

Handout 2: NMS Awards from 1st October 07

Contract Award in 06/07:

Welfare Benefits	550 hours	£30,000
Debt	550 hours	£30,000
Total	1100 hours	£60,000 (inc VAT)

Performance in 06/07

Welfare Benefits	440 hours	40% of total
Debt	550 hours	50% of total
Level 1	110 hours	10% of total
Total	1100 hours	100% - overall performance

Calculating NMS Award

Welfare Benefits was paid at 40% of £60,000 = £24,000

Debt was paid at 50% of £60,000 = £30,000

£6,000 was paid for level 1 work of which can be apportioned as follows:

$£24,000 + £30,000 = £54,000$

$£24,000 / £54,000 = 44.44\%$ of £6,000 for Welfare Benefits = £2,666.40

$£30,000 / £54,000 = 55.55\%$ of £6,000 for Debt = £3,333.60

The number of NMS awarded will be determined by the above category fund spend, divided by the fixed fee, and rounded to the nearest whole figure.

WB:

$£24,000 + £2,666.40 = £26,666.40$

The Fixed Fee in WB is £192.70 (inc VAT);

Total NMS award will be $£26,666.40 / £192.70 = 138$ (p.a.)

Debt:

$£30,000 + £3,333.60 = £33,333.60$

The Fixed Fee in Debt is £230.30 (inc VAT);

Total NMS award will be $£33,333.60 / £230.30 = 145$ (p.a.)