



Annual Report of the Remuneration Committees

February 2025

ANNUAL REPORT OF THE REMUNERATION COMMITTEES 2023/24

This report covers the reporting period October 2023 to November 2024. The performance objectives of the Vice-Chancellor and senior postholders are set in October each year and the performance against these objectives is formally reviewed 12 months later. These timescales therefore determine the reporting period used.

The Board receives a formal report after each meeting of the Remuneration Committees. This annual report provides an over-arching summary of their deliberations over the year.

STRUCTURE AND MEMBERSHIP OF THE REMUNERATION COMMITTEES

- 1 The University has two committees that consider the remuneration of the senior team. These are:
 - (a) The **Vice-Chancellor's Remuneration Committee**, which considers the remuneration of the Vice-Chancellor and
 - (b) The **Senior Postholders' Remuneration Committee**, which considers the remuneration of the University's senior postholders. These are the Provost; the Deputy Vice-Chancellor (Education); Deputy Vice-Chancellor (Research, Innovation & External Relations); Deputy Vice-Chancellor (Global Engagement and Partnerships); Chief Financial Officer; Executive Director of Corporate Governance; and Chief People Officer

The membership of both Remuneration Committees has remained the same for the duration of the reporting periods. For the Vice-Chancellor's Remuneration Committee, the membership is:

- Claudia Iton, Chair of the People, Culture and Engagement Committee (Chair)
- David Willan, Chair of the Board of Governors
- David Madoc-Jones, Chair of the Infrastructure and Finance Committee
- Sandy Pepper, Chair of the Audit & Risk Committee

Membership of the Senior Postholders' Remuneration Committee is the same, but with the addition of the Vice-Chancellor, Professor Graham Galbraith.

Members of both Committees are appointed by the Board of Governors.

- 2 The Terms of Reference for both committees were considered at the September 2024 and November 2024 meetings of the Committee and are included here at **Appendix 1**.

DATES OF MEETINGS AND ATTENDANCE

Meeting of the Senior Postholders' Remuneration Committee – 2 November 2023

- 3 The Senior Postholders' Remuneration Committee met on 2 November 2023. This was attended by Claudia Iton, David Willan, Graham Galbraith, David Madoc-Jones and Sandy Pepper.
- 4 This meeting specifically considered and reviewed senior postholders' performance for 2022/23 and set remuneration for the 2023/24 year. The Committee also noted its responsibility to monitor any severance payments made during the academic year 2022/23 to any member of staff earning in excess of £100k per annum.

Meeting of the Vice-Chancellor's Remuneration Committee – 20 November 2023

- 5 The Vice-Chancellor's Remuneration Committee met on 20 November 2023. The following members were present: Claudia Iton; David Willan; David Madoc-Jones and Sandy Pepper.
- 6 This meeting specifically considered and reviewed the Vice-Chancellor's performance for 2022/23 and remuneration for the 2023/24 year.

Joint Meeting – 09 April 2024

- 7 The two committees held a joint meeting on 31 January 2023. Apologies were received from Claudia Iton, so the meeting was chaired by the Deputy Chair of the Board, Sandy Pepper. Also present were David Willan, Graham Galbraith, and David Madoc-Jones.
- 8 A draft Terms of Reference was reviewed for each committee and suggestions were made for amendment. The Joint Committee also received a report that highlighted the requirements of the CUC Senior Staff Remuneration Code and mapped the University's existing processes and practices against the Code to identify any gaps in compliance. A first draft of the Senior Postholder Remuneration Framework was also received. A number of points were made to assist in revising the framework to achieve a final version.

Joint Meeting – 20 September 2024

- 9 Another joint meeting was held on 20 September 2024. The meeting was chaired by Claudia Iton, with all members present.
- 10 At this meeting, the joint committee reviewed the draft Terms of Reference and made some further amendments around the reporting of redundancy packages. The committee also approved the principles for employing staff in the University by exception, rather than enrolling them on the payroll of UASL, and into the relevant pension provision. The Terms of Reference were then also amended to reflect the need for the Senior Postholder Remuneration Committee to monitor the use of the exceptional procedure. The final version of the Framework for Senior Postholder Remuneration was also approved.

Meeting of the Senior Postholders' Remuneration Committee – 01 November 2024

- 11 This meeting was convened specifically to consider the performance of Senior Postholders in 2023/24 and to set remuneration for the 2024/25 year
- 12 The Committee agreed that the principle of making recognition awards to senior postholders in a small number of cases where exceptional performance could be evidenced was acceptable because it followed the same principles which were in action for all other members of staff. The Committee acknowledged that the performance of the senior team had been of a high quality overall, and all of the recommendations put forward by the Vice-Chancellor were agreed and approved by the Committee after rigorous testing against the Committee's Terms of Reference and Principles of Operation and the University's Framework for Remuneration of Senior Postholders. All of these documents conform to the CUC guidance on senior staff remuneration.

Meeting of the Vice-Chancellor's Remuneration Committee – 20 November 2024

- 13 This meeting was convened specifically to consider performance of the Vice-Chancellor in 2023/24 and to set remuneration for the 2024/25 year.
- 14 The Committee agreed that the Vice-Chancellor had had an exceptional year and, as much as the success of the University in this year had been the result of a great deal of hard work by the senior team, it was noted that it was the Vice-Chancellor who had assembled that team and had given them the space to operate, whilst still providing the leadership and guidance

that was required to bring the plans together. Some of the highlights mentioned were the opening of the Medical School, the financial results, the success of the Reset Programme and changes made to improve the recruitment of Home Undergraduates in September 2024.

- 15 In view of the performance of the University under the leadership of the Vice-Chancellor during the past year, the Remuneration Committee decided to award him a recognition payment and a salary uplift which in percentage terms was in line with those paid to other senior postholders.

SERVICING THE COMMITTEES

- 16 The Executive Director of Corporate Governance clerked all meetings of the Remuneration Committees held during the period. Claire Dunning served in this role up until May 2024, with Paul Mould taking over from 12 August 2024. In the normal course of events, the Executive Director of Corporate Governance would leave the meeting whilst their remuneration was discussed. There was no need to observe this protocol in November 2024, since the remuneration of the Executive Director of Corporate Governance was not discussed, owing to the role holder only just having commenced in the position.
- 17 The Chief People Officer attended all of the meetings of both Committees during the period. This attendance was by invitation of the Committees and was to provide specialist knowledge and support. She left the meeting whilst her personal remuneration was discussed.
- 18 Comprehensive reports of each meeting were provided to the Board of Governors.
- 19 The University has established a framework that outlines a number of clear principles that will be followed to ensure that decisions on the levels of remuneration for senior postholders are evidence-based and are transparent, fair and equitable. This framework was approved by the Remuneration Committee in September 2024, and was appended to the Benchmarking Report for Senior Postholders at the November 2024 meeting as a guide for members of the Remuneration Committee when deliberating over reward and recognition for senior staff. It is available to any Governor by request to the Executive Director of Corporate Governance.

UNIVERSITY OF PORTSMOUTH

BOARD OF GOVERNORS

SENIOR POSTHOLDERS REMUNERATION COMMITTEE

TERMS OF REFERENCE

The Constitution of Remuneration Committee comprises five External Governor members holding particular offices, together with the Vice-Chancellor:

- Chair of the Board
- Deputy Chair of the Board
- Chair of Audit and Risk Committee
- Chair of Infrastructure and Finance Committee
- Chair of People, Culture and Engagement Committee
- and the Vice-Chancellor (for all matters other than those affecting his own position).

The Chief People Officer attends to provide advice and guidance as required and the Committee can call on other sources of advice as it thinks necessary, for example, the Chief Financial Officer.

The Senior Postholders Remuneration Committee will meet to review its processes at least every three years.

Terms of Reference

- 1 To determine and keep under review the pay and conditions of service of all senior postholders with the exception of the Vice-Chancellor and as defined by the Board in accord with the Articles of Government (AoG 1.1): currently the Provost, Deputy Vice-Chancellor for Education, Deputy Vice-Chancellor (Research, Innovation and External Relations), Deputy Vice-Chancellor (Global Engagement and Student Life), Chief Financial Officer, Chief People Officer and the Executive Director of Corporate Governance; and in line with the agreed principles outlined in the pay policy for senior postholders of the University as approved by the Board of Governors.
- 2 To consider and approve arrangements proposed by the Vice-Chancellor to increase, reduce or alter the number of or responsibilities of senior postholders, whether on a permanent or temporary basis. Within this remit, nothing is intended here to disrupt the day-to-day running of the University and minor changes need not be brought for approval.
- 3 To assure themselves as to the reasonableness and currency of the contractual terms and benefits for such appointments, for example health insurance, performance criteria and measurement and applicability of any special pay schemes.
- 4 Having regard to the Office for Students (OfS) Terms and Conditions of Funding for Higher Education Institutions, the Committee of University Chairs (CUC) Higher Education Senior

Staff Remuneration Code, the CUC Code of Governance or other similar documents, to note all severance payments to senior post holders in excess of £100,000 which will be reported at each meeting by the Chief People Officer. In addition, to be provided with information (which may be provided electronically) on all severance payments determined by the Vice-Chancellor for other post-holders that would not be in accordance with policy guidelines established separately by the Board of Governors.

- 5 Where the Vice Chancellor or Chief People Officer believe that a severance package offered to a senior postholder has a higher value than would normally be expected or has significant potential to negatively impact on University, they will consult with the Chair of the Board and the Chair of the Remuneration Committee before making the offer.
- 6 To consider and recommend to the Board the principles for applying an exception to the new employment and pension arrangements for specific staff, groups of staff, special cases or exceptions. A report will be made by the Chief People Officer to the Remuneration Committee on an annual basis detailing the number and the circumstances of all exceptions to the new employment arrangements which have been actioned during the year.
- 7 To consider the public interest and the safeguarding of public funds alongside the interests of the institution when considering all forms of payment, reward and severance for staff.
- 8 Meetings of Senior Postholder Remuneration Committee will include routinely an opportunity for External Governors to meet privately, without the Vice-Chancellor and Clerk present. This private session will be for formative discussion: subsequent decisions will take place with the Vice-Chancellor and Clerk present. (This opportunity for private discussion mirrors the arrangements for Audit and Risk Committee, and preserves External Governors' independence).
- 9 To report to the Board of Governors in line with the CUC Code of Governance and the CUC Higher Education Senior Staff Remuneration Code, and as agreed by the Board as follows:
 - (i) the Board will receive reports from Senior Postholders Remuneration Committee on its meetings, specifying context, purpose, process and broad outcome of Committee's deliberations;
 - (ii) the names and salaries of individuals will remain confidential and, as is current practice, the outcome of deliberations (usually in the form of a letter from the Chair to the Chief People Officer) will be bound into the formal record that is the Governors' Minute book, and be available for consultation by any Governor by arrangement with the Clerk;
 - (iii) the minutes of the Senior Postholder Remuneration Committee will continue to be confidential to members and not presented to the Board of Governors;
 - (iv) the minutes of the Senior Postholder Remuneration Committee will be available for consultation by any Governor by arrangement with the Clerk.

VICE CHANCELLOR'S REMUNERATION COMMITTEE

TERMS OF REFERENCE

The Constitution of the Vice Chancellor's Remuneration Committee comprises of five External Governor members holding the following offices:

- Chair of the Board
- Deputy Chair of the Board
- Chair of Audit and Risk Committee
- Chair of Infrastructure and Finance Committee
- Chair of People, Culture and Engagement Committee

The Vice-Chancellor is explicitly excluded from membership or attendance at meetings of this Committee.

The Chief People Officer attends to provide advice and guidance as required and the Committee can call on other sources of advice as it thinks necessary, for example, the Chief Financial Officer.

The Committee will meet to review its processes at least every three years.

Terms of Reference

- 1 To determine and keep under review the pay and conditions of service of the Vice-Chancellor in line with the agreed principles outlined in the pay policy for senior postholders of the University as approved by the Board of Governors.
- 2 To assure themselves as to the reasonableness and currency of the contractual terms and benefits available to the Vice-Chancellor, for example health insurance and performance criteria.
- 3 To consider the Vice-Chancellor's PDR and performance.
- 4 To consider and approve severance payments for the Vice-Chancellor in the event of premature retirement or dismissal.
- 5 To consider the public interest and the safeguarding of public funds alongside the interests of the institution when considering all forms of payment, reward and severance for the Vice-Chancellor.
- 6 Meetings will include routinely an opportunity for External Governors to meet privately, without the Clerk present. This private session will be for formative discussion: subsequent decisions will take place with the Clerk present. (This opportunity for private discussion mirrors the arrangements for Audit and Risk Committee, and preserves External Governors' independence).
- 7 To report to the Board of Governors in line with the Governance Code of Practice, and as agreed by the Board as follows:

- (i) the Board will receive reports from Vice Chancellor's Remuneration Committee on its meetings, specifying context, purpose, process and broad outcome of Committee's deliberations;
- (ii) the outcome of deliberations (usually in the form of a letter from the Chair to the Chief People Officer) will be bound into the formal record that is the Governors' Minute book, and be available for consultation by any Governor by arrangement with the Clerk;
- (iii) the Minutes of the Vice Chancellor's Remuneration Committee will continue to be confidential to members and not be formally presented to the Board of Governors;
- (iv) the Minutes of Remuneration Committee will be available for consultation by any Governor by arrangement with the Clerk.

Principles of Operation

Vice Chancellor's and Senior Postholders Remuneration Committees

The Vice-Chancellor's Remuneration Committee and the Senior Postholders Remuneration Committee will have the following shared principles of operation:

- (i) To enable all Governors to input into the performance review of senior post holders;
- (ii) To reward senior post holders with appropriate salaries.
- (iii) To preserve independence of External Governors by routinely providing a private session within the Committee meetings;
- (iv) To continue to provide reports to the Board in line with the CUC Code of Governance and CUC Higher Education Senior Staff Remuneration Code;
- (v) To make decisions and minutes available for consultation by any Governor by arrangement with the Clerk;
- (vi) To consider comparator data in making deliberations as follows:
 - Sector comparator data from Universities and Colleges Employers Association (UCEA) and CUC;
 - External comparator data (provided by the Chief People Officer);
 - A report from the Vice-Chancellor on the posts rewarded on grade 12 as well as information on salaries of those above the top of grade 12 in order for members to see how higher salaries relate to those on normal scales.

All comparator data to be provided for a three-year time frame if possible.