RESILIENT CITY - DRAFT OPERATING BUDGET 2026/27

Department: Executive Leadership Team

EXECUTIVE SUMMARY

1 This report provides an overview of the draft operating budgets for the Annual Plan 2026/27 for the Resilient City Group, as shown at **Attachment A**. A draft funding impact statement is shown at **Attachment B**. The following activities are provided for:

- City Development
- City Growth
- Civil Defence
- Community Partnerships
- Housing Policy
- South Dunedin Future
- Zero Carbon

2 This report asks the Council to adopt the draft operating budget for the purposes of developing the Annual Plan 2026/27.

RECOMMENDATIONS

That the Council:

a) **Adopts** for the purposes of developing the Annual Plan 2026/27:

i) The draft 2026/27 operating budget for the Resilient City Group as shown/amended at Attachments A and B.

OPERATING BUDGETS

3 The 20267/27 draft operating budget is $12.175 million. This is an increase of $179k (1.5%) from the 2025/26 year. The following sections explain the revenue and expenditure changes from the previous year.

Revenue

Rates

4 Rates revenue increased from $11.600 million to $11.774 million, an increase of $174k (1.5%).

Expenditure

Personnel costs

5 Personnel costs have increased from $5.652 million to $5.898 million, an increase of $246k (4.4%), reflecting a general salary increase and step increases.

Operations and maintenance costs

6 Operations and maintenance costs have increased from $596k to $999k, an increase of $403k (67.6%). This increase is mainly due to reclassification of expenditure items from other expense categories as follows:

a) South Dunedin Future contracted services for the citywide climate and resilience programme of $110k were reclassified from consumables and general costs. These costs were previously categorised as consulting services and relate to contracted work towards natural hazard screening, risk assessments, adaptation planning guidance, and development of toolkits.

b) The Service Level Agreement (SLA) to Dunedin Budget Advisory Services to manage the Electricity Fund of $185k has been reclassified from grants and subsidies to operations and maintenance costs.

7 The SLA for Cosy Homes ($111k) has been reinstated on signing of the new agreement.

Consumables and general costs

8 Consumables and general costs have decreased from $1.569 million to $1.179 million, a decrease of $390k (24.9%), primarily due to an overall reduction in consultancy costs of $405k. The key drivers are:

a) City Development: An overall $196k decrease in consultancy costs reflecting demand and current capability within the team.

b) South Dunedin Future: Consultancy decreased by $183k, due to reclassification of expenditure to operations and maintenance costs ($110k) and a reduction in cost based on the staged implementation approach of the Citywide Climate Resilience programme (in line with the Council resolution in January 2025).

Grants and subsidies

9 Grants and subsidies costs have decreased from $2.417 million to $2.293 million, a decrease of $124k (5.1%). This increase is mainly due to reclassification of expenditure items from other expense categories or activity groups as follows:

a) The SLA to Dunedin Budget Advisory Services of $185k was reclassified to Operations and Maintenance costs reflecting the nature of the agreement, as outlined above.

b) The Te Au Toroa Grant ($61k) has been transferred to the Resilient City Group (Community Partnerships) from Governance and Support (Corporate Policy).

FEES AND CHARGES

10 There are no fees and charges associated with the Resilient City Group.

Signatories

Authoriser:	Scott MacLean - General Manager, City Services David Ward - General Manager, 3 Waters, Property and Urban Development

Attachments

	Title	Page
A	Draft Operating Budget 2026/27	
B	Funding Impact Statement - Resilient City	

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social, economic, environmental and cultural well-being of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓	☐	☐
Economic Development Strategy	✓	☐	☐
Environment Strategy	✓	☐	☐
Arts and Culture Strategy	✓	☐	☐
3 Waters Strategy	☐	☐	✓
Future Development Strategy	✓	☐	☐
Integrated Transport Strategy	☐	☐	✓
Parks and Recreation Strategy	☐	☐	✓
Other strategic projects/policies/plans	✓	☐	☐

The Resilient City Group activities primarily contribute to the objectives and priorities of the above strategies.

Māori Impact Statement

Council budgets impact broadly across all Dunedin communities, including Māori. The adoption of Te Taki Haruru – Māori Strategic Framework signals Council's commitment to mana whenua and to its obligations under the Treaty of Waitangi. Mana whenua and matāwaka will have the opportunity to engage in the Annual Plan 2026/27 consultation process.

Sustainability

The Annual Plan 2026/27 is not proposing any changes to that provided for in the 9 year plan 2025-34. Major issues and implications for sustainability are discussed in the Infrastructure Strategy and financial resilience is discussed in the Financial Strategy of the current 9 year plan 2025-34.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This report provides draft budgets for the Resilient City Group for inclusion in the Annual Plan 2026/27.

Financial considerations

Financial considerations are detailed in the report.

Significance

The 9 year plan 2025-34 budgets were considered significant in terms of the Council's Significance and Engagement Policy, and were consulted on. Variations to those budgets are discussed in this report. The draft budgets will be included in the Annual Plan 2026/27 and will be consulted on.

Engagement – external

There has been no external engagement in developing the draft budgets for the Resilient City Group.

SUMMARY OF CONSIDERATIONS
Engagement - internal   Staff and managers from across Council have been involved in the development of the draft budgets.
Risks: Legal / Health and Safety etc.   There are no identified risks.
Conflict of Interest   There are no known conflicts of interest.
Community Boards   Community Boards will have an opportunity to engage in the Annual Plan 2026/27 consultation process.