

EMPLOYMENT COMMITTEE

MINUTES OF THE MEETING of the Employment Committee held on Thursday 25 January 2024 at 5.00pm in the Council Chamber - The Guildhall, Portsmouth

Present

Councillor Stuart Brown (Chair)
Councillor Darren Sanders
Councillor Dave Ashmore
Councillor Simon Boshier
Councillor Cal Corkery
Councillor Graham Heaney

Officers in attendance

Natasha Edmunds, Director Corporate Resources
Susan Page, Finance Manager

1 Apologies for Absence (AI 1)

Councillor Charlotte Gerada had offered her apologies for absence. Councillor Graham Heaney was present as Councillor Gerada's standing deputy.

2 Declarations of Members' Interests (AI 2)

None.

3 Minutes of the meeting held on 30 November 2023 (AI 3)

It was noted that in the copy of the minutes appended to the agenda, Councillor Asghar Shah was listed as being present on 30 November 2023, but he was not in attendance as standing deputy.

Item 7 - Real Living Wage Update (minute no. 28) it was noted that in the penultimate paragraph, Real Living Wage had been abbreviated to RWL rather than RLW.

RESOLVED that the minutes of the meeting held on 30 November 2023 be confirmed and signed by the Chair as a correct record subject to the amendments above.

4 Real Living Wage Accreditation Update (AI 4)

Natasha Edmunds, Director of Corporate Services, introduced the report informing members that it provides an updated analysis of the financial impact on the council in view of existing budget pressures, the higher than anticipated increase to National Living Wage (NLW)

announced in the Chancellor's autumn 2023 budget, and the increase to Real Living Wage (RLW) announced by the Living Wage Foundation in November 2023.

Members questions

In response to members' questions, officers clarified:

- Portsmouth City Council (PCC) has paid its directly employed staff the Real Living Wage since 2018.
- Although officers are not aware of the number of employees of PCC contractors affected, modelling for budget setting has been used to calculate the additional cost of requiring contractors to pay RLW to their employees.
- The 56p per hour difference between NLW and RLW has not been budgeted for and if the decision to implement RLW was taken, the City Council would immediately need to identify and approve savings of £2.5m in the general fund and £200,00 in the Housing Revenue Account (HRA).
- The estimated financial impact of £2m on Adult Social care arising from RLW is additional to any current level of overspending in the service.

Members' comments

Councillor Darren Sanders noted that as Cabinet Member for Housing and Tackling Homelessness he would be making decisions relating to the Council's Housing Budget 2024/25 on 26 January 2024. He commented that that the HRA had budgeted for NLW and that to move to RLW would add £200,000 cost to the service. It was sad that despite aspirations to pay RLW, it was not possible whilst also maintaining financial sustainability and resilience.

The Committee RESOLVED to:

- 1) Note the update on the financial impact of seeking Real Living Wage accreditation.**
- 2) Ask that a copy of the Real Living Wage update report be circulated to members of the Cabinet before its meeting on 6 February 2024 in order that the Cabinet may consider the financial impact of Real Living Wage accreditation in the upcoming budget setting process based on the updated information and context provided in the report.**

The meeting concluded at 5.08pm

Councillor Stuart Brown
Chair