Good practice guide to running a community cafe
Helpful hints and tips about the management and delivery of a cafe.

Not to everyone’s taste?

In many myplace centres the café will act as a focal point for the centre. But many organisations struggle with understanding how they should be set up and run.

Why have a cafe at all?
Many organisations wish to provide a community café that acts as a revenue earner, training opportunity or focal point for centre users and local people. And many examples exist of people:
- Providing the café facility.
- Promoting healthier cooking methods.
- Utilising fruit and vegetables grown locally.
- Providing an external catering service for outside organisations and groups.
- Providing a clean, welcoming and safe environment.

A café is a common idea as it addresses issues around sustainability, community cohesion and inclusion.

Let others feel the pain
It’s difficult to make profit from a café, so some don’t try. One option is to rent out the café. The eating out market as a whole in the UK is worth around £40 billion per year. However, it has the highest number of business failures and the market is dominated by large chains. From our experience with dealing with many small business owners (cafés, sandwich shops), many make little or modest earnings. About 70% of cafés we have been involved with do not break even and often make a loss (not including grant assistance).

Instead, they rent out the space, and get a simple income. If the provider doesn’t work, it’s easy to find a new one.

Choose the right approach for you
There are different types of café based on why you are running them and what you want to achieve; balanced against where you are located and what your footfall and customer base is.

It is important to understand your business model from the outset: What do you define as success? It’s got to be profitable – because reliance on grant funding will end in failure.

If you are using it for vocational training there will be benefits and drawbacks. Trainees will feel empowered and challenged. They will gain skills and make progress towards employment. Trainees will get a boost to their self-esteem as they see people paying good money for their food. If you are able to you could align yourself with a local college. Then you can draw down money from the college for all the qualifications you provide. You will get paid for everyone who achieves a qualification with you.

Location, Location, Location
If you aren’t in the right spot then no matter what you try to do you might always struggle to survive, never mind thrive. Find a service that can charge on a commercial basis to supplement the business; not the other way round. It is essential to make a cafe viable through sales. It can be run as a business, but equally it can also be about the possible benefits of bringing in a membership model to help sustain the café beyond the purely commercial concerns. You could use local membership as a vehicle to help the community feel a sense of shared ownership and a desire to contribute to the running of the café in the long term. Offering a community membership scheme to people living in the area, which entitles discounts on healthy menu options can have benefits.
The set up
To establish a Community Café it is important that you are clear on a number of key areas.

Lead Body
What is the aim or reason for establishing the business (ethos)? Is it for community development, healthy eating message, training or income generation? What is your social purpose and will it make money?

Project Management and legal structure:
How will decisions be made and profits distributed? Have a clear legal structure. For example, will you be a voluntary organisation, limited company, co-op or community interest company (see our myplace Good Practice Guide to Social Enterprise for further help)?

You should seek, where possible, to involve users in decision-making as this will increase their feelings of ownership and stewardship.

Volunteers and staff
To run any facility you will need either volunteers or staff. Involving local residents can save you a lot of money. Yes, you want to have quality staff with experience, but they are more expensive and you want to keep costs low.

You will need:

* Excellent staff who can take the pressure off you.
* Recruitment procedures, job descriptions, inductions and training.

* Willing volunteers, volunteer policy, volunteer roles and agreements as well as a way of paying volunteer expenses.
* Staff/volunteer management and supervision, systems and processes.
* CRB checks, in some cases.

Location/Accommodation
The right location is important in terms of cash flow. If a café is good, people will eventually learn about it but enough cash flow is needed to run the café until it reaches this level of custom. Otherwise, if a café is in a prominent, busy situation with enough potential passing trade it may be able to pay its way from day one.

To encourage and keep customers you can:

* Arrange tables in a way that encourages people to mingle.
* Encourage activities (wifi, art displays, children’s toys).
* Have a suggestions box and respond.
* Keep the café hours consistent so that people know what to expect.

Needs Assessment/Feasibility Study
You need to understand the local population, working population, resident organisations; to know what they will use and when. You could engage in surveys or questionnaires to passing trade, to internal customers or informal expressions from key people. Find out what they want and try to do it. You should count the centre users footfall (number of people walking past or close by) and try to estimate numbers of people who may use your café. And you need to understand what else is available to people from competitors.

Risk Assessments and Health and safety
You will need a policy for each of these. And, as with any food ‘business’, the project would need to comply with all current legislation. This will include food hygiene training, temperature checks etc.

Sustainability
You need to have a sound business plan and projections; know your market, understand profit margins, clear costs involved with staff/produce/overheads,
equipment costs (does this require capital funding?). You must be clear on:

- Pricing.
- Marketing.
- Funding/fundraising.
- Employment.
- Legal structure.
- Budgets (revenue and café).

You may choose to have some sort of theme such as an Internet café. These are good for:

- Informal education.
- Allowing education to be self-directed.
- Socialising online in a safe environment (fix computer screens so that they are visible to staff as blocking sites doesn’t always work).
- Reducing anti-social behaviour.
- Building users’ confidence.

You may decide to provide commercial outside catering. Target areas that are more affluent and bring money into your project. Promote yourself in various ways such as through local papers, mailshots, telephone sales and magazines. And be flexible to respond to changing circumstances.

Production Systems
To deliver a quality product or service you need to have experienced staff (but do not overpay). Issues for you to think about embedding in your café are:

- Healthy eating.
- Comply with national standards.
- Apply principles of good business (timekeeping, high standards, hard work and customer satisfaction).
- Sustainable/local procurement.
- Fair-trade.
- Food Safety (Food Hygiene Certificates)

- Contact Food Safety Team (Trading Standards) before trading (Registration).

Monitoring and Evaluation
As with any successful project you need to be aware of your outcomes. What are you trying to achieve? What difference are you trying to make? How are you going to measure whether you are making a difference and whether you are on track to achieve your targets or objectives? You need a monitoring system in place to see whether you are reaching the desired customers, and making sales and achieving your outcomes. You need clarity on who will collect information, how they will do it and when.

Further Information

Source
COBRA Factsheet: Café (BOP516) overview of what’s involved to set up a café including legislation. Contact Business Link or purchase from: [http://www.scavenger.net/home.php for £5.99](http://www.scavenger.net/home.php)

Business Link website: Includes templates for written statements, H&S policies and a section called Catering For Your Business with step-by-step guide as to what you need to do: [www.businesslink.gov.uk](http://www.businesslink.gov.uk)

Food Standards Agency Publication: Food Hygiene a Guide for Business:


Contact Business Link on 0845 600 9006 for free, impartial advice.

Contact your local authority for planning/A3 licence/Registering Premises and, potentially, funding.