

A12 Update factors and incremental BCR

A12.1 Introduction

Introduction This appendix contains update factors for benefits and costs. Target incremental BCR ratios are also contained in this appendix

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A12.2 Update factors for construction and maintenance costs

Cost update factors The factors for updating construction and maintenance cost estimates prepared in earlier years are:

Table A12.1 Cost update factors

Calendar year in which estimate prepared	Factor to adjust to July 2007
2005	1.19
2006	1.09
2007	1.00

A12.3 Update factors for benefits

Benefit update factors The factors for updating the benefit values in this manual are:

Table A12.2 Benefit update factors

Variable	Base date	Factor to adjust to July 2007
Travel time cost savings ^{TT}	July 2002	1.14
Vehicle operating cost savings ^{VOC}	July 2002	1.30
Accident cost savings ^{AC}	July 2006	1.04
Comfort benefits ^{CB}	July 2002	1.14
Driver frustration ^{DF}	July 2002	1.14
Passenger transport user benefits ^{PT}	July 2002	1.14
Walking and cycling benefits ^{WCB}	July 2002	1.14
Travel behaviour change benefits ^{TBhC}	July 2004	1.09
A7 passing lane procedure accident cost savings	July 2002	1.16

A12.4 Target incremental BCR

Target incremental BCR

The analyst shall choose and report the target incremental BCR used when undertaking incremental analysis of project options. Where the selected target incremental ratio differs to the guidance below, the analyst must provide a detailed explanation supporting the chosen value. The following guidance is provided:

1. The minimum incremental BCR shall be 1.0, in order to ensure that a higher cost project option is more efficient than a lower cost option.
 2. Where the BCR of the preferred option is greater than 2.0 but less than 4.0, the target incremental BCR shall be 2.0.
 3. Where the BCR of the preferred option is greater than or equal to 4.0, the target incremental BCR shall be 4.0.
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