

TO	SOCIAL WORK COMMITTEE		SUBJECT	1997/98 BUDGET MONITORING
FROM	DIRECTOR OF FINANCE			PERIOD 1/4/97 - 01/02/98
DATE	17/02/98	Ref. : PH		SOCIAL WORK

Introduction

I enclose the Budgetary Control Report for the period 1 April 1997 to 1 February 1998. The report provides a comparison of actual expenditure and income against estimated expenditure and income and provides explanations of the more significant variations.

Summary of Budget Variances

The Net Expenditure for the period shows an overspend of £392,717 or -1% of the budget to date. The major reason for the variance is the cost of the Voluntary Redundancy Scheme amounting to £780,405.

The Department have instigated a major savings exercise to compensate for the staff costs incurred as a result of these Early Retiral Payments and other overspends. Savings have been instigated primarily in the the areas of Residential Homes for Children and The Elderly as well as within specific projects for the handicapped. This has been achieved through a programme of rationalisation within the department.

The total savings made by The Department to 1 February 1998 are £850,000 and these are explained in detail in the report.

The major variances , as detailed within the attached pages , can be summarised as follows :-

Major Areas of Overspend

	£	£
1. <u>Employee Costs</u>		<u>1,784,054</u>

There has been a number of Early Retirals within the Operations and Care of the Elderly Divisions. The cost of these Early Retirals, together with the overspend on Home Help wages as a result of the increased number of clients being cared for within the community, account for the majority of the overall overspend in this area. Other areas of departmental staff costs are currently being investigated to ensure that expenditure remains within budget. In addition, the current superannuation contribution is in excess of the annual estimate and this is also contributing to the adverse variance. Savings have been instigated in the areas of Childcare and Care of the Elderly, these form part of a major savings exercise designed to compensate for the costs incurred as a result of early retiral payments.

The total variance can be analysed as follows;

Cost of Early Retirals	939,329
Home Help Service	395,504
Staff Overspends due to Budget Realignments and Temporary Cover for Sickness Absence	240,000
Community Alarm System Insufficient Budget	68,832
Superannuation contribution in excess of budget	443,821
Savings in the area of Childcare	(125,000)
Savings in the area of Elderly Care	<u>(178,432)</u>
	<u>1,784,054</u>

Major Areas of Overspend (cont'd)

£ £

2. Administration69,776

The overspend is due largely to increased expenditure in the area of telephone expenses. This area is projected to be overspent due to the installation of new systems at two of the six area teams. This area will be closely monitored by the department.

£ £

Major Areas of Underspend1. Property Costs24,787

The main reason for the underspend in this area is the timing of the receipt of invoices in relation to Aids and Adaptations for the handicapped. The budget for this is expected to be fully utilised in this financial year.

2. Supplies and Services135,534

The underspend in this area is due to slippage incurred in the area of Day Opportunities for those clients with learning disabilities. This is a result of a savings programme instigated by the department.

3. Payments to Other Bodies1,138,609

The underspend in this area is due to fewer elderly people being cared for in Residential Homes than budgeted and a greater proportion of clients being cared for within the community. In addition, there has been slippage in the payments to Voluntary Organisations in the areas of Mental Health and Learning Disabilities, due to the instigation of the savings programme.

3. Income226,054

The main reasons for the over-recovery in Income is the receipt of higher tranches of grants for Offenders Services as well as the increased income in the area of Residential Care for the Elderly.

Recommendations

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The committee note the contents of this report.

Director of Finance

FINANCIAL MONITORING REPORT

1 April 1997 To 1 February 1998

COMMITTEE : SOCIAL WORK

TOTAL

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE	
					(6)	% (7)
£			£	£	£	
31,569,194	1.	EMPLOYEE COSTS	26,157,072	27,941,126	(1,784,054) Overspend	-7%
3,859,025	2.	PROPERTY COSTS	2,123,028	2,098,241	24,787 Underspend	1%
1,331,520	3.	SUPPLIES AND SERVICES	940,940	805,406	135,534 Underspend	14%
2,200,330	4.	TRANSPORT & PLANT	1,006,187	1,067,312	(61,125) Overspend	-6%
499,602	5.	ADMINISTRATION COSTS	419,028	488,804	(69,776) Overspend	-17%
23,247,676	6.	PAYMENTS TO OTHER BODIES	17,909,529	16,770,920	1,138,609 Underspend	6%
1,424,314	7.	OTHER EXPENDITURE	447,508	451,854	(4,346) Overspend	-1%
1,730,170	8.	CAPITAL FINANCING CHARGES	-	-	- -	-
120,000	9.	INTEREST ON REVENUE BALANCES	-	-	- -	-
2,129,910	10.	APPORTIONED EXPENSES	141,000	139,400	1,600 Underspend	-
68,111,741	10.	TOTAL EXPENDITURE	49,144,292	49,763,063	(618,771) Overspend	-1%
9,411,350	11.	INCOME	5,665,778	5,891,832	226,054 Over-recovered	4%
58,700,391	12.	NET EXPENDITURE	43,478,514	43,871,231	(392,717) Overspend	-1%

Analysis of the major variances are on pages 4 - 15

FINANCIAL MONITORING REPORT

1 April 1997 To 1 February 1998

COMMITTEE : SOCIAL WORKDIVISION: OPERATIONS & SERVICING

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE	
					(6)	% (7)
£			£	£	£	
11,662,951	1.	EMPLOYEE COSTS	10,060,477	10,578,629	(518,152) Overspend	-5%
1,748,382	2.	PROPERTY COSTS	619,047	615,540	3,507 Underspend	1%
160,750	3.	SUPPLIES AND SERVICES	101,773	105,654	(3,881) Overspend	-4%
634,716	4.	TRANSPORT & PLANT	520,120	588,209	(68,089) Overspend	-13%
330,765	5.	ADMINISTRATION COSTS	290,408	370,572	(80,164) Overspend	-28%
716,720	6.	PAYMENTS TO OTHER BODIES	555,720	540,270	15,450 Underspend	3%
395,294	7.	OTHER EXPENDITURE	135,816	128,254	7,562 Underspend	6%
1,730,170	8.	CAPITAL FINANCING CHARGES	-	-	-	-
120,000	9.	INTEREST ON REVENUE BALANCES	-	-	-	-
2,129,910	10.	APPORTIONED EXPENSES	141,000	139,400	1,600 Underspend	-
19,629,658	11.	TOTAL EXPENDITURE	12,424,361	13,066,528	(642,167) Overspend	-5%
4,868,710	12.	INCOME	3,561,795	3,510,523	(51,272) Under-recovered	-1%
14,760,948	13.	NET EXPENDITURE	8,862,566	9,556,005	(693,439) Overspend	-8%

See Page 5 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : OPERATIONS AND
SERVICING

£

£

1. Employee Costs**518,152 Overspend**

The variance can be summarised as follows:

Cost of Early Retiral Scheme	222,013
Net effect of Pension Increases not budgeted for	11,863
Superannuation contribution rate in excess of budget	<u>284,276</u>
	<u>518,152</u>

A number of staff within the Operations Division have taken advantage of the Early Retiral Scheme and the costs are shown in this area. In addition, the current superannuation contribution is in excess of the annual estimate and this is contributing to the adverse variance.

2. Transport Costs**68,089 Overspend**

The overspend is due to an overspend in the area of staff travel and subsistence. Due to a savings programme instigated, the budgeted expenditure has reduced but the level of staff usage has remained at a constant level in order to maintain levels of service.

3. Administration Costs**80,164 Overspend**

The overspend is in the area of telephone expenses. The area team office in Cumbernauld has been refitted with a new telephone exchange system and while the expenditure of £20,000 approx. will be capitalised, there will be a projected overspend in the area after installation of new telephone systems within area offices.

4. Income**51,272 Under - recovered**

The under - recovery is due to the timing of receipt of Social Work Grant. This area however, is projected to be in line with budget.

FINANCIAL MONITORING REPORT

1 April 1997 To 1 February 1998

COMMITTEE : SOCIAL WORK

DIVISION: RA CHILDREN

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE		
					(6)	(7)	
£			£	£	£		
2,188,153	1.	EMPLOYEE COSTS	1,602,532	1,538,809	63,723	Underspend	4%
233,545	2.	PROPERTY COSTS	114,914	110,486	4,428	Underspend	4%
209,430	3.	SUPPLIES AND SERVICES	139,494	129,170	10,324	Underspend	7%
21,920	4.	TRANSPORT & PLANT	17,444	27,895	(10,451)	Overspend	-60%
25,824	5.	ADMINISTRATION COSTS	19,858	23,480	(3,622)	Overspend	-18%
2,213,890	6.	PAYMENTS TO OTHER BODIES	1,833,700	1,851,767	(18,067)	Overspend	-1%
3,160	7.	OTHER EXPENDITURE	-	-	-	-	-
-	8.	CAPITAL FINANCING CHARGES	-	-	-	-	-
-	9.	INTEREST ON REVENUE BALANCES	-	-	-	-	-
-	10.	APPORTIONED EXPENSES	-	-	-	-	-
4,895,922	11.	TOTAL EXPENDITURE	3,727,942	3,681,607	46,335	Underspend	1%
4,870	12.	INCOME	3,745	7,803	4,058	Over-recovered	108%
4,891,052	13.	NET EXPENDITURE	3,724,197	3,673,804	50,393	Underspend	1%

See Page 7 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : RA CHILDREN

£

£

1. Employee Costs**63,723 Underspend**

Salaries & Wages

Overspend in Care Staff

61,277

less Underspend re Leslie Street Home

125,000(63,723)

There is an overspend in care staff in this area due to the employment of additional specialised staff to deal with a difficult client group and also the employment of temporary staff to cover for permanent staff on sickness absence. However, this is offset by an underspend in staff costs due to the planned opening of a new children's home in Leslie Street Motherwell not going ahead this financial year. This is resulting in substantial savings in the area of childcare.

2. Payments to other Bodies**18,067 Overspend**

The overspend in this area is made up of a number of factors. Underspends in areas of residential childcare within the North Lanarkshire Area are offset by overspends partly due to incorrect budget phasing but more importantly due to the increasing cost of childcare payments such as adoption and fostering payments. This has resulted in the reported overall overspend of £18,067.

FINANCIAL MONITORING REPORT

1 April 1997 To 1 February 1998

COMMITTEE : SOCIAL WORK

DIVISION: RA ELDERLY

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE		
					£	£	
£ 4,539,828	1.	EMPLOYEE COSTS	£ 3,718,675	£ 4,107,320	(388,645)	Overspend	-10%
701,185	2.	PROPERTY COSTS	575,198	572,598	2,600	Underspend	0%
119,910	3.	SUPPLIES AND SERVICES	74,211	73,050	1,161	Underspend	2%
47,087	4.	TRANSPORT & PLANT	13,674	10,483	3,191	Underspend	23%
24,899	5.	ADMINISTRATION COSTS	19,147	15,458	3,689	Underspend	19%
10,525,010	6.	PAYMENTS TO OTHER BODIES	8,122,275	7,506,301	615,974	Underspend	8%
41,050	7.	OTHER EXPENDITURE	40,000	67,101	(27,101)	Overspend	-68%
-	8.	CAPITAL FINANCING CHARGES	-	-	-	-	-
-	9.	INTEREST ON REVENUE BALANCES	-	-	-	-	-
-	10.	APPORTIONED EXPENSES	-	-	-	-	-
15,998,969	11.	TOTAL EXPENDITURE	12,563,180	12,352,311	210,869	Underspend	2%
1,240,580	12.	INCOME	954,005	1,144,151	190,146	Over-recovered	20%
14,758,389	13.	NET EXPENDITURE	11,609,175	11,208,160	401,015	Underspend	3%

See Page 9 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : RA ELDERLY

£

£

1. Employee Costs**368,645 Overspend**

Cost of Early Retirals

547,077

less Savings re slippage in projects

178,432368,645

The overspend in this area relates to costs incurred for early retirals as a result of the closure of two Residential Homes for the Elderly - Merrystone House and Kennilworth House. In addition, there are staff costs incurred in 1997/98 for these homes which were due to close on 1st April 1997 but in fact remained open into this financial year.

2. Payments to Other Bodies**615,974 Underspend**

The variance relates to savings made within Residential Accommodation in a number of areas. More clients are being cared for within the community in these areas and this is borne out by the overspend shown in the area of Home Help wages. In addition, there has been slippage in the area of advocacy for the elderly, this is a project designed to provide training and assistance to carers who will liaise with the department on behalf of the client. There are also savings associated with the Homecare Review projects which coordinate and aid the systems which provide care for the elderly. The slippage is a result of the savings programme instigated by the department.

FINANCIAL MONITORING REPORT

1 April 1997 To 1 February 1998

COMMITTEE : SOCIAL WORKDIVISION: RA LEARNING
DISABILITIES

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE	
					(6)	(7)
£			£	£	£	
414,154	1.	EMPLOYEE COSTS	336,707	372,237	(35,530) Overspend	-11%
48,763	2.	PROPERTY COSTS	37,571	36,794	777 Underspend	2%
184,760	3.	SUPPLIES AND SERVICES	142,082	21,188	120,894 Underspend	85%
1,340	4.	TRANSPORT & PLANT	1,089	1,325	(236) Overspend	-22%
3,188	5.	ADMINISTRATION COSTS	2,453	1,839	614 Underspend	25%
3,982,230	6.	PAYMENTS TO OTHER BODIES	3,136,616	3,134,308	2,308 Underspend	-
891,320	7.	OTHER EXPENDITURE	46,257	41,556	4,701 Underspend	10%
-	8.	CAPITAL FINANCING CHARGES	-	-	- -	-
-	9.	INTEREST ON REVENUE BALANCES	-	-	- -	-
-	10.	APPORTIONED EXPENSES	-	-	- -	-
5,525,755	11.	TOTAL EXPENDITURE	3,702,775	3,609,247	93,528 Underspend	3%
69,210	12.	INCOME	53,222	59,542	6,320 Over-recovered	12%
5,456,545	13.	NET EXPENDITURE	3,649,553	3,549,705	99,848 Underspend	3%

See Page 11 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : RA LEARNING
DISABILITIES

£

£

1. Employee Costs**35,530 Overspend**

The overspend is a result of the employment of additional staff to deal with a specialised client group and also the employment of temporary staff to cover for permanent staff on sickness absence.

2. Supplies and Services**120,894 Underspend**

The underspend in this area is due to slippage incurred in the area of Day Opportunities for those clients with learning disabilities. This is a result of the savings programme instigated by the Department.

FINANCIAL MONITORING REPORT**1 April 1997 To 1 February 1998**COMMITTEE : **SOCIAL WORK**DIVISION: **HOME HELP SERVICE**

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE	
					(6)	(7)
£			£	£	£	
5,804,407	1.	EMPLOYEE COSTS	4,672,955	5,068,459	(395,504) Overspend	-8%
-	2.	PROPERTY COSTS	-	-	- -	-
7,210	3.	SUPPLIES AND SERVICES	5,545	5,676	(131) Overspend	-2%
203,742	4.	TRANSPORT & PLANT	162,057	149,231	12,826 Underspend	8%
360	5.	ADMINISTRATION COSTS	277	1,438	(1,161) Overspend	-
279,000	6.	PAYMENTS TO OTHER BODIES	209,250	209,045	205 Underspend	0%
-	7.	OTHER EXPENDITURE	-	-	- -	-
-	8.	CAPITAL FINANCING CHARGES	-	-	- -	-
-	9.	INTEREST ON REVENUE BALANCES	-	-	- -	-
-	10.	APPORTIONED EXPENSES	-	-	- -	-
6,294,719	11.	TOTAL EXPENDITURE	5,050,084	5,433,849	(383,765) Overspend	-8%
1,239,350	12.	INCOME	953,060	1,016,520	63,460 Over-recovered	7%
5,055,369	13.	NET EXPENDITURE	4,097,024	4,417,329	(320,305) Overspend	-8%

See Page 13 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : HOME HELP SERVICE

£

£

1. Employee Costs**395,504 Overspend**

The variance is largely made up of the following:

Manual workers wages	298,303
Superannuation Contribution Rate in excess of Budget	63,826
Cost of Early Retirals	<u>33,375</u>
	<u>395,504</u>

The overspend relates to Home Help wages and the cost of Early Retirals. Home Help wages are overspent because a greater proportion of clients are cared for within the community. However, this overspend is being offset by a reduction in the cost of Residential Accommodation for the elderly. It is anticipated that the overspend will be met by a transfer of Community Care resources. In addition, area teams are reviewing client needs to ensure that the level of services being provided are commensurate with client needs.

This division has also had to bear costs relating to staff taking advantage of the Early Retiral Scheme.

2. Income**63,460 Over-recovery**

The over-recovery of income is due to staff maximising the income of clients before instigating a new charging policy which will increase the income from the Home Help Service. The budget phasing in this period is slightly behind actual however in this area, and the over-recovery will reduce towards the end of the financial year.

FINANCIAL MONITORING REPORT

1 April 1997 To 1 February 1998

COMMITTEE : SOCIAL WORK

DIVISION: OTHER SOCIAL WORK SERVICES

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE	
					(6)	(7)
£			£	£	£	
6,959,701	1.	EMPLOYEE COSTS	5,765,726	6,275,672	(509,946) Overspend	-9%
1,127,150	2.	PROPERTY COSTS	776,298	762,823	13,475 Underspend	2%
649,460	3.	SUPPLIES AND SERVICES	477,835	470,668	7,167 Underspend	1%
1,291,525	4.	TRANSPORT & PLANT	291,803	290,169	1,634 Underspend	-
114,566	5.	ADMINISTRATION COSTS	86,885	76,017	10,868 Underspend	13%
5,530,826	6.	PAYMENTS TO OTHER BODIES	4,051,968	3,529,229	522,739 Underspend	13%
93,490	7.	OTHER EXPENDITURE	225,435	214,943	10,492 Underspend	5%
-	8.	CAPITAL FINANCING CHARGES	-	-	- -	-
-	9.	INTEREST ON REVENUE BALANCES	-	-	- -	-
-	10.	APPORTIONED EXPENSES	-	-	- -	-
15,766,718	11.	TOTAL EXPENDITURE	11,675,950	11,619,521	56,429 Underspend	0%
1,988,630	12.	INCOME	139,951	153,293	13,342 Over-recovered	10%
13,778,088	13.	NET EXPENDITURE	11,535,999	11,466,228	69,771 Underspend	1%

See Page 15 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : SOCIAL WORKDIVISION : OTHER SOCIAL
WORK SERVICES

£

£

1. Employee Costs**509,946 Overspend**

The overspend in staff costs is due to a number of factors. Firstly, in the divisions of Intermediate Treatment Units and Other Services Children, staff expenditure has been processed through the actual divisions while the budget is held at area team level. This is being addressed by the department. Also, overspends in the divisions of Day Centres for the elderly and the physically and sensory handicapped are a result of staff regradings as well as the provision of temporary staff to cover for sickness absence. Other areas such as the operation of the Community Alarm System have received insufficient disaggregated budgets. In addition, in this period there has been a charge to Social Work for manual workers involved in the operation of ex-Urban Aid Projects such as the Domiciliary Response Team and the Disabled Laundry Service.

2. Property Costs**13,475 Underspend**

This underspend is due largely to the underspend on Aids and Adaptations in the 'Other Handicapped Services' division. This is a result of timing of the receipt and payment of invoices. The budget will be fully expended in this financial year.

3. Payments to Other Bodies**522,739 Underspend**

The underspend in this area is due to a slow rate of payments to voluntary organisations in the areas of Physically and Sensory Handicapped and List D Schools. In addition, there has been slippage in the payments to Voluntary Organisations in the areas of Mental Health and Learning Disabilities due to the savings programme instigated by the Department.

4. Other Expenditure**10,492 Underspend**

The underspend is due to the slow rate of expenditure on The Independant Living Fund. This area is expected to be fully expended by the year end.

REPORT

TO	SOCIAL WORK COMMITTEE		Subject : REVENUE BUDGET MONITORING REPORT PERIOD 1/4/97 TO 01/02/98 SOCIAL WORK DEPARTMENT SHELTERED WORKSHOP
FROM	DIRECTOR OF FINANCE		
DATE	17/02/98	Ref. : JM/CP	

Introduction

I enclose the Budgetary Control Report for period 1 April 1997 to 1 February 1998.
The report provides a comparison of actual expenditure and income against estimated expenditure and income.

Summary of Budget Variances

The net expenditure position for the period shows an overspend of £13,120 or 8% of the cumulative budget to date.

The major variance can be explained as follows:-

Major Area of Overspend

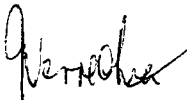
£

Supplies and Services**24,818**

The reason for the overspend in this area is due to the higher than anticipated level of refurbishment work carried out by the workshop in the latter part of the financial year. There has been a high level of activity in the area of refurbishment of the Residential Homes within North Lanarkshire and purchases of materials and new machinery have been necessary. This expenditure will however be offset in the remaining months of the financial year by an increased level of billing for work done and by the receipt of grant money from CEPACS in relation to the new machinery.

Recommendation

The committee note the contents of this report.



Director of Finance

FINANCIAL MONITORING REPORT

1 April 1997 To 1 February 1998

COMMITTEE : SOCIAL WORK

SERVICE : SHELTERED WORKSHOPS

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE (6)	% (7)
278,190	1.	EMPLOYEE COSTS	232,392	228,190	4,202 Underspend	-2%
12,750	2.	PROPERTY COSTS	10,788	10,702	86 Underspend	-1%
86,200	3.	SUPPLIES AND SERVICES	86,200	111,018	(24,818) Overspend	29%
30,000	4.	TRANSPORT & PLANT	3,000	2,547	453 Underspend	-15%
3,500	5.	ADMINISTRATION COSTS	3,000	2,717	283 Underspend	-9%
125,000	6.	PAYMENTS TO OTHER BODIES	64,500	60,292	4,208 Underspend	-
-	7.	OTHER EXPENDITURE	-	-	- -	-
26,390	8.	CAPITAL FINANCING CHARGES	-	-	- -	-
400	9.	INTEREST ON REVENUE BALANCES	-	-	- -	-
562,430	10.	TOTAL EXPENDITURE	399,880	415,466	(15,586) Overspend	4%
404,470	11.	INCOME	237,500	239,966	2,466 Over-recovery	-1%
157,960	12.	NET EXPENDITURE	162,380	175,500	(13,120) Overspend	8%

See Page 3 for variance analysis

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE:

SOCIAL WORK

SHELTERED WORKSHOP
(BELTANE)£24.818 Overspend1. Supplies and Services

The overspend in this area is due to two main factors. Firstly, the increased purchase of materials. The workshop has taken on more refurbishment work than originally anticipated. It has been heavily involved in the refurbishment of Residential Homes within North Lanarkshire and has subsequently been required to purchase such additional materials as fabric for curtains and upholstery in order to meet demand. However, this additional expenditure will be compensated in the last periods of the financial year by an increase in billing for work completed.

A further reason for the high level of expenditure in supplies is the purchase of additional machinery to cope with the increased workload and to provide a quality product. This expenditure is grant funded by CEPACS and consequently, in the final months of the financial year, income will increase as grant monies are received.