

## Motability: a Briefing Paper on value for money by the Mobility and Access Committee for Scotland

1. For the year ending 2019, Motability Operations' reserves stood at **£2.173 billion**.<sup>1</sup>

2. Over the past six years, **Motability Charity will receive more than £1.6 billion** in funds, almost all donated by Motability Operations, its commercial arm (Table 1).<sup>2</sup>

Table 1: Motability Charity Income/Spending

	income	spending	difference
31 March 2015	£181,970,000	£58,756,000	<b>£123,214,000</b>
31 March 2016	£67,133,000	£66,084,000	<b>£1,049,000</b>
31 March 2017	£53,325,000	£118,534,000	<b>-£65,209,000</b>
31 March 2018	£72,124,000	£27,801,000	<b>£44,323,000</b>
31 March 2019	£428,674,000	£37,641,000	<b>£391,033,000</b>
31 March 2020*	£852,000,000	73,000,000	<b>£779,000,000</b>
<b>TOTALS</b>	<b>£1,655,226,000</b>	<b>£323,060,000</b>	<b>£1,332,166,000</b>

\* *Projected*

3. A separate but closely related charity, the Motability Tenth Anniversary Trust, has a **further £170 million** of assets.<sup>3</sup>

4. Motability **customers are charged an annual levy** to pay for the Motability charity's administration costs, amounting to around £9 million per year (or around £15 per customer per year).<sup>4</sup>

5. According to the Charity Commission, Motability was the **12th largest charity** in the UK by income in 2019 and had the highest growth in income of any UK charity. The additional £852 million due in 2020 will most likely put it in the top 5 UK charities (Table 2).<sup>5</sup>

<sup>1</sup> [https://www.motabilityoperations.co.uk/20191211\\_ARA\\_2019\\_Board\\_Signed\\_Copy.pdf](https://www.motabilityoperations.co.uk/20191211_ARA_2019_Board_Signed_Copy.pdf)

<sup>2</sup> <https://www.gov.uk/government/organisations/charity-commission>

<sup>3</sup> <https://www.gov.uk/government/organisations/charity-commission>

<sup>4</sup> <https://www.motability.org.uk>

<sup>5</sup> <https://www.gov.uk/government/organisations/charity-commission>

Table 2: Largest UK charities by Income 2019)

		£ million
1	The British Council	1,249,532
2	Save the Children Fund	970,125
3	Nuffield Health	946,200
4	Lloyd's Register Foundation	890,466
5	Arts Council of England	727,479
6	Cancer Research UK	634,362
7	The National Trust	634,339
8	The Charities Aid Foundation	614,303
9	Cardiff University	517,689
10	Wellcome Trust	484,774
11	The Capricorn Foundation	435,595
<b>12</b>	<b>Motability</b>	<b>428,674</b>
13	Oxfam	427,200

6. Spending on property, pay and benefits across Motability Operations is lavish; for example, £26,580 for a call centre advisor plus private health care, 15% non-contributory pension, etc. More than two years after the Chief Executive's level of pay was widely criticised (described by the NAO as "very high executive reward") **the CEO was paid £1.692 million**. Lower operating costs would provide further opportunities to cut the cost of leases.<sup>67</sup>

7. Motability has so far **refused to consider reducing the cost of leases** to customers, as requested by MACS.

**8. Ultimately all the money in this system derives from disabled people's benefits. Motability Customers have no say in how the money is spent, or if they wish to contribute to the charity.**

<sup>6</sup> [https://www.motabilityoperations.co.uk/20191211\\_ARA\\_2019\\_Board\\_Signed\\_Copy.pdf](https://www.motabilityoperations.co.uk/20191211_ARA_2019_Board_Signed_Copy.pdf)

<sup>7</sup> <https://www.nao.org.uk/report/the-motability-scheme/>