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The Week in Review

Monday 27 July 2020

"We have to strike a balance"



Last week, the Prime Minister and his cabinet met in person for the first time since lockdown commenced in March. Opening the meeting, the PM said there will be "difficult months ahead for our people and our country but no-one will be without hope."

He continued, *"For the next few months we have to strike a balance – we have to continue to push down on this virus and keep it under control in the heroic way the British people have managed so far. But we must also cautiously, while observing the rules on social distancing, get our economy moving again and get our people back into work."*

Vaccine progress promising

As the global development of a coronavirus vaccine continues at pace, promising news came from the University of Oxford last week. One of the vaccines they have been developing has been found to trigger an immune response.

However, it is too early to determine if the vaccine provides enough protection, so larger trials are being conducted. Professor Sarah Gilbert from the University of Oxford commented, *"There is still much work to be done before we can confirm if our vaccine will help manage the COVID-19 pandemic, but these early results hold promise."* The Prime Minister reacted to the news with cautious optimism, *"Obviously I'm hopeful, I've got my fingers crossed, but to say I'm 100% confident we'll get a vaccine this year, or indeed next year, is, alas, just an exaggeration. We're not there yet."*

Care home visits given green light

On Wednesday, the Health Secretary Matt Hancock, announced it was now possible to *"carefully and safely"* permit care home visits in England. New guidance was issued on 22 July, permitting visits once local authorities and public health directors have conducted assessments and declared it safe, taking into considering the situation in each care home and within the context of the local community, including any local outbreaks.

Spain quarantine rules

On Saturday evening, following a spike in the number of new cases, the government announced the requirement for travellers arriving in the UK from Spain to quarantine for 14 days. The rule came into force less than six hours after it was confirmed.

UK debt soars

Data released last week revealed that the UK government borrowed £35.5bn in June, taking government borrowing in Q2 2020 to a total of £127.9bn. This figure represents more than double the £55.4bn borrowed in the previous tax year. The June borrowing figure was lower than May, as the re-opening of more retailers and other firms saw a fall in furlough scheme spending.

EU leaders agree recovery deal

After four intense days of negotiation, EU leaders finally agreed on the details of a €750bn package to help countries in the union rebuild their economies. Countries

including Italy and Spain, some of the hardest hit by the pandemic, will have access to a €390bn programme of grants and a further €360bn in low-interest loans will also be available to member states. Described by the Summit Chairman Charles Michel, as a *"pivotal moment"* for Europe, this is the largest level of joint borrowing ever agreed by the EU.

Last Thursday, the fifth round of trade talks between the UK and EU ended, with both sides revealing minimal progress had been made. Michel Barnier, the EU's Chief Brexit negotiator, said a trade deal with the UK by the end of the year was *"unlikely."*

Face covering guidance

In England on Thursday, guidelines were issued on the use of face coverings, 12 hours before they became mandatory in shops, supermarkets and other enclosed spaces, including when buying takeaway food and drink. Venues such as restaurants, pubs and gyms are exempt and coverings are optional in hairdressers, beauty salons, cinemas, dentists, opticians, theatres and museums. In Scotland, it has been a requirement to wear face coverings in shops since 10 July, but in Wales and Northern Ireland it is not mandatory.

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.