

Performance Improvement Policy

1. Who does this policy apply to?

- 1.1 All employees of Lancaster City Council, except those who are in their probationary period (where the full procedure does not apply), casual workers, Chief Officers and the Chief Executive (to each of whom it does not apply at all).

2. What is the purpose of this policy?

- 2.1 Lancaster City Council values the contribution of its employees in the delivery and maintenance of quality services to the community. In order to achieve this, employees need to be capable of performing their job role effectively and efficiently and to achieve and maintain high standards of performance in their work. The Council is, therefore, committed to managing employee performance and believes that it is the responsibility of line managers and employees, with the support of HR and trade unions; to work together to ensure that expected standards of performance are maintained.

The Performance Conversation Framework sets out the Councils' expectations for how performance should be managed on an on-going basis. The Performance Improvement Policy focuses on the process to be followed when underperformance has been identified and a Performance Improvement Conversation, as set out in the Performance Conversation Framework is necessary. It also sets out the roles that employees, line managers, the Council and HR are expected to play in performance improvement.

3. What roles do the employee, management, the Council and HR play in performance improvement?

3.1 *Employee Responsibilities*

- ☐ To work to the required standard and to achieve an acceptable level of performance.
- ☐ Seek help at an early point with any problems which might have an impact on work performance.
- ☐ Actively participate in the Annual Conversation, team conversations and 1:1 conversations as set out in the Performance Conversation Framework.
- ☐ Attend the Council's corporate induction and undertake any mandatory training required for the post.
- ☐ Maintain and update where necessary any qualifications, memberships of professional bodies, or licences required for the post as listed on the person specification for the role.
- ☐ Participate in the discussion at all stages of this policy and offer their own suggestions on how they might improve their performance.

Management Responsibilities

- 3.2 The active management and monitoring of performance is a line manager's ongoing responsibility. It is essential that managers proactively assess performance and re-affirm what is expected of their staff on a regular basis through 1:1 meetings, team meetings and the Annual Conversation as prescribed by the Performance Conversation Framework. Managers have the following responsibilities:

- ☐ To assist and encourage all employees to achieve and maintain effective and acceptable standards of performance.
- ☐ To ensure the expectation of work performance is realistic and communicated effectively throughout employment.
- ☐ That their direct reports attend the corporate induction and all relevant mandatory courses.
- ☐ That they regularly review their employee's skills in the Annual Conversation and identify areas for further training and development which can be provided where necessary.
- ☐ To have read and understood the Performance Conversation Framework and to actively utilise the Framework when communicating with direct reports on performance.
- ☐ They are available for advice and supervision when required.
- ☐ That the job content is applicable to the job description and person specification of the post.
- ☐ That workload is appropriate and is regularly reviewed.
- ☐ That they consider whether any mitigating circumstances are contributing to any performance concerns and ensure that if so the employee is supported in the appropriate manner.
- ☐ They implement any workplace adjustments that would be deemed reasonable to support a disability.
- ☐ They act where necessary to resolve any performance issues at an early stage and do not wait for the next Annual Conversation.
- ☐ When performance issues are identified, they collate evidence to show how and why they believe than an employee is not performing to the required standard in line with the Performance Improvement Conversation guidance set out in the Performance Conversation Framework.

3.3 **Lancaster City Council responsibilities**

- ☐ To provide line managers with a framework and guidance to improve the performance and capability of employees to meet service standards.
- ☐ To ensure there is a consistent supportive and fair approach for dealing with capability and performance improvement issues in line with legislative guidelines and best practice.
- ☐ The Council will at all times be aware of its legislative responsibilities and will conduct the management of performance improvement cases sensitively and with respect for confidentiality.

HR Responsibilities

- 3.4 The HR Team are responsible for supporting managers and employees to improve performance. They will:

- ☐ Provide advice and guidance to managers, employees, and Trade Union representatives on how to implement the policy.
- ☐ Encourage managers to treat all staff across the Council in a fair and equitable manner and ensure that their guidance is underpinned by the principles of the Performance Conversation Framework and this Performance Improvement Policy.
- ☐ Attend formal performance improvement meetings.
- ☐ Keep appropriate records.

Performance Improvement Procedure

4 Stage One – Performance Improvement Conversation

- 4.1 When a line manager feels that work performance has become unsatisfactory (and that this cannot be remedied by a 1:1 conversation), a Performance Improvement Conversation should take place in line with the Performance Conversation Framework. This conversation constitutes the *informal* stage of the Performance Improvement Procedure.

4.2 The purpose of the Performance Improvement Conversation is to establish a way forward and to ensure improvement in the standards of performance of the employee. During the meeting it is expected that there is:

- ❑ A discussion about the employees' current performance levels, an explanation for the perceived underperformance and a confirmation of the standard of performance expected.
- ❑ An exploration of whether there are any factors preventing proper performance and appropriate action taken where this is discovered.
- ❑ A discussion around workload, support, and training and whether any additional supportive measures need to be explored.
- ❑ Agreement on Performance Improvement Objectives i.e., the targets that employees will be expected to meet during the Performance Review Period. These can be captured using the Performance Improvement Objectives template and shared with the employee. It is a requirement of this policy that the informal Performance Review Period must be no shorter than **two months**, to ensure employees have had an adequate opportunity to improve.
- ❑ An explanation given about the consequences of failing to achieve the Performance Improvement Objectives i.e., that the matter will progress to Stage 2 of the procedure (the beginning of formal performance improvement).

4.3 Line managers should confirm the Performance Improvement Objectives and the Performance Review Period in writing following the Performance Improvement Conversation, so it is clear to the employee what is required to improve. A copy of this policy should also accompany this letter.

4.4 During the Performance Review Period, the manager and employee should meet on a regular basis for 1:1 meetings to review progress.

4.5 At the end of the Performance Review Period, a follow up review should take place to assess whether the required improvements have been made. If they have, this will be confirmed to the employee in writing. This letter will also make clear that if there is any further underperformance in the following 12 months, they will automatically be called to a Stage two meeting. If the line manager considers that they have not met the Performance Improvement Objectives, the matter will progress to stage two; the formal performance review meeting.

5 Stage Two – Formal Performance Review Meeting

5.1 A stage two Formal Performance Review Meeting will be necessary if work performance remains unsatisfactory following the informal stage. That is to say that the Performance Improvement Objectives set during the informal stage have not wholly been met, or there has been further underperformance in the 12 months following a Performance Improvement Conversation.

5.2 As this is a formal stage, employees will be invited, by letter, at least five working days in advance of a stage two meeting. Any evidence relied upon for underperformance will be provided in advance of the meeting so that employees are able to adequately prepare.

5.3 Employees are entitled to be accompanied to the meeting by a trade union official or a work colleague. HR will also attend the stage two meeting. If an employee or their companion is unable to attend, the Council will reschedule on one occasion.

5.4 The purpose of a stage two Formal Performance Review Meeting is to review performance against the Performance Improvement Objectives set at the informal stage of the procedure (the Performance Improvement Conversation). During the meeting, it will be expected that:

- ❑ Performance expectations are made clear, and the issues previously discussed are reviewed and reaffirmed.
- ❑ Any progress or improvements are highlighted.
- ❑ Where objectives have not been met this is clearly stated and an assessment is conducted of why that might be the case.
- ❑ Support measures (such as additional training or varied workload) are reviewed for effectiveness.
- ❑ Further Performance Improvement Objectives and the Performance Review Period are set. The formal review period must be no shorter than **one month**.
- ❑ The consequences of failing to achieve the Performance Improvement Objectives are explained i.e., that the employee will be called to a Stage Three – Final Performance Review Meeting.

- 5.5 Line managers should confirm the Performance Improvement Objectives and the Performance Review Period in writing following the meeting, so it is clear to the employee what standard of performance is expected of them.
- 5.6 During the Performance Review Period, the manager and employee should meet on a regular basis for 1:1 meetings to review progress.
- 5.7 At the end of the Performance Review Period, a follow up review should take place to assess whether the required improvements have been made. If they have, this will be confirmed to the employee in writing. This letter will also make clear that if there is any further underperformance in the following 12 months, they will automatically be called to a Stage two meeting. If the line manager considers that they have not met the Performance Improvement Objectives, the matter will progress to Stage Three; the Final Performance Review Meeting.

6 Stage Three – Final Performance Review Meeting

- 6.1 If following completion of the Stage Two Performance Review Period, the employee's performance has still not improved against the agreed Performance Improvement Objectives, the employee will be called to a Stage Three – Final Performance Review Meeting.
- 6.2 As this is a formal meeting, employees will be invited, by letter, at least five working days in advance of a stage two meeting. Any evidence relied upon for underperformance will be provided in advance of the meeting so that employees are able to adequately prepare.
- 6.3 Employees will be entitled to be accompanied to the meeting by a trade union official or a work colleague. HR will also attend the stage three meeting. If an employee or a companion is unable to attend, the Council will reschedule on one occasion.
- 6.4 In the majority of cases the meeting will be carried out by the same manager who has held the Stage One and Stage Two meetings. However, in some circumstances it may be appropriate for a more senior manager (below the level of Chief Officer) to hear the Stage Three – Final Performance Review Meeting. This will be a matter for local management to decide.
- 6.5 The purpose of a Stage Three Meeting is to identify if anything further can be done by the Council to improve the employee's performance. Stage Three is an opportunity to review the full case history and ensure that the manager has considered all reasonable options to improve the employee's performance. It will be expected that all matters discussed in previous meetings are revisited, but also at this stage, consideration should be given to redeployment if there are any suitable roles available. Managers will also need to communicate to the employee that if these objectives are not met, they will be called to a Stage 4 Case Review Hearing which could result in their dismissal.
- 6.6 Performance Improvement Objectives should again be set, and the Performance Review Period should be no shorter than **one month**. Managers should confirm the Performance Improvement Objectives and the Performance Review Period in writing following the meeting, so it is clear to the employee what standard of performance is expected of them.
- 6.7 During the Performance Review Period, the manager and employee should meet on a regular basis for 1:1 meetings to review progress.
- 6.8 At the end of the Performance Review Period, a follow up review should take place to assess whether the required improvements have been made. If they have, this will be confirmed to the employee in writing. This letter will also make clear that if there is any further underperformance in the following 12 months, they will automatically be called to a Stage two meeting. If the line manager considers that they have not met the Performance Improvement Objectives, the matter will progress to Stage Four – Case Review Hearing.

7 Stage Four – Case Review Hearing

- 7.1 If following completion of the Stage Three Performance Review Period, the employee's performance has still not improved against the agreed objectives, the employee will be called to a Stage Four – Case Review Hearing. This will be held by a Chief Officer.
- 7.2 As this is a formal hearing, employees will be invited, by letter, at least five working days in advance. Any evidence relied upon for underperformance will be provided in advance of the hearing.
- 7.3 Employees will be entitled to be accompanied to the hearing by a trade union official or a work colleague. HR will attend to advise the Hearing Officer. If an employee or a companion is unable to attend, the Council will reschedule on one occasion.
- 7.4 The purpose of the Stage Four Hearing will be for the Hearing Officer to consider whether, having reviewed the evidence presented, there are any further actions that the Council can take to assist the employee in improving their performance and thereby continuing in employment. The Hearing Officer will also consider whether employment should be terminated due to an employee's failure to work to an acceptable level of performance. Redeployment and demotion (should there be roles available at the time of a Stage Four Hearing) will always be considered as alternatives to dismissal.
- 7.5 It will be for the Chief Officer to decide on the basis of the procedure followed and the evidence provided, whether they consider the previous decision maker is required to be present in the Stage Four Hearing. If *either* the Chief Officer or the employee requests the previous decision maker be present, they will be required to attend to answer questions.
- 7.6 If the Hearing Officer concludes that the employee is to be dismissed as they have not been able to maintain an acceptable level of performance, under this Policy, it will be with contractual notice. In line with Council practice, accrued annual leave should be taken by the employee during their notice period. Should the Council wish, it may elect to pay the employee in lieu of their notice period.
- 7.7 Normally the employee will be informed verbally of the outcome at the conclusion of the hearing, although this may not always be possible. In either case, employees will receive the outcome in writing within five working days. Should there be any reason for a delay beyond five working days, the Hearing Officer will communicate this to the employee as soon as possible.
- 7.8 Where a decision is made to terminate employment, the employee will have the right of appeal against the decision. Please refer to the Appeal Policy for more information on how to lodge an appeal.
- 7.9 If the Hearing Officer decides that dismissal is not appropriate, it is for the Hearing Officer to define any further Performance Review Objectives and Performance Review Periods. It is expected that the employee would be moved back to Stage 3 of the procedure for further monitoring and support (as appropriate). In such cases, the Hearing Officer will write to the employee within five working days setting out the decision, the points discussed, future actions, the Performance Review Objectives, Performance Review Period and the consequences of improvements not being met.

8. When will this policy be reviewed?

- 8.1 This policy will be reviewed every two years or earlier in the event of changes in legislation.

Document Control:

Version no.	Effective Date	Reason	Review due
1.0	04.12.2023	Policy approved by People and Organisational Development Committee on 21.11.2023	03.12.2024

FAQ's

What if I am new to the role?

Probationary Period

This policy does not apply to those employees who are working in their probationary period. Please refer to the Probation Policy for guidance.

Appointment Review

Those employees who have been recruited internally are subject to an Appointment Review Period. Perceived underperformance by employees who are subject to appointment review will be dealt with under this policy. Employees whose performance is not satisfactory at the end of the 6-month appointment review period will automatically enter this policy at Stage 2.

Will this have an impact on my pay increment?

If an employee's performance is under review, within this policy and procedure, the appropriateness of annual incremental progression should be considered.

Should a performance issue be identified, the line manager should inform the relevant Chief Officer who will take the decision whether to suspend incremental progression until the level of performance has improved. It would not normally be expected that an employee whose performance is below the required standard would receive an increment.

If it is decided that incremental progression is to be suspended the relevant Chief Officer should meet with the employee to further explain the reasons for the suspension of the increment. The employee's next increment will not normally be received until the following April.

The Chief Officer should write to the employee to confirm the decision. A copy of the letter should be provided to Human Resources to action the change.

What if I am not happy about the fact my manager has instigated the performance improvement process against me?

The Council would not expect that a grievance would be raised in respect of the Performance Improvement Policy

being instigated by a line manager, unless the employee holds a reasonable belief that this is for a discriminatory reason. The informal and formal stages of this process, allow for an appropriate forum to challenge the decision to review performance. If the Council finds that it was reasonable for a line manager to initiate the process, and an employee raises a grievance, it shall have the right to refuse to hear the grievance.

What if I have sickness absence whilst my performance is being managed?

An employee who is absent due to sickness during the course of the performance review procedure must be referred to Occupational Health immediately. Consideration will then be given to the nature of the illness and whether it is connected to the performance issues. Reasonable adjustments will be made, where required, to assist the employee back to work to continue with the performance review process.

The performance review period will remain as that set by the line manager and will not be adjusted if the absence is less than two working weeks in duration.

It is recognised that long term absence exceeding two weeks during the Performance Review Period may however cause a loss of continuity in the performance improvement process. Should the absence extend beyond two of the employees standard working weeks the line manager may extend the Performance Review Period by the same amount as the absence.

Upon the employee's return to work the employee will remain at the stage of the procedure that was reached at the time that the long-term absence commenced.

Any sickness absence should be dealt with as normal in line with the Council's Sickness Absence Management Policy and Procedure.

What if I lose a qualification or licence I am required to have to perform my role?

A stage 4 Case Review Hearing will be arranged, and consideration will need to be given as to whether a report will need to be made to the appropriate body who may investigate the case. If this step is considered necessary, it will be completed *after* the Council's internal procedure has been followed.

At the Case Review Hearing consideration will be given to:

- ☐ The circumstances under which the qualification or licence was lost or failed to be achieved.
- ☐ The need for the qualification to be undertaken i.e., whether the post can operate without the required qualification or licence.
- ☐ Financial and cost implications of re-training and re-sitting exams.
- ☐ Whether additional time can be given for the employee to attain the required standards and if so what timescale this should be.
- ☐ Whether temporary alternative duties can be sought.
- ☐ Redeployment.

Should alternative employment not be available, or the measures considered above are not suitable in the circumstances, the loss of or failure to achieve the required qualification or licence may lead to dismissal.

What is the role of the previous decision maker in a Stage Four Case Review Hearing?

It will not always be necessary for the previous decision maker to be present in a stage four case review hearing. If requested by either the Chief Officer or the Employee, then the previous decision maker will be required to attend to answer questions. It will not be the role of the previous decision maker to present the case against the employee, they will be there to answer direct questions put to them by either the Chief Officer or the Employee.