

Deputy Chief Executive Allowance

Report of Chief Executive

Recommendation:

For the Appointments, Remuneration & Chief Officer Conduct Committee to agree:

- the proposed allowance for the additional duties of the Deputy Chief Executive
- backdate the payment to 1st May 2023.

Context

Prior to May 2024, Devon County Council did not have in place a formal structure to provide cover and resilience in periods of absence by the Chief Executive. Following review of benchmarking data from other Councils, it was considered that in line with numerous other Councils, due to the complexity, scale and high-profile nature of the County Council, a more formal deputising structure for periods when the Chief Executive may be absent was required.

Therefore it was agreed that an existing Director from the members of Strategic Leadership Team would be selected by the Chief Executive to act as their nominated deputy and provide cover for the Chief Executive's duties, both during periods of planned absence (estimated at 5 weeks planned per annum) or as required. These are additional duties rather than appointing to a dedicated role and therefore is a Head of Paid Service decision. However, any allowance paid for undertaking the Deputy Chief Executive duties, would be decided by the Appointments, Remuneration & Chief Officer Conduct Committee. From 1st May 2023, Meg Booth, Director of Climate Change, Environment & Transport was nominated to undertake the additional responsibilities.

Allowance

Allowances are disclosed publicly as part of the Annual Pay Policy Statement. Benchmarking activity has highlighted a range of approaches for remunerating for the additional duties of a Deputy Chief Executive. There was no uniformity in approach from other authorities, varying from no payment at all to dedicated Deputy posts coupled with another discipline (e.g. Finance or Resources). The grades of the existing Directors at Devon County Council range from grades L1 to L3 as outlined in Table 1 below.

Table 1. DCC Leadership Salary structure:

Grade	As at 1/4/2024	
L0	£212,175	Chief Executive
L1	£154,686	<ul style="list-style-type: none">• Director of Children's & Young People's Futures• Director of Independent Adult Social Care
L2	£125,337	<ul style="list-style-type: none">• Director of Climate Change, Environment & Transport• Director of Finance & Public Value• Director of Public Health & Communities
L3	£115,825	<ul style="list-style-type: none">• Director of Legal & Democratic Services

		<ul style="list-style-type: none"> • Director of Transformation & Business Services • Director of People & Culture • Director of Performance & Partnerships
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Proposal

It is proposed that an allowance be paid to compensate the Deputy Chief Executive for the additional duties & responsibilities.

Benchmarking did not identify a consistent approach to remuneration for Deputy related duties. Depending on which method is used to calculate the allowance, the value could vary significantly (as shown in Table 2 below). Since the appointment of a nominated Deputy on 1st May 2023, and due to the lack of consistent approach evident from benchmarking, a period of time has been allowed to consider the amount of time taken for the additional responsibilities to help inform the level of remuneration.

A series of options are outlined below including costs and rationale for approach based on the appointment of a Chief Officer on Grade L2 (£125,337). The Director of Climate Change, Environment & Transport is paid at Grade L2.

Table 2. Options and costs of calculations.

Description & rationale	Advantage(s)	Disadvantage(s)	Cost based on L2 appointment (excl. on-costs)
1. Use % of basic salary of postholder and add between 5% and 12.75% - percentage selected on a 'felt fair' basis.	<ul style="list-style-type: none"> • More distant relationship between additional demand and allowance • Portable- Could be easily applied to other posts at different grades; • Simple 	<ul style="list-style-type: none"> • Doesn't reflect additional demands • No relationship between CEx salary and allowance • Percentage figure is based on a 'felt fair' basis – potentially subjective. 	Range from £6,266.85 and £15,980.47
2. Pay enhancement as % of Chief Executive's basic salary (eg 5%)	<ul style="list-style-type: none"> • Simple • Portable - Could be easily applied to other posts at different grades; • Shows relationship to CEx Salary 	<ul style="list-style-type: none"> • Percentage figure is based on a 'felt fair' basis – potentially subjective. 	£10,608.75
3. Estimate the actual cost of cover (Method 1¹), paying the difference	<ul style="list-style-type: none"> • Reflects additional demand in a measurable way; 	<ul style="list-style-type: none"> • Does not reflect that DCEX's existing role is still required to be undertaken. 	£8,326.91

¹ Method 1 – (L0-L2)/52.143 x 5 weeks

<i>between L0 and L2 for 5 weeks p.a. (based on 52 weeks p.a.)</i>	<ul style="list-style-type: none"> • Portable - Could be easily applied to other posts at different grades; • Seen to be fair; • Shows relationship between CE salary and Deputy's pay. 		
<i>4. Estimate the actual cost of cover (Method 2²), paying for 5 weeks' cover p.a. based on cost of CEx's working days</i>	<ul style="list-style-type: none"> • Reflects additional demand in a measurable way • Portable - Could be easily applied to other posts • Seen to be fair • Shows relationship between CE salary and Deputy's pay. 	<ul style="list-style-type: none"> • More expensive option • Even including allowance, DCEX pay would still be lower than a Chief Officer grade L1 • Not portable eg to a L1 Chief Officer grade. 	£27,052
<i>5. Pay the difference of the postholder to Chief Officer grade L1 (£154,686)</i>	<ul style="list-style-type: none"> • Simple • Portable - Could be easily applied to other posts • Seen to be fair in relation to other Chief Officers 	<ul style="list-style-type: none"> • Most expensive option • Does not show a relationship to CEx salary • Would not be applicable if an L1 post holder was the nominated deputy. 	£29,349

It is proposed that Option 3 is progressed based on the amount of time the additional duties have taken up over the past few months. It is also proposed that this payment be backdated to 1st May 2023, to compensate for the duties undertaken since this time.

² Method 2 - Holiday entitlement for CEx = 32 days; Normal working days p.a. = 52 x 5 = 260 days. Less Bank Holidays [(9) when DCEX would not be expected to cover] = 251 days, => 32/251 = 12.75%

NOTE: either method is valid