

Improving access to apprenticeships for SMEs and young people

EXECUTIVE SUMMARY

Coach Core Foundation welcomes the Government's continued commitment to improving employment opportunities for young people, as outlined in the **National Youth Strategy, Jobs and Youth Guarantee**, and associated initiatives. The removal of the co-investment requirement for under-25 apprentices in SMEs and increases to the National Minimum and Apprentice Wage reduce some barriers for small and micro employers while making apprenticeships more financially viable for young people.

However, further action is needed to ensure accessible, high-quality entry-level apprenticeships reach the young people and small employers who need them most.

BACKGROUND

Apprenticeships are key to addressing youth unemployment (Youth Futures Foundation, 2025), yet entry-level uptake continues to decline. Without urgent action, young people (particularly those facing compound disadvantage) risk exclusion from the labour market, which increases the likelihood of low life satisfaction, social exclusion, and long-term economic costs to public services.

RECOMMENDATIONS

To expand apprenticeship participation and align with key ambitions, we propose Government:

Refine the Growth and Skills Levy for SMEs

- Increase understanding on unspent levy funds and reallocation to Level 2 and 3 apprenticeships.
- Allow Local Authorities to redirect up to 5% of unused levy to Skills Hubs and SMEs.
- Provide additional funding support for employers (e.g. £3,000 per Level 2/3 apprentice) to mitigate wage and training costs, supporting wraparound services such as mentoring and pastoral care.
- Expand Apprenticeship Units to better support mentors and small organisations

Pilot Free or Subsidised Public Transport for Apprentices



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Review Welfare, Council Tax, and National Insurance Policies

- Extend employer National Insurance relief to all Level 2–3 apprentices, regardless of age.
- Align welfare policies to prevent loss of income when young people enter apprenticeships.
- Introduce an apprentice-specific council tax exemption to ensure low-earning apprentices are not financially penalised.

ALIGNMENT TO GOVERNMENT OBJECTIVES

These measures support the **UK Industrial Strategy**, addressing skills shortages, improving youth employment outcomes, and boosting productivity. They also advance the **National Youth Strategy** and **Youth Guarantee** by broadening access to employment and skills, improving wellbeing, and enabling equitable opportunities for all young people.

LONG TERM IMPACT

- Higher lifetime earnings and lower unemployment for apprentices.
- Reduced long-term NEET status and lower reliance on welfare.
- Sustainable pipeline of skilled young people supported by SMEs and mentors.

CALL TO ACTION

Coach Core Foundation welcomes discussions with MPs, Ministers, the Department for Education, Department for Work and Pensions, HM Treasury, and local Combined Authorities to pilot these proposals and expand apprenticeship opportunities.

If you would like a full copy of the policy proposals, please email amy.fazackerley@coachcore.org.uk.

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