

REMUNERATION COMMITTEE:

Pay setting for the Vice-Chancellor & Senior Post Holders 2024/25

The University has two remuneration committees. These are the Senior Postholders' Remuneration Committee and the Vice-Chancellor's Remuneration Committee.

The Vice-Chancellor's salary is set each year (2024/2025 in this instance) by the Vice-Chancellor's Remuneration Committee by reference to the previous financial year (2023/2024 in this instance). The Vice-Chancellor is not a member of this Committee and does not attend its meetings.

The operating context

The Vice-Chancellor leads a university that in 2023/2024:

- (i) Produced an income of c.£303 million.
- (ii) Achieved its second TEF Gold award, being one of only five universities in the Southeast region to be rated gold, along with the Universities of Oxford, Chichester, Solent and the Open University. One of only 18 universities awarded Gold in both TEF exercises.
- (iii) Achieved significant improvements in league table positions: ranked 41st in the Guardian University Guide (up from 67th), 49th in the Complete University Guide, and 55th in The Times Good University Guide.
- (iv) Retained its position in the Times Higher Education World University Rankings (401–500 band) whilst improving in all metrics, and advanced to 104th in the Young University Rankings (up from 132nd).
- (v) Moved up in the prestigious Shanghai Ranking (ARWU) to the 901-1000 banding (from 801-900), demonstrating continued research excellence.
- (vi) Achieved outstanding student satisfaction results: ranked 17th for learning resources (90%) and 19th for academic support (88%) in the National Student Survey 2024, with performance exceeding the sector average in all six question categories.
- (vii) Maintained strong graduate outcomes with 93.5% of UK full-time graduates progressing to employment or further study 15 months after graduation.
- (viii) Achieved the Athena SWAN Silver Award, becoming one of only 38 universities nationally to hold this distinction for advancing gender equity.
- (ix) Attained Bronze Race Equality Charter status, joining only 38 UK universities recognised for commitment to supporting Black, Asian and minority ethnic staff and students.
- (x) Delivered exceptional postgraduate satisfaction with 87% overall satisfaction in PTES (above sector average) and 85% in PRES, achieving first quartile ranking for research culture amongst Modern Universities.

Process for assessing value and performance

Framework for Setting the Pay of Senior Postholders

The Vice-Chancellor's remuneration is set in accordance with the Framework for Setting the Pay of Senior Postholders. This is reviewed and, if necessary, updated each year. When making changes to the salaries of senior staff, the University will take account of:

- (i) Sustained performance and contribution during the preceding year(s). The performance of individual postholders will be formally reviewed each year, mirroring the University's PDR process that applies to all staff. Any senior postholder identified as requiring significant improvement in their performance would not receive any pay increase in the relevant year.
- (ii) Any material changes in roles and responsibilities since the previous review period.
- (iii) The percentage increase in salary awarded to staff on national payscales as a consequence of national negotiations.
- (iv) The average percentage increase in salary received by staff on national payscales to reflect incremental pay progression.
- (v) Maintaining the relative value of salaries when compared with benchmarking data in the annual UCEA survey of senior staff remuneration within the higher education sector, with a particular focus on:
 - All higher education institutions with a turnover of £280 million to £400 million.
 - All post-92 higher education institutions with a turnover of £280 million to £400 million.
 - All higher education institutions in London and the Southeast of England with a turnover of over £200 million.
- (vi) The overall affordability of any proposed increases to senior salaries, taking account of both the University's financial performance and the need to offer salaries that compare favourably with competitor institutions.
- (vii) The University will review and moderate the pattern of increases across all senior postholders in order to ensure fairness and consistency.

The Framework also states that:

- (i) In occasional instances of truly exceptional performance in delivering on the strategic imperatives of the University, a senior postholder may be considered for a non-consolidated special payment, where in the considered view of the committee, such a payment is justified and a more appropriate means of acknowledgement than a consolidated increase to salary.
- (ii) The University may, for market pay reasons, decide to apply a market supplement to certain senior roles. The size of the market supplement to be applied will be determined by market data and evidence around the inability to recruit or retain senior postholders in certain roles.
- (iii) The University will ensure that its highest-paid staff member will not earn more than 20 times the full-time equivalent salary of its lowest-paid staff member.

- (iv) The University will monitor the ratio between the highest paid member of staff and the median pay level across the University. This ratio should reflect other comparable universities and the earnings multiple should not exceed 10:1.

The Framework is published on the University's website:

<https://corporate-governance.docstore.port.ac.uk/A1315538.pdf>

Assessment of value and performance

Contextual Information

To enable the Vice-Chancellor's Remuneration Committee to assess the value and performance delivered by the Vice-Chancellor, the following contextual information is provided to the Committee:

- (i) A narrative based on the discussions conducted at the Vice-Chancellor's personal development review (PDR) meeting with the Chair and Deputy Chair, or other external members of the Board of Governors.
- (ii) An assessment of achievement against the Vice-Chancellor's personal objectives for the reporting year.
- (iii) A summary of the salary and benefits received by the Vice-Chancellor.
- (iv) Details of the remuneration received by the Vice-Chancellor in previous years.
- (v) CUC and UCEA comparator data.
- (vi) Lowest-paid staff member pay ratio and median pay rate ratio data for the University.

In addition, the Chair of the Board of Governors formally writes to all governors to invite comments, feedback and observations on the Vice-Chancellor's performance.

Judgement of performance

In reaching their decision, the Vice-Chancellor's Remuneration Committee concluded that:

- (i) Comments, feedback and observations on the Vice-Chancellor's performance from governors confirmed that it was their view that the Vice-Chancellor had achieved an exceptional level of performance throughout the 2024/25 reporting year.
- (ii) The Vice-Chancellor demonstrated extraordinary commitment, determination and resilience in delivering the University's strategic objectives.
- (iii) This was achieved during what was recognised as one of the most challenging periods in the sector's history, characterised by continuing challenges in student recruitment, inflation levels not seen for many years, and the lingering detrimental effects of Covid and Brexit.

Specifically, the Remuneration Committee noted that the Vice-Chancellor had:

- (iv) Delivered the remarkably successful Reset initiative, culminating in savings of around £20 million in just one year, providing exceptional support to the Provost and her team throughout the process.

- (v) Successfully led the opening of the Medical School, which it described as "a fantastic outcome for the University, staff, students, the city, the NHS and prospective patients", having a positive impact on reputation and brand.
- (vi) Successfully navigated complex lender discussions, proactively leading negotiations to reach satisfactory outcomes for all parties whilst ensuring close alignment amongst stakeholders.
- (vii) Provided leadership which was fundamental to the cultivation of a high-performing team, including the transformation of the senior leadership team following a number of high-calibre appointments.
- (viii) Demonstrated exceptional strategic leadership by sanctioning and successfully implementing a new approach to UK undergraduate recruitment within an extremely challenging recruitment market across the sector. This new approach had bucked the national trend and achieved highly impressive results.
- (ix) Overseen a significant improvement in league table positions during a very difficult year when significant cost savings were necessary. The University has performed particularly well in the year's NSS, being ranked 17th for learning resources (90% compared to a sector average of 87%) and 19th of all universities in England for academic support (88% compared to a sector average of 85%).

The Remuneration Committee noted that the Vice-Chancellor had outlined exciting potential initiatives for the coming year, including leveraging student workforce opportunities and further growth of Health education and Research in the University which would benefit the University and its key stakeholders, as well as the region more broadly. This visionary leadership was considered by the Remuneration Committee to be fundamental to providing the essential platform for the University to grow and succeed. The Committee agreed that the University was in a considerably improved position compared to the same stage the previous year.

Having discussed and taken account of all relevant factors and especially the requirements of the Framework for Setting the Pay of Senior Postholders, the Vice-Chancellor's Remuneration Committee agreed to increase his salary for the 2024/25 year. The details of the Vice-Chancellor's salary for this period are set out in the Financial Statements:

<https://www.port.ac.uk/about-us/publications/financial-statements-and-annual-report>

The Remuneration Committee made this pay award in acknowledgement of the Vice-Chancellor's pivotal role in providing leadership and guidance to his senior team, bringing stability when it was most required, and the many positive achievements of the University during 2024, many of which occurred against a background of uncertainty.