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| To: Board of Governors | Meeting date: 09/12/2025 | Agenda item: 3.3.4 | Paper ref: 25/BG/74 |
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Presented by: Helen Jones, Chief People & Culture Officer

REMUNERATION COMMITTEE ANNUAL REPORT 2025

Executive summary

1. This paper provides the Remuneration Annual report in line with Committee of University Chairs (CUC) guidance.

Recommendation

2. The Board is asked to consider and:
 - a) approve the annual report for 2025.

Resource implications

3. N/A

Risk

4. Risks associated with the remuneration and severance arrangements are identified as part of the people and development risk register.

Equality impact assessment

5. N/A

Introduction

6. The Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code, dated November 2021, states in Element III (Transparency & Accountability) that:

'Each institution must publish a readily accessible annual statement, based on an annual report to its governing body, containing:

- a) a list of post-holders within the remit of Remuneration Committee;*
- b) membership of the Remuneration Committee;*
- c) its policy on the remuneration for post-holders within the remit of Remuneration Committee;*
- d) its choice of comparator institutions/organisations;*
- e) its policy on income derived from external activities;*
- f) the pay multiple of the HoI and the median earnings of the institution's whole workforce, illustrating how that multiple has changed over time and, if it is significantly above average, an explanation of why; and*

g) an explanation of any significant changes.'

Annual Report 2025

7. Post-holders within the remit of Remuneration Committee (SLT) within FY 2024/25:

- Director of Student Success
- Chief Financial and Operating Officer
- Chief People and Culture Officer
- Chief Marketing Officer
- Pro Vice Chancellor, Research Academic Strategy and Planning
- Pro Vice Chancellor, Education
- Pro Vice Chancellor, Students and Governance (University Secretary)
- Associate Pro-Vice Chancellor Research & Innovation (leaver)
- Associate Pro-Vice Chancellor (Education and Partnerships)
- Director of Warsash Maritime School
- Director of Digital Transformation
- Director of Estates and Facilities
- Director of Finance
- Academic Registrar

This includes a total of 14 positions, of which 1 is no longer an employee at the University.

8. Post-holders within the remit of Remuneration Committee (VC):

- Vice Chancellor

9. The membership of the Remuneration Committees (SLT & VC) for 2024/25 was as follows:

- Neil Hayward, Independent Governor & Chair of Remuneration Committees (leaver)
- Richard Smith, Independent Governor & Chair of the Board
- Georgina Corbett, Independent Specialist & External Committee member (leaver)
- Richard Hortop, Independent Specialist & External Committee member
- Philip de Klerk, Independent Governor & Audit Chair
- Adam Golton, Independent Governor and Finance & Resources Chair.
- Dame Professor Julie Lydon DBE, Independent Governor
- Professor James Knowles (SLT Committee only)
- Helen Jones, Chief People and Culture Officer
- Laura Jelley, Head of People and Development

Approach to Remuneration

10. Whilst there was an increase in student fees amounting to £9,535. Due to inflationary increases this amounts to the unit of resource at about £6,000 in 2012/13 prices. In terms of our institution this would have impacted our income by £15m if the fee had increased with inflation since inception. Furthermore, the recent marginal student fee increase has been surpassed in policy change costs, with two significant policy changes: National Insurance, and increased pension contributions costing significantly more than the income from the fees increase.

Additionally, the international market continues to be increasingly challenging, leading to a significant shortfall in income across the sector.

11. The Remuneration Committee, and the framework it operates within, are designed to ensure that the reward of the University's most senior staff is fair, equitable and responsive in this highly competitive market and are in the context of the CUC HE Senior Staff Remuneration Code (November 2021) and the CUC HE Code of Governance (September 2020).
12. For the majority of staff at the University, fair and equitable salaries are regulated by the use of job evaluation via Higher Education Role Analysis (HERA), UCEA for national pay awards and via the provision of 4 pension schemes based on contract type, Teachers' Pensions, USS (in limited circumstances), Local Government Pension Scheme and Solent Pension Plan (DC Scheme).
13. Senior Leadership Team salaries are based on reference to the annual UCEA Senior Staff Remuneration Survey findings and use the median for comparator Universities +/- 5%.
14. For all staff consideration where appropriate is given to the market via the Market Supplement Policy (Annex 1).
15. All members of the Senior Leadership Team as detailed in the Remuneration Committee Terms of Reference are eligible for a Performance Related Bonus (PRP) of up to 5% of their annual salary, normally payable in September of each year. The percentage is based on the performance of the previous year as assessed by Performance Development Review (PDR) and as reviewed and agreed by the Vice-Chancellor. As in 23/24, due to the current financial context, there were no PRP bonus payments made for 24/25 and this is reflective of the majority of HEI's.

In the most recent (2024)UCEA Senior Staff Remuneration survey of those eligible staff members that are comparable to Solent University's SLT bonus payment were made as follows:

| Responsibility Level | No. of HEI's paying bonus |
|----------------------|---------------------------|
| Level 2 | 34 |
| Level 3B | 47 |
| Level 4B | 43 |
| Level 34/A2 | 18 |

16. The 2025 Vice Chancellor salary versus median salary of all other staff decreased minimally from 7.14:1 to 7.10:1. This is still higher than the VC pay ratio at Southampton Solent, which was 5.27:1 for 2024-25 (decreasing from 5.87:1 in 2023-24).

Institutional performance

17. Performance Related Pay is based on performance against PDR objectives to achieve the institutional strategy, <https://www.solent.ac.uk/strategy-2035>
18. Performance in PDR is rated as either meets expectations or below expectations. All decisions made will be subject to affordability each year. Where non-consolidated bonuses are paid the total value of all such payments will not exceed a set amount calculated each year as follows:

| | | |
|--|---|---|
| Total value of salaries paid to eligible employees | X | National pay award for the sector |
|--|---|---|

No funds were allocated for PRP bonuses for 24/25.

Conclusions and recommendations

19. The committee is asked to consider and note for approval the annual report for 2025.