



Employer Newsletter

Welcome to our May 2026 Newsletter!

Dear Employers,
This year brings **significant changes to apprenticeships and the wider skills landscape**, and we want to ensure you are fully informed and supported. Recent developments include the introduction of **Foundation Apprenticeships** as an entry route for young people, the rollout of more flexible **Apprenticeship Units**, and updates to employer incentives aimed at encouraging recruitment and progression of apprentices.
There continues to be strong financial support available for employers. For younger apprentices, training costs are fully funded (subject to eligibility), and employers may benefit from **financial incentives for hiring 16–24 year-olds**. In addition, employers are not required to pay **employer National Insurance contributions for apprentices under 25**, helping to reduce overall employment costs. Apprentices can also be paid at the apprentice wage rate where applicable, offering a cost-effective way to build and develop your workforce.

This month's edition includes updates on current training opportunities, workforce development support, and how we can assist you with both apprenticeships and work placement programmes. We remain committed to helping you recruit, develop and retain skilled staff through high-quality training solutions tailored to your business needs.

We will continue to provide clear guidance as further details emerge, including updates linked to the Growth and Skills Levy, funding changes, and wider reforms that may impact workforce planning. Our team is on hand to discuss how these changes apply to your organisation and how you can maximise the opportunities available. Thank you for the essential role you play in shaping future talent. We look forward to continuing our work together throughout 2026.

Warm regards,
Sue Tipton
Managing Director
Protocol Consultancy Services

Apprenticeships Changes 2026

✓	Traditional Apprenticeships	Apprenticeships Unit
Duration	12 - 48 months	1 week - 3 months
Focus	Full career transformation	Targeted skill acquisition
Commitment	Long-term, structured progression	Short-term, responsive to business needs
Levy	Larger, single allocation per learner	Flexible, smaller allocations across teams
ROI	Long-term workforce development	Faster impact to live projects

Apprenticeship & Skills update – Key changes for employers 2026

Apprenticeship funding changes

Expiry of levy funds

From 1 August 2026, funds entering levy accounts will expire after **12 months (reduced from 24 months)**. Any funds already in accounts before this date will remain on the current 24-month expiry. This change encourages employers to plan and utilise funds more efficiently.

Removal of 10% Top-Up

From 1 August 2026, the **10% government top-up on levy funds will be removed** for new funds entering accounts. Existing funds with the top-up will remain unchanged.

Employer Co-Investment Rate

For employers who have used all levy funds, the government contribution will reduce from **95% to 75%** (with employers contributing 25%) from August 2026. Existing apprentices will remain on the current 95% rate.

SME Co-investment (important update)

For small and medium-sized employers (non-levy paying), apprentices aged **16–24 are fully funded**, meaning **100% of training costs are covered by the government** (subject to eligibility).
For apprentices aged **25 and over**, the **co-investment model applies**. From August 2026, the government will fund **75% of training and assessment costs**, with the employer contributing the remaining 25%.

This means recruiting younger apprentices remains the most cost-effective option, while still offering flexibility to upskill existing staff where needed.

Wages & employer cost savings

Employing apprentices remains a **cost-effective way to build your workforce**:

- **No employer National Insurance contributions** for apprentices under 25 (subject to earnings threshold)
- **Training costs fully funded** for younger apprentices (subject to eligibility)
- Apprentices can be paid at the **apprentice wage rate** where applicable

Foundation Apprenticeships

From April 2026, **Foundation Apprenticeships** provide new entry routes for young people into employment. These programmes are designed to support progression into full apprenticeships and long-term careers.

Protocol is now delivering the **Software and Data Foundation Apprenticeship**, aimed at learners interested in starting a career in digital and business-related roles. This programme supports entry into positions such as **junior administrative roles, data support, IT support, and digital operations**, helping learners build core skills in systems, data handling, and workplace technology.

Upon completion, learners can progress onto Level 3 apprenticeships, including **Business Administration, Data Technician, or Digital Support Technician**, ensuring a clear and structured pathway into higher-level roles and long-term career development.

New level 2 opportunity

A new **Level 2 Administrative Assistant Apprenticeship** will be available from **1 August 2026**, specifically aimed at **16–24-year-olds**, creating additional entry-level opportunities for career starters.

Protocol will be offering this as a **20-month programme**, where apprentices will complete both **Level 2 and progress onto Level 3**, supporting clear progression and development of **knowledge, skills and behaviours (KSBs)** aligned to employer needs.

Apprenticeship Units

From April 2026, the first **Apprenticeship Units** are being introduced, allowing employers to upskill staff through **short, flexible training modules**. Initial units focus on priority sectors with Protocol now offering the following unit:

- AI Leadership - AI strategy and opportunity

Learning hours = 30 hours

Who is it for?

This apprenticeship unit is for individuals in leadership roles responsible for setting direction, governance and oversight for AI use who, with the support of their employer, need upskilling in AI leadership literacy, including the capabilities and limitations of AI and the opportunities it presents to their organisation.

This unit is particularly relevant for individuals in organisations at an early or exploratory stage of AI adoption, where there is a need to build a foundational understanding and identify viable opportunities.

Learning outcomes

- Organisational leadership in setting AI policy and strategy. Including business cases, detailing implications for the workforce, organisational perception and sustainability to inform decision making.
- Evaluate opportunities for AI-driven improvement using qualitative and quantitative evidence, including the assessment of risk.
- Define, document and communicate an AI strategy aligned to organisational goals, values and risk appetite.
- Assess viability and risk through AI use cases and pilots, identifying investment areas balancing productivity gains against feasibility, impact and organisational readiness.
- Engage stakeholders to build support for AI strategy and adoption, including non-technical audiences.
- Critically evaluate and monitor. Implementing adaptations, including responses to emerging AI technologies and trends.

New Employer Incentives

Incentives for Non-Levy Employers

From October 2026, non-levy paying employers can receive **up to £2,000** when hiring **16–24-year-old apprentices**. Payments will begin after the apprentice completes 90 days.

Incentive	Amount	Who Qualifies	Available From
Young Apprentice Payment	£1,000	Employers hiring 16–18 (or 19–24 with EHCP/care leaver)	Now
Foundation Apprenticeship Incentive	Up to £2,000	Employers with foundation apprentices aged 16–21	August 2025
SME Hiring Incentive	£2,000	Non-levy SMEs hiring 16–24	October 2026
Universal Credit Youth Jobs Grant	£3,000	Employers hiring 18–24 on UC (6+ months)	June 2026



Offer a quality work placement to a local 16-18 year old Pre-apprentice

Are you ready to shape the workforce of tomorrow?
By supporting a local young person on a pre-apprenticeship work placement (up to 10 weeks), you can make a significant impact on their career and gain valuable benefits for your business.

What's in it for you?

- **Fresh Perspective and Energy:** Young people bring **enthusiasm, creativity, and a fresh outlook**. This can inspire new ideas and a positive dynamic within your team.
- **Support Workforce Development:** By mentoring and guiding pre-apprentices, you can shape potential future employees aligned with your standards and work culture.
- **CSR and Brand Image Boost:** Offering work placements can enhance your **corporate social responsibility (CSR)** profile and public image, showcasing your commitment to supporting local youth and the community.
- **Potential Long-term Recruitment Solution:** This placement gives you a preview of how a pre-apprentice might fit with your team, allowing you to evaluate their potential for future employment.

Your Commitment

- **No Wages to Pay:** There is no cost for wages. Your role is to provide a supportive environment for the pre-apprentice to develop practical skills and gain workplace experience.
- **Dedicated Mentorship:** Assign a mentor to guide the pre-apprentice, helping them learn and achieve specific goals relevant to their future career.
- **Up to 10-Weeks Duration:** The placement is designed to fit within a 10-week period (**4 days per week with a maximum of 6 hours of employment per day**), offering young people meaningful insight into your industry without a long-term commitment.
- **Employer Reference:** Provide the pre-apprentice with an employer reference at the end of their work placement.

Why Invest in a Pre-Apprentice?

By offering a quality placement, you're not just fulfilling an immediate need but actively investing in the future of your industry and workforce. Your role can be pivotal in helping a young person gain confidence, grow their skills, and realise their potential.

For further information on any of the above please contact a member of the Protocol team on:

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