

# Guidance for Social Entrepreneurs: Covid-19

## Introduction

During these unprecedented times as we respond to Covid-19 (Coronavirus) we wanted to get in touch to offer guidance to support you, your business, customers, staff, and those around you who may be vulnerable.

This document, which we are updating continually on our website, also provides you with additional information that local councils and national government have prepared for small businesses dealing with effects of Covid-19.

### UnLtd's support

We want to emphasize that UnLtd staff will still be here to talk through any concerns that you might have either via email or phone. We will continue to carry out our mission to support social entrepreneurs during this time and respond to your needs and future changes.

If the UnLtd representative you are in touch with is required to self-isolate and is unable to work, we will email you to let you know, and will offer a temporary alternate contact.

In the case that you have a support meeting coming up, that will also take place by email or phone. When it comes to our planned workshops, events and support meetings, wherever possible we will identify alternative options.

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## Looking after yourself

If you have any symptoms, particularly if you have a new persistent cough (however mild) or high temperature, there is government guidance that must be followed.

[Public Health England](#) are maintaining the most up to date guidance about Covid-19 for health professionals, businesses, schools and other organisations.

It is also extremely important that you look after your mental health too. The ongoing media can be overwhelming, and many people have existing mental health conditions that will be exacerbated by the situation. There is some very good mental health guidance provided by [Rethink Mental Illness](#), and we would also ask you to reach out to a mental health professional for support.

You may also be adjusting to remote work for the first time and needing to adapt working styles and practices. We have [an article on our website](#) with best practices to stay healthy and reduce feelings of isolation.

## Looking after your community

In the wake of the Government's switch to the delay phase, leaders from different sectors have joined forces to launch the Community Action Response to encourage everyone to do what they can to support their communities and particularly vulnerable and isolated people during the Covid-19 pandemic.

The Community Action Response has been created because of the unprecedented challenge that this presents for people in every neighbourhood in the UK.

## Here are five things you can do to support your community:

- 1. Think of others, consider your actions and be kind:** People in every community will face the challenges in some way – from needing basic provisions to help while they are unwell.
- 2. Connect and reach out to your neighbours:** As self-isolation increases, we need to find new ways to stay connected and check in on one another for our physical and mental wellbeing. Share phone numbers and stay in touch.
- 3. Make the most of local online groups:** Keep up to date, share information and be a positive part of your local community conversations using platforms like [Nextdoor](#).
- 4. Support vulnerable or isolated people:** Different groups in our communities are at increased risk and social isolation and loneliness are key concerns for all ages. There are things you can do like volunteering for local support services or donating to food banks to help.
- 5. Share accurate information and advice:** Support anyone who may be anxious about Covid-19. Sign post them to the correct advice from Public Health England and encourage people to follow the correct hygiene practices.

## Working with people who may be vulnerable

Recognising the role that social entrepreneurs play in supporting people in communities who are vulnerable or in later life we would recommend you follow closely the guidance from the World Health Organisation on reducing the risk of exposure.

- [WHO's recommendations for the public to reduce exposure](#)

## Looking after your business

### Sales & Revenue

Alongside a larger effect on the economy, of course it is important to monitor what the revenue implications might be for your business. Some key things to consider:

- **Decline in Revenue:** If your business model is dependent on large groups of people gathering together at festivals, corporates, educational institutions (primary and secondary schools, universities), government offices, or events of any sort, be prepared for a decline in revenue as people self-isolate, employers and schools implement work and school from home policies, and events/conferences get cancelled.

If your social venture is currently reliant on 1-3 major contracts, we recommend reaching out to your customers to assess their ability to fulfil your contract. It's better to know beforehand and plan for the impact on your business.

You may also wish to reach out to commissioners and funders to ensure that you won't be penalised if you are unable to meet contracted or funded outcomes within a particular timeframe, as a result of the situation and governmental guidance to implement measures to delay transmission that affect your delivery.

### Costs, Operations & Investment

- **Supply Chains:** If any of your key materials are coming from regions currently experiencing travel restrictions (at publication this includes China, South Korea, Italy and Iran) expect

disruptions in your supply chains which may cause delays in your ability to deliver your product/service on time to your customer.

As this list expands, expect further delays or disruptions from international and local manufacturers/producers. We recommend contacting your suppliers now to fully understand timelines and restrictions they are experiencing.

If there are tangible effects on your ability to deliver to your customer, we recommend getting in contact with your customers to communicate any delays.

- **Staff and Sick Leave:** You and/or your staff may choose to or need to self-isolate. If you're depending on a few key members of staff to operate your business, prepare to suspend operations if needed.

As per the Federation of Small Businesses' (FSB) advice in the links sections below, the government has introduced a range of measure to ensure that employers are reimbursed for Statutory Sick Pay (SSP) for cases of staff with Covid-19.

If your staff are self-employed and are not eligible for SSP, they will be able to access Universal Credit.

- **General Costs and Cash Balances:** We recommend going through your cashflow and how much money you expect to spend on a monthly basis in the short term. If you are expecting decreases in revenue it may be prudent to identify and avoid unnecessary costs for example travel, utilities (if staff are working from home) marketing etc.

There is more information in the government-led support section on other finance and support you may be eligible for.

- **Investment:** If you have an investment from a social investor or bank, get in contact with your investor to work through alternative repayment schedules. If you have an investment from UnLtd and will have challenges with repayments, please get in contact with your Venture Support Manager or Investment Manager directly.

## Government-led services

The Government has announced a range of support since 11 March - their [business support website](#) provides full information. Our overview of this support, including eligibility requirements, is below.

This information is based on the Government Budget (released 11/03/2020) and subsequent Downing St briefings (20/03/2020 and 26/3/2020).

### Access to Finance

- **[Coronavirus Business Interruption Loan Scheme](#)** (CBILS) - access for SMEs to up to £5 million in bank lending and overdrafts (i.e. working capital) which will be interest free for the first 12 months. The scheme is backed by the British Business Bank ([details here](#)) and finance will be provided by the Bank's 40+ accredited lenders ([here](#)). You will need to approach lenders directly.

To be eligible, your business must be:

- a) UK-based
- b) Have an annual turnover of less than £45 million
- c) Have a borrowing proposal that the lender:
  - i. would consider viable if it weren't for the Covid-19 pandemic *AND*
  - ii. believes will enable you to trade out of short-medium term difficulties

Personal guarantees are not required for loans under £250,000. For loans above £250,000, personal guarantees will be capped at 20% of the remaining value of the loan.

Whilst this scheme increases access to loans on potentially favourable terms, it should be noted that the borrower will be liable for 100% of the loan; the 80% guarantee provided by the Government is to the lender only.

- **Coronavirus Job Retention Scheme** - access for employers to grants that cover 80% of their employees' wages, up to a maximum value of £2,500 per employee, backdated to 1 March for an initial period of 3 months.

This applies to employees who have been asked to stop working, but who have been kept on the payroll rather than been laid off. HMRC are still in the process of setting up the scheme's online portal (they expect it to be live by end of April). Once live, employers will be able to submit applications.

- **Statutory Sick Pay (SSP) has been extended** to those advised to stay at home and who cannot work as a result, even if they themselves are not at risk. SSP will also be payable from the first day the individual has to self-isolate and businesses with fewer than 250 employees will be able to claim a refund on SSP costs for up to two weeks per eligible employee. Those who aren't eligible for SSP will be able to access Universal Credit.
- **Small Business Grant of £10,000** - access to a grant of £10,000 for small businesses in England that occupy property and that already receive Small Business Rate Relief or Rural Rate Relief. Local authorities will write to eligible businesses directly.

### Business relief

- **Business rate relief for the retail, leisure and hospitality sectors** will temporarily increase to 100% in 2020-21.

Additionally, businesses in these sectors with a rateable value of £0-15,000 will also receive a grant of £10,000 and businesses with a rateable value of £15,000-51,000 will receive a grant of £25,000. Local authorities will be administering the business rate holiday and will contact eligible businesses directly regarding the grants. This is only available for businesses in England.

- **Deferral of VAT payments** - VAT payments for this quarter (20 March – 30 June) can be deferred and won't need to be paid until the end of the financial year.

### Guidance for self-employment

- **Self-employment Income Support Scheme** - access for self-employed workers to a grant worth 80% of their average monthly trading profit over the last three years, up to a maximum value of £2,500 per month.

Criteria that needs to be met by individuals for them to be eligible for this grant:

- a) Individuals must have traded in 2019/20, be currently trading (or would have but for Covid-19) when they apply, have suffered a loss in trading profits due to Covid-19, and intend to continue trading in 2020-21

AND

- b) **Either** have a trading profit of less than £50,000 per annum in 2018-19 (self-assessment tax returns must be submitted by 23 April) AND these profits constitute more than half of their taxable income in this period
- c) **OR** Have an average trading profit of less than £50,000 from 2016-17, 2017-18 and 2018-19 AND these profits constitute more than half of their average taxable income in this period.

The scheme does not cover individuals who started trading in 2019-20. FAQs can be found [here](#).

Grants will be made via a single lump-sum from June onwards, and will cover March – May. HMRC will be contacting eligible individuals directly.

If you're not eligible but are a Director of your own company and pay yourself through PAYE, you may be eligible for support via the Job Retention Scheme.

- **Additional support** includes - VAT payments for this quarter (20 March – 30 June) can be deferred and won't need to be paid until the end of the 2020/21 financial year; income tax payments that were due in July can be deferred until January 2021; and the standard rates of Universal Credit and Tax Credits will be increased by £20 per week from April 6<sup>th</sup> for 1 year.

### Specific support for social entrepreneurs and the third sector

- [Scottish Government's Third Sector Resilience Fund](#) - access to grants (£5,000-£100,000) and interest-free loans (from £50,000) for social enterprises, charities, and voluntary organisations working in Scotland.

The fund is accessible to organisations who were already delivering products / services prior to March 2020 and who have a funding need caused by Covid-19. Use the SCVO's eligibility checker ([here](#)) to begin your application.

### Further government advice

- [A dedicated Covid-19 HMRC helpline](#) will guide businesses and self-employed individuals in financial distress and with outstanding tax liabilities to receive support with their tax affairs.
- As some areas of business support are devolved, please see these links for information on support for businesses and employers in [Northern Ireland](#), [Scotland](#), and [Wales](#).

## Non Government-led support

- Several **social investors, funders and other philanthropic organisations** have begun announcing new funds for different groups impacted by Covid-19. [Good Finance](#) are sharing information about these funds as they emerge.
- **Charities and voluntary organisations** can access additional tailored guidance from [NCVO](#).
- Social entrepreneur [Jake Slater](#) has crowd-sourced guidance on ['Coronavirus Continuity Planning for Social Businesses and Charities'](#) and has also promoted future relevant webinars.
- Crowdfunder and Enterprise Nation have launched a [Pay it Forward](#) campaign, and are providing the tech and tools for free, enabling small UK businesses to pre-sell services such as meals, events, hotel bookings for cash now - on a promise people can redeem the services at a later date.

## Key sources

- [The UK Government's Guidance for Employers and Businesses](#)
- [Guidance from the Federation of Small Businesses](#)
- [The latest updates from the WHO on the virus](#)