



Ministry  
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4<sup>th</sup> February 2026

[By email](#)

Dear Professor Peck,

The Defence Industrial Strategy was published on 8 September 2025 and sets out a long-term vision to make defence an engine for economic growth and strengthen national security. The £182m Defence Skills Package announced as part of the strategy aims to address critical skills shortages in the defence sector. The element of the package that addresses Level 4-6 skills training is intended to fund courses in computing, engineering and any other subjects determined by Government as relevant to the defence sector's top occupational priorities.

As part of the Defence Skills Package, we are pleased to confirm that £50 million in programme funding across the next six financial years and £30 million in capital funding across the next three financial years will be made available for higher education. We are requesting that the Office for Students distributes this funding, provided by the Ministry of Defence (MoD), via the Strategic Priorities Grant.

The programme funding will enable Higher Education providers to invest in cutting edge teaching and facilities delivering c2,400 extra student places in computing and engineering over the next three academic years, starting in AY26/27. The additional capital investment will support the creation of new capacity in the system in these key subjects, delivering a long-term benefit.

The objectives of this additional Strategic Priorities Grant funding are to:

- Support the ambition set out in the Defence Industrial Strategy to develop a highly skilled workforce that enables the UK's defence industry to meet the objectives of the Strategic Defence Review.
- Support the ambition set out in the Post-16 Education and Skills White Paper for two-thirds of young people to participate in Level 4+ study.
- Expand provision in computing and engineering courses, supporting MoD's strategic workforce priorities by boosting the supply of graduates for defence-related roles.
- Strengthen partnerships between Higher Education providers and defence employers to improve graduate progression into defence careers, aligned with Local Skills Improvement Plans.

- Support defence-related research and qualification for careers as part of a balanced portfolio.

We ask that the OfS develops a competitive bidding process to allocate this funding from FY2026-27. The criteria for the bidding competition should take into account:

1. How providers' bids demonstrate that they will achieve an increase in the number of students in Level 4-6 courses in computing and engineering, and any other subjects determined by Government as relevant to defence sector.
2. How the courses in which providers will expand capacity are relevant to careers in defence or associated industries and aligned with Local Skills Improvement Plans.
3. Any links providers already have with the defence industry and the way in which they will support students to consider careers in the defence industry through careers advice, guidance and information.
4. Defence-related research in which the provider is currently engaged, and any future plans in this area.
5. Provider engagement with the Defence Universities Alliance (DUA). A letter of intent process is being opened alongside the launch of the SPG competition.
6. Any active collaboration with providers of defence-related training and any future plans to collaborate with Defence Technical Excellence Colleges.
7. In order to protect against risks to national security, the OfS must take into account advice from MOD on matters where MOD hold or develops significant concerns, based on their knowledge of the selected Higher Education institution's research collaborations, funding avenues or other relationships, enabling the OfS to reject, suspend or rescind the award of this funding where appropriate. This requirement will constitute a binding term and condition of funding, in contrast to criteria 1–6, which are issued solely as guidance.

Separate from the funding outlined above, the Ministry of Defence is investing £50 million to establish five Defence Technical Excellence Colleges (TECs) which will be selected in April 2026. These colleges will form a cornerstone of the Defence Industrial Strategy, creating a pipeline of highly skilled professionals in defence priority occupations from submarine engineering to specialist welding. Defence TECs will work in partnership with industry and other education and training providers to ensure alignment with the Ministry of Defence's strategic workforce requirements and to provide clear pathways into defence careers for learners across England.

We expect the OfS to work collaboratively with our officials to establish robust governance and regular progress reporting. MOD and DfE officials will continue to engage on the terms of the DUA prior to the launch of the SPG competition. An agile approach to managing delivery risks – from implementation through to completion – will be essential to ensuring the success of this investment.

This letter provides guidance under section 2(3) of the Higher Education and Research Act 2017 and does not supersede steers in any previous guidance. It also establishes a single term and condition of funding under section 74(1) of that Act, applicable solely to competition criterion 7. In issuing this guidance and determining funding conditions, we have had regard to the statutory duty to protect the institutional autonomy of English higher education providers under sections 2(4) and 74(3) of the HERA 2017. In meeting the objectives set out on the first page of this

letter, providers must ensure that they comply with their free speech legal duties under the Higher Education (Freedom of Speech) Act 2023.

Yours sincerely,

The image shows two handwritten signatures in black ink. The signature on the left is 'Luke' in a cursive style. The signature on the right is 'Jacqui Smith' in a cursive style, with a horizontal line underlining the name.

**Luke Pollard MP**  
**Minister for Defence Readiness**  
**and Industry**

**The Rt Hon Baroness Jacqui Smith**  
**Minister for Skills**