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News in Review

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"We can start moving closer to a sense of normality"



The Prime Minister has hailed the collective efforts of the British public, as the country embarks on the first stage of the roadmap out of lockdown. Speaking on Sunday, the day before pupils across England began returning to the classroom, Mr Johnson said the reopening of schools marked a "truly national effort to beat this virus," adding "it is because of the determination of every person in this country that we can start moving closer to a sense of normality."

On Monday, all English primary schools resumed face-to-face learning, while secondary schools began a staggered return in order to facilitate the introduction of lateral flow COVID tests for students. In Northern Ireland, some primary school pupils also went back on Monday, while secondary students in key exam years are set to return on 22 March.

Pupils in foundation phase in Wales and those in primary years one to three in Scotland had already returned to the classroom on 22 February. The remaining primary school years and a phased return of all secondary pupils in Scotland is due to commence on 15 March, while a similar date for the next stage of school returns in Wales is expected to be confirmed later this week.

In addition to the reopening of schools and colleges, Monday also saw other first stage roadmap measures introduced across England. This included the resumption of care home visits for one nominated person and two people from different households being allowed to meet outside for recreation.

Vaccination programme rolls on

At the Downing Street briefing on Monday, the Prime Minister again praised the *"huge national effort"* during lockdown and its impact on reducing the spread of the virus, with the latest data showing new coronavirus cases at their lowest level since late September. Mr Johnson also reiterated that the catalyst for lockdown easing has been the successful NHS vaccination programme, adding that *"more than one third of the entire UK population"* has now received their first dose of a vaccine.

Light at the end of the tunnel

The Governor of the Bank of England also pointed to declining infection rates and the continuing success of the vaccine rollout when suggesting there was *"light at the end of the tunnel"* in a speech to the Resolution Foundation on Monday. Mr Bailey played down fears of potential long-term economic scarring and suggested people should be cautiously optimistic about the country's prospects as we emerge from the crisis. Talking about the post-COVID future, the Governor said, *"If I had to summarise the diagnosis, it's positive but with large doses of cautionary realism."*

Budget announcements

Unsurprisingly, last week's economic news was dominated by the Budget. Chancellor Rishi Sunak set out his tax and spending plans on Wednesday 3 March, announcing a three-part plan designed to *"continue doing whatever it takes to support the British people and businesses through this moment of crisis"*, *"begin fixing the public finances"* and *"begin the work of building our future economy."*

Among a raft of coronavirus support measures, the Chancellor confirmed the furlough scheme extension, further support for a greater proportion of the self-employed and details of the Restart Grant Scheme, as well as announcing a business rates 'holiday' extension in England and outlining details of a new government-backed Recovery Loan Scheme.

In addition, the Chancellor announced a freeze on personal tax thresholds and an increase, from 2023, in Corporation Tax. Other measures included an extension to the temporary Stamp Duty Land Tax 'holiday' in England and Northern Ireland, and details of a new mortgage guarantee scheme.

Updated economic forecasts

During his Budget speech, Mr Sunak also unveiled the latest economic forecasts produced by the Office for Budget Responsibility which predict *"a swifter and more sustained recovery"* than previously envisaged. According to the updated figures, the UK economy is now set to grow by 4% this year and by 7.3% in 2022, which means it will regain its pre-pandemic level by the second quarter of next year, six months earlier than November's projections implied. The employment outlook has also significantly improved, with the rate of unemployment now expected to peak at 6.5%, much lower than the 11.9% figure previously predicted.

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