

A GUIDE TO THE

Growth and Skills Levy

For Businesses



Please note: The Growth & Skills Levy was the Apprenticeship Levy up until April 2025

WHAT IS THE GROWTH AND SKILLS LEVY?

The levy is a tax paid by large businesses that funds Apprenticeships across the UK.

Only companies with an annual payroll of over £3 million pay this levy at a rate of 0.5%. These payments are taken automatically every month and are mandatory.



Annual £15,000 government allowance

- Any business that pays this 0.5% can receive an annual £15,000 allowance from the government, paid in monthly instalments, to offset the costs of hiring an apprentice.
- Businesses have 12 months to invest this allowance on employee training and development.
- If businesses choose not to utilise their contribution within two years, they will lose these funds entirely.

Use it or lose it

Businesses are advised to use their Levy contribution and not lose it. Each month, payments will be calculated into an allowance that accumulates throughout the year. Each month you may utilise this contribution, but if you choose not to, it will be carried onto the next month. However, for your business to get the most from its Levy contribution, it is important these funds are used within the allocated timeframe.



We're tracking the ever-changing funding options so you can maximise your opportunities as they become available.

Upskill new or existing staff with the Levy

You can access your Levy payments via the Digital Apprenticeship Service's online portal. This portal will allow you to manage your funding and delivery easily online. It will enable you to see the levy funds you have available.

You can use your Levy to pay for:

- Apprenticeship training
- Apprenticeship End Point Assessment, or Apprenticeship on Programme assessment if the standard has been reformed.

You cannot use your Levy to pay for:

- Registration costs
- Wages
- Statutory licenses to practice
- Managerial costs
- Traineeships or work placement programmes
- Certification of non-mandatory qualifications
- Travel and subsidiary costs
- Setting up an Apprenticeship programme
The Levy allows your business to increase its productivity, develop current staff and attract new talent. It enables you to nurture the talent of the future, talent that remains loyal to your company.

According to data from the National Apprenticeship Service,

▶ **86%**

of employers said apprenticeships helped them develop skills relevant to their organisation and

▶ **78%**

of employers said apprenticeships helped them improve productivity.



For more information, visit: activateapprenticeships.co.uk/activate-business-school/

A group of diverse young adults, including a man with a beard and a woman, are gathered around a laptop in a workshop or office environment. They are all looking at the screen with interest and engagement. The man in the foreground is smiling and pointing at the screen. The woman next to him is also looking at the screen. In the background, another person is partially visible. The overall atmosphere is collaborative and focused.

How much does an apprentice cost?

If you're a levy payer, the cost of taking on an apprentice comes straight out of the money you have paid out as part of your levy. If you take on a learner aged between 16–18, then you will also be eligible for a government incentive of £1,000 per year.

How we support your business

We help nearly 1,000 businesses every year to find an apprentice, supporting them to hire people with the skills they need for their companies to grow. We will provide guidance at every step of the way, with no recruitment fees.

We are a 'Good' provider

At the latest inspection carried out by Ofsted in November 2022, Activate Apprenticeships was awarded an overall Ofsted rating of '**GOOD**' with an **Outstanding** feature for the provision of education for learners with high needs.

Activate Apprenticeships was also identified as making a **Strong Contribution** to identifying and meeting local, regional and national skills needs – the highest grading possible.



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“Employers value the strong contribution that apprentices make to their businesses, many in very well-known organisations.”

Ofsted, November 2022

Transferring your Levy fund

Large employers that pay the Levy can choose to transfer up to 25% of their levy funds each year to other businesses, to pay for their Apprenticeship training and assessment.

Transferring levy funds is a way of supporting other businesses by deciding which sectors, skills or local areas you'd like to fund. For example, you could support the engineering sector across England, or fund digital Apprenticeships in your local area, or support any Apprenticeships in a particular town or city.



How do you find an apprentice?

If you use our recruitment service we carry out an initial assessment with all our Apprenticeship applicants and make sure they have the necessary qualifications they need to progress onto a full-time Apprenticeship. Once this is established, you can invite them for an interview to determine their suitability to your business.

We support you to find the right apprentice with our matching service and have a large regional scope and talent pool available.



Your responsibility as a business

Your apprentice will learn via off-the-job training that you provide alongside Tutor-led training with Activate Business School. You must have a contract for services with us as your provider, have the apprentice for a minimum of a year and give them a minimum wage. You must facilitate their development and with specific work experience that will help them to pass their end-point assessment.

There is a national compliancy framework that anyone taking on an apprentice must adhere to. A dedicated Performance Coach will visit the apprentice every eight weeks.

We support training but your work as an employer is imperative as you will need to be a part of these eight weekly visits.





Get in Touch

For more information on the Levy and how Activate Business School can support your business, please get in touch with us.

As a training provider, Activate Business School can also offer bespoke training and consultancy support. Therefore, we are ideally placed to support your business and present the opportunities the Levy could bring you.

Our address:

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**Book a teams
chat to discuss**