

A YEAR OF IMPACT

Stepping up for
business through the
tough times

LORD KARAN BILIMORIA CBE, DL

President, CBI

2020 has been a year like no other; COVID-19 has impacted almost all aspects of life and business. Rarely has the resilience and determination of business been needed more. It has been a year of tough decisions, of uncharted territory and of social upheaval. But it has also been a year of collaboration, of unexpected innovation and of important conversations.

The CBI has said from the start that reputations are forged in crises. Firms across the UK have shown this to be true. For so many, the priority has been simple: survival. But at the same time, you have stepped up to support employees, keeping them safe and transforming approaches to flexible working. You have continued to deliver for customers – innovating, digitising, and localising. And above all, despite the huge challenges, you have supported jobs, public services, supply chains and communities.

I am proud of the role the CBI has played, working with government to plan a way through these dark days. In the mist of this unprecedented crisis the CBI has launched important long-term initiatives including the HEAT commission to help us get to net-zero by 2050, and **Change the Race Ratio** championing diversity and inclusion in business.

I have heard time and time again your commitment to build back better. As the UK looks to the immediate term challenges of COVID-19 and securing a Brexit trade deal, the CBI will continue to be with you every step of the way.



DAME CAROLYN FAIRBAIRN

Director-General, CBI, 2015-2020

Over my five years as Director-General, the CBI has achieved some incredible things on behalf of business. But 2020 has been an unprecedented year in terms of the challenges we've faced. From the start, the CBI has been the business organisation that ensures government hears the insight of firms on the ground. And from the start, the government asked the CBI to co-design key measures, from the Job Retention Scheme, which supported 9.6m jobs, to all-important loans that have supported cash-strapped firms to the tune of £62bn.

I'm proud that the CBI has stepped up for you, throughout this crisis, and I know many of you have faced into difficult financial decisions with compassion, integrity and agility. And it has been your evidence – gathered from countless discussions, roundtables, phone calls and consultations – that has powered us and the whole UK economy.

But while so much of the year has been spent on the urgency of now, the future matters too. We have been vocal on the need to reskill, to innovate, to achieve net-zero as well as ensuring the business voice is heard when it comes to trade policy. The CBI has worked to prepare firms for the end of the transition period, collaborating with government to shape policy, and sharing practical guidance to help business prepare via our [UK transition hub](#).

If my time here has taught me anything; it's that our dynamic, diverse, and innovative community of businesses is the heartbeat of the CBI. I want to thank each and every member – your support, your insight and your expertise make the CBI a force to be reckoned with, enabling us to stand up for every business in tough times.



Your voice in action in 2020



Over
81,000

The CBI has had over **81,000** conversations with businesses, on the key issues that matter to you, via our events, webinars, committees, councils and surveys



63,000
people registered

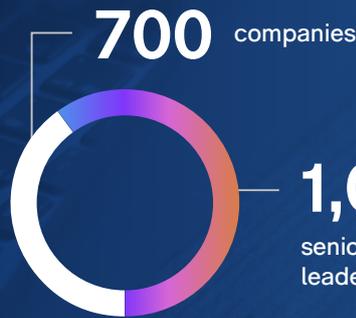
for **80** daily coronavirus webinars for critical insight and guidance, with high-profile speakers including, Alok Sharma, Secretary of State for Business, Energy and Industrial Strategy, Dame Vivian Hunt, McKinsey, Ed Miliband, Shadow Secretary of State for Business, Energy & Industrial Strategy



823

CBI in-person and digital events

including **125** webinars, with the Prime Minister and Leader of the opposition speaking at the CBI's 2020 Annual Conference



Through 28 Regional and National Councils and policy committees, we heard from over **1,000** senior business leaders across **700** companies



850+

political engagements

from across the political spectrum – that's more than double 2019 – and **170+** mentions in Parliament

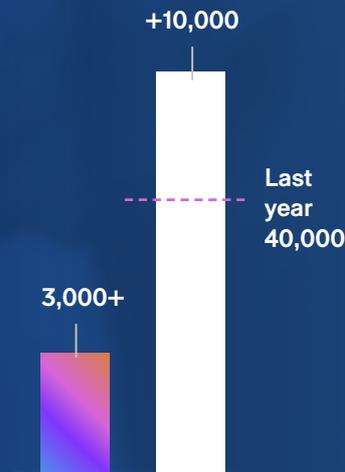


This year the CBI has had

12 million

impressions

on Twitter, 50% LinkedIn growth and reached over 50,000 SME businesses with COVID-19 advice on Facebook



50,000

articles and mentions

in the media which includes **3,000+** broadcast mentions and interviews, surpassing last year's figures by **10,000**

Bold action in crisis: driving vital support for businesses during the pandemic

Since the start of the coronavirus pandemic, the CBI has worked closely with the government to protect lives and livelihoods. With businesses learning and adapting as the crisis has unfolded, the CBI has been urging the government to also remain agile, ensuring policy mirrors what is happening on the ground. With your support, we have provided insight and economic analysis to the heart of government. That is what has led to unprecedented, agile coronavirus policies to support business and jobs.

PROTECTING JOBS 

PROTECTING BUSINESS 

KEEPING FIRMS OPEN 

20 MARCH

Historic Job Retention Scheme launched to protect UK jobs

In the face of millions of redundancies caused by pandemic cashflow concerns, the CBI worked closely with the Treasury and the TUC to develop a scheme to support continued employment during the crisis. The launch of the Job Retention Scheme was a landmark moment, and would eventually go on to **support 9.6m jobs** by covering 80% of furloughed workers' wages. The scheme was a direct result of CBI feedback and interventions, and continued to evolve based on our insights from members.



20 MARCH

Unprecedented tax deferral programme launched

In an unprecedented move, the government announced all Q1 VAT payments would be deferred until April 2021 – a £38bn package to act as a lifeline for struggling businesses.



20 MARCH

Business rates relief and direct cash grants to support distressed firms

Recognising the disproportionate impact the pandemic would have on retail, hospitality and leisure, the government announced those sectors would not have to pay business rates for the 2020-2021 tax year, as well as making direct cash grants available of up to £25,000.






Supporting **9.6m** jobs



17 APRIL - 19 MAY

Business loans secured for firms of every size

The CBI called for an acceleration in support to distressed firms and outlined a range of measures to stave off firm closures and job losses. This led to the 100% government guaranteed bounce back loans of under £50k for small businesses, the Coronavirus Large Business Interruption Loan Scheme (CLBILS) for mid-tier firms and a new loan scheme for all firms above £45m turnover. By 18 October, **1.3m Bounce Back Loans were approved** with a total value of **£40bn, with 623 loans approved** under the CLBIL Scheme.



A total value of
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1.3m
Bounce Back Loans were approved



4 JUNE

£10bn Trade Credit Insurance guarantee announced to support supply chains and exports, safeguard businesses and protect jobs

10 MAY

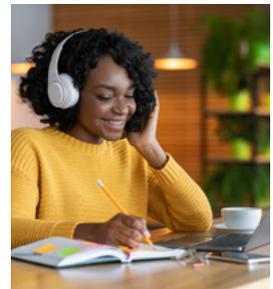
The economy restarted with clear guidance for business

The CBI held talks with unions, health services and business to build national consensus on the restart, which directly fed into the government's guidance for business.



29 MAY

Major evolution of the Job Retention Scheme secured flexibility and a gradual build-up in business contributions



22 JUNE

Introduction of the 1 metre plus rule helps organisations, including many smaller businesses, to reopen safely



30 JULY

Vital loan schemes of up to £5m opened up to small businesses thanks to changes to the Coronavirus Business Interruption Loan Scheme (CBILS)



3 SEPTEMBER

The Health Secretary announced £500m funding for instant tests following CBI President, Lord Bilimoria, calling for widespread testing to help boost economic recovery

9 SEPTEMBER

New direct cash grants to help small businesses

Following CBI calls for additional business support, the government announced new direct cash grants to help small businesses if their area falls under new restrictions to protect public health.



30 OCTOBER

Welsh government changes rules on the sale of non-essential items during firebreak, following calls from the CBI to allay confusion

8 JULY

Temporary VAT reduction from 20% to 5% provides lifeline for tourism and hospitality worth £4.1bn

10 JULY

Major new exemptions on quarantine policy reopen travel for business and leisure on a country-by-country basis

24 SEPTEMBER – 24 OCTOBER

Job Support Scheme to provide a lifeline for viable jobs

Additional financial measures and the Job Support Scheme, a successor to the JRS, were announced to protect viable jobs in firms facing lower demand as a result of the pandemic. The initial scheme and extra help were announced following CBI engagement with the Chancellor and the Treasury on cashflow help.

New scheme to provide breathing space for VAT payments

Businesses who deferred their VAT bills will benefit from the New Payment Scheme, which allows them to make 11 interest-free payments during the 2021-22 financial year instead of paying one lump sum.



5 NOVEMBER

Five-month extension to the JRS announced, to support jobs across the UK until the end of March

Build back better: ensuring business' priorities are at the heart of recovery

Jobs, skill-building and opportunities for all

In a recent report, the CBI and McKinsey demonstrated that 9 out of 10 workers in the UK would need reskilling this decade. The pandemic has turned this challenge into a crisis, bringing the scarring impact of unemployment to communities across the country. The CBI has ensured that job retention, job creation and bold new ambition on training have been at the top of the government's priorities.

Lifetime Skills Guarantee to support upskilling and retraining

Adults without A level qualifications will be able to access a fully funded college course, with further measures to boost upskilling across peoples' lifetimes. The Lifetime Skills Guarantee was developed with the real-world requirements of business following CBI calls for the government to provide support for upskilling.

Package of reforms will boost skills and training in Scotland

Following consistent CBI campaigning, the Scottish government announced a £25m National Transition Training Fund to help people aged 25 and over upskill and move into sectors with the greatest growth potential. Business will have access to £5,000 in funding to recruit apprentices who have lost their jobs, maintaining future talent pipelines.

Kickstart Scheme to help under 25s find jobs

Businesses will now be able to access funding to create vital work placements to help young people enter the world of work. The CBI actively influenced the development of the new scheme, referencing the need for an under 25 jobs scheme in our pre-statement letter to the Chancellor. This must go hand in hand with the commitment the CBI secured in September to reform the apprenticeship levy.



The green economy and innovating towards a sustainable future

Now is the time to fast forward progress on delivering the UK's world leading net-zero target. By investing in green growth – through both proven and new technologies – the government can create jobs and build a reliable, sustainable future. COP 26 must be a galvanising opportunity to showcase sustainable British innovation on the world stage.

Stand-out year will help achieve progress towards net-zero

Driven by a sustained CBI campaign of insight and evidence, 2020 was a milestone year in setting out clear steps and funding to reach net-zero. The government confirmed its manifesto pledge to deliver £800m in funding to support the development of Carbon Capture Use and Storage and a Low-Carbon Heat Support Scheme, and £500m for rapid charging for electric vehicles. The Chancellor announced £3bn of new investment in energy efficiency, made up of a £2bn Green Homes Grant scheme to deliver low-carbon heat, and £1bn to support public sector energy efficiency. The UK government made a U-turn on its renewable electricity policy, lifting the onshore wind ban. And following the publication of the CBI's green recovery roadmap, the Prime Minister announced plans to invest in low-cost green energy, including next-generation turbines, supporting 60,000 jobs.

£6bn boost for digital infrastructure and a new connectivity taskforce

Businesses need fast, reliable and future-proof digital infrastructure to embrace modern technologies. The government has committed £5bn to support gigabit broadband rollout in the hardest to reach areas, and £1bn to improve mobile connectivity through the Shared Rural Network, following the CBI's roadmap. But firms continue to face barriers to adopting gigabit-capable technologies. Following CBI calls for government support to address these challenges, the Digital Infrastructure Minister announced a new connectivity taskforce - the Gigabit Take-up Advisory Group - with the CBI as the business voice.

Increases in public R&D funding will unlock innovation potential

Following CBI campaigns for increased funding to unlock innovation potential, the government committed to doubling public R&D investment to £22bn by 2024/25. Universities were facing a sharp decline in research funding owing to the collapse in international student numbers. Following the CBI raising these concerns to the Chancellor, the government is now set to introduce a university research support package.

Kick-start demand and unleash competitiveness

Alongside targeted action to set the UK on the path to a more prosperous future, immediate stimulus is needed to kick-start the recovery. This includes supporting those sectors and places hardest hit by the crisis and enhancing the UK's competitiveness in the key growth industries of the future.

Lower salary threshold for hiring migrant workers will maintain access to talent

With business concerned about continuing to access the right talent, the CBI set out business' priorities for a new immigration system in an open letter to the Home Secretary, urging a revised salary level. Following this, the government announced it would remove the cap on visas and lower the salary threshold to £25,600.

Accelerating shovel-ready projects to boost connectivity

Through infrastructure spending pledges, reviews into transport connectivity across the union and a commitment to delivering HS2 in full, business calls to identify our global competitive advantage have been answered. These steps will help business attract a wide pool of talent, increase regional connectivity and drive growth, delivering unprecedented access to investment, jobs, and new house building.

Fundamental review of business rates will address concerns of business

The CBI has long called for a fundamental rethink of the business rates system; the growing burden of business rates is out of kilter with the true economic situation, stifling business investment. The government's call for evidence is a huge step to addressing this.

Business to play vital role in shaping trade policy

The CBI secured renewal of our appointment on the Department of International Trade's Strategic Trade Advisory Group (STAG), which gives members a voice in confidential Ministerial discussions on the shape of the UK's global trade policy and the working of UK government consultation and trade.

Government will consult on the future of devolution in England

The government has committed to a White Paper to consult on the future of devolution in England. This will allow business to shape the future of this important agenda. The CBI has long called for such a move, stating in our report 'Powering up places' that it was key to unlocking further, successful devolution in England.



Trade deals and access to overseas markets driven by member priorities

The agreement in principle on the UK-Japan trade deal meets key business focuses outlined by CBI members, including continuity of trade and better provisions on mobility and data. And the negotiating objectives for the UK-US trade deal also align with priorities the CBI lobbied for, including greater mobility in services, trade facilitations for SMEs, regulatory co-operation on innovative sectors, and commitments on UK defensive interests like food standards. Furthermore, the CBI has worked to improve the business environment in overseas markets – with reforms in India resulting in less time spent on regulatory compliance, supply chains unblocked in China and greater engagement at a state level on barriers to trade in the US.

UK-EU negotiations to reflect the key asks of business

The CBI has worked on both sides of the channel, providing insight on the economic impacts on business. Both the UK and EU negotiating mandates had the objectives of zero tariffs and zero quotas for the trade of goods between the two. UK and EU commitments on mobility, qualifications and audio-visual services reflect key CBI asks. The UK mandate for the future EU relationship also provides positive commitments on customs arrangements in approach to rules of origin and simplification of administration at the border.

Key progress will help firms prepare for change post-transition

From the introduction of the Border Operating Model, a unilateral plan to defer declarations and duties for EU imports for the first six months of 2021, to the newly established Office for the Internal Market as called for by the CBI, there will be significant changes at the end of 2020 as the UK's transition comes to an end. As well as the CBI's own **UK transition hub** to help firms prepare, the Border Operating Model and Office for the Internal Market will limit additional barriers to trade once the UK leaves the EU, and provides further detail on how the UK-EU border will work post-transition. This will help business confidence while they juggle with the dual challenges of both the transition and COVID-19.



Be part of an unrivalled business community

It's because of our members that when we talk, government listens. As a not-for-profit organisation, we exist to support and champion firms like yours, and to be a voice for the business community, but we can only continue to do that with your support. We are 100% funded by membership fees and the sale of our products and services; we receive no government funding. We rely on members to ensure that we can deliver for business. As the UK starts to rebuild, business will undoubtedly face tough times ahead. The CBI will continue to be with you every step of the way. By working in partnership with government, we can deliver a fairer, greener, and more competitive economy.

But don't just take our word for it...

"Fabulous content and input to support business decision-making during these unprecedented times."

Sarah Hamilton-Hanna, HR EVP, TT Electronics plc

"Very helpful and insightful webinars for the business world. Everyone is learning fast in this environment and it's helpful to hear from others as to how they are managing all the new and different challenges, as well as providing a very valuable forum to raise pertinent issues that the CBI can take to the government."

Shaheda Natha, Director, International Tax, BDO UK LLP

"These have been turbulent times for businesses. I am very grateful for the constructive and pragmatic discussions we have had over the past months. We have worked together to help businesses become COVID-secure and deliver unprecedented support from government. My heartfelt thanks and admiration also goes to all of you, the CBI's members, and businesses up and down the country."

Rt Hon Alok Sharma MP, Secretary of State for Business, Energy and Industrial Strategy



Discover exclusive member insights on My CBI.

Not a member yet? Find out how the CBI can help your business.