

Performance Improvement Policy & Procedure

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Review no.1	Policy reviewed July 2020; no changes required	01/07/2020	
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Review no.3			

Name of policy being superseded (if applicable)	Performance Improvement Policy (v July 2015)
Related policies	N/A
Related SOPs	N/A
Related Guidance	My Contribution Conversation Guides Please refer to People Manager Hub: Managing Employee Situations Fairly
Equality Impact Assessment completed	Yes
Island Community Impact Assessment completed	No
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Policy owner contact details (email)	Luke.hopkin@sds.co.uk
Policy due for review (date)	March 2027

Policies should have a clear purpose and perform at least one of the following functions. Please identify all the functions this policy performs.	If statement applies, please mark with an X below
Outline how we allocate limited resources to deliver services or outcomes	
Outline how SDS adheres to legislation, statutory duty etc.	X
Ensure fair and consistent allocation of benefits	
Protect organisational assets, including data	
Define expectations around the employee/employer relationship	X
Other (please specify)	

Performance Improvement Policy – Foreword

SDS recognises that colleagues across the organisation come to work committed to delivering the best possible service to our customers. Achieving high levels of performance from all colleagues is key to each of us being able to fulfil our potential and make a strong contribution to realising the ambitions for our customers, our organisation, and to be recognised as an employer of choice and an exemplar of fair work.

It is therefore vital that we create and sustain a culture which enables our people to perform to the best of their capability, and we are committed to ensuring that colleagues are given the opportunity, resources and support to deliver against their goals.

Through our commitment to building a culture of Everyday Leadership we are empowering colleagues to take personal responsibility for managing and developing their own performance and contribution to ensure we each deliver to the standards and expectations of our roles.

However, we also recognise that at times an individual's performance and contribution may fall below the requirements of their role, and they will need to give extra focus to getting performance back on track, working with their manager to understand where the short fall is, and accessing resources to enable them to improve their performance.

The policy sets out the approach SDS will take to supporting colleagues when performance concerns arise, by having conversations about these as early as possible via My Contribution and providing clarity on performance standards and what improvements need to be made. We also recognise that issues around performance may arise from underlying work problems or personal reasons that may be outside the colleagues direct control. We will treat all performance improvement situations with care and sensitivity and endeavour (where appropriate) to address the underlying causes of underperformance.

Carolyn Anderson
Director of Human Resources

Performance Improvement Policy & Procedure

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Performance Improvement Policy & Procedure

1. Purpose of Policy

1.1. This policy outlines SDS' approach to managing performance which falls below the required standard.

It aims to:

- i. provide a framework for managers to use when managing performance issues;
- ii. promote sustained performance improvement through the fair, reasonable, non-discriminatory and consistent management of performance issues; and
- iii. outline the organisation's commitments and its expectations of employees.

2. Context

2.1. SDS prides itself on providing a range of support measures to help employees achieve an effective work-life balance and satisfactory level of performance. We are committed to providing continuous professional development opportunities for employees. We expect employees to take responsibility for their own performance and personal development needs and make use of the resources available to them in order to meet the requirements of their role.

2.2. Employees are expected to perform their role to the standards required by SDS and in line with the job description for the role and role objectives. Where an individual's performance falls short of this expectation, we expect employees to work cooperatively with SDS to improve as required.

2.3. Unsatisfactory performance can have a detrimental impact on customer service, productivity and other colleagues. As such, managers should address unsatisfactory performance, promptly, fairly and consistently.

2.4. SDS recognises that performance issues may result from underlying work problems or personal issues and this is why we have designed a supportive Performance Improvement Policy and Procedure. Consequently, there is a need to treat all employees with care, sensitivity, and with due respect for privacy. SDS will seek to identify and address the underlying causes of performance issues. Where the reason for unsatisfactory performance is wholly or partly disability related, the performance improvement procedure may be modified and adjustments may be made, as appropriate.

2.5. This policy is distinct and separate from the Disciplinary Policy and Procedure which is designed to deal with matters relating to allegations of misconduct. In addition, this policy should not be used for matters relating to poor attendance due to sickness, which should be dealt with under the Sickness Absence Management Policy and Procedure. This policy can be used to manage cases of unsatisfactory performance where ill health may be a contributing factor. However, particular care should be taken when health issues are involved and advice sought from SDS's Occupational Health Service and the SDS HR Team as appropriate.

2.6. This policy applies to employees of SDS including fixed term workers employed directly by SDS, whether full time or part-time. It does not apply to employees during their probationary period when any concerns in relation to performance will be managed in line with SDS Probationary Guidelines. This policy does not apply to agency workers or self-employed contractors.

2.7. All those involved (e.g. managers; colleagues; companions) must treat as confidential any information shared with them under this policy.

2.8. Further guidance for managers on supporting employees to maintain sustained performance improvement is provided on the People Managers Hub area of Connect. Managers may seek advice from the SDS HR Team regarding the application of this policy.

3. Policy Commitments

3.1. Employees are expected to:

- i. ensure that they are aware of the goals and standards of performance expected of them (for example: through objectives given, job description and through My Contribution conversations) and seek further guidance if they are unclear;
- ii. meet the required standards of performance for their role;
- iii. approach their manager at the earliest opportunity where they are having difficulties meeting the expected standards of performance;
- iv. inform their manager if they consider that they have a disability or health condition that is affecting their ability to meet the expected standards of performance;
- v. attend scheduled Occupational Health appointments and pro-actively engage with the Occupational Health assessment process (when appropriate);
- vi. take an active part in meetings, both informal and formal held under this policy;
- vii. work with their manager to address any performance issues, including delivering on improvement plan targets;
- viii. suggest support/measures that may aid an improvement in performance and use/and engage with any support/monitoring mechanisms put in place (e.g. training).

3.2. SDS is committed to:

- i. setting clear standards of performance, explaining these standards to employees and supporting employees to achieve the standards set;
- ii. ensuring that good performance is acknowledged and encouraged;
- iii. managing an individual's situation sensitively and with due respect for privacy;
- iv. adopting a case-by-case approach, taking into account each employee's particular circumstances and modifying the performance improvement procedure where appropriate to do so (for example: in cases of disability or illness);
- v. providing timely support measures and interventions, where appropriate, including reasonable workplace adjustments where there is an underlying medical condition or disability to help employees improve and sustain their performance to a satisfactory standard;
- vi. consider alternative options including: redeployment to another role; availability of early retirement on the grounds of ill health, if satisfactory and sustained improvement is unlikely to be achieved for medical reasons;
- vii. dealing with alleged unsatisfactory performance promptly and holding meetings, making decisions and confirming decisions without unreasonable delay, wherever possible, where formal action is required.

4. Definitions

4.1. The following definitions are used in this policy:

“Performance Standards/Standards of performance” means the expected standards appropriate for the role which are determined by the job description, annual goals and through My Contribution discussions.

“Unsatisfactory Performance” means performance that does not meet the expected standards appropriate for the role.

“Formal Performance Improvement Procedure” means the formal procedure used to manage unsatisfactory performance to create sustained performance improvement in a fair and consistent way.

"Formal review period" means a defined period during which an employee is required to show an improvement in their performance under the organisation's performance improvement procedure.

“Fair” under this policy and procedure means that issues will be dealt with promptly, consistently, impartially; allow the employee to tell their side of the story and ensure a decision based on facts.

Performance Improvement Procedure

5. Informal Discussions

5.1. In the first instance, managers will normally seek to resolve performance issues informally as part of their day-to-day management of employees. The formal procedure will be used in serious cases or where an informal discussion has not resulted in satisfactory improvement.

5.2. The informal discussion should normally;

- i. clarify the expected standards of performance;
- ii. explain the nature of the concerns (providing specific examples);
- iii. establish the likely causes of unsatisfactory performance and identify any actions required by the employee or manager to aid improvement e.g. training, mentoring, My Contribution, work-shadowing or other support;
- iv. if applicable, consider whether Occupational Health input is required;
- v. set targets for improvement and a time-scale for review; and
- vi. explain the potential consequences of a failure to improve as required after the first informal discussion (e.g. failure to improve will normally lead to the formal performance improvement procedure).

5.3. The manager will provide clarity by confirming the action points in writing to the employee e.g. via My Contribution. Both parties should retain any notes confidentially.

5.4. Where there is satisfactory improvement, the matter will be considered to be resolved.

5.5. Where an informal performance improvement discussion and support measure(s) have failed to sufficiently address a performance concern/improve performance, the formal performance improvement procedure will normally commence.

6. Formal Performance Improvement Procedure

6.1. The formal performance improvement procedure has 3 stages. The point at which a manager decides to progress the employee onto the subsequent stage of the Formal Performance Improvement Procedure will vary from case to case and depend on the individual circumstances.

6.2. The formal performance improvement procedure will normally commence where:

- a) informal performance improvement discussions and support measures have failed to sufficiently address a performance concern; or
- b) performance concerns are sufficiently serious to justify taking formal action immediately.

6.3. Additionally, when progressing through the formal performance improvement procedure, managers may discuss and take into consideration any relevant circumstances such as any related absence concerns within the formal performance improvement meeting/hearing, where they consider it appropriate in the circumstances. This is to allow a full and open discussion of all issues which may be affecting performance and enable appropriate advice and support to be provided.

6.4. Where an individual is absent from SDS due to sick leave, maternity, paternity, parental, shared parental, adoption leave, special leave (paid or unpaid), career break, secondment or sabbatical, any live performance improvement notices or performance improvement review period will be suspended and resumed when the employee returns to work.

6.5. Where it is alleged that an employee who is a trade union representative's performance has not met the required standard, SDS will notify the appropriate full-time official following notification of the employee and subject to the employee's consent.

7. Conducting Formal Performance Improvement Meetings

7.1. If the manager deems that there are grounds for taking formal action in respect of an employee's unsatisfactory performance, the employee will be invited to a formal meeting.

7.2. All formal performance improvement meetings up to and including a Stage 2 Performance Improvement Meeting will be held by the employee's manager or their delegate. A Stage 3 Performance Improvement Hearing will be chaired by a line manager graded SDS6 or above. HR will be available as a source of advice and guidance in all cases to enable fair and consistent use of the procedure and all Stage 3 formal meetings will be attended by a HR Representative who will be present in an advisory capacity. Any decisions that are made at the formal meetings will be made by the Manager holding the meeting. A note-taker will normally be present to take notes.

7.3. The employee should receive at least 5 working days' written notice of the meeting to allow the employee time to prepare and make arrangements if they wish to be supported by a companion.

7.4. The letter inviting the employee to the meeting should:

- i. confirm the purpose of the meeting/reiterate the supportive intent of the policy;
- ii. confirm the summary of concerns;
- iii. provide the date, time and location of the meeting;
- iv. explain the employee's right to be accompanied; and
- v. include copies of any relevant information/documentation gathered as part of any investigation and/or to be reviewed as part of the meeting.

7.5. In order to provide adequate time for the manager to review information and to manage the Performance Improvement Meeting efficiently and where it is practical to do so, the employee should;

- i. inform the manager conducting the meeting of the names of any nominated witnesses they wish to call;
- ii. any written submissions they wish to have considered;
- iii. any documentary evidence they intend to rely on at the meeting and, if requested;
- iv. an explanation of the relevance of both their own and any witness evidence at least one working day prior to a formal Performance Improvement Meeting;

7.6. If the employee feels unable to attend for a reason related to their health, they should inform the manager holding the meeting. Consideration will be given to appropriate alternative arrangements according to the circumstances of the case.

7.7. Failure to attend a meeting where employee is unable or unwilling to attend without good reason will result in the meeting proceeding in the absence of the employee and a decision made on the information available.

7.8. Meetings may be adjourned by the manager at any time if they need to gather further information. The manager will explain to the employee what information they are seeking, and will confirm their findings at the reconvened meeting.

7.9. During the formal meetings the employee/Trade Union Representative/SDS colleague can adjourn the meeting for a short period of time.

7.10. A decision will be made when the manager chairing the meeting is satisfied that the employee has had fair and reasonable opportunity to state their case and that no further information is required.

7.11. The outcome of all formal meetings will normally be communicated to the employee verbally in the first instance. The employee will also receive written confirmation of the outcome, which will explain the reasons for the decision and the right of appeal. This will normally be provided within 5 working days of the meeting (unless otherwise agreed).

8. Stage 1 Performance Improvement Meeting

8.1. The purpose of a Stage 1 Performance Improvement meeting is to consider all the relevant facts concerning the employee's unsatisfactory performance.

8.2. During the meeting, the manager will:

- i. explain their concerns about performance, including specific examples of unsatisfactory performance and previous informal performance discussions;
- ii. highlight the impact of the employee's unsatisfactory performance on service delivery / risks;
- iii. clarify the required standards of performance;
- iv. seek to establish any reason for the unsatisfactory performance, including any reasons why any measures taken so far have not led to the required improvement;
- v. give the employee the opportunity to ask questions, present evidence, respond to evidence and make representations;
- vi. where applicable, consider current Occupational Health advice; or consider whether Occupational Health input is required;
- vii. where appropriate, explore what adjustments or other support measures (e.g. training needs; additional supervision) may help the employee to overcome any issues affecting their level of performance; and
- viii. discuss an action plan for improvement which outlines the areas for improvement, required actions, timescale for review, and support measures to be provided for performance improvement.

8.3. Possible Outcomes:

- i. No further formal action; or
- ii. Stage 1 Performance Improvement Notice issued.

8.4. A Stage 1 Performance Improvement Notice will:

- i. confirm that the employee has been issued with a **Stage 1 Performance Improvement Notice (live for 12 months)**;
- ii. state the improvement in performance required, targets, timescales for improvement (the performance improvement review period), which will be no less than 4 weeks and no more than 8 weeks and any support to be provided;
- iii. advise if the required level of improvement is not achieved this will result in further formal action under this policy; and
- iv. confirm the employee's right of appeal, including applicable time limits.

8.5. If, because of the information presented, the manager decides that it is not appropriate to issue a Stage 1 Performance Improvement Notice, the manager will inform the employee in writing that no further formal action will be taken.

8.6. The manager or their delegate (in the absence of the manager) will normally monitor progress in the employee's performance via regular meetings during the performance improvement review period (4 to 8 weeks).

Stage 1 Performance Improvement Review Period - Outcomes	
<p>If performance improves to a satisfactory level and is sustained during the review period:</p> <p><i>The manager will inform the employee that the formal review period has come to an end and no further formal action will be taken, however the Performance improvement notice remains live for 12 months from date of issue.</i></p> <p>However, if performance improves but then is not sustained at a satisfactory level following the end of the review period and when the performance improvement notice is still live:</p> <p><i>The employee will go to Stage 2 of the formal procedure.</i></p> <p>If in the months shortly after a 12 month performance improvement notice has expired (e.g. within 3 months) performance is not sustained at a satisfactory level:</p> <p><i>The employee will go back to Stage 1 of the formal procedure.</i></p>	<p>If performance <u>does not</u> improve to a satisfactory level or improvement is not sustained during the Performance Improvement review period:</p> <p><i>The manager will request the employee attends a Stage 2 Performance Improvement Meeting</i></p>

9. Stage 2 Performance Improvement Meeting

9.1. A Stage 2 Performance Improvement Meeting will be held where:

- i. an employee's performance has continued to be unsatisfactory during a Stage 1 review period;
- ii. an employee's performance has not been sustained following the end of a Stage 1 review period and during the remainder of the performance improvement notice;

9.2. The purpose of a Stage 2 Performance Improvement Meeting is to consider all the relevant facts concerning the employee's recent performance and will usually cover the same points as listed under Stage 1.

9.3. Possible outcomes:

- i. No further formal action;
- ii. Stage 2 Performance Improvement Notice issued;

9.4. A Stage 2 Performance Improvement Notice will:

- i. confirm that the employee has been issued with a **Stage 2 Performance Improvement Notice (live for 12 months)**;
- ii. state the improvement in performance required, targets, timescales for improvement (the performance improvement review period), which will be no less than 4 weeks and no more than 8 weeks and any support to be provided;
- iii. advise if the required level of improvement is not achieved this will result in further formal action under this policy which will include progression to a Stage 3 Performance Improvement Hearing which may lead to dismissal; and
- iv. confirm the employee's right of appeal, including applicable time limits.

9.5. The manager or their delegate (in the absence of the manager) will monitor progress in the employee's performance via regular meetings during the performance improvement review period (4 to 8 weeks).

9.6. If, because of the information presented, the manager decides that it is not appropriate to issue a Stage 2 Performance Improvement Notice, the manager will inform the employee in writing that no further formal action will be taken.

Stage 2 Performance Improvement Review Period	
If performance improves to a satisfactory level and is sustained during the review period: <i>The manager will inform the employee that the formal review period has come to an end and no further formal action will be taken, however the performance improvement notice is still live for 12 months from date of issue.</i>	If performance <u>does not</u> improve to a satisfactory level and is not sustained during the Performance Improvement review period: <i>The manager will request the employee attends a Stage 3 Performance Improvement Meeting.</i>

<p>However, if performance improves but then is not sustained at a satisfactory level again following the end of the review period and when the performance improvement notice is still live:</p> <p><i>The employee will go to Stage 3 of the formal procedure.</i></p> <p>If in the months shortly after a 12-month performance improvement notice has expired (e.g. within 3 months) performance is not sustained at a satisfactory level:</p> <p><i>The employee will go back to Stage 2 of the formal procedure.</i></p>	
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10. Stage 3 Performance Improvement Hearing

10.1. A Stage 3 Performance Improvement Hearing will be held where:

- i. an employee's performance has continued to be unsatisfactory during a Stage 2 Performance Improvement review period;
- ii. an employee's performance has not been sustained following the end of a Stage 2 review period and during the remainder of the performance improvement notice;

10.2. The employee will be informed in writing that an outcome of the Stage 3 Performance Improvement Hearing could be dismissal.

10.3. A Stage 3 Performance Improvement Hearing will be chaired by a line manager graded SDS6 or above.

10.4. The purpose of a Stage 3 Performance Improvement Hearing will be to:

- i. clarify / remind the employee of the required standards of performance;
- ii. explain the concerns about performance, including recent examples of unsatisfactory performance;
- iii. highlight the impact of the employee's unsatisfactory performance on service delivery/risks;
- iv. review the formal meetings that have taken place so far (as applicable) and matters discussed with the employee to date / support measures implemented;
- v. seek to establish any reason for the unsatisfactory performance, including any reasons why any measures taken so far have not led to the required improvement;
- vi. (where applicable) review and consider the current medical position, including any medical evidence information;
- vii. (where applicable) consider whether further medical information is available / would be helpful;
- viii. where appropriate, review whether there have been any changes in performance since the previous meeting and consider what other or additional adjustments / support measures might assist the employee to improve performance;

- ix. consider whether there is a reasonable likelihood of the employee achieving a satisfactory and sustained level of performance within a reasonable time;
- x. if satisfactory and sustained improvement is unlikely to be achieved for medical reasons, consider alternative options including: redeployment to another role; availability of early retirement on the grounds of ill health; and
- xi. make the employee aware that if there are no acceptable alternative options available, their employment may be terminated.

10.5. Possible outcomes (this list is not exhaustive):

- i. No further formal action;
- ii. Alternative action to dismissal (which may include redeployment, ill health retirement where medical information supports this or extension of stage 2 performance improvement notice/review period in exceptional circumstances); or
- iii. Dismissal.

10.6. The outcome in each case will be confirmed in writing, usually within five working days of the hearing. In the event a decision is taken to dismiss the employee, the letter will include the reason(s) for dismissal, the date that their employment will terminate, any payment in lieu of notice as appropriate and the employee's right of appeal.

Stage 3 Performance Improvement Hearing	
<p>If the manager issues a Stage 3 Performance Improvement Letter and/or moves the employee to another role; or takes other action short of dismissal.</p> <p><i>Performance will continue to be monitored as per normal day to day management.</i></p> <p>If performance falls below a satisfactory or, sustainable level during the review period or following the end of the review period/performance improvement notice (if applicable):</p> <p><i>The employee will be required to attend a further Stage 3 Hearing where one outcome may be dismissal.</i></p>	<p>If the employee is dismissed</p> <p><i>The employee will have the right of Appeal</i></p>

11. Appeals

11.1. Employees have the right to appeal a decision taken at any stage of the formal performance improvement procedure where the outcome is a performance improvement notice/action short of dismissal/dismissal.

11.2. Appeals should be lodged in writing to the relevant individual named in the outcome letter within 5 working days of the date the outcome was confirmed. The appeal should set out the specific grounds and provide any supporting materials in which the employee intends to rely on at the Appeal Hearing. The employee should also inform the Appeal Manager conducting the meeting of the names of any nominated witnesses they wish to call.

11.3. An Appeal Hearing will usually be chaired by a manager at a level above the original decision-maker.


11.4. At the appeal stage, the hearing manager will have the power to revoke, alter, or confirm the original decision. An appeal will not lead to a higher level of sanction for the employee.

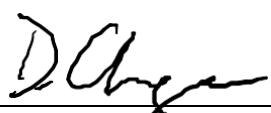
11.5. Appeals will be held without unreasonable delay and will normally be scheduled within 5 working days and held within 10 working days of the receipt of the written appeal. Employees should make reasonable effort to attend the appeal hearing. Where an employee is unable or unwilling to attend an appeal hearing without good cause, a hearing will be convened in their absence and a decision made on the information available.


11.6. Once a decision is made this will normally be confirmed in writing within 5 working days of the hearing, stating the reasons for the decision.

11.7. The decision at an Appeal Hearing is final and employees have no further right of appeal.

Performance Improvement Policy jointly agreed:

SDS		
Print Name	Signature	Date
Carolyn Anderson		7/6/19

Unison		
Print Name	Signature	Date
Derek Cheyne		7/6/19

PCS		
Print Name	Signature	Date
Tinja Hakkila		06/06/19

Appendix 1

1. Employee Representation

A1.1. There is no right to representation at informal performance discussions. Informal discussions should normally take place between the employee and their manager only.

A1.2. Employees have the right to be accompanied to a formal performance improvement meeting/hearing by either a trade union representative or an SDS colleague of their choice.

A1.3. The employee should confirm their companion's identity to the manager conducting the meeting at least one day before it is due to take place.

A1.4. The trade union representative/SDS colleague is entitled to address the hearing to put forward and sum up the employee's case, respond on behalf of the employee to any views expressed at the meeting and confer with the employee during the hearing. The trade union representative/SDS colleague does not, however, have the right to answer questions on the employee's behalf, address the hearing if the employee does not wish it or prevent the employer from explaining their case.

A1.5. The employee must take all reasonable steps to attend the meeting. If the employee or their companion is unable to attend at the time specified the employee should immediately inform the manager holding the meeting, who will normally seek to agree an alternative time. The alternative time should be no more than 5 working days from the original meeting date. If the companion cannot attend the re-scheduled meeting, the employee should arrange for an alternative companion to support them.