring their progress.** We have reduced the burden of onboarding by integrating initial assessment with development of the training plan, reducing the number of documents employers and providers need to review and sign. In addition, providers will also no longer need to ask employers to sign off each progress review.
- **Reducing the administrative requirements for learning support.** We have reduced the bureaucracy associated with claiming learning support by moving reviews from monthly to every 3 calendar months. An assessment for learning support can happen at any time during the apprenticeship.
- **Reviewing the minimum requirement for active learning.** To support more flexible approaches to the delivery of training, we have changed the active learning requirement for programmes that have a front-loaded or a block release delivery model. For these two models, active learning must be delivered at least every 3 calendar months.
- **Introducing a new de-minimis in relation to subcontracting.** We have reviewed the £30,000 de-minimis that we proposed in the draft funding rules and have increased this to £100,000. This will enable greater flexibility in subcontracting arrangements and make it easier for providers to bring in industry specialists to deliver training.
- **Widening the flexibilities in English and Maths requirements for apprentices who have learning difficulties and disabilities.** Following a positive pilot, we have extended English and maths flexibilities for apprentices who have learning

difficulties or disabilities but no Education, Health and Care Plan, so that they can study a more suitable level of English and maths.

- **Updating our transfer policy.** We have given levy-paying providers greater flexibility to use transfers and deliver training to receiving employers.

## Purpose

On 28 March 2024, we published a draft version of the 2024 to 2025 apprenticeship funding rules. Alongside this, we also published a summary of changes, to make it easy to identify the differences between the 2023 to 2024 and 2024 to 2025 rules.

We published the draft version to provide the sector with an opportunity to feed back on the 2024 to 2025 rules before we issued the final version. We published version 1 of the 2024 to 2025 rules in May 2024 and this summary of changes highlights additional changes that were made following a review of the feedback. We are now publishing version 2 of the 2024 to 2025 rules to include several clarifications and policy updates.

This document sets out amendments to the following document:

- Apprenticeship funding rules: August 2024 to July 2025 version 1

These funding rules apply to:

- Main providers and employer-providers receiving funding for delivering apprenticeship training and on-programme assessment in England; and
- 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 2024 unless stated otherwise.

We have identified the rules that have changed from the 2023 to 2024 funding rules in the tables below. We have now included further changes that we are making for version 2, from 11 February 2025. 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.

## Summary of changes

### Introduction and purpose of the document

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Clarification:</b> We have clarified that these rules detail the minimum requirements organisations must meet to receive funding from us.	6	Other relevant sector bodies (e.g. Ofsted) may prescribe further requirements and / or examples of best practice.
<b>Policy update:</b> The definition of a subcontractor has been updated to reference the new de-minimis exemption.	14	-

### Learner eligibility

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Clarification:</b> We have clarified that it is the learning start date within the ILR that is used to determine age-related eligibility.	19.2	For example additional payments, co-investment etc.
<b>New for Version 2</b> <b>Policy Update:</b> For English and maths, where an apprentice restarts, we will use the age they originally started their apprenticeship training to determine whether it is a mandatory requirement of the programme	19.2.1	-
<b>Clarification:</b> We have clarified that this means a school academic year which is September to August.	20.1	This is different to the apprenticeship funding year which is August to July.
<b>Clarification:</b> We have clarified that the '50% in England' rule also applies to remote and hybrid workers.	20.5	In response to queries received about apprentices working from home.
<b>Restructure:</b> Information on prisoner apprenticeships has moved to a new section.	-	To keep specific delivery models together.

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Restructure:</b> Some residency rules have been moved into Annex A.	-	To keep all residency rules together.

## Apprentices who need access to learning support

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Clarification:</b> A detailed assessment can take place at any point during the apprenticeship.	32.1.2	This could already be part of the progress review but we have made this clearer.
<b>Clarification:</b> Information on how one-off claims, exceeding £150, should be claimed.	33.3.1	To make it clear that costs above £150 can be claimed as they occur.
<b>Policy update:</b> We have amended the frequency of when learning support reviews must take place. These reviews must take place at least every 3 calendar months.	33.5	Quarterly reviews are more proportionate and also reduces the admin burden on providers.

## Support for English and maths training

Change	Paragraph number(s)	Additional notes / rationale to support the change
<p><b>New for Version 1</b></p> <p><b>Policy update:</b> The rule (equivalent gradings) has been updated to reflect the latest gov.uk guidance. The grading change clarifies that GCSE grade D to G / 3 to 1 are equivalent to a level 1 qualification and therefore apprentices holding these grades have met the requirement to hold a level 1 in English and maths. This change will apply to both new starts from 1 August 2024 and apprentices who are currently on-programme.</p> <p>Meaningful progress is now defined in the evidence box; therefore the reference to 3 months prior to gateway has been removed.</p>	49.1.1	The change to meaningful progress has been made following feedback that we have received from employers.



<b>Policy update:</b> This rule has been updated to confirm that providers can now determine whether an apprentice is eligible for this flexibility by undertaking a thorough and evidence-based assessment of their learning difficulty or disability.	57.1	This is following the completion of the SEN pilot on flexibilities.
<b>New for Version 1</b> <b>Clarification:</b> We have clarified the rules regarding claiming funding from the adult skills fund and Multiply for English and/or maths qualifications that are being funded by the apprenticeships budget.	52	-
<b>New for Version 1</b> <b>Clarification:</b> We have clarified that where an apprentice has a learning difficulty or disability (regardless of whether they have been issued with an EHC plan or equivalent) which is a barrier to them achieving the English and/or maths requirements, providers should consider whether they should be offered the flexibility to achieve Entry Level 3 functional skills in the adjusted subject(s).	56	-
<b>New for Version 1</b> <b>Clarification:</b> We have clarified examples of an appropriate professional.	57.1	-
<b>New for Version 1</b> <b>Policy change:</b> We have removed the requirement for the judgement of the apprentice's current English and maths ability to be conducted within eight weeks of them beginning their apprenticeship.	58	-
<b>New for Version 1</b> <b>Clarification:</b> The flexibilities detailed in paragraphs 56 to 58 will apply to both new starts and apprentices who are currently on-programme.	59	-

<p><b>New for Version 2</b></p> <p><b>Policy update:</b> Only apprentices who began their apprenticeship training when aged 16-18 will continue to be subject to the mandatory requirement to study towards and achieve English and maths. Apprentices who began their apprenticeship training when aged 19+ will no longer be subject to the mandatory requirement to study towards and achieve English and maths. However, for apprentices aged 19+, the apprentice or their employer can still choose for the apprentice to study towards an English and maths qualification. We will continue to fund those apprentices that wish to study towards an English and maths qualification.</p> <p>The above policy change will be effective from 11 February 2025 and will apply to new starts and existing learners on-programme.</p>	36 to 55	-
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## The outcome of initial assessment

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Clarification:</b> We have confirmed that the outcome of the initial assessment can be embedded into the signed training plan.	61.1	This reduces the paperwork that the employer has to sign.
<p><b>New for Version 2</b></p> <p><b>Policy change:</b> English and / or maths is now optional for those that begin their apprenticeship training when aged 19+. This applies to new starts and existing learners. Where an apprentice, and their employer, wish English and / or maths to be included this must be agreed (for new starts) as part of the initial assessment.</p>	62	This has been added to support the English & maths policy change.

## Apprentice wages

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Clarification:</b> That in the case of prisoner apprentices in the closed estate, the wage paid must be compliant with HMPPS policy.	74.3	-

## Minimum duration and employment hours

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Clarification:</b> Apprentice transfers between providers can also involve employer-providers.	76.3	Previously this only stated “main providers” which was incorrect.
<b>New for Version 1</b> <b>Clarification:</b> When the programme is extended for part-time apprentices we have now called this the new “planned” duration, to avoid confusion with the statutory minimum duration (12 months).	77.1 to 77.2	In response to queries received about part-time apprentices who can complete earlier than the extended (planned) duration.

## Off-the-job training

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Clarification:</b> Note that rounding is used in the calculation example.	84.2	As per the example shown (example used since August 2022).
<b>Clarification:</b> That any apprentice can complete earlier than their planned learning end date, provided the minimum duration and off-the-job training policies have both been met.	85.3	This text is already in the minimum duration section but we have replicated it here as a result of queries.
<b>New for Version 1</b> <b>Policy update:</b> We have reviewed the minimum requirement for active learning where the delivery model agreed with the employer is either a front-loaded or a block release model. For these models, some active learning must take place at least every 3 calendar months of the practical period. This rule change applies to new starts and to existing learners on programme on 31 July 2024. For existing learners the 2023/24 apprenticeship funding rules continue to apply until 31 July 2024.	92 to 93	Policy change to support front-loaded and block release models.  Note: the active learning requirement for all other delivery models remains as at least every calendar month.
We have removed the text proposed in the draft funding rules, which related to cohort delivery with a fixed end date.	-	This is due to comments received on the draft. This is under review.

## The training plan

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>New for Version 1</b> <b>Policy update:</b> The training plan must also contain a brief description of the delivery model (e.g. day release, block release, front-loaded).	100.5	This is to support the active learning policy.
<b>New for Version 2</b> <b>Policy Change:</b> English and / or maths is now optional for those that begin their apprenticeship training when aged 19+. This applies to new starts and existing learners. It must be clear in the training plan whether English and / or maths has been included in the planned delivery	100.7	This has been added to support the English & maths policy change

## Progress reviews

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Clarification:</b> We have updated the progress review frequency to every 3 calendar months and added an example.	101	Previously this said 4 times pa / every 12 weeks). New frequency aligns with learning support reviews.
<b>Policy update:</b> A summary of the progress review discussion must be recorded and shared with all parties and must be signed, as a minimum, by the provider and the apprentice.	101.2.2	We no longer require an employer signature on a progress review. Providers can still collect these if they choose to do so.
<b>Clarification:</b> That the progress review and the learning support funding check (if applicable) can be combined.	101.3	To streamline / align processes (where the apprentice has given consent to discuss learning support with employer).

## Ineligible costs

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Clarification:</b> We have also clarified that apprentice wages includes the wages/costs of backfill arrangements.	108.2.1	-
<b>Policy update:</b> We have received queries on the cost of assessing overseas qualifications (e.g. NARIC). This is an ineligible cost and has been added to the list.	108.3	Likely that this assessment would be required for the job role.
<b>New for Version 1</b> <b>Policy update:</b> We have received queries on the re-sit costs for non-mandatory qualifications. This is an ineligible cost and has been added to the list.	108.2.12	It is the employer / provider choice to use a non-mandatory qualification.

## End-point assessments

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Clarification:</b> We have detailed how providers can report and claim the completion payment for apprentices who have changed employer after Gateway and undertaken their end-point assessment where the new employer is not involved in the apprenticeship.	124.2.1	-
<b>Clarification:</b> We have clarified that there must be independence within the training provider between assessment and delivery.	127	-
<b>Clarification:</b> Validation arrangements for integrated degrees may be considered and assessed within external quality assurance processes.	128.1	-
<b>Clarification:</b> We have clarified the arrangements for HEIs outside of England.	128.2	-

## Reservations of funds by non-levy employers

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>New for Version 2</b> <b>Clarification:</b> Providers cannot submit an ILR where funds have not been reserved for a start or re-start and an apprenticeship service record has not been added or approved for an apprentice, with matching details	150	Changed the terminology to be clearer and consistent with other GOV.UK articles

## Employer Co-investment

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>New for Version 1</b> <b>Policy update:</b> Where an employer does not pay the apprenticeship levy, government will fund all the apprenticeship training costs (up to the funding band maximum) for those apprentices aged between 22 and 24 years-old who have an Education, Health and Care (EHC) plan and / or have been in the care of their local authority.	157	Expanding on the Prime Minister's previous announcement to support more starts for young people
<b>New for Version 2</b> <b>Clarification:</b> Where an employer is showing as a levy payer in their Apprenticeship Service account, but they haven't declared / paid any apprenticeship levy within the last 2 years (from when the eligible apprentice starts), in order to waive the co-investment requirement, the employer will need to contact the Apprenticeship Service Support Desk to update their AS Account.	159	This change is in response to queries we have received.
<b>New for Version 2</b> <b>Clarification:</b> Changes to levy / non-levy status will not be backdated, so only eligible starts from the date of change will qualify for the co-investment waiver.	159.1	This change is in response to queries we have received.

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>New for Version 2</b> <b>Clarification:</b> Where there is a change of employer, and the apprenticeship originally started prior to 1 April 2024, then the co-investment waiver will not apply to the new employer regardless of the apprentice's age at the time (this also covers where an apprenticeship re-starts).	161	This change is in response to queries we have received.

## Financial contributions by an apprentice

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Clarification:</b> We have clarified that this also includes where the apprentice has left their employer.	164	-

## Subsidy control

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>New for Version 1</b> <b>Policy update:</b> We have removed references to the waiving of the employer contribution for eligible employers as this no longer applies following the changes to co-investment policy.	172-175	-

## Apprenticeships funded by transfers of levy funds

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Policy update:</b> Providers can now deliver training to apprentices they are funding through a transfer.	194	This change has been made following feedback that we have received.



Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>New for Version 1</b> <b>Clarification:</b> Levy transfer funds may be subject to subsidy control rules.	188	-
<b>New for Version 2</b> <b>Policy Update:</b> Once a transfer has been approved by the sending employer, receiving employers will have 6 weeks to accept these funds. If no action is taken, then the transfer funds will no longer be available – receiving employers would then have to apply for a new transfer should this funding still be required.	185	This change has been added following feedback and to further streamline the process.
<b>New for Version 2</b> <b>Policy Update:</b> If the receiving employer has accepted these funds (within the 6 weeks), then they will have 3 months to use these funds, by linking the funds to an approved apprenticeship record. If no action is taken, then the transfer funds will no longer be available – receiving employers would then have to apply for a new transfer should this funding still be required.	186	This change has been added following feedback and to further streamline the process.

## Subcontracting

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Policy update:</b> A new £30,000 de-minimis has been introduced. A provider can use a subcontractor that is not on the published APAR but who will deliver less than £30,000 of apprenticeship training and on-programme assessment under contract across all main providers and employer-providers between 1 August and 31 July each year.	205.4	This change has been made to enable industry experts to contribute to the training of on an apprentice without the need to be on APAR.
<b>New for Version 1</b> <b>Policy update:</b> The de-minimis outlined in the draft rules has been increased from £30,000 to £100,000. Only main providers and employer-providers who have written confirmation from us that they have fully achieved the subcontracting standard, at the point of subcontracting, can use this flexibility. The subcontractor must have a UKPRN and cannot deliver full apprenticeship standards.	205.4	The de-minimis has been increased following feedback from the sector on the draft funding rules.
<b>New for Version 1</b> <b>Policy update:</b> Going forward the subcontractor declaration must be returned by set dates outlined in the rule. All subcontractors must be included on the returns.	224	This is instead of ESFA contacting providers to advise them of the dates.  All providers includes those not required to be on APAR (due to the exception process or the de-minimis).

## Flexi-Job Apprenticeship Agencies (FJAAs)

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>New for Version 1</b> <b>Policy update:</b> Where an FJAA is on APAR and is also an OfS registered provider (with degree awarding powers) then they must operate as an employer-provider when delivering training to their FJAA apprentices.	237	-
<b>New for Version 2</b> <b>Policy update:</b> FJAAs who are on the Apprenticeship Provider and Assessment Register (APAR) as a registered provider, must act as an employer-provider when delivering training to their FJAA apprentices – meaning they can only claim actual training costs.	237	-

## Prisoner Apprenticeships

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>New for Version 1</b> <b>Policy Update:</b> We have removed the rule regarding the funding of English and maths qualifications for prisoner apprentices detailed in the draft funding rules.	-	-
<b>New for Version 1</b> We have included evidence requirements for prisoner apprenticeships.	-	-

## Breaks in learning

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>New for Version 1</b> <b>Restructure:</b> The section has been split into provider-led and apprentice-led breaks in learning.	-	As a result of queries in this area.
<b>New for Version 1</b> <b>Policy update:</b> The breaks in learning text has been updated to reflect the changes in the active learning policy (in relation to front-loaded and block release delivery models).	247	To support and align with the active learning policy changes.
<b>New for Version 1</b> <b>Clarification:</b> The last date of evidenced learning activity for the programme (prior to the break in learning) must be used as the learning actual end date.	250.1	-

## Annex A

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Restructure:</b> Some information has been transferred from the learner eligibility section into Annex A. Annex A has been re-ordered to aid flow.	-	-
<b>Restructure:</b> The section on Immigration Status has been removed, as these requirements are captured in the learner eligibility section (paragraph 20.2).	-	Clarifies that providers must ensure learners have a visa that covers the duration of the apprenticeship.
<b>Policy update:</b> The information relating to UK nationals in the EEA and Switzerland has been updated.	299 to 300.5	-
<b>Policy update:</b> The information relating to family members of EU Nationals (now EEA or Swiss Nationals) has been updated.	302 to 302.3	-
<b>Policy update:</b> The information relating to family members of an eligible person of Northern Ireland has been updated.	305 to 306.2	-
<b>Policy update:</b> The information relating to individuals with certain types of immigration status and their family members has been updated.	308 to 310	-

## Glossary

Change	Paragraph number(s)	Additional notes / rationale to support the change
<b>Note amended definitions of the following terms:</b> adult skills fund; block release (delivery model); day release (delivery model); front loaded (delivery model); progress reviews; subcontracting	-	-
<b>New for Version 2</b> <b>Note added/amended definitions of the following terms:</b> Apprenticeship Provider and Assessment Register (APAR); Apprenticeship service record; Restart.	-	-



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