DWP Central Freedom of Information Team

e-mail: freedom-of-information-xxxxxxx@xxx.xxx.xxx

Our Ref: VTR 3079-IR171

DATE 23 April 2012

Dear J Newman,

Thank you for your email dated 22 March 2012 that was received by the Department for Work and Pensions (DWP) Adelphi and forwarded on 23 March for response by the DWP Medical Services Contracts Correspondence Team (MSCCT).

As DWP MSCCT Freedom of Information Internal Reviewing Officer, I have read your letter and accepted this as a request for an Internal Review of FOI reference 2936-IR98 dated 21 March 2012.

I have therefore conducted a full investigation into your original request to check that the information previously supplied to you, clearly and accurately answered your request. I have also reviewed any decisions to withhold information and in doing so I have fully considered the public interest in disclosure.

You asked for:-

Dear Department for Work and Pensions,

I am writing to request an internal review of Department for Work and Pensions's handling of my FOI request 'Atos Costs - 04/11 to 03/12'.

There may be a misunderstanding here. I fully understand that the ACTUAL expenditure for 2011/12 will not be known until the year closes on 31/3 and the figure has been verified, but this is not what I am asking for which is:

- 1) The budget for the year 11/12. This would have been agreed in April 2011 for the full year and will not have changed since. It will have been based on a number of assumptions which may or may not have proved correct and it is these deviations that will inform the explanation of why the actual cost might be different. By definition, once set it cannot be changed, so there is no logical reason why it should be a secret.
- 2) Full year forecast/outturn. As the year progressed and monthly actual costs became progressively available the estimated cost for the full year will have been regularly updated to a figure which may or may not have been in line with the original budget. Again, there is no logical reason why the latest forecast should be a secret as it would have been audited at the time it was generated and it is what it is by definition it too cannot be amended retrospectively.

Both figures will have been in existence for a time, will have been audited on publication and will be the same now as they were then – no further auditing needed

In reviewing your request I uphold the decision of the Freedom of Information Officer in part and have added below information where appropriate. I am therefore satisfied now that all the information that DWP are able to supply to you has been supplied.

In answer to **Q 1** both budgets and forecasts are regularly reviewed internally, budgets are reviewed quarterly and forecasts are reviewed monthly and both can and do change during the year. Audits are not undertaken on budgets or forecasts on a regular basis.

In reviewing this decision I also find that the information relating to the budgets and forecasts is commercially sensitive, and that the release of this information would, or would be likely to, prejudice the current and future commercial interests of Atos Healthcare and DWP. This in turn would prejudice the ability of the Department to secure best value for the taxpayer when the contract is re-tendered. Release of this type of key financial information would also undermine the effectiveness of the Department's future dealings with Atos Healthcare or other service providers which is also not in the public interest.

I am satisfied that section 43(2) of the Freedom of Information Act is properly engaged and, for the reasons explained above, find that the public interest in maintaining the exemption outweighs the public interest in disclosure.

In reply to **Q 2** audits are undertaken on a regular basis of the actual expenditure figures. The final end of year audits on the actual contract costs for the provision of medical services in 2011/12 are still being undertaken and on completion of managerial and National Audit Office checks this information will be published.

The figures are therefore exempt for release under Section 22 of the Freedom of Information Act as the information is due for future publication. In applying this exemption the Department has balanced the public interest in withholding the information against the public interest in disclosing the information and consider there is no overarching public interest argument in favour of releasing this information. This figure not only covers the total number of assessments undertaken across all benefits, but also costs relating to written and verbal medical advice, fixed overheads, administrative costs, investment in new technology and other service improvements.

If you have any queries about this response, please contact me quoting the reference number above.

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| DWP Central Fol Team | |
| Yours sincerely, | |

Your right to complain under the Freedom of Information Act

 11, John Adam Street, London WC2N 6HT. Any review request should be submitted within two months of the date of this letter.

If you are not content with the outcome of the internal review you may apply directly to the Information Commissioner's Office for a decision. Generally the Commissioner cannot make a decision unless you have exhausted our own complaints procedure. The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow Cheshire SK9 5AF www.ico.gov.uk