

FOR BUSINESS OWNERS

WHAT'S IN THIS PACK

- ❑ **Businesses: what you need to know**
- ❑ **Help for companies affected by Coronavirus** (Includes SSP, Grants and Funding)
- ❑ **Help for individuals affected by Coronavirus**
- ❑ **Businesses: things to think about**
- ❑ **Cash Flow, Cash management**
- ❑ **Looking after yourself and your team**

COVID-19

With the continued outbreak of COVID-19 the need to adapt and review business decisions is critical. We hope this information in our COVID-19 pack helps you.

BUSINESSES: WHAT YOU NEED TO KNOW

[Guidance for employers \(click here for Gov website\)](#)

- ❑ **Where possible, home working should be encouraged**
- ❑ **If someone becomes unwell they should be sent home and advised to follow the advice to stay at home**
- ❑ **Employees should be reminded to wash hands for 20 seconds AND more frequently**
- ❑ **Make sure you have tissues so people can catch coughs and sneezes in them**
- ❑ **Frequently clean and disinfect objects and surfaces touched regularly**
- ❑ **Employees from defined vulnerable groups should be strongly advised and supported to stay at home and work from there if possible**

FOR BUSINESS OWNERS

HELP FOR COMPANIES AFFECTED BY CORONAVIRUS - SSP

SSP of £94.25pw payable from day 1 if you fall under the new eligibility criteria.

Who does this apply to?

	Entitled to SSP?
If you cannot work due to coronavirus	✓
If you are staying at home on government advice because of coronavirus due to self isolating or household quarantine	✓
Already had 28 weeks SSP max entitlement	X Claim Welfare Benefit
Self-Employed	X Claim Welfare Benefit

Notes:

- Applies from 13 March
- Repayment mechanism being set up over the coming months for reimbursing companies

Statutory sick pay (SSP) relief package for SMEs announced:

SMEs (less than 250 employees as at 28 February 2020) can reclaim SSP paid for sickness absence due to COVID-19 (this refund will cover up to 2 weeks' SSP per eligible employee)

Sick note:

Instead of a sick note, an isolation note can be obtained by visiting NHS111 online and completing an online form.

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HELP FOR COMPANIES AFFECTED BY CORONAVIRUS - BUSINESS RATES

- ❑ 12 month business rates holiday for all retail, hospitality and leisure businesses available.
- ❑ A £25,000 grant will be provided to retail, hospitality and leisure businesses operating from smaller premises with a rateable value between £15,000 and £51,000.
- ❑ This will be dealt with by local authorities - Check your local council's website for updates.
- ❑ Guidance for local authorities has been provided by the government [here](#).

HELP FOR COMPANIES AFFECTED BY CORONAVIRUS – SMALL GRANT

Small grant funding of £10,000 for all businesses in receipt of small business rate relief. This is to help your ongoing business costs.

If your business is eligible you will be contacted by your local authority – you do not need to apply. Funding will be provided in early April.

***We recommend that you log in to your business rates portal, to ensure they have the most up-to-date bank details on file.**

HELP FOR COMPANIES AFFECTED BY CORONAVIRUS – LOAN SCHEME

- ❑ For SMEs, funding can be sought through the Coronavirus Business Interruption Loan Scheme (through the [British Business Bank](#))
- ❑ The government will guarantee 80% of the loan
- ❑ Note personal guarantees are likely to be needed and bear in mind your fiduciary duties
- ❑ 12 months interest free (interest will be met by the government)
- ❑ Funding available from 23 March 2020

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HELP FOR COMPANIES AFFECTED BY CORONAVIRUS – WAGE RESCUE

- ❑ HMRC will reimburse 80% of furloughed workers (temporary laid off) wage costs, up to a cap of £2,500 per month, backdated to 1 March – initially open for 3 months, to be extended if necessary
- ❑ To access the scheme you will need to designate affected employees as ‘furloughed workers’ and notify your employees of this change
- ❑ Information will be submitted via a new online portal
- ❑ Please seek HR advice on laying staff off, short-time, etc. to ensure it is inline with existing contracts

The Coronavirus Business Interruption Loan can provide short term cash flow support for this.

HELP FOR COMPANIES AFFECTED BY CORONAVIRUS – TIME TO PAY

All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be able to seek a Time To Pay arrangement. These are on a case by case basis and tailored to individual circumstances.

HMRC’s dedicated helpline is [0800 0159 559](tel:0800 0159 559)

At the moment (likely to change) time to pay arrangements look like this:

- ❑ Businesses can defer PAYE between 1 and 3 months (they will need a valid reason - for example if the company has temporarily shut)
- ❑ Expectation is the deferral will apply up to and including April payroll
- ❑ If the business can’t pay at this point a formal payment plan can be set up between 3 - 9 months

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HELP FOR COMPANIES AFFECTED BY CORONAVIRUS – DEFERRING VAT

- ❑ The VAT deferral applies from 20 March 2020 to 30 June 2020 and no VAT payment is required during this period.
- ❑ All UK businesses are eligible.
- ❑ Automatic offer, no application required. Taxpayers will be given until the end of the 2020/2021 tax year to pay any liabilities accumulated.
- ❑ VAT Refunds and Reclaims will be paid as usual.

HELP FOR COMPANIES AFFECTED BY CORONAVIRUS – INSURANCE

Where businesses have insurance to cover for both pandemics and government-ordered closure you should be covered, as the government and insurance industry confirmed on 17 March 2020 that advice to avoid pubs, theatres etc is sufficient to make a claim.

Most businesses are unlikely to be covered, as standard business interruption insurance policies are dependent on damage to property and will exclude pandemics.

HELP FOR COMPANIES AFFECTED BY CORONAVIRUS – LATE FILING

- ❑ Companies House filings **can be** delayed due to coronavirus (**You need to apply before the deadline**).
- ❑ Businesses affected by the COVID-19 pandemic can now apply to Companies House to request an extension to file their accounts, reports and confirmation statements.
- ❑ No details on the reasons for delay, it is likely that the rules are still strict. More details [here](#).

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HELP FOR COMPANIES AFFECTED BY CORONAVIRUS – LOANS

Please note that if needed, aside from the funding from the government, there are also lenders out there prepared to lend.

Unfortunately, there are many coronavirus scams out there already, so please watch out and be extra vigilant including HMRC Tax scammers. If you need our opinion just get in touch. More details [here](#).

HELP FOR INDIVIDUALS AFFECTED BY CORONAVIRUS – DEFERRING INCOME TAX

- ❑ If you were due to make a self-assessment payment on 31 July 2020 for your 'Payments on Accounts' this will be deferred until 31 January 2021.
- ❑ Available for those that are self-employed.
- ❑ This is an automatic offer with no applications required.

HELP FOR INDIVIDUALS AFFECTED BY CORONAVIRUS – MORTGAGE AND RENT

- ❑ Three month mortgage holiday for households experiencing financial difficulty (including the self employed)
- ❑ Those that rent are protected too:
 - ❑ Local housing allowance rates will pay for at least 30% of market rents.
 - ❑ The government has suspended evictions and introduced three month mortgage payment holidays for landlords where they are facing financial difficulties due to coronavirus.

HELP FOR INDIVIDUALS AFFECTED BY CORONAVIRUS – GOVERNMENT SUPPORT

- ❑ Universal credit and working tax credit to increase by £1,040 per year each. This increases the payment of each by £20 a week for one year from April 6

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BUSINESS THOUGHTS ... DON'T PANIC

Ensure that business critical decisions are well thought out, speak to your accountant, a mentor, or advisor, to get a second pair of “ears” on the subject. Whilst emotions are high let's ensure we're assessing all the options and getting perspective.

Recommendations to help reduce the impact of Covid-19 in your business

Employee Communication

- ❑ Communicate existing workplace wellness, work from home, sickness and other relevant policies. Consider changes.
- ❑ Any employee or those with a family member showing signs of sickness must stay home.
- ❑ If an employee COVID-19 case is confirmed, inform others but respect confidentiality.

Business continuity planning

- ❑ Ensure all employees who can work from home are set up to do so.
- ❑ Test work-from-home procedures and technology.
- ❑ Develop strategies to conduct business without business travel for an extended period.
- ❑ Cross-train employees especially where you have a single point of failure.

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Supply chain

- Evaluate potential interruption of any points of the supply chain.
- Ask suppliers to provide their continuity plans.
- Review contracts with key suppliers.
- Evaluate alternative vendors and suppliers.

Revenue impact

- Develop alternative strategies for acquiring customers that do not require in-person contact.
- Develop plans for a 25%, 50% or 75% decrease in revenue.
- Review business disruption insurance for adequacy.

Physical environment

- Provide on-site stock of sanitation supplies.
- Engage cleaning service for deep cleaning.
- Train employees on best practices for employee contact and social distancing.

Customer impact

- Assess potential impact/delay to customer shipments/service.
- Communicate with customers whether or not you expect a service impact.

Leadership

- Communicate often with your staff.
- Show concern but not panic.
- Take care of your employees first.

Cash position

- Evaluate your balance sheet and cash position.
- Reduce fixed or discretionary costs wherever possible.

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Actions to Reduce Risk (focus on items that are Urgent and Important)

- 1.
- 2.
- 3.
- 4.
- 5.

CASH IS KING

Make sure that you are forecasting cash flow, assessing costs, and managing your cash cycle

- ❑ Ensure you understand the financial risks of your key trading partners, customers and suppliers is a critical consideration in times like these.
- ❑ Check your own financing. Undertake planning for different scenarios. Use this opportunity to actively engage your finance partners and to explore new or additional options
- ❑ Focus on the cash-to-cash conversion cycle. Focus on stock, money owed to you and money you owe
- ❑ **Revisit your variable costs:**

If labour is your biggest cost:

- ❑ Consider reducing contract labour, and re-distribute work to your permanent workforce.
- ❑ Encourage employees to take available leave and if necessary, consider offering voluntary or even involuntary leave without pay to preserve cash.

See what relief is available from the government first: preservation of jobs is the government's key initiative

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❑ Reassess capital investment plans

With cash flow forecasts in mind, consider what's really necessary for the near term.

- ❑ What capital investments can be postponed until the situation improves?
- ❑ What capital investments should be reconsidered?
- ❑ What capital investments are required to position for the rebound and for creating competitive advantage?
- ❑ Understand your business interruption insurance
- ❑ Consider alternate or non-traditional revenue streams

BE KIND

- ❑ **How to “keep your head when all around are losing theirs” (Rudyard Kipling).** COVID-19 is outside of our control, and as human beings lack of control is a difficult thing for many of us to overcome. Therefore, focus on what you can control.
- ❑ **“If you can be one thing, be kind” (unknown).** A timely reminder to check in and be kind, to ourselves and our neighbours, to support small businesses and to think together as a community rather than alone.

HOME WORKING - POLICIES

- ❑ If you're lucky enough, like us, to be able to work remotely. Then make sure that you have put in the relevant policies for staff.
- ❑ There are a lot of guides on working remotely, so if you need any help or are unsure of where to start, please make sure you do your research. We have just published our own take on keeping your remote team motivated [here](#).
- ❑ We have partnered with highly skilled HR Consultants and Safety Professionals so if you need any more support on this let us know.

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HOME WORKING - TIPS

Also make sure you've got the basics sorted, a safe work space with suitable chair, desk and you have reasonable internet connectivity. You should also check with your mortgage provider, landlord, or home insurer of your intention to work from home.

OTHER RELATED NEWS

A welcome deferral of IR35 has been implemented: The Government is delaying the new private sector IR35 regime until 1 April 2021.

The situation is changing rapidly so this may become outdated soon. So please get in touch with any queries, our team is doing their best to stay updated on the latest developments.

Useful Links:

For the latest government guidance see

<https://www.gov.uk/government/collections/coronavirus-covid-19-list-of-guidance>

For more details on what coronavirus is

<https://www.gov.uk/government/publications/coronavirus-action-plan/coronavirus-actionplan-a-guide-to-what-you-can-expect-across-the-uk>

Please continue to follow the NHS's guidelines as detailed here

<https://www.nhs.uk/conditions/coronavirus-covid-19/>

D2N2 advice for business

<https://www.d2n2growthhub.co.uk/news/latest-news/covid-19support-for-businesses/>