**Name of organisation**

**Performance Improvement (Capability) Policy and Procedure**

**Approved on:**

**Next Review Date:**

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**

1. [name of organisation] 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.
2. xxxx 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).
3. 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.
4. Where an employee's poor performance is believed to be the result of deliberate negligence, or where serious errors have been made by the individual to the detriment of the organisation, the organisation may decide to use its disciplinary procedure instead.

**Scope**

1. The policy and procedure applies to all employees of xxxx who have successfully completed their probationary period.

**Principles**

1. Poor performance should always be resolved informally where possible.
2. 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.
3. It is recognised that external factors may occasionally impact on an employee’s performance.
4. Employees will be given appropriate support should external factors be contributing to their underperformance, including a review of adjustments if their poor performance is due to ill health.
5. 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.
6. An employee’s behaviour, and ‘how’ they do their role whilst in the organisation’s employment, is just as important as ‘what’ they do in their role.
7. Before any formal action is taken, departments must consult with and involve management team/PCC.

**Definitions**

1. *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 they are employed to do.
2. *Performance* refers to how employees behave and how well they perform the duties required of them.

**Responsibilities**

1. Managers are responsible for:
* Ensuring employees are aware of diocesan 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 team/PCC of capability issues as they arise; and
* Taking ownership of the application of the Capability Procedure for any of their employees.
1. 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.
1. The management team/PCC is responsible for:
* Providing training, advice and support to managers dealing with matters of unsatisfactory performance;
* Providing advice/support to an employee whose performance is giving cause for concern; and
* Investigating poor performance with the manager at the outset to ensure that appropriate action is taken in a timely and supportive way.

**Appraisal Process**

1. The appraisal process is a system for regularly reviewing and recording the performance, potential and development needs of an employee. The appraisal meetings 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.
2. The appraisal process is a continuous process and not limited to a formal review twice a year. It is essential that identified work performance problems are addressed as they arise rather than waiting for the annual review. It is advised that line managers arrange regular one-to-one meetings with their direct reports at least once a month, if not more frequently.

**Procedure**

**Stage 1 - Informal Meeting**

1. Where underperformance has been identified, a line manager should first try to resolve this informally with the employee. The employee will be informed of the nature of the issues, and this will be confirmed in writing. The employee will be invited to an informal meeting to discuss concerns regarding their performance. The meeting will be conducted by the line manager.

22. Following the meeting, the manager may choose to do one of the following:

* Take no further action;
* Issue guidance and support the employee with what they need to do to improve their performance; or
* Proceed to Stage 2 of the Capability Procedure.

**Stage 2 - Performance Review Meeting**

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, and this will be confirmed in writing.
2. 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 senior manager/PCC may also be present.
3. The employee will be given an opportunity to respond to any criticisms of their performance, to ask questions, and to put forward any explanations they may have for the matters identified by the manager as amounting to poor performance.
4. 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). **– this would be sourced through an external organisation** 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 adjustments as advised in the report.
1. 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***

1. 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.
2. Each programme will be tailored to the particular situation, but will contain the following elements:
3. *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.

1. *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.

1. *Measures:*

The PIP will specify what measures will be taken by the organisation to support the employee in improving their performance. Such measures may include: training; additional supervision; the reallocation of other duties; or the provision of additional support from colleagues.

1. *Feedback:*

As part of the PIP, the employee will be given regular feedback from their 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.

1. *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, they may decide to extend and/or amend the PIP to such extent as the manager considers appropriate. Alternatively, they may decide to refer the matter to a meeting under stage 3 of this procedure.

1. *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, their line manager may decide to initiate stage 3 of this procedure.

***Support during Stage 2 Capability Review period***

1. The review period using a PIP will last 3-6 months, unless there are exceptional circumstances.
2. 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.
3. 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***

1. At the end of the agreed monitoring period, 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.
2. 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, 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;
* Training and other support - it has been identified that further support could improve the employee’s performance; and
* Stage 3 capability - where the employee’s performance remains below expected standards.

**Stage 3 - Performance Management Hearing**

1. Where stage 2 does not lead to a satisfactory improvement in an employee’s performance, they will be invited to a formal performance management hearing. The employee will be informed in writing of the grounds on which the hearing is being convened. The letter will set out sufficient information and examples of why the employee’s manager believes their performance still falls short of an acceptable standard.
2. The hearing will be conducted by a senior manager and a member of the management team/PCC. The employee will be entitled to be accompanied by a fellow employee or a trade union official.
3. At the hearing, the employee will be given an opportunity to ask questions, comment on the issues and to put forward any explanation they may have for the matters identified by their manager as amounting to poor performance.
4. The outcome of the meeting may be a decision to:
* take no further action;
* refer the matter for investigation under the disciplinary procedure;
* institute another performance improvement programme; or
* issue a formal warning.
1. A formal warning will be issued if it is concluded that reasonable steps have been taken 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 their performance and state the timescale for making these improvements. It will also explain that, if the necessary improvement does not take place, they may be dismissed.
2. The warning will remain current for a period of 12 months, after which it will cease to have effect.
3. Where an employee is issued with a formal warning in accordance with this procedure, they will have a right of appeal.

**Stage 4 - Dismissal Hearing**

1. If an employee has been issued with a warning under Stage 3 that remains live and the employee's manager believes that their performance is still not acceptable, the matter may be referred to a Performance Dismissal Hearing.
2. The employee will be informed in writing of the grounds on which the hearing is being convened. In particular, they will be told of the respects in which their performance remains below an acceptable level.
3. The hearing will be conducted by a senior manager and a member of the management team/PCC. The employee will be entitled to be accompanied by a fellow employee or trade union representative.
4. At the meeting, the employee will have the opportunity to ask questions, respond to any criticisms made of their performance and make representations about how the process has been handled.
5. 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.
1. 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 their current role. While the employee is free to refuse any offer of redeployment, the only other alternative available will usually be dismissal.
2. If the organisation believes that there is no alternative role available that is suitable for the employee, and they have 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.
3. Where an employee is dismissed in accordance with this procedure, they will have a right of appeal.

**Appeal**

1. An employee has a right of appeal against a sanction issued under stages 3 or 4 of this procedure. A request for an appeal should be sent in writing to xxxx 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 them by the organisation.
2. An appeal hearing will be convened to consider the matter. It will be chaired by a member of the xxxx together with a member of xxxx. The employee will be entitled to be accompanied by a fellow employee or a trade union official.
3. 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.
4. 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.

60.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 - Informal action**

**Stage 2 - Capability Meeting** – Meeting conducted by line manager – discuss performance issues, agree PIP if necessary, refer to OH if appropriate, set review period of 3-6 months, agree dates of progress review meeting(s).

Occupational Health advice may be required

**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**

**Appeal**

**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 Stage 2 of the procedure

**Stage 4 Dismissal Hearing** – Chaired by member of management team – discuss performance issues and PIP and review reasonable adjustments if applicable.

Performance remains unsatisfactory under final written warning

**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**

**Review performance**

**Stage 3 - Performance Review Meeting** – Senior manager conduct this meeting – discuss performance issues, update PIP and review reasonable adjustments if applicable. Set review period and agree dates of progress review meeting(s).

Performance remains unsatisfactory

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

**Appeal**