

Q7 (1.3.3): Performance management of all personnel and suppliers is critical to the successful delivery of our global project portfolio. Our processes are **fair, transparent and are applied throughout the supply chain** to help ensure that high quality programmes are delivered on time and to budget. Our global performance management policy provides a sound basis for the effective management of individual performance and development throughout the organisation. Our formal **Poor Performance Policy** and associated toolkit describes how anyone managing personnel for British Council is required to manage cases where an individual is either (i) not meeting the expectations and standards of the role as set out in the role profile or terms of reference; or, (ii) not demonstrating the required behavioural levels and skills. We also have clearly established disciplinary and grievances processes to ensure fairness and which all staff (internal or third party contracted) are made fully aware of.

The British Council applies its policy through end-to-end personnel management processes from selection and performance management, to staff exit interviews. We believe that performance management begins with effective recruitment – setting clear KPIs and behavioural standards from the outset. This is because the **prevention of poor-performance** via rigorously designing the scope of work and recruiting appropriate personnel to deliver it is much more effective, less damaging and represents better value for money than dealing with the consequences of poor performance later. To this end, recruiting managers draw on organisational assets such as **skills and behaviour banks** and **best practice Terms of Reference** examples drawn from our bespoke internal Centre of Excellence. Assets include a Code of Conduct and a performance management system requiring deliverables that are specific, measurable, achievable and time bound (SMART). Use of these assets is mandatory and supports both the recruitment and performance management processes by setting **clear unambiguous technical requirements** and **behavioural standards** for all personnel - be they in-house, partner-sourced or third-party contractors - working on all British Council projects. These requirements are designed to set clear and consistent standards and expectations for roles in line with any specific client requirements as well as our values and culture.

Tried and tested **grant and service contracts, partnering agreements and non-disclosure agreements** for contracting **individuals, partner organisations, grantees, third-party contractors and other suppliers** are made fully accessible globally through an **online contract portal** that is constantly refreshed and incorporates learning and best practice. These contract documents formally require all sub-contractors to adhere with our Code of Conduct and policies - and also flow down any specific client contractual requirements. A dedicated Contract Management support team with extensive experience of contracting and procurement for HMG funded contracts, including in FCAS environments, own the portal and provide guidance to our global network of project managers in their use and any necessary tailoring. We also access our network of local legal expertise to tailor these contracts for specific contexts enabling agile and flexible start-up even within FCAS environments. These strong **contracting frameworks** ensure that should any measures around under-performance of individuals, partners or other suppliers prove necessary, there is a strong legal basis to support such actions - including any requirement to terminate contracts or remove partners from projects, should any agreed corrective actions not improve performance or dis-satisfaction with performance continues.

Each programme within the British Council is also allocated a **Senior Responsible Officer (SRO)** as well as a **dedicated Team Leader/Programme Manager** (depending on the type of programme). The SRO provides overall leadership, direction and control and is responsible for ensuring that a project achieves its stated outcomes and client contractual terms as well as fully adhering to British Council policies and standards. The Team Leader/Programme Manager reports directly to the SRO with authority and responsibility to manage the project on a day-to-day basis with formal responsibility and accountability for the successful delivery of the project outcomes. This responsibility includes establishing formal **performance management assessments on a quarterly basis** for all project partners and programme team members. Regular reporting to the SRO against key performance indicators in the project plan additionally helps **identify weak performance or underperformance** within the team. **Management Control Checks** and **Risk Management Assessments** also provide complementary methods of monitoring performance of the whole team as well as project partners. Programme boards are established which provide the formal opportunity to escalate performance issues and allow the SRO to take action by bringing in HR, contract or technical expertise to address problems identified. In addition, evidence and feedback is sought from a range of stakeholders and triangulated before gradings of programme, team, partner or individual performance are set – using our global portfolio as a tool to calibrate evaluations and feedback and ultimately, verify performance in a robust defensible manner.

Where underperformance is identified, confidential **Performance Improvement Plans (PIP)** are rapidly put in place with specific short term and long term targets. Performance against the PIP is reviewed weekly to support performance improvement in a clear and transparent way. This allows personnel/partners the opportunity to improve, and also gives a consistent and evidence based approach to terminating a contract if there is significant, unimproved performance. They are given a specific window of opportunity to demonstrate improved performance and if improvement is not made, their contract is terminated. Swift action and a **clear, transparent process** ensure that we manage performance with **minimal risk and impact on programme delivery**. Where contracts have to be terminated we liaise closely with clients, and act rapidly to backfill any gaps whilst a replacement is deployed. As an example, in Burma a Team Leader was given the opportunity to make changes through performance improvement but failed to achieve new targets. Our decisive and firm action to contract termination prevented any impact on a high performing programme. We made our client aware of our intentions and detailed our plans for cover and replacement ahead of taking action. This minimized risk, ensured key stakeholders were supportive of action taken and ensured smooth programme delivery despite the change in leadership.

Contracted, third party personnel and partner organisations are expected to hold the same high standards and behaviours as British Council staff and these requirements **formally flow-down through the supply chain**. Where performance is not satisfactory we work with suppliers to ensure that contractual agreements are delivered on time, within cost and with quality. As examples, while protecting confidentiality, in the Philippines, one of our project partners had provided a expert for a project role. The expert failed to meet key milestone targets against their ToR. We met with the partner and asked them to either bring the expert back in line against milestone KPIs, or find an alternative. The underperformance was not rectified so together with the partner, we informed the client and were transparent about the issues – and asked for their approval to find a replacement. Once a new expert was assigned, we also worked with the partner to improve their in-house capacity on due diligence and approval processes before offering them any further technical assistance opportunities. In Myanmar, a local organisation was given a grant to improve internal capacity and undertake programme development research. Following a check on financial reports, suspicions were raised and we initiated an investigation by an independent auditor. This resulted in payments being deemed ineligible. Although there was no evidence of fraud, after discussion with the organisation it became clear there was no willingness to improve financial systems. As such, in the absence of a willingness to take corrective action, we had no choice but to cancel the grant and remove them from our list of accepted suppliers. In both cases, as we had set out clear parameters in advance and had robust, tried-and-tested partnership agreements and grant contracts in place, we were able to act quickly, identifying clearly where performance requirements had not been met and there was no resulting fall-out or costly/damaging legal challenge.