



SUPPLEMENTARY AGENDA

EMPLOYMENT COMMITTEE

THURSDAY, 30 NOVEMBER 2023 AT 5.00 PM

COUNCIL CHAMBER - THE GUILDHALL, PORTSMOUTH

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Membership

Councillor Stuart Brown (Chair)
Councillor Darren Sanders (Vice-Chair)

Councillor Dave Ashmore
Councillor Simon Boshier

Councillor Cal Corkery
Councillor Charlotte Gerada

(NB This supplementary agenda should be retained for future reference with the main agenda and minutes of this meeting).

SUPPLEMENTARY AGENDA

7 Real Living Wage (Pages 3 - 6)

Purpose

To update the Committee on the current position on Real Living Wage.

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Agenda Item 7



Portsmouth
CITY COUNCIL

Title of meeting: Employment Committee
Date of meeting: 30 November 2023
Subject: Real Living Wage Accreditation
Report by: Director of Corporate Services
Wards affected: None
Key decision: Yes/No
Full Council decision: Yes/No

1. Purpose of report

1.1 At its meeting of 14 November 2023 the Council resolved to:

ask the Employment Committee to re-establish a Living Wage working group involving elected members, council officers and trade unions to scope views to be placed back before the Employment Committee detailing the council's ambitions to become a Living Wage accredited employer;

1.2 The purpose of this report therefore is to provide an update on the current position with regard to Real Living Wage Accreditation to enable the committee to determine how it wishes to proceed in accordance with the above resolution.

2. Recommendations

- The committee are asked to consider the full council resolution to re-establish a Living Wage working group taking all current information into account.

3. Background

The position for gaining and maintaining accreditation has not changed since the last report to the committee on 17th November 2022. PCC already pays its staff Real Living Wage (RLW) rates and therefore accreditation would apply RLW to the pay rates of staff employed by relevant 3rd party contracted services.

As previously identified some service areas have a small number of high value contracts with limited impact as 3rd party contracted staff are likely to be paid significantly above RLW - construction and consultancy contracts for instance. Also, some service areas have far higher reliance than others on 3rd parties to deliver services or may just have lower spends.



Work undertaken in 2022 and reported to the committee on 7th July 2022 identified the highest impact area as care contracting commissioned by Adult Services where spend is high and workers are more likely to be on less than RLW.

On 22 November 2023 the Chancellor announced that the National Living Wage (NLW) for 2024 will be £11.44 per hour which of itself will add pressure to budgets. Should the Council require Adult Social Care providers to pay the Real Living Wage rate of £12.00 in 2024, a further £2m of funding would be required over and above the increase to NLW rates.

We have seen significant disruption in the care home market in the last 12 months and this has increased the financial pressure for Adult Social Care. As at the end of September, Adult Social Care were forecasting a year-end overspend of £2.8m. Delivering a balanced budget in 24/25 will be challenging with inflationary pressures of both CPI and the NLW. Implementation of the RLW would not be affordable within the current Adult Social Care budget and it is likely that providers would need to pass on the full cost to the Council to make this a reality.

Whilst no formal further engagement of providers has been undertaken in 2023 the situation has been monitored through contract management activities and there has been little to suggest that the position of providers to absorb RLW related costs has changed. Whilst resource will need to be secured to implement and sustain RLW within in scope contracts the primary issue is one of sustainably financing likely cost increases.

4. Integrated Impact Assessment

This report does not require an Integrated Impact Assessment as there are no proposed changes to PCC's services, policies, or procedures included within the recommendations. In the event that a policy decision is taken an integrated impact assessment will be completed.

5. Legal Implications

There are no legal implications that arise from the recommendations of this report.

6. Finance Comments

The recommendations of this report are consistent with previous reports to the committee outlining the need for sustainable funding to be identified in order for this policy initiative to be taken forward.



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Signed by (Director)

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

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