

Coronavirus – what can restaurant and bar operators do to minimise effects?

Updated as of 18 March 2020

Along with the travel and tourism industry, the restaurant and bar trade may be one of the industries most gravely affected by the outbreak of Coronavirus in the UK. Whilst bars and restaurants remain able to open at the time of writing (17 March), the situation is changing. Boris Johnson has advised people to avoid social contact, including pubs and bars, and it may well be that at some point in the next few days or weeks we move to a “lock-down” similar to those currently operated in Italy and Spain where the governments have legally required the closure of all restaurants and bars, along with most shops and retail outlets other than food shops and pharmacies.

This is likely to be a challenging time for the foreseeable future, but below are some things for restaurant and bar operators to consider to help keep their heads above water in these turbulent times.

Open for business

There are currently no legal restrictions opening, so if you have the staff and the supplies you can at the moment legally keep open as long as you have customers to serve. Those with outside seating areas may be able to attract more business (when the sun is shining at least). Although supplies of anti-bac handwash may be running low, it may be that overt signs of regular disinfecting and deep cleaning will help reassure nervous customers. If you are open, make customers aware you are still welcoming them via signs and social media.

Consider on-line alternatives

If you are not already offering on-line deliveries or takeaways, is this something that could be considered? Could existing staff be re-deployed to this if business at your premises is quiet or you are forced to close?

Talk to your landlords

All businesses will be experiencing the effects of the outbreak, so approaching your landlord to work out a plan if your receipts take a hit and rent payments become challenging should be a sensible move. See our [guidance for tenants](#).

Find out the position with your suppliers

If your levels of trade are still holding up you will need to know how reliable your suppliers are. Whilst retailers are giving the message that there are no issues with supply levels for almost all

products, “panic buying” is giving the impression that there are shortages. How secure are your current wholesale orders?

Talk to your staff

Explain the situation the business is in now, and what needs to happen, as well as possible future actions should make it easier to get your workforce to agree to the flexibility you will need from them in the coming months. See our guidance [here](#).

HMRC and Government Support

A dedicated HMRC helpline has been set up to help businesses and self-employed individuals in financial distress and with outstanding tax liabilities receive support with their tax affairs. You may be able to agree a bespoke “Time to Pay” arrangement, a suspension of debt collection proceedings, or the cancellation of penalties where you have administrative difficulties contacting or paying HMRC immediately. The government announced a package of measures in the Budget on 11 March to provide support for business, including:

- a Coronavirus Business Interruption Loan Scheme, available to businesses with a turnover of no more than £41 million to apply for a loan of up to £1.2 million. This will be launched over the next few weeks with further details available shortly.
- 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.
- an increase in the business rates retail discount in England to 100% for 2020-21 for properties below £51,000 rateable value.

Bank support

Some private lenders are also making funds available to small business impacted by COVID-19, including £2 billion from Lloyds Banking Group and £5 billion from NatWest.

Other lenders may be offering similar support, so it is worth discussing your situation with your lender to see what help is available.

Check your insurance policies

It is unusual, but some businesses may have bought optional extensions to their usual Business Interruption cover which will allow them to make a claim for business lost to Coronavirus. This is worth checking with your broker.

Consider your options

If you are worried that your financial position is worsening rapidly, then seek specialist advice. See our guidance [here](#).

For further advice, please contact [Tom Bourne](#) on 01892 506 099 or at tom.bourne@crippspg.co.uk.

For more guidance, and further information, visit our [Coronavirus hub](#).