



# **CAPITAL PROJECTS - COST INCREASES POLICY**



**NAPIER**  
CITY COUNCIL  
*Te Kaunihera o Ahuriri*

## Capital Projects – Cost Increases Policy



<b>Adopted by</b>	Napier City Council on 1 December 2015
<b>Relevant Legislation</b>	Not Applicable
<b>NCC Documents Referenced</b>	B70-0014

### Policy

The following policy for allocating surpluses to capital projects to fund cost increases in capital projects was adopted:

- Interest will be applied annually, using the standard interest rate applying to other internal accounts, to:
  - funds carried forward to selected capital projects, being large projects for which funding is accumulated over several years;
  - infrastructural Asset Renewal Accounts, based on the average balance of each Account during the year.

The interest to be applied from surplus interest earned.

This will not apply to projects funded from special funds already attracting interest.

Budgeted but unused loan servicing costs for major capital projects, where the loans will be raised later than expected, will be transferred to the project concerned.

### Policy Review

The review timeframe of this policy will be no longer than every two years.



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