



Scenario 2: Providing employability opportunities within a real business for people furthest from the labour market.

Social Firms Scotland has produced this paper as a key contribution to the series of scenario sheets being developed by Senscot on social enterprise and community café activity. These publications are led by the contributions of social enterprise, in this case specifically SFS and Employability SEN members with experience of this particular scenario. They are designed to facilitate peer-to-peer learning across the SENs and to smooth out any bumps in the journey for social enterprise traveling this road.

Introduction

As with any business, it can take time to establish what works best in your local community and how you can best meet customer demand – taking into account your staffing requirements, financial position and, crucially, your social purpose (supporting people with significant barriers to move closer to and, where appropriate, in to work).



Many thanks to the following social enterprises who provided helpful, honest and insightful information for this Briefing: Giraffe, Craigsfarm, Milk Café, The Bread Maker, UCAN-Learn.Work.Live, YoYo Café (part of Upmo), Flourish House at Queens Cross Housing Association.

Resources/Signposting

Luckily there is significant support whether you are looking to set up, sustain or grow your employability-focused social enterprise café.

[Social Firms Scotland /Employability SEN](#)

[Just Enterprise](#)

[Firstport](#)

[Accelerate](#)

[Partnership 4 Procurement](#)

[Social Enterprise support landscape map](#)

[Employability in Scotland](#)

[Community Jobs Scotland](#)

[Community Learning Exchange](#)

[JobCentre Plus](#)

[Skills Development Scotland](#)

[Food Standards Agency](#)

[Your first steps to running a catering business](#)

[Food safety management pack](#)

Local Authority Community Engagement Officers

Local Colleges

Common Challenges

A high number of social enterprise cafes **do not** receive any employability funding and/or income from contracts, relying solely on income from trading and small grants/trusts to run their business and support services.

“We provide work placements for 2 people with learning difficulties for no money”

“We have found it difficult to get funding for our employability work as we are a small organisation and have too few staff to be involved in the ‘hamster wheel’ that is employability funding/contracts”

“As unemployment rates are so low, employability projects just aren’t as ‘sexy’ to funders so it’s difficult to source support despite the fact that unemployment rates are very high for OUR demographic. We therefore offer a suite of opportunities to our clients including healthy activities (cycling and walking), social activities (coffee clubs, cinema clubs), training (accredited and in-house), craft and woodwork classes and external work placements)”

A significant proportion of employability contracts operate on a payment by results basis and this does not always suit social enterprise and their client group. It is not always possible to ‘convert’ someone who experiences significant barriers to work to a job outcome within 3 months (for example).

“some of our trainees may come to us for 2 years, but as long as they are still developing and progressing with us, we’ll keep working with them”

Often the real cost of setting up and running a retail operation is seriously underestimated.

“Café losses have been mitigated by providing an external catering function, however delivery can be an issue and if a van is required this will eat away profits”

Competition – 1215 new coffee shops opened last year (3.3/day); there are a total of 24,000 around the UK.

Key Considerations

Clarity of purpose / What do you see as success? Be clear on what you want to achieve as a business and what outcomes you want to deliver for your client group. Create a common goal of generating income to sustain your business, allowing you to deliver meaningful work/opportunities to enhance the lives of your client group.

“Financially it can be a struggle to keep going, however in terms of providing a service to a deprived community and an employment opportunity to some of the most marginalised in society, it’s been a triumph!”

Foster an inclusive environment in the café

- ◇ Take an asset-based approach to supporting people furthest from the labour market to work, train and contribute to the business.
- ◇ Offer ‘real’ work experience in a ‘real’ café serving ‘real’ customers, this has much more value to the people you support and greater impact.
- ◇ Factor in the additional costs associated with supporting people furthest from the labour market. These cannot usually be met through the café’s trading income alone. These are additional costs your competitors do not incur!

“for example a similar-sized commercial café would run comfortably and profitably with between 1.5 and 2 full-time-equivalent employees, to support our trainees and volunteers, we run with more like 3.5 to 4 FTE”.

- ◇ Consider what employability support you will provide.

“we help our volunteers with anything they need to do with employability: interview practice, online applications, CV Writing etc”

- ◇ Focus on the development of the individual at a pace they can sustain, rather than be constricted by employability contracts.

“Due to the nature and barriers our trainees experience, employment may realistically never be likely. Our focus is on developing their social skills, confidence, and personal development within employment”



Key Considerations continued.....

- ◇ Be realistic about how long it will take an individual to learn a job and sustain that job independently. It takes resource to provide employability placements and you need to have the capacity to do this and clear workplans in place.
- ◇ Consider your customers. Your café can provide a shop window allowing customers to engage directly with the people you support.

“We have been lucky that our community has really taken on the café as their own and we have been offered a lot of help and support in many forms - loyal customers, people offering their time as volunteers to help support the café and run the workshops and free classes”

- ◇ Balance day to day management and running the café with delivering quality services and support to your client group.
- ◇ Remember you are a business. Provide good quality food and customer experience – never lose sight of this.

“For years, we traded on the goodwill and charitable motivations of local customers. Whilst the environment/food was reasonable, our social motivation often meant we employed people based on empathy for our cause and clients rather than how good they were at the commercial aspect of the job. For example, we often employed people with no hospitality experience but who were great with our trainees. This meant as a business we were failing, even though we were delivering strong social outcomes. Over the past 3 years we have focused on a better balance between trading and social outcomes”



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- ◇ You need commitment from board level through the entire organisation to providing opportunities for people furthest from the labour market.
- ◇ Consider cashflow and set realistic budgets. It is crucial that you have sufficient working capital to see you through the early stages of trading – expect the unexpected!
- ◇ Explore and develop opportunities to extend your reach/customer base.

“we provide all the catering for the local holiday hunger programme operated by the Housing Association, which has helped raise our profile and build relationships locally”

- ◇ Be prepared to make difficult choices and compromises – for instance it might be hard to ensure the café is accessible/ affordable whilst also using ethical produce is used to minimise environmental impact.
- ◇ Consider corporate opportunities to sponsor equipment, clothing etc – allow them to advertise their support.
- ◇ Consider what physical workplace adjustments you need to make for the people you support, and changes to your work practices and Policies.

Top Tips

- ◇ An experienced café manager is key to success! Take time and make sure you get the right person.
- ◇ Research your market and ideas – this is critical to success; know your existing and future customer base. What you like might not be what your customers like.

“we tried to be quite adventurous with our menu but this can be hit or miss!

- ◇ Decide your menu/offer based on what your customers want and what is cost effective and practical for your venue. Price accordingly for your customers – make sure you are competitively priced for local people.
- ◇ Capitalise on the additional opportunities the café space presents, this will enable you to engage with a variety of people and generate income.
- ◇ Review/evaluate the services you deliver, this will enable you to refine and hone your employability offer to suit both business and client needs.

“We have stopped taking on volunteers at the weekend/ weekday lunchtimes as it is too busy and we are not able to offer a valuable experience”

- ◇ Seek specialist advice to help plan and fit out your café/catering facility with the right equipment from the outset.

“Our kitchen had around £1500 of equipment we have never used”

- ◇ It is vital that you know the legislation that applies to running a kitchen. From the outset engage with your local Environmental Health & Safety Officer.

“they are really helpful and will tell you what you need to run a safe kitchen”

- ◇ Use your café as a showcase for prospective employers.
- ◇ Prioritise ongoing marketing, fundraising and social media presence.
- ◇ Be professional and do not commit to something you cannot deliver well.

“we were asked to provide a 7-day café service but could not commit to weekends. We still got the contract which opened up further opportunities for us. We did extensive feasibility work and factored previous financial information into our costs and proposal”

- ◇ Find success (and customers!) through networks – not only third/statutory sector but more commercially -focused ones such as Traders Associations, Retail Networks, Economic Development Groups, Chamber of Commerce etc.



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