

News story: Universities must embrace accountability

In a [speech](#) at the Universities UK annual conference (7 September), Universities Minister Jo Johnson told Vice Chancellors and senior university staff that they must embrace accountability and take urgent steps to ensure they are offering a good deal for students and taxpayers.

Jo Johnson unveiled a series of new measures designed to curb spiralling Vice Chancellor pay. He said he will instruct the new Office for Students (OfS) to:

- insist all universities justify any Vice Chancellor pay over £150,000 as part of their condition of registration. If an institution fails to do so, then the OfS could use its powers to address this, including imposing fines
- issue new guidance on university senior staff pay, including on the role and independence of pay committees – to help universities understand the new rules
- require providers to publish details of all senior staff earning over £100,000 per year, to ensure transparency across the sector.

Minister Johnson also renewed his call to Vice Chancellors and their boards to show pay restraint and urged them to develop and introduce their own 'Remuneration Code' for senior higher education staff.

He said that a requirement of the 'code' should include the publication of a pay ratio of top to median staff pay, and an explanation for any top pay increases that are greater than increases in average pay across the institution.

Setting an example for the sector, the new Chief Executive of the OfS, Nicola Dandridge, and Chair, Sir Michael Barber, have chosen voluntarily to cut their own annual salary by 18 and 10 per cent, respectively, which equates to a combined reduction of more than £40,000.

Universities Minister Jo Johnson said:

The debate over student finance has, rightly, increased public scrutiny of how universities spend the money they receive from fees.

When students and taxpayers invest so heavily in our higher

education system, excessive Vice Chancellor salaries send a powerful signal to the outside world.

Greater restraint is required and, by independently volunteering big pay cuts themselves, Sir Michael Barber and Nicola Dandridge have shown true leadership.

Exceptional pay can only be justified by exceptional performance, which is why I will ask the new Office for Students to take action to ensure value for money and transparency for students and the taxpayer.

The minister also vowed to tackle degree grade inflation following growing concerns about the number of student being awarded top degrees. Almost three-quarters of students now secure a first or upper second, compared to just 66 per cent in 2011/12 and under half in the mid-1990s.

On tackling grade inflation, Jo Johnson said:

Unchecked, grade inflation risks damaging the reputation of the entire UK Higher Education sector, creating a dangerous impression of slipping standards, and undermining the efforts of those who work hard for their qualifications and poorly serving the needs of employers.

I am disappointed that the sector have made so little progress in tackling this problem. As a first step I will ask the Office for Students to publish data annually and challenge where there is evidence that grades are being inflated, and I will introduce a new measure through the Teaching Excellence Framework to discourage and contain the issue.

I am today also calling on you to take swift action to define and agree sector recognised standards for all classifications of degrees – my challenge to the sector is to start that work now, and to reach sector wide agreement over the next 12 months’.

The OfS is a new public body, established by the Higher Education and Research Act 2017. Once fully operational in April 2018 the OfS – which will replace the Higher Education Funding Council for England (HEFCE) and the Office for Fair Access (OFFA) – will regulate the higher education sector and place students’ interests at its heart.

The Department for Education will launch a public consultation in the autumn seeking views on the OfS regulatory framework, including the new measures outlined in the minister’s speech.