

Tempdent

Funding rule
changes

2025-2026

Introduction

There are a number of significant funding rules coming in 2025-2026.

Many of which are designed to increase flexibility in the delivery of apprenticeships and should mean that we're able to support more of your learners to achieve.

The majority of the changes only apply to new learners that start on or after 1st August 2025. The old rules will also apply to anyone that started prior to 1st August 2025 that withdrew and then restarted afterwards.



Minimum Durations and OTJ Training

The 20% minimum OTJ hours has been replaced with a minimum number of hours per standard.

The concept of 20% OTJ hours will go. The DfE has published a list of the minimum number of hours that must now be completed per standard. Note that this list is version 1.0 and the DfE are already reviewing this and have committed to changing a number of minimum hours following feedback from the sector.

The new minimum OTJ hours per standard must be delivered in full, unless RPL applies, in which case we can reduce the hours, provided we also reduce the funding.

Minimum Duration - Important note regarding incentives

Employer incentives for young people (aged 16-18 or 19-24 with an Education Health Care Plan) of £1,000 are paid as follows:

£500 after 90 days on programme

£500 after 365 days on programme

To be eligible, the learner must still be on programme at this time. If learners achieve early (before day 365) they will not attract these additional payments.

Functional Skills (New starters)

Opting in or out of Functional Skills

For learners aged 19+ at start of the apprenticeship, the option to opt in or out of functional skills has been confirmed.

Whilst the decision will be made between the learner, provider and employer, it is the employer that ultimately makes the decision as to whether a learner opts in or out.

The only time the decision to opt out can be made is at enrolment. Once learners opt in, they will need to study and sit the tests, although for learners aged 19+ they do not have to pass Functional Skills in order to achieve their apprenticeship.

Initial Assessment

BKSB Initial Assessment is no longer mandated for learners opting out of Functional Skills.

However, across Tempdent, we recognise the value of understanding a learner's starting point, and we want to make sure that learners will be able to deal with the literacy and numeracy requirements of the wider apprenticeship.

As such, we've taken the decision across Tempdent to continue with Initial Assessment, and to continue to apply our existing entry requirements.

Enrolment and eligibility (New starters)

There are minor changes to eligibility based on residency and immigration status.

A detailed update will be provided but the main points to note are the DfE have clarified that:

1. EU pre-settled status is renewed automatically, and as such, regardless of any perceived expiry date, it will not expire. This means anyone with pre-settled status will be eligible if they meet the 3 year residency requirement.

2. Asylum seekers are not automatically eligible unless they meet other criteria. As an asylum seeker, the outcome is unknown and therefore their continued immigration status cannot be confirmed for the duration of the apprenticeship.

Changes applicable to all learners

Changes to Active Engagement

We are required to evidence that learners are actively engaged every month. If a month is missed, we will replan the activities. If two months are missed, a break in learning will be used.

Previous active engagement included OTJ hours, OR maths OR English.

From 1st August 2025, OTJ hours will be separated from maths and English. We will need to evidence that learners are actively engaged in each of the above separately.

Where there is a gap in OTJ hours for 1 month, we need to replan, for 2 months a break must be used.

Maths and English must be delivered in line with the Training Plan. I.e. if maths or English is planned, it must be delivered in month. If it's not delivered in month, we need to replan the activity for a later month.

This will mean we will need to monitor and manage Functional Skills delivery much more closely and ensure it is delivered in line with plan.

For parts of the business that are not yet used to replanning activities, we will need to start this and we'll be looking across the wider group for examples of best practice where this is already being done well.

What you should expect to see

There will be changes to the training plans in Bud to separate maths and English activities from other activities. This will make it easier to review to see if there are gaps in planned delivery and will make it easier to replan or remove activities as required.