



Helping the small business network be ready for COVID-19

Context

COVID-19 is a new strain of coronavirus. Typical symptoms include a fever, dry cough, and can progress to a severe pneumonia causing shortness of breath and breathing difficulties. Generally, coronavirus can cause more severe symptoms in people with weakened immune systems, older people, and those with underlying long-term conditions like diabetes, cancer and chronic lung disease¹. The World Health Organization declared on 11 March that the outbreak is a pandemic, meaning the disease is spreading in multiple countries around the world at the same time².

In the worst-case scenario, a broad spread of COVID-19 may grind global growth down to 1.5 per cent in 2020 - a sharp decline from the 2.9 per cent increase registered for 2019³. While large businesses will have the financial reserves to absorb this shock, the UK's small business network will be at risk. Small businesses are the backbone of the UK economy, and, as the virus continues to spread and impact staff, customers and supply chains, small businesses may require more support.

This factsheet includes measures available to mitigate the impact to small-and medium-sized enterprises (SMEs) by the UK government and large businesses, as well as what SMEs can do now to help protect themselves.

Government support

As part of the Spring Budget, the government announced measures aimed at supporting small businesses to cope with the immediate economic impact of the coronavirus outbreak. These include:

- A new [Coronavirus Business Interruption Loan Scheme](#), delivered by the British Business Bank, will enable businesses with a turnover of no more than £41m to apply for a loan of up to £1.2m, with the government covering up to 80 per cent of any losses with no fees. This will unlock up to £1 billion pounds to protect and support small businesses.
- For businesses with fewer than 250 employees, the cost of providing 14 days of statutory sick pay per employee will be refunded by the government in full. This will provide two million businesses with up to £2bn to cover the costs of large-scale sick leave.
- A dedicated helpline has been set up at 08000 159559 to help businesses and self-employed

¹ NHS Inform, 2020, *Coronavirus (COVID-19)*, viewed 13 March 2020, <<https://www.nhsinform.scot/illnesses-and-conditions/infections-and-poisoning/coronavirus-covid-19>>

² World Health Organisation, 2020, WHO Director-General's opening remarks at the media briefing on COVID-19 11 March 2020, viewed 13 March 2020, <<https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>>

³ World Economic Forum 2020, *COVID-19*, viewed 13 March 2020, <<https://intelligence.weforum.org/topics/a1G0X000006O6EHUA0?tab=publications>>





individuals in financial distress and with outstanding tax liabilities to receive support with their tax affairs. Through this, businesses may be able to agree a bespoke Time to Pay arrangement.

- There will be a £3,000 cash grant to 700,000 of the country's smallest businesses, delivered by local authorities, worth a total of £2bn.
- The Government is temporarily increasing the business rates retail discount in England to 100 per cent for 2020-21 for properties below £51,000 rateable value. Nearly half of all business properties will not pay a penny of business rates.

[Subscribe to receive email alerts](#) from the UK government for up-to-date information.

Support from large businesses

The Bank of England has announced a comprehensive [package of measures](#) to help UK businesses and households bridge the economic disruption that is likely to be associated with COVID-19. Interest rates have been reduced from 0.75 per cent to 0.25 per cent and additional funding is available for banks to increase lending, especially to SMEs. Banks such as [NatWest](#), [Lloyds](#), [HSBC](#), and [Bank of Ireland](#) have already announced emergency loans and overdrafts to reduce the financial strain facing SMEs. Other ways in which the large business community can support small businesses include:

- Setting aside financial support for small businesses
- Proactively contacting customers to see what help their businesses need
- Offering repayment holidays to free up cash within the business
- Reviewing overdrafts or trade loans to allow stock to be held for longer
- Supporting customers with their supply chains

There is also a need to be aware of the cyber-security risks posed by coronavirus with organisations warning that mass staff absences are making small business more vulnerable.

The National Cyber Security Centre (NCSC) has also confirmed that the outbreak is being used in phishing traps. Considering this, we would recommend signposting to [NCSC guidance on spotting scam email](#).

What can SMEs do to mitigate the impacts of coronavirus?

Business continuity plan

Now is the time for organisations to review business continuity plans and emergency activation plans. This will help mitigate the impacts coronavirus will have on critical business functions, products and services.





Do not worry if your organisation does not have a business continuity plan. A lot of businesses will not have planned for a crisis on this scale, but, as many are finding out, they need a plan. The good news is that it is not too late to create (and exercise) a plan. Knowing what must be considered and ensuring there is sufficient cashflow to keep the business afloat in an environment where demand may be dropping off, compounded by staffing problems, could be the difference between a business surviving or failing.

Business in the Community has created a checklist to help consider what should be included in a business continuity plan, and actions that can be taken now to mitigate the risks that coronavirus poses to a business. This covers an organisation's:

- people
- technology
- premises
- suppliers and customers
- data
- communication.



Stay informed and keep your employees up to date	check
What is the novel coronavirus, COVID-19	
How to help prevent spread of all respiratory infections including COVID-19	
What advice to give to employees who have travelled to specific areas, (view the updated list)	
Advice for the certification of absence from work resulting from Covid-19	
People	check
Ensure you have up-to-date emergency contact details for all your employees	
Identify and document key tasks that are critical to your business and details of staff with key skills and knowledge	
Consider cross training for key roles/functions	
Consider remote working policy	
Are your employees eligible for statutory sick pay and are you clear how you will you treat employees that cannot work due to caring responsibilities	
Communicate regularly with employees to update them on the situation, any new internal policies and ways of working	
Consider the effects that self-isolation may have on employee's wellbeing and signpost to relevant guidance , internal wellbeing networks or your employee assistance programme	
Technology	check
Does your technology support remote working and have you tested it?	
Do you have clear employee guidelines for remote working and use of personal devices?	
Do you have a list of employee access and privileges for all your IT systems?	
Do you know if your IT system providers have business continuity procedures in place?	
Can your products and services be delivered digitally?	
Premises	check
Have you reviewed your cleaning regime to reduce the likelihood of the virus spreading?	
Does your workplace provide handwashing facilities and are you promoting the need for effective handwashing and respiratory hygiene?	
In the event of quarantine, have you ensured that your facilities are safe, secure, and clean?	
Suppliers and customers	check
Create a contact list of current and alternative suppliers and diversify suppliers where possible	
Contact your suppliers to ask what they have in place in terms of emergency/business continuity plans with regards to coronavirus	
Create a contact list of key customers and communicate with them what action you are taking	
Data	check
Ensure devices are secure and software is up to date	
Use passwords to protect data	
Protect against viruses and malware	
Ensure that employees working remotely are aware of the importance of cyber security	
Communication	check
Create contact lists and cascade plan for:	
<ul style="list-style-type: none"> All staff and their emergency contacts Key customers and suppliers Insurer – claims manager Bank – relationship manager IT and cyber security support Electricity, gas and water (24-hour emergency) 	
Be prepared to use social media to communicate with stakeholders about your business disruption	