

Angus Council

Medium Term Budget Strategy 2018/19 to 2020/21 Update (General Fund Services)



Angus Council Medium Term Budget Strategy
2018/19 to 2020/21 Update

Table of Contents

	Page
Section 1 – Background & Need For A Medium Term Budget Strategy	2
Section 2 - Revenue Budget Financial Projections (2018/19 – 2020/21)	3
Section 3 – Bridging the Projected Funding Gap	8
Section 4 - Capital Budget Financial Projections (2018/19 – 2021/22)	11
Section 5 – Conclusions	13

SECTION 1 – BACKGROUND & NEED FOR A MEDIUM TERM BUDGET STRATEGY

- 1.1 As a matter of good business practice all organisations should plan ahead in order to achieve their objectives. The first medium term financial strategy covering the period 2010/11 to 2013/14 was approved by the Council at its meeting on 25 June 2009 (report 510/09 refers) setting out the financial challenges ahead and began to map out how the Council might meet these challenges through efficiency reviews and cost reduction strategies. A commitment was given to review this strategy annually to give a rolling four year financial strategy to facilitate forward planning.
- 1.2 It has been agreed by the Policy and Budget Strategy Group (PBSG) that both long term and medium term financial planning strategies should be prepared going forward so the medium term strategy will now be referred to as the medium term budget strategy (MTBS) and the longer term plan will be the strategic financial plan. This document is an update to the Strategy which was last agreed and approved in October 2016 (report 371/16 refers).
- 1.3 The need for a medium term budget strategy has been set out in previous strategy documents but it is considered important to emphasise that future service provision in Angus needs to be driven by clear policy objectives so that the limited resources available to the Council can be allocated on a priority based approach. In May 2015 the Council approved the adoption of priority based budgeting (PBB) as the approach to preparation of future revenue budgets. It is recognised that this is difficult to achieve in practice because so many of the Council's services are seen as valuable or essential, but it is essential that the Council continues to build on the work that has already commenced to continue to seek to better align resources to priorities.
- 1.4 Whilst the need for a policy driven approach to resource allocation is undoubtedly the best way forward, the Council must first have an appreciation of the resources and the constraints on those resources which are likely to exist so that policy decisions can be taken on an informed basis.

SECTION 2 - REVENUE BUDGET FINANCIAL PROJECTIONS- UPDATE (2018/19 TO 2020/21)

Purpose of the Projections

- 2.1 The focus of the projections is to identify the main areas of cost pressure over the period of the Budget Strategy and to identify the extent of influence the Council can have on such pressures. The projections also identify the likely gap between the cost of service provision and the resources estimated to be available to provide them in terms of government grant, local taxation, etc.

Background to the Projections

- 2.2 Making financial projections is a difficult exercise for an organisation such as the Council which is subject to unpredictable demands for service, regular changes in legislation and which is funded mostly by government grant. Notwithstanding the very serious challenges which arise from preparing meaningful financial projections over the medium term it is essential this exercise is undertaken to inform future service delivery / efficiency plans.
- 2.3 The projections are based on a detailed review of all of the Council's main costs, incomes and grant funding and as a result of the lack of certainty over many of these it means that the projections have not sought to apply the level of precision and detailed calculation that would normally apply to the preparation of the Council's annual budget. The projections are, rather, based on broader assumptions over what may impact on costs and incomes over the 3 year period. The projections will therefore be subject to significant refinement as part of the annual budget setting processes but they do provide a broad indication of the Council's projected financial position based on the assumptions made.

Assumptions (Baseline Projection)

- 2.4 Medium term budget projections such as those set out in this strategy document are based heavily on assumptions. Changes in these assumptions can have a material effect on the end outcome. The projections make assumptions falling into 3 broad categories:-
- A) Issues which are known about or can reasonably be foreseen which will create upward pressure on costs e.g. pay inflation, PPP commitments, energy costs, etc.
 - B) Issues which can be anticipated as areas of budget risk but where the extent of the risk is uncertain e.g. the cost of the ageing population.
 - C) Issues which could create cost pressures and which are somewhat speculative at this stage but could still be reasonably expected to impact on the Council's costs e.g. waste recycling costs.

2.5 Clearly some assumptions are more material to the end results than others so listed below are the assumptions made on the most material items. All assumptions and costs are based on the 3 year period 2018/19 to 2020/21.

2.6 Pay Inflation & Pressures

Pay awards and other pay related cost pressures are assumed to cost around £9.3 million over the 3 years based on a projected average increase of approximately 1.5% per annum for all categories of employee. The above figure incorporates estimated increases to the Living Wage (including on payments made to Tayside Contracts), and the additional costs for pay increments. These estimates are higher than the UK government's assumptions but seek to balance concerns about affordability and the need to restrict pay inflation, but which recognise that a continuation of the pay restriction may be difficult to achieve through negotiation. Restricting actual pay awards to below the level assumed will close the funding gap projected.

School & Public Transport Costs

2.7 It has been assumed that inflationary and tender price increases will add around £0.470 million to the Council's costs over the 3 years. The projections assume a continuation of current service levels as a starting point.

Third Party Inflation (Excluding IJB)

2.8 The Council commissions services from other providers as an alternative to direct provision by its own staff. Payments to these third parties make up a significant part of the Council's costs, particularly in social care type services. Pay and general inflation will affect third party providers in much the same way as it affects the Council and the cost impact of this will be passed on to the Council in the charges made by third party service providers. Although the Council will require its third party providers to look at their own efficiency so as to minimise the cost impact on the Council it has been assumed that the cost increase will amount to around £1.0million over the 3 year period.

Waste Management Costs

2.9 Net growth of £600,000 (£200,000 per annum) over the 3 year period has been assumed for recycling waste management costs required as part of meeting national targets. A further risk issue facing the Council is the costs associated with the disposal of residual waste. Due to new contract arrangements with a new waste disposal facility an allowance for a potential cost increase of £2.5 million in 2018/19 plus inflation thereafter in this area has been included on the assumption the Council will approve the proposed new contract during September 2017.

Energy Costs

2.10 The Council has been faced with significant rises in energy costs in the past due to market conditions. An overall net increase in the Council's energy budget provision, including street lighting, of £0.4m over the 3 years has therefore been assumed.

Core Government Grant

2.11 This is the single most critical assumption to the projections and in many ways is the most difficult to estimate.

2.12 There is currently no detailed information available with regard to the level of grant support after 2017/18. The UK Chancellor will publish his budget in late November 2017. The Scottish Government will announce the results of its 2017 Spending Review thereafter, with announcements relating to grant allocations to Councils unlikely to be made until November/December.

2.13 In preparing projections of core government grant, regard has been taken of high level announcements made by the UK Government in respect of planned budget cuts to be made by 2020/21 but as yet no information is available with regard to overall Scottish Government funding. **The lack of any real information on future grant allocations means that this element of the financial projections is little more than guesswork**

at this stage and may therefore require to be revisited once the grant information becomes available.

- 2.14 The projections currently assume a 7.0% reduction in core government grant over the 3 years covered by this Strategy. The anticipated reductions in loan charges support grant are in addition to the reductions in core grant applied from 2018/19 to 2020/21.
- 2.15 Based on these projections the Council's revenue grant support is projected to reduce by circa £13.5 million over the 3 year period 2018/19 – 2020/21. It remains a significant risk that government grants will be even more curtailed than those projected if the UK economic recovery is slower than projected by the OBR and given the government's ongoing desire to protect and in some cases increase the resources for other parts of the public sector e.g. NHS. The fact that more than 80% of the Council's funding comes from Government merely serves to emphasise the extent of the financial difficulties which the Council will face in the period ahead.

Council Tax

- 2.16 The projections assume that there will be no Council Tax increase over the 3 years of the strategy on the basis that this will be one of the options (in addition to budget savings) for how part of the funding gap could be bridged. It would not however be appropriate within the financial strategy to speculate about future Council Tax levels as these will be decisions taken on an annual basis based on all relevant factors at that time.
- 2.17 The Council Tax base for Angus increased in 2016 despite the economic climate and the ongoing impact on the housing market. Having regard to this and the fact that the country is expected to continue moving out of recession, the projections assume the tax base will grow by 0.5% in each of the 3 years.

IJB (Demographic Change & Third Party Payments)

- 2.18 This is an area of major concern especially in Older People's Services. Despite our enablement approach and Help to Live at Home project and efficiencies which may be achieved through ongoing service reviews it is recognised that changing demographics will bring additional pressure to adult care services; consequently an allowance of £6.7 million has been assumed over the 3 years towards costs associated with demographic changes and third party inflation.

Other Assumptions

- 2.19 In addition to the above listed main assumptions, further allowance for cost pressures and risks in areas such as PPP commitments, roads and winter maintenance, asset maintenance, etc. have also been made.
- 2.20 Except where indicated otherwise, the projections also assume that service provision levels and methods will remain as at present (2017/18 levels). This means that reductions in service provision levels or new more efficient methods of delivery will help narrow the financial gap identified in Table 1 below.

Projections Summary

- 2.21 The purpose of the projections is to inform future service and budget planning and in particular to try to get an appreciation of the level of future budget savings that will need to be made. Table 1 below provides a high level summary of the projection results based on the assumptions made. The funding gap shown is the amount which would need to be met from a combination of the Change Programme, other measures and by taking budget risks.
- 2.22 It is emphasised that the figures in Table 1 are a baseline projection and that variant projections on an optimistic and pessimistic basis have also been undertaken.

Table 1 – Revenue Budget Financial Projections (2018/19 to 2020/21)

	2018/19 £m	2019/20 £m	2020/21 £m
Total Angus Council Service Expenditure	232.2	232.4	232.6
Capital Financing Costs	14.0	14.6	14.6
Conversion of revenue to Prudential Borrowing	0.6	0.0	0.0
Capital Financed from Revenue	0.0	0.0	0.0
Surplus Local Tax	(0.2)	(0.2)	(0.2)
Pay Award Provision	2.7	2.7	2.7
Apprenticeship Levy	0.7	0.7	0.7
Joint Boards	0.4	0.4	0.4
Use of Balances / Special Funds per existing drawdown strategies	0.0	0.0	0.0
Add Back Specific Grants	3.8	3.8	3.8
Net Expenditure Before Government Grant	254.2	254.4	254.6
Allowance for budget pressures (Category A)*	5.6	10.8	16.0
Allowance for budget pressures (Category B)*	1.3	2.6	3.9
Allowance for budget pressures (Category C)*	2.6	2.9	3.1
Revised Net Expenditure (before Govt. grant)	263.7	270.7	277.6
Less Government Grant	(197.2)	(192.5)	(187.8)
Less Council Tax (assuming no increase in charge)	(50.9)	(51.1)	(51.4)
Total Funding Shortfall (cumulative)*	15.6	27.1	38.4
Total Funding Shortfall (annual)	15.6	11.5	11.3

* figures shown for these items are cumulative

2.23 The projections show a total funding gap of £38.4m over the 3 year period which is equivalent to 17.7% on the 2017/18 budgets, or 5.9% per annum on average. It is worth highlighting that the percentage saving is based on the Council's core net expenditure on services i.e. after removal of the Loan Charges budget, Capital Funded from Current Revenue, Joint Boards, PPP unitary charge payments, Other Services etc. as these budgets are subject to specific arrangements which restricts the ability to apply budget savings

Sensitivity Testing

2.24 A number of sensitivity tests have been applied to the more material estimates and assumptions to provide an optimistic and pessimistic view. The baseline, optimistic view and pessimistic view are presented in Table 2a, 2b and 2c below.

Table 2a – Estimated Funding Gap (Base Projection)

	2018/19 £m	2019/20 £m	2020/21 £m	3 Year Total £m
Funding shortfall	15.6	11.5	11.3	38.4
% age Level of Savings Needed	7.2%	5.3%	5.2%	17.7%

Table 2b – Estimated Funding Gap (Optimistic View)

	2018/19 £m	2019/20 £m	2020/21 £m	3 Year Total £m
Funding shortfall	13.9	8.9	6.1	28.9
% age Level of Savings Needed	6.4%	4.1%	2.8%	13.3%

Table 2c – Estimated Funding Gap (Pessimistic View)

	2018/19 £m	2019/20 £m	2020/21 £m	3 Year Total £m
Funding shortfall	17.8	12.7	12.6	43.1
% age Level of Savings Needed	8.2%	5.9%	5.8 %	19.9%

2.25 It will be noted from Tables 2a, 2b and 2c that the estimated funding gap for the 3 year period ranges from £28.9 million to £43.1 million.

Risk and Issues

2.26 The extent of variation in the results per Tables 2b and 2c may in some ways be surprising but this is a product of the extent to which the financial projections outlined in the financial strategy are so heavily reliant on assumptions particularly government grant levels and pay awards. The sensitivities are therefore essential to understanding the range of possible outcomes for the Council.

2.27 In considering the funding gap and developing a budget strategy, it is essential that the risks inherent in these projections are fully understood. There are number of risks to the projections but three of these are considered to be fundamental risks which members are asked to bear in mind as follows:-

Government Grant

2.28 The Scottish Government will decide how the Scottish Block and tax revenues raised in Scotland is allocated and if, for example, the Government decides, as part of the next Scottish Spending Review, to offer a greater degree of protection to non-local government services such as health this could result in further grant reductions for local authorities, including Angus Council.

Pay Settlement Risk

2.29 The level of pay settlements is a risk in that it could exceed the levels assumed in the projections. The Council is part of national pay bargaining so doesn't decided these alone.

Severance Costs

2.30 The projections make no allowance for severance costs on the assumption that where these arise they can be met from either existing service budgets, the Change Fund or other Council reserves. To achieve the savings projected the Council will have to make further significant reductions in staff employed and substantial severance costs will inevitably arise as a consequence. There is a risk that severance costs could be on a scale that is unaffordable and this may limit the Council's ability to make savings in staff costs. Assessing likely severance costs and how they may be funded will be subject to further work by the PBSG.

Revenue Budget Financial Projections - Conclusions

2.30 The financial projections work included in this financial strategy update builds on the work done in previous years. This exercise continues to be fraught with difficulty because of the reliance on assumptions and the many variables which can affect the figures. Notwithstanding the need to use the projections with caution they do provide a broad indication of the serious financial challenges which Angus Council faces over the next few years. The availability of this information provides a solid and transparent base from which to continue to plan future service provision and set future budgets.

2.31 Under the pessimistic assessment the Council could be faced with a cumulative funding gap between its costs and incomes of as much as £43.1m over the next 3 years. There is simply no prospect of this level of funding gap being met without current service provision being affected of a significant scale.

SECTION 3 – BRIDGING THE PROJECTED FUNDING GAP

Background

- 3.1 The Council is required by statute to set a balanced budget each year and this means that projected gaps in funding in future years present a real and unavoidable problem for the Council which will force members and officers to make difficult and highly challenging decisions out of necessity.

Historically the Council has identified the savings needed to balance its budget by setting percentage targets for each service to achieve. In the last 2 years savings have been identified from a mix of the Transforming Angus programme and other savings services were able to deliver. Reserves had to be used in 2017/18 to fill a remaining gap on a one off basis.

Plans for Addressing the Funding Gap

- 3.2 Addressing the projected funding gap is the biggest challenge the Council faces in the next 3 years. The projected gap will be addressed primarily through the Change Programme which is made up of numerous projects and options as outlined in Report 278/17. At present it is estimated that the programme will achieve savings of £14.951m over the next 3 years. This is well short of the projected funding gap identified in this MTBS as shown in the Table below.

Table 3 – Comparison of Estimated Funding Gap and Estimated Savings from Change Programme

	2018/19 £m	2019/20 £m	2020/21 £m	3 Year Total £m
Funding shortfall (Base Projection)	15.6	11.5	11.3	38.4
Estimated Savings From Change Programme	7.6	4.2	3.1	14.9
Remaining Funding Gap	8.0	7.3	8.2	23.5

- 3.3 Part of the remaining funding gap shown in table 3 could be met from Council Tax increases. A 3% rise per annum would yield circa £4.5m. Such a rise has not been assumed in this MTBS but is clearly an option the Council will have to consider.
- 3.4 The shortfall between current plans in the Change Programme and the latest funding gap projections in part reflects the need to identify further options for change and savings especially in years 2 and 3 of the programme. Given the scale of the challenge it is not unreasonable for Councils to be unsure before Year 1 begins of the detailed means by which the full funding gap over a 3 year period may be bridged. There is however some urgency in identifying the means through which the 2018/19 remaining funding gap will be met given the budget setting for that year is only 6 months away.
- 3.5 The shortfall between the change programme estimated savings as at August 2017 and the projected funding gap will be addressed from a combination of the following measures:-

(1) Additional Change Programme Projects

- 3.6 The Programme will evolve and grow over time as existing projects are completed and new projects are introduced. The primary route through which the remaining funding gap identified in Table 3 above will be addressed will therefore be from new change programme projects which will be identified on a rolling basis.

(2) Increases in Council Tax and Other Fees & Charges

- 3.7 The funding gap projected assumes no increases in Council Tax or other existing fees and charges levied by the Council but these are clearly options which will need to be considered in order to lessen somewhat the effects of savings in service provision. The

scale of the funding gap suggests increases in council tax and fees and charges will be unavoidable but this will be a matter for the Council to decide upon in each year's budget setting process.

- 3.8 In addition to (1) and (2) above the following options may need to be considered as a means of balancing each year's budget.

(3) Savings from Corporate (council-wide) Budgets

- 3.9 The Council's budget is dominated by expenditure incurred by its various directorates in providing services. There are therefore very few "corporate" budgets from which savings can be made. The main sources of potential corporate budget savings in the years ahead will therefore be in:-

- Loan Charges
- Interest on Revenue Balances

- 3.10 In terms of loan charges the Council has a long term capital affordability strategy which provides a good base from which to consider future reductions in loan charges costs or reductions in capital spending. There may be scope to review the levels of special repayments within the capital affordability strategy in the short term but this will create long term problems for the Council and will therefore require careful consideration.

- 3.11 Reductions in loan charges costs as a means of achieving budget savings may therefore mean that the Council has to curtail its capital spending in future and this would result in less money being available for investment in essential infrastructure such as schools, roads and care establishments.

- 3.12 The Council has traditionally fared well in generating good levels of interest income from its surplus cash and reserves but the current interest rate environment has severely restricted this as a source of income. This is not therefore likely to be a source of significant corporate savings in the immediate future.

(4) Management of Budget Risks

- 3.13 Budget setting is not an exact science and invariably budgets will be based on assumptions and will include an element of risk. A key part of each year's budget setting exercise is about determining the extent of budget risk which it may be possible to take. In an environment where resources are scarce and savings are having to be applied it doesn't make sense to try to budget for all possible risks on the basis that this will usually mean extra savings being required in some areas to provide budget provision in other areas which may ultimately not be fully used if the anticipated risk does not fully materialise.

- 3.14 Essentially each budget the Council sets includes an element of risk whereby Directors and Heads of Service have agreed to try to manage costs and services within the resources provided knowing that circumstances may mean that the budget won't be sufficient. Perhaps the best example of budget risk is in relation to the winter maintenance budget where the Council budgets for a level of costs based on an "average" winter. Winter maintenance spend is very difficult to predict so the budget is set on a balance of probabilities which includes a risk of overspend against that particular budget.

- 3.15 The management of budget risks will therefore continue to be a feature of the Council's budget setting in the future. Given the financial pressures the Council will undoubtedly continue to be under in future years it is reasonable to assume that there will continue to be a need for budget risks to be managed and this therefore will continue to be an option for the Council in setting a balanced budget. This is however a very delicate balancing act because seeking to manage too much budget risk might ultimately create significant financial problems for the Council. The management of budget risks must never be allowed to undermine the need to make proper provision for unavoidable costs – the

Council must therefore strike a sensible balance in the level of budget risk it takes in future budget setting exercises.

(5) Use of Reserves

- 3.16 As a last resort the Council can, assuming it has reserves available, use these to fund any remaining shortfall in order to balance its budget. This could only be on a one-off basis but can be used as a legitimate means of bridging a gap if plans are in place to achieve ongoing savings at a later date. In relation to financial year 2018/19 and based on current information it may again be necessary to use Reserves to provide breathing space for the Change Programme to deliver additional ongoing savings.

Conclusions – Addressing the Funding Gap

- 3.17 At the time of preparing this Medium Term Budget Strategy the Council does not have the full answer as to how it will balance its budget in any of the next 3 years. Work is underway to address the shortfall and addressing this shortfall particularly for financial year 2018/19 will be the focus for the Policy and Budget Strategy Group between now and February 2018.

SECTION 4 - CAPITAL BUDGET FINANCIAL PROJECTIONS (2018/19 TO 2021/22)

Background

- 4.1 Report 62/17 approved by the Council in February 2017 outlined the results of a long term affordability review on the General Fund Financial Plan. That report effectively set out the Council's capital budget strategy and financial projections for the period up to 2020/21 and included the Council's General Fund Financial Plan for 2016/17 to 2020/21. The information in this section of the medium term budget strategy is drawn from Report 62/17 but members should refer to report 62/17 for detail.
- 4.2 The Council's General Fund Financial Plan for the period 2016/17 to 2020/21 was set under the self-regulating Prudential Code which requires the Council to consider the affordability and sustainability of its capital spending plans.

2017/18 Local Government Finance Settlement - Capital Funding

- 4.3 The main implications for capital funding from the latest Finance Settlement were set out in the Background Report to the Special Budget Meeting of Angus Council on 16 February 2017 (report 58/17 refers).
- 4.4 In summary however, Angus Council has been awarded total capital funding of £12.419m for 2017/18, including £0.160m specific grant in respect of Cycling, Walking & Safer Streets.

Summary of Capital Spending Plans to 2020/21

- 4.5 The 2016/2021 Financial Plan agreed by members in February 2017 (as adjusted to reflect spending decisions agreed on the day) sets out the Council's specific capital spending intentions up to and including financial year 2020/21. The long term affordability analysis then made assumptions about spending levels thereafter to give the levels of expected spend in the period to 2021/22 set out in Table 4 below.

Table 4 – Summary of Net Capital Expenditure 2017/18 to 2021/22

	Year 1	Year 2	Year 3	Year 4	Year 5
	2017/18	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m	£m
Projected Net Capital Expenditure	32.610	18.214	7.495	8.284	14.000

Priority Projects

- 4.6 The priority of the projects in the capital programme (both existing and new) was agreed by the Policy & Budget Strategy Group (PBSG) as part of the 2017/18 budget setting process.
- 4.7 The list of priority projects approved at February's special budget meeting is attached as **Annex 1** for information.
- 4.8 In respect of the 2021/22 financial year, capital project priorities will be considered as part of the 2018/19 budget setting process and this will include re-consideration of those projects currently presented on Annex 1 as lesser priority or "below the line".

Key Risks and Issues

- 4.9 The main risks to the capital budget projections relate to government funding for capital generally although the potential impact on public spending levels has been allowed for as far as possible within the capital budget projections.
- 4.10 In terms of policy implications the affordability analysis confirms that there is likely to be a significant limitation on the scope to introduce new projects into the Financial Plan over the next few years. Should new projects come forward for consideration over the current period of the Financial Plan, they will only be affordable if existing projects are deferred, removed or amended, or a conscious decision taken to divert additional revenue budget resources towards supporting loan charges costs (i.e. the Council cannot simply keep adding to its intended capital spending).

SECTION 5 – CONCLUSIONS

- 5.1 Angus Council faces enormous service and financial challenges over the next few years and the Council needs to be ready and able to meet those challenges. This Medium Term Budget Strategy provides a firm basis upon which to take forward future service and budget planning and begin to meet the challenges ahead.
- 5.2 This update maps out a clear view of what is likely to be required in order to balance future budgets. The update has projected ahead on both revenue and capital budgets to identify the actions in relation to corporate/efficiency reviews, budget savings and policy prioritisation which the Council needs to take.
- 5.3 Angus Council cannot directly influence much of the financial pressures and grant restrictions which are expected to affect the Council's finances over the next few years. The Council can however be proactive in anticipating the problems ahead and begin planning for how these problems may be addressed.
- 5.4 The further savings projected to be required are in addition to the £27 million saved in the last 4 years alone and the reduction in the Council's workforce of around 400 staff in the same period. The scale and sustained nature of the savings required is unprecedented in modern times.
- 5.5 The MTBS should leave Councillors and members of the public in no doubt about the severity of the challenges the Council faces to remain financially sustainable. Angus Council has never faced a more serious challenge to its financial viability than that which lies ahead in the next few years. Significant improvements to the funding settlements received by Local Government compared to recent years would be necessary to lessen the severity of the challenge and that scenario seems unlikely.
- 5.6 The change programme and the multiple service re-designs and efficiency activity which is part of the programme is intended to limit the negative effects on service provision from having to make such significant savings in budgets and officers will be doing their utmost to protect service provision as much as possible. Nevertheless savings on the scale estimated to be required simply cannot be achieved without real and far reaching changes and reductions to services. Work to ensure citizens and businesses across Angus are aware of this reality will be undertaken.