

Motability Foundation response to the consultation on the Green Paper 'modernising support for independent living'

22 July 2024

About the Motability Foundation

At the Motability Foundation, we fund, support, research and innovate so that all disabled people can make the journeys they choose. A registered charity set up in 1977, we oversee the Motability Scheme, through which disabled people can exchange an eligible higher rate mobility allowance from the Government to lease a car, Wheelchair Accessible Vehicle (WAV), powered wheelchair or scooter. 'Worry-free motoring' is at the heart of the Scheme's proposition and every lease includes insurance, breakdown, servicing, and maintenance. We provide grants to help thousands of people access the Scheme every year.

As well as awarding grants to individuals to help them access the Scheme, we also award grants to other charities and organisations that provide accessible transport. Additionally, the Foundation carries out significant research activity in partnership with disabled people and key stakeholders from industry and Government to develop innovations that make transport more accessible.

We oversee Motability Operations, an independent commercial organisation responsible for the delivery of the Scheme, under an exclusive contract with the Motability Foundation. There are currently more than 760,000 Scheme vehicles leased to disabled people across the UK. Around 86% of Scheme customers take a standard production car, 7% use adaptations, 4% take a WAV and a further 3% take a powered wheelchair or scooter.

The consultation: 'Modernising support for independent living'

In April 2024, the Government launched a Green Paper consultation for response entitled 'Modernising support for independent living: the health and disability green paper'. The consultation highlighted the growing percentage of the UK's adult population reporting a disability, and projected figures for 63% growth in the Government's spending on Personal Independence Payment (PIP) over the next five years.

We recognise the potential pressures posed by this growth, conscious of our responsibility to ensure the smooth functioning of the Motability Scheme for the disabled people who use it.



The socioeconomic benefits of providing transport solutions for disabled people

The smooth functioning of the Motability Scheme is crucial to the day-to-day life of its 760,000 customers. An Oxford Economics study of the Motability Scheme found the Scheme's social impact on its customers to be equivalent to £8.5 billion¹, generated by improved employment resulting in higher wages, improved mobility leading to lessened usage of NHS resources, and improved wellbeing for customers. Access to transport through the Motability Scheme also empowers its customers to participate in the economy.

Almost 30% of Scheme customers, over 225,000 disabled people, are in paid employment, voluntary work or education. 69% of Motability customers agree that the Scheme has helped them maintain voluntary work, education and employment. This is highlighted by the following sample quotes from Motability Scheme customers surveyed in July 2024:

“The ability to drive affordably has meant I can take a number of contracts, some of which include driving. Ultimately the scheme has allowed me not to worry about driving and has made it economically viable, this has enabled me to take on more varied work opportunities”

“My Motability car enables me to be independent. It enables me to work, which in turn means I am in a fortunate position to be able to volunteer my time to help chosen organisations”


More widely, the positive economic benefit of increased access to transport for disabled people can also be quantified. A Motability Foundation study on the transport accessibility gap highlights that if disabled people were able to make the same number of journeys per week as non-disabled people, this would deliver £72.4 billion of positive socioeconomic benefit to the UK economy annually².

Supporting the UK's transition to electric vehicles

For disabled people to truly be part of society, they must have the same access to clean and sustainable transport as everyone else. The Motability Foundation

¹ Frontier Economics (2021). *The Economic Impact of the Motability Scheme*.
<https://www.motabilityfoundation.org.uk/media/a2gf14ys/oe-report-2021.pdf>

² Motability Foundation (2022). *The Transport Accessibility Gap*.
https://www.motabilityfoundation.org.uk/media/iwaidhvk/motability_transport-accessibility-gap-report_march-2022_final.pdf



estimates there will be 2.7 million disabled drivers in the UK by 2035³ who will require access to affordable, accessible transport options. The transition to electric vehicles (EVs) will only be successful if it works for them.

Consequently, the Motability Scheme has become a significant part of the UK's transition to electric vehicles and an important partner supporting the Government to meet its Zero Emissions Vehicles (ZEV) mandate targets. Today, more than 50,000 Motability Scheme customers choose an EV and we support them to transition by providing a free home chargepoint for first-time EV users. Motability Scheme customers are also provided with the option of an aggregated payment card that removes costly pre-authorisation charges for public chargepoints.

The profile of a Motability Scheme EV customer is different to that of a typical early EV adopter. The average basic price of an EV on the Scheme is £35,000, with popular models being the Hyundai Kona and Skoda Enyaq. In other fleets, the average EV has a much higher basic price of £50,000 and popular models include the Polestar 2 and the Tesla Model Y. The Scheme's typical EV owner is more likely to be female (57%) and on a household income of less than £30,000 per annum. The representative demographic of Scheme EV customers means that they offer a glimpse into mass electrification and the changes needed to ensure that no one is left behind.

The Motability Scheme is also a major supplier of EVs into the second-hand car market, selling over 7,000 in 2023. This figure is expected to increase to 80,000 annually by 2028 because of increased uptake of electric vehicles. A 2023 Green Finance Institute (GFI) report highlighted that the used EV market is 'critical' to 'democratise' the electric vehicle transition, as lower prices for used vehicles will make the transition more affordable.⁴ More widely, the Scheme is therefore enabling access to affordable electric vehicles in the UK.

The administration of Personal Independence Payment (PIP)

We have considered the implications of proposed changes to the administration of Personal Independence Payment (PIP), such as a receipts, voucher or grant-based system. We determine that an alternative form of administering PIP could put the smooth functioning of the Motability Scheme at risk and impact the disabled people who use it. We will be raising these points directly with the Department for Work and Pensions (DWP).

³ Ricardo Consulting and the Motability Foundation (2020). *Electric Vehicle Charging Infrastructure for people living with disabilities*.
https://www.motabilityfoundation.org.uk/media/ngmmyu0/electric_vehicle_charging_infrastructure_for_people_living_with_disabilities_ricardo_energy_and_environment.pdf

⁴ Green Finance Institute (GFI) (2023). *The Key to Unlocking Net Zero*.
<https://www.greenfinanceinstitute.com/wp-content/uploads/2023/06/The-Key-To-Unlocking-Net-Zero.pdf>



The cost of accessible travel

We are aware of a robust body of evidence indicating that disabled people face additional costs in their day-to-day lives that impact their ability to travel. Scope's 2023 report on the 'Disability Price Tag' cites that on average, disabled households need an extra £975 in income a month to have the same standard of living as non-disabled people.⁵

In our own research with disabled people, they highlighted 'prohibitive costs' as one of their main barriers to travel.¹³ The Disabled Citizen's Enquiry states that 52% of disabled people report that rising costs had impacted their ability to make essential journeys to shops, healthcare services, education, and work, with 75% of people with learning disabilities reducing the amount they travel due to increased costs.⁶ Transport for All's 'Are We There Yet' report highlighted 65% of study respondents saying they could not afford to use trains.⁷ Through our work with the Wheelchair Alliance and Frontier Economics, wheelchair users say they have to self-fund costs such as shipping, repair, and maintenance, as these are not covered by NHS personal wheelchair budgets.⁸

While there is extensive evidence that disabled people and their families face additional costs to maintain the same quality of life, the Motability Scheme provides a lifeline to those who choose to use it. The economies of scale provided by the Motability Scheme ensure that customers receive a far better deal than any commercial alternative. A vehicle leased through the Motability Scheme is, on average, 48% cheaper than an alternative leasing option. This saving only considers the vehicle and does not consider the rest of the Motability Scheme's lease package such as insurance, servicing or breakdown cover.

Regardless of their location, income or any other factor, every disabled person on the Motability Scheme receives the same insurance costed into their lease. Many would otherwise be unable to obtain affordable car insurance on the commercial market.

⁵ Scope (2023). *The Disability Price Tag*. <https://www.scope.org.uk/campaigns/extra-costs/disability-price-tag-2023>

⁶ Sustrans in partnership with Transport for All (TfA) (2023). *The Disabled Citizens' Inquiry*. <https://www.sustrans.org.uk/media/11708/sustrans-disabled-citizens-inquiry-full-report.pdf>

⁷ Transport for All (TfA) (2023). *Are We There Yet?* [https://www.transportforall.org.uk/news/are-we-there-yet-barriers-to-transport-for-disabled-people-in-2023/#:~:text=Barriers%20to%20transport%20for%20disabled%20people%20\(2023\),a%20survey%20with%20150%20questions.](https://www.transportforall.org.uk/news/are-we-there-yet-barriers-to-transport-for-disabled-people-in-2023/#:~:text=Barriers%20to%20transport%20for%20disabled%20people%20(2023),a%20survey%20with%20150%20questions.)

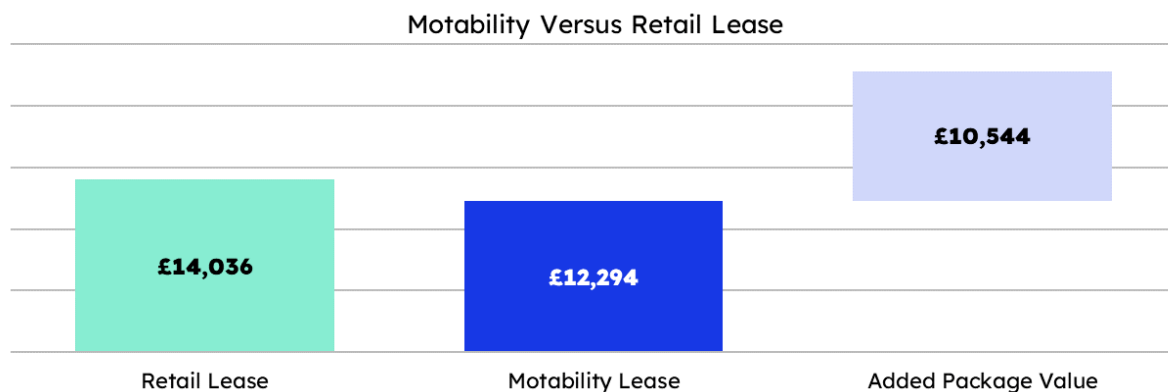
⁸ Frontier Economics with the Wheelchair Alliance and the Motability Foundation (2022). *An Economic Assessment of Wheelchair Provision in England*. <https://wheelchair-alliance.co.uk/app/uploads/2022/10/wheelchair-economic-study-final-report-screen-reader.pdf>

Value added by the Motability Scheme

The Motability Scheme is an important example of how the benefit sacrifice model can be used to amplify positive impact for eligible disabled recipients and insulate them from external shocks. The Motability Scheme insulates its customers from inflationary increases, especially on car insurance, that they would be subject to if leasing a vehicle commercially. A Scheme customer's weekly lease cost will never exceed the value of their allowance, even if the increase in costs associated with providing the Motability Scheme outstrip the annual uplift in their allowance.


The Motability Scheme presents significant savings for the disabled people who choose it. For every £1 a disabled person chooses to spend on a Motability Scheme lease, they receive £2.41 of value back on the vehicle alone. When the full package is taken into account, this value is even greater.

For example, a disabled person leasing a Nissan Qashqai through the Motability Scheme could expect to pay £12,294 over the course of a three-year lease, made up of a one-off Advance Payment and their weekly allowance. By joining the Motability Scheme, they save £1,724 on their vehicle lease versus the nearest commercial alternative. When you factor in the total value of the Motability Scheme package including insurance, servicing, tyres and breakdown cover, they save an additional £10,500. A first-time EV user would also benefit from a free home chargepoint with a retail value of £999.



Costs based on a Nissan Qashqai (1.3 DiG-T MH Acenta Premium).

The CAP Derwent Insight Survey data ("Derwent"), an independent industry survey shows that on average, a Scheme lease is around 45% cheaper than the wider



leasing industry. This is driven by the Scheme's economies of scale and management (including discounts, funding and insurance) plus tax concessions. Having access to a car remains the best option for many disabled people, but for others, a micromobility product such as a powered wheelchair or a scooter might be more beneficial. Bespoke powered wheelchairs can retail for as much as £13,000⁹ privately and typically have a service life of around three years.

More than 22,000 Motability Scheme users choose to exchange part of their allowance to lease a micromobility product with the Motability Scheme's worry-free package of insurance, breakdown, servicing, tyre and battery replacement included. Any allowance more than the cost of the lease is returned, and there is the choice of over 650 standard products. Disabled people with more bespoke needs can also take a custom option. The micromobility Scheme can be accessed remotely and customers can have their initial assessment, servicing and repairs all done from the comfort of their homes.

For disabled people for whom the Motability Scheme is not an option, the Foundation's wider work, for example supporting the community transport sector through significant grant making activity¹⁰, helps them to make the journeys they choose. There is a continued need for funding that supports accessible transport services, particularly for those who live in rural areas and can't access cars. We are aware of innovation and future technologies and are exploring how these could make transport more affordable and accessible for disabled people.

The continued financial barriers disabled people face and the importance of specific support for mobility in this context is therefore important for the Government to consider when proposing any welfare reform changes.

The diversity of disability

The Motability Scheme was created to deliver a universally affordable and accessible solution to the mobility gap faced by disabled people. Through the Motability Scheme, any disabled person in receipt of eligible Government mobility allowances has access to an excellent service and will never have to pay more than their weekly allowance for their lease, although some up-front costs may be necessary. This proposition is made possible by a robust model that combines three elements: the mobility allowances of customers, the negotiating power that comes

⁹ Lifestyle & Mobility (2024). <https://www.lifestyleandmobility.co.uk/product-category/powerchairs/mid-wheel-drive-powerchairs-powerchairs-powerchairs/>

¹⁰ Motability Foundation: Community Transport Grant Programme (2024). <https://www.motabilityfoundation.org.uk/charitable-grants/grants-to-charities-and-organisations/community-transport-grants/>

with the Motability Scheme's scale, and the income generated from reselling vehicles into the second-hand car market.

The Motability Foundation and Motability Operations align to the social model of disability,¹¹ which says that people are disabled by barriers in society, not by their impairment or difference. The Foundation's research suggests there is significant diversity within disability. Two people may experience the same impairment in completely different ways, resulting in wide-ranging mobility requirements.¹² This was most recently demonstrated through the Foundation's 2023 engagement with disabled people on our innovation priorities, with different impairment groups reporting experiencing different levels of accessibility for different modes of transport.¹³

Ben, 18, Hull

Ben, 18, from Hull, is a full-time IT student. Ben says "I wanted to learn to drive to get around easier. I have Cerebral Palsy, which affects both of my legs. Although I can walk, I can't make certain moves with my lower legs so, for driving, I use hand controls on a standard car." For Ben, public transport was too unreliable and as a result he was often left waiting for taxis. "Sometimes taxis were more than half an hour late and sometimes they didn't come at all. If you are waiting around, outside in cold weather, it's not good," says Ben.

"Getting a Driving Lessons grant made a huge difference to my life," he says. "Now, I can go out on my own, whereas, before I always had to have someone with me." After passing his test first time he says: "Life is just better. Driving makes travelling a lot simpler. I have more confidence since being able to drive."



¹¹ Scope (2024). <https://www.scope.org.uk/social-model-of-disability>

¹² Motability Foundation: Our Research Reports. <https://www.motabilityfoundation.org.uk/impact-and-innovation/research/our-reports/>

¹³ Purple Goat and the Motability Foundation (2023). User Insight: Involving disabled people in reviewing our innovation priorities. <https://www.motabilityfoundation.org.uk/media/heyhj4qe/innovation-priorities-review-report-user-insight.pdf>

Becky, 17, Surrey

Becky, 17, lives in Surrey with her twin sister Holly, mum and dad, and two older sisters. The twins have Cerebral Palsy, but their needs have differed as they've got older.

"Travelling has got harder as the twins have grown up," says her mum, Sarah. "They go to a different school and college, meaning lots of trips to different places. We either drive or use assisted transport but transferring Becky from wheelchair to vehicle used to be tricky and painful for us both."


When the strain of lifting became too much, Sarah approached the Motability Scheme for solutions. Upon seeing a wheelchair accessible vehicle (WAV) demonstration model, they saw the benefits. "There was a ramp at the back where Becky could wheel in and out and extra space for transporting the girls' mobility aids: I knew it would make the world of difference to us."

After a physical assessment and successful grant application that covered the Advance Payment and vehicle adaptations, Sarah stopped worrying about the lifting and transferring, which affected her health. "Day-to-day trips are easier and more comfortable now."



As demonstrated by the above case studies, disabled people with the same condition can have significantly different needs due to the diversity of disability. Therefore, it isn't possible to make decisions on eligibility based solely on condition. One can drive a standard production car with simple hand controls/adaptations fitted, whereas another does not drive and requires a passenger Wheelchair Accessible Vehicle (WAV). What these case studies do have in common is that public transport is not accessible for them. The Motability Scheme caters for each person's individual needs, so they have access to suitable transport.

More generally, our analysis with Thinks Insight and Strategy highlighted that a 'one-size fits all' approach to transport accessibility is unlikely to work, with people from the same impairment group or experiencing the same health condition reporting



different needs and preferences.¹⁴ We are therefore concerned that a condition-based assessment could fall short in providing targeted support at the right level to the right people.

Conclusion

Our evidence shows that there would be significant social and economic benefit for the UK if disabled people were able to travel the same amount as non-disabled people. The Motability Scheme is life-changing for the disabled people who use it, and it generates significant positive social and economic impact for disabled people including access to work, education, friends and family. The Motability Scheme also generates benefits more widely for UK society and is an important part of the transition to electric vehicles (EVs).

We know that disabled people face additional costs and barriers, especially when travelling, and the Motability Scheme is one important way to keep them moving. Retaining the smooth functioning of the Motability Scheme as a major intervention that supports disabled people with the costs of travelling and access to cars and micromobility is therefore an objective we believe the Government should share with the Motability Foundation and Motability Operations. Any proposed welfare reform affecting the mobility component of Personal Independence Payment (PIP) should consider the resulting impact on interventions such as the Motability Scheme, as well as more widely disabled people and their families.

At the Foundation, we will keep working to expand access to affordable transport across all modes and impairment groups, through key initiatives such as our community transport grant programme. Learning from our research and innovation suggests how important it is to recognise the diversity within the disabled community and how two people with the same condition or impairment may have completely different requirements to access mobility. Considering our evidence, assessment based on condition alone would not be sufficient in identifying which disabled people would most benefit from Government support.

¹⁴ Thinks Insight & Strategy and the Motability Foundation (2023). *Evidence Review on Accessible Transport: Informing our Innovation Priorities*. https://www.motabilityfoundation.org.uk/media/qo2frbdy/28-07-23_mot_innovation-review_final-report_publishablev_vk_clean.pdf