

**Mobility and Access Committee for  
Scotland (MACS)**

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To whom it might concern,

**MACS RESPONSE TO THE SOCIAL SECURITY ADVISORY COMMITTEE  
CONSULTATION ON HOW PUBLIC FUNDS CAN BE USED MOST EFFECTIVELY TO  
SUPPORT THE MOBILITY NEEDS OF DISABLED PEOPLE<sup>1</sup>**

The Mobility and Access Committee for Scotland (MACS) is a non-departmental public body with the Board of 14 members appointed by the Cabinet Secretary for Transport, Infrastructure and Connectivity.

The overarching remit is:

- To give Scottish Ministers advice on aspects of policy, legislation and practice affecting the travel needs of disabled people.
- To take account of the broad views and lived experiences of disabled people when giving advice.
- To encourage awareness amongst disabled people in Scotland of developments which affects their mobility, choices and opportunities.
- To work closely with SG and ensure our work programme complements the work being undertaken by the Disabled Persons Transport Advisory Committee (DPTAC), the Equality and Human Rights Commission and other organisations, voluntary and statutory.
- To promote the travel needs of disabled people with designers including transport planners and operators so that these are fully taken into account in the development of vehicles and infrastructure and delivery of services.
- To monitor and evaluate the effectiveness of our work against the above aims and objectives in improving travel opportunities for disabled people in Scotland.

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<sup>1</sup> <https://www.gov.uk/government/consultations/how-public-funds-can-be-used-to-support-the-mobility-needs-of-disabled-people>

Over the past year MACS has been attempting to engage with Motability and Motability Operations to discuss some of the concerns that are being raised with us by Motability Customers in Scotland. We have had two roundtable discussions, albeit, our proposals (suggested by Motability Customers) and offers of assistance after the initial engagement in March 2019 were not taken up by Motability Operations or Motability. The more recent communications (November 2019) would suggest there is still an unwillingness to be transparent, meaningfully engage and consult with MACS regarding Scottish customers concerns and needs. **Appendix 1** outlines the areas MACS asked to re-engage on at the November 2019 meeting.

Considerable first hand comments have recently been made available from a survey by Disability Equality Scotland. This evidences that some of the areas cited by MACS are of concern to disabled people in Scotland and currently act as barriers to people leasing a car from Motability. These verbatim comments are appended to this response (Appendix 1).

We have based our return to this consultation on what people in Scotland are telling us in line with our overarching remit: *To take account of the broad views and lived experiences of disabled people when giving advice.*

### **1. For those who are eligible, is not leasing a vehicle through Motability a voluntary choice?**

MACS has been told that many people eligible for a vehicle through Motability do not enter the scheme due to the reasons below:

- Flexibility of the scheme i.e. a standard 3 or 5 years lease is too long for some people and their disability may change during this period and hence their needs will be different – they also may not have an entitlement that lasts 3 years (higher rate Personal Independence Payment (PIP) or Disability Living Allowance (DLA)).
- Flexibility of the scheme i.e. people may need the use of a car sometimes due to poor or limited public transport options and entering the scheme can be seen as a form of forced car ownership for infrequent use.
- Base level cars do not meet their needs and they cannot afford the advanced payments for either an automatic car or bigger car (to carry their mobility equipment). There is also an issue with additional payments for automatic transmissions and many disabled people require this, as they are unable to drive a manual car.
- Particular to Scotland is the geography and base level cars are unsuitable for the terrain. More prevalent in more rural areas.
- Perceived value for money - cars that suit their needs normally have an advanced payment as well as “taking up” their full monthly benefit (PIP or DLA).
- Due to the nature of a lease scheme, customers will never have the opportunity to be a car owner and should they lose their passported benefit to the scheme (Higher rate PIP or DLA) then they will be left with no lease car and no savings to secure another car. We are aware that the investment in Stopped Allowance Support part addresses this.
- Several people have indicated that they have made a choice not to lease a vehicle since being made aware of the National Audit Office (NAO) findings around executive remuneration, excessive reserves and charitable donations.

People relate this to being charged more than is necessary for the scheme to generate profit and **have labelled this a compulsory “disability tax”**

- Some disabled people are still unaware of the opportunities that a motability lease can provide. Attempts by MACS to encourage Motability and Motability Operations to undertake promotional and awareness raising work in this area has not materialised.
- People we have spoken to as part of our consultation indicate that when they or friends have had a Motability car, they have not been treated well by the garage, noting a difference between Motability customers and “regular” customers with testaments being shared stating that dealers have alluded to this and linked it to the difference in profit margins for dealerships payments from Motability Operations.

### **Is the decision not to use the scheme related to a preference for using public transport or is it due to other factors?**

In the main we have heard that people like the security of having a car as it allows them to regain and maintain their independence and is more reactive to their individual needs. Anecdotally we have also heard that if public transport was fit for purpose (available, accessible and affordable) and met their needs, some people would prefer to use public transport and use their PIP or DLA to cover the costs of this and some of their other outlays.

Research undertaken by SCOPE in 2018 found that on average disabled people have additional living costs of £583 per month.

### **Are disability benefits used for other forms of transport or travel support; and if so what are the benefits of this?**

Many people would like to be able to use their benefits for other aids or equipment needed to maintain independence such as mobility scooters, powered wheelchairs, adapted bikes or wheelchair “add on’s”. At present this is unachievable as the lease for their car takes their full benefit entitlement as well as any annual increases.

We have also been told of people who would like to only use the car sometimes and free up some of their PIP/DLA to use public transport when they can. Currently this is not an option but it fits with early thinking on Mobility as a Service (MaaS).

For people on low or restricted incomes, their disability assistance payments are used for day-to-day living and are essential for the running of the household. Using the allowance for a lease car is beyond their financial capability and their dreams.

This can however can lead to isolation as they remain unable to afford accessible travel and hence become less connected and more isolated.

It should be noted that the Scottish Government’s £200 million a year concessionary travel scheme also benefits many disabled people, but is of no use to those who’s mobility’s is so restricted that they need door to door transport or where bus services are not available (example: assistance from family, friends, taxis or community transport providers).

**2. For disabled people who are on enhanced mobility benefits, what are the main barriers to leasing a vehicle through the Motability scheme?** Barriers could include financial, practical, information based or personal factors for example.

We have covered some of these barriers within question 1 above. In addition to this we would cite inflexibility of the scheme, value for money, fear of losing entitlement to the scheme and understanding the scheme and what it offers.

More recently we have been given examples of customers not having a say in the development of the scheme or how the excessive profits generated (referred to as compulsory disability tax) are being spent. This includes frustration and anger at the level of executive pay (Disability Equality Scotland poll – 2019) and the spending plans for the donation of approximately £1.2 billion from Motability Operations to Motability.

### **What are the key issues for those individuals who feel they cannot opt in to the Motability scheme?**

The key issues are value for money, advanced payments, choice of vehicles, the reputation of the scheme since the NAO review and flexibility of the scheme.

In addition some disabled people feel that they would rather invest in a vehicle for life, one that they can adapt to fully suit their needs and one that they will own and be able to keep for many years. This is particularly the case when a suitable vehicle is not available through Motability (or no longer available at lease renewal) or the costs of the adaptations through Motability are prohibitive.

We have heard recently about reported changes to the grant process that some customers are only now finding out about, when applying for their grant to adapt a new vehicle.

We have been told of several issues around the bureaucracy of the grant scheme, the eligibility criteria even for consideration/eligibility to apply for a grant and the loops to go through to be considered for approval.

We note below concerns raised by a groups called Disabled People Against Cuts (DPAC) and titled “Secret Changes to Motability Conditions – People needed for Legal Challenge” – this reflects some of the testament we are hearing.

#### **DPAC (Disabled People Against Cuts) - Secret Changes to Motability Conditions – People needed for Legal Challenge<sup>2</sup>:**

Motability have introduced changes to their grant making conditions discriminating against disabled people with the highest support needs who are unable to work for a minimum 12 hours per week, carry out at least 12 hours of voluntary work (which apparently can't be internet based but has to be outside the home and doesn't include travel time), are not in education for at least 12 hours a week and who need specialised adaptations to transfer to drive or drive from wheelchair vehicles.

These changes have not been made publicly known or advertised to current customers in any way about who is eligible for a grant and the changes were made without consultation. We understand the changes were made from June the 1<sup>st</sup> this year but customers are only being told about them when they inquire about a grant for a replacement vehicle.

The impact of these changes, which affects those with the highest and most costly needs are potentially life changing. It could well prevent people having contact with family (let alone friends) if they live in rural areas with little or no transport. It means anyone who can only

<sup>2</sup> <https://www.disabilitynewsservice.com/motability-face-court-action-discriminatory-new-rules/>

travel with equipment like hoists, oxygen cylinders and other bulky items won't be able to go anywhere. It also ignores the facts that with other cuts to services people will not be able to ensure that they have the physical support from someone else to drive them.

We have sought legal advice to see whether these changes can be challenged as discriminatory and now need to hear from anyone who is or would be affected by these changes in the near future and who would qualify for legal aid.

In particular we want to hear from anyone who currently does not have a vehicle and has been refused the right to apply for grant funding.

If you think you might be affected by these changes then please contact us at:

[mail@dpac.uk.net](mailto:mail@dpac.uk.net)

Some disabled people are also of the misunderstanding that the driver needs to be the disabled person and the disabled person always needs to be in the vehicle when it is in use. This means that a family frequently don't look into the fine print about the lease and dismiss it as an option.

### **3. How does participation/non-participation in the Motability scheme impact on the life of a disabled person?**

The Motability leasing scheme provides a valuable service for its customers.

MACS recognises the importance of the scheme to its users. However, the NAO also pointed to a number of serious weaknesses and causes of concern as follows:

- Charging customers significantly more (£390 million) for leases than was necessary;
- Accumulation of over £1 billion unplanned profit above forecast over 10 years;
- A business model which will continue to generate excessive profits in the future;
- Unjustified levels of executive pay and secrecy;
- Issues around governance, accountability, diversity etcetera.

Given that all Motability income ultimately derives from disabled peoples' benefits, there has been considerable public disquiet (indeed anger) and adverse media coverage at these findings. Until recently Motability customers were unaware of the profits being made and high salaries and bonus paid to senior staff.

In light of the above we have been told that some disabled people have lost confidence in the transparency and credibility of the scheme and chosen not to enter the scheme and some have also opted out.

There are on-going concerns with the business model, value for money, lack of engagement with the customer base and the need to continue to generate excessive profits **while not considering the option to reduce lease costs to better reflect the actual cost of the lease** and prevent the accumulation of the high level of planned profits and unplanned profits resulting in the excess being given away as a charity donation over which the customers have no say in the spending.

People are also confused by the Motability set up. We feel that there is an over-complicated structure of Motability Tenth Anniversary Trust, Motability, Motability Enterprise Ltd, Motability Operations Ltd, Motability Operations Group PLC and recent talk of the new Motability Foundation.

Most of these linked organisations have highly paid executives and a Boards/groups of non-executive directors with thoughts being that individuals are frequently recruited from an internally connected network, who mainly live in the south of the country and who have little 'lived experience' of what the average disabled person living on low or restricted incomes has as daily challenges.

There is also evidence that this structure enables them to form a shifting blame culture for any shortcomings. This culture was critically referred to by the NAO. The Westminster Treasury and Work and Pensions Committees were also critical of this structure.

In MACS engagements with Motability and Motability Operations, we have also found a lack of transparency around recruitment and selection processes and senior manager and executive remuneration. On asking for clarity and transparency on these issues we have been shuffled between Motability and Motability Operations and have yet to receive a response to our questions and concerns.

#### **4. How affordable are adaptations to a leased vehicle?**

##### **Does the need for adaptations put people requiring these at a disadvantage in terms of using the scheme?**

For those who qualify for the grant scheme the adaptations allow them to retain their independence and without the scheme, in the main, these adaptations would be unaffordable.

There is a general acceptance of the benefits of the adaptations and a wish for this to be protected, enhanced and not eroded.

In Scotland there is only (to customer's knowledge) one wheelchair access vehicle (WAV) dealership and customers have asked for this to be addressed.

There is also only one driving assessment centre (Edinburgh) and again there has been a call for this to be looked at in terms of the potential to provide regional assessment centres/accessible travel hubs. As well as improving access to assessment by reducing the need to travel long distances for many people this would also assist with the length of wait for a "fit to drive" assessment.

This recent hub model<sup>3</sup>, has recently been supported by the Department for Transport and Driving Mobility (a charity that accredits a nationwide network of driving assessment centres) and the successful introduction of this new 'Hubs' pilot scheme to broaden information and guidance regarding accessible travel would be advantage if this could be extended to Scotland.

##### **What grants are available for this group of people and what more can be done to support these needs?**

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<sup>3</sup> <https://thiis.co.uk/driving-mobilitys-new-hubs-pilot-scheme-to-deliver-accessible-travel-advice-backed-by-dft/>

We have heard many Motability customers express issues with the means testing format of the current grants scheme, lack of advertising of the grants scheme, erosion of the scheme (previously referred to) and the bureaucracy of the grants process.

This includes the qualifying benefits and means test, which includes partners and other people living within the same household also being means tested as part of the Motability customers potential to qualify for consideration to the grants scheme. Also the time it takes from application to decision and concerns around the data protection of the information that needs to be submitted for consideration to the grants scheme (paper copies of bank account and saving accounts details for the scheme member, their partner and all adults living in the same household).

Bearing in mind the excessive profits made by Motability Operations, we feel that this should be reinvested into the scheme for its customers, or to attract new customers, and not used on projects outside the population of people whose benefits have been used to lease a car.

This is one of the main calls we hear from disabled people in Scotland including scheme and non scheme members.

**5. For people who are not eligible, because they do not get the enhanced rate, is there a demand for opening up access to the Motability scheme?**

Yes.

We have been told and believe that this would greatly assist disabled people and particularly people on low or restricted incomes or other non-qualifying benefits.

**6. How available and/or useful is the information on the Motability scheme?**

We have found, and raised with Motability and Motability Operation, that the information could be improved and give more opportunities for customer feedback and to gather ideas and more details on what is and is not available on the scheme and what works and does not work for customers.

In addition, if the leases were more flexible in length people may be more inclined to use the scheme.

We feel this would part way address the issue of their customer surveys only reaching 0.01% of their customer base, the surveys not being designed with customer (to target what is important to them) and the current method of survey, which is not accessible or inclusive.

MACS have raised these issues with Motability and Motability Operations but **there has been no progress.**

We have also asked that, in the interest of transparency and given the NAO findings, the scheme agreement between Motability Operations and Motability is made available publically (with any commercially sensitive information redacted) to give people a better understanding of the scheme and the relationships between the financially connected organisations.

Motability recently ran one of their open days (One Big Day) at the Royal Highland Centre in Edinburgh. The only publicity seen by many was in the Motability magazine.

Several members of MACS and within their network of stakeholders are due to renew their lease and face the task of visiting dealerships to discuss options (this can be a stressful and

anxious time with many people voicing poor customer experience at dealerships). Motability could have used their database of clients and written to them to advise them of the event.

Likewise adverts in dealerships, through Disabled People Organisations (DPOs) and in public places etcetera would have been beneficial and informed more people of the event, assisting customers and potentially attracting new customers.

### **Is support available to access this information?**

We are not aware of any support available.

### **How easy is the process involved in leasing a vehicle from Motability for disabled people with varying needs?**

We feel that this is an area that could be improved and a Scottish Regional Hub model would assist with this as would better meaningful customer engagement to understand customer needs and the current barriers.

Motability and Motability Operations seem reluctant to engage with DPOs and with MACS to learn from people's direct experience. For example we expressed an interest in being part of the consultation on the use of the surpluses, developing strategy and improving customer engagement.

**Motability declined this offer** and undertook consultation without even advising us of its intent to engage, which under scrutiny from MACS became apparent that it was more of a focussed market research exercise rather than a meaningful customer engagement and consultation opportunity.

### **7. How does the need for and/or opportunity to benefit from the Motability scheme intersect with other characteristics such as:**

- Different experiences of disability – for example physical impairment, mental health condition, learning difficulty
- Other characteristics – such as age, gender, ethnicity
- 'Geography' – whether disabled people live in a rural or urban environment

There are intersections in relation to customers and potential customers characteristics. We believe that a programme of meaningful engagement would assist with designing a service that better meets users and potential users needs and could be developed to support intersectionality, rural challenges and challenges for disabled people on low or restricted incomes.

Motability takes insufficient account of the differences between rural, urban and island living.

For example, one of the MACS members lives on a Scottish island and needs a vehicle suitable for that terrain. In addition this customer has to pay ferry fares to have servicing done on the vehicle, which is an additional cost incurred by individuals.

### **8. Do those using the Motability scheme benefit more financially than those eligible for the highest/enhanced rate who do not use the Motability scheme?**

MACS are not able to comment on this area but would draw attention to the schemes provision to lease wheelchairs, power chairs and scooters.



Although this is an area that the NAO did not cover within the review, customer feedback states that the hire of mobility aids is overly expensive, particularly as the equipment is returned at the end of the lease period and the amount paid over the term of the lease exceed the cost of the equipment.

People are also concerned that in the climate of Motability Operations generating excessive profits, and following a business model that will continue to do so, there is no need for the equipment that has been more than purchased over the lease period to be returned to Motability Operations, who sell it off to a third party and recoup further profits from these sales. **There have been calls for people to be able to retain the equipment at the end of the lease period.**

The level of costs for a car leased through Motability does not allow the customer to lease both a car and necessary equipment (wheelchair/mobility scooter) and it would be beneficial if both could be provided in some lease agreements. Given the level of profits being generated by Motability Operations and the donations they are making from these profits to reduce their level of reserves, disabled people believe this is achievable and should be looked at as an option going forward **if reducing lease costs continues to be ruled out.**

We have been told of Motability customer's frustrations that directing profits from current scheme holders to address the above **should be considered before** the current plans to use these profits as charitable donations for non scheme customers and in particular to prop up the Department of Work and Pension's Access to Work scheme.

This proposal has angered many Motability customers and raised issues of legal thresholds, morality and ethics as in effect disabled people's benefits (PIP and DLA) would be paid direct from the DWP to Motability Operations, who charge more than necessary for the lease agreement then donate the profits to Motability who donate it back to DWP.

**This proposal has raised a great deal of concern from Motability customers who believe it to be ill thought through and under hand.**

We have also been made aware of concerns over the more recent development/initiative to purchase wheelchairs from Motability Operations at the start of a lease.

These concerns relate to the suitability of the chair for the person with no or little assessment, the impact an unsuitable wheelchair could have on their condition and/or health and the health and safety aspects on providing wheelchairs that have not been assessed and the level of safety testing (i.e. many disabled people travel on buses, trains and in private taxis in their wheelchair and this raises issues around securing the chair and the resilience of the frame particularly under an avoidance scenario (sharp braking/cornering or collision) or assessed in terms of the persons individual needs and ability.

Again the issue has been raised around these wheelchairs having to be returned at the end of the lease period.

MACS welcomes the opportunity to respond to this consultation and we offer our assistance, anyway we can, to ensure the views of disabled people in Scotland are heard and taken into account in the development and future proofing of the scheme.

**Kind regards,**



Linda Bamford  
National Convener  
Mobility and Access for Scotland (MACS)

**Enclosed:**

- Appendix 1- Disability Equality Scotland Poll on Barriers to Motability – November 2019
- Appendix 2 (separate) – DES weekly poll

## Briefing paper for DPOs for meeting with Motability, 5 November 2019

### 1. Background and Overview

1.1 Motability leases cars, scooters and power wheelchairs for disabled people, paid from their benefits. It has two main elements - the Motability charity and Motability Operations, its commercial leasing arm. Appendix 1 describes the structure in more detail. Over the 18 months, MACS has been exploring governance and financial aspects of Motability, which attracted considerable attention since the disclosure of the level of Motability Operations' reserves (£2.4 billion) and CEO remuneration (including bonuses, approximately £2 million pa).

1.2 The House of Commons Work and Pensions and Treasury select committees have jointly investigated these matters, holding inquiry meetings in May 2018 and January 2019. Following the first meeting, it was agreed that the National Audit Office (NAO) should carry out a review, which reported on 9th December 2018. While noting the success of the Motability Scheme over many years, the NAO broadly endorsed the criticisms over the levels and disclosure of executive pay, accumulation of excessive profits and reserves, and governance <https://www.nao.org.uk/report/the-motability-scheme/>.

1.3 In view of the scale and importance of Motability, and the fact that some of the social security benefits which confer entitlement to Motability are being devolved to the Scottish Government, MACS convened a meeting of Scottish Disabled Peoples' Organisations (DPOs) on 5th March 2019 to discuss the NAO report and the issues it addressed. The Director and Scheme Oversight Manager of the Motability charity also attended.

### Developments since 5 March 2019

2.1 MACS (represented by Linda Bamford and David Hunter) met Shirley-Anne Somerville MSP, the Cabinet Secretary for Social Security. Ms Somerville accepted MACS' recommendations that she should:

- Commission a significant research exercise to better understand how the scheme operates, and the perceptions and wishes of Motability customers and potential customers, in Scotland;
- Notify Motability that they should see the Scottish Government as an important stakeholder in the Motability service, which should be consulted over matters of organisational strategy and governance;
- Consider the role that a Motability scheme can play in helping to deliver its broad policy objectives including a fairer, more prosperous Scotland.

2.2 Motability informed us that Motability Operations are to set up a call centre near Edinburgh (its first physical presence in Scotland).

2.3 Motability commissioned a review of the level of reserves held by Motability Operations, as recommended by the NAO. This advised that reserves could be reduced by between £380 and £420 million without adversely affecting credit ratings. MO then agreed to reduce the level of reserves by £370m, principally through making an additional donation to Motability Charity.

2.4 Motability published the findings of its 2017 Governance Review, as requested by Westminster Parliament committees. This is tabled as a separate background paper.

2.5 Motability issued a statement on how it intends to use the 'windfall' £400 million donation received from Motability Operations in December 2018, and future expected income. This included support for people who lose entitlement to PIP, to families with children under three years old and to the Department of Work and Pensions Access to Work scheme. <https://www.motability.org.uk/about/news/future-spending-initiatives-statement>

2.6 Paul Atkinson has left Motability as Director and has been replaced by Barry le Grys.

2.7 The Scottish Government issued a Request for Information notice in September 2019, in order to prepare for the potential launch of a new 'Scottish Motability' scheme in the summer of 2020. This would be associated with the devolution from Westminster to Holyrood of responsibility for benefits conferring eligibility to Motability (notably PIP) <https://www.gov.scot/publications/accessible-vehicles-equipment-scheme/>

2.8 On 26 September, Motability announced that Motability Operations was to make a further donation of £800 million to a new endowment fund, which "will enable us to substantially extend and sustain our current grant-making programmes and introduce new initiatives, taking into account industry capacity and additional resource, for example the need for highly trained specialist staff." <https://www.motability.org.uk/about/news/motability-receives-major-donation>

### **3. MACS' Views**

3.1 MACS continues to recognise that the Motability scheme performs a valuable role for many disabled people in Scotland - over 60,000. It provides access to vehicles and other mobility aids at a significantly reduced rate, compared to commercial alternatives, capitalising on its tax advantages (exemption from VAT and Insurance Tax Premium) and buying power resulting from economies of scale.

3.2 Nevertheless, MACS also maintains concerns about Motability's management and governance arrangements:

#### **Accountability**

3.3 Mechanisms, which enable stakeholders - especially Motability customers, who ultimately fund all aspects of the scheme - to influence the scheme are weak.

3.4 Although Motability executives told us in March that they do not intend to consult on a strategy for dispensing its funds, Motability claims that "a comprehensive programme of consultation" statement on spending plans was carried out with Motability customers and disability groups (see 8) above).

3.5 However none of the major DPO stakeholders in Scotland - MACS, Disability Equality Scotland and Inclusion Scotland - were consulted on this and we do not know what this consultation process consisted of.

#### **Diversity**

3.6 While there have been recent new appointments to the Board of Trustees, including two more disabled people, we remain concerned at the lack of diversity on the Board (only one woman, no people from BAME communities, no Trustee with lived/direct experience on living on low or restricted incomes (to represent a large proportion of the customer base) and no Trustees from Scotland, Wales or Northern Ireland).

3.7 We also believe that the process for recruiting new Trustees lacks transparency.

## Reserves

3.8 The NAO reported that Motability has accumulated over £1 billion unplanned profits over the last decade, partly from charging disabled people more for leases than was necessary (estimated at £390 million); and also from consistently underestimating the revenue they gain from disposing of vehicles after leases expire. NAO says that surpluses will continue if the current policy continues.

3.9 While MO agreed to reduce its level of reserves by £370m (mostly through additional donations to Motability Charity), we note that this is less than the amount advised by the review commissioned on this topic (£380-420m). Our understanding is that it continues to adopt the same practices, which will lead to excess profits in future years.

**3.10 It appears to us that MO's objective in reality is to generate the most revenue and highest level of reserves possible, rather than the minimum needed (as we would wish).**

## Value for money

3.11 As noted above, Motability accumulates more funds than it needs to operate the scheme. Surpluses are added to reserves, passed on to Motability Charity as donations or used to fund enhancements to the scheme. (Recent such 'enhancements', which we are aware of include the increase of the 'good condition bonus', first from £250 to £500, and then to £600; and the ability to add a third named driver for insurance purposes without penalty.)

3.12 We shared the concerns at excessive levels of executive pay and although we understand that the most generous bonus schemes have now ended, we want to ensure that remuneration is set at appropriate levels in future.

3.13 MACS preference is that Motability should provide the lowest possible cost to the service user, so that no unnecessary surpluses are accumulated and the scheme is run as cost-effectively as possible. **We do not believe that this mindset is in place at MO, which appears to be highly reluctant to consider any measure, which would reduce the cost of leases to customers.**

## Customer satisfaction

3.14 At the March round table event, considerable scepticism was expressed that the levels of customer satisfaction reported by Motability (consistently at 98%) accurately reflect real customer experience. This was at odds with the personal experience expressed by some Motability customers, for example at dealerships and calls into question the effectiveness of the survey methodology. Our sense is that insights and understanding of customer experience at the 'coal face' are not well communicated through the Motability system, from the dealership through to the Motability Operations management and through to the Motability charity.

## 4. 'Motability' in the future in Scotland

4.1 The Scottish Government has stated that they are undertaking an accreditation scheme, because they view it as their best way to meet their policy objectives in a way that provides sufficient flexibility and meets legal requirements.

4.2 The AVES will be an accreditation scheme, open to a range of suppliers, providers and organisations, which can provide those services currently offered by Motability. This includes 3-year vehicle leases, servicing, breakdown cover, insurance etc. The specification for accreditation is in essence the same as the current Motability scheme. The priority for the

Scottish Government is to maintain existing Motability-type services as benefits are devolved to Scotland and as such potential improvements to the current scheme have not been considered.

4.3 It will be several weeks before it is known how many organisations have applied for accreditation and been accepted to provide Motability-type services under the AVES. It seems likely that Motability will seek accreditation in some form, in order continue to provide services in Scotland; **it would be useful to ask Motability to share their thinking about this on 5 November**. It is possible that other providers of Motability-type services may also be accredited.

4.4 Because the current priority has been to maintain seamless continuation of Motability services, in the short term the AVES may not offer significant improvements of the kind that DPOs have sought (for example, lack of involvement in shaping the scheme by customers and value for money of leases). However, **once the Scottish scheme is established, there should be opportunities to influence the scheme in the medium to longer term**.

## 5. Conclusions and Future Steps

5.1 It is vital that people in Scotland should continue to benefit from a Motability service which, despite our significant concerns about the current scheme, performs a valuable role in enhancing disabled people's mobility in Scotland.

5.2 The Scottish Government aims to ensure this happens through the launch of the AVE scheme next year

5.3 MACS continues to see considerable scope for the service to be more open to receiving and acting on customer feedback and to become more accountable to the people who pay for the scheme through their benefits. This is especially important as responsibility for these benefits is devolved to Scotland. **We see significant scope to improve value for money by curtailling excessive profits, reducing costs and levels of executive remuneration.**

5.4 The transfer of responsibility for certain benefits to Scotland (especially Personal Independence Payments) is a major change, which could see provision of Motability services in Scotland provided by a new organisation or network of organisations - or could continue to be provided by Motability Operations. The most pressing current needs are to:

- Obtain clarity over what opportunities there will be for Scottish disabled people to influence both the processes and outcomes of the scheme constructively.
- Understand more about Motability's plans to spend the recent donations from its commercial arm Motability Operations - which we understand total around £1.2billion - and how disabled people can contribute their ideas on priorities on how this should be used.

David Hunter  
Joint Lead for Planning and Strategy  
Mobility and Access Committee for Scotland (MACS)  
October 2019