

Unlocking CPD: The Apprenticeship Levy Transfer and What It Means for Your School

Many schools sit outside the levy, but that doesn't mean apprenticeships are out of reach. Here's everything school leaders need to know about levy transfers and how to put them to work.

Walk into any staffroom in England and you'll hear the same conversation; skilled, motivated staff who want to grow professionally, but a CPD budget that simply doesn't stretch far enough. For many schools, particularly smaller primaries, single academy trusts, and maintained schools, the apprenticeship levy feels like a door that belongs to somebody else. Somebody bigger. Somebody with a payroll north of three million pounds.

But that door isn't locked. Thanks to the **apprenticeship levy transfer**, large employers, including major multi-academy trusts, local authorities, and private businesses, can send a portion of their unspent levy funds directly to schools like yours. The result? Fully funded CPD, leadership qualifications, and vocational upskilling, at no direct cost to your school budget.

In this post, we're going to demystify the whole process: what the levy transfer actually is, how the money moves, which apprenticeships are most relevant to school staff, and what you need to do to access this funding for your team.

1. What Is the Apprenticeship Levy Transfer?

Since April 2017, all employers in England with an annual payroll over £3 million have been required to pay an apprenticeship levy, 0.5% of their total wage bill, deposited monthly into a digital account held with the Education and Skills Funding Agency (ESFA). This money can only be used to fund apprenticeship training for their own employees.

Here's the problem: many large levy-paying organisations accumulate far more in their accounts than they can realistically spend. Unused funds expire after 12 months, meaning millions of pounds in potential training investment simply disappears from the system every year.

What the levy transfer solves

The transfer mechanism, introduced in 2018 and progressively expanded, allows levy-paying employers to transfer up to 50% of their annual levy funds to other organisations.

The receiving school can then use those funds exactly as if they were their own levy, paying apprenticeship training providers directly through the government's apprenticeship service.

For schools without a levy of their own, this is transformative. It means a school with 60 employees and a payroll of £2.4 million, which would normally pay only a 25% co-investment contribution towards any apprenticeship, could instead access fully funded training through a transfer, with **no direct cost to the school whatsoever**.

The government clearly wants this mechanism used. From April 2024, the transfer cap was raised from 25% to 50%, a strong signal that more levy funds should be flowing to smaller organisations rather than expiring unused.

2. How Does It Work in Practice?

The mechanics are simpler than they might first appear. At the centre of everything is the Apprenticeship Service, the government's digital platform that manages levy accounts, apprenticeship agreements, and payments to training providers.

The flow of funds

A levy-paying organisation, let's call them the sending employer, decides to transfer a portion of their funds. They log into the Apprenticeship Service and identify an organisation they wish to support, the receiving employer, in this case your school. They pledge a specific amount, which your school can then draw down to pay for apprenticeship training.

Your school creates its own Apprenticeship Service account (free to set up), accepts the transfer pledge, and then uses those funds to pay an approved training provider for the specific apprenticeship standard you've agreed to.

Important detail: the money never actually leaves the system

Transferred funds don't land in your school's bank account. Instead, they sit in your Apprenticeship Service account as a digital credit, used to pay training providers directly on the government platform. Your school never handles the money, it flows directly from the sending employer's account to the training provider.

Who pays for what?

Under a transfer arrangement, the sending employer's levy funds cover 100% of the apprenticeship training and assessment costs up to the funding band maximum for that standard. Your school's obligation is to employ the apprentice, pay their salary for the duration of the programme, and support the off-the-job training commitment (a minimum of 6 hours per week of the apprentice's working time).

For CPD apprenticeships where existing staff are upskilled rather than new recruits brought in, the employee continues to receive their normal salary, their training is fully funded, and they gain a nationally recognised qualification at the end. The cost to your school is essentially the management time and backfill, where required, not the training itself.

Cost element	Paid by whom (under transfer)
Apprenticeship training & assessment fees	Sending employer's transferred levy funds (via Apprenticeship Service)
Apprentice salary / employee salary	Your school
On-costs, employer NIC	Your school
Off-the-job training time (≥ 6 hrs/week)	Facilitated by your school; may require some cover or timetable adjustment
Apprentice incentive payments (where eligible)	Government, paid directly to your school

3. Who Can Transfer Levy Funds to a School?

This is one of the most common questions school leaders ask, and the good news is that the pool of potential levy transfer partners is broader than most people realise.

- **Multi-academy trusts (MATs) with large payrolls.** If your school is part of a MAT, or has a relationship with one, they may have significant unspent levy. Even if you are not a member of the trust, a transfer is still legally possible.
- **Local authorities.** Many LAs levy-pay and have relationships with schools in their area. Some have established formal transfer programmes specifically to support maintained schools.
- **Large businesses and corporations.** Through the government's *Levy Transfer Marketplace* and schemes like the 5% Club, many private employers actively seek non-profit or educational partners to receive their unused levy.
- **NHS trusts and public bodies.** Public sector levy payers are increasingly engaging with schools, particularly around health and wellbeing apprenticeships and shared professional development goals.
- **Diocesan boards and faith-based academy trusts.** Where a school has a strong relationship with a central body that pays the levy, this is often an underexplored route.

The most successful transfer arrangements we see aren't chance encounters; they are strategic partnerships built on shared values. Schools that approach levy transfer as a relationship, not a transaction, consistently secure the best outcomes for their staff.

The key is that the sending employer must agree to the transfer. There is no legal obligation on any employer to share their levy, which is why relationship-building and clear value propositions matter. Schools that can articulate what they're trying to achieve, and why investing in teacher and staff development is a community good, are far more likely to secure willing transfer partners.

4. How to Apply: A Step-by-Step Guide for Schools

Navigating the apprenticeship service for the first time can feel daunting, but the process is well-structured. Here is a practical walkthrough of every stage, from identifying a transfer partner to getting your first apprentice on programme.

1. Identify your CPD needs and target roles

Before approaching any potential transfer partner, carry out a structured workforce development audit. Which roles in your school have the biggest skills gaps? Which staff members are most likely to benefit from, and be motivated by, a long-term qualification? Where does your strategic school development plan point in terms of leadership pipeline? The more specific you can be, the better placed you are to approach a transfer partner and training provider with confidence.

2. Set up your Apprenticeship Service account

Go to **findapprenticeshiptraining.apprenticeships.education.gov.uk** and register your school as an employer on the Apprenticeship Service. You will need your PAYE reference and Companies House or school registration details. This account is where transfer pledges will be received and where you'll manage apprenticeship agreements. It is free to set up and straightforward for school business managers to administer.

3. Find a levy transfer partner

There are several routes. **The Apprenticeship Levy Transfer Service** (managed by the ESFA) allows levy-paying employers to publicly advertise transfer pledges for organisations to apply for. You can also approach your local authority directly, contact your regional MAT network, or use brokerage services offered by local Enterprise Partnerships (LEPs) and Growth Hubs. Be prepared to explain your school's vision and the specific apprenticeship you want to fund, a clear proposal letter goes a very long way.

4. Find an approved training provider

Use the free independent advice from **www.apprenticeships4education.co.uk** to identify Ofsted-registered best in class providers who deliver the specific standard you need. They will have already done due diligence on the top providers, comparing their delivery models (blended learning, face-to-face, online), the expertise of their assessors, their relationship with the school sector, and their end-point assessment pass rates. Apprenticeships4education will support you through the apprenticeship and enrolment process.

5. Agree the transfer and sign the commitment statement

Once your levy transfer partner has pledged funds and your training provider is confirmed, the transfer is formalised through the Apprenticeship Service. Both your school and the training provider will sign a commitment statement setting out the details of the programme, the off-the-job training plan, and the expected end date. The

employee-apprentice also signs to confirm their understanding of the programme requirements.

6. Begin the programme and manage ongoing obligations

Once on programme, your main obligations are to protect the apprentice's off-the-job training time (at least 6 hours per week on average), carry out regular progress reviews with the training provider (at least every 12 weeks), and ensure you have a designated line manager or mentor supporting the apprentice's learning in the workplace. The training provider handles assessment, progress tracking, and the end-point assessment process.

Making the Most of a Levy Transfer: Practical Guidance for School Leaders

Securing levy transfer funding is one thing. Turning it into genuinely transformative CPD for your staff is another. Here are the principles that consistently distinguish schools that get real value from apprenticeships from those that find them underwhelming.

Align programmes to your school development plan

Apprenticeships are lengthy commitments, typically 12 to 36 months. The staff members who thrive are those whose programme connects directly to their evolving role in school. A teaching assistant studying at Level 5 who is simultaneously being given more responsibility for SEND support is learning in context. Build these synergies deliberately into your planning.

Be realistic about off-the-job time

The single most common reason apprenticeships struggle in school settings is the failure to genuinely protect off-the-job training time. At least 6 hours per week of your employee's contracted hours must be dedicated to learning activities and this cannot include normal teaching or support duties. Be honest with yourself at the planning stage: do you have the capacity to give this person a day a week or its equivalent? If not, the programme will become a burden rather than a benefit, and you risk being non-compliant with funding rules.

Compliance reminder

Off-the-job training is a legal requirement of all apprenticeship standards. ESFA audits do happen, and if you cannot evidence that the 6-hours-per-week minimum has been protected, your school could be required to repay funding. Ensure your timetabling and cover arrangements are in place before you begin.

Involve your SLT from day one

Apprenticeship learners who feel visible and valued within their organisation have significantly better completion rates. Make sure senior leaders know who is on programme, what they're studying, and how it connects to the school's wider development. Celebrate progress: share achievements in staff briefings, invite apprentices to present what they've learned. This kind of recognition costs nothing but has an outsized impact on motivation and retention.

Think beyond the individual

When a member of staff completes a leadership apprenticeship, their growth doesn't have to stay within them. Build in explicit expectations that learners will share their knowledge whether through coaching others, leading INSET sessions, or becoming a mentor to the next cohort. This approach transforms individual CPD into organisational learning and makes a powerful case to your levy transfer partner that their investment is creating lasting value in your community.

Common Questions from School Leaders

Can we use a levy transfer for more than one member of staff?

Yes, absolutely. A transfer pledge can cover multiple apprentices simultaneously, subject to the total value of the pledge. If you have a cohort of teaching assistants all requiring the same Level 5 qualification, a single transfer arrangement with a willing levy-paying partner could fund all of them at once. This is one of the most compelling arguments you can make to a corporate levy partner, the scale of community impact per pound transferred.

Does the apprenticeship have to be with a new employee?

No. As noted above, existing employees can undertake apprenticeships if the programme represents genuinely new learning.

What if our levy transfer partner withdraws funding partway through?

This is a legitimate concern, and it's worth asking potential transfer partners directly about their medium-term commitments. In practice, once a pledge has been made and a programme begun, mid-programme withdrawal is rare, but not impossible. Your training provider should be able to advise on what happens in this scenario, and in some cases the ESFA has provisions to ensure learners are not penalised for funding interruptions outside their control.

Can an independent school access levy transfers?

Yes. Independent schools that pay the levy themselves are straightforwardly eligible. Smaller independent schools that fall below the £3 million payroll threshold can access levy transfers as receiving employers in the same way as maintained schools, the process is identical.

How long does it take to set up?

From initial conversations with a transfer partner to a learner starting on programme, schools typically report a lead time of between 6 and 16 weeks. The main variables are how quickly a transfer partner can be identified and how rapidly the chosen training provider can process enrolment. Planning ahead and ideally beginning conversations in the spring term for an autumn start, makes the timeline much more manageable.

A checklist for school leaders ready to take the next step

- Carry out a workforce development audit to identify CPD priorities
- Register your school on the Apprenticeship Service (GOV.UK)
- Identify potential levy transfer partners: MAT, LA, corporate, or public sector
- Use www.apprenticeships4education independent and free advice
- Map off-the-job training requirements into timetabling and cover plans before committing
- Ensure line manager support structures are in place for each apprentice-learner
- Connect the programme to your School Development Plan and communicate it to your SLT
- Plan how you'll celebrate and share learning from apprentices across the school

The apprenticeship levy transfer is a genuinely powerful and underused mechanism that has the potential to fund substantial, sustained professional development for staff at every level of your school.

Schools that have embedded apprenticeship pathways into their professional development offer consistently report stronger staff retention, richer talent pipelines, and a culture that takes learning seriously, not just for pupils, but for every adult in the building. That cultural shift, more than any individual qualification, is perhaps the most valuable thing a levy transfer can ultimately deliver.