

To J Newman  
C/o request- request-110473-626cd6c0@whatdotheyknow.com

DWP Central Freedom of Information Team

e-mail: [freedom-of-information-request@dwp.gsi.gov.uk](mailto:freedom-of-information-request@dwp.gsi.gov.uk)

Our Ref: VTR 3077-1274

DATE 19 June 2012

Dear J Newman,

Thank you for your Freedom of Information request that was received by the Department for Work and Pensions (DWP) Adelphi on 21<sup>st</sup> of March 2012 and forwarded on for response by DWP Medical Services Contracts Correspondence Team (MSCCT) Freedom of Information Officer. Please accept my apologies for the delay in replying.

In your email you asked to be provided with information answering the following questions:-

Dear Department for Work and Pensions,

*On 20/03/2012, Chris Grayling said in the HoC:*

*"Since May 2010, DWP has undertaken activity to drive down Atos Healthcare costs which has achieved Value for Money (VfM) savings. The VfM savings achieved are set against a backdrop of increased volumes and the delivery of IB Reassessment, which started in April 2011. The activities to achieve these savings have included the negotiation of better deals for contract changes to reduce the price paid." (Hansard source Citation: HC Deb, 20 March 2012, c635W)*

*Please provide evidence of the £ value of the VfM savings he claims, including how they have been calculated.*

This table provides a quarterly breakdown of the value for money achievements since April 2010 to the latest available quarter, split between cash savings and non-cash value added.

	2010-11 Q1 (Apr - Jun)	2010-11 Q2 (Jul - Sep)	2010-11 Q2 & Q3 (Oct - Dec)	2010-11 Q4 (Jan - Mar)	2011-12 Q1 (Apr - Jun)	2011-12 Q2 (Jul - Sep)
TOTAL SAVINGS	9,538,333	8,631,374	7,665,798	11,441,847	7,799,083	9,702,239

The calculations include one time and ongoing savings achieved through direct negotiations with the supplier in respect of the introduction of Employment and Support Allowance; the extension of the Medical Services Contract; improvements to IT and IT security; improvements

to the Virtual Contact Centres; reduction of the cost of medical personnel; savings resulting from the introduction of a new service in respect of osteoarthritis of the knee in miners and savings in respect of the Harrington Report requirements.

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

Yours sincerely,

DWP Central Fol Team

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### **Your right to complain under the Freedom of Information Act**

If you are not happy with this response you may request an internal review by e-mailing [freedom-of-information-request@dpw.gsi.gov.uk](mailto:freedom-of-information-request@dpw.gsi.gov.uk) or by writing to DWP, Central Fol Team, Caxton House, Tothill Street, SW1H 9NA. 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](http://www.ico.gov.uk)