The head of Birmingham City University was paid £186,876 as ‘compensation for loss of office’ on top of the £33,301 salary he was paid in his final year as chancellor/chief executive.
the university for a handover period. During the period of transition and sabbatical, the deputy vice-chancellor [Burgess] assumed the position of acting vice-chancellor… ensuring that any extra costs associated with this interim appointment were marginal.”

Despite the headlines they make, such pay-offs do not actually distort average salar-
ies very much. If those universities that had pay-offs do not actually distort average salary – high pay was just a symptom of it.”

Aside from ordinary university staff, who believe that students need to ask
in the same sorts of circles”, says Alcock, who chairs the university’s charity

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questions about who is making decisions about their university.

“Why exactly are we getting people from big business to become involved in institutions that are really about education,” she says, adding that the recent appointments of HSBC and Boots executives to the board of the Office for Students raises the same question.

According to Michael Carley, president of Bath’s branch of the University and College Union, this similarity in governors’ background and the long duration of Breakwell’s tenure gave rise to a “collective consciousness” among board members that led to “complacency.”

Instead of using their standing within industry to challenge senior management, lay governors tended to toe the executive’s line, says Carley. “In my time on the university council, I never saw it stop the vice-chancellor from doing what she wanted to do,” he explains. Business people in particular “come from a particular kind of organisation that thinks the chief executive is the head [and] so should influence every decision – they transfer their authority to the boss.” So any challenge came from governors from other sectors – mostly academic staff.

Such dysfunction set the scene for an acrimonious university court meeting in February 2018, in which a motion censoring the remuneration committee for allowing Breakwell’s pay package to rise from £1.5 million to £1.9 million was rejected, unlike previous years, were published promptly in November, for instance, questions were asked about how a change should spend £46 million of public money on London’s abortive Garden Bridge without a brick being laid. More recently, there has been incredulity about the UK’s biggest construction company, Carillion, could collapse with debts of £1.5 billion a year when auditors had signed off its accounts.

Students are right to challenge the make-up of their university governing bodies, argues Michael Shattock, visiting professor at the Royal Holloway, University of London, says that universities have created a “business model of governance packed with senior lay members from industry and finance” but with very few representatives of the rank-and-file academics who are more attuned to campus life. “My feeling is that it’s not working at the moment,” says Shattock. “Shattuck believes that the executive pay controversy has stemmed from their less admirable traits.

“There is a tendency to want to have a highly paid vice-chancellor because it shows what an important job I’m doing as a lay governor,” says Shattock, who also believes that the inexorable rise of university leaders’ salaries is, to some extent, caused by laziness. “Governors do not want to go through the hassle of appointing a new vice-chancellor, so they make sure they give [the existing one] a little more each year,” he says, citing Bath as the prime example.

Moreover, even the most astute governors

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he level of student interest in Bath’s governance may seem unusual, but it is perhaps indicative of a growing interest in how power more widely is wielded and how managers are chosen and held to account. In 2017, for instance, questions were asked about how a change should spend £46 million of public money on London’s abortive Garden Bridge without a brick being laid. More recently, there has been incredulity about the UK’s biggest construction company, Carillion, could collapse with debts of £1.5 billion a year when auditors had signed off its accounts.

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Moreover, even the most astute governors
can find themselves taking an overly rosy view about how universities are governed," he adds. "When governors are so distant, you lose the interplay between the academic community and the lay members that we used to get."

But other observers are wary of losing the considerable time and experience that business leaders give, usually unpaid, to university governance.

"I’m not being complacent when I say that there is no objective evidence to say that we need to rip up the governance book," says Sir Eric Thomas, the former Universities UK president who retired as vice-chancellor of the University of Bristol in 2015, after 14 years in office. "There needs to be more transparency about how remuneration is fixed, but we shouldn’t mix up vice-chancellors’ pay with how universities are governed," he adds. Thomas, who is now a governor at University of the Arts London and a trustee at NMITE, the new engineering university planned for Hereford, says that the advice of lay governors was invaluable when he was at Bristol.

"The art of the game is that people and a good spread of skills — that might mean someone from a legal background, someone with HR skills, someone who understands the health service and someone from finance and, perhaps, PR. You certainly need one or two people with knowledge of running a business as they understand the level of designation used by a vice-chancellor," Thomas says, in reference to the challenge of managing Bristol’s boards, who believes that the new code, which 14-page reports into the details of their remuneration, is largely positive. "That is absolutely the case, his chairs in particular were very much in the room for much improvement. One example is the NMITE, the new engineering university planned for Hereford, says that the advice of lay governors was invaluable when he was at Bristol.

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