

Revised Notional Net Pay Procedures

Estimated Client Contribution

I am writing to advise you of updates to the existing Notional Net Pay Purchase Order arrangements *designed to increase cash flow for providers*.

For new placements made after 6th April 2020, the Notional Net Pay Adjustment will be replaced by an Estimated Client Contribution element which reflects the minimum contribution a client may make based on basic benefit levels.

The rates will be as follows:

Over pension age: £148.85 per week

Under pension age: £84.40 per week

Please arrange to collect the Estimated Client Contribution amount from your client (together with any third party on the remittance) as this will improve cash flow and minimise the build-up of arrears for your business. As soon as the financial assessment has been completed and verified you will be advised of any adjustment required. In most cases this will mean that providers will only have to manage the difference between what has been paid and what is due. It also means that whilst the financial assessment is being processed, providers will receive the full placement amount, regardless of the split between the council and client.

New clients will be advised to pay the Estimated Client Contribution (together with any third party) pending completion of the financial assessment. Clients will be advised that on completion of a verified assessment, that they must pay any additional amount, including top-ups, directly to the provider. If we find that the client is not eligible for funding support we will advise the provider and client of the need to make arrangements to pay fees privately.

We will also investigate instances where there are existing Notional Net Pay Adjustments and consider converting them to the revised arrangements on a case by case basis.

If you have any queries please contact your *link officer* in the Financial Assessment & Charging Team.