

News in Review

6 January 2021

"With every jab that goes into our arms, we are tilting the odds against COVID and in favour of the British people"



As the UK saw in the New Year in a more subdued way than usual, with much of the country under tier 4 restrictions, fireworks and a light display illuminated the sky over London, featuring tributes to NHS workers and notable figures from 2020, including Captain Tom Moore. An hour earlier, as Big Ben stuck 11pm, a new era had begun for the UK, after it completed its formal separation from the EU and alternative arrangements for trade, travel, immigration and security co-operation commenced. With the lengthy Brexit process now over, the Prime Minister said the UK has "freedom in our hands" and the ability to do things "differently and better." UK ministers warned there will be some short-term disruption as new rules embed and British firms become accustomed to the changes.

With virus cases surging across the country, on 30 December it was announced that secondary schools across most of England will remain closed for at least an extra two weeks for most pupils and primary schools will remain temporarily closed in a number of areas with the highest infection rates. However, just a few days later on 4 January, the PM addressed the country to announce a new national lockdown for England. Nicola Sturgeon announced a national lockdown for mainland Scotland on the same day. People in England and most of Scotland must now stay at home except for a few permitted reasons.

Schools have closed to most pupils in England, Scotland and Wales, while Northern Ireland will have an extended period of remote learning. In England, exams will not take place as normal in the summer, further details are expected on Wednesday. England's rules are due to last until at least mid-February and Scotland's will be reviewed at the end of January.

Boris Johnson called on the public to follow the new rules with immediate effect, adding, "The weeks ahead will be the hardest yet, but I really do believe that we are entering the last phase of the struggle. Because with every jab that goes into our arms, we are tilting the odds against COVID and in favour of the British people."

A "pivotal moment"

The vaccine rollout continued in earnest on 4 January, following approval of the Oxford/AstraZeneca vaccine last week, the first doses were administered on Monday. Matt Hancock hailed the rollout as a "pivotal moment" in the fight against the virus. Care home residents and staff, people aged over 80 and NHS workers are at the front of the queue. Vaccination sites are set to surpass 1,000 this week. During his address to the nation, Boris Johnson placed huge emphasis on the importance of the vaccine, "By the middle of February, if things go well and with a fair wind in our sails, we expect to have offered the first vaccine dose to everyone in the four top priority groups... If we succeed in vaccinating all those groups, we will have removed huge numbers of people from the path of the virus. And of course, that will eventually

enable us to lift many of the restrictions we have endured for so long."

Help for businesses

On 5 January, in light of the new lockdown restrictions, Rishi Sunak announced the provision of business grants for the retail, hospitality and leisure sectors. Firms forced to close will receive grants worth up to £9,000 per site, in a bid to help keep businesses in these sectors stay afloat until measures ease. In addition, £594m will be made available to affected firms outside these sectors, who will be able to apply through their local authority. The package is expected to support over 600,000 firms.

Grocery sales buoy FTSE 100 after lockdown news

The FTSE 100 ended the year down over 14%, the index's worst year since 2008, as rising virus cases weighed on sentiment. However, in the last trading days of December, shares closed at their highest since the pandemic prompted a market retreat in March, as investors welcomed the post-Brexit trade deal. On the first full day of trading following the lockdown announcement, the FTSE 100 closed over 40 points up despite the news, the index was boosted by a jump in retail shares following record grocery sales in December and the business support measures announced by the Chancellor.

Here to help

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