

2026 EMPLOYER GUIDE · V1.0 · APRIL 2026

# The 2026 Levy Readiness Checklist

25 questions every employer should answer  
before the September 2026 changes hit.

**16**

STANDARDS DEFUNDED

**£3.5bn**

LEVY POOL AT RISK

**95%**

EMPLOYERS UNPREPARED

# Why this checklist exists

September 2026 brings the biggest reset to UK apprenticeship funding in a decade. 16 standards are being defunded — including Team Leader Level 3, Operations Manager Level 5 and Coaching Professional Level 5. Levy reforms will shift money toward the new Growth and Skills Levy. SME co-investment is being cut from 5% to 0% for under-25s. And the new AI & Automation Practitioner Level 4 (ST1512) is reshaping what "workforce upskilling" looks like for every employer.

Most employers we speak to are aware something is changing. Few have a plan. This checklist is built to fix that — 25 specific questions across five areas, designed to be answered in 30 minutes by anyone responsible for L&D, HR, finance or operations.

Tick what you've handled. Circle what you haven't. Anything circled is something to action before September.

## HOW TO USE THIS CHECKLIST

1. Print or fill digitally. Each question has a tick-box.
2. Score yourself: 20+ ticks = ready. 15-19 = exposed. Under 15 = act now.
3. Anything left unchecked goes on the action list at the back of this guide.

## 01 STRATEGIC ALIGNMENT

Does your apprenticeship strategy match where the business is going?

- We have a 2026 workforce plan that names which roles will gain AI capability and which won't.
- Our exec team has signed off the L&D priorities for the 2026/27 financial year.
- We know which of our current apprenticeship enrolments are on standards being defunded.
- We've mapped at least one AI-focused programme to a strategic business goal (productivity, retention, growth).
- Apprenticeships are referenced in our 2026 talent strategy or transformation plan, not treated as a separate workstream.

## 02 LEVY BUDGET & CASHFLOW

Are you managing the levy as a strategic asset, or as a tax?

- We know our exact levy balance, monthly contribution and rolling 24-month expiry profile.
- We have a named owner for levy spend (not just "finance" or "HR" — a person).
- We model the impact of the Growth & Skills Levy reform on our 2026/27 spend.
- We track unspent levy at risk of expiry each quarter, with a recovery plan.
- If we're an SME, we know we get 100% funding for under-25 apprentices from April 2026.

### 03 PROGRAMME SELECTION

Are you choosing programmes that will still exist in 18 months?

- Every programme we're enrolling on after September 2026 is on a currently-funded standard.
- We've reviewed the AI & Automation Practitioner L4 (ST1512) as an option — even if we don't pick it.
- We've checked whether replacement standards exist for any defunded programmes our team has been on.
- Provider selection compares Ofsted ratings, learner reviews, and the number of qualifications included.
- We require at least one accredited co-qualification (CMI, CIPD, BCS, Microsoft) per programme — not just an EPA.

### 04 APPROVAL & GOVERNANCE

Will sign-off slow you down in September?

- We have a documented sign-off path from line manager → L&D → finance → exec for new programmes.
- Our procurement team has pre-approved at least two apprenticeship providers via framework or DPS.
- We have an apprenticeship policy that covers eligibility, working hours, off-the-job requirements.
- Our LMS or HRIS captures apprenticeship enrolments alongside other learning.
- We've briefed line managers on their 6-hour-a-week off-the-job time obligation.

## 05 DELIVERY & MEASUREMENT

How will you know whether the apprenticeship actually worked?

- We've defined success metrics for each cohort beyond completion (productivity, retention, promotion).
- We collect line-manager feedback at 3, 6 and 12 months — not just an end-of-programme survey.
- We capture apprentice project work (e.g. AI automations they build) as a transferable asset.
- We have a clear pathway from L4 to L5/L6/L7 for high-performers who want to continue.
- Apprenticeship outcomes are reported into the same exec dashboard as other workforce metrics.

### FOUR QUICK WINS YOU CAN DO THIS WEEK

1. Pull a list of every current apprentice and their standard. Flag anyone on a defunded standard.
2. Calculate your unspent levy at risk of expiry in the next 12 months. Email finance.
3. Add one AI apprenticeship option (ST1512 or AI for People/Operations Leaders L4) to your 2026 prospectus.
4. Brief one line manager on the changes so you have an internal advocate when sign-off is needed.

# Five expensive mistakes we keep seeing

*Drawn from 100+ employer conversations between September 2025 and April 2026.*

- 1 Letting levy expire on the 24-month rolling clock.**

Funds dropped into the digital account on 1 May 2024 expire on 1 May 2026. We've seen mid-sized employers lose £40k–£120k a year purely to expiry. Set a quarterly expiry alert in your finance calendar.
- 2 Picking a provider on price or proximity, not qualifications.**

Apprenticeships are 100% levy-funded — there is no "price" to optimise. Optimise on the number of accredited co-qualifications included, the trainer's industry experience, and Ofsted grade.
- 3 Enrolling on a defunded standard in 2026.**

Sixteen standards lose funding from September 2026. Anyone enrolled before that date can usually continue, but we've seen employers start cohorts in May/June expecting to renew in October — and renewal is gone.
- 4 Treating off-the-job time as optional.**

The 6-hour-per-week off-the-job requirement is a funding rule, not a guideline. Failing to evidence it can claw back funding. Build it into the apprentice's calendar from day one.
- 5 Assuming AI apprenticeships need coding.**

ST1512 (AI & Automation Practitioner L4) is explicitly designed for non-technical staff in finance, HR, ops, marketing and customer service. Most employers eliminate themselves from the AI apprenticeship market on a misconception.

# Jargon buster

*The acronyms you'll trip over in any 2026 levy conversation.*

<b>ST1512</b>	Standard reference number for the AI & Automation Practitioner Level 4 apprenticeship — the one TESS specialises in. £18,000 funding band.
<b>EPA</b>	End-Point Assessment. The independent assessment at the end of an apprenticeship. Usually counts for the bulk of the final grade.
<b>OTJ / Off-the-job</b>	The 6 hours per week (or 20% pre-2022) the apprentice spends learning during paid working hours. Rules-bound — not optional.
<b>Funding band</b>	The maximum amount of levy that can be spent on a single apprenticeship standard. ST1512 sits at £18,000.
<b>Growth &amp; Skills Levy</b>	The 2026 successor to the apprenticeship levy. Allows wider use of funds for short courses and non-apprenticeship training.
<b>DAS</b>	Digital Apprenticeship Service — the gov.uk portal where employers manage their levy and apprentices.
<b>ESFA</b>	Education and Skills Funding Agency — the body that regulates apprenticeship funding.
<b>RoATP</b>	Register of Apprenticeship Training Providers. Only providers on this register can deliver levy-funded apprenticeships.
<b>Co-qualification</b>	An additional accredited qualification (CIPD, CMI, BCS, Microsoft) bundled into an apprenticeship. TESS includes up to 5 in the AI L4 — no competitor matches that.
<b>24-month expiry</b>	Levy funds expire 24 months after they enter the digital account. Use it or lose it.

NEXT STEPS

# You've done the diagnosis. Now do something about it.

If you scored 20+ on the checklist, you're ahead of 95% of employers we talk to. Lean into it — this is the moment to consolidate cohort starts before the September shift.

If you scored under 15, you're not alone, but you do need to move. Start with the four quick wins on page 5. Get one cohort booked for September. Build the rest from there.

If you'd like a 30-minute, no-obligation review of your levy position with our team, book a call below. We'll walk you through the changes, identify the highest-impact programmes for your sector, and you'll leave with a one-page action plan whether you choose to work with us or not.

## Book a free 30-minute Discovery Call

Bring your checklist score. We'll do the rest.

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