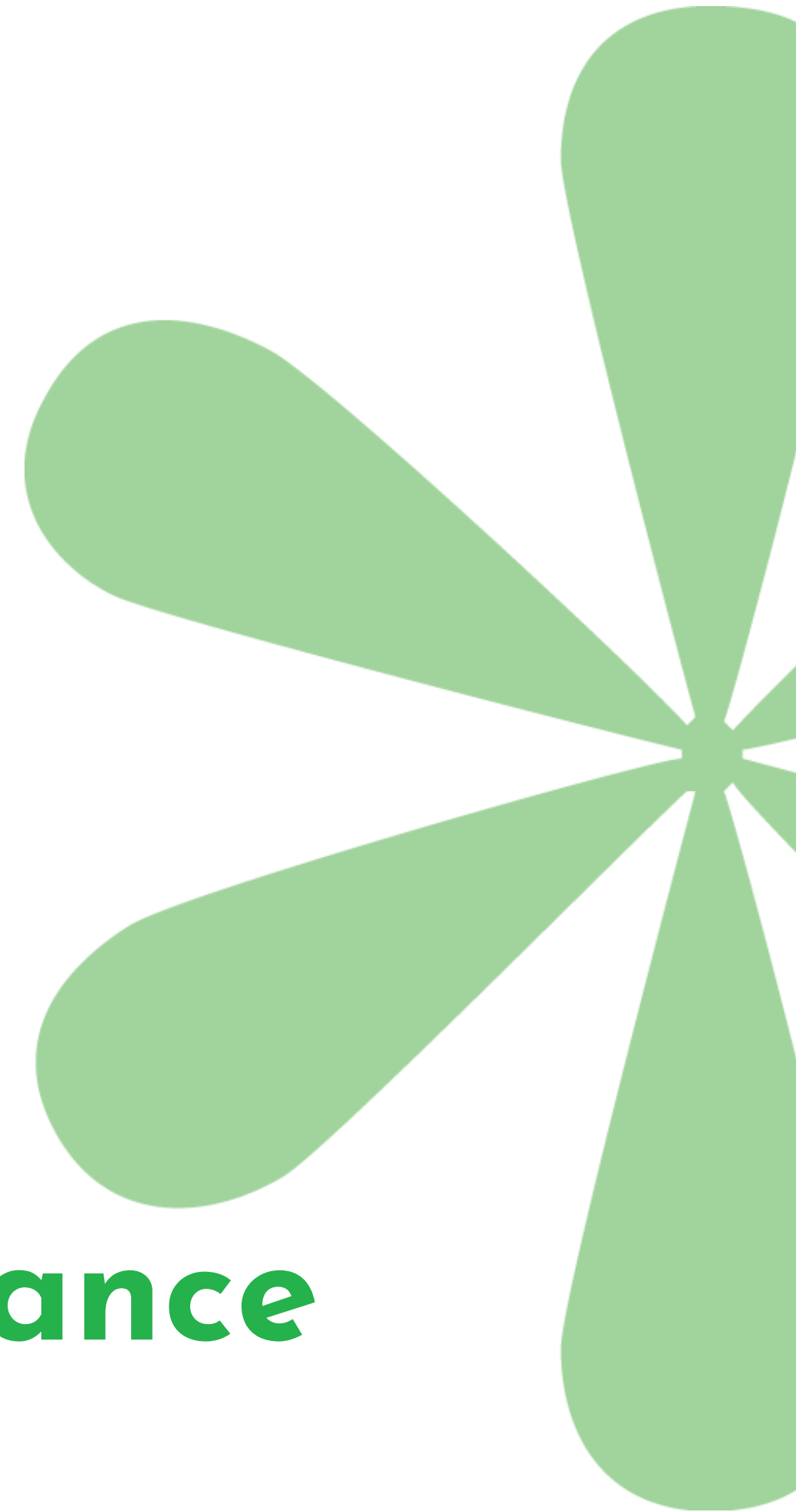


first intuition\*  

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where people count

**Navigating Apprenticeship  
Funding Changes:  
Key Changes,  
Client Perspectives  
& Accountancy Sector Guidance**



# Today's session is designed to:



- Clarify recent and looming changes in the apprenticeship funding environment
- Share how the market is responding
- Help you consider your next steps and how to plan training programmes in the months ahead

# Why policy is important



**Government policy is now a major driver of the skills sector.**

**At FI, we engage with policy-makers so that we can:**

- Be ahead of the curve on upcoming changes to ensure we are in a good position to understand their impact and inform employers
- Ensure the views of employers and learners in the accountancy sector are heard
- Raise the visibility of the Professional and Business Services sector and the Accountancy, Audit and Tax industry with policy makers

# How FI is supporting employers



## Following recent policy changes, FI is responding by:

- Providing guidance through employer briefings, webinars, newsletters and one-to-one support to help employers understand the changes
- The introduction of new courses, such as Exam Plus, to create consistency between apprenticeship support and commercial programmes
- Working with employers to review recruitment and training plans, to help maximise the chances of trainees starting Level 7 before turning 22
- Helping employers explore different recruitment models
- Bringing employers together through forums and roundtables to share how others are responding
- Support for managing levy spend
- Feeding employer insight back to government and sector bodies

# Good news for the accountancy sector



## A time to be very positive:

- Apprenticeship budget increased by £725m to over £3 billion per annum
- Clear Government focus on young people and under-25s
- Greater emphasis on lower-level and career-entry routes
- Inclusion of Professional and Business Service as one of the 'IS-8' priority growth sectors including accountancy as a frontier industry
- Stronger focus on occupationally-specific apprenticeship standards

# Key policy changes to the Growth and Skills Offer



**Changes to the Growth and Skills Offer that are impacting the accountancy sector:**

1. Level 7 funding restrictions - **January 2026**
2. Streamlining of apprenticeship standards - **September 2026**
3. Introduction of shorter-duration apprenticeships - **August 2025**
4. New Foundation Apprenticeships for younger learners - **August 2025**
5. Levy-funded short courses/'Apprenticeship Units' - **April 2026**
6. Employer incentives for apprenticeships - **October 2026**



## **1. Level 7 funding restrictions:**

- From 1 January 2026
- Eligibility restricted to age 21 and below at the start of the programme
  - 24 and below for care leavers and those with an Education, Health and Care Plan (ECHP)

## **2. Streamlining of apprenticeship standards:**

- 16 apprenticeship standards, including Level 3 Team Leader, Level 5 Operations Manager Level 6 Chartered Manager are being removed from funding
- Implementation from September 2026 to January 2027



### **3. Shorter duration apprenticeships:**

- From August 1, 2025, the minimum duration for apprenticeships in England were reduced from 12 months to 8 months for new starts

### **4. Foundation Apprenticeships:**

- Foundation Apprenticeships are new, entry-level programmes designed to help young people (aged 16-21) start their careers via 8-month, employer-led training
- Initial sectors include health and social care, construction, digital, and engineering, with expansion into retail and hospitality by April 2026

### **5. Levy-funded short courses/'Apprenticeship Units':**

- From April 2026, new flexible short courses funded from the Apprenticeship Levy
- Initially available in AI, manufacturing and engineering
- Components taken from full apprenticeship standards
- FI has submitted short-course suggestions for the accountancy sector

## 6. Employer incentives:



- **Existing:**

- **Employer's NI** - exemption for employees under 21, and apprentices under 25
- **Age incentive** - £1,000 for employers hiring apprentices aged 16-18

- **New:**

- **Non-levy employers apprenticeship incentive** - £2,000 for non-levy employers hiring apprentices aged 16-24, paid in two instalments
  - Apprenticeship starts from 1 October
  - Have to be a new hire in the last 3 months, i.e. from 1 July
- **Foundation Apprentices** - £2,000 for employers who hire Foundation Apprentices aged 16-21
- **Youth Jobs Grant** - £3,000 for employers who hire 18-24 year olds who have been on Universal Credit for 6 months
- **Youth Job Guarantee** - 6 months paid work placement for 18-24 year olds who have been on Universal Credit for 18 months

Incentives are stackable

# Changes in the Autumn Budget



## **Key changes for levy payers (From August 2026):**

- New contributions to levy accounts will expire after 12 months, down from 24 months, forcing faster use.
- The 10% government uplift on levy contributions will be removed.
- When levy funds are exhausted, the government co-investment drops from 95% to 75%, increasing employer co-funding from 5% to 25%.

## **Non-levy payers:**

- Apprenticeships will be 100% funded for learners up to age 24 (increased from 21)

## **Other changes:**

- The apprentice minimum wage (where under 19 or 19+ and in the first year of their apprenticeships) increases to £8.00 per hour (up 6%) from April 2026.
- Minimum wage increased to £10.85 for 18 to 20 year olds, and £12.71 for 21+

# Additional policy changes of note



## Other changes to policy to be aware of:

- Assessment and EPA reform are ongoing
- New Ofsted Education Inspection Framework (EIF)
- Devolution of adult skills funding
- Qualification reform including new V level in Finance and Accounting