

Chancellor of the Exchequer, Rishi Sunak on the Winter Economy Plan

Mr Speaker,

Thank you for granting me permission to make this Statement to the House today.

Earlier this week the Prime Minister set out the next stage of the government's health response to Coronavirus.

Today I want to explain the next phase of our planned economic response.

The House will be reassured to know I have been developing plans to protect jobs and the economy over the winter period.

Plans that seek to strike the finely-judged balance between managing the virus and protecting the jobs and livelihoods of millions. Mr Speaker,

I know people are anxious, and afraid, and exhausted, at the prospect of further restrictions on our economic and social freedoms.

I share those feelings, but there are reasons to be cautiously optimistic.

We are in a fundamentally different position than we were in March.

And we now know much more about this virus.

Public awareness of the risks, and how to mitigate them, is far greater.

And we have met our promise to give the NHS whatever it needs, with significant new funding for NHS capacity, for PPE, and, I can inform the House today, we have now provided over £12 billion for test and trace.

In economic terms, while our output remains well below where it was in February, we have seen three consecutive months of growth.

And millions of people have moved off the furlough and back to work.

But the resurgence of the virus, and the measures we need to take in response, pose a threat to this fragile economic recovery.

So our task now is to move to the next stage of our economic plan, nurturing the recovery by protecting jobs through the difficult winter months.

Mr Speaker,

The underlying rationale for the next phase of economic support must be different to what came before.

The primary goal of our economic policy remains unchanged: to support

people's jobs.

But the way we achieve that must evolve.

Back in March, we hoped we were facing a temporary period of disruption.

In response, we provided one of the most generous and comprehensive economic plans anywhere in the world with £190 billion of support for people, businesses and public services, as we protected our economic capacity.

It is now clear, as the Prime Minister and our scientific advisers have said for at least the next six months the virus and restrictions are going to be a fact of our lives.

Our economy is now likely to undergo a more permanent adjustment.

The sources of our economic growth and the kinds of jobs we create, will adapt and evolve to the new normal. And our plan needs to adapt and evolve in response.

Above all, we need to face up to the trade-offs and hard choices Coronavirus presents.

And, Mr Speaker, there has been no harder choice than the decision to end the furlough scheme.

The furlough was the right policy at the time we introduced it.

It provided immediate, short-term protection for millions of jobs through a period of acute crisis.

But as the economy reopens it is fundamentally wrong to hold people in jobs that only exist inside the furlough.

We need to create new opportunities and allow the economy to move forward and that means supporting people to be in viable jobs which provide genuine security.

As I've said throughout this crisis, I cannot save every business.

I cannot save every job.

No Chancellor could.

But what we can and must do is deal with the real problems businesses and employees are facing now.

In March, the problem was that we ordered businesses to close.

In response, we paid people to stay at home and not work.

Today, the problem is different.

Many businesses are operating safely and viably, but they now face

uncertainty and reduced demand over the winter months.

What those businesses need is support to bring people back to work and protect as many viable jobs as we can.

To do that, I am announcing today the new Jobs Support Scheme.

The government will directly support the wages of people in work giving businesses who face depressed demand the option of keeping employees in a job on shorter hours rather than making them redundant.

The Jobs Support Scheme is built on three principles.

First, it will support viable jobs.

To make sure of that, employees must work at least a third of their normal hours and be paid for that work, as normal, by their employer.

The government, together with employers, will then increase those people's wages covering two-thirds of the pay they have lost by reducing their working hours.

And the employee will keep their job.

Second, we will target support at firms who need it the most.

All small and medium sized businesses are eligible.

But larger businesses, only when their turnover has fallen through the crisis.

Third, it will be open to employers across the United Kingdom, even if they have not previously used the furlough scheme.

The scheme will run for six months starting in November.

And employers retaining furloughed staff on shorter hours can claim both the Jobs Support Scheme and the Jobs Retention Bonus.

Mr Speaker,

Throughout this crisis, we have sought parity between employees and the self-employed providing more than £13 billion of support to over 2.6 million self-employed small businesses.

So I am extending the existing self-employed grant on similar terms and conditions as the new Jobs Support Scheme ...

Mr Speaker,

These are radical interventions in the UK labour market; policies we have never tried in this country before.

Together with the Jobs Retention Bonus, the Kickstart scheme for young

people, tens of billions of pounds of job creation schemes, new investment in training and apprenticeships, we are protecting millions of jobs and businesses.

Mr Speaker,

If we want to protect jobs this winter, the second major challenge is helping businesses with cash flow.

Over the last six months, we've supported business with tens of billions of pounds of tax deferrals and generous, government-backed loans.

Those policies have been a lifeline.

But right now, businesses need every extra pound to protect jobs rather than repaying loans and tax deferrals.

So I'm taking four further steps today to make that happen.

First, Bounce Back Loans have given over a million small businesses a £38 billion boost to survive this pandemic. To give those businesses more time and greater flexibility to repay their loans, we are introducing Pay As You Grow.

This means:

- loans can now be extended from six to ten years – nearly halving the average monthly repayment
- businesses who are struggling can now choose to make interest-only payments
- and, anyone in real trouble can apply to suspend repayments altogether for up to six months

No business taking up Pay As You Grow will see their credit rating affected as a result.

Second, I am also changing the terms of our other loan schemes.

More than 60,000 Small and Medium sized businesses have now taken out Coronavirus Business Interruption Loans.

To help them, I plan to extend the government guarantee on these loans for up to ten years, making it easier for lenders to give people more time to repay.

I am also extending the deadline of all our loan schemes to the end of the year. And we are starting work on a new, successor loan programme, set to begin in January.

Third, I want to give businesses more time and flexibility over their deferred tax bills.

Nearly half a million businesses deferred more than £30 billion of VAT this year.

On current plans, those payments fall due in March.

Instead, I will allow businesses to spread that VAT bill over 11 smaller repayments, with no interest to pay.

And any of the millions of self-assessed income taxpayers who need extra help, can also now extend their outstanding tax bill over 12 months from next January.

The final step I'm taking today will support two of the most affected sectors: hospitality and tourism.

On current plans, their VAT rates will increase from 5% back to the standard rate of 20% on January the 13th.

So to support more than 150,000 businesses and help protect 2.4 million jobs through the winter I am announcing today that we are cancelling the planned increase and will keep the lower 5% VAT rate until March 31st next year.

Mr Speaker,

Today's measures mark an important evolution in our approach.

Our lives can no longer be put on hold.

Since May, we have taken steps to liberate our economy and society.

We did these things because life means more than simply existing.

We find meaning and hope through our friends and family, through our work, through our community.

People were not wrong for wanting that meaning, for striving towards normality, and nor was the government wrong to want this for them.

I said in the summer that we must endure and live with the uncertainty of the moment.

This means learning our new limits as we go.

Because the truth is the responsibility for defeating Coronavirus cannot be held by government alone.

It is a collective responsibility, shared by all.

Because the cost is paid by all.

We have so often spoken about this virus in terms of lives lost.

But the price our country is paying is wider than that.

The government has done much to mitigate the effects of the awful trade-offs between health, education and employment.

And as we think about the next few weeks and months, we need to bear all of those costs in mind.

As such, it would be dishonest to say there is now some risk-free solution.

Or that we can mandate behaviour to such an extent we lose any sense of personal responsibility.

What was true at the beginning of this crisis remains true now.

It's on all of us.

And we must learn to live with it and live without fear.

I commend this Statement to the House.

Chancellor outlines Winter Economy Plan

- central to plan is a new Job Support Scheme and extension of Self Employment Income Support Scheme
- and over one million businesses will get flexibilities to help pay back loans

The Chancellor Rishi Sunak today outlined additional government support to provide certainty to businesses and workers impacted by coronavirus across the UK.

Delivering a speech in Parliament, the Chancellor announced a package of measures that will continue to protect jobs and help businesses through the uncertain months ahead as we continue to tackle the spread of the virus. The package includes a new Jobs Support Scheme to protect millions of returning workers, extending the Self Employment Income Support Scheme and 15% VAT cut for the hospitality and tourism sectors, and help for businesses in repaying government-backed loans.

The announcement comes after the Prime Minister set out further measures to combat the spread of the virus over the winter, while preserving the ability to grow the economy.

The Chancellor of the Exchequer Rishi Sunak said:

The resurgence of the virus, and the measures we need to take in response, pose a threat to our fragile economic recovery...

Our approach to the next phase of support must be different to that which came before.

The primary goal of our economic policy remains unchanged – to support people's jobs – but the way we achieve that must evolve.

Since the beginning of the pandemic, the government has taken swift action to save lives, limit the spread of the disease and minimise damage to the economy.

Ministers have introduced one of the most generous and comprehensive economic plans anywhere in the world with over £190 billion of support for people, businesses and public services – including paying the wages of nearly 12 million people, supporting over a million businesses through grants, loans and rates cuts and announcing the Plan for Jobs in July.

The government has been consistently clear that it would keep its support under review to protect jobs and the economy, with today's action reflecting the evolving circumstances and uncertainty of the months ahead. The package of measures, which applies to all regions and nations of the UK, includes:

Support for workers

A new [Job Support Scheme](#) will be introduced from 1 November to protect viable jobs in businesses who are facing lower demand over the winter months due to coronavirus.

Under the scheme, which will run for six months and help keep employees attached to the workforce, the government will contribute towards the wages of employees who are working fewer than normal hours due to decreased demand.

Employers will continue to pay the wages of staff for the hours they work – but for the hours not worked, the government and the employer will each pay one third of their equivalent salary.

This means employees who can only go back to work on shorter time will still be paid two thirds of the hours for those hours they can't work.

In order to support only viable jobs, employees must be working at least 33% of their usual hours. The level of grant will be calculated based on employee's usual salary, capped at £697.92 per month.

The Job Support Scheme will be open to businesses across the UK even if they have not previously used the furlough scheme, with further guidance being published in due course.

It is designed to sit alongside the Jobs Retention Bonus and could be worth over 60% of average wages of workers who have been furloughed – and are kept on until the start of February 2021. Businesses can benefit from both schemes

in order to help protect jobs.

In addition, the Government is continuing its support for millions of self-employed individuals by [extending the Self Employment Income Support Scheme](#) Grant (SEISS). An initial taxable grant will be provided to those who are currently eligible for SEISS and are continuing to actively trade but face reduced demand due to coronavirus. The initial lump sum will cover three months' worth of profits for the period from November to the end of January next year. This is worth 20% of average monthly profits, up to a total of £1,875.

An additional second grant, which may be adjusted to respond to changing circumstances, will be available for self-employed individuals to cover the period from February 2021 to the end of April – ensuring our support continues right through to next year. This is in addition to the more than £13 billion of support already provided for over 2.6 million self-employed individuals through the first two stages of the Self Employment Income Support Scheme – one of the most generous in the world.

Tax cuts and deferrals

As part of the package, the government also announced it will extend the temporary 15% VAT cut for the tourism and hospitality sectors to the end of March next year. This will give businesses in the sector – which has been severely impacted by the pandemic – the confidence to maintain staff as they adapt to a new trading environment.

In addition, up to half a million business who deferred their VAT bills will be given more breathing space through the New Payment Scheme, which gives them the option to pay back in smaller instalments. Rather than paying a lump sum in full at the end March next year, they will be able to make 11 smaller interest-free payments during the 2021-22 financial year.

On top of this, around 11 million self-assessment taxpayers will be able to benefit from a separate additional 12-month extension from HMRC on the “Time to Pay” self-service facility, meaning payments deferred from July 2020, and those due in January 2021, will now not need to be paid until January 2022.

Giving businesses flexibility to pay back loans

The burden will be lifted on more than a million businesses who took out a Bounce Back Loan through a new Pay as You Grow flexible repayment system. This will provide flexibility for firms repaying a Bounce Back Loan.

This includes extending the length of the loan from six years to ten, which will cut monthly repayments by nearly half. Interest-only periods of up to six months and payment holidays will also be available to businesses. These measures will further protect jobs by helping businesses recover from the pandemic.

We also intend to give Coronavirus Business Interruption Loan Scheme lenders the ability to extend the length of loans from a maximum of six years to ten years if it will help businesses to repay the loan.

In addition, the Chancellor also announced he would be extending applications for the government's coronavirus loan schemes that are helping over a million businesses until the end of November. As a result, more businesses will now be able to benefit from the Coronavirus Business Interruption Loan Scheme, the Coronavirus Large Business Interruption Loan Scheme, the Bounce Back Loan Scheme and the Future Fund. This change aligns all the end dates of these schemes, ensuring that there is further support in place for those firms who need it.

Investment in public services

At the start of the pandemic, the Chancellor pledged to give the NHS and public services the support needed to respond to coronavirus – and as of today, £68.7 billion of additional funding has been approved by the Treasury, including £24.3 billion since the Summer Economic Update in July.

This funding has helped ensure the procurement of PPE for frontline staff, provided free school meals for children while at home and protected the country's most vulnerable. In addition, the £12 billion funding to roll-out the Test and Trace programme has played a key role helping to unlock the economy, enabling businesses like restaurants and bars to serve customers again.

As announced earlier this year, the Treasury has also guaranteed the devolved administrations will receive at least £12.7 billion in additional funding. This gives Scotland, Wales and Northern Ireland the budget certainty to for coronavirus response in the months ahead.

Responses from business groups

Dame Carolyn Fairbairn, CBI Director-General, said:

These bold steps from the Treasury will save hundreds of thousands of viable jobs this winter. It is right to target help on jobs with a future, but can only be part-time while demand remains flat. This is how skills and jobs can be preserved to enable a fast recovery.

Wage support, tax deferrals and help for the self-employed will reduce the scarring effect of unnecessary job losses as the UK tackles the virus. Employers will apply the same spirit of creativity, seizing every opportunity to retrain and upskill their workers.

The Chancellor has listened to evidence from business and acted decisively. It is this spirit of agility and collaboration that will help make 2021 a year of growth and renewal.

Mike Cherry OBE, Federation of Small Businesses National Chair, said:

The UK's small businesses are facing an incredibly difficult

winter. Today's support package is the flipside of the coin to Tuesday's COVID-19 business restrictions.

It is a swift and significant intervention, extending emergency SME loans, creating new wage support for small employers and the self-employed, and providing cashflow help on VAT deferrals and new Time To Pay for any tax bills to HMRC.

We welcome that the Chancellor is ensuring that decisions to protect public health are informed by the need to protect the economy, people's jobs and prospects for young people in our schools and workplaces.

BCC Director General Adam Marshall said:

The measures announced by the Chancellor will give business and the economy an important shot in the arm. Chambers of Commerce have consistently called for a new generation of support to help preserve livelihoods and ease the cash pressures faced by firms as they head into a challenging and uncertain winter.

The Chancellor has responded to our concerns with substantial steps that will help companies preserve jobs and navigate through the coming months. The new wage support scheme will help many companies hold on to valued employees after furlough ends, and the extension of business lending schemes and tax forbearance will lessen the immediate pressure on cash flow for many affected firms.

As we look past the immediate challenge, more will need to be done to rebuild and renew our economy. Chambers of Commerce across the UK will continue to work with government to ensure the benefits of these schemes are delivered to firms on the ground.

[Private healthcare provider fixed prices with consultants](#)

What happened

In July 2020, the Competition and Markets Authority (CMA) found that a hospital belonging to a large healthcare provider, Spire Healthcare Ltd. (a member of the Spire Healthcare Group), and 7 private, consultant eye specialists, called ophthalmologists, had entered into an illegal agreement. The agreement was to fix the price of initial consultations for private self-

pay patients at that hospital. It started in August 2017 and continued for at least two years until the CMA opened its investigation.

Price-fixing agreements can have negative impacts on patients. When the hospital and the consultants decided not to compete fairly by not setting their own prices, this deprived patients of the opportunity to shop around and get the best possible price for their consultation.

This is the CMA's second case that has involved private ophthalmology services in recent years. Read more about our [investigation into anti-competitive information exchange and pricing agreements](#).

What Spire and the consultants did

Spire manages private hospitals and clinics all over the UK and provides medical practitioners with access to their hospital facilities, such as consulting rooms and administrative support to carry out their initial consultations. In this case, the consultants were independent and self-employed, and set their own prices for self-pay initial consultations at the hospital.

The topic of fees for initial consultations was raised at a hospital dinner attended by the consultants. Afterwards, a Spire employee at the hospital emailed all the consultant ophthalmologists suggesting that the fee for their self-paying patients should be fixed at £200. One reason given was to simplify the pricing so that it was less confusing for patients. All but two responded in agreement.

The responses included statements such as "£200 fine with me" and "OK with me too". Spire thanked them for their responses saying "self-pay patients are led by price and how many of them select the lower end of the pricing scale for their initial consultation. By aligning the price we ensure that all consultants within the speciality have the same opportunity for new self-pay patients." Spire then informed its customer services team of the new pricing. Three of the consultants were already charging £200 and continued to do so, whilst four raised their prices from £180 to £200.

One consultant ophthalmologist did not agree to fix his prices and raised competition concerns, saying in an email to Spire and all the other ophthalmologists "is there an issue of collusion not to be careful with here?". He then let Spire know that he would not be changing his prices stating "for the now intend to keep my fees isq [in status quo] if I may[.] collusion is one issue; competition the other – I may see more? either way I don't think it will help get more pts thru [sic] the door overall." He did not share this information about his future prices with the other consultants. An employee of Spire responded to him on the same day thanking the consultant. There is no evidence that his warnings were heeded by Spire.

How this broke the law

Competition law exists to ensure businesses compete fairly and customers are

protected from getting ripped off. Price-fixing agreements are among the most serious kinds of anti-competitive behaviour as they can cheat customers by forcing up prices or keeping them higher than they would otherwise be, and/or reducing quality and choice.

What action was taken

Spire was fined £1.2 million for instigating and facilitating the price-fixing agreement. 6 consultants were fined a total of £13,170 with individual fines ranging from £642 to £3,859.

A 20% reduction in fines was given to Spire and the 6 consultants because they admitted what they had done and co-operated with the CMA. One consultant was granted full immunity from fines, benefiting from the CMA's '[leniency programme](#)', as they were the first to report the illegal agreement to the CMA.

Lessons learnt

- never agree to fix prices or share future pricing information with competitors; it can be illegal to agree on pricing even if you don't have to change your prices as a consequence
- never suggest or try to facilitate an arrangement where competitors fix or coordinate prices or share future pricing information
- you can find out what prices are charged by your competitors where this information is publicly available, but you must not discuss with rivals their future prices or pricing intentions
- if 2 or more competitors participate in an anti-competitive arrangement, whether written or verbal, it is illegal – it doesn't matter if not all competitors in the market participate
- if you are approached to join an illegal pricing arrangement – reject the approach immediately and unequivocally, and report the incident to the CMA
- regardless of whether you are a medical practitioner in private practice, a small business or a sole trader – competition law equally applies to you

What you can do

- ignorance of the law is no excuse, make sure you, your employees and associates are clear on competition rules and how they apply to you – consider training to increase understanding of competition law
- ensure that staff know it is illegal for them to facilitate a meeting with other businesses where they make an illegal agreement, or even simply discuss their future prices
- if you are an independent medical practitioner in private practice but not an ophthalmologist, the issues arising from this case are still relevant to you
- you can find out key issues based on relevant past competition cases from the [CMA's guidance for medical practitioners](#)
- if in doubt about the legality of a business practice always seek

independent legal advice

Benefits of co-operating with an investigation

- if a company is the first to report being part of a cartel and fully co-operates with an investigation, it can benefit from immunity from fines and its co-operating directors can avoid director disqualification
 - even after an investigation has started, it can still benefit from reduced fines through our [leniency programme](#)
 - individuals may also be eligible for immunity from prosecution and director disqualification if they come forward independently and cooperate with the investigation
 - if you think you may have broken the law, we always recommend that you seek independent legal advice
 - if you have information on other companies in your industry that may have been involved in an anti-competitive arrangement, report it to us; [you may qualify for a reward](#)
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Government gives businesses much-needed breathing space with extension of insolvency measures

Published 24 September 2020

Last updated 16 February 2021 [+ show all updates](#)

1. 16 February 2021

Government intends to extend the power to make temporary amendments or modify the effects of corporate insolvency and governance legislation for an additional year.

2. 9 December 2020

Government will reinstate the temporary suspension of the use of statutory demands and winding-up petitions until 31 March 2021.

3. 7 December 2020

Updated with 25 November announcement that government will reinstate the temporary removal of the threat of personal liability for wrongful trading from directors until 30 April 2021, and that companies obliged to hold AGMs will still have flexibility to hold them virtually until 31 March 2020.

4. 7 December 2020

Updated with 25 November announcement that government will reinstate the temporary removal of the threat of personal liability for wrongful trading from directors until 31 April 2020, and that companies obliged to hold AGMs will still have flexibility to hold them virtually until 31 March 2020.

5. 24 September 2020

First published.

Automated cone laying vehicle spotted on roads in new trial

After successfully completing extensive off-road testing, the automated cone laying vehicle has now taken to the road network for the first time. It has been putting out traffic management on both the A5 and M54 in Shropshire. Further testing is set to take place on the M4 in Berkshire.

Developed by Highways England and a group of industry experts, the vehicle avoids the need for two people to manually lift and drop the cones in almost all weathers.

With traffic rushing past, the bulk of this work is undertaken at night with the workers lifting as much as 10 tonnes of equipment per shift.

The automated cone laying vehicles, which could be in use by the end of the year, will be operated solely by the driver therefore improving safety and freeing up two workers to carry out other tasks.

Watch a video of [the automated cone laying vehicle in action](#).

Two vehicles have been developed. The first, created by Highway Care, is being trialled on the Highways England road network. The second, developed by competitor King Highway Products, is currently undergoing testing in Holland and will shortly be trialled off-road in the UK.

Highways England Head of Lean and Continuous Improvement Martin Bolt, who oversees the project, said:

The implications of these vehicles in protecting the safety of workers are immense and we are delighted that testing is progressing so well. By taking the human element out of laying cones we are eliminating one of the greatest risks for road

workers.

We have received a lot of support from the industry as a whole for the automated vehicle and we are now getting some very positive feedback from those workers who have been trialling the Highways Care prototype on the live roads network.

If this testing proves as successful as we anticipate it will, motorists could be spotting more of these automated cone laying vehicles on the roads by the end of the year.

Kier General Foreman Stuart Pegg, who used the vehicle to put out traffic management on the A5, said:

It was great to be invited to participate in this ground-breaking advancement in traffic management. We have ironed out a few initial teething problems and I found the automated cone laying vehicle easy to use. It performed above my personal expectations.

Experts from Highways England, Kier, HW Martin Traffic Management and competitors Highway Care and King Highway Products are working together in a collaborative effort to resolve this potential safety risk.

Highways England are funding the development and establishing a minimum standard while the companies themselves are developing the vehicles.

To date, ergonomics experts have struggled to identify a suitable method of placing and removing cones that doesn't have an impact on workers due to the twisting of the body required or a vehicle that does not require any workers on the back.

It is hoped the automated cone laying vehicles will tackle this issue. Highways England criteria stipulates that not only must the machines offer a safer method for highways workers, they must be safe for all road users and pose no further risk to traffic.

The new cone laying vehicles must be able to lay/collect at least 400 cones at a rate of one every 10 seconds. If the tests prove successful the two companies will be able to take their vehicles to the marketplace.

General enquiries

Members of the public should contact the Highways England customer contact centre on 0300 123 5000.

Media enquiries

Journalists should contact the Highways England press office on 0844 693 1448 and use the menu to speak to the most appropriate press officer.