



## Speech

# Teaching at the heart of the system

From: [Department for Business, Innovation & Skills](#) and [Jo Johnson](#)  
MP

Delivered on: 1 July 2015 (Original script, may differ from delivered version)

Location: Universities UK, Woburn House, Tavistock Square

First published: 1 July 2015

Part of: [Higher education participation](#)

Universities minister sets out plans to widen participation and drive up teaching quality through a Teaching Excellence Framework.



Thank you to Universities UK (UUK) for hosting us today.

In my first speech on universities a month ago, I addressed the subject of international education.

I am proud of the sector's international standing and reputation around the world.

Today, I want to reflect further on what underpins this excellence, and what more we can do to enhance it.

At the root of that success is the autonomy and academic freedom that enables us to attract brilliant people to work in and

run our universities and lead our sectoral bodies.

I'd like to congratulate Nicola Dandridge for her recent CBE and thank outgoing UUK President, Chris Snowden, for his excellent service.

I would also like to congratulate Dame Julia Goodfellow on taking over the UUK Presidency – the first woman to hold the post ever, I believe (in around 100 years of the existence of UUK and its predecessor body).

## **Success of the sector**

The higher education sector can be proud of its success over the last 5 years and I want to pay tribute to my colleagues David Willetts and Greg Clark for their part in the reforms that have helped sustain the high esteem in which it is held around the world.

We have seen:

- a transformed financial situation; as the OECD says, we are one of the only countries in the world to have found a way of sustainably funding higher education
- we have seen record numbers of young people entering higher education, including record numbers from disadvantaged backgrounds
- and we have seen record numbers of graduates in work; the recent [Graduate Labour Market statistics](#) showed the highest employment rate for working age graduates since 2007 (at 87.5%)
- through all this, the UK has retained its place as a world leader in HE, with 4 universities in the global top 10, and as number one in the world for the impact of our research

## **Unfinished business**

It's a great success story, but there is unfinished business and, in the coming months, my focus will be on implementing 3 key

manifesto pledges, so that we consolidate and build on these achievements:

- firstly, lifting the cap on student numbers and widening participation, so that we remove barriers to ambition and meet the PM's commitment to double the proportion of disadvantaged young people entering higher education by 2020 from 2009 levels
- secondly, delivering a teaching excellence framework that creates incentives for universities to devote as much attention to the quality of teaching as fee-paying students and prospective employers have a right to expect
- thirdly, driving value for money both for students investing in their education, and taxpayers underwriting the system, so that we ensure the continuing success and stability of these reforms


Taking these points in reverse order.

## Meeting value for money expectations

Around now, the first cohort of students to enter under the 2012 reforms is preparing to enter the labour market.

They have been working hard for their final exams and made a significant investment in higher education.

They are looking critically at what they get for that investment, and so must we, as a government, on behalf of taxpayers.

I am concerned that recent surveys – the [HEPI-HEA Student Academic Experience Survey](#) , as well as a BBC/ComRes poll – showed that only around half of students felt their course had provided good value for money.

All of us need to reflect on this and on what we can do to address such unease.

## More informed choices

Thanks to the [Small Business, Enterprise and Employment Act](#) passed in March, we can now start to assess the employment and earnings returns to education by matching Department for Business, Innovation and Skills (BIS) and Department for Education (DfE) education data with HMRC employment and income data and Department for Work and Pensions (DWP) benefits data.

Information of this sort will be incredibly useful for young people choosing courses or jobs that are most suitable for them. It will also enable education providers to assess their effectiveness in delivering positive labour market outcomes for their students.

I am also pleased to see the piloting of new National Student Survey questions that measure the engagement of students with their course, staff and fellow students.

This was shown in the US to be a good proxy for the value add of a university in terms of 'learning gain' - the improvement in knowledge, skills and work-readiness that students demonstrate over time.

While independent learning is vital, universities must get used to providing clearer information about how many hours students will spend in lectures, seminars and tutorials, and who will deliver the teaching.

Indeed the [Competition and Markets Authority](#) have advised higher education providers that information should be available to prospective students to meet the requirements of consumer law.

I know this is already on the sector's agenda. I will continue to push for more data to be made available, including for alternative providers.

A Higher Education Policy Institute (Hepi) survey suggests as many as three-quarters of undergraduates want more information about where their fees go – and I sympathise with that.

Such transparency looks to me like an essential way of addressing value for money concerns.

## **More competition**

More competition will also be central to our efforts to drive up standards. In the last 3 years, we have seen more universities created than at any time since the 1992 expansion.

We are committed to promoting high quality market entry, whilst at the same time ensuring a regulatory regime which guards against poor quality provision.

More competition and more informed choice will help drive up value for money for both students and taxpayers.

## **Graduate premium**

The graduate earnings premium is an important measure of the value universities add and of the greater productivity of those with skills acquired in higher education.

Of course, many graduates will consciously choose to go into occupations that do not maximise their incomes – we must remember that education is about more than just wage returns.

Indeed, that is the reason we have a progressive repayment system for student loans.

But it is also important to remember that higher lifetime graduate earnings provide benefits to society – including higher tax revenues and faster and fuller repayment of student loans.

Evidence of a decline in the graduate earnings premium is therefore a concern as we look to drive up productivity in the economy, secure our public finances and ensure our higher education system continues to be funded in a sustainable way.

Between 2006 and 2015, the graduate earnings premium

decreased from around 55% higher to around 45% higher than the earnings of non-graduates, with graduates now earning on average £31k and non-graduates £22,000.

There is still a considerable benefit – but we cannot be complacent and must analyse why the premium employers pay for graduates is falling at a time when graduate-level skills are in growing demand.

## **Course choice and curriculum design**

An important part of the answer is that we are not yet rising to the challenge of ensuring that enough young people are choosing courses where there are skills shortages and strong employer demand – notably in science, technology, engineering and mathematics (STEM).

Nor are we doing enough to ensure that all students emerge from university prepared for work.

Last year's CBI/Pearson Education and Skills survey suggested that 47% of employers felt universities should do more to help students become job-ready.

Government, business and the university sector need to come together to address this mismatch between supply and demand in the graduate labour market.

Businesses should not just be seen as customers of universities, recruiting the graduates they educate or buying research expertise, but as active partners.

Universities need to develop business-outreach into a core function that has influence over curriculum design.

Closer partnership between universities and business will help us tackle the misguided view that 'more means worse' and ensure that the investment both students and taxpayers make in higher education provides visible returns.

## Teaching Excellence Framework (TEF)

Above all, to meet students' high expectations of their university years and to deliver the skills our economy needs, we need a renewed focus on teaching.

This is vital unfinished business from the reforms of the last Parliament.

As David Willetts himself acknowledged in a recent interview with the Times Higher Education; "teaching has been by far the weakest aspect of English higher education".

This must change.

There must be recognition of excellent teaching – and clear incentives to make 'good' teaching even better.

Some rebalancing of the pull between teaching and research is undoubtedly required.

It is striking that while we have a set of measures to reward high quality research, backed by substantial funding (the Research Excellence Framework), there is nothing equivalent to drive up standards in teaching.

That is why my priority as Universities Minister will be to make sure students get the teaching they deserve and employers get graduates with the skills they need by introducing the Teaching Excellence Framework we promised in our manifesto.

### Aims for the TEF

My aims for the TEF are:

- to ensure all students receive an excellent teaching experience that encourages original thinking, drives up engagement and prepares them for the world of work
- to build a culture where teaching has equal status with research, with great teachers enjoying the same professional

recognition and opportunities for career and pay progression as great researchers

- to stimulate a diverse HE market and provide students with the information they need to judge teaching quality – in the same way they can already compare a faculty’s research rating
- to recognise those institutions that do the most to welcome students from a range of backgrounds and support their retention and progression to further study or a graduate job

I expect the TEF to include a clear set of outcome-focused criteria and metrics. This should be underpinned by an external assessment process undertaken by an independent quality body from within the existing landscape.

Believe me, I have no intention of replicating the individual and institutional burdens of the REF. I am clear that any external review must be proportionate and light touch, not big, bossy and bureaucratic.

I want to work with you all, as well as with the [Higher Education Funding Council for England](#) and the [Quality Assurance Agency](#), to design a framework that has widespread support and works for the sector, as well as students and employers and taxpayers.

This is not happening in isolation. It goes with the grain of our reforms since 2010 and aims to accelerate positive changes already underway in the sector.

We will be consulting widely and I am not pre-empting what any of the incentives might look like. I am keen to hear your views ahead of a green paper, which the Department of Business, Innovation and Skills plans to publish in the autumn.

## **Maintaining the value of our degrees**

One of the things I want to focus on in the green paper is how the TEF can help improve the information that matters most for graduates and employers: the degree classification.



Here we face a significant challenge.

The UK's standard model of classes of honours is on its own no longer capable of providing the recognition hardworking students deserve and the information employers require.

Students across the country have just finished their exams and are looking for good graduate jobs. Last week's High Fliers survey reminded us that the class of 2015 is more career-oriented than ever before.

They rightly want hard work at university to be recognised and for their degree to be a currency that carries prestige and holds its value. At the same time, businesses need a degree classification system that will help them identify the best applicants for their firms.

I know the sector is starting to tackle this need for richer information through the Higher Education Achievement Report and this is a valuable development, but this work needs greater urgency.

Let me explain why:

There has been a significant increase in the proportion of people receiving firsts and 2:1 degrees.

To the extent this expansion in the number of firsts and 2:1s is to do with rising levels of attainment and hard work, I applaud it.

But I suspect I am not alone in worrying that less benign forces are at work with the potential to damage the UK higher education brand.

On the face of it, the facts are certainly startling.

There has been a 300% increase in the percentage of firsts since the 1990s.

Over 70% of graduates now get a First or 2:1 – up by 7 percentage points in the past 5 years. And compared to just 47% in the mid-1990s.

In 2013 to 14, over 50% of students were awarded an upper second, suggesting that this grade band not only disguises considerable variation in attainment, but also permits some to coast.

The [Higher Education Academy](#) found that nearly half of institutions had changed their degree algorithms to; “ensure that their students were not disadvantaged compared to those in other institutions”.

The Teaching Excellence Framework we will introduce will include incentives for the sector to tackle degree inflation and ensure that hard-won qualifications hold their value.

I want the green paper to look at the role that external examiners play in underpinning standards and ensuring our grading system provides a clearer, more comparable picture of student attainment.

## **Stronger student engagement**

I also want to make sure that the Teaching Excellence Framework encourages universities to adopt a grading system that does more to motivate and engage students throughout their course.

The familiar pattern of a First, 2:1 and 2:2, Third is widely recognised.

But providing extra granularity through a grade point average (GPA) – a 13 point scale developed by the sector – will encourage consistent effort, make it less easy to coast within the 2:1 band and give employers more information about candidates within that classification.

It is vital that we continue to drive up student engagement.

Students are working harder than before and that is a welcome trend, which we want to support through the Teaching Excellence Framework.

But many full time students are still not being sufficiently stretched.

In the most recent Student Academic Experience Survey, the total weekly workload reported by students averages 30.5 hours, including 14 hours of independent study, and varies greatly by subject.

The reported weekly workload on courses such as Mass Communications and Documentation is as little as 22 hours.

Students are telling us in surveys that they know they would do better by investing more time in their studies.

As a more finely-calibrated long-run batting average, GPA should drive greater student engagement than our present system, which, notwithstanding more summative coursework, in many ways can still look like a snapshot performance measure.

I know Sir Robert Burgess, chair of the Grade Point Average Advisory Group, has predicted all UK universities will adopt the model by the end of the decade.

I support this goal and want the green paper to examine how the new Teaching Excellence Framework can encourage universities to adopt dual running of the GPA and honours degree system, as recommended in the recent Higher Education Academy report.

## **Widening participation**

My focus has of course been on students and the job market.

But this does not mean we overlook the value of learning for its own sake, or the role of higher education in social mobility.


The 2012 reforms mean that anyone with the ability can now make going to university their goal, a fact underscored by our decision to lift the cap on student numbers altogether from this academic year.

Anyone with potential to benefit from university should not be prevented from going because of their background or ability to pay.

But of course there is still more to do.

The Prime Minister has set an ambitious goal to double the proportion of those from disadvantaged backgrounds progressing into higher education by 2020 (compared with 2009).

I will challenge you to do all you can to reach this target.

That's why I am delighted that Professor Les Ebdon has agreed to extend his term as director of the [Office of Fair Access](#)  to help us fulfil a commitment that is central to this One Nation Government's aim to promote social mobility in this country.

In particular, I want to see more progress being made in the most selective institutions.

Data from UCAS shows the clear progress that the sector has made, and I applaud that.

I want to see more outreach and more innovation in terms of course length and design. Degree Apprenticeships and 2-year courses in particular offer a more accessible route to a higher education and a faster path to productive employment.

We also need to match our efforts on driving up fair access by also ensuring those young people succeed in getting a good qualification and have an opportunity to find a fulfilling career.

I know that this 'whole student lifecycle' approach is one that you are taking seriously – and it is embedded in the [National Strategy for Access and Student Success](#).

I expect our new Teaching Excellence Framework to include incentives that reward institutions who do best at retention and progression of disadvantaged students through their college years.

## Conclusion

I recognise that this is a challenging agenda and that you are already focused on many of these issues.

We will be working closely with universities and with the grain of reforms that have put power and choice in the hands of students.

Those institutions that can demonstrate that they excel in teaching and in supporting all students – including those from disadvantaged backgrounds – through university into graduate jobs will reap rewards.

If we can get this right –

- on driving value for money for students and taxpayers
- on creating incentives to encourage excellent teaching
- and on widening participation

– then I'm confident we can together make a world-leading higher education sector greater still.

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Published:

**1 July 2015**

From:

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Part of:

**Higher education participation**

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