The Rt Hon Baroness Smith of Malvern
Minister for Skills
Department for Education
Sanctuary Buildings
20 Great Smith Street
Westminster
London
SW1P 3BT

22 July 2026

Dear Baroness Smith,

On behalf the Universities and Colleges Employers Association (UCEA), we write to offer our congratulations on your re-appointment as Minister for Skills. UCEA has welcomed our engagement with you over the last two years, particularly in our discussions regarding the Teachers' Pension Scheme (TPS).

We are very grateful for confirmation of the reduction in the TPS (England & Wales) employer contribution rate from 28.68% to 17.68%, effective from 1 April 2027. This is welcome news and will provide some much-needed financial relief. However, the structural issues still remain in respect of the requirement for HE institutions to offer the TPS.

We also welcome the Government's response to the Education Select Committee's Inquiry into Higher Education Funding, in particular the rejection of any prohibition on the use of subsidiaries, which, without regulatory change, remains one of the only means for institutions to improve efficiency and resilience around pension costs. We will work with institutions to understand their intentions regarding use of TPS and subsidiaries as part of their strategic business plans and we will continue to engage with your officials on TPS matters.

However, UCEA is also committed to working with you to help realise the Government's agenda for education. We would very much welcome the opportunity to meet you to brief you on industrial relations in higher education, as well as understanding how we can help you to deliver your wider agenda for higher education.

Yours sincerely,

Raj Jethwa
Chief Executive
UCEA

Professor Sir Nishan Canagarajah
President and Vice-Chancellor of the University of Leicester
Chair of the UCEA Board

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