



# Motability

The leading car scheme for disabled people

## Statement from Lord Sterling, Chairman of Motability

Friday 7<sup>th</sup> December 2018

Following a request by the late David Ennals, then Secretary of State for Health, Lord Goodman and I founded Motability. Little did we realise that what started as an idea would become what others have suggested is arguably the most successful social enterprise in Britain today.

As the late Lord Goodman once said, *“The unique partnership which makes up the Motability Scheme with its charitable, Government and banking support is sustained by many individuals who demonstrate wonderful empathy in their efforts, such as those working in motor dealerships up and down the country, patrol men providing roadside assistance to those who need it, and of course, all those in the Scheme’s motor manufacturers, insurers, conversion and adaptation companies, and the staff at Motability and Motability Operations”*.

Yesterday, to the very day, was 41 years since Motability’s foundation was announced in Parliament with all-party support. The Scheme has cumulatively delivered 5 million vehicles, many heavily adapted, putting millions of disabled people and their families on **“The road to freedom”**.

Over the decades there have been thousands involved, many of them unsung heroes playing their part to help enhance those in our community that need a mobility service of a quality that most of us do not require. The scheme was founded on three guiding principles:

**SERVICE, VALUE FOR MONEY AND SUSTAINABILITY.**

They have all stood the test of time and I hope will remain so in the decades to come.

Coming right up to today our biggest challenge has been the implementation of the Government’s policy for the introduction of PIP. At that time disabled colleagues told us that, in time, PIP could eventually prove to be truly beneficial to those who will receive this new benefit.

Despite the fact that the introduction of PIP would create greater risk and cost, back in 2010/11, Motability’s Governors and the Motability Operations’ Board decided to help in every possible way - helping those who sadly lose their award, in order to help them remain mobile during this transitional period, with both help and advice and using considerable financial resources (so far, £175m has been allocated) to try to smooth out complex needs. This has only been possible because of the excellent relationship with the Department of Work and Pensions from the very beginning.

The advent of PIP is, of course, already creating new challenges as so many of the new entrants to the Scheme are under extra strain and have a much wider range of disabilities: mental health, developmental conditions, such as being on the autistic spectrum or a visual impairment, together with increasing numbers from the Armed Forces. Indeed, since 1984, when Motability took over responsibility from Blesma, we have already helped some seventeen thousand veterans to remain mobile. We expect the new categories of disabled people joining the Scheme will expand to at least a quarter of a million within two to three years.

Others have been kind enough to suggest that our endeavours are highly welcomed by the disabled community and I am very glad that Sir Amyas Morse, the Comptroller and Auditor General of the National Audit Office (NAO), has personally commended the excellence of our service and quality of our management. That praise, of course, is due to the wonderful dedication of all those employed at both Motability and Motability Operations.

We have accepted all the NAO's recommendations but have also made clear to them that there are areas still open to further debate. One, in particular, is the suggestion that customers are being charged 'more than was required to cover lease costs'. This runs quite contrary to the fact that Scheme customers pay 45% less than the market rate for their vehicles, in addition to the support, insurance and vehicle enhancements that we offer. As such, every penny, surplus to sustainability and to this excellent price and service, goes to help enhance the lives of the Scheme's disabled customers and their families.

To help the process, our Board of Governors, strongly supported by Motability Operations' Board, are commissioning - immediately - a review of reserves held at Motability Operations in order to determine the degree of risk that the Scheme can handle, taking into account our third principle: sustainability.

Finally, it must be remembered that Motability actively pursued an inquiry by the NAO. In normal circumstances this would not have happened as we are not in direct receipt of public monies. But being a subject of legitimate public interest, we felt that such an inquiry would clear any question marks with regard to our reputation and governance.

We will unquestionably learn and make use of many aspects of the NAO's Report, and all of its recommendations. The National Audit Office is a unique, highly professional institution which serves this country well.