Dear Frank,

I would like to provide updates in relation to PIP and recent developments on Motability. You will have seen the announcements made by Motability on 14th June about the reserves and the mid-year report and accounts published by Motability Operations. In addition, Motability released a statement announcing an endowment fund to finance future grant making and charitable activities.

I, like the Committee, was pleased to see the progress being made by Motability and Motability Operations to tackle the issues raised by the NAO and as a result of your inquiry. You can find the mid-year accounts [here](#) and we have enclosed the announcements with this letter for your information.

The Department is fully committed to working with Motability to implement the reforms to the Scheme and the decision by Motability Operations to lower their reserves to £370m below their September
2018 position is welcome progress. While these announcements show that Motability is heading in the right direction, it is important to highlight that the decision to reduce the reserves has resulted in Motability Operations Standard & Poor credit rating being downgraded. This shows that while there is an encouraging commitment to doing the right thing, it is also important that the right balance is struck between ensuring the Scheme maintains the level of service it currently provides for disabled people and delivering on the full range of recommendations, including reviewing the approach to forecasting.

I thank the committee for its continued support in ensuring that the Scheme provides the best service for disabled people and would welcome a meeting with yourself to discuss progress on reforms to the Scheme.

In relation to wider PIP activity that you may also be interested in, I wanted to inform you that the Department will shortly be publishing the next update on progress on the PIP administrative exercise we have been carrying out since June 2018, where we have been reviewing claims to check whether claimants are eligible for more support under PIP, following the MH/RJ legal judgments. The MH judgment changed the way the Department considers how ‘overwhelming psychological distress’ affects a claimant’s ability to plan and follow a journey. The RJ judgment changed the way we consider whether a claimant can complete a PIP activity safely and if supervision is required, by considering both the likelihood of harm occurring, and the severity and nature of the harm that might occur. Similar to the update provided in December 2018, the release will give figures for the number of cases completed, the number of payments to qualifying claimants, the total amount of payments made and the average payment made. Once these are released, my officials would be happy to meet and talk you through the figures, if this would be helpful.

Justin Tomlinson MP
Minister for Disabled People, Health & Work