



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.
- 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.

- 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.

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. [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.
- 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.