Employer Guide: Accessing Growth and Skills Levy Funding for the AI Leadership Short Course

From April 2026, employers in England can use the government's **Growth and Skills Levy** to fund short, flexible training courses known as **Apprenticeship Units**. Designed around employer-led occupational standards, these targeted units allow organisations to upskill existing staff aged 19 and over in high-priority areas such as Artificial Intelligence (AI) leadership without committing to a full-length apprenticeship.

This guide provides a complete, step-by-step walkthrough for employers and prospective learners looking to secure government funding for the Level 5 AI Leadership short course units, incorporating the updated Department for Education (DfE) funding rules effective from 1 August 2026.

1. Key Funding Rules and Recent Updates

If your organisation previously set up an Apprenticeship Service account using older guidance, please note several important regulatory changes governing Apprenticeship Units:

- **100% Funding Available for Non-Levy Employers:** Organisations with an annual UK pay bill under £3 million do not pay the levy, yet they can still access **100% government funding** for approved Apprenticeship Units. However, non-levy employers must actively reserve funds in the digital portal before training begins.
- **12-Month Expiry on New Levy Funds:** Levy funds entering employer accounts from 1 August 2026 onwards expire after **12 months** on a rolling basis (reduced from the previous 24-month window), and the historic 10% government top-up no longer applies. Short AI Leadership units provide an immediate way to utilise expiring balances.
- **Updated Co-Investment Rates for Levy Payers:** If a levy-paying employer has insufficient funds in their digital pot to cover the full unit rate, the government co-invests **75%** of the eligible cost for learners aged 25 and over (leaving a 25% employer contribution), and **100%** for learners aged 19 to 24.
- **Mandatory Onboarding and Assessment:** Public funding requires a formal initial skills check, a signed Training Plan agreed prior to the start date, and an independent end-of-unit skills test.

2. Funding Routes and Employer Contributions

Each approved Level 5 AI Leadership Apprenticeship Unit carries a maximum government funding rate of **£750** per learner (excluding VAT, where applicable, and any additional learning support payments). How that £750 is funded depends on your organisation's annual pay bill:

Employer Category	Annual UK Pay Bill	Funding Mechanism	Employer Cash Contribution
Levy-Paying Employer (Sufficient Funds)	Over £3 million	Drawn directly from your digital Apprenticeship Service levy account (up to £750 per unit).	**£0** (100% covered by your existing levy balance).
Levy-Paying Employer (Insufficient Funds)	Over £3 million	Available levy balance is used first; remaining balance is shared via government co-investment.	**£0** for learners aged 19–24. **25%** (up to £187.50 per unit) for learners aged 25+.
Non-Levy Employer (SME)	Under £3 million	Funded directly by the DfE via a digital fund reservation in your Apprenticeship Service account.	**£0** (100% government-funded for approved Apprenticeship Units).
Receiving Employer (Levy Transfer)	Any size	Funded via a levy transfer pledge from a larger levy-paying employer (which can transfer up to 50% of unused funds).	**£0** while the sending employer's transferred funds remain available.

3. Eligibility Checklist

Before initiating an application, confirm that both your organisation and the participating employee satisfy all statutory eligibility rules:

Employer Eligibility Requirements

- **England Operations:** The employer must operate a UK PAYE scheme and employ the learner primarily in England.
- **Digital Account & Agreement:** The organisation must hold an active Apprenticeship Service account and have accepted the DfE Employer Agreement.
- **Approved Provider Delivery:** Training must be delivered directly by a training provider listed on the Apprenticeship Provider and Assessment Register (APAR) that is approved for Apprenticeship Units. Subcontracting of Apprenticeship Unit delivery is not permitted.

Learner Eligibility Requirements

- **Direct Employment Status:** The learner must be a direct employee on the employer's payroll with a contract of employment long enough to complete the unit. Self-employed sole traders and off-payroll contractors working under IR35 arrangements are not eligible.
- **Age and Residency:** The learner must be aged **19 or over** at the start of training, have the right to work in England, and meet UK residency criteria.
- **50% England Working Time Rule:** The learner must spend at least **50% of their regular working hours in England** over the duration of the course.
- **Leadership Role Alignment:** Because the AI Leadership units sit at Level 5, the learner must hold a leadership, management, or strategic role with genuine autonomy to influence AI strategy, governance, procurement, or organisational transformation.
- **Line Management Support:** The learner must have an identifiable line manager who can support their training plan and workplace application.

4. Step-by-Step Guide to Securing Funding and Enrolling

Step 1: Select the Appropriate AI Leadership Unit(s)

Confirm with your training provider which Level 5 AI Leadership unit(s) best match your business objectives—such as *AI Strategy and Opportunity*, *AI Adoption, Procurement and Governance*, or *AI Delivery and Organisational Transformation*. Each approved unit comprises between 30 and 140 guided learning hours delivered flexibly across 1 to 16 weeks.

Step 2: Create or Access Your Apprenticeship Service Account

If your organisation does not yet have an account on the government's Manage Apprenticeships

portal, an authorised representative should complete the following setup:

1. Gather your organisation's **Government Gateway login credentials**, or your **Employer PAYE scheme reference** and **Accounts Office reference** numbers.
2. Create a **GOV.UK One Login** and register your organisation on the Apprenticeship Service portal.
3. Link your organisation's PAYE scheme(s) to verify levy or non-levy status.
4. Review and digitally sign the **DfE Employer Agreement**. Funding cannot be reserved or drawn down until this agreement is accepted.

Step 3: Secure Your Funding (Action Depends on Levy Status)

- **For Levy-Paying Employers:** Log into your Apprenticeship Service account and check your Finance tab to ensure you have at least £750 per learner per unit available. Remember that funds deposited from August 2026 onwards expire after 12 months on a first-in, first-out basis.
- **For Non-Levy Employers (SMEs):** Select **"Reserve funds"** in your Apprenticeship Service dashboard *before* training begins. Choose the relevant AI Leadership Apprenticeship Unit and the planned start month. Note that reservations expire after **2 months** if they are not converted into an approved learner record.
- **For Levy Transfer Recipients:** Accept the transfer pledge inside your Apprenticeship Service portal from your sending employer before linking the learner record.

Step 4: Connect Your Training Provider and Complete Onboarding

1. **Add Provider Permissions:** In the "Training providers" section of your portal, search for your provider using their **UK Provider Reference Number (UKPRN)** and grant them permission to add cohort and learner records on your behalf.
2. **Initial Skills Assessment:** Your provider will conduct an initial eligibility check and baseline skills assessment with the learner to confirm the course delivers genuine new learning rather than duplicating existing skills.
3. **Sign the Training Plan:** The employer, learner, and provider must agree to and sign a formal **Training Plan** setting out the planned delivery hours (minimum 30 hours), schedule, and off-the-job or workplace learning arrangements before delivery commences.

Step 5: Approve the Learner Record in the Portal

Once your training provider uploads the learner's cohort details and agreed unit price (£750) into the Apprenticeship Service portal, log into your account, verify that the start date, learner details, and funding source (levy pot, reservation, or transfer) are accurate, and click **Approve**.

Step 6: Training Delivery, Funding Milestones, and Skills Assessment

- **Guided Learning Delivery:** The learner completes the scheduled workshops, self-directed

study, and applied workplace tasks (typically spanning 4 to 16 weeks).

- **Payment Milestones:** Government or levy funds are released to the provider in two stages: **30%** once onboarding is complete and 30% of planned delivery hours have been achieved, and the remaining **70%** upon completion at the planned end date.
- **End-of-Unit Skills Test:** To achieve formal certification, the learner must pass an independent, provider-administered skills test verifying mastery of the unit's AI leadership competencies.

5. Pre-Start Action Summary

Action Item	Responsible Party	Timing
Verify learner eligibility (PAYE employee, age 19+, 50%+ England working hours, leadership role)	Employer & Provider	At application
Set up Apprenticeship Service account, link PAYE, and accept DfE Employer Agreement	Employer	At least 2–3 weeks before start
Check levy balance (Levy Payers) or click "Reserve funds" (Non-Levy SMEs)	Employer	Before course start date
Add provider UKPRN and grant cohort permissions in portal	Employer	Before onboarding
Complete Enrolment process and sign the Training Plan	Provider, Learner & Employer	Before first learning session
Approve learner cohort record and £750 unit price in the Apprenticeship Service portal	Employer	Before course start date

If you have any questions or need any further help please contact Alicia Easley: alicia@ada.ac.uk

6. Frequently Asked Questions (FAQ)

What is the Growth and Skills Levy and how does it support AI Leadership short courses?

Starting in April 2026, the UK Government's Growth and Skills Levy replaces and expands upon previous funding systems to allow employers to access flexible funding for short, targeted training modules called **Apprenticeship Units**. Level 5 AI Leadership units enable organisations to upskill leaders aged 19+ in Artificial Intelligence governance, strategy, and transformation without committing to a multi-year apprenticeship.

Can Small and Medium Enterprises (SMEs) get 100% funding for AI Leadership training?

Yes. Non-levy paying employers (organisations with an annual UK pay bill under £3 million) can access **100% government funding** for approved Apprenticeship Units. Non-levy employers must reserve their funding allocation via the digital Apprenticeship Service portal prior to starting the course.

What are the learner eligibility requirements for the Level 5 AI Leadership course?

Eligible learners must be direct PAYE employees aged **19 or over** who spend at least **50% of their regular working hours in England**. Learners should hold a management, strategic, or leadership role with authority to influence organizational AI adoption or governance. Self-employed individuals and IR35 contractors are not eligible.

How do levy funds expire under the updated DfE rules?

Under the Department for Education (DfE) rules effective 1 August 2026, levy payments deposited into an employer's Apprenticeship Service digital account expire after **12 months** on a rolling basis. Short AI Leadership units allow levy-paying employers to quickly deploy unused funds before they expire.