

Coronavirus: Business checklist

The current situation is changing day-by-day and hour-by-hour. It is an unsettling time, but you are not alone.

We have been keeping track of the government updates and the [support available for businesses and individuals here](#). However, there are steps that you can begin to consider and act upon now, if you haven't already done so, to help your business prepare:

Business & Financial

- Cash is king –review your overheads and avoid any unnecessary outgoings and expenditure. The two biggest expenditures are:
 1. Property - can you get a break clause or rent-free period in your lease?
 2. Employees - do you need to consider putting some employees on unpaid leave through the difficult months?
- Capital expenditure - reconsider and see if this can be stopped
- Suppliers and customers – review your contracts and cancellation clauses. Know where you stand
- Stock - If you hold stock, review your orders and consider if you need less stock, or need to order more now as a contingency for future shortages? Can you source your stock from elsewhere?
- Suppliers/ Banks / Lenders – speak to these if you require credit
- HMRC – [speak to HMRC about deferring outstanding tax liabilities](#) through their 'time to pay' section
- [Government and Bank initiatives](#) – keep an eye on what is available to you, including:
 - Coronavirus Business Interruption Loan Scheme - Please remember that this is a loan, **not a grant**. So eventually you have to pay it back.
 - Deferring VAT payments - The government is allowing VAT payments to be deferred for three months beginning on 20 March and ending 30 June. [Read more about this decision and its potential benefits here](#).
- Business rates – is your business entitled to a [business rates holiday](#)? Rates suspended for one year (until 31 March 2021) for properties in the retail, leisure and hospitality sectors. It was also announced on Tuesday 17 March that there will be a cash grant of up to £25,000 for those businesses with a rateable value between £15,000 and £51,000
- Grant funding – the government will provide additional funding for local authorities to support small businesses that already pay little or no business rates. This will provide a **one-off grant of £10,000 to businesses currently eligible for SBRR or Rural Rate Relief**, to help meet their ongoing business costs. If your business is eligible, **you will**

be contacted by your local authority and do not need to apply.

- Future Fund – The government will provide innovative companies with convertible loans of £125,000 - £5 million, subject to at least an equal match in funding from private investors. Companies must be UK based, attract an equal match in funding and previously raised a minimum of £250,000 in funding in the last five years to be eligible.
- Self-employed Income Support Scheme – To support the self-employed the government has confirmed they will pay self-employed people affected by coronavirus a taxable grant worth 80% of their average monthly profits over the last three years, up to £2,500 a month. Sunak stated that he has tried to be fair with the grants and target it at those most in need.
 - Therefore, to be eligible, individuals must have a trading profit of below £50,000, make a majority of their income from self-employment and have a tax return for 2019.
 - [Read our latest updates for more information.](#)

[For information on all of the schemes available, click here to view our Summary of Government Support Schemes document.](#)

Business Continuity Planning

- Scenario plan - to prevent unnecessary panic scenario plan the effect the coronavirus will have on your business / activities over the next 3 - 6 - 12 months
- Forecast - prepare revised profit and loss forecasts – assume best, average and worse case scenarios.
- Prepare a business continuity plan. There is a government toolkit aimed at helping organisations to do this. www.gov.uk/government/publications/business-continuity-planning

Employees

Where possible, all employees should be working from home. You have a duty to protect the health and safety of your employees.

Consider your options:

- Coronavirus Job Retention Scheme – the scheme will cover 80% of an employee’s salary, up to £2,500 per month plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that wage. This has been extended and will be open until the end of June 2020. [For full guidance, visit the government website.](#)
- Working from home – the Government have advised that the public should only leave their homes when absolutely necessary, so you must allow your employees to work from home wherever possible.
- Pay Statutory Sick Pay (SSP) to those who are sick or self-isolating. The government will support businesses with fewer than 250 employees by reimbursing them for SSP for up to two weeks for those off work due to COVID-19. [For further information, read our full article here.](#)
- By agreement, permit holiday even if it has not accrued
- By agreement, reduce hours or rates of pay
- Lay off workers without pay – but be careful as this may be unlawful and could give rise to employment related claims
- Make employees redundant – again, it is important to follow the correct procedure.

Identify Commercial / Contractual Risks

- Are all parties able to fulfil contractual obligations?
- Check whether your contracts have ‘force majeure’ clauses that excuse non-performance. ‘Force majeure’ has no recognised meaning in English law and its scope varies from contract to contract
- Consider new contractual obligations. Perhaps insert a clause to state that you are not liable for failures resulting from the coronavirus.

This is not meant to be legal advice and is best to speak to a lawyer, but are some areas you can consider.

Properties

- Are you entitled to [Business Rates Relief?](#)
- Can you get a mortgage payment holiday from your lender?
- If you have tenants, are you aware of their current circumstances? They may seek rental concessions or may be going into liquidation, administration or voluntary arrangement
- Buying and selling? Be prepared for issues to arise, e.g. requests for decontamination; refusal to complete because one party is sick or in isolation; or loss of livelihood. Perhaps think about an early simultaneous exchange and completion to achieve certainty.

Insurance

- Have you checked your insurance to see if it includes disruption for public health closures?
- Do you have loss of income cover?
- Do you need new insurance?

On 17 March, it was confirmed that advice to avoid pubs, clubs and theatres is enough to make a claim if your business has insurance cover for pandemics and government-ordered closers. [According to the government](#), “businesses which have an insurance policy that covers government ordered closure and pandemics or government ordered closure and unspecified notifiable disease should be able to make a claim.” Insurance policies will differ, so please check the terms and conditions of your specific policy.

Fraud & Security

The City of London Police has issued a fraud alert highlighting several Covid-19-related scams. Scams have been around for a while, but they are likely to become increasingly prevalent under the current conditions.

- Take steps to reduce the risk of fraud, particularly electronic, in circumstances where there is remote access to your systems

- There may be increased risk of crime and burglary. Review security.

Practical Steps in the Workplace

The UK government has imposed a lockdown, urging the public to stay at home and only leave under the following circumstances:

- To buy essentials, such as food or medicine
- For daily exercise alone or with members of your household
- Any medical need
- Travelling to and from work, only where absolutely necessary, i.e. key workers.

Consider and [implement the Government Guidance](#):

Latest updates concern:

- encourage employees to work at home, wherever possible
- if someone becomes unwell in the workplace with a new, continuous cough or a high temperature, they should be sent home and advised to follow the advice to stay at home
- employees should be reminded to wash their hands for 20 seconds, more frequently and to catch coughs and sneezes in tissues
- frequently clean and disinfect objects and surfaces that are touched regularly
- employees will need your support to adhere to the recommendation to stay at home to reduce the spread of coronavirus (COVID-19) to others
- those who follow advice to stay at home will be eligible for Statutory Sick Pay (SSP) from the first day of their absence from work
- employers should use their discretion concerning the need for medical evidence for certification for employees who are unwell. This will allow GPs to focus on their patients
- employees from defined vulnerable groups should be strongly advised and supported to stay at home and work from there if possible.

Personal Planning

- Have you considered what will happen to your business/affairs if something happens to you?
- Put a succession plan in place.
- Do you have an up-to-date Will and Lasting Power of Attorney?
- Review the above three points for your family.
- If you are in the middle of getting divorced, and about to sign a financial consent order, be wary about agreeing the transfer of assets that may fall in value. It is difficult to vary such orders subsequently.