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the public service union

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RE: Continuing provision of TPS and LGPS pensions in the higher education sector

I am writing on behalf of UNISON in response to the joint letter from Universities UK and the Universities and Colleges Employers Association dated 20 March 2026 concerning the Education Committee's inquiry into Higher Education and Funding: Threat of Insolvency and International Students. In that letter, UUK and UCEA urge the Committee to recommend that higher education institutions currently required to offer the Teachers' Pension Scheme and Local Government Pension Scheme should instead be given flexibility to offer alternative schemes, and they also argue that legacy obligations around TPS and LGPS are no longer appropriate.

UNISON recognises the very serious financial pressures facing the higher education sector. We share the concern about instability, insolvency risk, and the unsustainable way in which institutions have been expected to absorb rising costs while operating within a broken funding model. But staff should not be made to bear the consequences of political and institutional failures in higher education finance. It would be wholly wrong for the Committee to endorse a course of action that would weaken pension protections for university staff at the very moment when they are already facing redundancies, restructuring, falling real pay, and worsening insecurity.

The case advanced by UUK and UCEA is, in effect, that staff pensions should be treated as a cost pressure to be shed. UNISON strongly rejects that approach.

Access to decent, secure pension provision is a fundamental part of employment in higher education, not an optional extra to be traded away when institutions are under stress. Previous governments gave clear assurances that staff would continue to have access to these schemes. It would be a serious breach of trust now to invite institutions to abandon those commitments in the name of "flexibility".

The Committee should not accept the proposition that the route to sustainability lies in reducing staff entitlements. If employers believe the sector must demonstrate restraint and reform, then that should begin at the top. It cannot be right that staff are repeatedly asked to pay the price through cuts to jobs, pay and pensions while excessive senior pay remains insufficiently challenged. Before staff pensions are put on the table, there should be serious consideration of stronger expectations and restraint around vice-chancellor pay and wider senior remuneration. We do, however, agree with both UCEA and UUK that universities should be treated similarly to schools and colleges and be compensated by the DfE for the exceptional increases in the TPS costs.

Crucially, the financial crisis in higher education is not the result of pension provision alone. It is the product of a failed funding model: years of inadequate public investment, real-terms erosion of income, overreliance on international student fee income, and the absence of a coherent statutory framework for protecting institutions, students, staff and communities when providers face severe distress. To present TPS and LGPS participation as the central problem is to misdiagnose the crisis and risk worsening it.

The Committee should therefore reject any recommendation that would make it easier for higher education employers to leave or dilute participation in the Teachers' Pension Scheme or Local Government Pension Scheme. Instead, we urge the Committee to recommend wider structural reform, including significant renewed public investment in higher education, a more sustainable funding settlement for teaching and research, stronger protections in cases of financial distress or insolvency, and a framework that puts workforce stability at its core. Universities and their staff carry out great public service for the country, yet they have been forced to rely on a marketised model that has failed all parties. We would urge the committee to be bold and consider the case for public investment and reversal of marketisation as the best way to prevent institutional failure.

UNISON's evidence to the Committee made clear that there is currently no fit-for-purpose higher education insolvency regime, that staff protections are weak, and that institutional failure would have serious consequences not just for employees and students but for local economies, public services and regional opportunity. In that context, weakening pension protections would move policy in entirely the wrong direction. The answer to sector instability is not to erode one of the few remaining pillars of security for staff, but to address the underlying failures in funding, governance and regulation.

We would therefore ask the Committee, in finalising its report, to oppose any proposal that would remove or weaken universities' obligations to provide access to TPS or LGPS, and instead to call on government to pursue comprehensive higher education funding reform that protects staff, students and institutions alike.

Yours sincerely,

Ben Thomas

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UNISON