



**CORONAVIRUS**

# **BUSINESS SURVIVAL GUIDE**

**[WWW.UKBUSINESSACADEMY.CO.UK](http://WWW.UKBUSINESSACADEMY.CO.UK)**

# CONTENTS

INTRODUCTION	3
GOVERNMENT FINANCIAL SUPPORT AVAILABLE	5 - 8
BUSINESS COSTS AND EXPENDITURE	9
BUSINESS INCOME AND CASH FLOW	10 - 11
PERSONAL FINANCES – AS BUSINESS OWNERS, SELF EMPLOYED BUSINESSES OR EMPLOYEES AFFECTED BY CORONAVIRUS	12 - 13
HOMWORKING	14 - 15
WELLBEING AND MENTAL HEALTH	16 - 17
RESOURCES	18



# Introduction

This guide is a working document – to help business and business owners manage the impact from the coronavirus pandemic.

Indeed, coronavirus is a challenge like no other in recent times for humanity. Politically, socially, medically and economically coronavirus has an impact for everyone.

More so for businesses and business owners – in simply keeping their business running in difficult and uncertain times.

Whilst no one knows how the pandemic will evolve and how long it will last, there are actions and practical steps that businesses can take to help get through this.

There is also significant financial support from government, local authorities, banks and business support organisations to help businesses through these challenging times.

So as well as offering practical advice, this guide signposts business owners to the financial and other support streams that are being made available to business.

This is a dynamic and fluid situation – changing constantly. As such, this survival guide cannot be entirely definitive – nor does it claim to be. It's meant as a helpful, reference document with a list of ideas, suggestions and options to assist business owners during the tough weeks and months ahead.

If you are thinking about making significant changes to your business or your own personal financial situation, please seek professional advice from accountants, financial advisers, business coaches or HR professionals.

Lastly, please take care. Look after yourself and each other. Please use common sense in observing the rules on social distancing. Whilst business is important, people's lives matter more. Plus as responsible business owners, we do need to support our employees and their families - as well as well as limit our own impact on NHS and other emergency services at this time.

27th March 2020

## Stephen Parkinson

Email: [Stephen@ukbusinessacademy.co.uk](mailto:Stephen@ukbusinessacademy.co.uk)

Tel: 07801 973454

Web: [www.ukbusinessacademy.co.uk](http://www.ukbusinessacademy.co.uk)



<https://www.linkedin.com/in/parkinsonstephen/>



**“It is no use saying  
‘we are doing our best.’  
You have got to  
succeed in doing what  
is necessary.”**

**WINSTON CHURCHILL**

# Government financial support available

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19>

And <https://www.businesssupport.gov.uk/coronavirus-business-support/>

List of measures already announced by Government

## Support for businesses through the Coronavirus Job Retention Scheme

- All UK employers are eligible for support to continue paying up to 80% of employees' salary for those employees that would otherwise have been laid off during this Covid-19 crisis
- To receive the support employers must designate affected employees as "furloughed workers"
- Employees need to be notified of this change - as changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation
- Then submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal (HMRC will set out further details on the information required)
- HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month. HMRC are working urgently to set up a system for reimbursement, as existing systems are not set up to facilitate payments to employers.
- Scheme covers 80% of (gross salary + employers' National Insurance + employers pension contributions paid), subject to a monthly cap of £2,500
- HMRC expect the first grants to be paid within weeks, and are aiming to get it done before the end of April 2020.
- The scheme will cover the cost of wages backdated to 1st March (if applicable). Initially open for 3 months, but will be extended if necessary.

## **Self-employment Income Support Scheme**

- Available to help self employed people, whose income has been negatively impacted by the coronavirus situation. Where the majority (more than 50%) of their total income comes from self-employment and who have profits of less than £50,000.
- The scheme will provide a taxable grant to self-employed individuals or partnerships, worth 80% of their profits up to a cap of £2,500 per month.
- Average profits from tax returns in 2016-17, 2017-18 and 2018-19 will be used by HMRC to calculate the size of the grant
- Scheme is open for an initial three months with people able to make their first claim by the beginning of June.
- Open to self-employed or member of a partnership
- Must have lost profits due to coronavirus
- Have filed a tax return for 2018-19 as self-employed or a member of a trading partnership.
- Have traded in 2019-20; be currently trading at the point of application (or would be except for COVID 19) and intend to continue to trade in the tax year 2020 to 2021
- HMRC will use existing information to check potential eligibility and invite applications once the scheme is operational. HMRC will then pay the grant directly to eligible claimants' bank account. Do not contact HMRC at this stage.
- Grants are expected to start to be paid out by beginning of June 2020.
- Those who have not yet filed a tax return for 2018-19 have four weeks from 26th March 2020 to submit their tax return and qualify for the scheme.

## **Statutory Sick Pay relief package for SMEs**

- Refund up to two weeks of SSP for employee off work due to Covid-19
- Eligibility - employers with less than 250 employees
- Maintain records of staff absence and payment of SSP – but no need to provide GP fit notes
- First seven days of sickness self certification
- Employers strongly advised to use discretion for periods over seven days regarding GP fit notes – to reduce impact on GP surgeries
- Government to work with employers to set up SSP repayments as soon as possible

## **Business rate holiday**

- 12-month business rates holiday for all retail, hospitality and leisure businesses in England
- Automatic entitlement.
- The responsible local authority will adjust the business rate bill to zero
- Local authorities will re-bill eligible businesses to show zero business rates payable
  
- Eligible businesses include:
  - ✓ Shops,
  - ✓ Restaurants,
  - ✓ Cafes,
  - ✓ Drinking establishments,
  - ✓ Cinemas and live music venues,
  - ✓ Premises use for assembly and leisure
  - ✓ Hotels, guest & boarding premises and
  - ✓ Self-catering accommodation
  
- A cash grant of £25,000 will be provided to retail, hospitality and leisure business with smaller premises with rateable values between £15,000 and £51,000
- Individual local authority areas responsible for managing this business rate support

## **Coronavirus Business Interruption Loan Scheme**

- Supports small and medium-sized businesses to access bank lending and overdrafts.
- Government to provide 80% loan guarantee to the lenders (banks)
- No charge for this guarantee
- Supports loans up to £5m
- First twelve months of loan interest free, as government will cover the first 6 months of interest payments.
- Finance terms are from three months up to ten years for term loans and asset finance and up to three years for revolving facilities and invoice finance.
- Eligible businesses
  - ✓ UK based, with turnover of no more than £41 million per annum.
  - ✓ Operate within an eligible industrial sector
  - ✓ Not received de minimis State aid beyond €200,000 equivalent over the current and previous two fiscal years
  - ✓ Have a sound borrowing proposal, but insufficient security to meet the lender's requirements
- All the major banks to offer the scheme. There are 40 accredited providers in all.
- Contact your bank or finance provider as soon as possible and discuss your business plan with them.

### **Grant funding for small business currently in receipt of small business rate relief**

- Grant funding of £10,000 for all business currently receiving small business rate relief
- Applies to all businesses that currently receive small business rate relief or rural rate relief
- Individual local authority areas responsible for providing this support – check local authority website for details

### **Support for larger firms through the COVID-19 Corporate Financing Facility**

- The Bank of England will buy short term debt from larger companies. Support larger firms that have been affected by a short-term funding squeeze. Helps larger firms to finance their short-term liabilities

### **VAT**

- VAT Deferment - support for businesses through deferring VAT
- The Government is supporting businesses by deferring Valued Added Tax (VAT) payments for 3 months.
- The VAT deferral will apply to all UK VAT registered businesses from 20 March 2020 until 30 June 2020. During this period, businesses will not need to make a VAT payment to HMRC. However, the business will need to continue to charge and collect VAT ready for the normal VAT quarterly return in June 2020.
- Businesses that pay VAT by direct debit, should cancel these during the deferment period.

### **Income Tax (self assessment)**

- Income tax payments that were due in July 2020 under the Self-Assessment system can be deferred until January 2021. Taxpayers have until the end of the 2020 to 2021 tax year to pay tax accumulated during the deferral period

### **HMRC: time to pay service**

- All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service.
- Opportunity to delay and stagger tax payments
- HMRC's dedicated helpline is: 0800 0159 559.

### **Support for commercial tenants who miss rent payment**

- Commercial tenants that cannot pay their rent due to the coronavirus situation will be protected from eviction
- Try to reach a voluntary agreement with landlords where possible.
- However the coronavirus bill currently going through Parliament, will mean no business will be forced out of their premises if they miss a payment in the next 3 months.

# Business costs and expenditure

Review all business costs and expenditure with a view to cutting back on costs, saving money and improving cash flow:

## Rent

- Ask for rent-free period
- Re-negotiate current lease
- Downsize to new premises

## Utilities – energy/water

- Ask for payment holiday
- Reduce usage via homeworking or a planned shut down

## Loans and finance

- Ask for payment holiday
- Move to interest only
- Refinance business loans and other finances to take advantage of lower interest rates
- Increase overdraft facility

## Business pause or business closure

- Depending upon the business – you may have no option but to pause or close the business due to the coronavirus pandemic.
- Accept if this is the case – do not build up unnecessary losses if it is unrealistic for the business to trade through these times
- Assess options for temporary business shut down – ready to come back once the pandemic situation eases

## Overheads

- Review retainers and monthly premiums
- Cut back, put on hold or delay all unnecessary expenditure
- Renegotiate payment terms where possible to improve cash flow
- Limit business travel and subsistence via remote working

## Staffing

- Reduced hours
- Flexible working
- Use of holiday leave
- Use of unpaid leave
- Apply to HMRC's Coronavirus Job Retention Scheme to pay up to 80% of wages as a way of retaining staff and avoiding redundancy
- Redundancy – factor in costs and business impact of redundancy (last resort)

## Outsourcing

- Opportunity to review outsourcing options and whether outsource providers might provider cheaper and more flexible options instead of direct employment

## Business pause or business closure

- Depending upon the business – you may have no option but to pause or close the business due to the coronavirus pandemic, especially as any social distancing measures become more strict.
- Indeed, as a business owner you have a responsibility to your employees and your customers and as such, it maybe the most sensible option to pause or close the business temporarily
- Accept if this is the case – do not build up unnecessary financial losses, endanger staff goodwill or gain negative customer feedback if it is unrealistic for the business to trade through these times
- Assess options for temporary business shut down – ready to come back once the pandemic situation eases

# Business income and cash flow

Review all lines of income, potential income and business opportunities to improve revenues and cash flow

## Assets

- Does the business have any stock or assets that it can sell to generate cash flow

## Debtors

- Are there any debtors that can be chased for payment?
- Does the business have debtors that might be more at risk of non-payment e.g. leisure/hospitality industry?
- What will be the effect to the business from non-payments and potential defaults?

## Payment terms

- Ask for improved payments terms from suppliers – either improved lines of credit or a longer time periods over which to pay e.g. 60 days

## Prompt and pre-payment

- Incentive prompt payment e.g. 5% discount for all invoice settled within 5 days
- Introduce pre-payments to improve cash flow and limit risk of defaults/bad debts
- Ask for part payments and up-front payments e.g. 30% upon starting work to help cash flow and reduce risk

## Business model

- Review business model – is what you supply of relevance to customers in the current situation?
- What else could the business offer to customers at this time?
- Is there anyway the business can diversify to offer other products or services that might be more relevant to current needs and demands?
- Can the business model be adapted to either improve services to customers or cash flow to the business e.g. recurring monthly payments instead of one-off transactions

## Sales

- What sales promotions have you planned?
- Can you bundle products together either three for two to increase sales?
- Are there any special offers or discounts that you can offer to help people at this time?

### **Added value and unique selling point**

- Where is your added value – how are you helping customers and potential customers at this difficult time?
- Can the business make donations e.g. to food banks or the NHS as a way of giving back and demonstrating the added value the business is making to the society and the local community

### **Customer communication**

- What are the current questions, thoughts and needs of your customers at this current time?
- Are you communicating with customers to address these questions and needs?
- What methods are you using for customer communication: email, website, social media
- Are you telling customers what the business is doing to manage the impact from Covid-19 and how they might or might not be affected by any changes the business needs to make e.g. homeworking?
- Use opportunities for webinars or video conferencing meetings to continue dialogue with customers and clients – so that the business is still visible and relevant to them
- Give free, relevant practical help and advice – customers and potential customers will value the help and information you give to them at this time and see your business as a leader or expert in the field which in turn will generate future sales and reputational benefits

# Personal finance

As business owners, self employed businesses or employees affected by coronavirus

## Income

- If you pay into pension, ask pension provider about taking a pension holiday three months or longer (will affect your pension entitlement take professional advice before doing this)
- Employment are there any full time or part time employment opportunities for essential workers that arise as a result of the pandemic e.g. agriculture, food, security, delivery drivers etc. that could help top up your income
- Employment – ask friends and family about whether they know who might be hiring
- Employment – search major job sites e.g. indeed, social media and local media to keep track of employment opportunities that are available
- Are you able to create, make and sell anything that people may wish to have or use whilst they are at home e.g. items for children, parents, keeping fit or tackling boredom can sell via Facebook or eBay?
- As an employer have you designated affected employees as “furloughed workers” in order to help pay 80% of wages from the Government and thereby avoid any job lay offs

## Mortgage

- Move to interest only mortgage – 12 months
- Ask for three-month mortgage holiday from your bank/building society
- Re-mortgage – to take advantage of low interest rates (Bank of England base rate now 0.1%)

## Rent

- Contact landlord for advice – any hardship relief options
- Re-negotiate rent payments
- Continue to make payments as much as you can afford to reduce potential arrears and demonstrate good will to the landlord
- Government announced no eviction policy for tenants in hardship from the Coronavirus pandemic
- Review whether you might qualify for housing benefit to help cover rent, if your income has dropped significantly

## **Debt – credit card and loan repayments**

Most lenders will be willing to work with you during this period...

- Ask for re-payment holiday – three months
- Seek to pay interest only – at least three months
- Re-finance – using cheaper options e.g. loans or zero percent credit card deals to refinance current debt

## **Council Tax**

- Ask council for 12 monthly payments instead of 10
- Ask for other repayment options
- Ask about council tax benefit options

## **Utilities – energy, water**

- Contact utility provider and ask for temporary payment holiday – three months
- Ask utility provider about other payment options to reduce monthly outgoings and agree a new payment plan
- Check whether your balance is in credit or debit – if in credit ask for the money to be paid to you
- In spring and summer, you will use less energy so see if the utility provider will accommodate this in any payment plan
- Check whether you have redundancy or hardship insurance cover as part your utility agreement – if so use this to help pay your utility bill
- Water – ask to move to 12 monthly payments instead of 10
- Water – ask for another repayment plan

## **Other bills**

- Review all your household bills and work out what is essential and what is desirable
- Cut back where possible on non-essential items
- Stop or cut back any recurring monthly outgoings such as TV packages (Sky Sports), insurances
- If you have a car and don't need to use it then, take it off the road through the DVLA's Statutory Off Road Notification (SORN) to reduce both car insurance and car tax bills (make sure the car is not on a public highway e.g. drive or garage)

# Homeworking

## Employers:

- Ensure IT systems can allow people to work from home
- Have a central store for key documents and files that staff need to access e.g. a central server or drop box
- Encourage staff to have safe and productive working places e.g. use a table and chair - providing staff with advice on completing their own basic work station assessment at home.
- Be flexible over working hours – might not need all staff to work standard office hours
- Staff can work early mornings or later in the evening – especially if staff also have childcare responsibilities
- May need to offer certain staff reduced hours in order to accommodate their family circumstances
- Have clear objectives set for staff in terms of what they are suppose to achieve daily or weekly
- Keep communication flowing
- Have regular on-line team meetings via telephone or video conferencing to check in with staff and set work objectives
- Set up What's App or Slack Group to keep in touch with staff and so staff can keep in touch with each other
- Regularly check in with staff (or ask line managers to do so) to see how they are doing – physically, emotionally and mentally
- Use video conferencing for client meetings e.g. Zoom, Skype, Microsoft Teams
- Be realistic – appreciate that in the current situation productivity will suffer. As well as work, staff will have other concerns such as their own and their families physical and mental wellbeing
- Encourage staff to take breaks
- Avoid the “always on” mentality by not sending emails or messages late at night or at weekends
- Leadership – demonstrate strong leadership by being positive and supportive of staff in what are difficult and unprecedented times. They will appreciate this more than you know and demonstrate good will in other ways both now and in the future

## Employees

- Have a place at home where you can go to work e.g. dining room table
- Check the place you will be working from can support good posture and for your back and neck
- Get into a routine – in terms of getting up, having breaks and finishing work
- Have a wash or shower, get dressed, eat breakfast and then start work as you would normally do when going to work
- Set a list of daily tasks to do – write these down on a list or use a smart phone productivity app such as Trello
- Break the day down into set work periods e.g. one hour, two hours, three hours where you give focused attention to work
- Reward yourself for finishing tasks or for achieving focused periods of attention by having a break or getting a tea/coffee
- Have a lunch break – 20 minutes minimum and if you can grab some fresh air too even if this is just opening the door or window
- Eat healthily – avoid the temptation for snacking and try to eat fresh fruit and vegetables rather than sugary foods
- Drink plenty of water – this helps your body, mind, skin and hair
- If your partner or room mates work at home – try to have separate spaces of work so that you don't disturb each other
- Don't worry about household chores – do these either before or after work time
- Unless your job requires it – avoid social media, as this will distract you when you are working. Log out of accounts and only use social media at break or other non-work times
- Put your phone on silent when working and/or turn off non-important notifications that you simply don't need
- Use video conferencing e.g. Zoom, Skype, Microsoft Teams or even Face time to keep in touch with colleagues help with your mood and productivity
- Switch off – when you are not at work you are at home do not be tempted to be “always on” responding to emails and messages
- Exercise – build exercise into your routine – outside if possible (observing any lockdown or social distancing rules) or follow a home work out e.g. Joe Wicks
- At the end of the day, when you finish work turn off and allow yourself to be at home again (not in work mode)



# Wellbeing & mental health

The coronavirus pandemic is naturally a worrying time for us all. Add to this the major changes to our lives with homeworking, social distancing and even self-isolation, the effects on our wellbeing and mental health can be significant. Here some ways to help.

- Don't look to far ahead – take each day as it comes
- Build new routines to create familiarity and structure
- Focus only on what you can control – you can't control what you can't control so don't worry about that
- Get exercise – either a walk or a home workout if you are able – observing the social distancing rules that apply at the time
- Eat healthily – a healthy body = a healthy mind
- Drink plenty of water – helps you to feel better, less fatigued and tired
- Avoid excessive drinking of alcohol and have alcohol free nights so you brain and body can recover
- Don't drink too much coffee, tea or energy drinks as many of these include caffeine a natural stimulant that can make you anxious
- Don't saturate yourself with bad news or constant updates about the coronavirus pandemic
- Remember this will pass – we don't know when but it will
- Remember we all in the same boat – everyone of us is making sacrifices in one way or another it's not just happening to you

- As such, there is help out there from families, friends and colleagues
- If you are worried about your financial situation, there is Government support plus banks and other financial institutions are willing to help given the economic impact on everybody from the coronavirus pandemic
- Do not over think or “catastrophise” about the worse that might happen
- Understand the context in that coronavirus causes mild infections for most people and that there have been pandemics and worst situations in the past that humans have coped with
- Support someone else – a friend or neighbour
- Helping others is one of the best ways to feel better – even if this is just catching up with friends over the phone up or perhaps buying essential groceries for elderly neighbours
- Try meditation – meditation is a great way to relax, keep grounded and feel more calm
- There are various guided YouTube videos’ or meditation apps that can help you with meditation
- Do things to take your mind off the situation such as reading, gardening, cooking or listening to music
- Look for the positive – see how people are trying to help each other, how doctors and nurses are helping those who are ill and how the whole world is racing to make a vaccine
- Think about what you have and what you are grateful for – even the simplest things can bring the greatest joy. Don’t dwell on what you don’t have – be grateful for what you DO have
- Talk to someone – family, friends, neighbours by phone, video conferencing or observing social distancing rules (at least 2 metres apart) or even some independent like the Samaritans if you feel anxious, worried or depressed
- Use time productively where you can – e.g. for being creative, doing jobs you’ve been meaning to get done, painting and decorating etc. as this all helps build satisfaction and self esteem

# Resources

## Business advice and support

Government Guidance on Support for Businesses

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19>

Dedicated Business Support and Advice Website

<https://www.businesssupport.gov.uk/coronavirus-business-support/>

Government Business Support Frequently Asked Questions (FAQ)

<https://www.businesssupport.gov.uk/faqs/>

British Chambers of Commerce Coronavirus Support

<https://www.britishchambers.org.uk/page/coronavirus?k=30cdfbcf8e205792be8adadf43630166035c27d5>

Federation of Small Businesses Coronavirus Support

<https://www.fsb.org.uk/campaign/covid19.html>

Institute of Director Coronavirus Hub

<https://www.iod.com/iod-coronavirus-support-hub>

Confederation of British Industry

<https://www.cbi.org.uk/coronavirus-hub/>

## Local Authority Support

Check your local council website for details of business support available in your local area

## Productivity

Trello:

<https://trello.com>

Slack:

<https://slack.com/intl/en-gb/>

Monday.com:

<https://monday.com>

## Video Conferencing

Zoom

<https://zoom.us>

Skype

<https://www.skype.com/en/>

Microsoft teams

<https://teams.microsoft.com/start>

Google hangouts

[https://gsuite.google.com/intl/en\\_ie/products/meet/](https://gsuite.google.com/intl/en_ie/products/meet/)

## Wellbeing

So Hum Meditation

[https://youtu.be/a\\_O1R9T0Uu4](https://youtu.be/a_O1R9T0Uu4)

Headspace App

<https://www.headspace.com/headspace-meditation-app>

Calm

<https://www.calm.com>

Basic work station assessment

<https://www.hse.gov.uk/pubns/ck1.pdf>

Joe Wicks – the Body Coach You Tube Channel

<https://www.youtube.com/user/thebodycoach1/featured>

**UK Business Academy**

**M.07801 973454**

**E. [stephen@ukbusinessacademy.co.uk](mailto:stephen@ukbusinessacademy.co.uk)**

**[www.ukbusinessacademy.co.uk](http://www.ukbusinessacademy.co.uk)**