

News in Focus

Tuesday 23 June 2020

"The biggest breakthrough yet"



Last Tuesday, Boris Johnson announced a significant development in helping save the lives of those with coronavirus. A cheap, widely available, low-dose steroid drug, dexamethasone, has been found to cut the risk of death by a third for patients on ventilators and by a fifth for those on oxygen.

The Prime Minister praised the British scientists as well as thousands of patients who volunteered for trials and added: *"I am delighted that the biggest breakthrough yet has been made by a fantastic team of scientists right here in the UK... there is genuine cause to celebrate a great, British achievement and the benefits it will bring not just in this country but around the world."* The drug is being made available across the NHS and the government has taken steps to secure sufficient supplies.

On Friday, the UK's alert level was reduced from four to three – at which level, the virus is considered to be in general circulation and a gradual relaxation of restrictions can take place. The government is set to announce whether the 2m social distancing rule can be relaxed.

Schools to return in full in September

The Prime Minister announced measures to help England's school children catch up. Over the next academic year, £650m will be split between primary and secondary schools. An additional £350m is to fund a National Tutoring Programme for the most disadvantaged pupils.

Education Secretary Gavin Williamson said: *"We want to see all children in all classes*

returning full-time to school in September." Mr Williamson also said class size limits, imposed to curb the spread of the virus, could be increased to allow every child to return to school.

Following a campaign by Manchester United's Marcus Rashford, the government made a u-turn, enabling around 1.3 million children to claim free school meals vouchers during the summer holidays.

New test and trace

After months of development, the government has abandoned its own contact-tracing app in favour of technology provided by Apple and Google.

Lockdown eases around the UK

On Thursday, Scotland's First Minister Nicola Sturgeon announced measures to ease lockdown, including the reopening of most shops from 29 June. On Friday, Welsh First Minister Mark Drakeford announced non-essential shops could reopen from 22 June. In Northern Ireland, the 2m social distancing rule will be reduced to 1m, when schools re-open, to allow full classes.

On Monday, Matt Hancock announced that from 6 July, those who have been shielding will be permitted to meet in groups of six outdoors and form a support bubble with another household. From 1 August, people will no longer be advised to shield.

Uncertainty for global economies

Last week, the Bank of England's Monetary Policy Committee (MPC) voted to pump an extra £100bn into the UK economy, taking the total bond buying support package to

£745bn. The MPC also chose to maintain the Bank Rate at a record low of 0.1%.

The meeting minutes show that the MPC believe the fall in global GDP in Q2 will be less severe than expected and there are signs that services output and consumer spending are picking up. The minutes cited: *"The unprecedented situation means that the outlook for the UK and global economies is unusually uncertain. It will depend critically on the evolution of the pandemic, measures taken to protect public health, and how governments, households and businesses respond to these factors."*

Last Friday, US equity markets turned negative, as fears of an increase in infections intensified. News that Apple has temporarily closed 11 stores in the US, as virus cases surged, dampened expectations of a quick economic recovery stateside. European stock markets edged higher on Friday, as hopes for more stimulus to boost the global economy and a reasonably quick rebound remain strong.

Premier League kicks off

A long wait, of 100 days, ended for football fans on Wednesday, when the Premier League kicked off again. There are 92 league games left to play behind closed doors and packed into 40 days, before the season concludes on 26 July.

Supporting you

We are working hard to support you during these difficult times. It is essential to seek financial advice in the current economic climate, so please come to us if you have any concerns or questions.