



Motoring Costs 2003

Petrol Cars

		NEW CAR PURCHASE PRICE				
Note: Standing charges per year, £		Up to £10,000	£10,000 to £13,000	£13,000 to £20,000	£20,000 to £30,000	Over £30,000
A	Road Tax	125	145	160	160	160
B	Insurance	335	347	448	630	859
C	Cost of capital	214	300	412	598	1026
D	Depreciation	1220	1859	2080	3288	5118
E	AA Subscription	99	99	99	99	99
TOTAL £		1993	2750	3199	4775	7262

Standing charges, pence per mile,

at 5,000 miles per year	38.15	52.40	61.07	90.90	138.07
at 10,000	19.93	27.50	31.99	47.75	72.62
at 15,000	13.86	19.20	22.30	33.37	50.80
at 20,000	10.88	15.14	17.56	26.34	38.01
at 25,000	9.19	12.86	14.88	22.39	34.17
at 30,000	8.27	11.65	13.44	20.30	31.03

Running costs, pence per mile

F	Petrol *	7.98	9.98	11.97	12.83	17.10
G	Tyres	0.80	1.20	1.60	2.60	4.00
H	Servicing labour costs	2.12	2.45	3.00	3.49	4.48
I	Replacement parts	1.04	1.37	1.71	2.26	3.21
J	Parking and Tolls	1.80	1.80	1.80	1.80	1.80
TOTAL PENCE:		13.74	16.80	20.08	22.98	30.59

* Unleaded petrol at 79.0 pence per litre

For each penny more or less,

add or subtract:

0.10	0.13	0.15	0.16	0.22
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Total of standing and running costs in pence per mile based on:

5,000 miles per year	51.89	69.19	81.15	113.87	168.67
10,000	33.67	44.30	52.07	70.73	103.21
15,000	27.60	36.00	42.38	56.34	81.39
20,000	24.62	31.94	37.64	49.32	68.60
25,000	22.93	29.65	34.96	45.36	64.76
30,000	22.01	28.44	33.52	43.28	61.62

Please see the associated notes for more detail. These figures are typical but do not represent all types of vehicle and conditions of use. Once compiled, some of the variables may change at any time.



The Cost of Motoring - 2003

How much does it cost to run a car?

The AA tables are published annually to give a guide as to how much it's likely to cost the average private user to run a car, petrol or diesel powered, or a motorcycle. In fact the figures given can only be a guide, as individual vehicles will vary: for instance the fuel consumption will depend on the traffic conditions and the type of journey, and repairs can be unpredictable. However, the aim is to show a representative cost that reflects all the important items, so that the motorist can see how it all adds up.

Standing Charges

The standing charges are those that will be incurred just to keep the vehicle ready for use on the road. So they include the Road Tax (annual VED), insurance, the cost of the capital used for the vehicle, the loss of value of the vehicle or depreciation, and the annual AA subscription. The depreciation is often the biggest single factor, though it's easy to lose sight of it in terms of an every-day expense.

Running Costs

The running costs are those that depend directly on the use of the vehicle – fuel, tyres, servicing and repair costs. Every mile run adds this amount to the annual bill, and every mile saved cuts the cost by this amount.

Claiming Mileage

How much an employer pays for mileage is a matter for negotiation between them and the employees, as circumstances will vary. The Inland Revenue operates the Approved Mileage Allowance Payment (AMAP) system – details from your local tax office or: www.inlandrevenue.gov.uk/cars/using_own.htm and www.inlandrevenue.gov.uk/cars/fuel_company_cars.htm

The figures given in our tables are VAT inclusive.

Additional Notes for Cars:-

- A Road Tax. Cars registered after 1st March 2001 have a rate of Vehicle Excise Duty set according to their fuel type and emissions of carbon dioxide in the legislated Type Approval tests. Older cars will have one of two rates; the lower rate for cars with an engine capacity of less than 1549cc, the higher rate for larger engines. In the Diesel Car table, all cars are put in at the higher rate as only a few can qualify for the lower rate.
- B Insurance. This is the average cost for a comprehensive policy with a 60% no claims discount.
- C Cost of capital. This sum represents the loss of income from the owner having money tied up in a vehicle, which otherwise could be earning interest in a deposit account. It's calculated at 4.5% of the average value for the car size group. Any further charges for a loan or hire-purchase will be extra to this.
- D Depreciation. Cars will lose value at different rates, depending on their make, age, mileage and condition etc. The tables assume that depreciation costs are averaged over the first five years from new, and include typical adjustments for the different annual mileages in that period. Older cars will in general depreciate at a slower rate.
- E The AA subscription allows for 'Option 200' joint membership at current rates.
- F The fuel cost is based on the average UK price at the time of publication, but can be adjusted as required using the factor given. The fuel consumption figures taken are typical for the car groups listed.
- G Tyre prices vary with location, but these are average costs based on a tyre life of 20,000 miles.
- H The labour costs cover normal servicing and parts replacement at a dealer, taking a labour rate of £56 per hour including VAT.
- I The replacement parts included cover those likely to be needed under normal driving conditions, such as brake materials, drive belts, battery, filters, oils and hoses.