**[Organisational name of logo here]**

**Capability Policy and Procedure**

**Template**

**Please edit as appropriate to fit with your organisation**

**Approved on:**

**Next Review**

**Points to consider before finalising the policy:**

Throughout the different stages of the policy the following terms are mentioned:

* Line Manager
* Senior Manager

In a parish setting an employee should still have a “line manager”. This might be the incumbent, a member of the PCC or a member of a management committee. Please amend the wording according to your setting.

Where a “Senior Manager” is referred to, this might be the incumbent (if not already the direct line manager), another member of the PCC or Chair of the PCC, or management committee.

**Introduction**

[Organisational name] is committed to a culture of high performance to support employees to do their jobs well and to meet the standards expected of them. This policy aims to support employees who are not managing to meet these standards in either their day-to-day work or their behaviours whilst working for the organisation. It ensures employees are treated fairly and consistently and given timely and appropriate support to help them improve their performance.

The [organisation] is committed to ensuring that appropriate training and development are made available to ensure individuals can competently perform their role. This may include the provision of training courses, supervised practice, mentoring, coaching and personal development plans (PDPs).

This policy should be used when an employee's performance has been identified as falling below an acceptable level. Its purpose is to provide a framework for managing underperformance in a fair and consistent manner, ideally through the improvement of the employee's performance. As a last resort, the policy specifies the circumstances in which the employee may be redeployed to more suitable work or dismissed on the grounds of capability. Before this policy is used, the line manager\* should have worked with the employee to resolve their performance issues on an informal basis.

Where an employee's poor performance is believed to be the result of deliberate negligence, or where serious errors have been made by him/her to the detriment of the organisation, the organisation may decide to use its disciplinary procedure instead.

**Scope**

The policy and procedure applies to all employees of The [organisation].

**Principles**

* Poor performance should always be resolved informally where possible.
* Poor performance that is believed to be deliberate, or instances of when serious errors have been made, should be dealt with by the disciplinary policy instead.
* It is recognised that external factors may occasionally impact on an employee’s performance.
* Employees will be given appropriate support should external factors be contributing to their underperformance.
* Employees will be made aware of acceptable standards of performance and will be given regular feedback; they will be given support and guidance to help them acknowledge and maintain the standards of performance expected.
* An employee’s behaviour, how they do their role, whilst in The [organisation]’s employment is just as important as ‘what they do in their role’.
* Before any formal action is taken, departments must consult and involve [MANAGEMENT COMMITTEE/PCC/HR] INSERT AS APPROPRIATE.

**Definitions**

* *Capability* refers to an employee’s ability to perform the work expected of them to the standard required. This may be assessed by reference to an employee’s skill, aptitude, behaviour (including the diocesan values) or health in relation to the job that he/she is employed to do.
* *Performance* refers to how employees behave and how well they perform the duties required of them.

**Organisational Values**

**Insert here**

**Responsibilities**

Line Managers are responsible for: (see comment above)\*

* Ensuring employees are aware of the organisation’s practices and procedures and for applying the policy and the associated Capability Procedure in a fair and consistent manner;
* Developing a culture where employees are supported and assisted in achieving the required standards of performance.
* Through normal performance management meetings including one-to-ones, appraisals and addressing and resolving work performance issues promptly;
* Giving honest and constructive feedback on performance;
* Regularly ensuring the training and development needs of their employees are identified and met so that they can meet their objectives and any objectives set;
* Making employees aware of and addressing performance issues at the earliest opportunity;
* Notifying the [MANAGEMENT COMMITTEE/PCC/HR] INSERT AS APPROPRIATE team of capability issues as they arise; and
* Taking ownership of the application of the Capability Procedure for any of their employees.

Employees are responsible for:

* Ensuring their performance meets the requirements of their role and any objectives set;
* Advising their manager at the earliest opportunity of any issues, in or out of work, affecting or likely to affect their performance;
* Fully engaging with their managers when dealing with issues relating to their own performance; and
* Keeping their professional knowledge up to date, through work or independently.

[MANAGEMENT COMMITTEE/PCC/HR] INSERT AS APPROPRIATE is responsible for:

* Providing training, advice and support to managers dealing with matters of unsatisfactory performance; and
* Providing advice/support to an employee whose performance is giving cause for concern.

**Appraisal Process**

The appraisal process is a system for regularly reviewing and recording the performance, potential and development needs of an employee. The Appraisal will ensure that employees are clear about what is expected of them and how they will be supported. The process is two-way and provides an opportunity to help identify and reveal problems which may be restricting progress and causing underperformance.

The appraisal process is a continuous process and not limited to a formal review once a year. It is essential that identified work performance problems are addressed as they arise rather than waiting for the annual review.

**Procedure**

**Stage 1**

Where a line manager has tried to manage an employee’s performance on an informal basis and it does not lead to a satisfactory improvement in the employee's performance, the employee will be invited to a performance review meeting.

The purpose of a performance review meeting is to discuss the employee's performance and decide what measures should be taken, with a view to securing the required improvement. The meeting will be conducted by the employee's manager. Where it is considered appropriate by the organisation, a member of the [MANAGEMENT COMMITTEE/PCC/] INSERT AS APPROPRIATE team may also be present.

The employee will be given an opportunity to respond to any criticisms of his/her performance and to put forward any explanation he/she may have for the matters identified by the line manager as amounting to poor performance.

The discussion should include the following:

* The manager will present the evidence of the performance issue(s) to the employee and express their concerns;
* The employee will be given a full opportunity to respond and explain any factors affecting their current performance levels. If any underlying medical issues are highlighted, it may be appropriate to refer the employee to \*Occupational Health (OH). An adjournment may take place should an OH referral be required;
* The manager will give thorough consideration to all the responses made by the employee; and
* If an OH report has been received, the manager will consider any reasonable adjustment as advised in the report.

The outcome of the meeting may be:

* a decision to take no further action;
* a decision to refer the matter for investigation under the disciplinary procedure; or
* the implementation of a performance improvement programme (PIP), designed to bring the employee's performance up to an acceptable level.

*Performance improvement programme*

A PIP is a series of measures designed to help improve the employee's performance. Each measure will ideally be agreed with the employee, although the organisation reserves the right to insist on any aspect of the PIP in the absence of such agreement.

Each programme will be tailored to the particular situation, but will contain the following elements:

* *Timescale:*
  + The overall timescale in which the necessary improvement must be achieved will be set out, together with the timescale for reaching individual milestones where appropriate.
* *Targets*:
  + The PIP will specify the particular areas in which improved performance is needed and set out how, and on what criteria, the employee's performance will be assessed. Where appropriate, specific targets will be set that will need to be achieved either by the end of the programme or at identifiable stages within it.
* *Measures:*
  + The PIP will specify what measures will be taken by the organisation to support the employee in improving his/her performance. Such measures may include: training; additional supervision; the reallocation of other duties; or the provision of additional support from colleagues.
* *Feedback:*
  + As part of the PIP, the employee will be given regular feedback from his/her line manager indicating the extent to which the employee is on track to deliver the improvements set out in the programme.
  + If, at any stage, the organisation feels that the PIP is not progressing in a satisfactory way, a further meeting may be held with the employee to discuss the issue. As a result of such a meeting, the employer may amend or extend any part of the programme.
* *Review:*
  + At the end of the PIP, the employee's performance will be reviewed. If satisfactory progress has been made, the employee will be notified of this fact in writing. However, if the manager feels that progress has been insufficient, he/she may decide to extend and/or amend the PIP to such extent as the manager considers appropriate. Alternatively, he/she may decide to refer the matter to a meeting under stage 2 of this procedure.
* *Ongoing review:*
  + Following the successful completion of a performance improvement programme, the employee's performance will continue to be monitored. If, at any stage during the following 12 months, the employee's performance again starts to fall short of an acceptable standard, his/her line manager may decide to initiate stage 2 of this procedure.

*Support during stage 1 capability review period*

Documented progress review meetings should take place during the agreed review period to monitor improvement. Both the manager and employee should provide input to this. Any targets that need amending should also be made.

Regular feedback should also be given to the employee during the review period; this may be done verbally (ad hoc meetings, one-to-ones etc) but a written record should be kept.

*Stage 1 Capability Review Outcomes*

At the end of the agreed monitoring period (1-3 months), the manager will meet with the employee to discuss the progress made and inform them of the outcome of the review period. The manager should then confirm the outcome to the employee in writing.

This may include:

* No further action - the employee has reached or is shortly expected to reach the required levels of performance and the review period has ended. However failure to maintain an acceptable level of performance within a 12-month period may result in the manager, with advice from [MANAGEMENT COMMITTEE/PCC/HR] INSERT AS APPROPRIATE, returning immediately to this stage of the procedure;
* Extension of review period - the employee has made some improvements, but their performance is still below acceptable standards; and
* Stage 2 capability - where the employee’s performance remains below expected standards.

**Stage 2**

If the performance improvement programme has not led to sufficient improvement in the employee's performance, the employee will be invited to attend a formal performance management hearing. The invitation will set out the respects in which the line manager believes that the employee's performance still falls short of an acceptable standard.

The hearing will be conducted by a senior manager/senior member of staff and a member of the [MANAGEMENT COMMITTEE/PCC/HR] INSERT AS APPROPRIATE. The employee will be entitled to be accompanied by a fellow employee or a trade union representative.

At the hearing, the employee will be given an opportunity to respond to any concern regarding his/her performance and to make representations about any aspect of the way in which the process has been managed.

The discussion should include the following:

* The manager will present the evidence of the performance issue(s) to the employee and express their concerns;
* The employee will be given a full opportunity to respond and explain any factors affecting their current performance levels. If any underlying medical issues are suggested, it may be appropriate to refer the employee to OH therefore a charge involved. An adjournment may take place should an OH referral be required;
* The manager will give thorough consideration to all the responses made by the employee; and
* If an OH report has been received, the manager will consider any reasonable adjustment as advised in the report.

*Outcome of the Stage 2 Capability Meeting*

The outcome of the Stage 2 Capability Meeting will be confirmed in writing to the employee along with a copy of the PIP.

The manager will decide which of the following outcomes will be appropriate for the case:

* It is not necessary to take any further action under the Stage 2 of the Capability Procedure. The manager and employee can agree any actions and review as appropriate. Failure to maintain an acceptable level of performance within a 12-month period may result in the manager, with advice from the [MANAGEMENT COMMITTEE/PCC/HR] INSERT AS APPROPRIATE, returning immediately to this stage of the procedure;
* Confirm with the employee that their work performance will be monitored under the Stage 2 of the Capability Policy and Procedure and they should be given a copy of this document. The manager will set a review period of between 1 and 3 months;
* The employee should be made aware that if their performance does not improve, they will be invited to a Stage 3 Capability Hearing and a possible outcome of this could be dismissal;
* Review and agree the performance improvement plan (PIP) with the employee, with specific targets and dates;
* Advise how they will assist the employee to meet and maintain the required levels of improvement, any further training and support that is required and can be provided;
* Advise of the frequency of progress review meetings to monitor improvement; and
* The manager may consider alternative employment but only where a suitable vacancy exists (normal recruitment and selection processes will still apply).

*Support during stage 2 capability review period*

Progress review meetings should take place during the agreed review period to monitor improvement which should be documented. Both the manager and employee should provide input in to this. Any targets that need amending should be changed.

Regular feedback should also be given to the employee during the review period; this may be done verbally (ad hoc meetings, one-to-ones etc) but a written record should be kept.

*Stage 2 Capability Review Outcomes*

At the end of the agreed monitoring period (1-3 months), the manager will meet with the employee to discuss the progress made and inform them of the outcome of the review period. The manager should then confirm the outcome to the employee in writing.

This may include:

* No further action - the employee has reached or is shortly expected to reach the required levels of performance and the review period has ended. However failure to maintain an acceptable level of performance within a 12-month period may result in the manager, with advice from [MANAGEMENT COMMITTEE/PCC/HR] INSERT AS APPROPRIATE, returning immediately to this stage of the procedure;
* Extension of review period - the employee has made some improvements, but their performance is still below acceptable standards; and
* Stage 3 capability - where the employee’s performance remains below expected standards.

A formal warning will be issued if the hearing concludes that reasonable steps have been taken by the organisation that should have allowed the employee to perform to an acceptable standard, but that these measures have not worked. The warning will explain the nature of the improvement that is required in the employee's performance and state that the improvement must be immediate and sustained. It will also explain that, if the necessary improvement does not take place, the employee may be dismissed.

The warning will remain live for a period of 12 months, after which it will cease to have effect.

Where an employee is issued with a formal warning in accordance with this procedure, he/she will have a right of appeal.

**Stage 3**

If an employee has been issued with a warning under stage 2 that remains live and the employee's manager believes that his/her performance is still not acceptable, the matter may be referred to a performance dismissal hearing.

The employee will be informed in writing of the grounds on which the hearing is being convened. In particular, he/she will be told of the respects in which his/her performance remains below an acceptable level.

The hearing will be conducted by a member of the senior management team/*insert wording here appropriate for your organisation* PCC/Incumbent, accompanied by a member of the [MANAGEMENT COMMITTEE/PCC/ team. The employee will be entitled to be accompanied by a fellow employee or trade union representative.

At the meeting, the employee will have the opportunity to respond to any criticisms made of his/her performance and make representations about how the situation should be treated.

The outcome of the meeting may be:

* a decision to take no further action;
* an offer to redeploy the employee to alternative work; or
* a decision to dismiss the employee.

Any offer to redeploy the employee will be entirely at the organisation's discretion. Such an offer will be made only where the organisation is confident that the employee will be able to perform well in the redeployed role. It will normally be offered only as an alternative to dismissal in circumstances in which the organisation is satisfied that the employee should no longer be allowed to continue to work in his/her current role. While the employee is free to refuse any offer of redeployment, the only alternative available will usually be dismissal.

If the organisation believes that there is no alternative role available that is suitable for the employee, and he/she has not met an acceptable standard of performance, the organisation may decide to dismiss. Any dismissal will be with full notice or payment in lieu of notice. The decision to dismiss together with the reasons for dismissal will be set out in writing and sent to the employee.

Where an employee is dismissed in accordance with this procedure, he/she will have a right of appeal.

**Appeal**

An employee has a right of appeal against a sanction issued under stages 2 or 3 of this procedure. A request for an appeal should be sent in writing to the [MANAGEMENT COMMITTEE/PCC/HR] INSERT AS APPROPRIATE and set out the grounds for appeal such as new evidence, undue severity, or inconsistency of the penalty. The request should be sent within seven calendar days of the employee receiving written confirmation of the sanction imposed on him/her by the organisation.

An appeal hearing will be convened to consider the matter. It will be chaired by a member of the senior management together with the [MANAGEMENT COMMITTEE/PCC/HR] INSERT AS APPROPRIATE. The employee will be entitled to be accompanied by a fellow employee or a trade union official.

At the hearing, the decision to impose the sanction will be reviewed and the employee will be entitled to make representations about the appropriateness of that representative.

The result of the hearing will be either to confirm the sanction, or substitute any outcome that was available to the panel conducting the hearing at which the sanction was imposed on the employee.

The outcome of the appeal will be confirmed to the employee in writing, explaining the grounds on which the decision was reached. The outcome of the appeal will be final.

**Process Flowchart**

Capability issue arises

**Stage 1 Capability Meeting** – Meeting conducted by line manager – discuss performance issues, agree PIP if necessary, refer to OH if appropriate, set review period of 1-3 months, agree dates of progress review meeting(s).

Occupational Health advice required\* (external organisation)

**No further action** – performance improved. Failure to maintain an acceptable level of performance within a 12-month period may result in the manager returning to this stage of the procedure

**Review performance**

**Extension of review period**

1-3 months

**Appeal**

**Dismissal with contractual notice** – employee dismissed on the grounds of capability due to their continued unsatisfactory work performance

**Extension of review period**

1-3 months

**No further action** – performance improved. Failure to maintain an acceptable level of performance within a 12-month period may result in the manager returning to this stage of the procedure

**Stage 3 Capability Meeting** – Chaired by member of senior management team/PCC – discuss performance issues and performance improvement plan (PIP) and review reasonable adjustments if applicable.

Performance remains unsatisfactory

**No further action** – performance improved. Failure to maintain an acceptable level of performance within a 12-month period may result in the manager returning to this stage of the procedure

**Extension of review period**

1-3 months

**Review performance**

**Stage 2 Capability Meeting** – Senior manager conducts this meeting – discuss performance issues, update performance improvement plan (PIP) and review reasonable adjustments if applicable. Set review period of 1-3 months and agree dates of progress review meeting(s).

Performance remains unsatisfactory