



Revisiting Brick Lane:

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Revisiting Brick Lane: The Impact of COVID-19 on an Ethnically Diverse High Street

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and Julia King

Key points

- High streets remain crucial to the economic, social and cultural lives of our cities, towns and neighbourhoods.
- COVID-19 has exacerbated existing struggles for business owners and workers in the food and hospitality sectors nationally; this has implications for South Asian Muslim communities, who have historically been over-represented in these areas – 30.7 per cent of Pakistanis and Bangladeshis are employed in distribution, hospitality and food retail, and 20.4 per cent are self-employed/small business owners.
- Successive pandemic lockdowns have severely impacted businesses in Brick Lane, notably the 'Indian' restaurants.
- While support schemes (rent and furlough) have mitigated some of the impact of the lockdowns, business closures in Brick Lane have doubled and trading activities for remaining businesses have been severely curtailed.
- Moving business online through deliveries has been made difficult by the exorbitant rates of digital platforms.
- Although the majority of businesses have now reopened, trade is very low (estimated at around two-thirds of usual turnover, and lower for the curry houses at 10–30 per cent).
- Some new businesses are opening up, but there is concern among established businesses about the future.

Introduction: High streets, ethnicity and urban change

High streets are litmus strips of change. They shape our communities, towns and cities, and they reflect the changing populations that make up those places, as residents, workers, entrepreneurs and consumers. Overall, the number of retail businesses in the UK in 2020 was 310,000 outlets, generating £97 billion – around 5.2 per cent of total national economic output. Almost 60 per cent of retail expenditure is focused on food, clothing and household goods, with nearly three-quarters of that expenditure (73 per cent) currently taking place in physical locations, including high streets (ONS, 2021). In 2019, the number of people employed in retail was around 3 million, just over 9 per cent of the UK's total workforce (Retail Economics, no date). In addition, in 2019, before the pandemic, the hospitality sector – including high street restaurants, cafés and takeaways – contributed almost £60 billion to the UK economy and employed 2.38 million people.

High streets are key to livelihoods and communities: in London, for example, 47 per cent of businesses outside Central London are on a high street and 1.45 million employees work on or within 200 metres of a high street (We Made That and LSE Cities, 2017, p. 8). They have historical significance and emotional importance to the communities they serve, so they are more than economically significant: they are crucial markers of social and cultural change (Hall, 2021). However, our high streets have been under threat for some time, as out-of-town retail and online shopping have grown. The COVID-19 pandemic has been an additional threat: at the peak of the pandemic, high street footfall fell by nearly 90 per cent, with central city locations more adversely affected than local high streets (Mumford et al., 2020). Between February 2020 (pre-lockdown) and April 2020, the hospitality sector's economic output dropped by 90 per cent (Hutton and Foley, 2021).

The pandemic has also highlighted longstanding ethnic inequalities in employment, particularly in ethnically diverse urban centres and in service sectors such as retail and hospitality where ethnic minorities are concentrated, as business owners and workers. The retail industry employs the second-largest number of members of ethnic minorities after health and social care (Wilson, 2021), while over 30 per cent of Pakistanis and Bangladeshis are employed in the food and hospitality sectors (ONS, 2020a). Pakistanis and Bangladeshis are also over-represented in self-employment statistics (ONS, 2020b), often linked to poor labour market opportunities and exclusion (Alexander et al., 2020; Clark and Shankley, 2020). The TUC reported in February 2021 that unemployment rates for BAME workers have been twice those for white workers during the pandemic (TUC, 2021).

What impact has the pandemic had for people who work in these streets and businesses? And how have such businesses, their owners and their workers responded to the challenges of the pandemic? In this briefing, we return to Brick Lane in London's East End to examine how businesses there have fared through the extended period of multiple lockdowns.

Beyond Banglatown: Brick Lane 2019–21

In 2018/19 the Beyond Banglatown team conducted research on Brick Lane to understand the recent changes to this iconic street.

We completed a detailed face-to-face survey of the businesses on Brick Lane, accompanied by interviews with shop proprietors and restaurant owners. The portrait of Brick Lane, just prior to lockdown, is captured in our Beyond Banglatown website, report and film (www.beyondbanglatown.org.uk). In November 2020 and April 2021, we returned to the street to learn how the businesses, and the people who work in them, had been affected by the COVID-19 pandemic. In the following section we present some of these key changes – recognising, of course, that at the time of writing (July 2021), lockdown has only been partially eased, and that the full impact of the pandemic will only emerge over time.

In our 2019 survey of businesses on Brick Lane we recorded 191 retail units, 18 of which were vacant. We conducted face-to-face interviews with 79 of these businesses: of these, the majority were independent (91 per cent). Most proprietors rented their premises (86 per cent), making the business particularly vulnerable to increases in rental costs. In 2019 the street's primary retail activities included food and drink (43 per cent), of which the curry restaurants comprised a quarter, and textiles and clothing (14 per cent). Proprietors reported that customers were largely office workers, tourists and specialist shoppers, with a few shops also catering to local residents.

In our 2021 survey we conducted face-to-face surveys with 38 out of a total of 192 units, of which 35 units were closed. Additionally, we completed a full visual survey of all units,

allowing us to capture closures and changes of use. The overall story is one of a distinct economic downturn, with the loss of clientele and the associated loss of trade and work, balanced by independent proprietors engaging in a mix of strategies to remain open. Key points include:

- In April close to a quarter of shops (29 per cent) had closed, with closures evenly spread across the northern and southern ends of the street. This compares with 9 per cent closures and vacancies in 2019. Figure 1 shows the breakdown of retail use before and after the COVID-19-related lockdowns.
- 56 per cent of shops were open but the majority of these were operating under reduced hours, with reduced staffing, and in some cases by appointment only (see Figure 2).
- 76 per cent of respondents reported that business was significantly down, with the majority anecdotally estimating a loss of up to two-thirds of trade.
- 83 per cent of respondents stated that they had received some form of state assistance, including through furlough schemes and rates relief, and that this had been essential or staying afloat.
- 73 per cent of respondents stated that they had managed to keep the majority of their staff, although many clarified that this was on the basis of reducing hours.
- 72 per cent of respondents said they were able to conduct some trade online, although there was wide variability in this practice and success rates.
- Restaurants have been particularly affected by the lockdown restrictions on non-essential trade and indoor gathering. This has compounded and exacerbated existing challenges for the 'Indian' restaurant trade in particular. In 2014 there were 35 curry restaurants on Brick Lane. By 2019 this had dropped to 20 (and four cafés), and by 2021 it had dropped further to 18 (and four cafés).

Figure 1: retail use of Brick Lane before and after COVID lockdowns

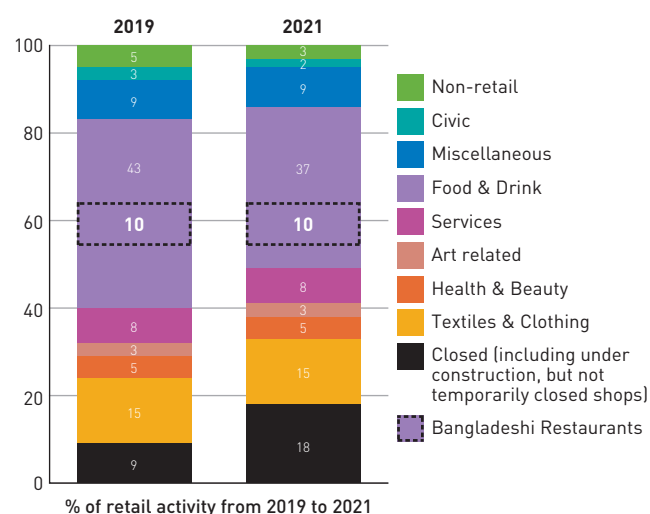
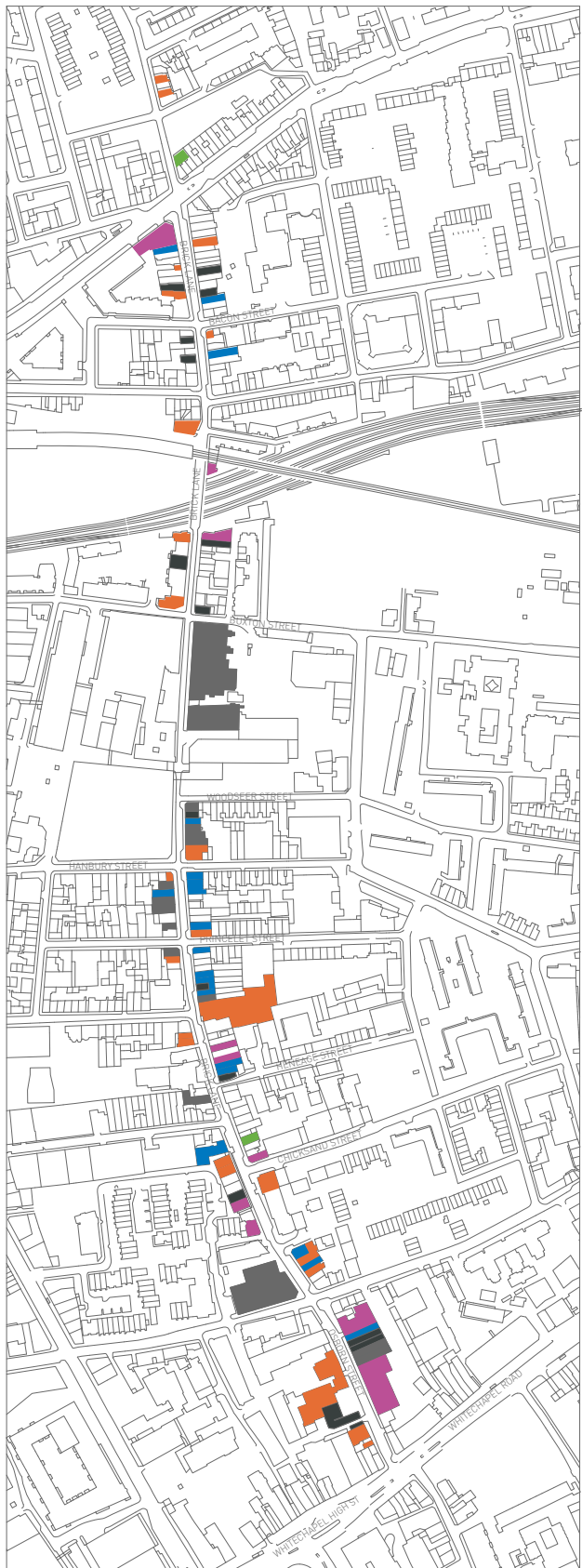


Figure 2: Types of business reduction on Brick Lane



Closures

During the lockdown, all the curry restaurants at the southern end of the street closed, with one restaurateur describing the street as a 'ghost town'. The cafés, sweet shops and grocers remained open, though with a much-reduced workforce reflecting a sharp decline in the volume of trade. Even with government support on rents, businesses have struggled to survive. As one restaurant owner noted:

The [local authority] grant was not enough ... for the first three months it was enough, but it has now been nine months and it's too much. Rates are down but rent the same ... it is very tough.

Brick Lane's Bangladeshi restaurateurs, some of whom spent money refurbishing their premises during the pandemic, report that now they have reopened, trade is typically running at 10–30 per cent of expected turnover at this time of year.

At the northern end, some businesses, closed permanently or moved their trade online. For example, Dark Sugars, an artisan chocolate emporium, closed one of its two branches, moving its chocolate retail trade online. The famous Beigel shops continued to serve customers but for many months no longer opened 24/7. Other businesses, like the high-end London Tea Exchange, closed in early 2020 and reopened in May 2021 with a much-reduced turnover – 30 per cent of pre-pandemic levels in the London Tea Exchange's case.

Staffing

Although some businesses were able to furlough their staff, the low rate of basic pay (usually supplemented by tips) meant that staff struggled to live on the reduced furlough salary. The restaurant owner quoted above stated *'[we] managed to furlough staff but they only get £600 a month ... how can you survive on that?'*

Fears about the long-term decline in the curry restaurants locally meant that many workers left to find work elsewhere. As one restaurateur interviewed at the beginning of July 2021 explained:

Before the virus I employed six people in the kitchen and five people front-of-house. Even then, I was struggling; I was seriously understaffed. But now I've only got four people – two in the kitchen and two serving. My other staff have gone, and I can't blame them – they've found work outside London.

Moving online

E-commerce related to home food delivery grew significantly throughout lockdown. A few businesses shifted to using established digital delivery platforms. However, these platforms reportedly negotiated very different charges for use, ranging from 5 per cent to 41 per cent of the customer's order, making it extremely difficult for small proprietors to function effectively. One interviewee said: *'Last month we stopped using Deliveroo. It was unsustainable ... They take 35 per cent, which is too much ... we wanted to set up our own delivery service, but it is too expensive to set up.'* The vast majority of curry restaurants in Brick Lane continue to focus on dine-in customers.

Resilience and change

Most of the curry houses in Brick Lane are now open: two have closed permanently. A former branch of Dark Sugars is now a licensed food court. Morley's, a fried chicken franchise with its origins in South London, has opened at the southern end of the lane. The emergence of 'ghost' or 'dark' kitchens, which produce food for delivery 24/7 with low overheads, is also likely to affect the dine-in restaurant sector. While some business owners are encouraged by Tower Hamlets Council's plans to part-pedestrianise Brick Lane to allow al fresco dining, others oppose it, particularly if takeaway is a significant amount of turnover. Concerns were also expressed that restricting the movement of taxis in Brick Lane would damage the night-time economy on which the restaurants rely. Furthermore, if plans to develop the Truman Brewery site are approved, this will impact the curry restaurants.

The future

Some business owners, especially those who have established new businesses during the pandemic, say they are confident about the future. The owners of some long-established retailers like Taj Stores also expressed determined optimism:

[It is] important to be here [on Brick Lane] ... I've been here all my life, it is a historical place ... people come here from all over the world.

Taj Stores aims to expand by moving some offerings, such as specialist spices, fruits and vegetables, to an online platform.

By contrast, others, like many Bangladeshi curry house owners, are apprehensive about what the absence of City workers, changing work practices and the lack of international tourism may mean over the medium and long term. Most believe a full recovery will not be secured until 2022, while some think it will be 2025 before the situation improves. An interviewee reflected: *'[Business] is very down ... 70/75 per cent loss ... nobody is about, people are coming but business won't get back [to where it was] for two years at least.'* One restaurateur predicted: *'Sad to say, in 10 years' time, there will only be five or six curry houses left in Brick Lane'*. In the meantime, the big challenge for all businesses on the lane is short term – namely, to make sufficient money to pay the rent.

Recommendations

1. Planned large-scale development and gentrification are likely to exacerbate the existing loss of affordable housing and workspace. These changes have disproportionate impacts on ethnic minority and working-class groups (King et al., 2018; Almeida, 2021). Social impact assessments should be carried out by the Council and a network of community groups as part of all development processes, including engaging with the impact on ethnic minority, working-class and local community groups (Lipietz et al., 2018).
2. Recent changes to planning law will make it easier for retail space to be changed to residential uses, particularly outside of the conservation area. This short-termism needs to be resisted, alongside the recognition of the ongoing shifts in work patterns and the increasing need for affordable urban space and infrastructure for small businesses and self-employed workers.
3. The impact of the pandemic, alongside ongoing redevelopment plans (including the proposed Truman Brewery development), is likely to significantly alter Banglatown's unique historical, social and cultural significance as well as Brick Lane's 'Indian' restaurant sector. The Borough Council should work with local communities, schools and heritage societies to actively protect Brick Lane's conservation status as part of recognising the unique position of the lane in the history of migration and anti-racist struggles.
4. The profile of local businesses, and the local community, could be promoted through local authority relaunch of high-profile festivals – for example the annual Boishakhi Mela or a revived Brick Lane Curry Festival.
5. In allowing emergent corporate digital platforms to access the city, strong measures against exploitation need to be regulated through state regulation at National as well as metropolitan scales, with the

GLA examining questions of labour protection and protection against prohibitive percentages demanded of small businesses, which impact particularly on ethnic minority businesses and workers.

6. Rent debt is a significant problem for the vast majority of businesses operating on Brick Lane. While the recent extension of the ban on tenant evictions – the so-called lease forfeiture moratorium – until 25 March 2022 is welcome, businesses require additional support from central government to protect against spiralling rent and business rates costs.
7. In future pandemic and furlough planning, there needs to be greater regard for workers on low wages.

While the focus here is on one street, the findings are of broader importance. Of course, high streets are not all the same, and the COVID-19 pandemic has impacted street retail differently in different places, with more localised high streets generally faring significantly better than high streets that are dependent on office workers and tourism (Kirk and Gutiérrez, 2020). As we come out of lockdown, there are important discussions about how we reinvigorate our small and independent retail sector and give new life to our high streets; how we support the people who own and work in these businesses; and their significance for those who rely on them for goods and services.

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