

Apprenticeship funding model: consultation

Date: 14 May 2026

Reference: Medr/2026/17

To: Heads of tertiary education providers in Wales
Current apprenticeship providers in Wales / Apprenticeship
commissioned contract holders
Employer representative bodies
Learner representative bodies
Local authority education representatives

Respond by: 19 June 2026

More information: apprenticeships@medr.cymru

Summary:

This consultation asks current and prospective apprenticeship providers, employers and stakeholders for views to shape the design of the new Welsh apprenticeship funding model, which will be used from 1 August 2027.



Summary

Medr's Strategic Plan sets out an aim to 'create a flexible and joined-up tertiary system where everyone can acquire the skills and knowledge they need for a changing economy and society'. We have committed to design future apprenticeship provision to respond to the Welsh Government's skills priorities and to meet the needs of learners, employers and the economy. Apprenticeships are a key lever for driving productivity and helping to grow a skilled and diverse workforce.

The new apprenticeship programme will start on 1 August 2027 and will be more responsive and flexible to meet our changing economy.

In September 2025 we undertook a consultation, which included engagement with tertiary education providers, industry bodies, employers and other stakeholders. The outcomes have helped inform the design of the new apprenticeship programme and the principles of a new funding model. Engagement events are taking place in May 2026 on the new programme design.

We are now seeking views on:

- the high-level principles of the new funding model
- benefits of the new funding model
- unintended consequences of implementing the new funding model
- additional apprenticeship costs

We would welcome consultation responses from individuals who have experience of delivering apprenticeships and others with an interest in the new apprenticeship programme. Hearing from stakeholders is key to help shape the new funding model and fully consider any unintended consequences.

This consultation focuses on the funding model for apprenticeships at levels 2-5. We are undertaking further work to understand whether changes are required to the funding model for degree apprenticeships.

We will hold a consultation event:

- 3 June 2026, 10am – 11:30am – online session. A link to book a place onto the online session will be on our website.

To have your say, please complete the reply form at **Annex A** and send to apprenticeships@medr.cymru by 19 June 2026.

Introduction

1. Medr is committed to ensuring that the Apprenticeship Programme continues to meet Welsh Government skills priorities and the evolving needs of learners, employers, and the wider economy, as part of a flexible and joined-up tertiary education system. As we continue to design the new programme, we are seeking views from key stakeholders and training providers, to help shape a future funding model.
2. In September 2025, we undertook a consultation to inform the high-level design of the new apprenticeship programme. The feedback from the consultation was invaluable to ensure we create a programme that is more responsive and flexible to address learner needs and skills priorities in our changing economy.
3. We committed to undertake a further consultation on the new proposed apprenticeship funding model. This consultation is an opportunity for you to share your ideas and knowledge on the proposed model. **Annex A** sets out a series of questions we would like your feedback on to help finalise the apprenticeship funding model.

Medr Investment Policy Statement

4. Medr will, as per Section 87 of the Tertiary Education and Research (Wales) Act (2022), publish a statement of policy on how Medr intends to exercise our funding powers. This statement will be consulted on in Summer 2026 to ensure all stakeholders including learners, tertiary education providers, and other partners have an opportunity to shape the principles against which Medr will be accountable in delivering its investment and monitoring functions. We have tested the new apprenticeship funding model against our draft investment policy statement to ensure it aligns. We will keep this under review until both the model and the statement have been finalised.

New Apprenticeship Programme grant award

5. The delivery of the apprenticeship programme will move from a procured commissioned programme to a grant award model from August 2027. This will align with Medr's funding arrangements for all other tertiary provision, supporting our aim for a more joined-up and coherent sector.
6. The apprenticeship grant application process will open on 1 September 2026. Further information will be published on the Medr website on the new grant arrangements in due course.

Why are we consulting?

7. Apprenticeships are a key lever for raising skill levels, driving productivity and helping grow a skilled and diverse workforce that is fit for purpose. The new programme will be more agile and responsive to ensure the right qualifications and skills are delivered to meet employer, learner and economic needs from August

2027. We need a funding model that is also flexible to meet the needs of the new apprenticeship programme.

8. We have developed a new funding model which responds to the feedback received from the previous apprenticeship consultation. This includes making the model more learner centric and flexible to meet changing demands.
9. This consultation provides an opportunity to input into shaping the future apprenticeship funding model.

Outcome of the consultation

10. The consultation will inform the final detailed design of the new funding model, which will be used from 1 August 2027.

Consultation events

11. We are holding a consultation event to help inform the funding model
 - Online event: 3 June 2026, 10am – 11:30am

How to respond

12. Please complete the questionnaire at **Annex A** and send to apprenticeships@medr.cymru by 19 June 2026. Responses received after this date may not be considered.

What is the current apprenticeship funding model?

Apprenticeship Programme levels 2-5

13. Apprenticeships are funded directly to the procured work-based learning providers following delivery of apprenticeship frameworks to learners. These frameworks can be found at [Find an Apprenticeship Framework](#).
14. There are 23 sector frameworks, each with framework pathways which are assigned a framework funding band. There are 16 funding bands for apprenticeships at levels 2-5 (the funding band values can be found in **Annex B**). To determine which funding band is allocated to each framework pathway, analysis is undertaken on the delivery costs of learning providers to deliver the whole programme of learning contained within the framework, this includes evidence being submitted to Medr by the learning providers. The information is then entered into a Activity Cost Model Master spreadsheet to determine the overall delivery costs. This is a very complicated, resource intensive process that is not open and transparent. Once the framework pathway delivery costs are determined then the framework pathway is allocated the nearest funding band, rounding up if necessary.
15. Once learning providers commence delivery of the framework to learners, data is submitted onto our Lifelong Wales Record (LLWR) system. Based on the data submitted, learning providers are paid on a monthly basis in arrears, which is made up of the following payments:
 - Fixed entry payment
 - Delivery payment based on fixed duration of training
 - 3% attainment payment on successful completion of the apprenticeship framework

Welsh language uplift

16. Currently there is an uplift of 19.21% on the monthly delivery costs paid to learning providers where provision is delivered in Welsh. This is based on an assumption of half of the provision being delivered in Welsh by the learning providers.

Degree apprenticeships

17. Degree apprenticeships are paid at a maximum of £27,000 per learner over a 3-5 year period for 360 credits. The credit value is £75 per credit and this is a standard rate across all frameworks. Universities receive payment for credits achieved by learners, which is paid twice a year.

Rationale for change

18. The current model does not enable flexibility to respond to learner and employer needs. This is due to the following:
 - Payments are based on a fixed length of the apprenticeship framework and do not take into account prior learning, qualifications already achieved or a learner's ability to either progress more quickly or needing additional time or support.
 - Learning providers receive the same funding regardless of experience or qualifications of a learner.

- The analysis to determine the cost of each framework is complicated and not transparent.
 - Learners can remain on programme longer than necessary to enable learning providers to receive the full framework value.
 - Limited ability for a flexible approach to optional qualifications, without having a number of different funding bands available for each apprenticeship framework.
 - No flexibility if learners leave and rejoin the programme at a later date.
19. Medr has considered and analysed a number of options to develop and implement a new funding model for the apprenticeship programme. The current apprenticeship funding model would not be suitable to meet the new programme aims and objectives, as set out in the bullets above. This consultation provides information and a series of questions on the preferred funding model to meet the needs of the programme going forward.

Degree apprenticeship

20. Further work is currently underway to support the future funding model for degree apprenticeships. The current funding model commenced during the degree apprenticeship pilot phase and the funding model continued into business as usual delivery. There has not been any review of the existing degree apprenticeship funding model.
21. Further work will help us understand the delivery costs of degree apprenticeships in Wales. The analysis is investigating the extent to which £27,000 for 360 credits remains a reasonable funding level for degree apprenticeships in Wales and whether a flat rate of £27,000 regardless of framework/subject is appropriate. We will work with the universities and wider tertiary education sector to take this forward. We expect the funding approach for degree apprenticeships to align with the high-level principles set out in the consultation, for example the emphasis on outcomes, but the detailed method will differ. Therefore, degree apprenticeship funding is not within scope of this consultation.

What is the new proposed apprenticeship funding model?

22. Medr has developed a new funding model that will move to an learner-centric **outcomes model**, which is based on the learning requirements of an individual apprentice to successfully achieve their apprenticeship framework, instead of a fixed duration and amount. The model will enable a greater flexibility to tailor the framework to learner and employer needs.
23. The apprenticeship framework pathways will have a maximum funding value consisting of all of the apprenticeship components as set out in Section 115 Tertiary Education and Research Act. These are:
- Qualifications – Either competency and knowledge or combined
 - Essential Skills Wales qualifications (if required) in:
 - Communication
 - Application of number
 - Digital literacy
 - Optional qualifications units, industry/occupational competencies

- On and off the job training
24. Medr is working with Welsh Government on the new requirements, which will replace the [Specification for Apprenticeship Standards in Wales](#), which is due to be consulted on in the autumn.

How are we going to determine the framework value?

25. Medr is proposing to move away from the current complicated Activity Cost Model Master spreadsheet model and move to a more open and transparent funding model, where each component of the apprenticeship framework will receive a Medr Unit Value and then be weighted dependent on sector subject area. There will be a maximum funding value for each framework, which will be published on the new Medr Framework Library (which will be launched in August 2027).

Medr Unit

26. Each framework delivery component will have a quantity of learning allocated to it. This will be expressed in Medr Units. The quantity of learning will be multiplied by the weightings and the Medr Unit Price. The Medr Unit Price is the monetary value of one Medr Unit.

Weighting

27. The weightings will be based on sector subject area and assessor weightings reflecting different costs of delivery, for example engineering will have a higher weighting than business administration. Medr will engage with the apprenticeship provider network to confirm the weightings once the funding model is finalised.
28. A framework weighting will be applied to each apprenticeship pathway (please see **Annex C** for proposed ranked order of framework weightings). The ranking will be consistent with the sector subject area weightings across tertiary education, although the exact weighting value may be different due to the differences in delivery of apprenticeships and other forms of provision.

Medr Unit Price

29. The Medr Unit Price will have a fixed monetary value across all frameworks but may change over time. The Medr Unit Price is yet to be defined, but this will be benchmarked across comparable tertiary education delivery.

Framework Value

30. Framework Value = Quantity of Learning (Medr Units) x Weighting x Medr Unit Price.

Medr Framework Library

31. An apprenticeship pathway sets out the requirements for completing a Welsh apprenticeship in a specific occupation. Pathways within a sector form a framework, known as apprenticeships sector frameworks. There are currently 23 sector frameworks which are held on an information platform called the 'Framework Library'.

32. The new Medr Framework Library will consist of 18 refined sector frameworks and will contain the Medr Unit for each apprenticeship component and the maximum funding value for each apprenticeship pathway.

How are we going to fund learning providers?

33. The funding methodology will move to an outcomes-focused model, which will consist of the following elements:
- Assessment and induction
 - Delivery costs
 - Achievement of framework certificate

Assessment and Induction

34. In addition to the induction process with employers and learners, learning providers will undertake an assessment of each learner to establish the delivery requirements of the framework/pathway. The assessment will consist of:
- Relevant recognised prior learning (RPL). Learning providers will determine if an apprentice has already completed a qualification that forms part of the apprenticeship framework/pathway. Only completed and achieved qualifications would be recognised, not partial qualifications or credits.
 - Essential skills achieved or essential skills qualifications required
 - Qualifications contained within the apprenticeship framework to be completed
 - On and off the job training to be completed
 - Optional units, industry/occupational competencies to be completed. This is to respond to industry needs and keep up with changing technologies.
 - Career Skills courses or qualifications which are additional to the framework requirements, led by the employer/occupation needs
 - Learner start date and predicted end date
 - Additional learning needs requirements
35. The outcome of the assessment will enable calculation of the Medr Unit Value required for the learner to complete the framework (funding value), and the duration of the funding (number of months over which the learner should be funded).
36. The assessment and induction payment will be a standard fixed rate to be paid to the apprenticeship provider for all learners and will be allocated to the month in which the apprenticeship framework started. The apprenticeship team has undertaken initial engagement with learning providers on the potential cost of delivering this extended assessment process. We propose to increase the Assessment and Induction payment from £285 to £400.

Delivery Costs

37. The delivery costs will be based on the funding value determined by the outcome of the assessment and will cover the delivery costs over the duration of the apprenticeship. The duration is determined through the assessment.
38. The total delivery cost is determined by the apprenticeship funding value minus the induction and assessment payment and outcome payments.

39. Where the assessment determines that an apprentice has already completed a qualification that is a component of the framework/pathway, including essential skills proxy qualifications, the corresponding Medr Unit Value would be deducted from the maximum funding value.

Framework Attainment

40. There will be a stronger focus on successful outcomes for learners achieving the whole framework. This will be recognised by a payment of 20% of the funding value of the apprenticeship which will be paid once the framework certificate has been achieved.
41. If a learner completes and achieves the framework earlier than forecasted, the provider will receive payment for the full funding value as long as the minimum 12 months of learning have been completed. This is due to the provider undertaking all activities required in a shorter period. The 12 months minimum duration protects the nature of a Welsh apprenticeship as a programme of learning which develops occupational competency.

Additional Costs

42. Medr is currently undertaking, as outlined in its operational plan, a thorough review of funding models across the tertiary sector to identify priorities for change.
43. The apprenticeship programme will take account of the findings of this review in due course. From August 2027 until the wider Medr approach has been confirmed, it is proposed that a separate budget will be allocated for the apprenticeship programme to support learning providers to attract a diverse range of learners from across Wales into apprenticeships and support retain them. This funding will also encourage and expand delivery through the medium of Welsh or bilingually.
44. Areas to be supported through this additional funding include, but are not limited to, the following:
- Welsh language/Bilingual learning
 - Supporting learners from deprived communities
 - Supporting disabled learners
 - Additional Learning Needs
 - Mentoring for employers and learners

Reconciliation

45. Medr intends to provide monthly funding reports to learning providers. These reports will show costs for each learner, including:
- Induction and assessment payment
 - Monthly delivery payments
 - Early completion payments
 - Outcome payments
 - Any additional costings

46. This will enable learning providers to have detailed reports on each learner. A learner's rejections report will indicate which learners have not been funded and the reasons why they have not been funded (e.g. data entry errors). These reports will enable learning providers to undertake a reconciliation on a monthly basis.

Summary of proposed changes to the apprenticeship funding model

47. A summary of the proposed changes to the apprenticeship funding model are:

Framework value

- The establishment of the framework maximum value will move from the complex activity cost model master spreadsheet to an open and transparent process where the maximum funding value will be published, based on the Medr Unit Values for each component of the framework, then allocated an appropriate weighting dependent on the sector subject area. This approach aligns more closely to funding methods used for other parts of tertiary education.

Delivery

- A fixed apprenticeship framework value paid on time in learning will be removed, with a move to a more learner centric approach, where the provider, learner and employer determines the framework components required, through the initial assessment.
- The duration of the apprenticeship will be determined by the provider, employer and learner instead of a fixed duration. The 80% rule, where learners must remain in learning to enable learning providers to receive 80% of their funding, will be removed.
- There will be a minimum duration of 12 months for an apprenticeship and there is no fixed maximum time allocated. The time required for an individual learner will be based on outcome of the provider's assessment.
- Early successful completers will receive the full funding value as the learning providers would have delivered all of the learning needed for the apprentice.
- Recognised prior learning will be taken into account for the knowledge qualification and essential skills qualifications, reducing duplication of learning and of funding.
- Completion of the competency qualification will be mandatory for all learners, to protect the nature of the apprenticeship as a programme of learning that develops occupational competency.
- There will be a maximum funding value for each framework pathway based on the Medr Unit Values of its components.

Outcomes

- The current funding model focuses on duration of the apprenticeship instead of prioritising successful completion. The new funding model will move to an outcome payment of 20%, increasing focus on successful completion.

Impact of Policies

48. As the new apprenticeship programme is developed, including funding models and methodology are reviewed, we carry out an impact assessment screening to help safeguard against discrimination and promote equality. We also consider the impact of policies on the Welsh language, and Welsh language provision within the higher education sector in Wales and potential impacts towards the goals set out in the Well-being of Future Generations (Wales) Act 2015 including our Well-being Objectives.
49. Contact wa.inclusion@medr.cymru for more information about impact assessments.

Further information

50. Any queries regarding this consultation should be directed to the Apprenticeship Team, Medr (apprenticeships@medr.cymru).

Consultation questions

No.	Question	Response
1	Are there any unintended consequences of this model compared to the current model?	Yes / No Please provide comments to support your response, including any examples of potential unintended consequences:
2	In the new funding model we intend to validate qualification data from the information contained in the new framework library at the start of the programme instead of during the learning. Are there any impacts for learning providers in regards to time and cost implications?	Yes / No Please provide comments to support your response, including any examples of potential impacts for learning providers in regards to time and cost implications:
How are we going to determine the framework value?		
3	We propose to increase the Assessment and Induction payment from £285 to £400. Is £400 payment a fair reflection of the additional assessment and induction requirements?	Yes / No Please provide comments to support your response
4	To what extent do you agree with the delivery cost ranking for the sector frameworks? (please see Annex C for proposed Sector Framework rankings).	Strongly agree / Agree / Disagree / Strongly disagree Please provide comments to support your response
How are we going to fund learning providers?		
5	The duration period will be set on an individual apprentice basis to enable flexibility within the system. Are there	Yes / No Please provide comments to support your response:

No.	Question	Response
	any impacts or unintended consequences of this flexibility?	
6	<p>It is proposed the new funding model will move to an outcome payment of 20%, increasing focus on successful completion.</p> <p>What are the key benefits moving to an outcome model?</p>	
7	Is 20% outcome payment an appropriate percentage value?	<p>Yes/No</p> <p>If not, why not?</p>
Additional costs		
8	Are there any further additional costs you wish us to consider?	<p>Yes / No</p> <p>Please provide comments to support your response</p>
9	We do not propose any additional funding where learners have to resit qualifications. Are there any unintended consequences of this approach?	
10	What do you think would be the likely positive or negative effects of our proposals on the Welsh language? We are particularly interested in any potential effects on opportunities to use Welsh and on not treating Welsh less favourably than English.	
11	Are there any other considerations for us to take into account, that would have a positive or an increased	

No.	Question	Response
	positive effect on: opportunities to use the Welsh language, and treating the Welsh language no less favourably than the English language.	
12	Are there any other considerations for us to take into account, so that our proposals would not have adverse effects, or would reduce adverse effects on: opportunities to use the Welsh language, and treating the Welsh language no less favourably than the English language.	
13	Will the proposals contribute to the achievement of the national well-being goals set out in the Well-being of Future Generations Act 2015?	Yes Partially No Please provide details:
14	<p>Will the proposals contribute towards: Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010?</p> <p>Advance equality of opportunity between persons who share a protected characteristic and persons who do not share it?</p> <p>Foster good relations between persons who share a protected characteristic and persons who do not share it?</p> <p>Reduce the inequalities of outcome which result from socio-economic disadvantage?</p>	Yes Partially No
15	Is there any additional information you would like to feed into the consultation?	

Current Apprenticeship Framework Funding Rates

August 2024

Band Number	Entry Funding	Delivery Funding	Attainment Funding	Band Value
1	285.27	3,691.92	119.31	4,096.50
2	285.27	4,522.80	144.24	4,952.32
3	285.27	5,553.10	175.16	6,013.53
4	285.27	6,372.92	199.75	6,857.94
5	285.27	7,691.26	239.30	8,215.83
6	285.27	8,721.56	270.21	9,277.04
7	285.27	9,641.08	297.79	10,224.14
8	285.27	10,604.91	326.70	11,216.89
9	285.27	11,635.21	357.62	12,278.10
10	285.27	12,610.12	386.86	13,282.26
11	285.27	14,116.80	432.06	14,834.14
12	285.27	15,756.42	481.25	16,522.95
13	285.27	17,728.40	540.41	18,554.08
14	285.27	18,636.83	567.67	19,489.77
15	285.27	20,930.09	636.46	21,851.83
16	285.27	23,104.52	698.56	24,088.36

Apprenticeship Sector Framework Ranked Weightings

It is proposed that weightings will decrease from the top to the bottom of the list. The order in which sector subject areas are ranked aligns across the tertiary education sector. Weighting values will be agreed in consultation with the apprenticeship provider network.

Sector Framework	Weighting (TBC)
Agriculture, Environmental and Animal Care	
Construction and the Built Environment	
Engineering	
Food and Drink	
Manufacturing	
Transport, Automotive and Logistics	
Creative, Design and Media	
Catering and Hospitality	
Hair and Beauty	
Property Services	
Digital	
Science and Energy	
Sport and Leisure	
Legal, Finance and Accounting	
Management, Business and Retail	
Education and Early Years	
Health, Social and Child Care	
Public and Protective Services	

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