

NORTH WEST SPECIALISED COMMISSIONING GROUP

Supplementary submission – relating to savings made under the frameworks

This submission is made in support of the briefing paper submitted on 16 June 2010 and further to the questions raised by the Co-operation and Competition Panel in the meeting held on 17 June 2010. At the meeting Ms Carstensen enquired whether the savings claimed by the North West Specialised Commissioning Group under the two sets of framework agreements (for low Secure Services for Women in the NW & North West Secure Services) might not be attributable specifically to the use of the frameworks but rather to the greater use of block contracts, which could just as easily be made outside of the framework.

1. The annual cost savings forecast in the table below are directly attributable to the lots contained within the frameworks in question and relate to occupied bed nights only.

Lot	Savings (£)
1	*
2	*
3	*
4	*
5	*
Total	£808,618.00

* With held on grounds of confidentiality

The estimated saving over the length of the frameworks is therefore circa £3.25 million. These direct cost savings are all specifically attributable to the frameworks.

2. In addition to the direct cost savings described above, the elimination of specialising costs through their inclusion in the prices quoted by bidders in the frameworks is (as at June 2010) forecast to produce an annual cost avoidance of circa £1 million compared to the 2009/10 out turn. This has the potential therefore to equate to circa £4 million over the course of the frameworks.

3. Opportunity costs can also be attributed to the management time spent in finding individual placements, often late into the evenings following court closures. Whilst this is difficult to quantify, benefits are apparent in ensuring the health and wellbeing of staff and restoring the work life balance.

North West Specialised Commissioning Group
16 July 2010