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Y Comisiwn Addysg Drydyddol ac Ymchwil
Commission for Tertiary Education and Research

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Apprenticeship Funding Model: Summary of consultation outcome

Date:	14 September 2026
Reference:	Medr/2026/47
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
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Summary:

This document provides a summary of the responses to the consultation on the new funding model for the Apprenticeship Programme (leading to regulated qualifications at levels 2-5) from 1 August 2027, which was published in May 2026.

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 May 2026 we undertook a consultation on a proposed funding model for the new apprenticeship programme leading to regulated qualifications at levels 2-5, which included engagement with tertiary education providers, industry bodies, employers and other stakeholders.

We asked for 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

Hearing from stakeholders has been key to help Medr shape the new funding model and fully consider the unintended consequences identified.

This document provides a summary of key themes from the responses to the consultation questions and how we have decided to respond in finalising the new funding model.

Annex A provides a more detailed analysis of the consultation feedback.

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.

2. We held a 6-week consultation in May – June 2026, seeking views from stakeholders, including tertiary education providers, industry representatives, employers, learners, and local authorities to help inform the funding model for the new programme. The consultation document provided information on the current apprenticeship programme funding model, a rationale for change and proposals for the new apprenticeship programme funding model.

3. There were 15 questions contained within the consultation document, 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

4. We received 34 written responses to the consultation. We also held an online event during the consultation period, with 30 attendees. We would like to take this opportunity to thank everyone that contributed.

5. The feedback from the consultation has informed the development of the new funding model. Paragraph 25 sets out how we have responded in finalising the funding model.

6. A high level summary of the key themes identified from the consultation is contained from paragraph 8 in this document, with a more detailed analysis at **Annex A**.

What is the new proposed apprenticeship funding model?

7. As set out in the consultation document, Medr developed a proposed new funding model to support a more flexible, learner-centric and outcomes-focused approach. The model is based on the learning required for an individual apprentice to successfully achieve their apprenticeship framework, instead of a fixed duration and amount. The model enables greater flexibility to tailor the framework to learner and employer needs while ensuring providers receive timely payment for the elements the learner completes.

Key Themes

Flexible approach

8. The ambition to create a more flexible, learner-centred and outcomes-focused apprenticeship funding model was welcomed.

Successful completion payment

9. Overall, while respondents generally supported the principle of outcome-based funding, a number of unintended consequences were raised in relation to the introduction of a 20% successful completion payment, increased from the current 3%. Respondents expressed concerns that 20% was too high and could unintentionally influence decisions being made based on financial reasons rather than learner need. Key concerns included:
    a. Financial instability, reduced access and equity, changes to provider behaviour, and potential impacts on priority sectors.
    b. Providers may become more selective in recruitment, favouring lower-risk learners and reducing opportunities for learners with Additional Learning Needs (ALN), ESOL learners, and those from disadvantaged backgrounds. This could ultimately restrict access, reduce inclusion, and increase learner withdrawals.
    c. Certain foundational economy apprenticeship frameworks may not be delivered, due to historical lower successful outcome rates.
    d. Delivery costs may not be fully covered if learners did not successfully complete the apprenticeship, which would lead providers to bear the financial risks associated. This was especially key for sub-contractors. There are external factors that may prevent learners completing their apprenticeship which are beyond providers' control, such as employer stability, labour market conditions, and individual learner circumstances such as health or personal challenges.
    e. The proposals were not consistent with the wider tertiary approach where there are no or limited outcome/successful completion payments in place.

10. The main suggestion from respondents was to implement a successful completion payment at a lower funding percentage, typically between 5% and 10%, with some indicating that 10% to 15% should be the maximum. Others recommended a phased introduction of any increase, including piloting the approach before full implementation.

11. Many noted the importance for wider outcomes to be recognised, not just qualification attainment. Some areas mentioned were sustained employment, career progression, wage growth and increased confidence and wellbeing.

Assessment and induction

12. Overall, there was general support for the assessment and induction requirements and the increase in payment from £285 to £400 for this element being a fair reflection of the increased work involved. The vast majority of respondents supported the introduction of recording learners' recognised prior learning, which would remove repeated learning and reduce the length of the apprenticeship. Employers in particular were supportive of its introduction.

13. Some stakeholders indicated that with costs continuing to rise, there should be ongoing reviews of the payment level to ensure it remains aligned with delivery expectations.

Duration and sector delivery cost ranking

14. Overall, stakeholders supported the concept of delivery cost rankings for sector frameworks which would be aligned across the tertiary sector, although actual weightings may differ between tertiary programmes. However, some respondents stated that there was insufficient information available to make an informed judgement on this proposal.

15. A key element of the new apprenticeship programme is the removal of the fixed duration for an apprenticeship framework. There will be a minimum duration period of 12 months, but no maximum duration. The planned duration of the apprenticeship framework will be based on the outcome of the initial assessment of an individual learner to enable flexibility within the system.

16. There was strong support for this principle with respondents recognising the potential benefits for learner-centred delivery, progression opportunities and responsiveness to employer needs.

17. Some respondents highlighted concerns that the proposed 12-month minimum duration may reduce, rather than increase flexibility, particularly for programmes with established shorter delivery models or where learners have significant prior learning. A factor in this was a concern a provider would not receive the maximum funding if the learner completes the framework early, which could result in learners remaining on programme longer than needed. Respondents stated that some apprenticeship frameworks, for example Level 2 qualifications in Accounting and Health and Social Care are currently delivered successfully within 9–10 months, particularly where learners have prior qualifications, recognised prior learning or employer support that enables accelerated achievement. Some stated that a blanket minimum duration could delay progression to higher-level learning, career advancement and pay progression for capable learners.

Equality

18. Overall, respondents agreed that the proposals would make a positive contribution to equality.

19. However, respondents considered that implementation and reviewing the funding model was key to ensure maximum impact to learners. This included:
    a. maintaining strong protections for disadvantaged and higher-need learners
    b. ensuring sufficient funding for learner support
    c. monitoring participation and outcomes across different groups
    d. recognising wider measures of success beyond qualification completion
    e. providing apprentices with funding and support arrangements comparable to those available in further and higher education

Additional costs

20. Overall respondents supported the proposals for areas to be covered by additional costs funding. The majority highlighted additional costs for promotion of the Welsh

language, additional learning needs (ALN), and costs associated with travel in rural areas.

21. Some respondents suggested a resit support fund, to cover potential wider unintended consequences such as additional costs for providers, increased pressure on learners and financial impact on sectors with expensive external assessments.

Welsh Language

22. The overarching consensus was for Welsh language delivery to be embedded throughout the system rather than treated as an additional element or requirement. Many respondents recommended that funding for Welsh language delivery should be incorporated into the core funding model, with funding arrangements designed to recognise varying levels of bilingualism and language use among learners rather than relying on fixed language categories.

23. A recurring theme was the need for clear, accessible and sustainable funding that fully reflects the costs of delivering Welsh-medium and bilingual provision. Respondents highlighted shortages of Welsh-speaking tutors, assessors and specialist practitioners across several sectors and recommended investment in workforce development, Welsh language training and incentives to attract and retain bilingual staff. These elements could be recognised as additional costs.

24. Many noted that workplace culture has a major influence on whether apprentices are able to use and develop their Welsh language skills. Suggestions included introducing incentives for employers, particularly SMEs, to promote Welsh in the workplace.

Conclusion

25. Overall respondents were supportive of the principles of the new funding model. However, Medr has decided to make some changes to the proposals to address concerns raised in the consultation and mitigate unintended consequences. These are:

    - The payment for successful completion will remain at its current rate of 3% for at least the first year of the new programme from August 2027. This will allow Medr to take account of the wider review of Medr's funding methodologies and align approaches for recognising successful completion across the tertiary sector. It will also allow the new regulatory framework, which includes monitoring of outcomes, to take effect. Medr will keep this element of the funding model under review and will discuss future changes with apprenticeship providers.
    - Medr will introduce some exceptions to the minimum 12 month duration of an apprenticeship to address specific pathways issues and to take account of the introduction of recognised prior learning as an element of the programme. This will be introduced while Medr continues to review apprenticeship frameworks to ensure they contain sufficient learning to maintain a robust apprenticeship offer which develops occupational competency.

- Welsh language will be included in the additional costs budget to support providers promote and develop Welsh language provision as set out in the consultation. In addition, providers will attract a maximum uplift value of 20% to deliver Welsh Medium Learning. However, this may be reviewed by Medr over the course of the grant period, in line with Medr’s policies and objectives.

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