Apprenticeships and Skills

The St Martin's Group Quarterly Insights Briefing

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June 2026

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Employers urge greater focus on workplace readiness to create new opportunities

In June, SMG published Apprenticeships That Work, building on its polling with IPSOS of more than 800 employers and featuring in-depth interviews with 40 leading employers from across the economy. The findings reinforce a challenge employers have consistently raised: technical skills can be taught, but workplace readiness remains a significant barrier to creating opportunities for young people.

Just 33% of large employers say it is easy to develop a young person's soft skills, while only around one in ten employers believe recruiting young people directly from education delivers an immediate productivity return.

It is perhaps unsurprising, therefore, that the 100 employers attending the Westminster launch of the report identified pre-employability and workplace readiness as the most important requirements for young people. Employers highlighted the need for stronger pre-employment pathways, alongside greater recognition of the additional costs of supporting younger entrants including pastoral support and supervision, which can act as a barrier to creating opportunities.

Beyond workplace readiness, leadership and management, digital and AI skills, and commercial awareness were also identified as critical priorities.

What effective practice looks like: employer support for young people

SMG welcomes the Milburn Review's interim diagnostic report and its focus on helping young people access high-quality routes into employment, training and apprenticeships.

To showcase effective practice, SMG recently hosted Amanda Martin MP at the Military Preparation College (MPCT) Portsmouth, part of Learning Curve Group. MPCT delivers strong outcomes for young people through structured, employer-focused learning that builds the skills, confidence and workplace readiness needed to progress into work.

Funded through the DfE's 16–18 Study Programme, MPCT achieves completion rates of 88%, demonstrating the potential of targeted interventions to engage young people and reduce inactivity.

As policymakers consider how best to improve participation, funding should enable proven, high-performing models such as MPCT to reach more NEET young people.

Rising apprenticeship costs could reduce opportunities for young people

From August 2026, apprenticeship co-investment rates for employers who have exhausted their levy funds will increase from 5% to 25%. While SMG supports efforts to expand entry-level opportunities, members warn that higher employer costs are already reducing apprenticeship recruitment among marginal levy payers. To support efforts to tackle youth inactivity, SMG is calling for co-investment rates to be protected for levy payers with funds below £1 million or for apprentices aged 25 and under.

SMG welcomes the Skills Minister's review of apprenticeship funding bands for young people and priority sectors. Employers are clear that funding decisions should not be driven solely by the age profile of apprentices, but also by where lower funded standards are limiting access to employment and progression opportunities. The review should support sectors with strong labour market demand and clear pathways for young people to build sustainable careers.

Looking Ahead

Following summer recess, SMG will launch a new Employer Insights Programme, providing rapid, real-time feedback from employers on the impact of skills and employment policy changes. Regular findings will be shared through future quarterly briefings, helping stakeholders access timely employer evidence as policy develops.

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