

REPORT TO: BEST VALUE SUB-COMMITTEE - 11 September 2000

REPORT ON: BEST VALUE REVIEW OF ARCHITECTURAL SERVICES

REPORT BY: CHIEF EXECUTIVE

REPORT NO: 560-2000

1. PURPOSE OF REPORT

- 1.1 To report on the Best Value Review of the remaining services, carried out by the Architectural Services Division of the Support Services Department, which were not reviewed in 1998/99.

2. RECOMMENDATIONS

It is recommended that the Sub-Committee:-

- 2.1 Agrees the outcome of the review as contained within this report and approves the implementation of the proposed action as detailed in Section 13 of this report.
- 2.2 Notes the progress achieved in those areas identified for continuous improvement in report 238/1999, submitted to Committee on 1st April 1999 and detailed in Section 11.3 and Appendix 6.
- 2.3 Notes further areas identified for continuous improvement in Section 14 and **Appendix 6** of this report.

3. FINANCIAL IMPLICATIONS

- 3.1 The review accounts for **17%** of the Architectural Services Division's total annual revenue budget which is estimated at **£3.6M for 1999/2000**. The remaining 83% has already been reviewed in 1998/99.
- 3.2 If the recommendations contained within this review are implemented this will result in an **estimated annual saving of £34K to the Council** which has been achieved through improved efficiencies within the Division.
- 3.3 When these savings are added to the savings identified in the Best Value Review carried out last year, an **overall saving of £329K** would be achieved by continuing to use the services provided by the Architectural Services Division of Dundee City Council. Further significant **savings of around £600K** would be maintained by using this in-house service when compared with the Private Sector as indicated in last year's Review.

4. LOCAL AGENDA 21 IMPLICATIONS

- 4.1 The review was undertaken from the perspective of Local Agenda 21, in particular that resources are used efficiently and waste is minimised.

5. EQUAL OPPORTUNITIES IMPLICATIONS /...

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- 5.1 The contents of this report are consistent with the Council's Equal Opportunities Policy.

6. DEFINITION OF THE SERVICE REVIEWED

The review undertaken in 1998/99 accounted for 83% of the Architectural Services Division's revenue budget and this review accounts for the remaining 17% of the revenue budget. The following services which were not reviewed in 1998/99 were subject to review this year:-

- 6.1 **Major Building Works** This work involves the acceptance of a brief from the funding Client and thereafter the design procurement and management of these contracts from inception to completion. The work involves an input from the disciplines of Architect, Quantity Surveyor, Service Engineer, Building Clerk of Works and Service Clerk of Works.
- 6.2 **Repairs and Maintenance Works** This work involves the acceptance of a general brief from the funding Client and thereafter the design, procurement and management of these contracts from inception to completion. Procurement of these contracts is often processed using the Council's Housing or Non-Housing Term Contract. The work can require an input from the disciplines of Architect, Quantity Surveyor, Service Engineer, Building Clerk of Works and Service Clerk of Works.
- 6.3 **Select Tender List.** The Council maintains a Select List of Contractors from which all Contractors for Building and Engineering works are selected on a per project basis. The exception to this rule is the selection of Contractors for projects which exceed the limit set by the European Commission and which have to be advertised in the European Journal. The Select Tender List is advertised every four years at which time all new and existing applications are evaluated.
- 6.4 **Management System.** The Architectural Services Division utilises a computerised management system for the recording of fees and all data relating to the income and expenditure of the department. This provides essential information to enable the Division to operate in a cost effective manner.
- 6.5 **Project Managers.** Project Managers are allocated to all projects exceeding £150K, except for projects commissioned by specific departments. Project Managers can be provided from either the Architectural, Quantity Surveying or Engineering disciplines and provide a service which is aimed at ensuring any project is executed in a cost effective and efficient manner.
- 6.6 **Planning Supervisors Duties.** This service is carried out by the Architectural Services Division for most building works except demolitions. A Planning Supervisor requires to be appointed to co-ordinate the Health and Safety requirements of the CDM Regulations
- 6.7 **Partnering.** The Government has recently advocated the use of partnering arrangements in contract procurement based on the recommendations of Sir John Egan in his report 'Rethinking Construction'. The Division has considered and implemented this arrangement and evaluated its success.
- 6.8 **Overhead Costs.** In common with any Local Authority department, or private sector, practice overheads accrue through the requirements of support staff and associated costs. The level of overhead costs impacts significantly on the level of fees charged and the viability of the Division. It is, therefore, considered necessary to review these costs annually to ensure that Best Value is considered for the entire working practice of Architectural Services.

7. JUSTIFICATION FOR REVIEWING THIS SERVICE /...

7. JUSTIFICATION FOR REVIEWING THIS SERVICE

These areas of operation, involving professional and technical services, were subject to Compulsory Competitive Tendering by the Local Government Act 1988 (Competition) (Scotland). The implementation of this Act was subsequently delayed by the Amendment Regulations 1997, and the introduction of the Best Value Regime. However, it was considered to be an appropriate area for review under the Best Value Regime.

8. REVIEW METHODOLOGY

8.1 The Review Team consisted of a Review Team Leader from the Personnel and Management Services Department, a Lead Officer (Architectural Services), two further team members (Architectural Services) and an Accountant from the Finance Department.

The Review Team was supported by further members of staff from the Architectural Services Division, Corporate Planning Department, Personnel and Management Services Department and the Legal Division of the Support Services Department.

8.2 The review was conducted through establishing critical success factors, a review of current performance and procedures and comparison with similar service providers in the Public and Private sectors.

8.3 **The Balanced Scorecard** approach was used to measure performance in most of the critical areas which were reviewed i.e., customer perspective, internal business process perspective, continuous improvement perspective and financial perspective.

9. STAKEHOLDERS

The services provided by the Architectural Services Division, and which are being reviewed, are provided directly to the funding clients.

The funding clients can be identified as all Dundee City Council Departments and external bodies. They were all consulted on the level of services required and the performance provided in meeting these requirements.

Contractors, as an essential member of the design team, were once again consulted on the level of service provided and the performance provided by the Architectural Services Division.

10. CRITICAL SUCCESS FACTORS

The critical success factors were identified as service performance, as perceived by the customer, the key business process and value for money. Various performance indicators were identified in the Division's Annual Service Plan and these were used as a measure for the critical success factors. These indicators are listed in **Appendix 1**.

11. PERFORMANCE REVIEW

As indicated previously, the **Balanced Scorecard** approach was used to carry out this review and measure performance. This section, therefore, identifies the findings from each of these areas of the review.

11.1 **Customer Perspective** /...

11.1 **Customer Perspective**

An annual Customer Survey is carried out with all major stakeholders and the analysis of this is shown at **Appendix 2**.

The performance indicator included in the Division's Service Plan had a target of 90% of all services to be **rated average 6 or above**. From the analysis it can be seen that an **average rating of 7.68 was achieved**, which is an **improvement** on last year's rating of **7.09**.

Any areas identified as lower than the norm are the subject of follow-up meetings with the client and are identified as areas for continuous improvement. Normal review meetings are held with all major clients and areas of concern dealt with on an ongoing basis. This information can be viewed in the **Audit File**.

Fortnightly meetings are held with the Chief Executive, Director of Support Services and Director of Finance to review specific projects and services provided by the Division and to identify areas for further improvement or new requirements. These are dealt with on an ongoing basis and can be viewed in the **Audit File**.

A survey of the most commonly used Contractors was again carried out this year and the same indicators applied as for the Customer Survey. The target was met and an **average rating of 7.81** was achieved which was an **improvement** on last year's rating of **7.37**. The analysis is shown at **Appendix 3**.

It is considered that in order to identify further continuous improvement in the above areas that new performance indicator targets will be set using the averages achieved in 1999/2000.

11.2 **Business Perspective**

From the Division's Annual Business Plan, performance indicators are identified in respect of the key processes required and to enable current performance to be monitored. These indicators are shown at **Appendix 4**.

The Division has again been successfully audited for its quality procedures and retained Third Party accreditation to **ISO: 9001**.

The Division will soon introduce procedures for **Investors in People (IIP)** with a view to having this fully implemented during 2000/2001.

Environmental Management Procedures and accreditation to **ISO: 14001** are currently being investigated as part of the Sustainable Construction initiative and it is hoped these will be introduced in 2000/2001.

Staff training and Employee development is critical to the provision of a quality service and annual reviews for each individual member of staff are carried out and training plans prepared and implemented. **Performance indicator related to training was achieved**.

The result of the Employee Survey indicated an improvement in most areas as perceived by the staff of the Architectural Services Division, however any area which is still of concern will be identified as part of the continuous improvement programme.

The Value for Money indicators identified in the Division's Annual Service Plan related to productive/non-productive staff ratios, level of costs related to fees and reduction in overheads. **These targets were all achieved**.

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The performance indicators for the above areas are shown at **Appendix 4**.

Information technology has an increasing input into the successful operation of any business and this area is addressed and reviewed on an annual basis. In addition to the new initiatives introduced last year, the following areas have been reviewed this year:-

- ❑ Project register has been converted to a database which is easily accessed by all members of staff.
- ❑ The software and support for the management system used by the Division has been reviewed and new software purchased with an annual saving of **£6.5K**.
- ❑ A digital camera has now been purchased which allows in-house production of good quality images and annual savings are anticipated in film purchase and developing costs.
- ❑ The 3-D virtual reality software has been refined further and has been used for lottery presentation and promotional videos.

11.3 ***Continuous Improvement***

Continuous Improvement is recognised as an essential part of Best Value and the Division has approached this area through close consultation with all major stakeholders.

Through Customer and Contractor surveys, various areas of the service were identified as requiring improvement or change. These areas have been addressed through process analysis and performance indicators set to monitor progress. Similarly, the **European Foundation for Quality Management (EFQM)** assessment procedures have been developed and the model used to identify further areas for improvement. An Action Plan was agreed and this was fully implemented. The results of this are shown at **Appendix 5** and in the Audit File.

The EFQM model will now be used on an ongoing basis to identify further areas for continuous improvement, together with the Customer and Contractor Surveys and Employee Surveys. Areas for improvement identified in the latest surveys are shown at **Appendix 6**.

Performance Indicators for 1999/2002 are identified in the Department's Business Plan and new Indicators have been introduced to reflect the key Indicators now being used nationally by the Construction Industry.

11.4 ***Financial Perspective***

The financial perspective of the Division was considered under three separate heads namely, Operational Costs, Service Costs and Costs of Identified Services. The evaluation of these Sections are described in the following Sub-Sections.

11.4.1 ***Operational Costs***

The Annual Service Plan for the Division contains Performance Indicators relevant to this Section and these are listed at **Appendix 1**.

A 5% saving on overheads was identified as a target in the Service Plan and through Best Value Reviews an **overall saving of 13% was achieved, amounting to £27K**.

Productive/Non Productive ratio was identified as a target of 70% in the Service Plan and an **average of 74% was achieved which is 1% better than the previous year**.

Costs/Fee income ratio was identified as not exceeding 90% in the Service Plan and an **average profit of 11% was achieved**.

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The Monthly Income/Expenditure details are monitored and reviewed on an ongoing basis to ensure that the annual financial estimate is being achieved.

The Performance Indicator Monitors relevant to these targets are shown at **Appendix 4**.

11.4.2 **Service Costs/Benchmarking (Items 6.1 & 6.2)**

As the majority of services were reviewed last year and were subject to competitive market testing it was considered that the remaining services could be reviewed through Benchmarking with other Local Authorities and the Private Sector.

The Division is a member of the Society of Chief Quantity Surveyors (SCQS) Scottish Region Benchmarking Club, the National Benchmarking Group, is the only Local Authority member of the Scottish Enterprise Benchmarking Club and subscribes to the Benchmarking Service provided by MIRZA and NACEY.

The analysis and comparisons from these Benchmarking exercises are appended at **Appendix 7**. It can be seen that in all cases the Architectural Services Division compares favourable for each of the categories being reviewed i.e. Major Building Works and Repairs and Maintenance Works.

11.4.3 **Costs of Identified Services (Items 6.3 - 6.7)**

11.4.3.1 **Select Tender List (6.3)**

The Architectural Services Division compiles and maintains the Council's Select Tender List with assistance from the Director of Finance and the City Engineer. The system operates efficiently and is more readily accessible to all user departments since the introduction of compatible software.

The Government are currently promoting the use of Constructionline, a privately operated database of Contractors who have been evaluated and confirmed as suitable for selection. Constructionline is offered free to users but requires all Contractors to pay a fee.

This System has been installed within the Division and is currently being monitored. Some concern has been raised regarding a major update of the system which was proposed in September, 1999 and has still not taken place.

Constructionline will be monitored on an ongoing basis and further evaluations will be carried out prior to the next update for the Council's Select Tender List.

11.4.3.2 **Management System (6.4)**

The Architectural Services Division currently use Focus Software Management System to fully monitor income/expenditure and to assess productivity, time targets etc. This information is essential to the cost effectiveness of the Division and the System must be able to produce the statistics timeously and in a user friendly format.

The current System has, over the last year, generated major problems in reliability and disproportionate time resources to run effectively.

A review of the current procedures and other available software systems was carried out and a new Software System has been purchased. It is considered the new System will generate annual **savings of £6.5K**.

11.4.3.3 /...

11.4.3.3. **Project Managers (6.5)**

Further training was identified as a requirement for Project Managers in last year's review. In-house and external training was carried out to the satisfaction of Management and the Project Managers involved.

From Benchmarking information the hourly rate for Project Managers provided by the Architectural Services Division is lower than any of the other 21 Authorities involved in the Benchmarking exercise.

11.4.3.4 **Planning Supervisor Duties (6.6)**

From the benchmarking information this year, and the review carried out last year, the service is provided at a consistently low level of fee (lowest fee in 92% of comparisons). However, after reviewing the procedures it was decided to extend the duties of the Planning Supervisor to co-ordinate and monitor the upkeep of Health & Safety files. This additional duty can be undertaken and still maintain the low level of fee in comparison with other benchmarked Authorities.

11.4.3.5 **Partnering (6.7)**

The Division continues to use Temporary Staff, Agency Staff and Private Sector Consultants for specific areas of work throughout the year when in-house resources are insufficient to meet the Client requirements. 5% of the Division's workload is now carried out by Private Sector Consultants compared to 10% in 1998/99.

Partnering has been widely promoted as one of the initiatives proposed by Sir John Egan in his report Rethinking Construction and is now recognised as one of the procurement methods which, when used effectively, will generate value for money, improved working arrangements and improved end products.

The Architectural Services Division recognised this in last year's review and indicated a willingness to implement this Partnering Arrangement. To date, four projects have been successfully procured through Partnering and a fifth is about to start. These arrangements have resulted in improved customer satisfaction, reduced costs and projects completed on time. Further details of these projects are available in the Audit File.

A COSLA "Best Team" award was also won in recognition of the successful team approach to procurement through Partnering.

12. **ARCHITECTURAL SERVICES - GENERAL PROFILE**

The Division successfully retained its Third Party Quality Assurance Accreditation to **ISO : 9001** for its Quality Procedures and has held this award since 1994.

The Division is now fully implementing the Procedures of the **European Foundation of Quality Management (EFQM)** and uses this process for identifying and monitoring continuous improvement.

The Investors In People (IIP) Initiative will be pursued this year and hopefully implemented by 2001.

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The Employee Development Reviews are carried out annually and all identified training was completed and the targets met in accordance with the Performance Indicator. Six monthly monitor reviews are now held to assess progress.

A Sustainable Construction Working Group has now been formed and is used as a forum to identify improvements in design and materials and which meet the objectives of **Agenda 21**. A pilot study is now being carried out on a Housing Project with a view to identifying energy and cost savings. The Group has now been extended to include an input from other Local Authorities with a view to sharing and exchanging best practice principles relating to Sustainable Construction. The Division is also one of the Council's two representatives on the Construction Industry Environmental Forum (CIEF).

The Division has been proactive in introducing procurement through Partnering and is one of the few Local Authorities to implement this initiative. **A COSLA Excellence Award 2000 was won for the Best Team approach to Partnering.**

The 3-D Virtual Reality Presentation Package introduced last year has now been further developed and has proved to be a useful medium for Lottery Submissions and promotional videos. **A COSLA Bronze Category Award** was won for this submission being long listed in its category.

Various letters of commendation have been received from Customers and Contractors for the services provided by the Division and these are available in the Audit File.

The Accounts Commission have recently developed a **Performance Management and Planning (PMP) Framework** which sets out what is expected of Councils as they pursue Best Value. The Architectural Services Division have actively pursued the criteria laid down in the PMP and have successfully addressed all of these. The PMP Criteria is listed at **Appendix 8**.

13. OPTION APPRAISAL/OUTCOME

13.1 The final stage of the review process was an Option Appraisal of the main alternative methods of delivering these Services.

13.2 The options considered were :-

- Continue to use Dundee City Council Architectural Services Division for all services which they provide at present.
- Seek competitive tenders from Private Consultants and In-House Consultants for all or part of the services presently provided by the Architectural Services Division.
- Continue to use In-House services which can be supplemented, if required, by the use of External Consultants either through Partnering, Negotiation or Competitive Fee Tendering.

13.3 From the Benchmarking information collected and the analysis undertaken it is clear that the services provided by the Architectural Services Division are competitive over a wide range of projects and in many cases were identified as the cheapest option. Similarly it was noted that comparisons of separate disciplines substantiated this result.

Savings would continue to be generated by retaining the In-House services.

There were areas identified specifically on small projects where improvements could be made and these will be addressed under the Continuous Improvement Programme. These are identified at **Appendix 6**.

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The annual Customer Survey and Contractor Survey have both produced responses which meet the Performance Indicator targets set by the Division. Both have produced improved results over the previous year. Further areas were identified for improvement through these surveys and these are identified at **Appendix 6**.

The Architectural Services Division continues to be proactive in introducing new initiatives with a view to improving services they provide and ultimately providing further benefits to its customers, the Council and the Citizens of Dundee.

It is recommended therefore that the Architectural Services Division of the Support Services Department continues to provide these services to the Council and other external agencies through negotiated fees.

It is further recommended that resources are supplemented, when necessary, through Partnering arrangements with Private Consultants, whose fees will be agreed either through negotiation or by a fee tendering process. The use of Temporary Staff and Agency Staff may also be required during peak workload periods, however this will become less likely due to the reducing workload.

14. FURTHER REVIEWS

It is considered that **100%** of the services provided by the Architectural Services Division has now been reviewed and **100%** of all the disciplines provided by the Division.

Areas for Continuous Improvement will be identified through the **EFQM Procedures** and the Customer and Contractor Surveys and Employee Surveys and these will be addressed throughout the year and reviewed annually against targets set by the Performance Indicators.

Targets for improved efficiency and reduction in overheads and fees will be identified through close co-operation and reviews with staff and these will also form part of the Performance Indicators included in the Department's three year Service Plan.

National Key Performance Indicators have now been identified for the Construction Industry and whenever applicable these will be introduced into the Service Plan and monitored annually.

15. CONSULTATION

15.1 All major Stakeholders have been consulted on performance and service level as indicated throughout this report. These include all major internal Client Departments and external Clients, including Police and Fire Services.

15.2 The Directors of Support Services, Finance, Corporate Planning and Personnel and Management Services have been consulted in the preparation of this report.

16. BACKGROUND PAPERS

16.1 Best Value Submission to the Secretary of State for Scotland, December 1997 and approved by the Policy and Resources Committee on 11th December, 1997.

16.2 Best Value Review of Architectural Services, Report Nr 238/1999 approved by the Best Value Sub-Committee on 1st April, 1999.

CHIEF EXECUTIVE

APPENDIX 1

PERFORMANCE INDICATORS FROM SERVICE PLAN 1998/99

NR	DESCRIPTION	RELATES TO	FREQUENCY	TARGET	ACTUAL	DATE
1.0	Improve level of service through Customer Survey and review survey to show average 90% of services rate 6 out of 10 or above.	Quality of Service	Annual	90%	100%	1999/2000
2.0	Improve level of service through Contractor Survey and Reviews. Survey to show average 90% of services rated 6 out of 10 or above.	Quality of Service	Annual	90%	100%	1999/2000
3.0	Retain accreditation of Quality System to ISO:9001 through Third Party assessment.	Quality of Service	Bi-Annual	Retain	Yes	Ongoing
4.0	Ensure costs to be within 90% of fee charged, ie 10% profit.	Value for Money	Monthly	10%	11%	1999/2000
5.0	Productive/Non Productive ratio. To be 70%.	Value for Money	Monthly	70/30	73/27	1999/2000
6.0	Review overheads and identify 5% saving.	Best Value	Monthly	5%	13%	1999/2000
7.0	Ensure Employee Development and Training achieve 85% of training identified.	Employee Development	Monthly	90%	100%	1999/2000

EFQM/CONTINUOUS IMPROVEMENT**ACTION PLAN FOR SPECIFIC DATES**

NR	ACTION	BY	PROPOSED COMPLETION DATE	REVISED COMPLETION DATE	ACTUAL COMPLETION DATE	SIGNIFY COMPLETE OR COMMENT
1.	AP1 - 1 and 6 Issue update to all staff on workload, etc.	JP	01.10.99		01.10.99	
2.	AP1-4 Issue Divisional Instruction on Complaints/Suggestions procedure.	GB	01.10.99	29.10.99	29.10.99	
3.	AP1-8 Circulate list of all Registered Bodies to which staff or Division subscribe.	ALL ZH	29.09.99 01.10.99	09.11.99 12.11.99	09.11.99 11.11.99	
4.	AP3-2 Remind staff of Suggestion Boxes	JP	01.10.99		01.10.99	
5.	AP4-10 2 members of Management Team to attend Refresher Course on Managing Multiple Objectives and Deadlines.	JG/LA	07.10.99	05.10.99	05.10.99	
6.	AP5-1 Inform DCS that Contract Administrator to be informed before work starts on site.	MK	13.10.99	29.10.99	29.10.99	
7.	AP1-3 Weekly Monitor/Progress Meeting to be held.	GB/RL	15.10.99	04.11.99	04.11.99	
8.	AP2-4 Improve communication by e-mail, 6-weekly Group Meetings, weekly Progress Meeting.	ALL	15.10.99	04.11.99	04.11.99	
9.	AP3-1 Group Meetings to be held 6 weekly.	All Group Leaders	20.10.99	17.12.99	17.12.99	
10.	AP4-2 Add note to QA Short Form that failure to comply with critical dates may result in delay.	AFG	23.10.99	10.12.99	10.12.99	
11.	AP4-4 Add box to QA Programme to identify Design Team Meeting where all members must attend.	GS	23.10.99	10.12.99	10.12.99	
12.	AP3-3 Hold Employee Development Review					

	Meeting to clarify procedures.	JP	29.10.99	05.11.99	05.11.99	
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APPENDIX 5.1

NR	ACTION	BY	PROPOSED COMPLETION DATE	REVISED COMPLETION DATE	ACTUAL COMPLETION DATE	SIGNIFY COMPLETE OR COMMENT
13.	AP3-9 Request feedback from Clients during 'Making Good Defects' period. Circulate e-mail.	JP	29.10.99		22.09.99	
14.	AP5-1 Review procedures for instructing COW.	BC/GB	01.11.99		05.11.99	
15.	AP6-4 Distribute 'Experienced Feedback' Reports.	AFG	12.11.99		23.11.99	
16.	AP6-4 Include QS and COW evaluation in Post Contract Evaluation.	GB	12.11.99	17.12.99	17.12.99	
17.	AP6-9 Seek possibility of provision of childcare Creche.	JP	19.11.99		22.11.99	Awaiting further info from Dir. of Personnel & Mgt Services
18.	AP7-3 Review reasons for 'Extension of Time' and circulate.	RL	26.11.99	18.02.00	end April	
19.	AP8-1 See if standard Form for Exit Interview, if not compile new Form.	ZH	26.11.99	Personnel approved form	20.12.99	
20.	AP8-2 Agree procedure with Falo for input to Contract evaluation at end of Defects Liability period.	GB	26.11.99	11.02.00	31.03.00	
21.	AP9-2 Identify QS at early stage of Design for all Projects.	RL	26.11.99	17.12.99	17.12.99	
22.	AP9-3 Clarification of Probable Cost procedures to be circulated.	JR/RL	26.11.99	17.12.99	20.12.99	
23.	AP10-1 Each Group members to be polled for suggestions on Team building.	Group Leaders	26.11.99	18.02.00	01.03.00	

APPENDIX 5.2

NR	ACTION	BY	PROPOSED COMPLETION DATE	REVISED COMPLETION DATE	ACTUAL COMPLETION DATE	SIGNIFY COMPLETE OR COMMENT
24.	AP10-7 Mixed Group Meetings every second meeting - Programme to be prepared.	GB/RL	26.11.99	17.12.99	17.12.99	
25	AP5-4 Review current procedures between COW and PSGU.	GB/BC	26.11.99	17.12.99	17.12.99	
26.	AP2-3 Clarify single point of contact with Clients. Send e-mail.	JP	17.12.99		09.11.99	
27.	AP7-7 Review process for procuring Small Contract i.e., n/ex £50K	JG/RM	17.12.99	18.02.00		
28.	AP3-6 Update Division Profile and circulate to all departments and external clients.	JP	Dec' 99	Aug 2000		
29.	AP3-6 Arrange Open Days to promote new services (Sustainable Construction).	JP	Jan 2000	Aug 2000		
30.	AP6-1 Ensure Training Plans are implemented.	ALL	March 2000		31.03.00	
31.	AP3-4 Monitor Training progress and Employee Development - Hold follow-up interviews.	ALL	June 2000			
32.	AP1-11 Review anomalies with other departments. Single Status.	Personnel	Dec' 2000			
33.	New Item Submit experienced feedback suggestions and additional proposals from Suggestion Box to EFQM meeting for consideration.	AFG/ZH/ GB	Ongoing			

APPENDIX 6.0

CONTINUOUS IMPROVEMENT

Items identified from:- Customer Surveys; Contractor Surveys; Employee Surveys, Review Consultations with Stakeholders; Continuous Improvement Reviews by Management Team; Benchmarking Services with various sources.

NR	DESCRIPTION	RELATES TO	TARGET	COMPLETION DATE
1.0	Re-circulate all Client Departments with Profile of Services to ensure they are aware of the services provided. (Average Rating 8.09)	Best Value	Increase all Customer Rating to 6.	2000
2.0	Review accuracy of Indicative and Probable Costs. (Average Rating 6.81)	Best Value	Increase all Customer Rating to 6.	2000
3.0	Review level of service provided by Service Clerk of Works. (Average Rating 8.00)	Best Value	Increase all Customer Rating to 6.	2000
4.0	Review selection and procurement of Contractors. (Average Rating 8.05)	Best Value	Increase all Customer Rating to 6.	2000
5.0	Review service provided by Design Team. (Average Rating 7.74)	Best Value	Increase all Customer Rating to 6.	2000
6.0	Review contract administration. (Average Rating 7.67)	Best Value	Increase all Customer Rating to 6.	2000
7.0	Review information provided regarding budget expenditure. (Average Rating 7.0)	Best Value	Increase all Customer Rating to 6.	2000
8.0	Review Cost Statements and information provided. (Average Rating 7.06)	Best Value	Increase all Customer Rating to 6.	2000
9.0	Review Tender documentation. (Average Rating 8.05)	Best Value	Increase all Customer Rating to 6.	2000
10.0	Review Committee Reports and Presentation. (Average Rating 7.89)	Best Value	Increase all Customer Rating to 6.	2000
11.0	Review value for money perception of service provided. (Average Rating 7.14)	Best Value	Increase all Customer Rating to 6.	2000
12.0	Review level of service provided by Quantity Surveying teams. (Average Rating 7.89)	Best Value	Increase all Customer Rating to 6.	2000
13.0	/...			

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APPENDIX 6.1

NR	DESCRIPTION	RELATES TO	TARGET	COMPLETION DATE
13.0	Review level of service provided by Planning Supervisors. (Average Rating 7.86)	Best Value	Increase all Customer Rating to 6.	2000
14.0	Review level of service provided by Building Clerk of Works. (Average Rating 6.93)	Best Value	Increase all Customer Rating to 6.	2000
15.0	Review staff communication with customers on a 'per project' basis. (Average Rating 7.86)	Best Value	Increase all Customer Rating to 6.	2000
16.0	Review level of service provided during contract maintenance period. (Average Rating 7.47)	Best Value	Increase all Customer Rating to 6.	2000
17.0	Review time for settlement of Final Accounts. (Average Rating 6.57)	Best Value	Increase all Contractor Rating to 6.	2000
18.0	Review timing for issue of Architects Instructions. (Average Rating 7.14)	Best Value	Increase all Contractor Rating to 6.	2000
19.0	Review level of site supervision, including that of Clerk of Works. (Average Rating 8.21)	Best Value	Increase all Contractors Rating to 6.	2000
20.0	Review post Contractor evaluation process for Contractor. (Average Rating 7.00).	Best Value	Increase all Contractors Rating to 6.	2000
21.0	Review method of selecting Contractors for projects. (Average Rating 7.31)	Best Value	Increase all Contractors Rating to 6.	2000
22.0	Review level of drawn information provided during contract period. (Average Rating 7.43)	Best Value	Increase all Contractors Rating to 6.	2000
23.0	Review method used to compile the Council's Select List of Contractors. (Average Rating 7.50)	Best Value	Increase all Contractors Rating to 6.	2000
<p><u>NOTE IT SHOULD BE NOTED THAT IN ALL CASES THE AVERAGE RATINGS IN THE CUSTOMER SURVEY AND CONTRACTOR SURVEY ACHIEVES THE TARGET OF 6. HOWEVER, INDIVIDUAL CUSTOMERS AND CONTRACTORS DID RATE SOME SERVICES LOWER THAN THE AVERAGE THEREFORE THESE AREAS WILL BE REVIEWED AFTER CONSULTATION WITH THE APPROPRIATE CUSTOMER OR CONTRACTOR.</u></p>				
24.0	Review fee levels for processing small projects.	Best Value	Reduce Fee by 15%.	2000

APPENDIX 6.2

NR	DESCRIPTION	RELATES TO	TARGET	COMPLETION DATE
25.0	Reduce cost of overheads by a further 5%.	Best Value	5% saving.	2000
26.0	Increase Productive:Non Productive ratio to 75:25.	Best Value	Ration 75:25	2000
27.0	Achieve average Customer Rating of Services of 6.5.	Best Value	Average Rating 6.5	2000
28.0	Achieve average Contractor Rating of services of 6.5.	Best Value	Average Rating 6.5	2000
29.0	Increase number of projects completed on time. (+ 5%)	Best Value	80% completed within contract period	2000
30.0	Increase number of projects completed within tender amount (\pm 5%)	Best Value	80% completed within tender amount	2000
31.0	Improve EFQM Continuous Improvement Self Assessment Rating	Best Value	Increase EFQM Score to 65	2000
<u>ONGOING ITEMS FOR CONTINUOUS IMPROVEMENT</u>				
32.0	Retain Accreditation to ISO:9001	Quality	Third Party Accreditation	2000
33.0	Achieve 90% of Employee Development and Training Programme	Employee Development	90%	2000
34.0	Achieve IIP Status	Best Value	Accredited Member	2001
35.0	Introduce Post Training Evaluation with staff	Employee Development and IIP	Achieve IIP Status	2001
36.0	Introduce ISO:14001 for Environmental Management Procedures	Agenda 21	Accredited Member	2001
37.0	Promote Sustainable Construction and Materials	Agenda 21	(2) Pilot Projects	2001
38.0	Introduce further Partnering Projects with Contractors and Clients	Best Value	2 further projects	2000

BENCHMARKING STATISTICS AND ANALYSIS

1.0 ANALYSIS FROM SCQS BENCHMARKING QUESTIONNAIRE

The recent Third Revision of the SCQS Best Value Questionnaire for Benchmarking Construction Services was analysed and produced the following results:-

1.1 COMPARISON WITH 5 AUTHORITIES WITH LARGEST ANNUAL VALUE OF WORK PROCESSED

RANKED TOTAL FEES (ALL CATEGORIES)

ARCHITECTURAL SERVICES	NR CATEGORIES	RANKING
	18	1 st
	2	2 nd
	7	3 rd
	6	4 th
	4	5 th
	1	6 th
	Grouped Categories All Value Ranges	Lower than average 77% Total

1.2 COMPARISON WITH 3 AUTHORITIES WITH COMPARABLE ANNUAL VALUE OF WORK PROCESSED

RANKED TOTAL FEES (ALL CATEGORIES)

ARCHITECTURAL SERVICES	NR CATEGORIES	RANKING
	24	1 st
	13	2 nd
	2	3 rd
	Grouped Categories All Value Ranges	Lower than average 86% Total

1.3 PLANNING SUPERVISORS

13 Comparisons - 12 lowest = 92%

1.4 PROJECT MANAGERS (Hourly Rate) lowest = 100%

1.5 CONCLUSIONS /...

APPENDIX 7.1

1.5 CONCLUSIONS /...

- a) From the above data it can be demonstrated that the Architectural Services Divison's fees are consistently lower than most other comparable Authorities.
- b) Categories where Architectural Services are not ranked in the lowest 3 have been identified for Continuous Improvement and will be process benchmarked with 'Best in Class'.
- c) Planning Supervisor services were consistently provided at a lower rate than any other Authority (92%).
- d) Project Managers services were consistently provided at a lower hourly rate than all other Authorities (100%).

2.0 MIRZA & NACEY SURVEYS

2.1 QUANTITY SURVEYORS

TYPE OF BUILDING	CONTRACT AMOUNT	MIRZA & NACEY FEE	ARCHITECTURAL SERVICES FEE
INDUSTRIAL UNITS	£1.5M	2.40	1.98
	£1.4M	2.40	1.64
	£1.3M	2.40	1.20
EXTENSIONS	£700K	2.50	2.23
	£350K	2.50	2.60
NEW BUILD (SPECIFIC)	£6M	2.5	1.5

2.2 ARCHITECTS

TYPE OF BUILDING	CONTRACT AMOUNT	MIRZA & NACEY FEE	ARCHITECTURAL SERVICES FEE
RENOVATION/REPAIR	£0-500K	13.2 - 7.9%	6 - 2.4%
REFURBISHMENT	£0-500K	11.8 - 10.5%	9.2 - 5%
SCHOOL (REFURB)	£200K	7.8%	7%
HOUSING (REFURB)	£1M	8.2%	4%
INDUSTRIAL (NEW BUILD)	£1M	4.8%	4%

2.3 CONCLUSIONS

- a) From the above surveys carried out by independent researchers, it can be demonstrated that the Architectural Services Division's Architects and Quantity Surveyors consistently provide these services at competitive fees.

ACCOUNTS COMMISSION

PERFORMANCE MANAGEMENT AND PLANNING (PMP)

P.M.P. CRITERIA

HOW DO WE KNOW WE'RE DOING THE RIGHT THINGS ?

1. We understand the needs, expectations and priorities of all our stakeholders.
2. We have decided on the best ways to meet these needs, expectations and priorities.
3. We have detailed plans for achieving our goals.
4. Our plans are clearly based on the resources we have available.

HOW DO WE KNOW WE'RE DOING THINGS RIGHT?

5. We make best use of our available resources.
6. We make best use of our people.
7. We monitor and control our overall performance.
8. We have sound financial control and reporting.

HOW DO WE PLAN TO IMPROVE?

9. We actively support continuous improvement.

HOW DO WE ACCOUNT FOR OUR PERFORMANCE?

10. We provide our stakeholders with the information they need about our services and performance and listen to their feedback.

CONCLUSION

The Architectural Services Division can demonstrate that they are actively processing the principals of PMP and meet the above criteria.

CUSTOMER SURVEY 2000

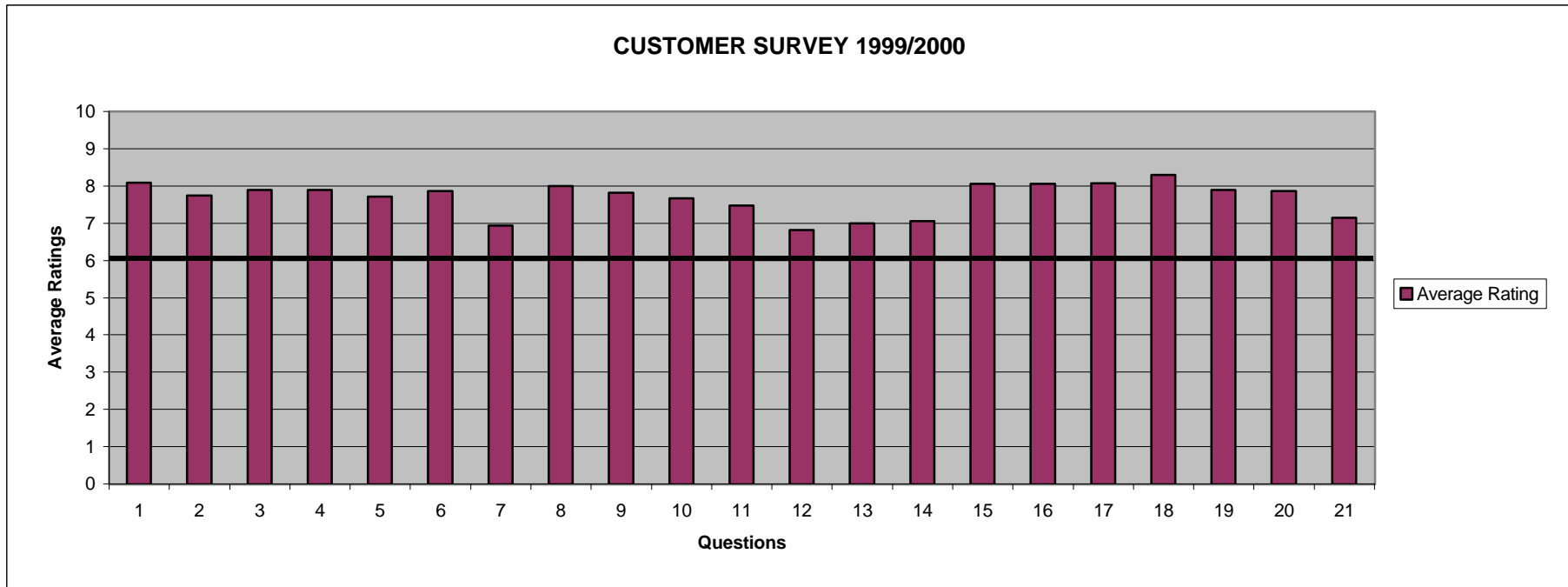
25 RETURNS = 58% RESPONSE

15 OUT OF 21 CLIENTS RESPONDED = 71% RESPONSE

CLIENT ID	QUESTIONS AND RATINGS																					AVERAGE	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	PER CLIENT	
1.0	10	9	10	10	8	8	8	8	9	9	-	8	9	9	9	9	9	-	9	9	9	169/19	=8.89
2.0	10	10	10	10	10	10	-	-	10	10	10	10	10	10	10	10	10	10	10	10	10	190/19	=10.00
2.1	10	10	10	10	-	-	-	-	10	10	10	8	10	-	10	10	10	-	10	10	10	148/15	=9.87
2.2	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10/1	=10.00
4.1	8	7	8	8	7	8	-	-	7	7	-	7	8	7	8	8	8	-	7	8	8	129/17	=7.59
5.0	6	8	8	8	9	9	6	9	8	9	8	9	8	9	9	9	7	-	9	9	8	165/20	=8.25
6.0	5	8	8	8	8	8	8	8	8	8	8	4	8	8	8	8	-	-	8	8	6	143/19	=7.53
6.1	10	10	10	10	10	10	10	10	10	10	10	-	-	9	9	-	-	9	9	9	9	165/17	=9.71
6.2	8	8	-	7	8	-	-	-	9	8	6	8	-	-	-	8	-	-	-	8	8	86/11	=7.82
7.0	9	6	6	6	6	6	5	5	6	6	6	6	-	-	6	5	6	6	6	7	6	115/19	=6.05
10.0	3	5	-	-	7	6	-	-	8	5	7	5	3	3	3	8	6	-	5	8	4	86/16	=5.38
10.2	8	7	5	6	-	-	-	-	8	7	-	5	4	7	8	8	-	-	4	8	6	91/14	=6.50
11.1	8	7	6	7	7	7	5	-	7	7	7	7	8	7	7	8	8	8	8	8	7	144/20	=7.20
11.2	7	6	4	7	-	5	3	7	7	6	6	5	6	5	7	7	7	8	7	5	7	122/20	=6.10
12.0	9	9	9	9	7	9	8	9	9	7	9	7	8	9	9	9	9	8	9	8	7	177/21	=8.43
12.1	10	7	8	9	7	8	8	9	7	8	7	6	8	9	9	9	7	9	8	8	6	167/21	=7.95
13.0	9	9	9	8	8	8	8	8	7	8	7	7	8	8	8	8	8	8	7	8	8	167/21	=7.95
13.1	9	8	8	8	7	8	-	-	7	8	8	6	5	5	9	9	9	9	9	7	8	147/19	=7.74
13.2	-	7	7	-	-	-	7	-	7	7	6	5	6	6	8	4	-	9	8	9	8	104/15	=6.93
15.1	9	8	9	9	9	-	8	8	9	7	7	7	4	5	9	9	9	-	9	8	5	148/19	=7.79
16.0	8	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16/2	=8.00
17.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
18.0	6	7	7	7	7	-	7	7	7	-	-	-	-	-	-	-	-	-	-	-	6	61/9	=6.78
19.0	8	8	8	3	-	-	-	8	6	8	-	7	8	8	8	8	8	8	8	8	3	119/17	=7.00
21.0	6	6	-	-	6	-	6	-	6	6	5	6	5	5	7	6	-	-	-	7	-	77/13	=5.92
TOTALS	186	178	150	150	131	110	97	96	172	161	127	143	126	120	161	169	121	83	150	165	150		=140.29
REPLIES	23	23	19	19	17	14	14	12	22	21	17	21	18	17	20	21	15	10	19	21	21		=18.29
AVERAGE PER QUESTION	8.09	7.74	7.89	7.89	7.71	7.86	6.93	8.00	7.82	7.67	7.47	6.81	7.00	7.06	8.05	8.05	8.07	8.30	7.89	7.86	7.14		=7.68

Rating - Poor (1) - Excellent (10)

**ARCHITECTURAL SERVICES DIVISION
PERFORMANCE INDICATORS 1999/00**



Questions	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Average Rating	8.09	7.74	7.89	7.89	7.71	7.86	6.93	8.00	7.82	7.67	7.47	6.81	7.00	7.06	8.05	8.05	8.07	8.30	7.89	7.86	7.14

OBJECTIVE:- Maintain and, where necessary improve the quality of service provided to Customers.

TASK:- Investigate and take action to improve level of service where this is identified as necessary through Customer Survey.

TARGET:- 90% of services to be rated 6.00 or above.

COMMENT:- Target achieved.

CONTRACTORS SURVEY 2000

13 OUT OF 16 RETURNED = 81% RETURN

QUESTIONS	CONTRACTORS AND RATINGS																AVERAGE	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	PER QUESTION	
1	9	9	6	6	8	-	8	8	7	10	7	7	7	8	-	5	105/14	=7.50
2	8	8	-	6	9	-	6	8	8	10	7	7	7	5	-	6	95/13	=7.31
3	10	7	8	9	7	-	8	7	9	10	8	8	8	8	-	8	115/14	=8.21
4	10	9	8	9	8	-	8	8	9	10	8	7	8	8	-	8	118/14	=8.43
5	10	9	8	8	9	-	8	8	9	10	8	8	10	8	-	7	120/14	=8.57
6	10	7	8	8	8	-	6	7	7	10	8	7	8	5	-	5	104/14	=7.43
7	9	7	9	4	7	-	6	6	8	10	5	7	9	5	-	8	100/14	=7.14
8	9	9	9	7	9	-	10	8	9	10	8	9	10	9	-	7	123/14	=8.79
9	9	9	8	5	9	-	10	7	8	10	8	7	9	9	-	7	115/14	=8.21
10	9	9	8	6	8	-	8	7	6	10	8	7	8	9	-	6	109/14	=7.79
11	5	6	7	8	7	-	7	4	9	10	5	4	9	6	-	5	92/14	=6.57
12	-	7	-	4	8	-	7	7	9	10	5	7	8	5	-	-	77/11	=7.00
13	9	9	8	6	10	-	8	8	10	10	7	7	9	10	-	7	118/14	=8.43
TOTALS	107	105	87	86	107		100	93	108	130	92	92	110	95		79		=99.36
REPLIES	12	13	11	13	13		13	13	13	13	13	13	13	13		12		=12.71
AVERAGE PER CONTRACTOR	8.92	8.08	7.91	6.62	8.23		7.69	7.15	8.31	10.00	7.08	7.08	8.46	7.31		6.58		=7.81

Rating - Poor (1) - Excellent (10)

#N/A

ARCHITECTURAL SERVICES DIVISION PERFORMANCE INDICATORS 1999/00



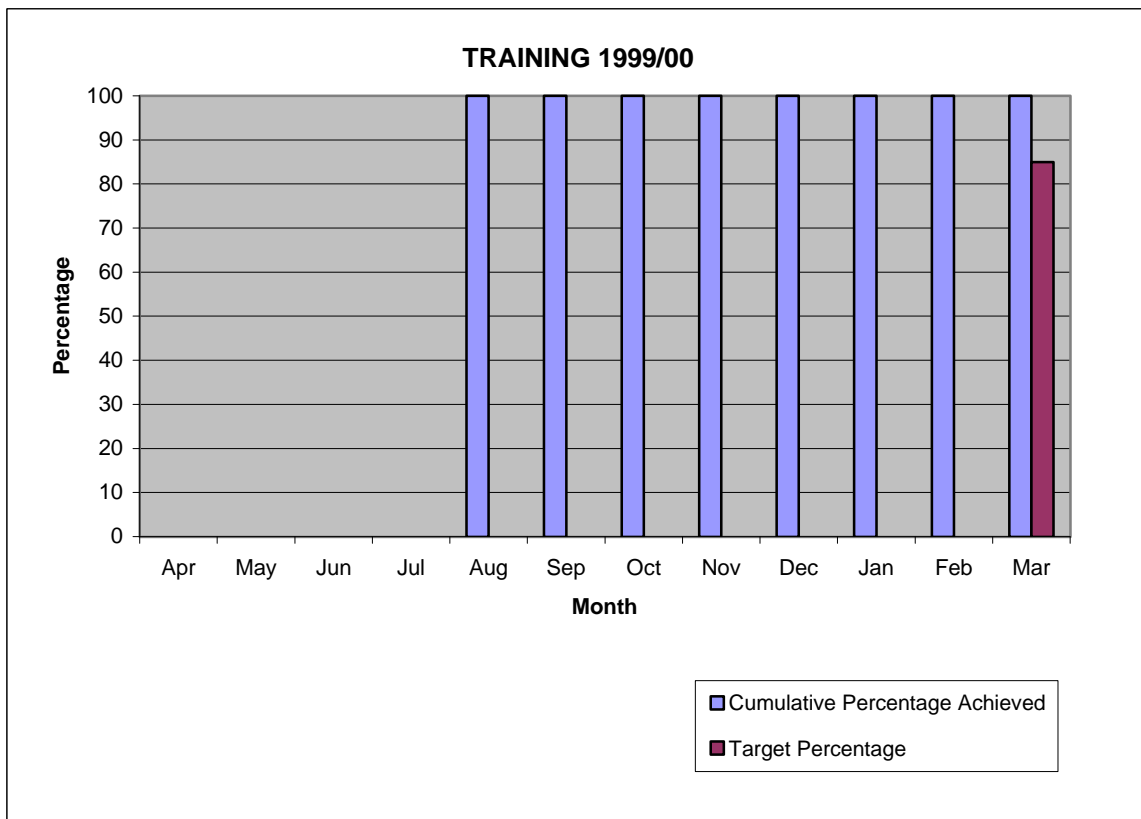
Questions	1	2	3	4	5	6	7	8	9	10	11	12	13
Average Rating	7.50	7.31	8.21	8.43	8.57	7.43	7.14	8.79	8.21	7.79	6.57	7.00	8.43

OBJECTIVE:- Maintain and, where necessary improve the quality of service provided to Contractors

TASK:- Investigate and take action to improve level of service where this is identified as necessary through Contractor Survey

TARGET:- 90% of services to be rated 6.00 or above

COMMENT:- Target achieved



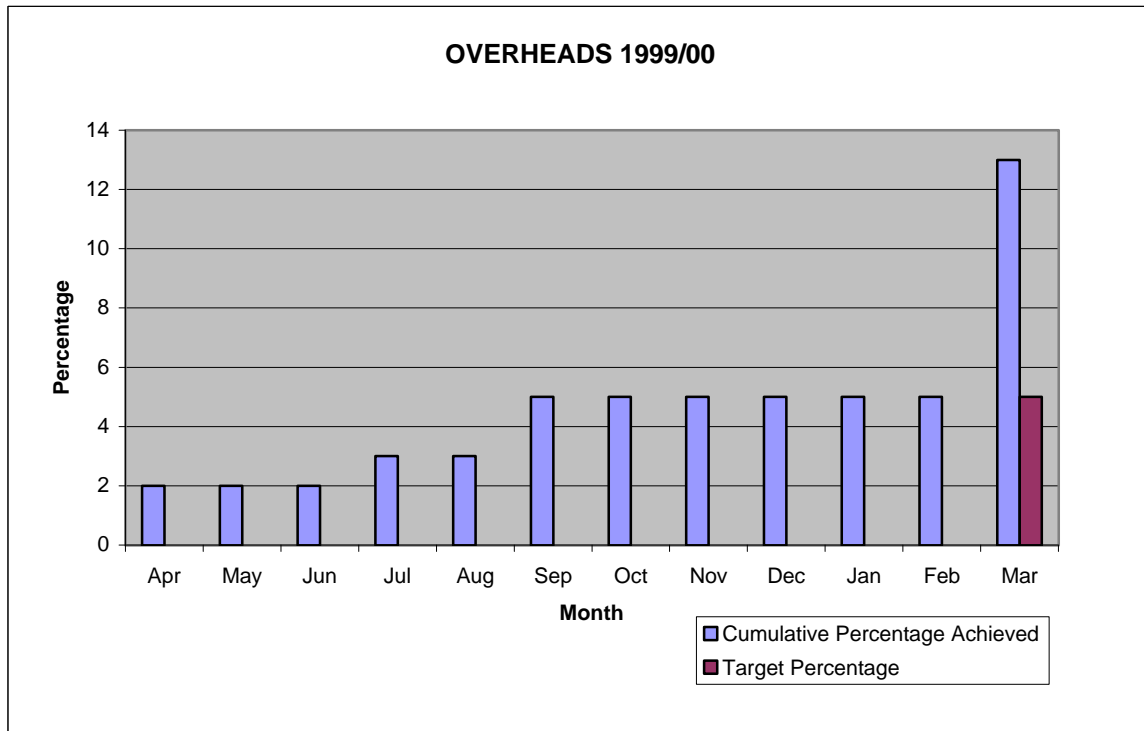
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Cumulative Percentage Achieved	0	0	0	0	100	100	100	100	100	100	100	100
Target Percentage												85

OBJECTIVE:- Maintain and where necessary improve the quality of service provided to customers

TASK:- Formulate Training Plans

TARGET:- Achieve 85% of training requirements

COMMENT:- Target achieved



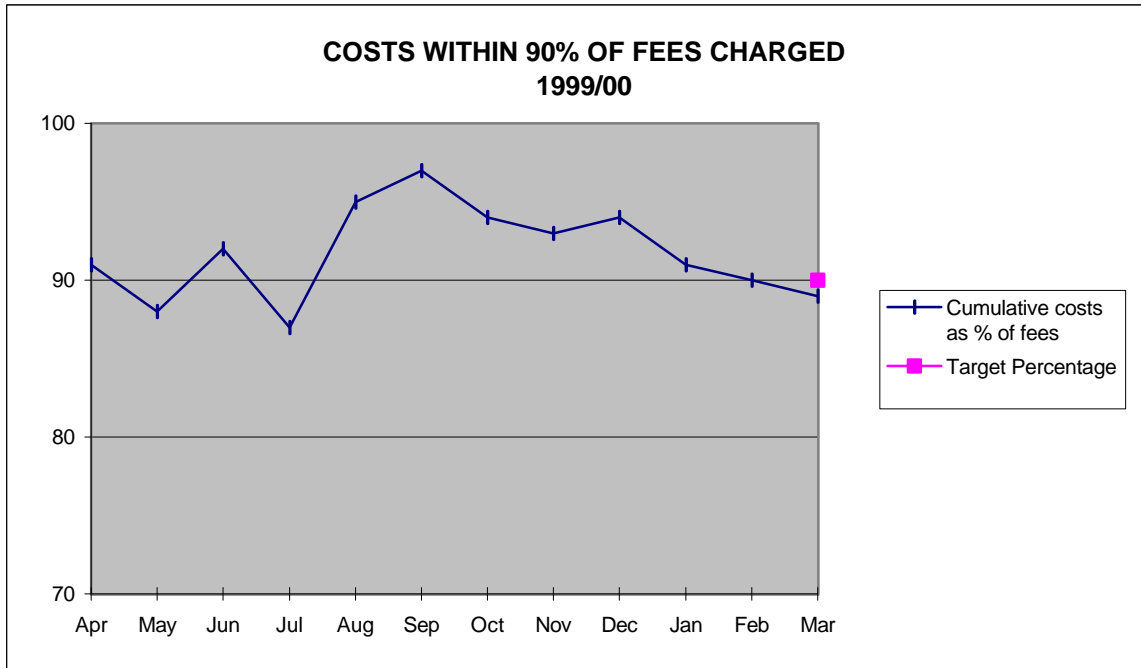
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Cumulative Percentage Achieved	2	2	2	3	3	5	5	5	5	5	5	13
Target Percentage												5

OBJECTIVE:- Reduce overheads within the Division

TASK:- Review procedures and implement cost effective proposals

TARGET:- Identify 5% saving on overheads

COMMENT:- Target achieved



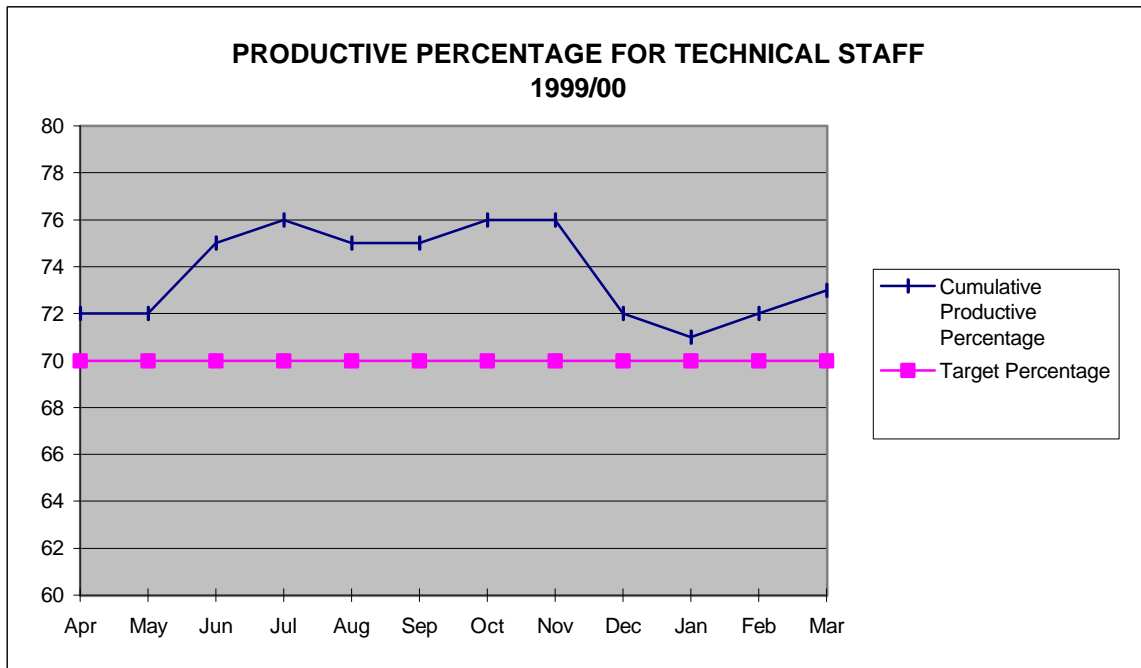
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Cumulative costs as % of fees	91	88	92	87	95	97	94	93	94	91	90	89
Target Percentage												90

OBJECTIVE:- Ensure quality, finance and time targets are set at correct level and are achieved

TASK:- Review fees where appropriate and implement cost effective changes

TARGET:- Costs to be within 90% of Fee charged

COMMENT:- Target achieved



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Cumulative Productive Percentage	72	72	75	76	75	75	76	76	72	71	72	73
Target Percentage	70	70	70	70	70	70	70	70	70	70	70	70

OBJECTIVE:- Ensure value for money

TASK:- Reduce overheads and fees

TARGET:- Productive/non-productive ratio to be 70/30

COMMENT:- Target achieved