

## PERFORMANCE APPRAISAL

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### 1. Purpose

- 1.1 To provide an update on the relevant actions within the Annual Governance Action Plan 2013/14 (Minute AC07 refers).

### 2. Recommendations

- 2.1 That the Committee notes the progress made towards achievement of the performance appraisal completion target in the Annual Governance Action Plan 2013/14; and
- 2.2 Notes the arrangements for ensuring that internal audit outcomes are linked with performance appraisal, including the actual and proposed responsibilities of Human Resources, Internal Audit and line managers.

### 3. Issues and Choices

- 3.1 There are two actions in the Annual Governance Action Plan 2013/14, relating to performance appraisal. These are:
- 3.2 **Item 23:** Ongoing embedding of processes and monitoring of appraisals to ensure 100% compliance achieved, with a target of a minimum of 90% of those eligible having an appraisal in 2013/14.
- 3.3 **Progress:** In 2012 performance appraisal completion rates improved from a low base to 88%. For 2013 the target was set at 90% of eligible employees. Those not eligible are for example those employees on maternity leave, or absent from work due to ill-health or employee relations issues. System improvements, additional training, close monitoring and reporting on progress and senior management oversight have ensured that good progress has been made this year. To date, 94% of eligible employees have had a performance appraisal to review and assess their performance, set new targets and consider any support and development needed. A potential improvement target for next year is 99% completion within a defined period.
- 3.4 **Item 24:** Human Resources to consider and demonstrate the impact of internal audits and their use in performance management and appraisals, with a request for a report to the Audit Committee on this action.

**3.5 Current position:** Currently the requirement to consider the outcomes of internal audits in the performance appraisal of relevant employees is referenced within the guidance notes and also within all relevant training provision. This requires managers to acknowledge a positive contribution or to address any shortfall in performance. However, such discussions between a line manager and an employee have most impact when held at the time an issue arises, within routine performance management arrangements, rather than being deferred until the time of the annual appraisal; therefore issues arising are to be addressed immediately following an internal audit (or where appropriate, in the course of the audit), with advice and support from HR as necessary. In such circumstances Internal Audit and HR liaise to ensure appropriate support is given to the service area. Where performance issues have been identified through an internal audit, then the Follow-up Audit will review actions taken to ensure improvement.

Performance Appraisal quality sampling is carried out by HR in the autumn; this informs further advice to senior managers about key aspects of the appraisal process; the content of skills training and guidance material is updated to address any issues identified through the quality sampling.

**3.6 Actions planned in readiness for the performance appraisal cycle in 2014 include:**

- i) HR to build a series of prompts into the electronic and paper-based appraisal processes that require manager and employee consideration of governance issues more broadly, with specific examples cited including a review of the outcomes of any relevant internal audit, action taken, and any further requirements.
- ii) HR delivery of further skills workshops to continue to ensure all managers are trained and adequately supported.
- iii) Stretching but realistic target for next year is 99% completion within a defined period.
- iv) HR quality sampling, with feedback of findings to the relevant Corporate Director, to seek evidence of the approaches adopted by managers to specify, implement, monitor and manage performance improvement.
- v) Internal Audit Follow-up Audits to include comment on those in areas where Internal Audit have reported performance concerns, how those concerns have been addressed, and what escalation, if any, is required.

## **4 Implications**

### **4.1 Policy**

The guidance and training material to be updated support the Performance Appraisal process.

#### 4.2 Resources and Risk

There are no direct resource implications.

x	Capital	y	Revenue	x	Accommodation
x	IT	x	Medium Term Plan	x	Asset Management

#### 4.3 Legal

There are no legal implications.

#### 4.4 Other Implications

x	Equalities Diversity	/	x	Sustainability	x	Human Rights
x	E-Government		x	Stakeholders	x	Crime Disorder

and

**Background Papers:** None