



Our
Plan





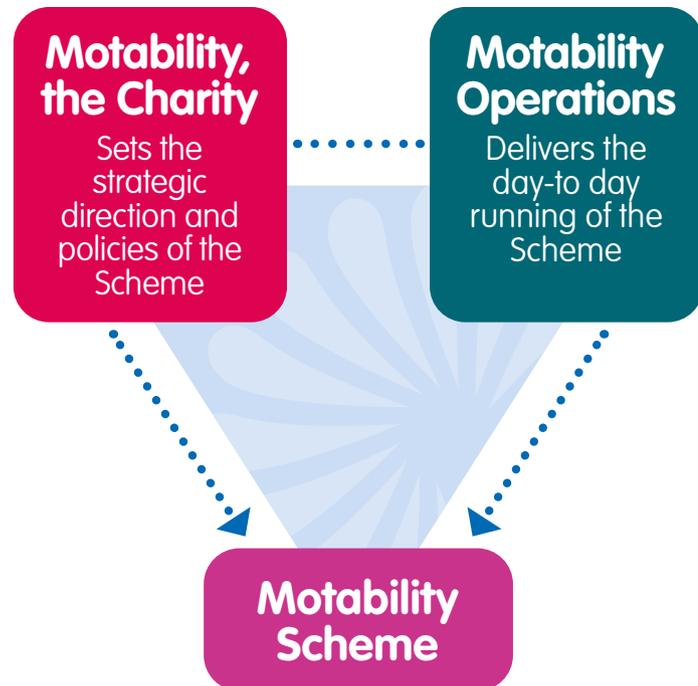
Introduction

Forty three years ago, Motability was founded by the late Lord Goodman and Lord Sterling, the current Chairman, as a highly innovative and national charity to help disabled people with their personal mobility.

Today, under its direction, the Motability Scheme has provided around 5 million vehicles and has helped millions of disabled people and their families to enjoy the 'road to freedom'. Motability is now a leading charity for disabled people and their mobility.

Motability sets the strategic policies and direction of the Motability Scheme and oversees its performance to ensure it meets the needs of disabled people. The day-to-day running of the Scheme is delivered by an independent, commercial company, Motability Operations, under an exclusive contract with Motability.

Motability has proven resilient in the context of successive economic cycles and welfare reforms to disability funding and has built long lasting and valued relations with stakeholders across Government, industry and the charitable sector. It is a national success story and strives to remain so.



In continuing to fulfil the charitable objective of Motability, the Board of Governors endorse the plan and its five year horizon. The operational functions of Motability will continue: setting the strategic policies and oversight of the Motability Scheme; using charitable funds to support beneficiaries with the financial cost of their transportation needs; ensuring that disabled people are fully aware of Motability, the Charity and the Motability Scheme; constantly looking for and developing new solutions to meet the evolving transportation needs of disabled people; ensuring the Charity provides the highest level of customer service across the UK, underpinned by a strong infrastructure and empathetic culture.

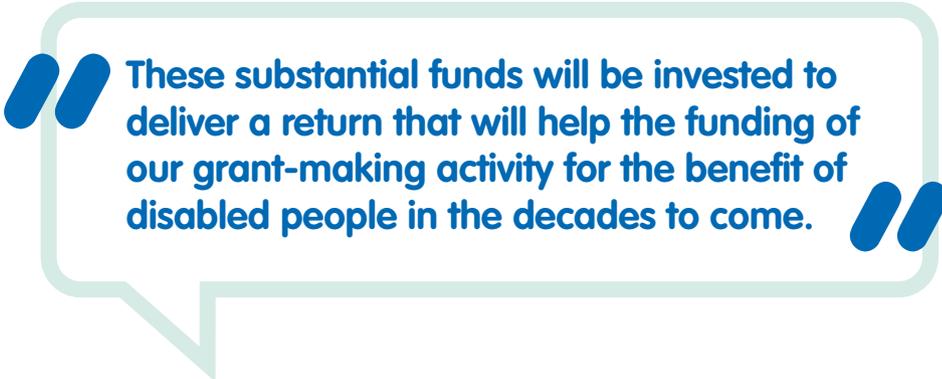
The Governors of Motability, with the authority invested in them under Royal Charter, will fulfil the charitable objective in the best interests of beneficiaries, both present and future, taking a long-term view and will be transparent on the decisions taken.

Motability, the Charity, has the objective to facilitate the relief and assistance of all disabled people in connection with the provision of personal or other transportation. Motability is regulated by the Charity Commission. The day-to-day running of the Scheme is delivered by an independent commercial company, Motability Operations, under an exclusive contract with Motability. Motability Operations is regulated by the Financial Conduct Authority.

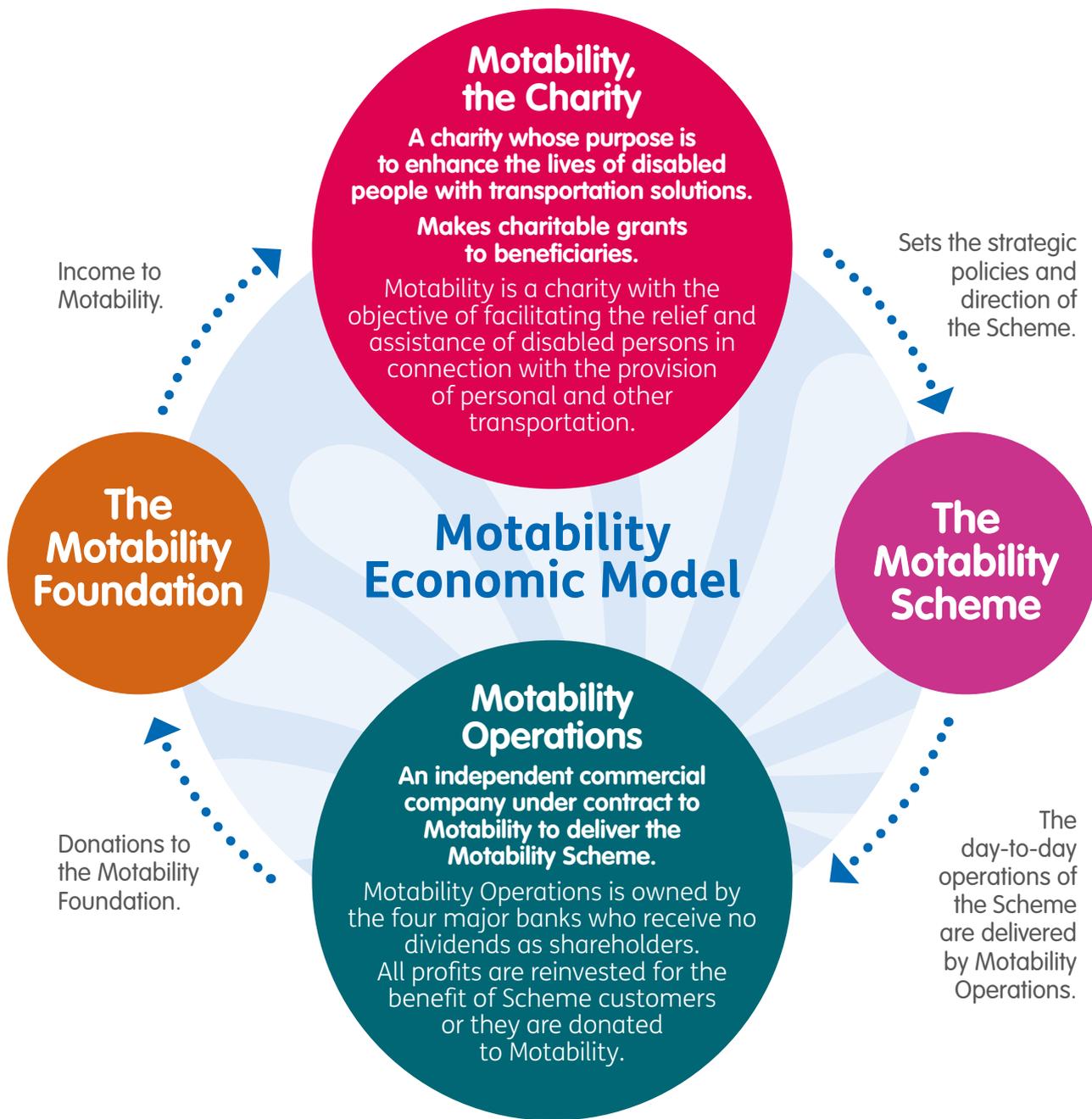
Motability Operations has to fund the cost of over 625,000 vehicles on the Motability Scheme to a value of over £6.8bn and needs to borrow money in order to do so. Before any investor lends money to any company, they need to be assured it is a healthy business to have the confidence the loan and the interest will be repaid. Motability Operations must maintain sufficient capital for its activities, keeping the vehicle fleet on the road, and to attain a strong credit rating to lower the cost of borrowing, and to ensure access to the capital markets, underpinning the Scheme's value for money. It is also important to us that current Scheme customers are protected from economic downturns or market shocks unless there are exceptional circumstances. Therefore, Motability Operations aims for a modest return on its capital asset base each year. This return figure and the level of capital reserves are kept under review.

The provision of reserves to protect current customers from volatile and potentially price increasing

market forces is important, as noted previously. However, in more buoyant markets, financial performance sometimes exceeds forecast returns. Motability Operations does not pay a dividend to its shareholders. Any profits are reinvested for the benefit of current and future Scheme customers through improved services (insurance terms for carers as an example); added to reserves if risk assessment deems this prudent to further protect current and future customers; or are donated to the Motability Foundation to help address the transportation needs of all people with disabilities. These decisions are agreed between Motability and Motability Operations. This is a vital part of the Motability proposition. With regard to the Motability Scheme, those who are eligible for the Scheme have total choice in whether they join the Scheme as a customer or not. If they do, their mobility allowance from the Department for Work and Pensions is paid to Motability Operations who provide the vehicle to the Scheme customer by way of a lease agreement.



These substantial funds will be invested to deliver a return that will help the funding of our grant-making activity for the benefit of disabled people in the decades to come.



The Strategic Pillars

MOTABILITY SCHEME



Ensure the successful operation of the Motability Scheme in meeting the transportation needs of disabled people.

GRANT-MAKING



Use charitable funds to support beneficiaries with the financial cost of their transportation needs.

BUILD AWARENESS



To ensure that disabled people are fully aware of the benefits available from Motability, the Charity, and the Motability Scheme.

INNOVATION



Constantly look for and develop new solutions to meet the evolving transportation needs of disabled people.

DISABILITY CHARITY



Be a major charity that provides the highest level of service, underpinned by a strong infrastructure and empathetic culture.

Our Founding Principles

Our founding principles that underpin our Strategic Pillars are to provide:

- The highest standard of service.
- The best possible value for money.
- Financial sustainability for the long-term.

How it works

The Motability Foundation

The Motability Foundation is an endowment trust, established in September 2019. The Foundation's sole purpose is to support Motability (which is its sole corporate trustee). Its funds come from the substantial donation from Motability Operations at the conclusion of its 2018-19 financial year. We anticipate future donations from Motability Operations to be made to the Foundation but cannot be certain on the amount or timing.

A key, strategic role of the Foundation is to provide financial resilience, enabling Motability to continue supporting grant programmes, even in years when donations from Motability Operations fall below expectation, or a donation cannot be made due to economic conditions at the time. These substantial funds will be invested to deliver a return that will help the funding of our grant-making activity for the benefit of disabled people in the decades to come. However, it is likely that future donations from Motability Operations will form a critical part of our future grant-making and, therefore, Motability will have to manage the scale of its grant-making having regard to its assessment of the likelihood of future donations, once the current unrestricted reserves have been substantially drawn down.

The investment strategy for the Foundation will be to protect the ability of these funds to deliver a reliable, steady source of return for Motability, by managing risk in an appropriately diversified portfolio, structured with the help of expert advice. It is not intended for the Foundation to be a regular source of funding for budget deficits. The size, resourcing and risk of grant-making by Motability, the Charity, will be managed to budget, as part of the normal business cycle.



In 2019/20, Motability aims to have charitable grant commitments of **£62 million**, amounting to a **90% increase** on the previous year.

Spending Plan

In the financial year 2019/20, Motability aims to have charitable grant commitments of £62 million, amounting to a 90% increase of spend on the previous year.

- **Scheme-related grants** benefit those who are Scheme customers.
- **Access to Mobility grants** benefit disabled people who are not Scheme customers at the time.
- **Special grants** benefit disabled people and communities through Motability resourcing other charities and organisations with aligned objectives

The allocation of grants is anticipated to be made up of 73% Scheme-related grants; 24% Access to Mobility grants and 3% Special grants to other charities. Special Grants includes some significant pilot projects.

During this period of deliberate growth, with the necessary investment in capacity, expertise and infrastructure, our overhead cost will be targeted at 18% of the total grant spend, so enabling us to make efficiencies as we grow.



Implementation Plan

Governors have endorsed the immediate research priorities to guide our impact.

They are:

- Understanding why those eligible for the Motability Scheme choose not to use it
- Improved understanding of the needs of people with disabilities in the wider community and appreciating the role Motability can play in fulfilling those needs not met by the Scheme
- And understanding other forms of transportation provision and identifying the potential for Motability to have an impact.

Consultation with Scheme customers and non-customers highlighted the concern they have on investment

in innovation and their view that research should focus on near term impact for disabled people rather than long-term scientific invention.

Surveys and consultation across the disabled community will be a function of our research and their findings given strong weight.

Motability will continue to develop the evaluation of grant-making within its measurement practices of its own performance.

To support expansion, Motability is carrying out a sustained recruitment campaign, which aims almost to double the headcount of the grant-making department over the course of the next two years. The role of a front line Charitable Operations Case Manager is complex and

challenging, dealing with people whose disabilities may be physical and/or cognitive, and whose circumstances are unique and often complicated. The role requires extensive and intensive training over a six month period to be able to fully deal with the many difficult and sensitive issues they may face. There will be investment in strengthening oversight of the Motability Scheme and Innovation, alongside an increase in grant-making staff.

Our people and the Motability Foundation are the two key resources at our disposal. As we expand, Motability must ensure a consolidated, clear and articulated common culture, with beneficiaries at the core.

All Motability employees are to reflect our values in their everyday activities.

They are:

- We work together to enhance the lives of disabled people
- We encourage a culture of continuous improvement
- We have empathy and are respectful to everyone
- We listen, are practical and approachable
- We value the expertise of everyone we work with

Motability has proven resilient in the context of successive economic cycles and welfare reforms to disability funding and has built long lasting and valued relations with stakeholders across Government, industry and the charitable sector.

Conclusion

Whatever the future holds, Motability will continue its best endeavours to enhance the lives of disabled people and their families, by helping with their transportation needs and independence in the decades to come.

Motability has the responsibility for the strategic direction of the Motability Scheme, and with Motability Operations who deliver the day-to-day operation of the Scheme across the UK, will continuously evaluate the global market forces that influence the international motor vehicle industry. There will undoubtedly be considerable change and certainly volatile times.

The Motability Foundation is now established and it provides a longer term insurance policy, underpinning our work for current and future generations to come.

This plan sets the intended course of Motability for the next five years with grant-making plans detailed for the near term. They will be funded by drawing from the unrestricted funds held by Motability as a result of the £400 million donation from Motability Operations in 2018. However, within these five years the transition to Personal Independence Payments will be completed in May 2021. It is estimated £210 million of Transitional Support Payments and Stopped Allowance Support will have been funded by Motability to

2022 and the change in assessment criteria for Personal Independence Payments (PIP) has significantly altered the profile of customers and their individual needs are more challenging. We understand the Government intends to evaluate PIP through 2021/22 and the findings will be of great interest to Motability. We intend to do our own review in the same year.

As part of devolved welfare reform, the Government of Scotland will introduce Disability Child Benefit this summer and Disability Assistance for Working Age People early next year. Both benefits have a mobility element that can be used for the Motability Scheme. The Motability Scheme has recently been accredited to continue to be available for disabled people in Scotland.

There are currently over 635,000 people benefitting from the provision of cars, accessible vehicles and complex adaptations, powered wheelchairs and scooters. Under Motability's stewardship, the Scheme, reinforced by our charitable programmes, has provided around five million vehicles and helped millions of disabled people and their families to enjoy 'the road to freedom'.

This Plan was endorsed by the Motability Board of Governors in February 2020.



Today over
635,000
people benefit
from the
**Motability
Scheme**





Registered charity in England
and Wales No. 299745

