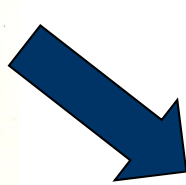


Cost of Motoring and the Living Cost and Food Survey

David Leibling

Independent Researcher



Royal Automobile Club

RAC
Motoring
Services



Independent motoring research

RAC

RAC Report on
Motoring 2017

Feeling the squeeze



Transport Components of LCFS

Petrol and diesel

New and used car purchase

Spares and accessories

AA/RAC
Garaging, parking,
driving lessons,
antifreeze

Servicing and repairs

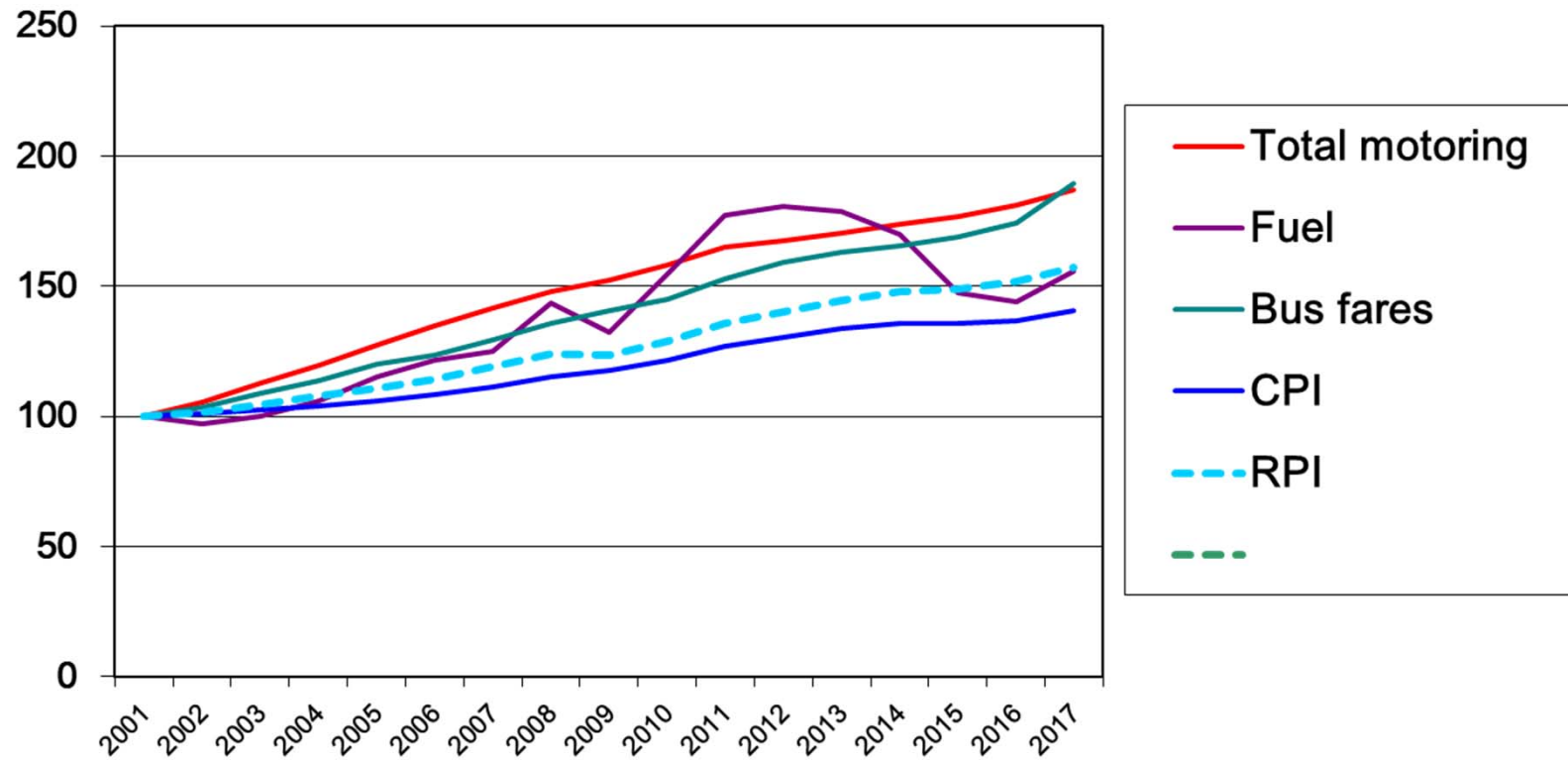
Car hire and leasing

Insurance, fines and taxation

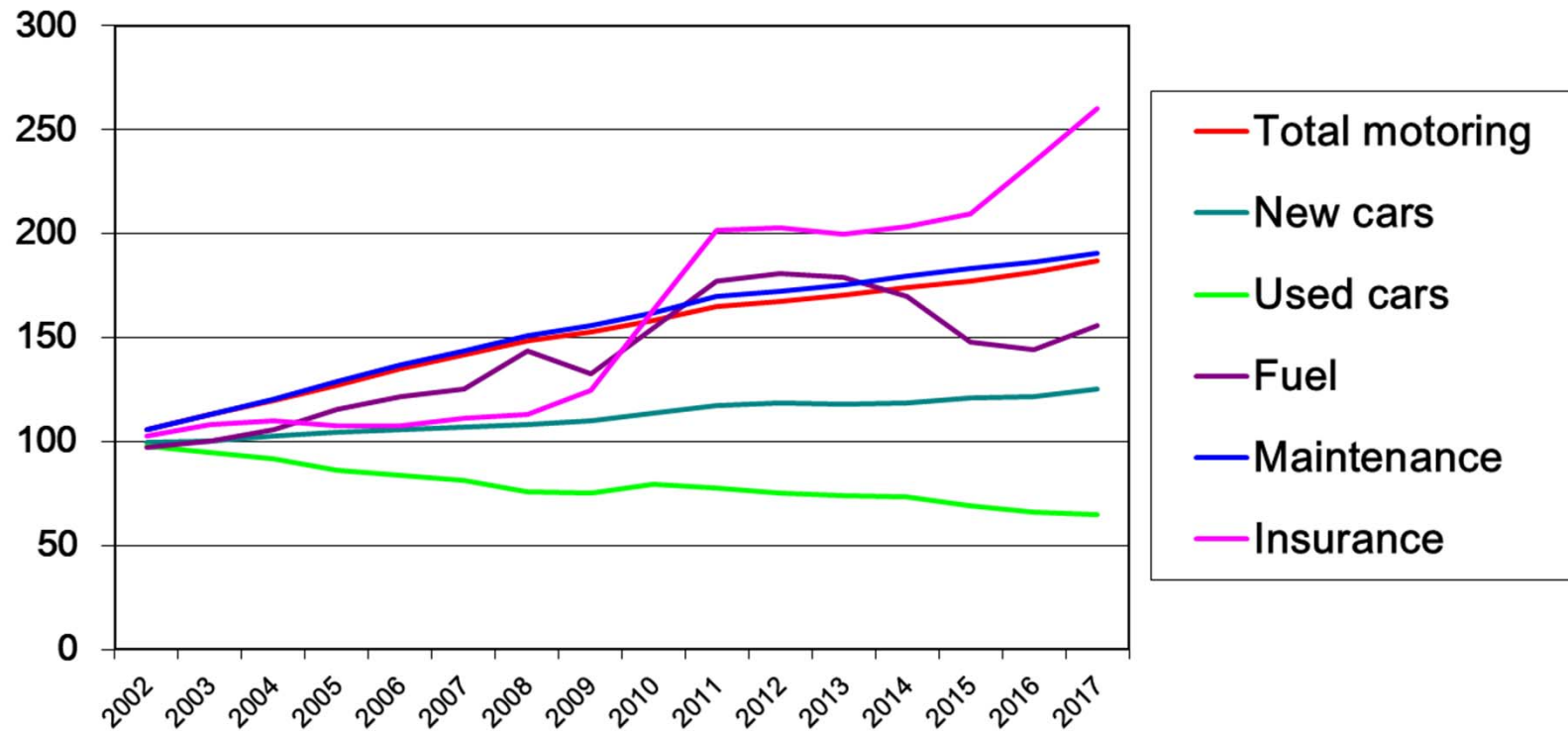
Bus fares,
train fares,
season tickets,
combined tickets

Also covers motorcycles, bicycles, caravans

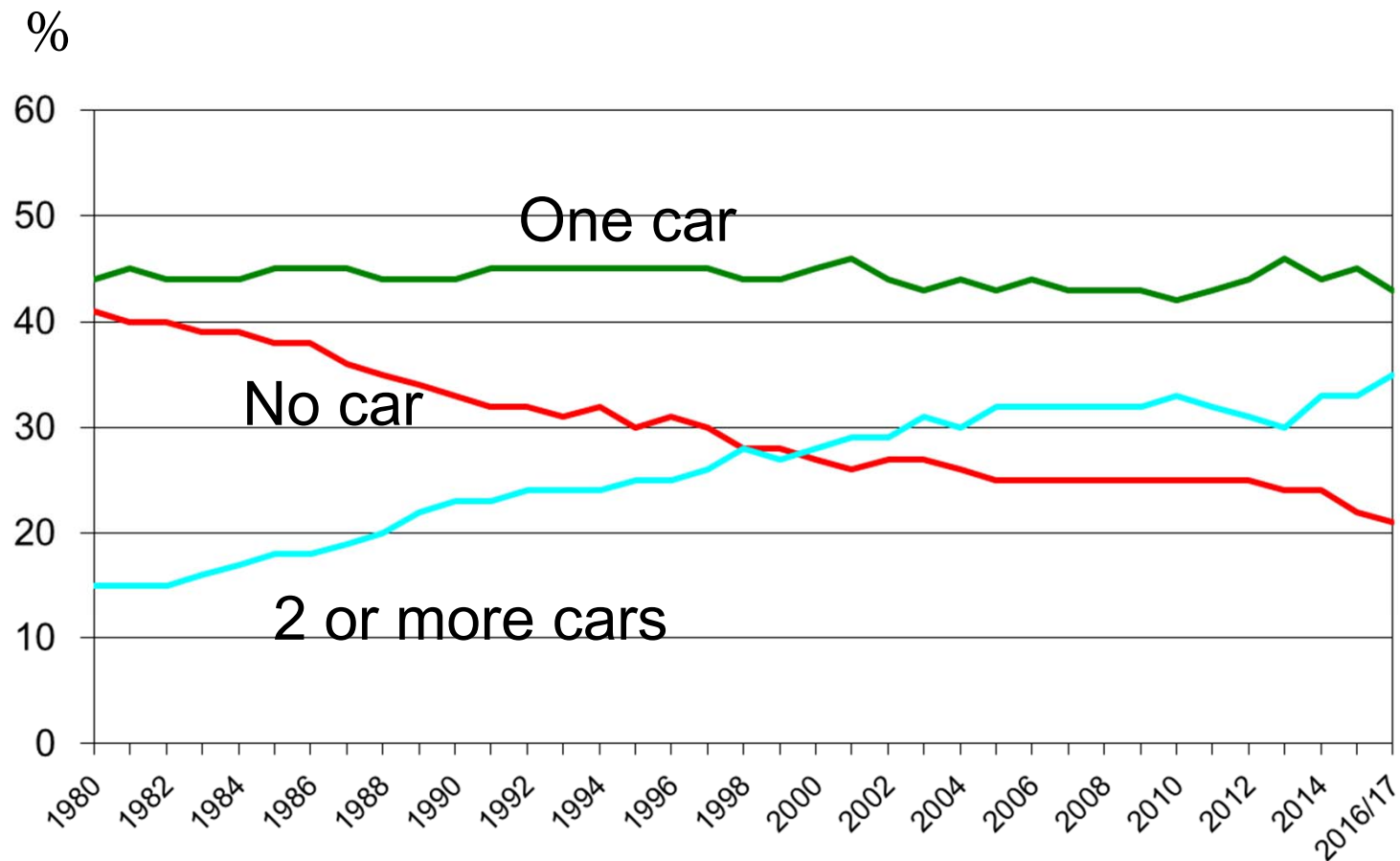
Transport Cost Indices



Motoring Cost Indices

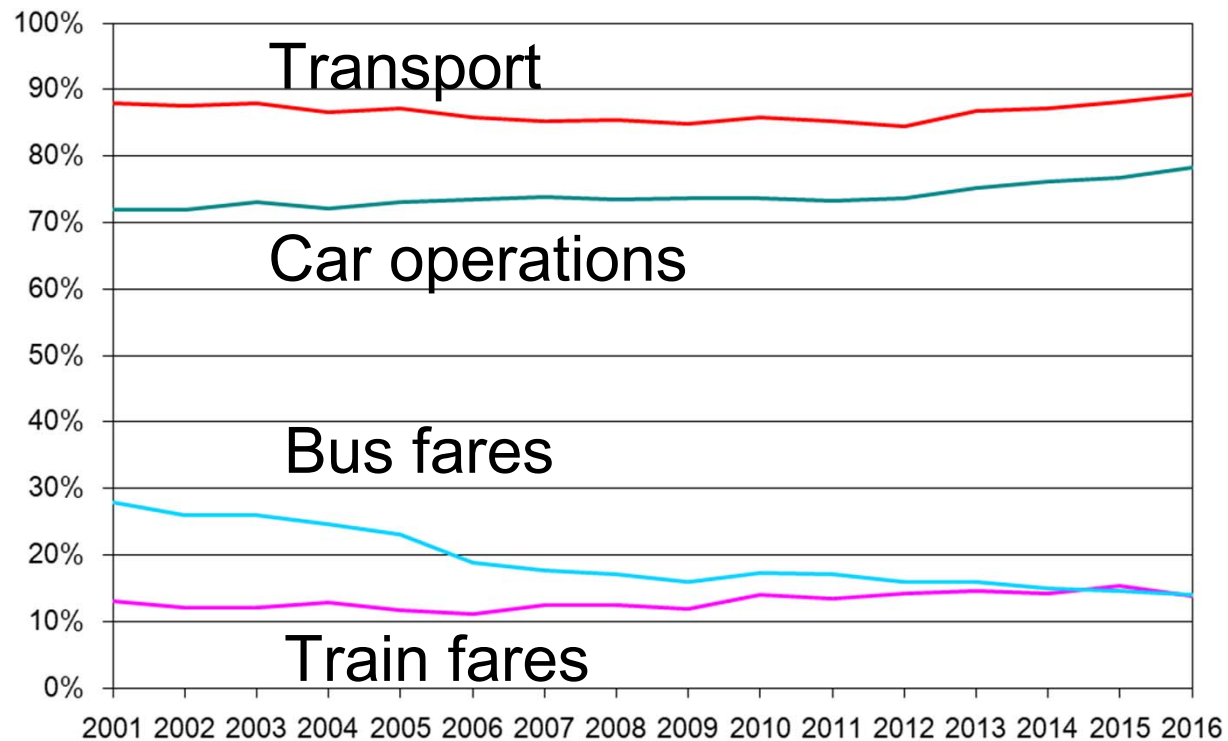


Car ownership per household



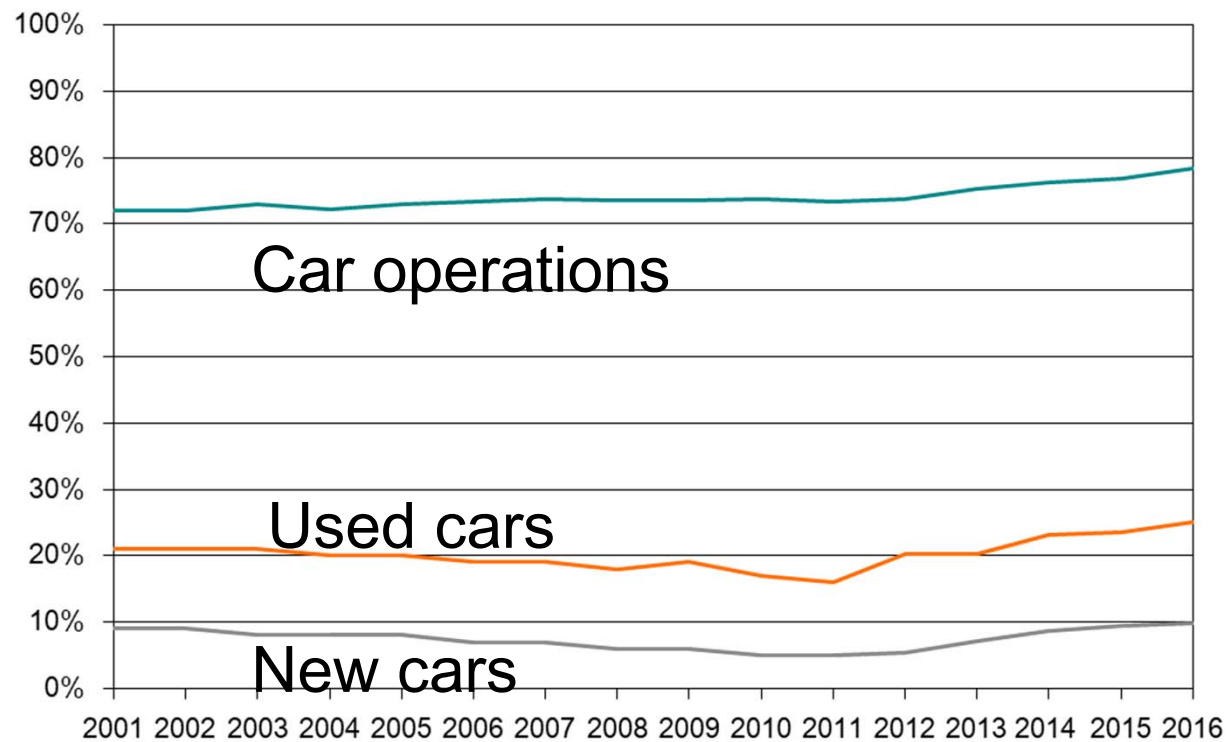
Transport components of LCFS

% of reporting households

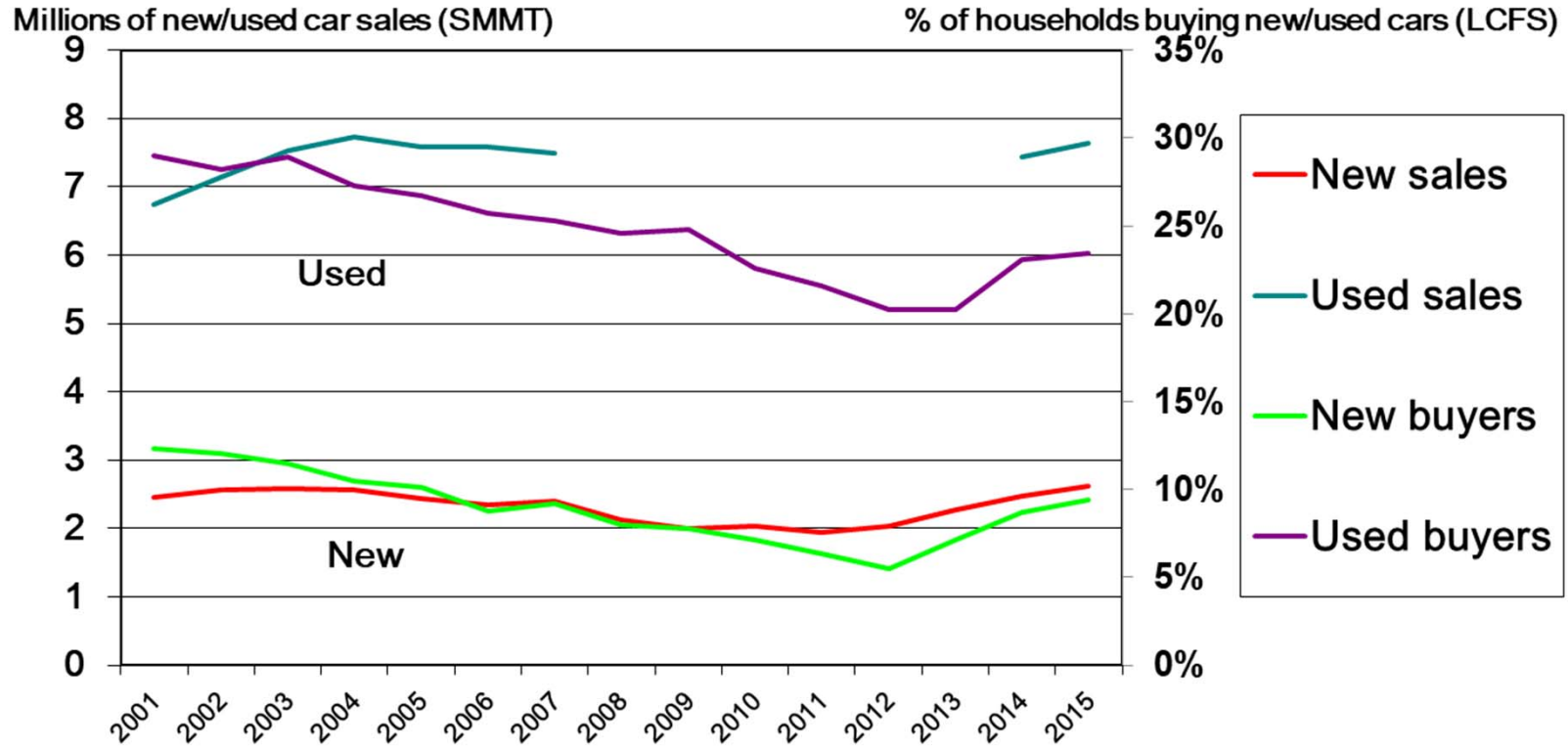


Transport components of LCFS

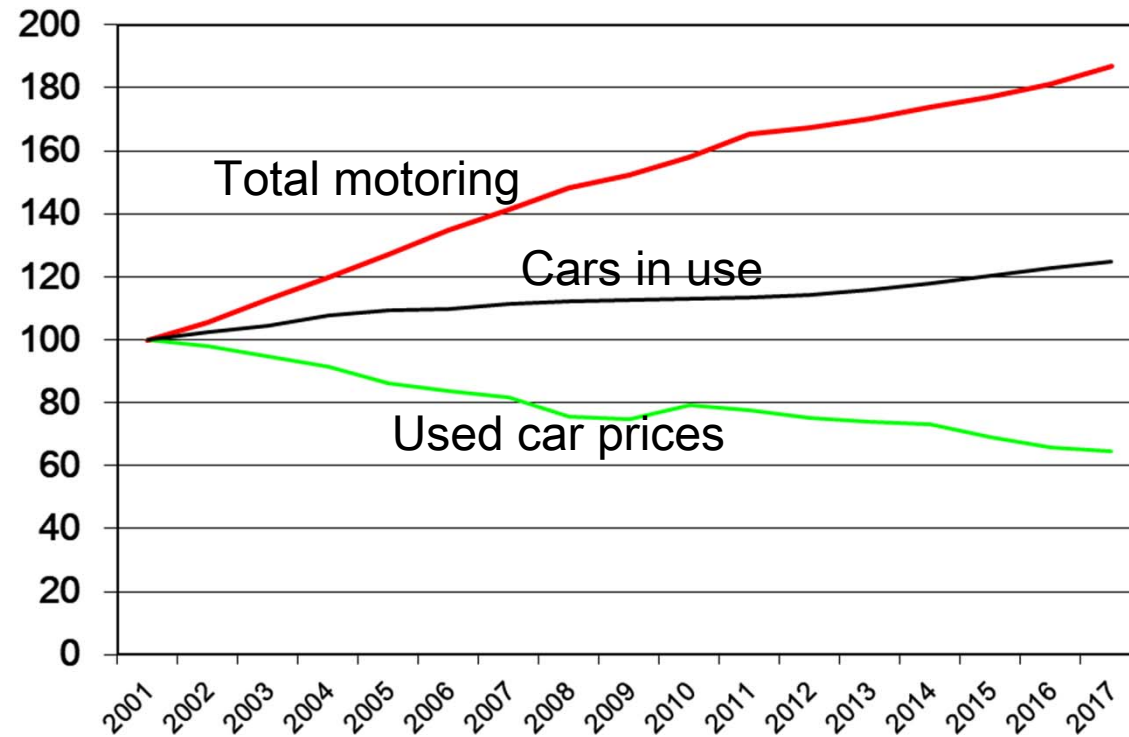
% of reporting households



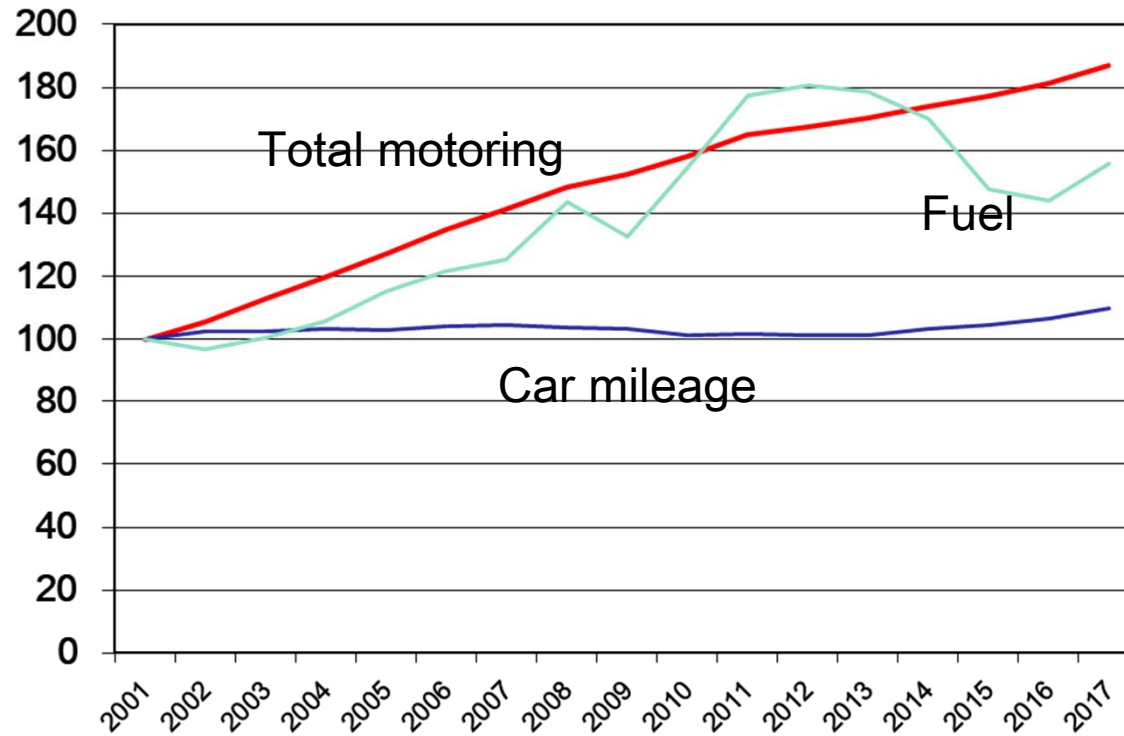
Number of vehicle purchasers (LCFS) and actual vehicle sales (SMMT)



Motoring Costs and Car ownership

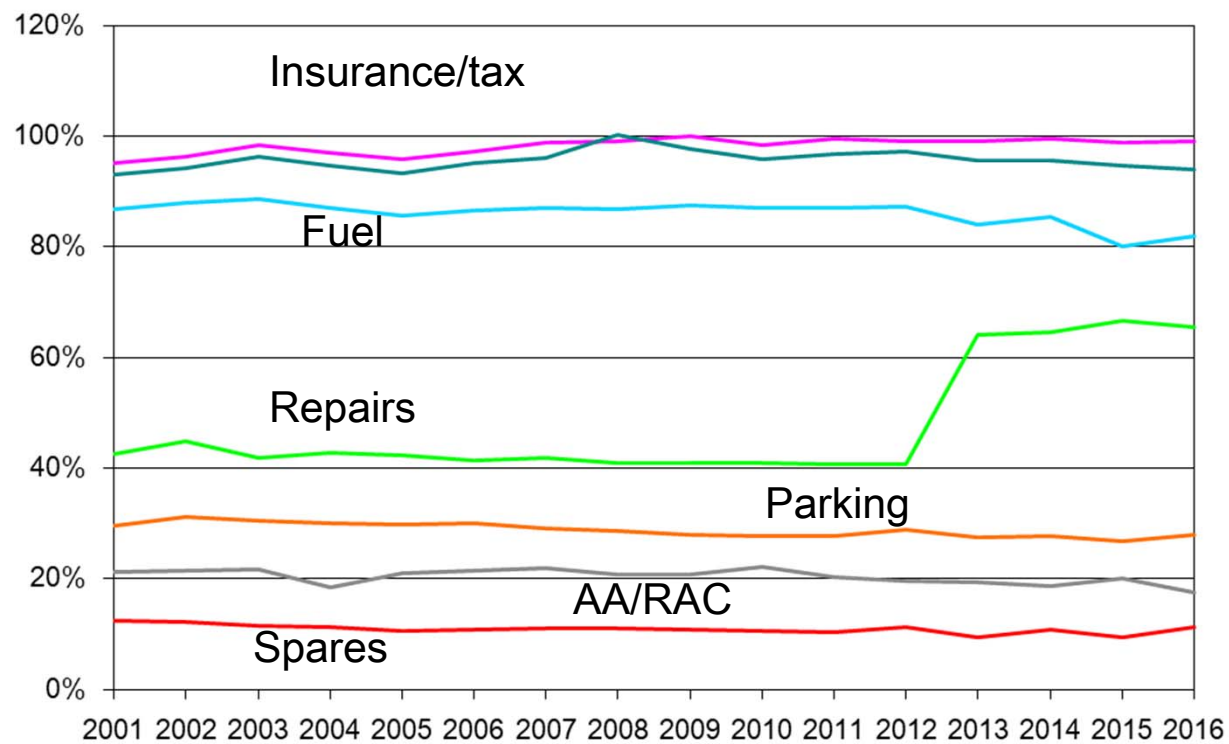


Motoring Costs and Car Use



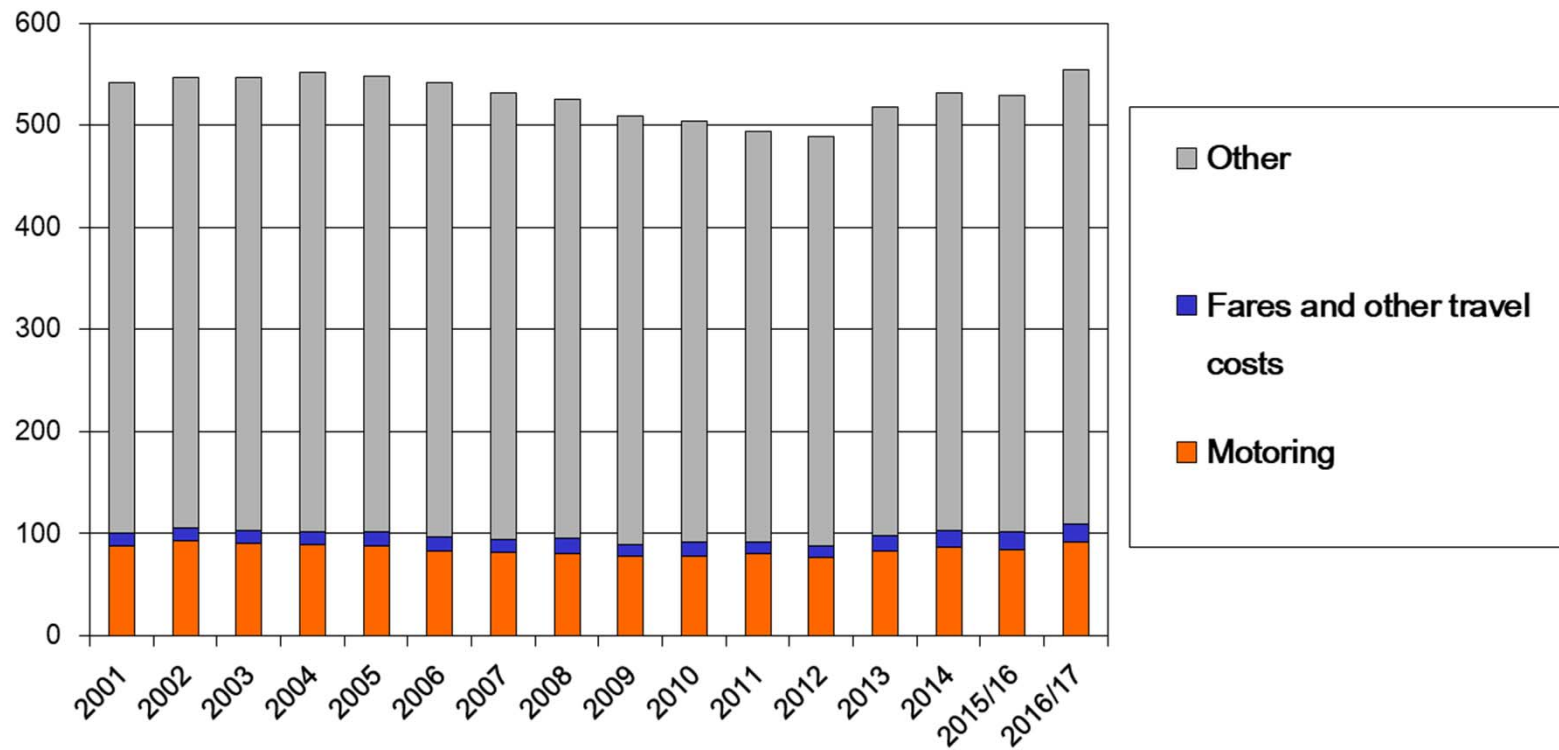
Transport components of LCFS

% of car owning households



Transport costs related to total spending

£ per week 2016/17 prices



Extrapolation by month/quarter

- LCFS only published annually, 9 months in arrears
- Adjust using monthly CPI components
- Does not allow for change in consumption

Motoring costs for 2016/17 from 2016/17 LCFS
(published in January 2018): £6,167

Motoring price index for 2016/17: 181.7

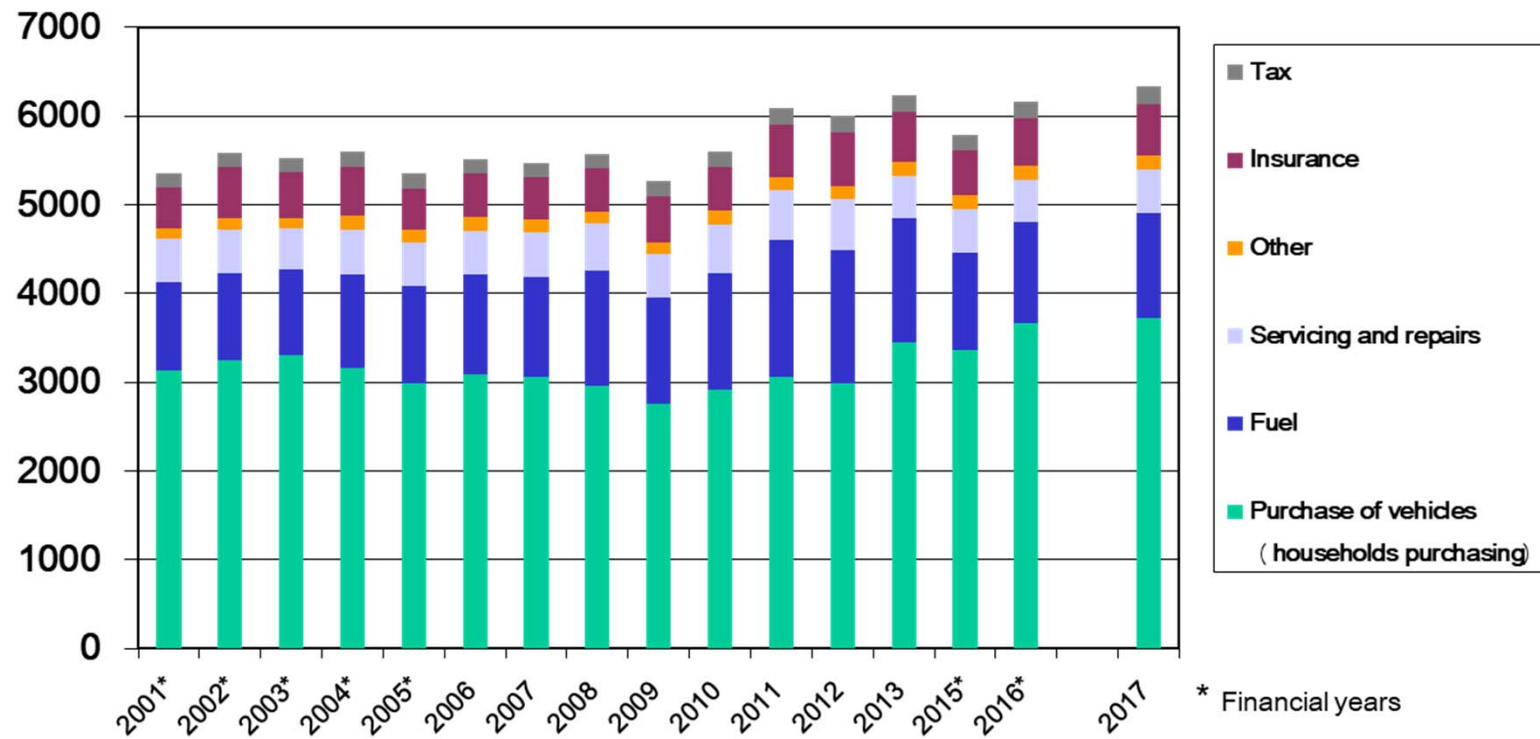
Motoring price index for 2017: 186.9

Ratio: 1.03

Updated motoring costs for 2017: $£6167 * 1.03 = £6331$

Cost of Motoring

£ per car per year



* Financial years

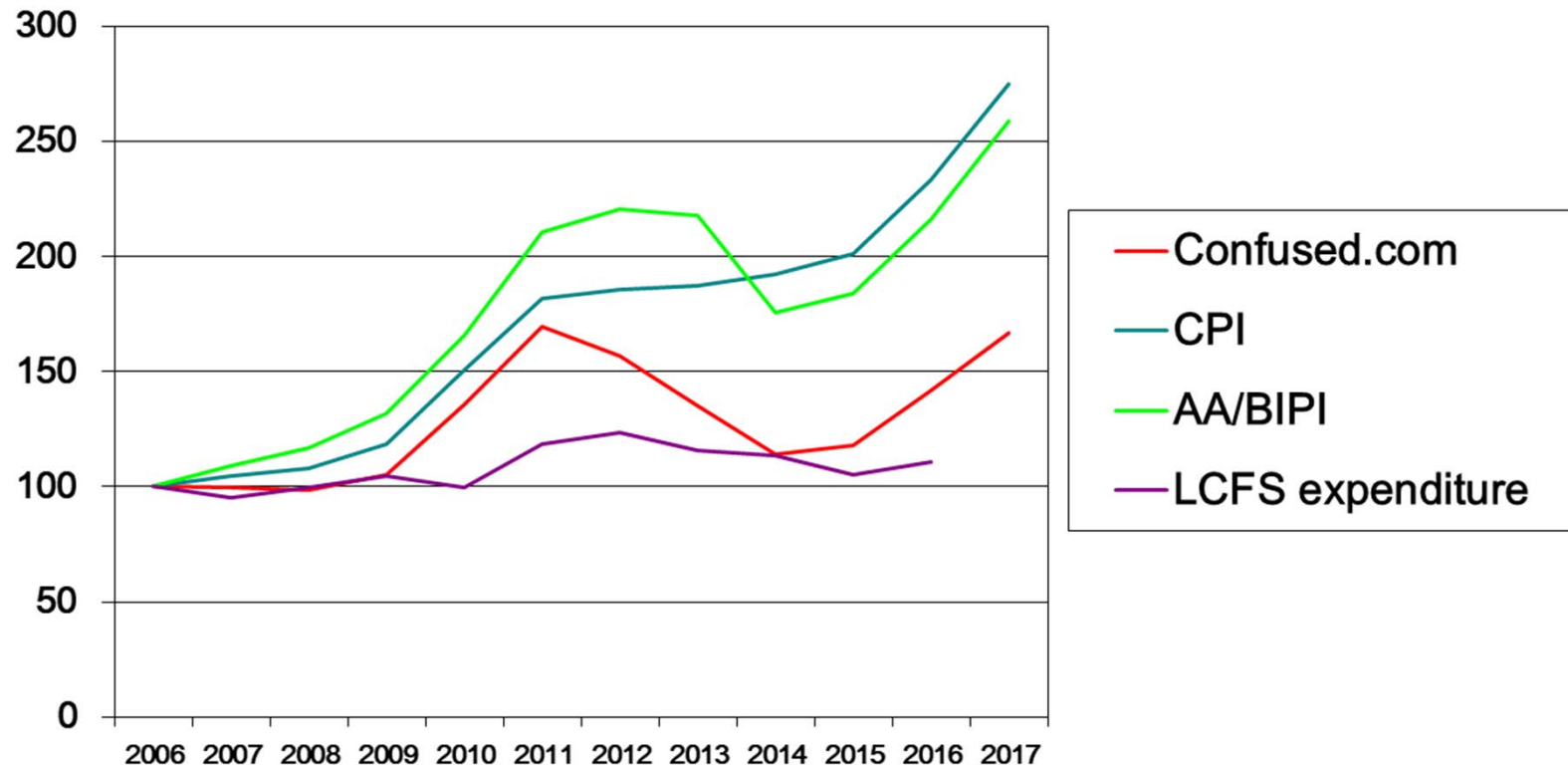
Changes in the cost and price of motoring

	2001 £ per car	20016-17 £ per car	% change	Change in prices	Real improvement
Expenditure on vehicle purchasing	3130	3674	17%	-2%	-20%
Fuel	1003	1134	13%	50%	25%
Servicing and repairs	481	477	-1%	87%	47%
Other	122	153	26%	64%	23%
Insurance	461	543	18%	140%	51%
Tax	163	186	15%	57%	27%
Total	5360	6167	15%	82%	37%

CPI has gone up 37% over the period

Change in fuel consumption = $113/150 = 0.75$; reduction in usage = 25% ₁₇

Insurance Cost Indices



Comparison with AA/RAC cost indices

AA/RAC	LCFS
Assumed mileage	Actual mileage
Assumed fuel consumption	Actual fuel usage
Assumed depreciation	Actual re-purchase costs
Assumed service according to manufacturer	Actual service patterns

Comparison with AA/RAC cost indices 2014 and 2016

	LCFS	AA	LCFS	RAC
£ per car	2014	2014	2016/17	2016
Depreciation*	3502	2674	3674	3180
Fuel	1359	1118	1134	940
Servicing and repairs	508	517	477	358
Other	142	210	153	165
Insurance	556	490	543	477
Tax	183	180	186	225
Total	6251	5189	6167	5345

* For LCFS this is the actual expenditure on purchase of vehicles; for AA/RAC it is the estimated loss in value per year

Motorists' views on cost of motoring

RAC Report on Motoring

- *Confidence in accuracy of estimate*
 - Insurance 62%
 - Fuel 46%
 - Servicing 34%
 - Depreciation 14%
- *Knowledge of cost of fuel*
 - Cost of a tank 87%
 - Mileage per tank 71%
 - Cost per mile 22%