

GROWTH AND SKILLS LEVY REFORMS

WHAT EMPLOYERS NEED TO KNOW

The government is reforming apprenticeships to prioritise young people and better meet employers’ needs, backed by £1 billion in additional investment.

NEW PRODUCTS

Foundation apprenticeships

Jobs with training at Level 2, providing job specific skills and employability behaviours to support the transition from education to work.

For young people aged 16 to 21, or under 25 with an Education, Health Care (EHC) plan, care leavers, or prisoners/prison leavers.

They have a minimum duration of 8 months and are available in construction and the built environment, digital, engineering and manufacturing, health and social care, catering and hospitality, and retail service, supply and administration.

They can lead onto more specialised or higher level apprenticeships.

Fully funded for non-levy and levy paying employers.

Find a training provider at [Find apprenticeship training](#) or advertise vacancies through your [apprenticeship service account](#).

Updated apprenticeship offer

A new [Level 2 Administrative Assistant apprenticeship](#), for 16 to 24 year olds. Providing a new entry-level opportunity for young people.

Apprenticeship units

Short, flexible training courses that upskill existing employees aged 19+ in critical skills areas to support business growth and productivity.

They last between 30 and 140 delivery hours, can be delivered over a period of one to 16 weeks and are available in:

- AI leadership – AI adoption, procurement and governance
- AI leadership – AI delivery and organisational transformation
- AI leadership – AI strategy and opportunity
- Battery manufacturing
- Electrical fitting and assembly
- Electric vehicle charging point installation and maintenance
- Mechanical fitting and assembly
- Permanent modular building assembly
- Solar PV installation and maintenance
- Welding – mechanised

Focusing on these sectors allows us to test what works and refine and expand the offer over time.

Fully funded for non-levy paying employers and levy paying employers for learners aged 19 to 24. For learners over 25, levy paying employers can use their levy funds to pay for apprenticeship units. When account funds are exhausted, they will move into co-investment.

Register employees through your apprenticeship service account, or visit our [Apprenticeship Units Support page](#) to find out more.



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New and existing financial support available. Employers can claim more than one of these payments.

Payment		Employer type	Age eligibility	Schedule
£1,000	Additional payment for hiring apprentices	All employers	16 to 18 (and under 25 with an EHC plan or care leavers)	Paid in two equal instalments, at day 90 and one year after apprenticeship started (or day 242 if apprenticeship under 12 months). Claimed by the training provider and passed on to the employer.
£2,000	Foundation apprenticeship payment	All employers	16 to 21 (and under 25 with an EHC plan, care leavers, or prisoners and prison leavers)	Paid in three equal instalments, at day 90, day 242 (eight months) and the final payment when an apprentice progresses onto their next apprenticeship. Claimed by the training provider and passed on to the employer.
£2,000	Apprenticeship hiring payment for non-levy employers (from 1 October 2026)	Non levy employers only	16 to 24 (new employees)	Paid in two equal instalments at day 90 and day 365 (or day 242 if apprenticeship under 12 months). Earliest payment from January 2027. Claimed by the training provider and passed on to the employer.
£3,000	Youth Jobs Grant	All employers	18 to 24, if apprentice has been unemployed and on universal credit for six months or more	Paid in two instalments, £1,800 after 6 weeks and £1,200 after 18 weeks. Paid directly to employers by the Department for Work and Pensions. Details available on GOV.UK

Additional benefits for taking on a young person

- 100% training costs covered for new starts under 25
- No employer National Insurance contributions for apprentices under 25 (see [HRMC guidance](#) for details)
- £3,000 [bursary](#) available to care leavers and young people in care under 25 starting an apprenticeship
- Up to £4,500 bursary, targeted for households in receipt of Universal Credit



APPRENTICESHIP INCENTIVES

Financial support for hiring young apprentices



System changes for levy employers from 1 August 2026

Co-investment rate

When levy funds are exhausted, the employer contribution for apprentices aged 25 and over will increase from 5% to 25% for new starts (government funds the remaining 75%).

Existing apprentices already on programme retain the current 95% government rate.

10% top-up removed

The current 10% government top-up on monthly levy contributions will stop.

Levy expiry period

The expiry period for new funds entering accounts will reduce from 24 months to 12 months.

Funds already in accounts before August 2026 will retain the 24-month expiry.

Withdrawing government funding for apprenticeship standards

The apprenticeship offer has grown to more than 700 standards, with some predominantly used as continuing professional development (CPD) for established employees aged 25 and over, rather than supporting young people into skilled careers.

To refocus investment on young people and critical skills gaps, funding will be withdrawn from 16 apprenticeship standards for all new starts (regardless of age) from September 2026. All training providers delivering these standards will now have controls on starts to support the transition.

Level 2

Professional Security Operative,
Cleaning Hygiene Operative

Level 3

Custody and Detention Professional, Facilities Management Supervisor,
Learning and Skills Assessor, Team Leader, Security First Line Manager,
Public Sector Compliance Investigator and Officer

Level 4

Improvement Practitioner, Learning
and Skills Mentor, Lead Practitioner
in Adult Care

Level 5

Operations Manager, Outdoor
Learning Specialist, Coaching
Professional

Level 6

Chartered Manager (degree),
Improvement Leader

Existing apprentices will be funded through to completion. During the transition period, there will be limits on new activity.

Employers can continue to fund these standards privately. National Insurance exemptions for apprentices under 25 will still apply.

