

# THE EMPLOYER'S GUIDE TO APPRENTICESHIP FUNDING





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## INTRODUCTION

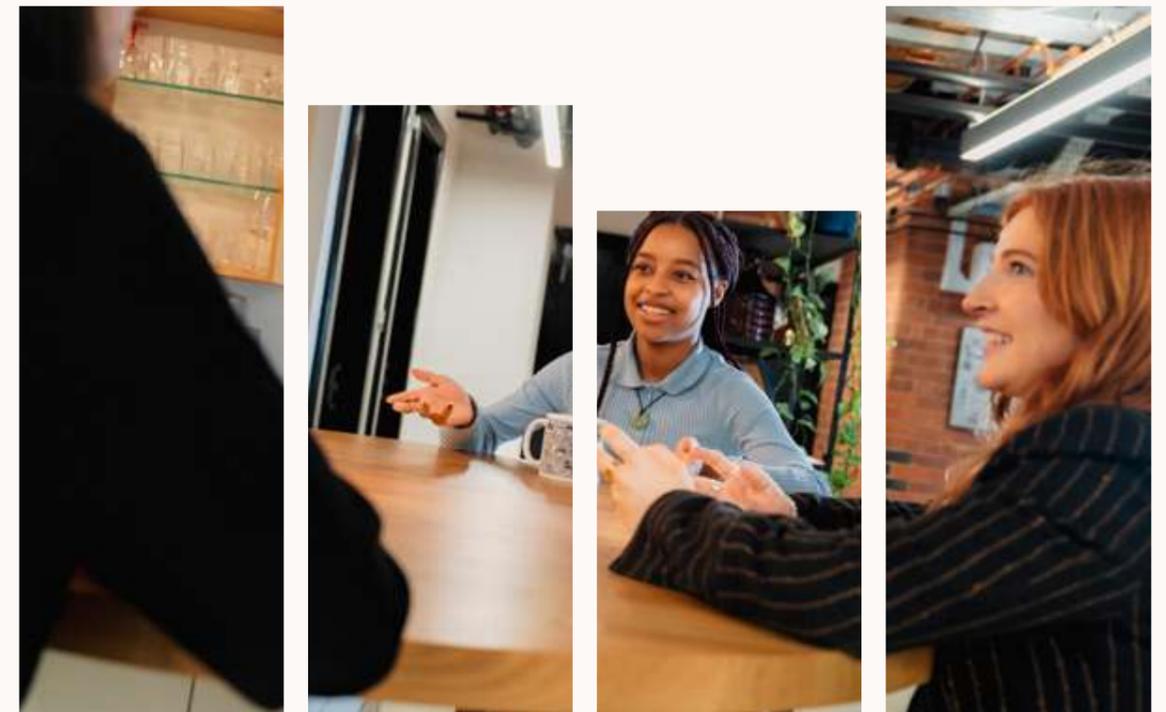
### Why apprenticeship funding matters now

In today's economic climate, getting the most from training opportunities is critical and therefore understanding how funded apprenticeship training works is more important than ever.

Whether you're developing future leaders, filling urgent skills gaps, or looking to retain and upskill talent, apprenticeship funding will help you to meet your goals while delivering significant return on investment. You can avoid rising recruitment costs and expensive commercial courses by taking advantage of funded training for your workforce.

Apprenticeships aren't just for entry-level staff either; they offer structured development for employees at every level in a [wide range of sectors](#). And while the government has made it easier than ever to access funding support, navigating your options can be tricky without guidance. That's where we come in.

This guide gives you clear, simple insights into how the apprenticeship levy works, [what support is available for SMEs](#), and how Total People can help you make the most of your investment. Whether you're a levy-paying employer or a small business, we're here to help you take the next step with confidence.



## WHAT FUNDING IS AVAILABLE?

The government provides financial support to employers for the training of apprentices. This support covers the costs associated with apprenticeship programmes, such as training, assessments and course materials.

The funding available and how you access it depends on your company size. The system is designed to make training more accessible whilst also ensuring employers invest in developing skills.

The funding is available to cover:

- Training
- End-point assessment
- Support for English and maths training
- Learning support for apprentices with additional needs.



## HOW APPRENTICESHIP FUNDING WORKS

### Large employers



If your annual wage bill is over £3m, you're a levy payer and a tax of 0.5% of your wage bill can be used to cover the cost of apprenticeship training.

The Government adds a 10% top up to the levy funds.

### SMEs



If your annual wage bill is less than £3m, you are a non-levy payer and fall under the co-investment funding model, where 95% of the cost of training is covered by the Government.

### Changes to funding in 2026

- For Large employers - from August 2026, once Levy funds are used up, you pay 25% of further training costs, and the Government covers the remaining 75%
- For SMEs - from August 2026, there will be full funding for apprentices under the age of 25.

### Additional funding initiatives

There is also additional £1000 funding available through government backed initiatives when hiring apprentices who are:

- 16-18 years old
- 19-25 with an Education, Health and Care (EHC) plan.

£2000 funding is available for employers with an apprentice on a foundation apprenticeships. You access your levy payments through your [Apprenticeship Service Account](#).

- If you pay the levy, use this service to manage funding and provider payments.
- If you don't pay the levy, use this service to access and reserve funding.

## Levy Gifting: Turn Unused Funds Into Local Opportunity

From August 2026, apprenticeship levy funds that go unused for 12 months will expire and be reclaimed by the government. Levy gifting offers a simple, high-impact alternative. Large employers can transfer up to 50% of their annual levy to small and medium-sized businesses, giving them access to fully funded apprenticeship training.

### Why It Matters

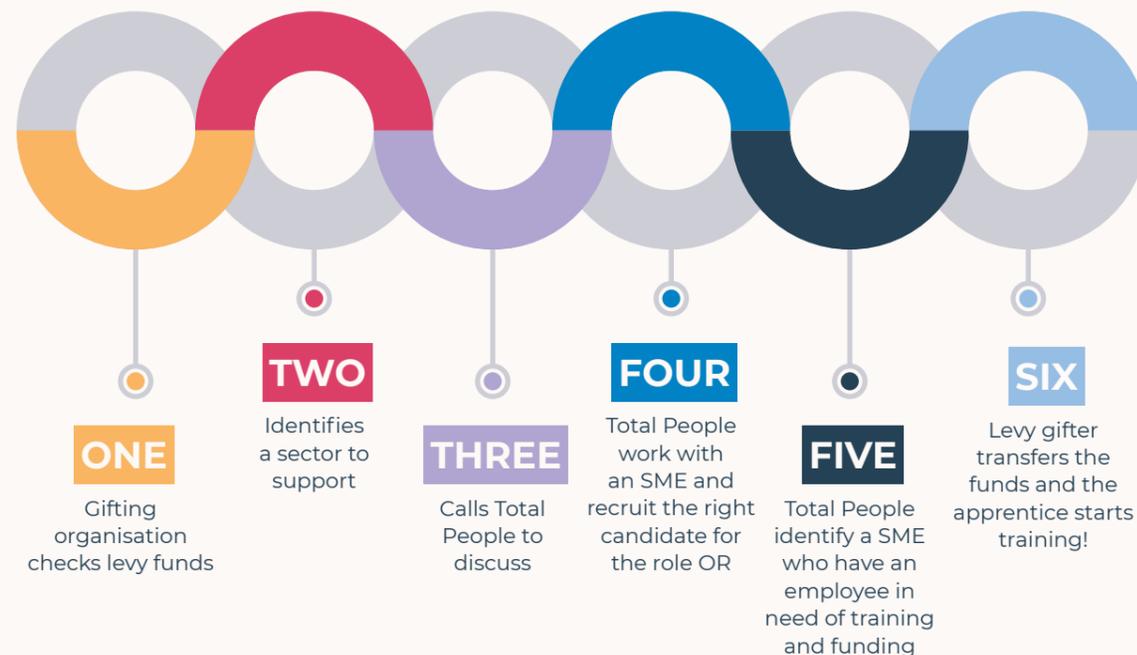
Levy gifting keeps valuable funds in local communities, strengthens supply chains and supports sectors that need skilled talent. It's an effective way to boost economic growth while meeting wider social and corporate responsibility goals.

### Building Skills Where They're Needed

By gifting unspent levy funds, organisations can directly support industries they work with — helping small businesses grow, develop new talent and build a stronger workforce for the future.

### Proven Impact

In the last five years, Total People has supported 500 apprentices across Greater Manchester through £5 million in gifted levy funds from large employer partners. These contributions have enabled small businesses in childcare, engineering, professional services and more to access high-quality training and strengthen their talent pipeline.



***“Apprenticeships can be a potential lifeline to young people looking for that first opportunity in a competitive job market, but they are equally transformative for businesses that embrace them as well.***

***“But not all smaller businesses have the resources to invest, and it’s often these employers that could benefit the most from a well-funded programme.***

***“Levy gifting is an excellent way for larger organisations to expand the impact of apprenticeships and we intend to use the scheme to its full potential in supporting smaller employers in our communities.”***

*Lisa Murphy, UK Training and Development Director at Aldi UK*



## APPRENTICESHIP FUNDING FOR NON-LEVY SMES

If your business doesn't pay the apprenticeship levy, you can still access high-quality training at very low cost.

### How It Works

- You contribute just 5% of the training and assessment costs
- The government funds the remaining 95%
- Example: For a £5,000 programme, your total cost is only £250.

Compared with the average £6,125 (CIPD estimate) cost of filling a vacancy, apprenticeships offer exceptional value.

### What's Changing in 2026

From August 2026, SMEs training apprentices under 25 will have 100% of costs covered, with no employer contribution required.

### Why Choose Apprenticeships

Apprenticeships are more cost-effective than commercial courses or degree routes, helping you:

- Build skills tailored to your business
- Reduce recruitment costs
- Develop long-term talent from within.

## WHAT'S COVERED BY FUNDING?

Apprenticeship funding removes the barriers to high-quality workforce training. It covers the essential elements to ensure both your business and your employees receive maximum value.

Apprenticeship funding covers:

- **Off-the-job training**

A requirement for all apprenticeships, this includes learning that takes place outside of the apprentice's regular job duties. It must cover the minimum number of hours for each apprenticeship standard. This may involve classroom sessions, virtual learning, mentoring and practical skills development

- **Tuition and learning materials**

These relate to the [apprenticeship standard](#) and ensure your apprentice receives the most up-to-date, industry-relevant training without additional costs for course access or curriculum resources

- **End-point assessment (EPA)**

This is a formal evaluation that takes place at the end of the apprenticeship to ensure the learner meets the required standards. The cost of this assessment is fully covered by apprenticeship funding, provided it is carried out by an approved organisation.

It's also important to note what apprenticeship funding does not cover.

As the employer, you're responsible for paying the apprentice's salary, as well as any travel, accommodation or meal costs incurred during training. Additionally, you may need to provide or purchase specific tools, uniforms or equipment (such as PPE) which are not funded.

We'll walk you through these details and make sure there are no costly surprises.



## ADDITIONAL FUNDING AND SUPPORT

Alongside the core apprenticeship funding, there are several helpful support options to make your investment go further.

### Support for hiring young people

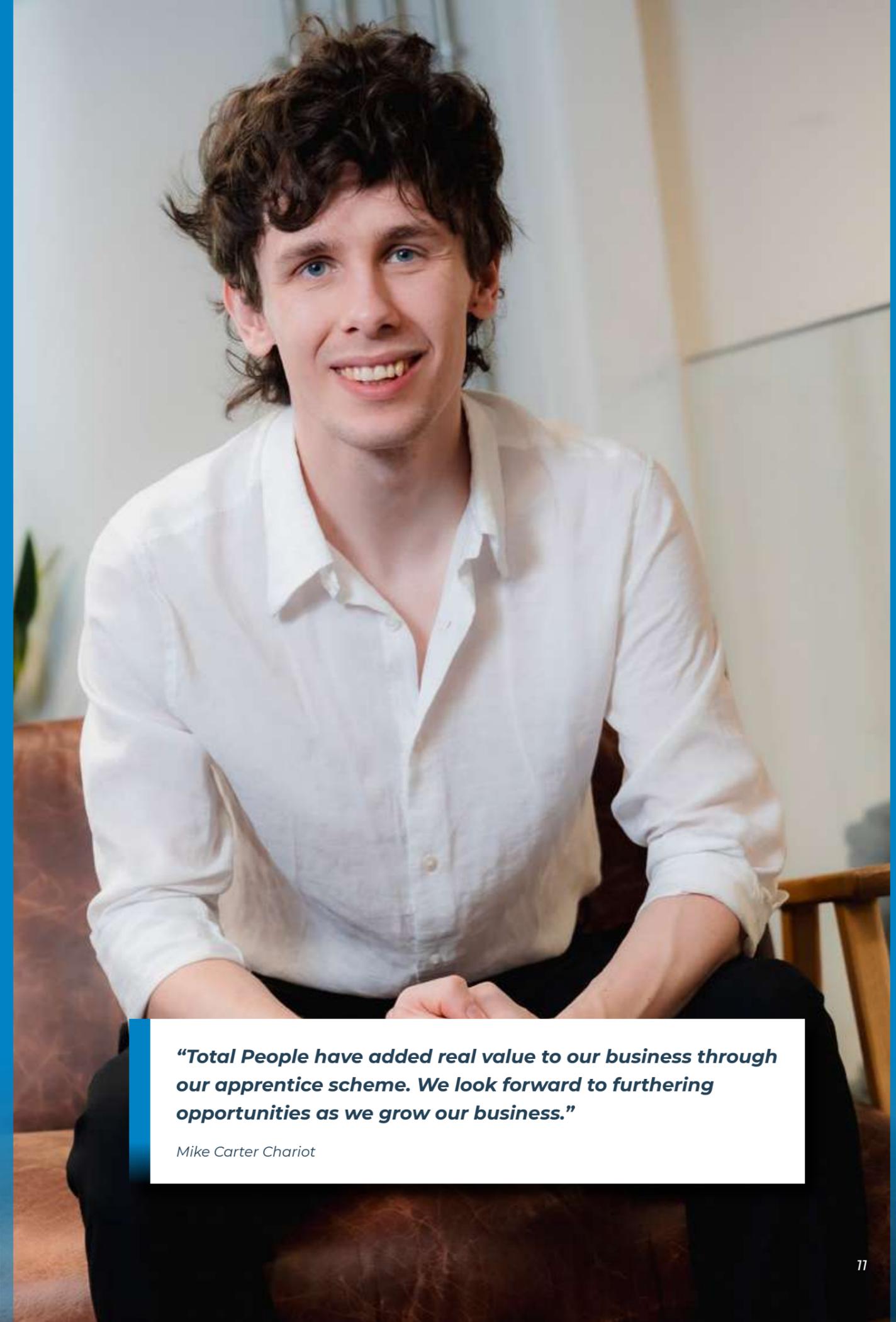
If you hire apprentices aged 16 to 18, or apprentices aged 19 to 24 who have been in care or have an Education, Health and Care Plan (EHCP), you could receive extra financial support.

These incentive payments are designed to encourage youth employment and help cover some of the initial costs such as equipment or extra support as they settle into the role.

### English and maths training

If your apprentice doesn't already have GCSE grade 4 (or equivalent) in English or maths, the government will fund their functional skills training as part of the apprenticeship.

This is mandatory for apprentices under 19, but those aged over 19 can also take advantage if it benefits them or your business.



***“Total People have added real value to our business through our apprentice scheme. We look forward to furthering opportunities as we grow our business.”***

*Mike Carter Chariot*

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# THE BUSINESS BENEFITS

Employers across the UK are seeing the return on apprenticeship investment. Here's how your business will benefit:

- **Reduced recruitment costs**

The average cost of filling a vacancy is £6,125\*, whereas hiring an apprentice brings a net benefit of £2,496\*\*. Avoid costly recruitment fees and grow your own talent in-house

- **Improved staff retention**

Investing in apprentices is a long-term strategy to nurture valuable, loyal members of your team and reduce staff turnover

- **Futureproofed workforce**

You can shape your apprentice's training and development to meet the specific needs of your business. They'll immediately implement the things they've learned while becoming well-versed in your business practices and values from the get-go

- **CSR impact**

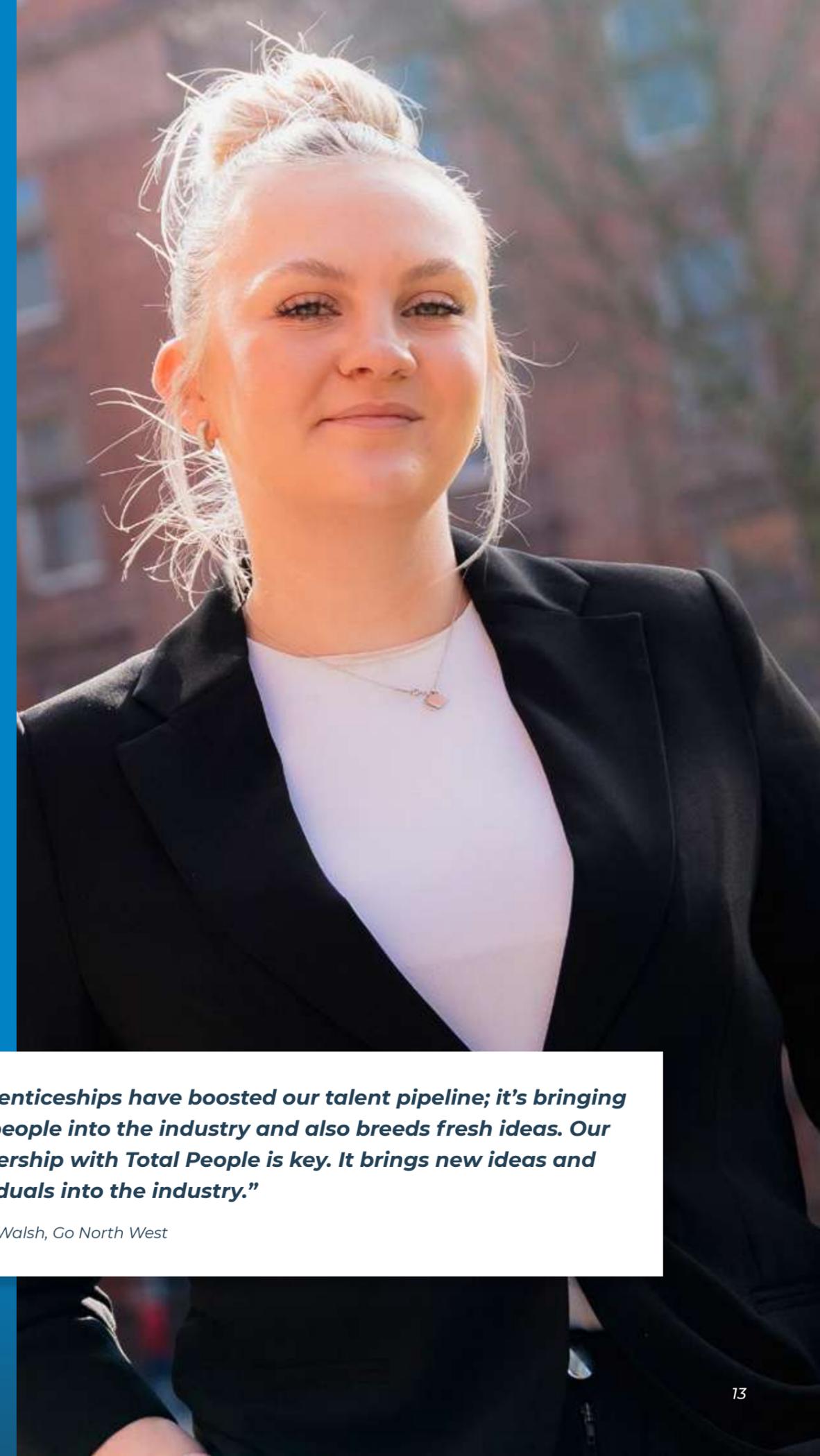
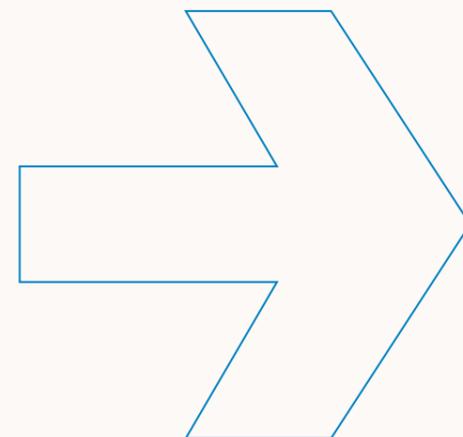
Investing in apprentices demonstrates a commitment to workforce development, addresses youth unemployment, and fosters a more skilled and diverse workforce

- **Upskill existing staff**

Apprenticeships aren't just for entry-level staff; they offer structured development for employees [at every level](#) and in a wide range of sectors.

[\\*CIPD](#)

[\\*\\* St Martin's Group](#)



***“Apprenticeships have boosted our talent pipeline; it's bringing new people into the industry and also breeds fresh ideas. Our partnership with Total People is key. It brings new ideas and individuals into the industry.”***

*Martyn Walsh, Go North West*

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## FREQUENTLY ASKED QUESTIONS

### How do I access funding?

To get started, you'll need to register on the Gov.uk Apprenticeship Service and create an account. It's your portal to access government apprenticeship funding, choose a training provider, manage your vacancies and track training plans. Every employer - whether you pay the levy or not - will need an account to run apprenticeships.

### Can I use funding for existing staff?

Yes! Apprenticeships are open to new and existing employees of all ages. If you wish to upskill and strengthen your workforce, you can use apprenticeships to create professional development and career progression for your teams.

### How do I get started?

Just [contact Total People](#) and we'll help you assess your needs and find the right solution.



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## WHY WORK WITH TOTAL PEOPLE?

With 30 years of experience working with businesses and supporting them through apprenticeship training, we are an [Ofsted-rated 'Good' provider](#) who will support you from start to finish with:

- [Funding advice](#) and application support
- [Recruitment](#) through our Connect service
- [Tailored training programmes](#)
- Ongoing mentor and progress reviews.

[Click here](#) to see what our employer partners say about us.

***“E.ON got involved in levy gifting because we saw an opportunity to use our apprenticeship levy in a different way. With unused levy expiring every month, we began to rethink how we could better support our local communities. I’d encourage any large employer who doesn’t use their full levy allocation each year to consider levy gifting. It’s a powerful way to invest in local talent, and today, anyone with potential can benefit from an apprenticeship. By the end of it, your support could genuinely change someone’s life.”***

*Darren Cook, E.ON*

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# CONTACT AND NEXT STEPS



See how apprenticeship funding can work for your business.

Phone: **0333 322 2666**

Email: [enquiries@totalpeople.co.uk](mailto:enquiries@totalpeople.co.uk)

Visit: [www.totalpeople.co.uk/employers](http://www.totalpeople.co.uk/employers)

**1.**

We will work with you to understand your business needs, plans and direction.

**2.**

We will support you with any questions you have throughout your journey.

**3.**

We will work with you to maximise funding and recruitment.

## For more information



[@tpapprenticeships](https://www.instagram.com/tpapprenticeships)



[Total People](https://www.linkedin.com/company/totalpeople)



[@TotalPeopleLtd](https://www.youtube.com/channel/UC...)



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*Total People is part of LTE Group. LTE Group is committed to equality of opportunity, non-discriminatory practices and supporting individual students. This information is also available in a range of formats, such as large print, on request.*