

Energy Markets Financing Scheme opens today

- The 'Energy Markets Financing Scheme' opens today to help support viable energy firms with major operations in the UK from the unprecedented volatility triggered by Russia's illegal invasion of Ukraine.
- These firms will be able to apply for government-backed guarantees to secure commercial financing and meet large margin calls from energy price volatility.
- Following a rigorous approval process, a 100% guarantee will be issued to commercial banks on additional lending for approved firms. The Government will only be liable if a firm defaults on their repayment.

Russia's brutal and illegal invasion of Ukraine has led to unprecedented volatility in wholesale energy markets. Over the past month, natural gas futures prices have been changing by more than 15% a day.

This backstop scheme will help firms facing temporary short-term financing problems. The EMFS will allow commercial banks to provide larger credit lines to approved energy firms that are unable to meet extraordinary margin calls due to large moves in energy prices.

This vital intervention will help support wider confidence in the energy market and could help reduce the eventual cost of energy for businesses and consumers.

The scheme will be open to firms of good credit quality playing a significant role in UK energy markets, as generators, shippers or suppliers. They must currently operate in the UK energy market and must be, or have an entity which is, Ofgem-licensed. Firms will need to demonstrate they are facing large liquidity needs from margin calls when hedging their energy price risk. The EMFS is broadly similar to schemes launched in Germany, Finland and Sweden.

Chancellor of the Exchequer, Jeremy Hunt, said:

"A resilient energy market is vital as we all grapple with the consequences of Putin's horrifying invasion of Ukraine and his decision to weaponise Russia's energy reserves.

"Today we are continuing to act to ensure the market itself is secure, significantly reducing any risk of market failure."

Governor of the Bank of England, Andrew Bailey, said:

"The volatility in energy markets we have seen in recent months, caused by Russia's invasion of Ukraine, has resulted in a number of energy firms facing extraordinary liquidity requirements.

"This scheme will provide short-term financial support for these firms so

they can weather this period, while also supporting the wider resilience of energy markets in the UK.”

From today, the Bank will screen initial applications for eligibility. HM Treasury will then robustly assess the credit risks and limits before giving final approval. The Bank will then issue a 100% guarantee to the energy firms’ existing commercial bank or banks they use for additional lending. Whilst using the scheme, energy firms will be required to comply with a set of policy conditions, such as restrictions on the use of funds, executive pay, and capital distributions.

Firms have three months to apply and once approved will be able to benefit from a guarantee for a further 12 months.

State owned firms and energy firms owned by financial institutions and commodity trading houses will not be eligible for the scheme.

The ‘Energy Markets Financing Scheme’ was [announced](#) on 8 September 2022 alongside the Energy Price Guarantee, with [further details](#) confirmed as part of the Government’s Growth Plan on 23 September 2022.

Further information:

- The Market Notice will be published [here](#). Further information and guidance, including on the application process and eligibility criteria, will be published shortly after.
 - The scheme will be open to applications from 17 October 2022 until 27 January 2023.
 - In the event of a verified guarantee claim from a commercial lender, HMT will settle the claim in accordance with the 100% guarantee, with the Bank acting as agent in that payment. HMT will fully indemnify the Bank for its role in the EMFS.
 - Applications will be assessed initially by the Bank of England and then by an Advisory Committee, who will make a recommendation for the Chancellor to decide whether to approve or reject an application.
 - HM Treasury, supported by UK Government Investments, will manage and monitor usage of the scheme once launched. HM Treasury and the Bank will also undertake and share reporting relating to the elements of the scheme for which they are responsible.
 - The EMFS comes on top of the Energy Bill Relief Scheme, for all eligible non-domestic customers, and the Energy Price Guarantee, which will ensure that a typical household in the United Kingdom pays around £2,500 a year on their energy bill, depending on their use, for the next 2 years, from 1 October 2022.
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Launch of the Energy Markets Finance Scheme

The EMFS was announced by the Prime Minister on 8 September, and in The Growth Plan the then Chancellor confirmed that it will provide a 100% guarantee to commercial banks to provide additional lending to energy firms.

Delivered with the Bank of England, this scheme addresses the extraordinary liquidity requirements faced by energy firms operating in UK wholesale gas and electricity markets as a result of margin calls.

Energy prices have been high and volatile in recent months. As a result, large amounts of collateral are required to enter into contracts firms use to effectively insure themselves from price fluctuations, or otherwise firms must accept large credit exposures to their counterparties.

The details of the scheme are being announced today, and firms can start to apply via the Bank of England. Applications will be accepted for a period of three months.

The scheme is aimed at providing a backstop to support energy firms facing large and unexpected margin calls. Pricing and conditions will reflect this objective. The scheme will provide resilience to energy markets and therefore help to reduce the eventual cost for businesses and consumers.

Further details on the structure of the scheme can be found on the Bank of England's website and the market notice published today. To apply to the scheme please contact EMFS-Applications@bankofengland.co.uk

Scheme Eligibility

As part of the application process, firms will need to demonstrate that they meet the eligibility criteria.

The EMFS is intended to support energy firms who are facing short term liquidity challenges but would be otherwise in sound financial health. Eligibility will be considered based on the following criteria:

- Firms must demonstrate they are in sound financial health (firms must be otherwise solvent and solvency will be assessed through robust due diligence processes)
- Firms must be Ofgem-licensed (or have an Ofgem-licensed entity), and have a pre-existing relationship with an approved commercial bank or banks;

In addition, firms must also demonstrate they are making a material contribution to UK energy markets through meeting one or more of the requirements outlined below:

- They make material contribution to the UK electricity or gas markets and can demonstrate that they are likely exposed to large margin calls;
- They are heavily inter-connected and the loss of activity would have a significant impact on markets or other energy firms.

Eligibility will be assessed by the Bank of England and an Advisory Committee convened by HMT, who will make a recommendation for the Chancellor to make a decision to approve or reject each application.

Eligible firms who wish to apply for a guarantee will be required to comply with a set of policy conditions, such as restrictions on executive pay and capital distributions. For the full list of conditions, please refer to the market notice.

Financial institutions, state owned enterprises or commodity trading houses are not eligible for this scheme. State owned enterprises should seek to access alternative support from their relevant governments before approaching the Government.

Application process

Firms can apply to the scheme for the next three months. Each loan facility agreement will last up to 12 months and will begin from when the guarantee is issued by the commercial lender.

Applications will be assessed initially by the Bank of England, and then by Advisory Committee, who will make a recommendation for the Chancellor to decide whether to approve or reject an application.

To apply for the scheme, please email EMFS-Applications@bankofengland.co.uk. For further details on the scheme, please visit [here](#).

Further information

[Report 12/2022: Collision between a train and agricultural equipment at Kisby user worked crossing](#)

Press release

RAIB has today released its report into a collision between a train and agricultural equipment at Kisby user worked crossing, Cambridgeshire, 19

August 2021.



The locomotive and trailer following the accident

[R122022_221017_Kisby](#)

PDF, 7.62 MB, 37 pages

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Summary

At around 09:00 hrs on Thursday 19 August 2021, the 04:10 hrs freight train service from Hams Hall (Birmingham) to Felixstowe collided with agricultural machinery being towed over the railway by a tractor at Kisby user worked crossing, between Whittlesey and March in Cambridgeshire. The train was travelling at about 66 mph (106 km/h) when it struck the machinery. The train driver suffered minor injuries in the accident and the tractor driver was uninjured. The locomotive and one wagon derailed, with both suffering some damage. There was also extensive damage to the infrastructure of the railway.

The accident happened because the tractor driver did not telephone the signaller before crossing the railway to seek permission to cross. This was a consequence of the tractor driver not being briefed about the requirement to call the signaller and his belief that he could cross safely by looking for approaching trains. This probably arose because the authorised user, the person owning land on both sides of the level crossing, was not briefing crossing users in a way which resulted in correct use of the crossing, and railway staff were unaware that this was the case until shortly before the accident. RAIB found that Network Rail was not effectively managing the safe use of Kisby, and some other user worked crossings with telephones, and that this was an underlying factor for the accident.

Recommendations

RAIB has made two recommendations, one addressed to Network Rail and one addressed to the Health and Safety Executive, as a result of its investigation. These seek improvements in the management and assurance processes applied to user worked crossings and an additional means of communicating crossing safety information to agricultural workers. RAIB has also written to several organisations representing farmers asking that they remind their members of the importance of following correct procedures at user worked crossings.

Notes to editors

1. The sole purpose of RAIB investigations is to prevent future accidents and incidents and improve railway safety. RAIB does not establish blame, liability or carry out prosecutions.
2. RAIB operates, as far as possible, in an open and transparent manner. While our investigations are completely independent of the railway industry, we do maintain close liaison with railway companies and if we discover matters that may affect the safety of the railway, we make sure that information about them is circulated to the right people as soon as possible, and certainly long before publication of our final report.
3. For media enquiries, please call 01932 440015.

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£6.4 million boost for employers to support disabled people

- Drive to create more inclusive work environments and equip employers with advice on how people from all backgrounds can thrive at work and grow the economy
- Businesses and disability groups invited to test and shape new service which supports employers to employ more diverse and inclusive workforces

Thousands of businesses across the UK will benefit from a new £6.4 million online service to help employers better support disabled people and those with health conditions in the workplace.

The early test version of the [Support with Employee Health and Disability service](#) provides essential information about supporting and managing employees with disabilities or health conditions at work.

Any employer can access the service, which provides free advice on how to manage staff who may be in or out of work with a disability or long-term health condition in a user-friendly online Q&A format.

The service is aimed at smaller businesses, many of which do not have in-house HR support or access to an occupational health service and will help them to build more diverse and inclusive workforces.

The new service also covers potential changes an employer could make to help them return to and stay in work, supporting a government drive to boost numbers of people in employment and ensuring everyone has the opportunity to benefit from being in work.

Minister for Disabled People, Health and Work, Claire Coutinho said:

Since 2017 we have seen one million more disabled people in work, beating our target by five years. Now we want to go even further by giving more employers the tools and information they need to ensure disabled people and those with health conditions can succeed in the workplace.

As the new Minister for Disabled People, Health and Work, there is no end to my ambition to build on the success of the Department by making sure disabled people have the same opportunities as everyone else to start, stay and succeed in work.

The site is currently in test mode, with businesses and disability groups invited to have their say through a short online survey, to help shape the future of the service.

The site will be constantly updated and improved over the next three years, informed by feedback given from the survey

The service has been designed to give employers easy access to the advice they need to create the best environments for their staff with disabilities or long-term health issues, so that anyone from any background can start, stay and succeed in work.

Once fully developed, the service will also help employers understand their legal obligations, including how to make adjustments for disabled people and those with health conditions.

Over the next three years, the government will invest £1.3 billion in employment support for disabled people and people with health conditions. This money will go towards building up existing provision, including

expanding employment support, to grow the economy and help people with the cost of living.

Further Information

- The new online service is a direct response to the government's 2019 consultation, 'Health is everyone's business', in which employers asked for joined-up advice on supporting health in the workplace that is easier to find and act upon.
- The Support with Employee Health and Disability service is available online here – [Support with employee health and disability – GOV.UK \(dwp.gov.uk\)](https://www.gov.uk/support-with-employee-health-and-disability)
- The website is the first public version of the service and is part of an almost £6.5 million (£6.428 million) programme of work to help employers support and manage employees with disabilities or health conditions.
- The latest figures show the number of disabled people in employment has increased by 1.3 million since 2017, delivering on a government goal to see one million more in work by 2027.
- The 10-year employment goal was a government manifesto commitment originally set in 2017 to break down barriers for disabled people and those with health conditions and to build more diverse and inclusive workforces.

Media enquiries for this press release – 0115 965 8781

Follow DWP on:

[Chancellor statement on the Medium-Term Fiscal Plan](#)

Press release

The Chancellor will make a statement today, bringing forward measures from the Medium-Term Fiscal Plan that will support fiscal sustainability.



The Chancellor will make a statement later today, bringing forward measures from the Medium-Term Fiscal Plan that will support fiscal sustainability.

He will also make a statement in the House of Commons this afternoon.

This follows the Prime Minister's statement on Friday, and further conversations between the Prime Minister and the Chancellor over the weekend, to ensure sustainable public finances underpin economic growth.

The Chancellor will then deliver the full Medium-Term Fiscal Plan to be published alongside a forecast from the independent Office for Budget Responsibility on 31 October.

The Chancellor met with the Governor of the Bank of England and the Head of the Debt Management Office last night to brief them on these plans.

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