

Growth and Skills Levy transfer

November 2023

About us

NHS Employers is the employers' organisation for the NHS in England. We support workforce leaders and represent employers to develop a sustainable workforce and be the best employers they can be. We also manage the relationships with NHS trade unions on behalf of the Secretary of State for Health and Social Care.

What is the Growth and Skills Levy?

The Growth and Skills Levy (formerly the apprenticeship levy) is paid by employers with a pay bill of more than £3 million per year. The levy is paid at a rate of 0.5 per cent of an employer's annual pay bill.

Employers place funds in a service account to spend on apprenticeship training, and under the new Growth and Skills levy, other approved skills programmes such as bootcamps and modular courses.

If funds are not spent, they expire 24 months after they appear in the account and will return to the government. This will reduce to 12 months from April 2026.

Up to 50 per cent of the annual value of the funds entering an employer's service account can be transferred to another employer to support the delivery of apprenticeships.

Small businesses (SMEs) that do not pay the levy currently receive government funding that covers 95 per cent of training costs, with a 5 per cent employer contribution for most apprentices. For apprentices aged up to 21, the government covers the full cost of training.

From April 2026, this will change. SMEs will receive full funding for apprentices aged under 25, removing the employer contribution entirely for this age group. This support helps reduce costs and

the administrative burden for smaller businesses while creating more opportunities for young people to begin their careers.

Using the levy transfer

In addition to using the funds within your organisation, the levy can be used to support training outsourced organisations or across an Integrated Care System (ICS). This approach helps develop skills across the health and care system and positively impacts service delivery. By forecasting, organisations can anticipate levy spending and allocate transfer funds to minimise the risk of unused funds.

Why transfer levy funds?

- **Prevent funds from expiring**
Under the Growth and Skills Levy, funds expire after 24 months (12 months from April 2026). Transfers allow you to use surplus funds to support skills development elsewhere.
- **Support system-wide workforce planning**
Transfers help organisations within an **Integrated Care System (ICS)** or local partnerships fund apprenticeships and training that meet shared skills needs.
- **Enable smaller organisations to access training**
SMEs and voluntary sector partners often lack levy funds. Transfers give them access to apprenticeships and approved training, strengthening local health and care capacity.
- **Build talent pipelines**
By funding apprenticeships in partner organisations, you help create a flow of skilled workers who may later join your organisation or support your supply chain.
- **Align with national priorities**
Transfers support the NHS Long Term Workforce Plan and 10 Year Health Plan strategy by working collaboratively, widening participation and addressing hard-to-fill roles.

- **Improve negotiating power**

Pooling apprentices across organisations can help meet minimum cohort sizes for training providers, reducing costs and ensuring programmes run.

Best practice examples

Using an apprenticeship levy pot to support organisations of all sizes

Health Education England (now NHS England) started a levy transfer service for the North East and Yorkshire in September 2019. They worked with NHS levy-paying organisations to maximise levy use by transferring excess levy into the system. These partners are from across health and care, including GP practices, dental practices, independent care homes, local authorities, care wards and hospices.

The team advertised directly to smaller organisations making them aware they could be levy recipients and working with those who contacted the team directly. By building relationships with NHS trusts they gained a better understanding of the levy funding available in the region.

Levy transfer supports both smaller and larger organisations, enabling them to develop comprehensive apprenticeship schemes as an integral part of their workforce plan.

By emphasising to private sector companies that it is in everyone's interest to support the health and social sector, levy transfer was agreed in support of their corporate social responsibility mandate. There are also ongoing conversations with universities in the region who may wish to provide levy funds to the sector.

The work put into making this an effective service is reflected in the size of the levy pot, increasing from £884,000 in 2019 to approximately £15 million today enabling around a thousand apprenticeships in the region. Therefore, there has been no recent situation where the team has been unable to support

with funding. A fantastic achievement that shows the strength of creating system-wide collaboration.

The team spoke to trusts, supporting them to forecast their finances and recruitment plans to understand the pledges they can make. Organisations are increasingly embracing strategic forecasting which provides clarity to interested smaller organisations. The service has supported small and medium organisations that wouldn't otherwise have had enough budget to embed apprenticeships into their workforce development plans.

"We have seen many benefits from implementing this service; greater utilisation of regional levy is one but ultimately it has led to the further strengthening and development of the workforce within small and medium employer organisations, demonstrating huge investment in our regional health and care workforce."

Rachel Chalk, Apprenticeship Development Manager, NHS England, North East and Yorkshire Region.

Building a system to transfer apprenticeship levy

Since the introduction of the apprenticeship levy, this network has been instrumental in reviewing levy transfer requests from other organisations in the health and care sector. The network created an application form to facilitate levy transfer across the sector in the Nottinghamshire region. The Nottinghamshire Alliance Training Hub, a local GP collaboration, currently holds the form and manages the process with support from other members.

The network received numerous applications for levy transfer. Through the support and vetting of contributing levy payers, the

network did not yet had to reject any applicants who wish to promote apprenticeships within their organisations. These organisations, both public and private, span GP surgeries, community care, hospices, and third-sector organisations, with many applicants using the levy transfer process multiple times to facilitate apprenticeship recruitment.

The network intentionally ensured the levy transfer form they created was like the national transfer form. This enabled the organisations to easily transfer information across should transfer limits be reached, or to smooth the process for applicants who apply from outside the region and need redirecting to the national form.

Initially, significant support was given by the network to support organisations in creating an apprenticeship service account, with guidance provided on how to create the account and what is needed for the transfer of funds.

Given the success of the programme, many applicants have previously created accounts and requested levy transfers or were able to be guided by the support of the Education and Skills Funding Agency reducing the amount of support the network needed to provide directly.

This process supported local organisations to increase their apprenticeship offering and implement a local-first philosophy within the region. Organisations across the sector work collaboratively to support and enable each other to provide apprenticeship opportunities to their local communities.

"I am very supportive of our efforts to increase the number of apprentices trained by the NHS, not only will this encourage a supply of trained and skilled recruits to meet the increasing needs of our population but supporting smaller organisations like GP practices will extend opportunities, particularly for younger people in some of the most deprived areas of our region."

Richard Barker, Regional Director, NHS England, North East, Yorkshire and North West regions.

Standard placement agreement to support apprentice experience

In the South Yorkshire region, a long-standing support network exists offering apprenticeship leads in the system the opportunity to collaborate and share best practice. This network was instrumental in creating a pilot programme for trainee nursing associates, it has grown to be pivotal in facilitating a wide range of apprenticeship placements.

In 2018, the network collaborated on the creation of a memorandum of understanding (MOU) allowing movement of apprentices to alternative employers for placement experience.

In 2021 the MOU was entirely reworked to implement new apprenticeship programmes that require placement experience to fulfil curriculum requirements. This change aimed to address ongoing concerns, such as out of area placement requests. To ensure its success, the partnership formed a small task and finish group managed by the integrated care system apprenticeship project manager. the group also consulted a senior employment lawyer working within the system to make sure everything complied with regulations.

By signing the new apprenticeship placement agreement employers, which superseded the previous MOU, employers confirm they have complied with the NHS recruitment standards. This means their apprentices have a new DBS check for adults and children, and they have appropriate indemnity cover in place. Each organisation is required to have its human resources director sign the agreement.

This agreement is being successfully used with a wide range of clinical and non-clinical apprenticeships. It supports small employers who can request placements in secondary care without the use of honorary contracts for the most part. By

ensuring a unified approach across the ICS, apprentices can more easily gain placement experience with alternative employers and employers understand the technicalities of hosting apprentices.

Transfer options

Transfer funds to meet minimum cohort sizes

Organisations may find themselves in a situation where they only want or need a limited number of apprentices, but their training provider requires a larger number to run the programme. In these cases, they can transfer a percentage of their levy funds to another trust or health provider to fund apprentices on the same programme and achieve the required numbers. This can also give negotiating power around the cost with the training provider.

From April 2026, funds will expire after 12 months instead of 24. Planning transfers early will be essential to avoid losing funds.

Transfer funds within your ICS to address shared skills gaps

Organisations are encouraged to collaborate with partners in their ICS to identify future health skills gaps across the area. As a system, organisations can transfer levy funds to smaller health organisations to pay for apprenticeships that provide the skills needed across the region.

Nominate a lead employer for system-wide projects

The levy cannot be used to joint-fund apprenticeship training but, one trust in your ICS can be nominated as the lead organisation to employ apprentices who deliver work benefiting the entire region.

Examples have included a business administrator or project manager apprenticeship. These roles could be used to support and lead the delivery of ICS-wide projects or workstreams. This approach would also strengthen relationships and encourage collaborative working.

Build capacity in voluntary, community and social enterprise sector

Organisations could work in partnership with voluntary, community and social enterprise care delivery partners, such as local health charities, to identify roles that could be trained through an apprenticeship. These collaborations may help support the care delivery of the funding organisation.

From April 2026, new modular and foundation apprenticeships will provide more flexible options for these partnerships.

Fund apprenticeships in outsourced services and the supply chain

Set up an agreement with an outsourced service, or an organisation in your supply chain, to fund an apprentice who will indirectly support service delivery and patient experience.

Examples include:

- Catering (hospitality manager/supervisor or team member apprenticeship) – they would then be deployed in the NHS organisation.
- Gardeners (horticulture and landscape operative apprenticeship) – an employer could negotiate that the receiving organisation provides a set number of hours per month, spent onsite maintaining green spaces.

- On-site retailers – offer to fund a retail leader or manager apprenticeship.
- Pensions (workplace pensions administrator or consultant) – where the apprentice works for the outsourced organisation that processes staff pensions.
- Payroll (accounting apprenticeship) – where the apprentice works for the outsourced organisation who processes your payroll.

Support apprenticeships that promote staff wellbeing

Organisations could fund an exercise and fitness personal training apprentice in a local sports facility who could offer staff exercise classes, for a set number of hours per month to support the health and wellbeing of staff.

Use transfers to support community health and prevention initiatives

Transfer levy monies to organisations such as local councils, Sports England, or the British Heart Foundation to provide a community activator coach or community sport and health officer apprenticeship. These apprenticeships could support the engagement of the local community with sports initiatives that help change people's attitudes about health.

Facilitate the development of talent pipelines

Through securing levy transfer from others, organisations will be able to develop a more robust apprenticeship offering. This could support the development of domestic talent pipelines, in line with

the ambitions of the 10 Year Plan, to support young people coming into the organisation through opportunities such as T Level industry placements. Highlighting these opportunities can increase retention at the end of qualifications, as an alternative to move onto higher education.

From April 2026, short modular courses can further support progression routes.

Use funds to strengthen school engagement and widen participation

Fund a local school or college to provide an employment related services apprenticeship, for example providing career coaching and guidance, strengthening the link between the trust and the school or college.

The apprentice could become an ambassador for the NHS by presenting information about the roles and careers available in healthcare, our Inspire, Attract and Recruit toolkit offers more advice on how best to raise awareness of apprenticeships.

Support pre-employment programmes

Trusts could work with local voluntary, community or social enterprise organisations to fund a youth support worker, and support worker apprenticeships. The apprentices could support and mentor those on work placements as part of a pre-employment programme in the trust. This support could help make the programmes more inclusive and attractive and improve the numbers of those moving into an apprenticeship or a paid role.

From April 2026, new modular and foundation apprenticeships will provide more flexible options for pre-employment and widening participation initiatives, supporting ambitions in the 10-Year Health Plan.

Transfer funds to support other care providers

Organisations could transfer money to charitable organisations or to hospices, care homes and nursing homes. This could fund apprenticeships in clinical roles such as health care assistants, who then support capacity and relationships between care providers.

Receiving transfers

When receiving a transfer, the transferring organisation pays the full training and assessment costs for the apprenticeship standard. To receive the transfer, the receiving organisation must:

- Set up an account on the apprenticeship service
- Accept the transfer offer through the service before the apprentice starts their training.

The organisation sending the transfer should be encouraged to fund the whole duration of the apprenticeship up to the maximum allowed for that standard.

If the transferred funds run out before the apprenticeship ends, the receiving organisation pays five per cent of the remaining costs and the government will pay the rest. From April 2026:

- The co-investment rate will rise to 25 per cent with the government covering 75 per cent.
- Funds will expire after 12 months instead of 24, so transfers should be planned early to avoid losing money.
- The 10 per cent government top-up will end, meaning transfers will only include the amount paid in by the sending organisation.

Any organisation can receive apprenticeship transfer regardless of whether they pay the levy or not.

Further information

- Full guidance about transferring levy funds is available on the [GOV.uk website](#).
- Access further information about receiving a levy transfer from another business to fund an apprenticeship on the [GOV.uk website](#).

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