

News in Review

14 September 2022

"Queen Elizabeth II was the rock on which modern Britain was built"



Just two days after appointing her fifteenth Prime Minister, the world was shaken by the news on Thursday of the death of Her Majesty Queen Elizabeth II at Balmoral Castle, in Scotland.

Speaking at Downing Street on the evening of the Queen's death, new Prime Minister Liz Truss proclaimed, *"Queen Elizabeth II was the rock on which modern Britain was built. Our country has grown and flourished under her reign. Britain is the great country it is today because of her."*

As the nation mourns the sad passing of the UK's longest-reigning monarch and bids farewell to the second Elizabethan era, King Charles III now takes to the throne. Addressing the nation for his first time as monarch on Friday evening, King Charles acknowledged the *"profound sorrow"* both he and his family and the world were feeling in the wake of the Queen's death, before praising *"her dedication and devotion as Sovereign"* which *"never wavered through times of change and progress, through times of joy and celebration, and through times of sadness and loss."* He added, *"In her life of service, we saw that abiding love of tradition along with that fearless embrace of progress, which makes us great as nations."*

Queen Elizabeth's state funeral will take place on Monday 19 September at Westminster Abbey after an official ten-day period of mourning. The King has designated the day as a bank holiday for the entirety of the UK.

Energy price guarantee announced

In one of her first acts as PM, Liz Truss announced a new energy price guarantee, placing a limit on UK energy bills. Amid

soaring energy prices from 1 October, the guarantee means a typical UK household will pay an average £2,500 a year on energy bills for the next two years.

Businesses and public sector organisations will see equivalent support with a six-month scheme, after which the government will provide ongoing, focused support for vulnerable industries.

The government is expected to borrow at least £100bn to fund the support package. The two-year price guarantee applies to all households in Great Britain, with the same level of support made available to households in Northern Ireland. The previously pledged £400 payment for all households to help with energy bills will also still go ahead from October.

A spokesperson from energy regulator Ofgem commented on the initiative, *"Ofgem welcomes this significant and unprecedented support for energy consumers across the country. It's been clear to Ofgem and the government since we announced the new price cap that the new government would have to act urgently and decisively to support consumers and this package of support will be welcomed by millions across Britain."*

Economic growth in July and unemployment data

In July, the Women's Euro Championships, the Commonwealth Games, and strong second-hand car growth contributed toward economic growth of 0.2% in the month, according to data from the Office for National Statistics (ONS). Although growth was slower than the 0.3% expected by analysts, this growth follows a

fall of 0.6% in June. The joint-fifth warmest July since 1884, the weather was cited as the prime reason for increased turnover in various areas including outdoor pools, golf clubs, ice cream manufacturing, amusement parks and the provision of courier services, where increased deliveries of fans and summer clothing were reported.

ONS outlined on Tuesday that the unemployment rate is currently at its lowest for 48 years. In the three months to July the jobless rate fell to 3.6% over the period, the lowest rate since May to July 1974.

Bank of England delays interest rate decision

With Britain in a period of national mourning, the Bank of England's Monetary Policy Committee has postponed its decision on whether it will raise Bank Rate for one week. The Committee, which was scheduled to announce its decision on Thursday 15 September, will now announce their decision at midday on Thursday 22 September.

With the House of Commons now suspended, policy announcements have been paused for around ten days. On Monday, an official spokesperson for the Prime Minister said the government still intends to hold a fiscal event before the end of September.

Here to help

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