



2nd Floor, Victoria Quay
Edinburgh EH6 6QQ

25 May 2021

Dear Barry

CC: Dame Fiona Reynolds – National Audit Office, Non-Executive Chair
Rt Hon Mel Stride MP – Chair of Treasury Committee
Rt Hon Stephen Timms MP - Chair of Work and Pensions Committee

Motability

As you know, MACS and DPTAC are statutory committees advising Ministers in Scotland and the UK respectively on all aspects of transport and disability, while IMTAC performs a similar, but non-statutory, role in Northern Ireland.

We are writing to you to request that you continue to reform the value for money and governance of Motability arrangements, following scrutiny by the National Audit Office and Parliamentary Select Committees in recent years. Our three committees continue to share significant concerns about the value for money provided by Motability and its accountability to the 635,000 plus disabled customers, who pay for all aspects of the operations through their benefits.

Since Motability came under the spotlight from the Westminster Select Committees and the National Audit Office some three years ago, we are disappointed at how little progress has been made in reducing costs for customers, cutting back on executive pay or reducing excess profits. We note that in 2019, Motability Operations donated **an additional** £852 million to the Motability charity from accumulated profits while last year Mike Betts, the former CEO of Motability Operations received remuneration of almost **£3 million**, despite the earlier widespread criticism of executive remuneration.

We all recognise the value of services provided by the Motability network and we all wish to work constructively with you on the development of services, and also on shaping policy for distributing the funds held by the Motability Foundation. However, we are not persuaded that Motability has yet grasped the extent of change needed to its organisational culture.

We also want to ask that Motability makes two specific changes to policy.

Firstly, that in future, any surpluses generated by Motability Operations in excess of operational needs are returned to customers each year, rather than passed on to the Motability Charity as donations, or added to reserves.

Secondly, customers who lease power wheelchairs, mobility scooters and similar personal mobility aids are permitted to keep them at the end of the lease period if they wish to, rather than return them to Motability for second hand sale. This would cost Motability practically nothing but potentially be of significant benefit to its customers, who seek affordable mobility aids to hold onto some independence and reduce social isolation and loneliness.

Many of these customers already experience additional costs due to their disability, estimated at £583 per month (Scope: Disability Price Tag, 2019) and are already surviving on low incomes and living in or close to poverty. We also know that these individuals will have been disproportionately impacted by the pandemic.

We are copying this letter to the Treasury and Work and Pensions Committees as we would request that they maintain the close scrutiny of Motability begun in 2018, particularly with the remit of the National Audit Office to investigate Motability expiring shortly.

Yours Sincerely

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