

8 Economic Appraisal

- 8.1 The economic appraisal of the TIF package has been undertaken to give a broad indication of the economic benefits of the strategy, and the costs be divided between consumers and business.

Table 8.1

Tackling Congestion Delivering Growth - Economic Appraisal (Discounted to 2002)			
	£bn		
	*Consumer		**Business
Anticipated Total Costs			
(Includes Scheme Investment and Operating Costs#)		4.25	
Road Pricing Charges	2.70		1.32
Anticipated Total Charges		4.02	
Anticipated Overall Benefits	5.61		1.57
Total		7.18	
<i>All figures are discounted to 2002 levels in accordance with DfT guidelines</i>			

60 year Operating and Investment costs - Priority One and Two measures and VAT 'lost' to charging

* Consumer Benefits - current journey times maintained by real cash costs

** Business Benefits - only marginally higher than cash costs

- 8.2 Ignoring charging revenues the overall benefit cost ratio is 1.7 : 1 and is not perhaps the level of return that would currently be expected for major schemes.
- 8.3 Importantly it can be seen that for business the value of time savings, improved journey times and reliability is only marginally greater than the costs to business overall. It is not felt that at this level the business case is strong enough to persuade business about the returns of the TIF package.