

**REPORT OF SERVICE DIRECTOR - HUMAN RESOURCES AND CUSTOMER SERVICE****FORMAL PERFORMANCE MANAGEMENT PROCEDURE****Purpose of the Report**

1. The purpose of this report is to seek the approval of Personnel Committee to replace the current section G9 Capability/Performance Procedure of the Personnel Handbook with a new section E11 Formal Performance Management Procedure. A copy of which is attached as Appendix A.

**Information and Advice**

2. The effective and efficient performance of employees is a key contributor to the overall success of Nottinghamshire County Council. Effective performance management ensures that employees are clear on what the organisation is trying to achieve and how their contribution fits into meeting these identified objectives overall. Furthermore, every employee should understand what standard of performance is required and how this can be achieved. Managers should identify skills and knowledge gaps and provide the necessary development to ensure these gaps are closed and that the required standards are met and individual levels of performance are sustained.
3. The recent introduction of the competency framework has provided a more robust system to enable managers to measure and monitor performance consistently across the whole organisation. This allows managers to recognise good performance but also to take the necessary actions to address any performance shortfalls and to ensure areas of unacceptable performance are swiftly addressed to enable employees to fulfil their potential. Early identification of any potential issues gives managers the opportunity to put plans in place to support employees in making improvements and employees the maximum opportunity to make the necessary changes. Where individual poor performance goes unaddressed, in addition to the impact on the individual employee concerned, it can have a demotivating effect on colleagues and may result in wider issues across a team.
4. The current policy set out in section G9 of the Personnel Handbook is lengthy and managers and employees report it as being confusing and unwieldy in that it refers to periods of both informal and formal monitoring. People are often unaware of where they are in the process which can detract focus from making the required improvement.

5. The new procedure is shorter and more streamlined than that set out in section G9. The informal aspects of performance management are now undertaken as part of the Employee Personal Development Review (EPDR) process using the competency framework. Feedback from managers and employees on the new EPDR and competency framework has generally been positive and they have welcomed the approach. Therefore it is unnecessary to repeat the informal elements in the performance management procedure as they will already have been undertaken as part of routine performance management.
6. The new performance management procedure is to address those employees who, despite significant time and effort invested to assist them make the necessary improvement, for whatever reason, are unable to do so. The new section E11 still relies on a phased approach with warnings being required and further training and support offered to enable improvement before the decision to dismiss can be taken. In developing the revised process, significant weight has been given to information available in the ACAS Advisory Booklet "How to Manage Performance".
7. Trades union colleagues have engaged fully with the consultation process in relation to the new procedure and have made detailed written comments as well as attending meetings on 14<sup>th</sup> May and 25<sup>th</sup> June to further debate the proposed policy. Many of the comments made have been incorporated into the revised documentation; including the trades union side request to move performance management from the section on Health, Safety and Employee Welfare to the section on Employee Relations. However, concern has been expressed by trades union colleagues that the revised process is being introduced to exit people more swiftly from the organisation and as they were opposed to the introduction of the Capability /Performance Procedure, so they remain opposed to the introduction of this revised policy.
8. Detailed management guidance has been produced. This highlights all the support which needs to be put in place to support and enable employees to reach the required standard. Failure to put the necessary support in place for the employee could mean that they do not achieve the required standards and could result in any future decision to dismiss them from their employment with the County Council as being considered unfair. The guidance also seeks to provide advice to managers on how to differentiate between matters of conduct and capability.

### **Other Options Considered**

9. A range of different options have been considered in the development of the new policy; including consideration of policies from other organisations and the ACAS guidance. Comments from trades union colleagues, legal services, feedback from managers and from members sitting on the Appeals Panel have also been reflected in the development of the policy.

### **Reasons for Recommendation**

10. It was recognised during the recent LGA Peer review that we need to do more to embed a culture of effective performance management and improvement in the organisation. To ensure we develop a culture of continuous improvement, managers must have the ability to effectively manage employee performance. The current process is not widely used and causes confusion for both the manager and employee alike. It is therefore considered necessary to develop robust guidance and a more defined and streamlined process which enables managers to work with staff to ensure their performance is of the required standard whilst ensuring there is a proper mechanism to remove staff from their posts fairly and in accordance with natural justice where employees have consistently not reached the required standards.

## **Statutory and Policy Implications**

This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

11. Good performance management results in more effective and efficient services being delivered. At a time when we are reducing headcount and management tiers, we need to develop more streamlined policies and procedures to enable managers to manage their teams more effectively. By driving up improved performance, this will have an impact on the cost effectiveness of the services we provide.

### **Equalities Implications**

12. The new procedure will apply to all centrally employed employees with the exception of those covered by the Teachers Pay and Conditions Policy and should ensure that employees are treated equitably and consistently. New arrangements are being introduced from September regarding the performance management of teachers. The existing equality impact assessment for the Capability/Performance Procedure will be reviewed and will be updated to reflect the proposed changes

### **Human Resources Implications (GME 24.08.12)**

13. The Human Resource implications have been considered within the body of this report. The trades union comments are reflected in paragraph 7 and are available in full as a background paper.

## **RECOMMENDATION**

That Personnel Committee approve the removal of section G9 from the Personnel Handbook and approve the introduction of a revised Performance Management procedure at section E11 as set out in Appendix A.

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**Service Director - Human Resources and Customer Service**

**For any enquiries about this report please contact: Gill Elder, HR Group Manager, Environment and Resources on 0115 9773867**

**Constitutional Comments (GR 31.08.12)**

14. Pursuant to section 69 of the County Council's Constitution, the Personnel Committee has the delegated authority to approve the recommendations contained within the report.

**Financial Comments ((MB 31/08/12)**

15. There are no specific financial implications arising from the report

**Background Papers**

Performance Management Good Practice Guide  
Dealing with Disability Related Performance Issues  
Trades union comments

**Electoral Division(s) and Member(s) Affected**

All