

**AGENDA ITEM NO. 9**

**WARWICK DISTRICT COUNCIL**

TO: HOUSING COMMITTEE -25<sup>TH</sup> JANUARY, 2000  
SUBJECT: EXCELLENCE IS STANDARD - HOUSING'S APPROACH TO BEST VALUE  
FROM: HOUSING

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1. **Purpose of Report**

- 1.1 To seek members support to Housing's proposal to utilise the Business Excellence Model (BEM), now known as the EFQM Excellence Model®, as the means to test and evaluate the Unit's approach to Best Value, as a pilot for the Council as a whole.

2. **Background**

"Best Value is - whatever processes you want to use as an organisation - only a means to an end, not an end in itself"

**Roy Irwin - Chief Inspector, Housing Inspectorate**

"duty to deliver services to clear standards - covering both cost and quality - by the most economic, efficient and effective means available"

**Government definition of Best Value**

- 2.1 The ethos adopted within Housing is that Best Value is not an add on to Service Delivery and approach - it is part and parcel of everything we do. However, up to the present we have no means of justifying that statement apart from the ability to undertake benchmarking exercises on our performance indicators.
- 2.2 The model currently under consideration has been created by the European Foundation for Quality Management (EFQM) and was originally developed in the private sector. The Cabinet Office considers that it is thoroughly appropriate for use by all public sector bodies across the board. Indeed, it was recently amended to take into consideration issues affecting the public sector and the Best Value regime.
- 2.3 The evaluation of the model by the Cabinet Office, shows that it has achieved a great deal in helping managers to assess the strengths and areas for improvement in their organisations, and enables comparison between organisations in both the public and private sectors.
- 2.4 Currently, the model is the Government's preferred approach to benchmarking and has already been adopted by Warwickshire County Council and Solihull Housing.

3. **Specialist Assistance**

- 3.1 The lesson learnt from the Cabinet Office's assessment was that organisations find it difficult to obtain the full benefit of the model unless they have some specialist outside support for the initial stages at least.
- 3.2 Consequently, central contracts have been negotiated with four leading providers for a range of services related to self assessment against the model. The Prices agreed cover assessment, training and materials and as the contracts have been established following the full EC procurement process, any public sector body can "call off" a contract without the need for any further competitive process.
- 3.3 However, we are aware that there are a number of other companies within the market, possibly operating at a more local level, who would claim to offer an equal or better service at equally competitive rates. Consequently, if we were to pursue the model I would propose that we do not confine our external assistance to Cabinet Approved agencies only - as long as the prices obtained were competitive with them and the companies accredited with the EFQM.

#### 4. **The Model**

- 4.1 The EFQM Excellence Model® is represented graphically at appendix 1. It would be true to say that its simplicity hides a very complicated, but comprehensive, assessment process that works on a scoring methodology - each of the 9 criteria being given a total score, with the organisation being assessed within each category.
- 4.2 When an organisation scores low against one of the criteria then that opens up the opportunity to pursue a particular quality initiative that would assist it to lift its performance e.g. Investor in People, CharterMark, ISO 9001 etc.

#### 5. **Assessment Programme**

- 5.1 Appendix 2 illustrates the assessment programme envisaged.
- 5.2 Having perused the marketing information available, and having received specific project proposals, it is anticipated that an assessment programme could be completed, on a phased programme for £10,000 - £15,000. This does not include the Council's internal costs of staff time spent on training or the assessment process. However, it would enable up to 12 members of staff to become fully conversant with the model thus having a knock on benefit for the Council as a whole.
- 5.3 It is anticipated that the assessment process will not only cover front line services, but will enable reviews that are both customer based and thematically focussed i.e. cross cutting. Such an approach is actively encouraged by the Audit Commission Housing Inspectorate as part of their approach to the Best Value inspection programme.

#### 6. **Key Issues Strategies**

- 6.1 Whilst not specifically reflected in the Key Issues Strategy, the Best Value regime is now a statutory obligation on the Council. Further, the current timetable of Fundamental Review brings Housing forward to 2000/01 and the model would allow this to take place within an externally recognised structure.

6.2 The Strategy Team have endorsed the approach suggested, with Housing acting as a “pilot” for the Authority.

## 7. **Recommendation**

7.1 That

- (i) Members approve the EFQM Excellence Model® as the approach taken by Housing to assess its approach to Best Value.
- (ii) In accordance with paragraph 3 of the report, officers be authorised to seek tenders for the provision of advice from properly qualified organisations.
- (iii) The cost of the scheme, estimated to be £15,000, be met from the Housing Best Value reserve.

Derrick S. Dyas  
Head of Housing.

### **Background Papers**

Correspondence with TMS Insight  
Publicity material from other companies  
Public Sector Benchmarking Project - Cabinet Office  
WMLGA - Best Value Assessment Scheme  
Municipal Journals Best Value Handbook  
Planning to Succeed - Audit Commission  
Midlands Excellence

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**Areas in District  
Affected:** All

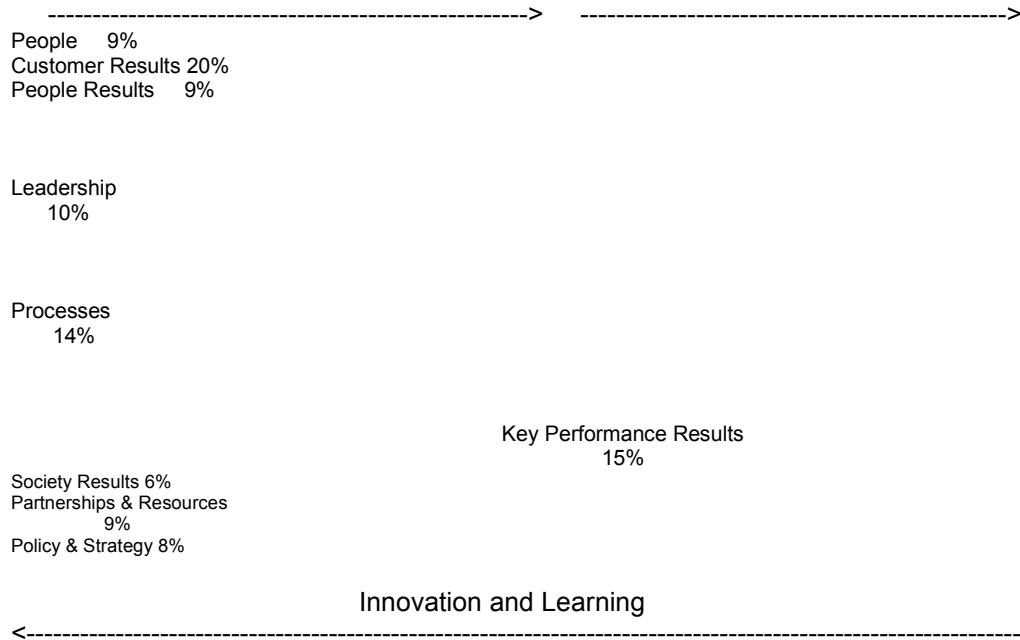
Appendix 1

### **The EFQM Excellence Model**

The EFQM Excellence Model is represented graphically below:

***The EFQM Excellence Model***  
A Driver for Continuous Improvement

Enablers Results



The EFQM Excellence Model consists of 9 criteria and 32 sub-criteria

The EFQM Excellence Model is based on the same Fundamental Concepts as the Business Excellence Model. It also incorporates the logic of **RADAR** . Results, Approach, Deployment, Assessment & Review

The EFQM Excellence Model will be used for the National Awards for the year 2000 onwards.

For Self-Assessment purposes, organisations are encouraged to allocate weightings in accordance with the priorities of their business.

**EFQM Excellence Model**  
**Phased Approach for Housing**

- Phase 1: Introduction, training and development of Key P.I.'s, design of self assessment framework.
- External assistance high
  - Project team trained to European Quality Award Assessor standard - 12 people
  - Further fine tuning of B.U. PI's and development of local P.I.'s.
- Phase 2: Implementation of self assessment programme
- Heavy staff involvement - both project team and others
  - Involvement of external stakeholders
- Phase 3: Scoring, preparation of action plan and presentation of outcomes
- Some external assistance utilised to bring whole exercise together and assist validation.