APPENDIX K

Re September's Full Council Meeting Clerk's Report-minuting and paying the NJC pay award:

Financial Regulation 11.3 provides that:

"Salary rates shall be agreed by the council, taking into account a recommendation from the Staffing Committee. No changes shall be made to any employee's gross pay, emoluments, or terms and conditions of employment without the prior consent of the council."

However where employees' contracts incorporate NJC terms and provide for national pay awards to be applied automatically, the Council's consent was given when those contractual terms were approved. The subsequent NJC settlement is therefore the operation of an existing contractual provision, rather than a new discretionary pay award requiring annual approval.

Nevertheless, it remains appropriate for Council to receive and note the award because:

- it affects the Council's budget and staffing expenditure.
- it ensures transparency and proper financial governance.
- it demonstrates that contractual obligations have been identified and implemented.
- it provides an audit trail showing that Members were informed of the financial impact of the national settlement.

The purpose of minuting the pay award is therefore to record Council's awareness and noting of the contractual and financial implications of the NJC award, not to seek permission to implement a contractual entitlement.

As it appears the original wording is unclear, I recommend that the Finance Committee considers Financial Regulation 11.3 be amended as follows:

"Salary rates shall be agreed by the Council, taking into account any recommendation from the Staffing Committee. No changes shall be made to any employee's gross pay, emoluments, grading, or terms and conditions of employment without the prior consent of the Council, except where such changes arise from nationally negotiated agreements incorporated into an employee's contract of employment, including National Joint Council (NJC) pay awards. Such contractual pay awards shall be implemented in accordance with the contract of employment and reported to the Council for noting for audit and budget monitoring purposes.