

Coronavirus: When pubs, restaurants and shops reopen, it may not be plain sailing

Pubs and restaurants are facing a 50% drop in trade even after they reopen - especially if social distancing measures remain.

[Paul Kelso](#)

COVID-19 has brought parts of the economy to a standstill.

At a stroke, lockdown measures emptied the streets, closed shops, offices, pubs and restaurants, and consigned millions of people to the novelty of working from home, or the uncertainty of a furloughed salary.

Now, with the first indications that restrictions may be eased, businesses are wondering how they can reopen safely and, for all the government support on offer, whether they can survive - or if it is even worth trying.



Rishi Sunak: 'We can't protect every job'

Safely lifting the lockdown poses a profound challenge to business. At its heart is the new reality of social distancing - the requirement to keep a 2m (6.5ft) gap between staff, customers and colleagues to avoid the risk of [coronavirus](#)

spreading.

It is the metric that may soon define the pace and success of Britain's economic recovery, and the culture and practice of workspaces for months and perhaps years to come.

Firms will have to cut attendance accordingly, retaining a work-from-home culture or thinning staff, and public transport will have to adjust accordingly. Sky News understands that FTSE 100 companies are already preparing for such measures to be in place until the summer of 2021.

The more immediate and damaging impact will be on customer-facing businesses such as shops, personal services and hospitality.

More from Covid-19

In pubs, restaurants and entertainment, it could mean a 50% drop in trade.



Jon Dalton owns Bloomsbury Bowling in central London

Bloomsbury Bowling in central London opened 15 years ago, in the same week the 7/7 bombers destroyed a bus in Tavistock Square just round the corner.

Owner Jon Dalton, who also runs a chain of pubs in the capital, has never suffered a blow to business like this.

"We went from 100mph to nothing. We had our best-ever year, and now we have no business," he told Sky News, speaking in a venue that typically hosted several hundred people a night.

He has furloughed more than 200 staff across his companies and is thinking about how he might return to some kind of safe trading.

For his pubs, he is working on an app that would allow people to order drinks remotely and have them delivered to avoid a packed bar.



How the lockdown is hitting small businesses

In the bowling alley, he can close every other lane to ensure a safe distance, or split a single group of eight players across two lanes.

But both options would lead to a drastic reduction in the

number of people he can accommodate and the revenue he will generate.

"You are looking at a 50% drop in revenues at best. Nobody knows how fast confidence will return, how soon people are going to want to go out," Mr Dalton said.

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Like many in the hospitality industry, he wants the government to extend the furlough scheme beyond the current end date of June and, when the time comes to open, to scrap VAT for the sector so businesses can survive and perhaps tempt customers.

Pied a Terre, a Michelin-starred restaurant in Fitzrovia, offers a more sedate atmosphere but faces the same challenge.

David Moore opened the doors 28 years ago, only previously closing when fire ravaged the building.

Social distancing may be impossible for five members of staff in the narrow corridor that links the two dining rooms - and he will have to remove several of the 14 tables, taking revenue with them.



Business owner documents life in lockdown

Mr Moore has used the furlough scheme to retain staff, but believes the hospitality industry needs a government-backed deal with landlords to survive a lengthy shutdown. The proposal is for nine months' rent to be deferred and

tacked on to the end of leases, with a hardship fund for landlords who are as desperate for the income as restaurateurs.

Even if all that happens, he is unclear whether the numbers will stack up.

"It really is a small restaurant, but it can have maybe 40 people on the ground floor. Okay, I have got the rates holiday, for which we are really grateful, but if we're only going to be doing 20 people and I'm paying the same rent, it's going to be tricky to see how the business will make money, how it will survive," he said.

"If you gave me a favoured date to come back, I'd say let's do the first week of September, because that's historically busy for the hospitality world. But if we go that far, there'll be so many businesses that won't be able to survive due to rental payments, and other costs that just keep ticking along regardless."



David Moore owns Pied a Terre, a Michelin-starred restaurant in Fitzrovia

Customers have adapted to social distancing in supermarkets out of necessity. Now the 2m gap and one-way shopping mark the way forward for high streets that are currently deserted.

When non-essential shops reopen, they will have to change - and for now, we may have seen the end of browsing.

There are questions too about the trend towards offering customers retail "experiences" which may be impossible with social distancing.



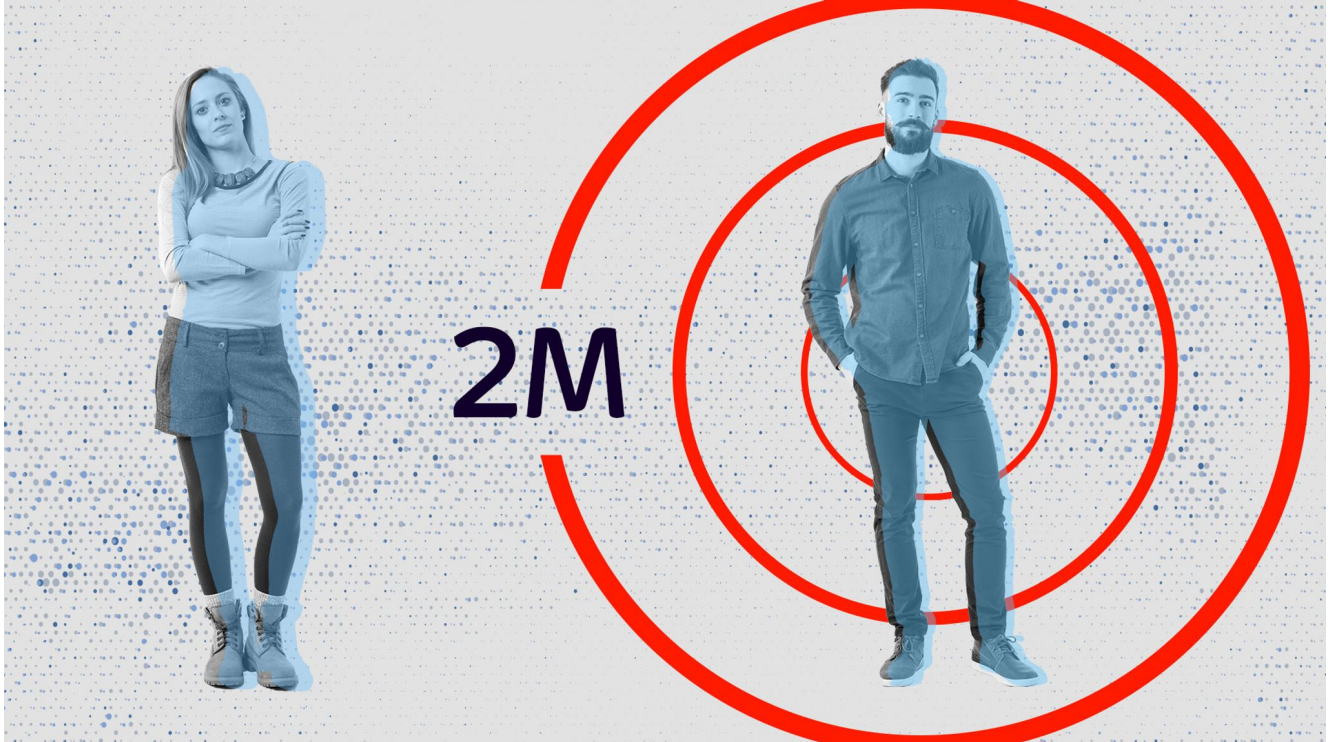
Cristina Bruzzolo runs an independent boutique

Cristina Bruzzolo, who runs the independent Colibri boutique in Islington, says she will try to adapt.

"We will allow people to come in at set times for browsing and we will have also a booking system online so that people can book to try clothes on," she said.

The government has refused to discuss how or when lockdown might be eased, and points to the substantial package of support it has offered to businesses.

The furlough scheme is already paying the partial wages of more than four million people, and grants, rates holidays and state-backed loan schemes are available.



How to practise social distancing

But many businesses say that without an indication of how long the current stasis may last, or what the market may look like in future, it may make no sense to keep incurring costs to keep a company alive.

If enough companies choose to cut their losses, the Treasury's gamble on furloughing will have failed.

James Ollerenshaw owns the Drawing Room hair salon in Spitalfields, east London.

As well as working out a safe way of cutting and colouring hair, he will have to remove four of the nine customer chairs to comply with social distancing, which means fewer customers and less work for his staff.



James Ollerenshaw owns the Drawing Room hair salon in Spitalfields, east London

Despite having business interruption insurance, his broker has refused to pay out - leaving him to wonder if he should cut his losses or keep going in a deeply uncertain environment.

"With social distancing the business model starts to break down, you can't pay the same amount of rent, business rates, all of the debts that may have been built up through

this lockdown period. And so, as a business owner, you start to look at that and you say, well, is it worth it?

"My concern for our employees and the economy as a whole really is, as the lockdown ends, will we then see huge numbers of businesses failing and huge numbers of redundancies."