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## Average company car for board director costs £37,746

- More than twice the value of junior managers' cars
  - BMWs most popular among board directors

Britain's board directors are given company cars worth £37,746 on average, according to new research by Incomes Data Services (IDS).

In contrast, the average value of a junior manager's company car is £17,900.

Board directors of financial services companies are given the most expensive company cars with an average value of a £48,806, which is more than three times the average value of a junior manager's car in the same sector at £15,588.

IDS' research shows that the most common company car brand made available to board directors is BMW (32.2%), followed by Audi (27.1%) and Mercedes (23.7%). 1.7% of board directors are allowed the option of a Porsche as a company car.

Steve Tatton, Editor of the report *Company Car Policies 2009/10*, of IDS, comments:

"Shareholders in UK PLC will be pleased to know that none of the companies reported that they provide their directors with Ferraris!"

Steve Tatton adds: "Many times over the last 20 years the death of the company car has been widely predicted. Our latest report shows that in reality we are far from the end of the road and that managers can continue to expect the perk for many years to come."

Steve Tatton concludes: "Company cars may remain popular with managers but employers are facing three key challenges - making their fleets 'greener', protecting themselves against potential corporate manslaughter liabilities but most importantly of all bearing down on costs at a time of recession."

The cars most frequently available to "job need" drivers (eg sales executives or area managers) are Volkswagens (36.4%).

Manufacturers most frequently offered as company cars

Manufacturer	Board directors (%)	Essential "job need" drivers (%)
BMW	32.2	12.1
Audi	27.1	19.7
Mercedes	23.7	0

Jaguar	6.8	0
Range/Land Rover	5.1	0
Volkswagen	1.7	36.4

## Car or cash?

Research from IDS also shows that where eligible for a “status” car, 46.3% of board directors choose to take the car, with the rest choosing to take a cash allowance instead. The average annual value of cash allowances for board directors is £10,217, which adds another 5.7% to their average salary of £178,735.

Lower down the pay scale, company cars are much more popular than their cash equivalent. Junior managers are far less likely to have enough funds to buy a new car themselves. As a result 67.7% of junior managers choose to take a status car rather than a cash equivalent. For junior managers the average cash allowance is £4,915.

On average 51.5% of all eligible employees choose to take a status car rather than a cash equivalent. IDS says the tendency to take a car rather than cash is on a downward trend with 55.3% of companies reporting an increase in preference amongst their employees for cash.

According to IDS calculations, employers paid an estimated £11 billion last year to put over 1 million company cars on the road. Seen over the longer-term, however, HMRC figures show the number of company cars has however been in decline for several years: 1.16 million in 2007, 1.2 million in 2005 and 1.6 million in 2001.

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