

The complimentary client newsletter of:



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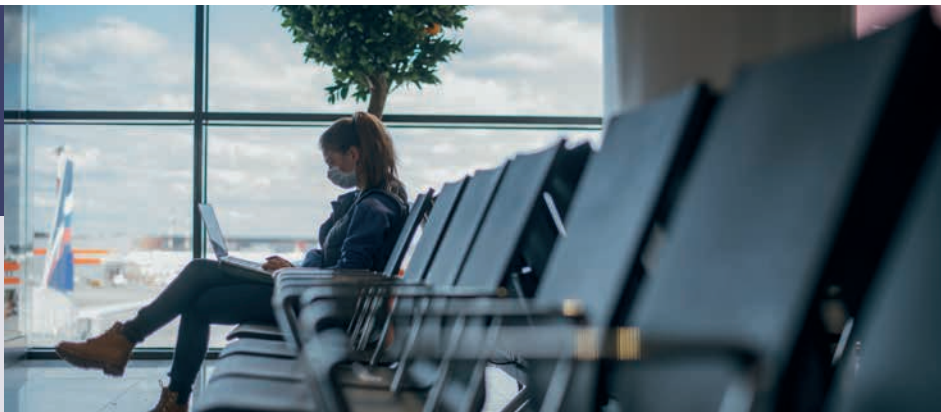
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The Week in Review

Monday 3 August 2020

"Our assessment is that we should now squeeze that brake pedal"



At a Downing Street briefing on Friday, the Prime Minister announced that further easing of lockdown restrictions in England was to be postponed for at least two weeks. This was one of several policy changes announced during the week.

Data released on the same day showed the number of COVID-19 cases was once again rising with around 4,200 new daily infections recorded in England compared to 3,200 a week ago. Appearing at the briefing alongside the PM, chief medical officer Chris Whitty commented, *"We have probably reached near the limit, or the limits, of what we can do in terms of opening up society. The idea that we can open up everything and keep the virus under control is clearly wrong."*

Northern England lockdown

The rethink on lockdown easing followed hot on the heels of new restrictions imposed in Greater Manchester, and parts of east Lancashire and West Yorkshire following a spike in virus cases within those areas. The new measures, which prohibit people from different households meeting in homes or mixing in pubs and restaurants, were announced by Health Secretary Matt Hancock on Thursday night.

Justifying the changes, Mr Hancock said the government had taken targeted action based on data gathered through contact tracing, which showed, *"most of the transmission is happening between households visiting each other, and people visiting relatives and friends."* In addition to the measures for northern England, the announcement also detailed a

relaxation to Leicester's lockdown with restaurants, bars and hairdressers now allowed to reopen.

Spain quarantine stays; Luxembourg added

Earlier in the week, the decision to quarantine travellers entering the UK from Spain dominated the headlines. The PM's warning of a 'second wave' in Europe, angered travel and tourism bosses and the Spanish Prime Minister, who called the blanket restriction covering all of Spain 'unjust' and 'misguided'.

Despite criticism, quarantine measures remain in place and, on Thursday, passengers arriving from Luxembourg were informed they would need to isolate for 14 days as well. It was also announced that people testing positive for coronavirus, or displaying symptoms, must self-isolate for at least 10 days, rather than the previously advised seven.

Furlough contributions

From Saturday, businesses with furloughed staff became obliged to contribute towards the job retention scheme. The change requires firms to pay national insurance and pension contributions initially, then 10% of pay in September and 20% in October until the scheme ends on 31 October. Earlier in the week, the National Institute of Economic and Social Research warned that closing the scheme was a 'mistake' which could see unemployment rise to 10%.

US and Eurozone GDP data

Last week also saw the release of second quarter gross domestic product (GDP)

statistics for the US and the Eurozone. Unsurprisingly, the data made grim reading with the US posting the deepest decline since records began in 1947 and the Eurozone similarly suffering its deepest contraction on record, with Spain, France and Italy particularly hard hit. Equivalent UK data is due out next week.

Obesity strategy

At the beginning of the week, the government unveiled plans to tackle obesity in England amid growing evidence linking being overweight to enhanced risk from COVID-19. New measures include a ban on junk food advertising before 9pm and plans for GPs to prescribe cycling.

Around the UK

While the week's coronavirus focus centred on reversing freedoms, Saturday saw over two million previously shielding 'vulnerable' people told they could now leave their homes and return to work in most of England, Scotland and Northern Ireland. In addition, Wales has further eased a number of restrictions allowing groups of up to 30 to meet outdoors and pubs, restaurants, bowling alleys, auction houses and bingo halls to resume trading provided social distancing is in place. Meanwhile, Scotland's schools have been given permission to reopen from 11 August.

Here to help

Financial advice is key, so please do not hesitate to get in contact with any questions or concerns you may have.

The value of investments can go down as well as up and you may not get back the full amount you invested. The past is not a guide to future performance and past performance may not necessarily be repeated.