

**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**APPOINTMENTS & CONDITIONS OF SERVICE COMMITTEE**

**WEDNESDAY, 8 MARCH 2022**

**Report of the Interim Director of Organisation Development & Policy**

**Performance Management Policy**

**1. Purpose**

- 1.1 To outline the proposed Performance Management Policy for all employees, including executive directors and graduate and apprentice placements, but excludes those employed in schools where the Governing Body performs the function of the employer. It also excludes the Managing Director who is subject to the Managing Director's appraisal process approved by ACOS in May 2022.

**2. Information and Analysis**

Following a review of My Plan, the current performance management process, a trial of a revised approach for c.200 senior leaders at grade 14 and above was launched in May 2021. This interim process, the Performance Development Review (PDR), aimed to support the organisation to develop a high-performance culture and ensure alignment with the newly defined leadership behaviours and associated competency framework for senior leaders. PDR is in the second year of pilot and all other My Plan users continued to use the My Plan process.

On 24<sup>th</sup> May 2022, ACOS approved the interim PDR framework and noted the intention to seek feedback in order to determine the approach to be deployed during 2023/24. This policy aims to outline the principles of an organisational approach to employee performance management

and detailed guidance will underpin the policy on how the PDR will be applied.

## 2.1 **Review of My Plan and the PDR Pilot**

A review of both the My Plan and PDR processes took place in November 2022. All employees were invited to complete a survey and to attend a focus group and c.400 were involved.

### 2.1.1 **My Plan Feedback**

The following is a high-level summary of what colleagues' feel is working well:

- Helps development of colleagues - those who want to develop are engaged in My Plan
- Objective setting / planning
- 1-2-1 time including focus on well-being
- Supervision, where used, is seen as relevant and well regarded

The following is a high-level summary of what colleagues' feel isn't working well:

- 'One size fits all' doesn't work, role dependent
- Duplication, differences in various processes
- Unclear purpose - launched as development tool, perceived as performance management
- Lack of 'ownership', engagement and understanding of value / benefits
- Link to career progression
- Not everyone wants to develop

### 2.1.2 **PDR Feedback**

The following is a high-level summary of what colleagues' feel is working well:

- PDR is valued as a process
- The digital PDR App is easy to access and use
- Having a Competency Framework and rating system helps to manage performance
- The inclusion of helpful prompts ensures that it's easy to have a meaningful conversation about career aspirations
- The talent reviews add value to the process and ensures the process remains transparent

The following is a high-level summary of what colleagues' feel isn't working well:

- Validating completion needs a consistent approach
- Understanding and applying competency framework
- Development around app functionality – needs continuous improvement
- Leaders have requested to use PDRs with lower grades of managers

### 2.1.3 **Feedback from the Engagement Forums**

In addition, feedback was gained during the engagement forums in 2022, where employees referred to the lack of 1-1-time with their line manager, which they felt was essential to improve communication, gain regular feedback, maintain positive wellbeing, and feel valued.

## 2.2 **Performance Management Policy Proposal**

As a result of all the above, it is proposed to cease the My Plan process and introduce the PDR process for all employees with effect from 1<sup>st</sup> April 2023. The Performance Management Policy attached has been updated to reflect this, based on the interim framework approved by ACOS on 24<sup>th</sup> May 2022.

The implementation of this policy will be phased over coming years, with the following versions of PDR in effect from April 2023 as follows:

- **Grade 14+ Senior Leaders** – end the 2-year pilot and continue with the current PDR process using the digital App, with an annual Talent Review (no change).
- **Executive Directors** – continue with the current PDR process as above, along with the current additional 360-degree feedback mechanism.
- **1,600 Leaders who manage one or more people** (and therefore will be participants of the Leadership Development programme) – introduce the goal setting, personal development plan, career conversation and 1-1 elements of the PDR process along with a competency framework suitable for managers. Employees will not be rated at the end of the year and therefore not be part of the Talent Review. As the digital App does not have the capability to scale up to the volume of users required, this will be administered via a Word document and therefore we will not be able to report on completion or quality assure the content.
- **All colleagues that do not manage a team who currently use My Plan** – introduce as per 1,600 leaders minus a competency framework.

- **All colleagues who do not currently use My Plan** – to have a regular 1-1 with their line manager.
- **Supervision users** – using PDR as per the above depending on their grade and management responsibilities, folding the Supervision elements into 1-1s.

This is summarised in the table below:

<b>PDR Elements</b>	<b>Grade 14 or above leadership roles (c.200)</b>	<b>All colleagues undertaking a leadership role below Grade 14, with a direct team, who formally use My Plan (c.1,600)</b>	<b>All colleagues that do not manage a direct team, who formally use My Plan currently</b>	<b>All colleagues that don't formally use My Plan</b>
<b>Goals</b>	Y	Y	Y	N
<b>Career Aspirations</b>	Y	Y	Y	N
<b>Personal Development Plan</b>	Y	Y	Y	N
<b>Regular 1-1s</b>	Y	Y	Y	Y
<b>Feedback</b>	Y	Y	Y	N
<b>Competency Framework</b>	Y	Y	N	N
<b>Performance &amp; Potential Ratings</b>	Y	N	N	N
<b>Talent Review</b>	Y	N	N	N
<b>Start, Mid &amp; End of Year Review</b>	Y	Y	Y	N
<b>Digital App</b>	Y	N (Word)	N (Word)	n/a

### **3. Consultation**

- 3.1 All of the above feedback has been shared with trade union representatives. The PDR Digital App has been demonstrated, along with the details of the content of the PDR process.
- 3.2 Trade union representatives are in broad agreement with the principles of the revised Performance Management Policy. However, they strongly object to the use of the word 'performance' both within the title and body of the policy, albeit this exists currently. This is due to their view that there is a perception that performance management is only viewed negatively within the organisation and that managers fail to deal with performance issues competently.
- 3.3 Avoiding the word 'performance' is not the solution to change the culture, this will only be achieved when leaders recognise good performance and deal with poor performance appropriately. It is important that line managers are trained to deal with all the aspects of performance management so that employees are supported to perform to a high standard.

### **4. Alternative Options Considered**

- 4.1 The current PDR trial could be ceased, and the My Plan process could be reapplied to all employees. However, My Plan focuses predominantly on employee development as opposed to the wider employee performance management remit of setting smart goals with development plans aligned to goals and career aspirations supported by regular 1-1 conversations. My Plan does not align with the development of the leadership behaviours and the competency framework for leaders.

### **5. Implications**

- 5.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

### **6. Background Papers**

- 6.1 None.

## **7. Appendices**

7.1 Appendix 1 – Implications

7.2 Appendix 2 – Performance Management Policy

## **8. Recommendation(s)**

That Committee:

- a) Approves the proposal to cease the My Plan process and introduce the PDR process as the replacement for all employees with effect from 1<sup>st</sup> April 2023.
- b) Notes the intended implementation plan for rollout of the policy.

## **9. Reasons for Recommendation(s)**

- 9.1 Ensure a consistent performance management approach for all employees.
- 9.2 Enable a comprehensive approach to performance management focused on ensuring line of sight through clear objective setting, developing capability linked to career aspirations and development planning with regular 1-1s to provide ongoing support.

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## **Appendix 1**

### **Implications**

#### **Financial**

- 1.1 There are no financial implications arising from this report, any training costs associated with the recommendations in this report will be carried out by staff within Organisation Development and Policy and any additional costs will be negligible.

#### **Legal**

- 2.1 The Appointments and Conditions of Service Committee approve corporate employment policies which form the terms and conditions of council employees, other than minor or technical changes to existing policies.

#### **Human Resources**

- 3.1 As outlined in the report

#### **Information Technology**

- 4.1 A digital PDR App has been developed with support from ICT to improve the effectiveness of the current trial of the framework. This App does not have the capacity to scale up to the required numbers in 2023/24, so the current senior leaders will continue to document PDRs in the App. PDRs will have to be saved in a Word document on the employee's file for all remaining employees.

Future system requirements will be considered aligned to the longer-term approach to the HR systems strategy along with any associated funding requirements, in order to be able to monitor and record performance management.

#### **Equalities Impact**

- 5.1 None.

#### **Corporate objectives and priorities for change**

- 6.1 The PDR process enables goal setting to align to the council and service plans across the organisation and support the overall Council ambition.

**Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)**

7.1 None.