Rt Hon Frank Field MP
Chair, Work and Pensions Committee
House of Commons
London
SW1A 0AA

Monday 7th January 2019

Dear Mr Field

I write in reply to your letter of Friday 21st December 2018.

I am sure you are aware that responsibility for Governance of the Motability Scheme rests with the Board of Governors chaired by Lord Sterling. Motability Operations Group Plc therefore has no direct role in either setting Policy, or Governance of the Scheme. It is simply contracted to facilitate delivery of the Scheme to entitled Motability customers.

I am shortly to retire as Chairman of Motability Operations, and will hand over to Sir Stephen O’Brien at the end of March. This has been a long planned and orderly process. It would therefore be wrong for me to comment too far on options for the future which are properly issues for discussion between my successor and the Charity. Some things are however clear.

The 2018 NAO report contains much praise for the efficient delivery of the Scheme and customer focus within Motability Operations. It also congratulates management on an impressive turnaround of the business model over time and makes a number of detailed observations which are, I believe, symptomatic of a wider external misunderstanding of the overall structure of the Scheme. In effect, the symbiotic nature of the unique relationship between Motability the Charity and its service delivery provider has created some real and understandable confusion about where the ‘Charity’ ends and the ‘business’ starts.

Resolving these challenges, in order to protect the long term future of the scheme, will require careful thought and the NAO report could be seen as the catalyst for clarity in this regard. We have taken all of the report’s recommendations seriously and already acted to align with some.

If I am allowed a ‘Parthian-Shot’ - The success of the Motability Scheme is something of which we should all be proud as a country. It is hard to think of another social enterprise which has delivered such high levels of customer service, yet generated surpluses through efficient management. It has, most importantly, transformed the lives of millions of disabled people and their families. It would be a tragedy to see its progress falter through peripheral misunderstandings or lack of clarity of purpose.

Yours sincerely

[Signature]

cc The Rt Hon the Lord Sterling of Plaistow
Sir Stephen O’Brien