



**Corporate Policy and
Resources Committee**

**Thursday 18 December
2025**

**Subject: Managing Performance: Workforce Development and Capability
Procedure**

Report by:

Monitoring Officer

Contact Officer:

Lynne Thomsett
People Services Manager

lynne.thomsett@west-lindsey.gov.uk

Purpose / Summary:

Formal approval of two new employment
procedures:

- Workforce Development
- Capability Procedure

RECOMMENDATION(S):

That following the recommendation by the Joint Staff Consultative Committee, the Corporate Policy and Resources Committee approve two new employment procedures:

- Workforce Development (replacing the previous appraisal process)
- Capability Procedure

IMPLICATIONS

Legal: The procedures are in accordance with employment legislation and ACAS good practice guides.

Relevant legislation considered:

Employment Rights Act 1996 (ERA)

- Capability is one of the five potentially fair reasons for dismissal under UK employment legislation. It is defined as the employee's ability to perform their job, assessed by reference to skill, aptitude, health, or any other physical or mental quality (Section 98 ERA).
- Employers must show that dismissal relates to the employee's inability to perform work of the kind they were employed to do and that fair procedures were followed.

Equality Act 2010

- Employers must avoid discrimination and make reasonable adjustments for employees with disabilities during performance management or capability processes.

Health and Safety at Work Act 1974

- Employers have a duty to ensure health, safety, and welfare, which can intersect with performance issues (e.g., stress affecting capability).

Employment Relations Act 1999

- Employees have the right to be accompanied by a trade union representative or colleague during formal capability or disciplinary hearings.

The ACAS Code of Practice on Disciplinary and Grievance procedures recommends fair and transparent procedures, distinguishing conduct and capability and that a supportive approach must be taken before formal outcomes.

The Workforce Development and Capability Procedures ensure that the council remains legally compliant and demonstrates a fair approach to performance management.

(N.B.) Where there are legal implications the report MUST be seen by the MO

Financial : FIN/123/26/MT/SSc

No financial implications arising from this report.

(N.B.) All committee reports MUST have a Fin Ref

Staffing :

Staffing implications are included within the report.

HR Ref: HR253-10-29

Equality and Diversity including Human Rights :

The procedures encourage a supportive approach to performance management, where employees feel able to speak openly to their line manager about anything impacting on their ability to perform to the best of their ability.

This applies to all employees regardless of any protected characteristic(s).

Employees with disabilities or health conditions may require reasonable adjustments which will be offered wherever possible.

Data Protection Implications :

All employment data is held in accordance with the General Data Protection Regulations (GDPR).

Climate Related Risks and Opportunities:

There are no known climate related risks or opportunities associated with this report.

Section 17 Crime and Disorder Considerations:

There are no known crime and disorder considerations associated with this report.

Health Implications:

Positive relationships and fair employment procedures at work have good health and wellbeing outcomes for the workforce. Further information can be found in the Public Health England Report [linked here](#).

Risk Assessment :

Risks to Mitigate

- **Inconsistency:** Informal check-ins may vary in quality and frequency.
- **Bias:** Risk of unconscious bias in feedback and performance assessments.
- **Record Keeping:** Lack of documentation may hinder fairness and accountability.
- **Appeal Accessibility:** Ensure all employees understand and can access the procedures.

These risks can be mitigated through:

- Line manager training focussed on the application of the procedures, unconscious bias and legal considerations.
- Clear communication and access to the procedures.
- Development of easy to access recording and reporting tools.
- HR support whenever required.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

☐

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

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No

x

Executive Summary

This report seeks approval to introduce a new Workforce Development approach to replace traditional appraisals and one-to-one meetings. This is intended to promote regular conversations between managers and employees, focusing on wellbeing, performance, relationships, and professional development.

The Capability Procedure has been updated to address underperformance through a structured and supportive process.

Both approaches have equality and diversity implications, ensuring fair treatment, inclusive practices, and legal compliance under the Equality Act 2010.

A summary for each procedure is below:

Workforce Development

- Replaces annual appraisals with flexible, ongoing 'check-ins'.
- Encourages personalised, positive conversations.
- Focuses on wellbeing, motivation, and development.
- Promotes trust and empowerment between managers and staff.

Capability Procedure

- Used when performance concerns arise.
- Offers support before formal action (e.g., training, counselling).
- Includes three formal review stages with rights to representation and appeal.
- Ensures fair and consistent treatment, distinguishing capability from misconduct.

1. Background

- 1.1 On 26 November 2024, the council's Governance and Audit Committee considered [an internal audit report](#) which reviewed several areas including the appraisal process. Although the auditor provided 'reasonable assurance', the audit identified weaknesses in the consistency and effectiveness of the appraisal process across departments.
- 1.2 This audit was followed up on 30 June and 30 September 2025 where it was noted that the council was actively working to enhance the appraisal system to ensure it supports staff development and performance management more effectively.
- 1.3 During this time, the People Services Team undertook staff engagement activities across the organisation and gathered information and feedback regarding the appraisal process, and other performance management activities.
- 1.4 Feedback indicated that whilst staff value feedback, praise and constructive criticism, the forms used on an annual basis seemed overly onerous and not aligned with their day-to-day activities. Staff also shared that they value the opportunity to set objectives for themselves and contribute to improvements in service delivery. They shared experiences of valuing the time with their manager to discuss their personal wellbeing, aspirations and ideas for improving the service they deliver.
- 1.5 It is well documented that employee engagement and improved performance are linked. The [CIPD Good Work Index](#) is an annual benchmark of job quality in the UK and they define 'good work' as work that:

- is fairly rewarded
- gives people the means to securely make a living
- provide opportunities to develop skills and a career and gives a sense of fulfilment
- delivers a supportive environment with constructive relationships
- allows for work-life balance
- is physically and mentally healthy for people
- gives people the voice and choice they need to shape their working lives
- is accessible to all.

CIPD Good Work Index 2025 Report : Young, J. and Tong, D. (2025) CIPD Good Work Index 2025. London: Chartered Institute of Personnel and Development

- 1.6 The existing Performance and Development Appraisal Policy was developed and implemented in February 2011. The Capability Procedure is dated October 2012.

2. Key principles and aims

- 2.1 The core principles of the two procedures are to ensure that the council has fair, transparent, consistent and supportive procedures in place that can be applied across the organisation.
- 2.2 Both procedures have the same aim, which is to improve performance and employee engagement, whilst complying with employment legislation and guidance.
- 2.3 The procedures aim to build and improve relationships between line managers and employees, creating a supportive environment where the workforce can develop their skills and discuss the issues that are important to them.
- 2.4 Should the procedures be approved, all line managers will receive training, and the new approach will be communicated across the organisation to all employees.

Next Steps

1. **Manager Training**
Provide training on inclusive communication, unconscious bias, and legal responsibilities.
2. **Communication**
Share the Workforce Development framework and expectations widely.
3. **Monitoring and Evaluation**
Track outcomes of capability and development conversations by demographic data.
4. **Support Tools**
Develop templates or digital tools for recording check-ins using the new People First software.
Ensure accessibility for all employees.
5. **HR Support**
Promote HR as a resource for support and guidance.
Encourage early intervention and documentation of concerns.