



Department
for Education

Apprenticeship Funding Rules

August 2023 to July 2024

Summary of Changes

June 2024

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Introduction

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

To support this aim, we have undertaken a wholesale review of the apprenticeship funding rules for 2023-24. We have done this in partnership with a range of stakeholders who have helped us make the policy and presentational changes set out in the tables below.

This review has resulted in the following significant changes in our approach:

- **We are publishing the funding rules much earlier** – stakeholders told us that earlier publication of the rules would give them more time to plan for and implement any changes required in their systems and processes. We therefore published the initial version of the funding rules four months before the start of the 2023-24 AY and two months earlier than last year. We are now publishing Version 1 of the funding rules two months earlier than last year.
- **We have consolidated three separate rules documents into one** – stakeholders told us that three different rules documents (for providers, employers and employer-providers) added complexity and created duplication in content. We have therefore combined the previous rules documents into a single document for all audiences. To ensure that all parties are clear on their responsibilities, we have made clear any differences in rules for different parties;
- **We have removed unnecessary rules and duplication, and simplified language** – in combining the three previous documents we have undertaken a line-by-line review of the rules, removing unnecessary content and re-structuring a number of the sections. This review has contributed to a reduction in the word-count of almost 30% compared to the previous main provider rules document; (To make the rules more accessible for readers there is a more white space within the document, so while the number of pages may not have reduced, the wordcount has significantly.)
- **We have reviewed evidence requirements and included them at the end of each section** – this helps readers understand the evidence requirements associated with each section of the rules, rather than listing everything at the end of the document. We continue to review evidence requirements and work to ensure there is clear guidance on audit.

We will continue to seek to simplify the rules in future years so that is easier for employers and providers to understand their responsibilities and deliver high-quality apprenticeships. We continue to welcome feedback on these changes and how we can go further.

Purpose

On 31 March 2023, we published an initial version of the 2023 to 2024 apprenticeship funding rules. Alongside this we also published a summary of changes, to make it easy to identify the differences between the 2022 to 2023 and the 2023 to 2024 rules.

We published the initial version to provide the sector with an opportunity to feedback on any areas of the 2023 to 2024 rules that we could make even clearer before the final version was issued. We published version 1 of the 2023 to 2024 rules in May 2023 and this summary of changes highlights additional changes that were made following a review of the feedback. We published version 2 of the rules in October 2023 to include a number of clarifications and policy updates. We published version 3 of the rules in March 2024 to reflect the changes to co-investment (for eligible employers / apprentices) and transfers. We are now publishing version 4 of the rules to further reflect the changes to co-investment.

This document sets out amendments to the following document:

Apprenticeship funding rules: August 2023 to July 2024 version 3

These funding rules apply to:

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

These funding rules will apply to all apprenticeship programmes starting on or after 1 August 2023 unless stated otherwise.

We have identified the rules in the 2023 to 2024 funding rules version 1 that have changed from the 2022 to 2023 funding rules in the table below. We have also included further changes that we made for version 2 (from 31 October 2023) for version 3 (from 28 March 2024) and for version 4, from 17 June 2024.

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
We have updated definitions to reflect that funding rules for main providers, employer-providers and employers are now combined into a single document.	1-16	
We have included a reference to the two-year growth pilot which starts in April 2024. Training providers who receive additional payments as part of this pilot will be sent supplementary funding rules and guidance.	7	New for version 3
We have updated the definition of employer to clarify who should be responsible for signing the apprenticeship documentation.	15	New for version 1
We have updated definitions and references throughout the document to reflect the new Apprenticeship Provider and Assessment Register (APAR).	/	New for version 2

Recruit an apprentice

Change	Paragraph Number(s)	Additional notes / rationale to support the change
This section has been removed.	/	Recruit an apprentice information will be transferred to the provider agreement.

Learner eligibility

Change	Paragraph Number(s)	Additional notes / rationale to support the change
<p>Policy update: As an exception to paragraph 21, employers who operate Pooled PAYE schemes may use funds from their apprenticeship service account or government-employer co-investment for apprentices employed by an organisation within their Pooled PAYE scheme.</p>	22.1	New for version 2
<p>Policy update: We have removed reference to Release on Temporary Licence (RoTL) to reflect the expansion of Prisoner Apprenticeships into the closed estate.</p>	/	New for version 2
<p>Providers must not claim funding for individuals who are working under IR35 (see glossary definition) unless they meet one of the Alternative English apprenticeship arrangements.</p>	24.2	New for version 2

Recognition of prior learning and experience

Change	Paragraph Number(s)	Additional notes / rationale to support the change
<p>It is accepted that prior learning is less likely to exist for 16-18 year olds but, where this is the case, the provider must still evidence this with a check of the personal learning record and a discussion. There is no longer a requirement to complete a skills scan in this scenario.</p>	<p>26 to 27</p>	<p>New for version 2</p>

Support for English and maths training

Change	Paragraph Number(s)	Additional notes / rationale to support the change
<p>We have updated the text to clarify that those undertaking a level 3 or higher apprenticeship must achieve a level 2 in both English and maths.</p>	<p>43</p>	<p>New for version 1: This has been added to clarify that in instances where the apprentice may have been assessed to be at a level 1 at the start of the apprenticeship, they must work towards a level 2 in English and maths. Where the apprentice is assessed at a level 2 at the start of the apprenticeship, they must also work towards a level 2 in English and maths.</p>

The outcome of the initial assessment

Change	Paragraph Number(s)	Additional notes / rationale to support the change
<p>Policy change: If the employer is unable to attend the discussion, the provider must give them the opportunity to contribute and must send them the relevant information after the meeting, for their review and signature.</p>	52	<p>This has been added to support occasions where the employer is not able to attend a discussion with the provider and individual.</p>
<p>The discussion must include an agreement on recognition of prior learning and on how all parties will work together to achieve the apprenticeship (i.e. roles and responsibilities of the provider, employer and apprentice).</p>	54	<p>This was a previous requirement of the training plan section of the rules but after feedback, has been brought forward into the initial assessment section. This is so that all parties understand their roles much earlier in the recruitment process.</p>
<p>The discussion must also include the price of the apprenticeship so it is clear to the employer from the outset how much they will need to contribute (if applicable).</p>	54	<p>New for Version 1: Following feedback from employers, we are making it clearer that the employer must be told from the outset how much they may need to contribute.</p>
<p>Policy change: The employer must agree to take part / provide input into progress reviews.</p>	55	<p>This has been added so that it is clearer about what is expected of the employer. The option of providing input has been added to support occasions where the employer is not able to attend a discussion with the provider and individual.</p>

Programme eligibility: overview

Change	Paragraph Number(s)	Additional notes / rationale to support the change
The reference to on-the-job training has been removed.	56	Where this is required, this is the employer's responsibility and is not funded by the apprenticeship funding band.

Employment arrangements

Change	Paragraph Number(s)	Additional notes / rationale to support the change
References to apprenticeship training agencies have been removed from this section.	58	In recognition of the ATA register being withdrawn.
Policy update: The apprentice does not need to spend at least 50% of their apprenticeship duration with the employer whose PAYE scheme they are on, if they are employed by an employment agency or business, and they start their apprenticeship prior to 31 December 2023.	58	This update is to allow any remaining organisations, who are delivering the model of employing apprentices and placing them with host employers, to apply to join the FJAA Register when it next opens.
Policy update: To allow members of the British Armed Forces to go on a secondment or placement to the NHS for more than 50% of their apprenticeship duration.	58.2.4	New for version 2

Apprenticeship agreement

Change	Paragraph Number(s)	Additional notes / rationale to support the change
We have clarified that the apprenticeship agreement must cover the actual duration of the apprenticeship (e.g. if the apprenticeship is extended, the apprenticeship agreement must also be extended).	59	New for Version 1: Added as a result of feedback / queries received.
The provider must verify that the apprenticeship agreement is complete (and correct) and that it has been signed by both parties (the employer and the apprentice). The same individual must not sign the apprentice agreement as both the employer and the apprentice; the provider must check that there is a separate, identifiable line manager who is undertaking the role of the 'employer'.	60	Added as a result of feedback / queries in this area.
If the apprenticeship agreement is incomplete, or not signed, the individual will not have a valid agreement and the provider will therefore not be eligible to receive funding for them.	61	Added as a result of feedback / queries in this area.

Apprentice wages

Change	Paragraph Number(s)	Additional notes / rationale to support the change
If an employer does not pay an apprentice a lawful wage, the individual is ineligible to receive apprenticeship funding.	64	To be clearer around the impact of not paying a lawful wage.

Change	Paragraph Number(s)	Additional notes / rationale to support the change
We have made it clearer that the provider is only responsible for checking that the employer is paying a lawful wage whilst the apprentice is on the programme.	65	New for Version 1: Added as a result of feedback / queries received.

Minimum duration and employment hours

Change	Paragraph Number(s)	Additional notes / rationale to support the change
Any apprentice, including those who are part-time or on a zero hours contract, can complete their programme earlier than their learning planned end date, where it is practical and possible to do so, provided the minimum duration (12 months) and the minimum off-the-job hours for the actual time in training have been met.	70	Following feedback we have clarified this position. The programmes for part-time / zero-hours workers still must be extended (as they represent a higher funding risk in relation to withdrawals). However, where the programme is delivered earlier than is planned, residual funding will be released provided the minimum duration has been met.

Off-the-job training

Change	Paragraph Number(s)	Additional notes / rationale to support the change
We have included 'revision' in the list of what can be included as off-the-job training. The revision must be specifically required for the achievement of the apprenticeship.	72	New for Version 1: Added as a result of feedback / queries.
Examinations and other testing must not be included as off-the-job training.	73	This has been added following observed sector practice, feedback and / or queries.

Change	Paragraph Number(s)	Additional notes / rationale to support the change
<p>Only statutory leave is deducted as part of the off-the-job calculation. The apprentice's own annual leave entitlement, which may be higher than the statutory leave allowance, must not be used in the calculation.</p>	74	<p>This has been added following observed sector practice, feedback and / or questions.</p>
<p>All planned off-the-job training activity (not just shadowing / mentoring) must be agreed in advance of delivery.</p>	76	<p>This has been added following observed sector practice, feedback and / or questions.</p>
<p>The provider is ultimately responsible for the delivery of all off-the-job training, even if this training is delivered by another party.</p>	79	<p>This has been added following observed sector practice, feedback and / or questions.</p>
<p>Policy change: Some active learning (off-the-job training or English/maths training) must take place in every calendar month of the practical period. A break in learning must be used where there is no plan for any active learning to take place within a calendar month. The only exception to this is for those apprentices with a term-time only contract, where we do not require a break in learning for the month of August.</p>	80	<p>Policy change from active learning every 4 weeks to active learning every calendar month. This is to give added flexibility around employer peak periods e.g. compliant delivery at Christmas could take place at the beginning of December and the end of January.</p>
<p>We have confirmed that the policy change re active learning every calendar month will apply to new starts and to existing learners on programme on 31 July 2023.</p>	80	<p>New for Version 1: Added as a result of feedback / queries. Providers do not need to change training plans where these are already compliant (i.e. against the previous 28 day rule).</p>

Change	Paragraph Number(s)	Additional notes / rationale to support the change
We have clarified that if planned off-the-job training is unable to take place as scheduled in any calendar month, a retrospective break in learning is not required, as long as there is active learning in the following calendar month. All missed activity must be re-planned and delivered, so that the full content of the training plan can still be delivered.	80	New for Version 1: Added as a result of feedback / queries.
We have clarified that the evidence should include a broad descriptor to enable a cross check with the training plan.	Evidence Pack	New for Version 1: Added as a result of feedback / queries.

The training plan

Change	Paragraph Number(s)	Additional notes / rationale to support the change
The training plan must be agreed before any training is delivered (this agreement can be virtual), with a fully signed version of the plan being in place by the end of the 42 day 'qualifying day' period. The plan must detail the total volume of hours to be delivered for the full programme. Additional content related information can be added as this becomes available.	86	Following feedback we have allowed longer for the actual plan to be signed by the parties, in recognition that the initial assessment discussion may be virtual.

Change	Paragraph Number(s)	Additional notes / rationale to support the change
We have clarified (in response to questions) that it is the provider who must lead on the development of the training plan. We have also clarified that the training plan should still be signed prior to delivery if this is possible; the 42 day flexibility is for those circumstances where the discussion has been virtual or via email.	86	New for Version 1: Added as a result of feedback / queries.
We no longer require a brief description of the delivery model and mode of delivery. This should be clear from the other information included on the plan.	87	Following feedback we have clarified our position regarding the training plan content. The model and mode of delivery should already be clear from the other information included on the plan.

Progress reviews

Change	Paragraph Number(s)	Additional notes / rationale to support the change
Progress reviews must take place at least 4 times per year. These must be carried out at least every 12 weeks (unless there is an evidenced delivery reason, such as module length, to adopt an alternative frequency). Alternative frequencies must be agreed with the employer.	88	We have added flexibility re progress review frequency to accommodate patterns of delivery / length of modules, where it would be preferable to conduct a review at the end of the module.
If the employer is unable to attend they must be given the opportunity to contribute. They must also be sent relevant information after the meeting, for review and signature.	88	This has been added to support occasions where the employer is not able to attend a meeting with the provider and individual.

Change	Paragraph Number(s)	Additional notes / rationale to support the change
Progress reviews can be virtual.	88	This has been added to provide additional flexibility.
We have confirmed that the policy change re the frequency of progress reviews will apply to new starts and to existing learners on programme on 31 July 2023.	88	New for Version 1: Added as a result of feedback / queries.
We have clarified the circumstances where we expect a revised training plan to also be agreed and re-signed by the employer. Changes to the training plan that fall outside of these examples do not need an employer signature.	89.4	New for Version 2

Eligible costs

Change	Paragraph Number(s)	Additional notes / rationale to support the change
The dairy technologist standard no longer mandates a residential component, therefore this eligible cost (accommodation) has been deleted.	91	Changed due to a change in the standard.

Ineligible costs

Change	Paragraph Number(s)	Additional notes / rationale to support the change
The ineligible cost of accommodation has been updated as a result of the change in the Dairy Technologist standard. All accommodation, including that related to outward-bound activities, is now ineligible.	95	Changed due to a change in the standard.
We have clarified that uniforms and component parts of capital items are ineligible costs.	95	Clarified as a result of queries from stakeholders.
We have clarified that additional learning required to re-sit an exam linked to a non-mandatory qualification is ineligible. (Additional learning linked to a mandatory qualification remains an eligible cost).	95	New for Version 1: Added as a result of feedback / queries.

Additional payments for employers, providers and apprentices

Change	Paragraph Number(s)	Additional notes / rationale to support the change
We will increase the apprenticeships care leavers' bursary to £3,000, for new starts from August 2023.	98.1	Change to support higher participation and completion for young people aged 16-24 with experience of being in care.
We have removed the responsibility on providers to ensure that their apprentice has not received this care leaver bursary previously.	101	Feedback received stated that this placed a disproportionate burden on the provider and/or apprentice – as we have checks to prevent duplicate claims we have removed this requirement

Change	Paragraph Number(s)	Additional notes / rationale to support the change
Clarification: Providers should only record the co-investment waiver, within the ILR, for starts prior to 1 April 2024.	98.3	New for Version 4: Existing rule has been updated to reflect the changes to the co-investment policy

End-point assessments

Change	Paragraph Number(s)	Additional notes / rationale to support the change
To clarify rules on when an apprentice changes employer before they have completed their end-point assessment.	110	New for version 1: We have clarified that we will issue further technical details as to how this change should be reported to us including how the provider can claim the completion payment.
To clarify rules on when there may be a change of end-point assessment organisation after assessment has started.	111	
Policy update: To reflect that the provider is now responsible for selecting and negotiating the price with the end point assessment organisation unless the employer wishes to do so.	104 to 105	New for version 2

Reservation of funds by non-levy employers

Change	Paragraph Number(s)	Additional notes / rationale to support the change
Policy update: We have updated this section to reflect that reservations can be backdated by one calendar month.	133	New for version 2

The price of an apprenticeship

Change	Paragraph Number(s)	Additional notes / rationale to support the change
Any funding band change will only apply to new starts and not apply to apprentices already engaged on the programme.	139	Added clarification on how funding band changes work in practice.
As part of the contract for services it must be clear how much the employer will be expected to contribute (if applicable).	139	New for Version 1: Added as a result of feedback / queries.

Employer co-investment

Change	Paragraph Number(s)	Additional notes / rationale to support the change
Restructure: Information relating to extra support for small employers has been transferred into this section.	-	New for Version 3
Policy update: For new starts from 1 April 2024, where an employer does not pay the levy, government will fund all the apprenticeship training costs (up to the funding band maximum) for those apprentices aged between 16 and 21 years old.	145	New for Version 3: Added as a result of the Prime Minister's announcement to support more starts for young people
Clarification: To confirm that this is for any employer with less than 50 employees, as per previous apprenticeship funding rules.	144	New for Version 4

Change	Paragraph Number(s)	Additional notes / rationale to support the change
<p>Policy update: For new starts from 1 April 2024, 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 either an Education, Health and Care (EHC) plan and / or have been in the care of their local authority.</p> <p>We have also added in reference to Apprenticeships Technical Funding Guide, which provides further information and processes to follow.</p>	145	<p>New for Version 4: Backdating of this change brings it in-line with the co-investment changes previously made for 16-21 year olds</p>

Extra support for small employers

Change	Paragraph Number(s)	Additional notes / rationale to support the change
<p>The 'Extra support for small employers' section has been deleted. Relevant text around co-investment exemptions has been moved into the Employer co-investment section.</p>	/	<p>New for Version 3</p>

Subsidy control

Change	Paragraph Number(s)	Additional notes / rationale to support the change
We have updated this section to reflect the UK subsidy control regime.	161-164	
Policy update: This rule has been updated to confirm that the waiving of co-investment for smaller employers, for starts up to 31 March 2024, may amount to a subsidy.	162	New for Version 4 This rule has been updated to reflect the changes to the policy regarding co-investment waiver

Apprenticeships funded by transfers of levy-funds

Change	Paragraph Number(s)	Additional notes / rationale to support the change
Clarification that in instances where the original application was auto-approved, then this stage of the process will also be automated for the sending employer.	174.3	New for version 2
Policy update: From April 2024, the transfer allowance will be increasing to 50%	165	New for version 3: Added as a result of the Prime Minister's announcement to support more starts within smaller businesses

Apprenticeship Training Agency (ATA)

Change	Paragraph Number(s)	Additional notes / rationale to support the change
We have removed this section	/	Following the withdrawal of the ATA Register, and the subsequent launch of the Register of Flexi-Job Apprenticeship Agencies we have removed the rules relating to ATAs.

Flexi-Job Apprenticeship Agencies (FJAAs)

Change	Paragraph Number(s)	Additional notes / rationale to support the change
Policy update: To reflect the launch of the Quality Framework for Flexi-Job Apprenticeship Agencies.	219	New for version 2

Breaks in learning

Change	Paragraph Number(s)	Additional notes / rationale to support the change
The provider must use a break in learning where there is no plan for any active learning (off-the-job training or English/maths training) to take place in every calendar month of the practical period.	230	To reflect the policy change from active learning every 4 weeks to active learning every calendar month.
The only exception to this is for those apprentices with a term-time only contract, where we do not require a break in learning for the month of August.	232.2	To reflect the policy change from active learning every 4 weeks to active learning every calendar month.
We have clarified that when an apprentice takes a break in learning and returns to the same apprenticeship, they will return to the same funding rules they were following prior to their break.	233	New for Version 1

Maternity, adoption and shared parental leave

Change	Paragraph Number(s)	Additional notes / rationale to support the change
Reflecting the change in the off-the-job training policy, a break in learning must be used to pause funding if there is a clear calendar month between two KIT / SPLIT days.	244	

Data protection

Change	Paragraph Number(s)	Additional notes / rationale to support the change
We have removed this section.	/	These requirements are included in the provider funding agreement.

Summary of action following change of circumstance

Change	Paragraph Number(s)	Additional notes / rationale to support the change
This section is currently under review and has not been included in the initial version of the rules.	/	We are currently reviewing this section to ensure that the guidance reflects the most up to date position. This will be published separately.

ESF

Change	Paragraph Number(s)	Additional notes / rationale to support the change
We have removed this section.	/	ESF match funding requirements will not apply for apprenticeship delivery starting in 2023/2024.

Annex A

Change	Paragraph Number(s)	Additional notes / rationale to support the change
We have amended and clarified a number of areas within this section.	274-308	
We have clarified the definition of ordinarily resident.	275	New for version 2
We have clarified that a person who is in the country unlawfully, which includes someone who has overstayed their visa, is not ordinarily resident.	276	New for version 2
We have clarified that learners who are temporarily outside of the UK should be considered ordinarily resident in the UK for the purposes of assessing eligibility for apprenticeship funding upon their return to the UK.	277	New for version 2
We have clarified that British armed forces, MoD personnel or civil crown servants on postings outside of the UK, can also be treated as ordinarily resident in the UK for the purposes of checking eligibility for apprenticeship funding upon their return to the UK.	278	New for version 2
We have clarified that all family members of UK nationals must meet the required residency eligibility criteria in their own right, unless they meet the criteria in the section entitled “UK nationals in the EEA and Switzerland”, or the criteria in the section entitled “Family members of an eligible person of Northern Ireland”.	280	New for version 2

Change	Paragraph Number(s)	Additional notes / rationale to support the change
We have removed the immigration status 'Exceptional leave to enter or remain' as this no longer exists.	293	New for version 2
We have corrected this category to reflect that only those with Indefinite leave to enter or remain as a victim of domestic violence or as a bereaved partner are exempt from the three-year residency requirement.	293.3	New for version 2
We have updated this section to include the Afghan Citizens Resettlement Scheme.	293.7	New for version 2
Policy update: Crown servants posted overseas who are, or were immediately prior to the posting, ordinarily resident in England are eligible for apprenticeship funding.	302.4	New for version 2
We have corrected this paragraph to reflect 'EU national (principal)'	286	New for version 3



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