



NOTICE OF MEETING

EMPLOYMENT COMMITTEE

THURSDAY, 25 JANUARY 2024 AT 5.00 PM

COUNCIL CHAMBER - THE GUILDHALL, PORTSMOUTH

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If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

Membership

Councillor Stuart Brown (Chair)
Councillor Darren Sanders (Vice-Chair)
Councillor Dave Ashmore
Councillor Simon Boshier
Councillor Cal Corkery
Councillor Charlotte Gerada

Standing Deputies

Councillor Ryan Brent
Councillor Graham Heaney
Councillor Hugh Mason
Councillor Steve Pitt
Councillor Benedict Swann
Councillor Matthew Winnington

(NB This agenda should be retained for future reference with the Minutes of this meeting.)
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Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting and must include the purpose of the deputation (for example, for or against the recommendation/s). Email requests are accepted.

AGENDA

- 1 **Apologies for Absence**
- 2 **Declarations of Members' Interests**
- 3 **Minutes of the meeting held on 30 November 2023** (Pages 3 - 8)

RECOMMENDED that the minutes of the meeting held on 30 November 2023 be confirmed and signed by the Chair as a correct record.

- 4 **Real Living Wage Accreditation Update** (Pages 9 - 12)

Purpose of report

- a) At its meeting of 30 November 2023 and in its capacity as the Task and Finish Group, the Committee resolved to ask officers to provide an update on the financial impact of seeking Real Living Wage (RLW) accreditation.
- b) The purpose of this report is to provide 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 announced by the Living Wage Foundation in November 2023.

It is RECOMMENDED that:

- 1) **The Employment Committee notes the update on the financial impact of seeking Real Living Wage accreditation.**
- 2) **A copy of the Real Living Wage update report is 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 this report.**

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Agenda Item 3

EMPLOYMENT COMMITTEE

MINUTES OF THE MEETING of the Employment Committee held on Thursday 30 November 2023 at 5.00pm in the Council Chamber - The Guildhall, Portsmouth

Present

Councillor Stuart Brown (Chair)
Councillor Dave Ashmore
Councillor Simon Boshier
Councillor Cal Corkery
Councillor Asghar Shah

Officers in attendance

Natalie Brahma-Pearl, Chief Executive
Natasha Edmunds, Director Corporate Resources
Richard Lock, Assistant Director, Procurement
Rochelle Williams, Assistant Director HR
Karen Everitt, HR Business Partner
Jeremy Underdown, Head of Facilities

22 Apologies for Absence (AI 1)

Councillor Charlotte Gerada had offered her apologies for absence.
Councillor Asghar Shah had been due to attend the meeting as Councillor Gerada's standing deputy but he was unable to be present.

23 Declarations of Members' Interests (AI 2)

None.

24 Minutes of the meeting held on 21 September 2023 (AI 3)

The Chair noted that Councillor Boshier was listed as attending the last meeting, but he was not present. This was agreed.

RESOLVED that the minutes of the meeting held on 21 September 2023 be confirmed and signed by the Chair as a correct record, subject to the amendment above.

25 Appointment Sub-Committee - Director Recruitment (AI 4)

Natalie Brahma-Pearl, Chief Executive, introduced the report, informing the Committee that the report sought authority from the Employment Committee for the establishment of an Appointments Sub-Committee. The report set out recommendations for the Sub-Committee's composition for the appointment to the role of Director of Economy,

Planning and Transport. The previous post holder held the title of Director of Regeneration.

The Chair, noted that the third recommendation asked the Committee to nominate membership of the Sub-Committee. He suggested that this is delegated to himself as Chair and the Chief Executive and that nominations are sought from all members of the council. Councillor Boshier commented that traditionally group leaders are asked to nominate members if group leaders are themselves unable to attend. This was agreed.

Members questions

In response to members questions, officers clarified that:

- The system of appointing senior officers including Directors was being looked at with a view to streamlining the process without losing democratic input from members.
- An appointment sub-committee of around 5 members would be appropriate for the appointment of the Director of Economy, Planning and Transport.
- That the diversity of the sub-committee will depend on the names group leaders put forward, but this aspect will be encouraged.
- It is expected that as the appointment of the Director of Economy, Planning and Transport is a like-for-like replacement for its predecessor, the salary range and grade for the role remain the same and reflect current market conditions.

Members' comments

Councillor Boshier noted that the composition of appointment sub-committees should be a matter for the Employment Committee.

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RESOLVED that, in relation to the appointment to the role of Director of Economy, Planning and Transport, the Employment Committee:

- i) Noted the requirement to recruit to the post of Director of Economy, Planning and Transport following the resignation of the previous incumbent (former post title Director of Regeneration).**
- ii) Delegated the appointment of the role to an appointments sub-committee to act on behalf of the Employment Committee.**
- iii) Delegated the appointment of members of the appointments sub-committee to the Chair of the Employment Committee and the Chief Executive.**
- iv) Delegated the candidate search process and administrative matters to the Assistant Director of Human Resources in consultation with the Chief Executive.**

- v) **Noted how the composition of the panel will take into account the importance of panel diversity.**

26 Annual Health and Safety Report (AI 5)

Jeremy Underdown, Head of Facilities, introduced the report and informed members that they would normally receive the annual report at this meeting however following a recent review the Health and Safety function has moved to Facilities. As part of the review process, it is proposed that the timing of reports to the committee is also reviewed so that the information provided is more current and properly aligns to the periods being reported on.

The report presented today is therefore an interim report and a more detailed report encompassing proposed actions and priorities for the year ahead will be brought back to the Committee in March to cover April 2023 to March 2024 alongside an action plan for the year going forward.

The Head of Facilities highlighted some points from the report including that there had been some structural changes and responsibility for health and safety now sits within facilities management bringing benefits of synergy. The report provides members with assurance that that all areas are within normal standards. Going forward the team will be looking at digitising processes resulting in improved analysis, a focus on asserting responsibility for health and safety throughout the organisation which will enable and strengthen audit processes.

Members questions

As a result of questions, the following points were clarified:

- The Health and Safety function is not always aware of visits from the Health and Safety Executive but if they have visited, they had not raised any points of concern.
- Further information on fire safety training will be reported in March 2024.
- There are no issues relating to training compliance though further information on this matter will be reported in March 2024 as a matrix is being developed to give clarity to managers on requirements for mandatory training.
- The learning management system is being replaced and the new system should be embedded when officers report back in March.
- New classroom based COSHH training has been put in place since the pandemic and this is why there is no earlier data in the report for comparison.
- In most cases where the council uses contractors the contractual position puts responsibility for appropriate health and safety training on contractors, through where necessary operatives are trained by PCC to the extent that they need to be.

The Committee noted the report which was for information.

27 Workforce Profile 2022 (AI 6)

Natasha Edmunds, Director of Corporate Services, introduced the report noting that this was the third year Workforce Profile has been produced. She highlighted that having workforce data profiled against protected characteristics provides an evidence base to inform the setting of equality objectives, decision making relating to employment policies and practices and regular monitoring enables assessment of the impact of any decision taken or changes made. She reported that gender and ethnicity profiles are largely unchanged, but that staff turnover is higher, and this is a concern. The number of staff working full time has increased and reflects the current economic situation while the number of staff living within the city boundaries has returned to pre-pandemic levels.

Members questions

Following members questions, the following points were clarified:

- There has been higher turnover in planning and children's social care teams for some time reflecting national skills shortages. However, shortages are now spreading to communications specialists, lawyers, engineering, transport and finance teams across the council.
- To address this the council is promoting Portsmouth as great place to work. The significant barrier to recruitment and retention is that the council's pay rates are not competitive with local market or other local authorities.
- Employee benefits packages can help and there is evidence that some groups, notably younger staff are attracted by policies on social value; for older staff pay is the main driver.
- Posts are advertised on PCC's own platform, job boards go on other platforms and social media is used when appropriate. Directors and Assistant Directors are encouraged to build relationships with local and/ or relevant universities and the council offers placements.
- Apprenticeships, including degree apprenticeships are actively promoted and the council is monitoring T Levels in relation to how these may offer opportunities to engage with younger people.
- A replacement for the current recruitment platform is being planned for 2024.
- At the other end of the age spectrum there is an issue for some departments where a significant number of the workforce is in the 45-64 age group. The Chief Executive has tasked Directors with promoting succession planning and developing the careers of younger staff to address this.

Members' comments

Members commented that it would be useful to have more information on what is being done to address staff turnover and the loss of

experienced staff including what other authorities are doing to address these. It was agreed that a report setting out a more detailed workforce analysis on turnover, actions arising, age profile and succession planning will be prepared for the March 2024 Committee meeting.

The Committee noted the report which was for information.

28 Real Living Wage Update (AI 7)

Natasha Edmunds, Director of Corporate Services, introduced the report which followed the resolution by full Council at its meeting on 14 November 2023. The resolution asked the Committee to consider re-establishing the Living Wage Working Group. She reported that since full Council met on 14 November 2023, the government had announced that the National Living Wage (NLW) for 2024 will be £11.44 per hour which itself will add pressure to budgets. The Director of Corporate Services also reported that the Real Living Wage (RLW) rate will be £12.00 in 2024.

Richard Lock, Assistant Director Procurement explained that the Council already pays its staff RLW rates. Accreditation would apply RLW to the pay rates of staff employed by relevant third party contracted services. He highlighted the pressures on Adult Social Care budgets set out in the report should the council require Adult Social Care providers to pay the Real Living Wage.

Members questions

In response to members' questions, officers clarified:

- Since the Cross Party Member Working Group reported its findings to the Employment Committee in November 2022 ([Real Living Wage Accreditation report, November 2022](#)) there had been no significant changes to the process for achieving RLW accreditation.
- There is ongoing engagement with suppliers and pressures on Adult Social Care have potentially worsened with a reduction in the number of operators in the market.

Members comments

- Members were not minded to re-establish the Cross Party Member Working Group.
- It was suggested that the November 2022 report be updated with current data for presentation to the Committee at its scheduled meeting in January 2024, which is before the council's budget setting process.
- Staff pay increases have already been linked to the RLW which has added pressure to the budget.

Councillor Sanders, Cabinet Member for Housing and Tackling Homelessness, noted that RWL affected the general fund and housing

revenue account, and he would ask for further information about how many housing contactors pay the RLW.

RESOLVED to update the Real Living Wage working group report dated November 2022 with current figures for consideration by the Employment Committee at its meeting on 25 January 2024.

The meeting concluded at 5.50pm

Councillor Stuart Brown
Chair

Agenda Item 4



Title of meeting: Employment Committee

Date of meeting: 25 January 2024

Subject: Real Living Wage Accreditation - Update

Report by: Director of Corporate Services on behalf of Cross Party Member working Group

Wards affected: None

Key decision: ~~Yes~~/No

Full Council decision: ~~Yes~~/No

1. Purpose of report

- 1.1 At its meeting of 30 November 2023 and in its capacity as the Task and Finish Group, the Committee resolved to ask officers to provide an update on the financial impact of seeking Real Living Wage (RLW) accreditation.
- 1.2 The purpose of this report is to provide 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 announced by the Living Wage Foundation in November 2023.

2. Recommendations

- 2.1 The task and finish group recommend that:
 - The Employment Committee notes the update on the financial impact of seeking Real Living Wage accreditation.
 - A copy of the Real Living Wage update report is 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 this report.

3. Background

- 3.1 Over the past two years a project team has worked to provide the committee with further detail on the implications of seeking accreditation as a Living Wage employer. Reports have been tabled detailing the likely cost implications, challenges, benefits as well as current market conditions and feedback from those suppliers likely to be most affected by such a policy.
- 3.2 The committee have been clear that accreditation as a Living Wage employer is something the council aspires to and has reinforced its commitment by adopting a policy of paying directly employed PCC staff the living wage year on year since 2018.
- 3.3 In order to become an accredited Living Wage employer sustainable funding needs to be identified through the budget process. The last estimate of costs was provided to the Committee in its November 2022 meeting highlighting a need to identify £1.978m of ongoing funding.
- 3.4 Since that time the context in which the council operates has changed whereby budget pressures are being faced, particularly in Adult Social Care which is the service most likely to be affected by RLW accreditation. The rate for NLW announced by the Chancellor in his Autumn Statement has increased to £11.44 which is higher than the Low Pay commission spring 2023 forecast of a range between £10.90 - £11.43. The increase to NLW will be reflected in the 2024/25 budget.
- 3.5 The HRA has budgeted in 2024/25 for Repairs and Maintenance contractors to award a cost-of-living rise and in doing so they will meet the national living wage at £11.44 p/h. To move to the Real Living Wage would increase the cost of the service by c.£200k, but that figure would rise because of the ripple effect caused by the compression of pay rates between different roles.
- 3.6 In addition, the cost of living pay award for 2024/25 is not yet agreed but is likely to add further pressure to council budgets.
- 3.7 Based on all of the above the financial impact has been remodelled and updated in table 1 below:

The full year impact of requiring PCC contractors to pay the current RLW rate of £12.00 per hour has been estimated at circa £2.7m This can be further analysed as follows:

Table 1

	<i>£'000</i>
<i>Adult Social Care</i>	<i>2,000</i>
<i>Other General Fund services</i>	<i>500</i>
<i>Total General Fund</i>	<i>2,500</i>
<i>HRA</i>	<i>200</i>
<i>Total Cost to PCC</i>	<i>2,700</i>

3.8 In addition there would be costs relating to officer time, contract management and reporting not currently budgeted for.

3.9 The financial impact of implementing RLW would require equivalent ongoing sustainable savings to be identified within the Council's budgets.

4. Integrated Impact Assessment

4.1 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

5.1 There are no legal implications that arise from the recommendations of this report. Any subsequent report to cabinet will be reviewed and comment provided separately.

6. Finance Comments

6.1 The Council's annual budget process provides each Portfolio with an allocation for inflation so that it is funded to operate 'steady state' services. No provision is included in the current budget for the additional cost of requiring contractors to pay the RLW to their employees.

6.2 Whilst the 3-year forward forecast for 2023/24 to 2025/26 included in the Budget report to City Council in February 2022 did not plan for any savings requirement to balance the budget, cost pressures have emerged which will impact budgets going forward e.g. energy, fuel, waste and general inflation.

6.3 At the point if any decision is taken to implement the RLW, the City Council will simultaneously need to identify and approve savings of 2.5m in order to fund this policy initiative together with cost of officer time to manage the initiative ongoing. Similarly, the any cost impact on the HRA will need to be factored into the HRA budget and considered as part of the consultation with tenants.

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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