



MINDING THEIR OWN BUSINESS

SCOTLAND'S COMMUNITY FOOD INITIATIVES



THINKING Advice from stakeholders



LEARNING Lessons from practice



DOING Signposts to support and guidance

**An introduction to business and social enterprise
for those supporting local communities tackling
inequalities in diet and health**

Scottish Community Diet Project

Our overriding aim is to improve Scotland's food and health. We do this by supporting work within and with low-income communities that improves access to and take-up of a healthy diet.

Major obstacles being addressed by community-based initiatives are:

AVAILABILITY	increasing access to fruit and vegetables of an acceptable quality and cost.
AFFORDABILITY	tackling not only the cost of shopping, but also getting to shops.
SKILLS	improving confidence and skills in cooking and shopping.
CULTURE	overcoming ingrained habits.

We help support low-income communities to:

- identify barriers to a healthy balanced diet
- develop local responses to addressing these barriers, and
- highlight where actions at other levels, or in other sectors, are required

We value the experience, understanding, skills and knowledge within Scotland's communities and their unique contribution to developing and delivering policy and practice at all levels.



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Social Enterprise means: “A business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.”

Department of Trade and Industry, 2002. Strategy for Success, (online) London: Department of Trade and Industry. Available from: www.sbs.gov.uk/SBS_Gov_files/socialenterprise/SEAStrategyforsuccess.pdf (Accessed 16 March 2006)

Well-known **social enterprises** include Cafedirect, The Big Issue, The Co-operative Group, Welsh Water (Glas Cymru), the Eden Project and Jamie Oliver’s Fifteen, but there are many other social enterprises operating in a wide range of industries from farmers’ markets and recycling companies to transport providers and childcare.

Social Enterprise Coalition, 2006. What is Social Enterprise? (online) London: Social Enterprise Coalition. Available from: www.socialenterprise.org.uk/Page.aspx?SP=1345 (Accessed 15 March 2006)

Thanks

This toolkit has been produced with the involvement of community food initiatives across Scotland and key national agencies.

The publication builds on a round table discussion to look at ‘Developing Effective Community Business Skills within Scotland’s Community Food Projects’ held in 2002. This discussion identified a need for a resource for community food projects wishing to develop their business skills.

We have also drawn from a seminar on community retailing organised with the assistance of the Community Retailing Network and held in 2005.

We are particularly grateful to the community initiatives who donated their time to become case studies. In addition to learning from running a grant scheme for community food initiatives over the past nine years, we have also learnt from seeing others build on their experiences through study tours, networking conferences and community exchanges.

Thanks also to all the contributions made by Martin Meteyard, Aidan Pia, Doug Anthony, Lorna Duffy, Martyn Evans, Bill Adamson, Ian Shankland, Tina Brune and Andrew Binnie. The project would also like record its appreciation of the input into this work from Lucy Gillie and Lizanne Conway, our former SCDP colleagues who have since moved on to other posts.

Scottish Community Diet Project

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Social Enterprises are sustainable businesses that exist to achieve some form of social mission or objective. In order to succeed, they need to trade successfully in markets. Social Enterprises can be identified through three common characteristics: enterprise orientation, explicit social aims and some form of social ownership.

Social Enterprise Institute, 2005. Social Enterprise Institute – Introduction (online) Edinburgh: Heriot-Watt University. Available from: www.sml.hw.ac.uk/socialenterprise/ (Accessed 21 March 2006)

The simplest definition of social enterprise – as business trading for a social purpose – allows for a wide range of interpretations and there is still an ongoing debate among practitioners and academics over the exact definition of social enterprise.

Social Enterprise Coalition, 2006. Social Enterprise Definitions (online) London: Social Enterprise Coalition. Available from: www.socialenterprise.org.uk/Page.aspx?SP=1878 (Accessed 15 March 2006)

Introduction

Scotland's community food initiatives face not only one of the country's greatest social challenges but also a bewildering array of potential help and assistance in adopting social enterprise approaches to help them achieve their objectives.

This guide is not trying to sell any particular approach nor attempting to shift responsibility from current funders. It is simply aimed at encouraging those working at community level to explore the potential of new ways of working and enabling those who want to follow that route to get all the assistance they require. Potential pitfalls and constraints to consider are as much a part of the guide as the advice and information on establishing a new structure.

This guide is first and foremost to do with thinking about what you are doing and about how to be even more effective and sustainable. It is also about learning from others and discovering what is available to you. Finally, it is about acting on what you have learned and considered. Some options will be pursued, others dismissed.

Initiatives are just as likely to use the guide to decide that a social enterprise route is not for them as to use it to become a social firm, consumer co-operative or worker co-operative. But we hope that most will find it a useful guide to making their activities as efficient and effective as possible.

The guide is not intended to put pressure on initiatives to change. It is for those facing the challenge of change and others who might like to explore the potential for change.

Although “*business with a small ‘b’ means different things to different people*”, the participants at this round table discussion agreed that applying good community business skills within community food activity is vital for project growth, development, sustainability and effectiveness...

...Significant gaps in business skills, however, remain as many community food projects struggle to access the existing help and support available for their paid and unpaid work force. A skills gap has been identified in a range of areas including book-keeping, accounting, Internet training, computer skills, and handling money. Skills in negotiation, buying, project management, marketing and making successful funding applications were also lacking in some projects, especially amongst first time managers, or staff with low confidence as a result of years of unemployment or having few training opportunities.

Using this guide

This guide is split into three distinct parts:



THINKING

Important questions to ask yourself and advice to consider from experienced individuals and key agencies.



LEARNING

What we know from past research and the experience of local initiatives, including case studies of five Scottish community food initiatives and the views of those who attended a round table discussion at the Scottish Community Diet Project in 2005.



DOING

Where next? Contact details of agencies providing the best advice and support available. Includes a checklist of people and organisations to help you build up a network of local contacts.

We hope each of these sections will be useful to community groups through the ups and downs of setting up and running their initiatives.

This guide is available to download from the Scottish Community Diet Project's website www.dietproject.org.uk

...although there is some awareness of the opportunities presented by adopting a social enterprise model amongst food projects, there is still limited take-up of the idea. Barriers to creating social enterprise still exist, despite Government efforts to address them, and for food projects struggling on limited funding, finding the time to consider the options is difficult. It takes a lot of hard work for community food projects to overcome barriers to becoming social enterprises – these barriers seem equal to, if not greater than the current ones with existing sources of funding, so the motivation to explore this option is low...

From 'Social Enterprise for community food projects: a solution to the funding conundrum or just another fashionable magic bullet?'
A Policy Briefing Paper, Sustain 2005



THINKING



How to make sure you do the business

Martin Meteyard

Business is often made out to be something mysterious, beyond the ken of ordinary folk. That is the first myth we have to overcome.

Business goes back to the first time goods were produced for exchange rather than only for use. First it was simply barter, and then money came into the exchange. Modern business is basically just a development of this – although of course lots of structures, systems and tools have been devised since then.

So never think that business is not for you. Even just getting together with others to buy and distribute some basic foods means that you have taken that first crucial step. The only question then is how you can do it better.

Of course any business means at least a small amount of risk – that something will go wrong. That is what puts so many people off. But that is also the advantage of some form of co-operative or collective structure.

A structure that allows you to work together means that you can minimise uncertainty and thus risk. Sharing responsibility also means that the pressure is not just piled on top of one or two people.

This is also a great way to build up your own and other people's confidence. Believing you can do it is half the battle. Knowing that there are other people out there willing to help can take you most of the rest of the way.

Getting help

Perhaps that is the first thing to think about – where can you get help? Never think that you can do without it, that no one else can possibly understand what you are trying to do.

Of course there are many different kinds of help available, and some will be more 'helpful' than others! The best thing is always to speak to others who have already been where you want to go, who speak from first-hand experience.

If there is one thing we are lacking, it is perhaps a more permanent form of networking than simply going to the occasional conference. Simply sharing information and experience on a regular basis can make such a difference – and the Internet can make it so easy! Perhaps that is something that the Scottish Community Diet Project can look at facilitating in the future?

Another thing that many people find really helpful is ‘mentoring’.

Find someone external – perhaps even a small group – sympathetic to your goals and from whom you can seek advice or bounce ideas off. Often an outside view is just what you need to help you come to the right decision.

People already involved in social or co-operative enterprise are an obvious choice. But there are also lots of people in more conventional businesses who would like to see their skills and experience used for social benefit.

More and more, too, you will find retired people from a variety of backgrounds who are able to help in some way. Indeed, you may even be able to involve some of them as regular volunteers rather than just occasional advisers.

The more people who feel they have some kind of stake in your success, the more likely you are to succeed!

It is no accident that a general test of seriousness is asking whether you ‘mean business’. Martin Meteyard

Starting to plan your business

But first of all you must be clear about what you want to do, and be ready to learn and use business tools to help you achieve it.

The first and most important of these is planning – looking ahead rather than just thinking about tomorrow.

If your project aims to meet a social need within your community, that need is unlikely to go away in the short term – so you need to plan for that.

An obvious example is making a decision about how to price your goods. The temptation is to pass on all the savings you make by bulk buying to your customers – the people who really need good food at affordable prices.

But that grant you got to get started will not last for ever – and there will not necessarily be another one following on behind as political and other priorities change. You need to provide for the costs you incur in delivering the service, as well as saving something for a rainy day (the risk that something can go wrong – as mentioned above).

The most important thing is to make sure that you are there for your community in the long term – so that they have access to good affordable food not just this week or this month, but ahead into the future.

Thinking about planning for the long term

Business planning and financial projections (not just how much money is coming in and going out, but when that will be – what is called ‘cash flow’) are essential tools if your project is to have a long-term future.

They also provide a means of measuring whether your project is living up to expectations. There is nothing more certain than that life will turn out differently from what was written in your plan. But comparing life against your plan will allow you to understand how things have turned out that way, and what changes you need to make to carry on.

Remember that you are dealing with people – and that we are an oddly unpredictable bunch. How you treat people in your project/business can actually be the most important factor in whether you are successful or not.

Just think about all the ways that people will impact on your business:

- As suppliers (negotiating with them is a skill)
- As customers (customer care is another skill – though liking and getting on with people is a good start!)
- As volunteers (how much can you reasonably expect from them – and how much can they expect from you?)
- As paid staff (this is when you start to get into issues such as contracts, terms and conditions, assessments – not to mention discipline)
- As your management committee (management is a complex skill, and they will need help and training to get it right)
- As the community in which you operate (how will your activities impact on them?)

There are lots of sources of assistance (including many training courses) to help you to deal with these different aspects, so make sure you use them. When budgets are tight, it often seems that the easiest solution is to cut back on training costs – but that is one of the biggest mistakes you can make if you want to have a long-term future.

That is particularly the case because your planning will need to include fulfilling legal obligations – food hygiene requirements, health and safety, and so on – where you will need to demonstrate that volunteers and staff have had the necessary training.

Everyone in your community food project has something to contribute

You really need everyone’s brains to be working at full stretch if you are to succeed – that’s what it is all about. That is another reason why an appropriate structure (such as a co-operative or community enterprise) can help, because it treats everyone as having something to contribute rather than just being there to be told what to do.

The more people who are actively thinking about what you are doing, coming

up with ideas, bringing in or acquiring new skills and experience – the brighter your future will be.

Of course you need a way to manage this, to sift out the good ideas from the not so good, to agree what is relevant, and finally to make decisions. Also, very importantly, your group will need to learn to delegate – both up and down (as well as agreeing with partners what is not your responsibility at all).

There is nothing worse than everyone thinking they must be involved in every decision, or looking over each other's shoulders all the time. Trust is the glue in every successful business. Of course it means that mistakes will be made – but it should also mean that people are supported to learn from those mistakes, so that they do not make them again (and that is the most effective form of learning!).

You need to decide what sort of decisions can be made at what level, and be consistent in applying that. But be sure that any 'big' decision – of policy or strategy, or spending a significant amount of money – goes to your management committee or even a general meeting of members.

If everyone not only feels involved, but is also being encouraged to think about what they are doing, then that will give you the best chance to deal with the dilemmas that any social enterprise will face.

Striking the right balance between being financially sustainable and maintaining your social goals

Conventional businesses generally have one main aim, which is to secure the maximum return to their investors. As a business with a social purpose, you will have a quite different set of priorities.

Nevertheless you too will need to make a profit – taking grant income into account – in order to continue trading. The point is that you will put this surplus to a different use, whether it be to reinvest in the business or set aside as reserves.

Sometimes funders find this difficult to understand, and may seek to reduce their own contribution as a result. So make sure this issue is sorted out early on.

Generating a profit will usually require a series of compromises, such as on pricing (see above). Another example might be on whether you will stock organic and/or fair trade products, both more expensive (for good reasons). The heart says yes, but the prices may put off your customers – leading to a high cost of wastage.

Such dilemmas are often hard to resolve (and may lead to a lot of heated arguments along the way). It will help a lot however if:

- You are clear about the main thing you want to achieve, rather than having too many different objectives.
- You ensure that people have all the necessary information to make a decision, and that the process is as transparent and accountable as possible.

It is worth thinking about the first of these in particular in a bit more detail.

It is easy enough to see that there are many things that will benefit your community in securing better food provision: lower prices, healthier choices, nutritional information, foods for special diets, food preparation and cookery classes, locally grown (and/or organic) food, a community café, etc.

All these (and more) are important – just do not think you can do them all yourselves. Businesses succeed when they have a clear focus and sense of priorities, and fail when they try to do too many things at once.

So be sure that everyone understands what you are going to concentrate on. And remember that there are alternative ways to achieve some of the other things that are dear to your heart.

In particular, you will find that building relationships with other groups and organisations will open up opportunities to make things happen without necessarily having to commit your own time and resources.

Expanding your business – what's next?

The problem is: small may be beautiful, but it is limiting in lots of ways. So let's assume for a minute that all the initial start-up problems of your project have been overcome, you are trading successfully and balancing the books – what's next?

Effectively you are in business already (even if that is not how you think of it!). Perhaps someone else has the legal responsibility if it all goes wrong (if, for instance, you are trading as part of the local community centre). But that may not always be a good thing if it leads to blurred lines of accountability.

You may therefore want to establish your own separate business structure. There are different ways of doing this: as a co-operative, charitable company, or other form of social enterprise. It helps to establish proper ownership and accountability, and there is plenty of experience to draw on (particularly from the community co-ops in the Highlands and Islands).

But there is one further stage, which is the most challenging of all – and yet which some of the most developed community food initiatives (in Edinburgh and Aberdeen, for instance) are now starting to think about.

That is the challenge of working together – a stage beyond just networking – to get better deals along the supply chain. Small usually means isolated, which means in turn that you don't have the volumes or the shared know-how to benefit from economies of scale.

Linking community food initiatives in this way – much as the early co-operative societies in the 19th century linked to form the Co-operative Wholesale Society (or SCWS in the case of Scotland) – would seem to make sound business sense.

To do that, however, would require extensive business support – with a significant cost attached.

That cost, however – the cost of creating a sustainable future for community food initiatives – would still probably only be a fraction of what has been paid out in grants over the years without managing to achieve any real sustainability in the longer term.

It is no accident that a general test of seriousness is asking whether you ‘mean business’. There are lots of committed people working in great community projects all over Scotland. But can we bring them together to ‘do the business’?

Martin Meteyard has worked in co-operatives and the food business for more than 20 years. After spending his early adult years as a political campaigner, he became a worker member of the Glasgow-based wholesale co-operative GreenCity Wholefoods in 1983. The co-operative structure at GreenCity allowed Martin to learn different aspects of business on the job – from sales to marketing, to buying to logistics, to accounts and finally general management. It also allowed him to make more than his fair share of mistakes during this time, including two unsuccessful ventures that had to be put into liquidation. But the support of colleagues meant that he learnt from this experience (or so he hopes) rather than just giving up. Martin’s work at GreenCity led on to a wider involvement in the co-operative movement, including assistance in the creation of new worker co-ops such as Highland Wholefoods and Equal Exchange. It also led to his first contact with community food initiatives, notably the pioneering Govan Healthy Eating Project. This in turn led on to involvement with the Scottish Community Diet Project as a member of its steering group. In the late 1980s Martin was encouraged to become an active member of Scottish Co-op (part of what is now the Co-operative Group), which further helped to widen his horizons. He was eventually elected to the Co-op’s Scottish Board, and in 1997 left GreenCity to work full-time for the Co-op as its Scottish Secretary. Martin also has a longstanding commitment to fair trade (which again goes back to his time at GreenCity), and from 1998 to 2005 he chaired the Board of the UK’s largest fair trade company, Cafédirect plc. Since January 2004, Martin has been a consultant specialising in co-operatives, social enterprise and fair trade and he continued on the steering group of the Scottish Community Diet Project until December 2005.



Thinking ahead: being aware of the politics that shape food policy and social economy

To find out what is on the mind of those people who advise and shape policy developments relating to food and the social economy, we asked a selection of key advisors for their advice. Currently policy is moving towards encouraging the setting up and sustainability of social enterprises. Many community food initiatives were not originally set up as social enterprises but rather as an immediate practical response to the market failure within communities which prevented people from accessing a healthy diet due to availability, affordability, culture and/or skills.

The Scottish Community Diet Project was interested to know what two pieces of advice some of Scotland's key advisors would give to community food initiatives about the benefits and pitfalls of taking a more business-like approach. The answers are below.

Aidan Pia, Director of Sencot, an organisation set up to support social enterprises:

Benefits of a more business-like approach include:

- Better, more effective and efficient service to customers
- Opportunity to generate income of your own, thus leading to greater independence/less dependence on vagaries of funding programmes
- Longer term sustainability and ability to plan longer term
- A stronger legal structure can protect management committee and staff

Pitfalls of a more business-like approach include:

- It can take time to change the culture of the organisation
- More vulnerable to risk if grant funding secure
- Time/cost implications of changing legal structure

Martyn Evans, Director of the Scottish Consumer Council, an organisation funded by Government to have a special focus on the needs of disadvantaged consumers:

What makes community initiatives great is their diversity and their ability to find new solutions to old and seemingly intractable problems. This diversity is

essential. However, it brings with it the risk that some initiatives may fail. The key to taking a business-like approach is to minimise the risks of failure while maximising that essential diversity and innovation. This clearly means that one size does not fit all initiatives.¹

My two pieces of advice would be to ‘pick and mix’ and ‘remember the values’. In terms of pick and mix, each initiative should take a clear-headed view of what it is trying to achieve and then see if there are tried and tested ways of preventing things going wrong in a whole range of areas of its work. If the risk is in the financial liability of the members then consider a suitable business structure (charitable company or the new community interest company, for example). If the risk is related to handling cash then introduce strong internal control systems. What the initiative must not do is slavishly copy a private business model in all aspects of their work. ‘Pick and mix’ should be the watchword.

‘Remembering the values’ is about community initiatives trying to do something that benefits a defined community. That can be a geographical community (a food co-operative serving a particular estate) or a community of people (food train for older people). Whatever they are trying to do or whoever they are trying to serve, they will have implicit or explicit values. These values could be volunteer involvement, community governance, healthy food and so on.

Every time an initiative faces a decision to reduce a risk, it should be agreed that the outcome would not compromise the core values of the initiative. For example, a common risk is insufficient money coming in. However, if the ‘business-like’ option is to increase money coming in by bringing a branded sweet vending machine into a school breakfast club, then the values and being business-like may clash.

It is not always obvious that the values of the initiative trump the business-like proposals. However this tension should be a constant part of the life of any successful initiative. Initiatives that reject all notions of being business-like are as likely to fail as those that slavishly copy a private company business model.

Doug Anthony, Policy Officer at the Scottish Council for Voluntary Organisations, the national body representing the voluntary sector:

Benefits of a more business-like approach are that voluntary organisations will be more effective in fulfilling their mission, have greater freedom and control over what they do, and are likely to be more sustainable in the long term. For community food initiatives, there is also the prospect of getting closer to potential suppliers who are themselves businesses, and developing shared agendas. An example of common interest is providing help and support for reduction of businesses’ ecological footprint by ensuring the efficient disposal of food to needy communities, rather than landfill. FareShare² (Edinburgh Cyrenians) has done a lot of this kind of activity with amazing support from individual food retailers.

- 1 The Finance Project, 2002. Sustaining Comprehensive Community Initiatives: Key Elements for Success. Washington DC, The Finance Project.
- 2 FareShare is a surplus food redistribution scheme. Edinburgh Cyrenians run FareShare in Edinburgh. See www.cyrenians.org.uk/EZEdit/view.asp?MID=207

But while becoming more business-like it is important to protect your mission and vision. You can do this, for example, by taking on non-executive directors who can contribute business expertise but not steer the organisation away from its core principles. People at all levels of the organisation – staff; management committee members and volunteers – also need to buy into the concept of becoming more business-like. If they aren't persuaded of the need to adapt then any changes will be on the surface only.

Lorna Duffy of the Regeneration Division of Communities Scotland, a Scottish Executive agency set up to ensure strong communities across Scotland:

Operating as a social business would give you greater financial independence. Because some of your income would come from selling your goods and services, you would have complete control over how services are planned and delivered. This might also make it easier for you to meet the needs of your clients without having to rush to fit with grant funding deadlines.

In addition to being able to generate your own income from selling your goods and services, you could have greater access to grant funding and loan finance. Grant funders could be more willing to fund you because they only need to put a small percentage of funding into your projects. And by showing that you are willing to take the business side of your organisation seriously, and take some risks, you might also find banks and other investors are willing to loan you funds – giving you greater control of how and when you use them. Eventually you might even make a profit that you can re-invest in your organisation and services.

Operating as a social business can make it easier for you as an organisation to plan your activities. Independent income means that you don't have to fit your activities around the aims of grant programmes – you can fit them around your own organisational goals. Because you are less reliant on grants you will also be able to offer staff greater security; their contracts will not be solely dependent on successful grant applications. Some of the benefits from retaining staff include continuity with clients and customers, retaining knowledge and skills within the organisation, and building strong relationships with partner organisations. Finally, you will be able to build up a strong service base without having to re-invent yourself to fit with the latest grant funding trends.

Bill Adamson, a Senior Environmental Health Advisor at the Food Standards Agency Scotland, which works to make food handling outside the home safer in Scotland:

The principal piece of advice I would give is to encourage initiatives to utilise the advice that is usually available from local authority departments (especially Environmental Health and Economic Development) when planning the venture. This free advice can save money in the long term and help ensure compliance with the law.



LEARNING



Business as unusual: some business lessons from Scotland's community food initiatives

Lizanne Conway

The business of business should... be about public good, not private greed. Anita Roddick³

While community food initiatives, such as food co-ops and community cafés, are a far cry from the corporate world of business, their contribution to our understanding of effective business skills should not be underestimated. With 'public good' at the very heart of their existence, community food initiatives are indeed businesses with a difference. The application of sound business skills is therefore vital for their growth, development, sustainability and effectiveness.⁴

The purpose of this section is to highlight a number of important business lessons that have been identified in recent examples of community food research and evaluation. We feel these lessons are important to share, even if only to help initiatives take stock of their own achievements or potential for achievement. Not all lessons, however, are the outcomes of success stories. Many lessons importantly highlight why projects hit hard times and pose questions as to how similar situations could be tackled differently. We also identify some of the gaps in business learning that still need to be filled if community food activity is to reap its full harvest.

³ Roddick, A., 2000. Business as Unusual. London: Thorsons.

⁴ Scottish Community Diet Project, 2002. Developing Effective Community Business Skills within Scotland's Community Food Projects: Round Table Discussion Notes. Glasgow: Scottish Community Diet Project.

Business planning at what price?

When anyone tries to run a business solely for profit... then the business must die, for it no longer has a reason for existence. Henry Ford⁵

While few community food initiatives are exclusively 'profit' driven, reliance on short-term funding is forcing many to explore alternative ways of becoming sustainable in an effort to survive. Some projects are 'buying in' private consultants to help them create business plans. Business plans are now often an essential part of many funding applications in order that projects explain how they will become sustainable after the funding period ends. However, if business plans are not developed with the project's social ethos explicitly at heart, projects can all too easily be presented with a costly plan that may facilitate financial sustainability, but may not take into account its commitment to training, working with volunteers, support services and other not-for-profit activities.

Having a clear and shared awareness of the aims, objectives and ethos of a community food project from the outset can prevent such costly confusion and disappointment to projects, especially when they find themselves unable to meet the unrealistic targets that funders expect as a result of the business plan. This is particularly important in partnership projects when a number of agencies with differing motivations are involved. Stakeholders in food initiatives need to decide from the start the split between profit and not-for-profit and develop business plans accordingly.

The quest for sustainability

Sufficient mark-up on goods and services has always been an essential requirement of projects in order to cover overhead costs such as rent, transport, fuel, insurance, equipment, and volunteer expenses, as well as unexpected costs incurred by vandalism or changes in circumstance. Regular and irregular costs all have to be budgeted for, which takes time and skill. Projects have to ask themselves many questions on a regular basis and answer each one honestly: Can this service continue to be free? Can we afford to employ staff? What percentage mark-up do we need to charge on goods to survive? What is our level of wastage? Many groups share the following experience of Oakley Fruit and Veg Co-op in Fife.

"We have a 30% mark up as we do not charge a membership fee and are only open one afternoon per week, sometimes with high levels of wastage... the amount of money you take in sales will vary with the size of membership, how competitive you are with local shops and the number of hours you can

⁵ Cited in Roddick, A., 2000. *Business as Unusual*. London: Thorsons.

6 Oakley Fruit and Vegetable Co-op, 2003. Oakley Fruit and Vegetable Co-op Start Up Pack.

7 NHS Health Scotland., 2004. Community Mobile Food Initiatives: Case studies of two community operated mobile food initiatives. NHS Health Scotland.

8 CEIS, 2004. Tins N' Things Business Plan.

9 See Footnote 7.

10 Simons, L., McCrea, D., Warren, M., 2004. Glasgow Community Café Development Intervention Evaluation Report.

11 See Footnote 7.

12 See Footnote 10.

be open per week. Any money we make over and above our running costs is used to sustain the project”⁶

However, no matter how financially efficient a project is, most continue to rely on regular grant aid, often in the form of short-term funding packages. An evaluation of two mobile community food initiatives concluded that the original plan that, “the mobile shop would be self-financing... may have been over-optimistic.”⁷ A similar conclusion was reached in the business plan of Tins N' Things⁸, a food co-op for young care leavers in Glasgow wishing to expand and develop within larger premises.

The pressure to self-finance is exacerbated by the fact that funding tends to be more readily available for one-off innovative developments and tends to be less available for day-to-day project running costs, for example, the installation of a wheelchair ramp at East Lothian Roots and Fruits mobile food initiative.⁹

Conflicting motivations

The pressure faced by some food projects to become self-sustaining can become a source of enormous conflict between them and their funders. While most community food initiatives want to improve healthy food access of an acceptable quality and cost to local communities, some projects are reluctant to completely ban the sale of profitable but less healthy foods due to the perceived detrimental impact it will have on income.

For example, in the evaluation of a community café pilot in Glasgow, some community cafés expressed reluctance to revise their menus to completely meet the criteria of the Scottish Healthy Choices Award Scheme. “In some of the cafés concern was expressed about taking popular – but not such healthy – choices off the menu and the adverse impact this might have on their income. This applied particularly to fry-ups and chip-free days.”¹⁰ Similarly, the evaluation of Have a Heart Paisley’s mobile food initiative, Health on Wheels, stated that, “customers fell away after they removed the sausages” – a challenging result for all those involved when the project is funded by a national demonstration project with a remit to tackle the highest rates of coronary heart disease in Scotland.¹¹

Developing strong and confident lines of communication between projects and funders is one important business lesson from these experiences, as is developing clear aims and objectives from the outset that are shared and agreed by all key stakeholders.

Sensitivity and understanding of the concerns and goals of communities is also important, as is the amount of the time required by projects to set up, become established and develop. As the community café evaluation states, “menu changes should be paced to correspond with the introduction and acceptance of ‘healthier’ dishes by customers.”¹²

Change is a gradual process and needs to be managed with tact, patience,

empathy and skill. The Joseph Rowntree Study, *Food projects and how they work*¹³, estimated that it took food projects at least two years to become established, yet funding packages rarely allow this amount of time for projects to get onto their own feet.

Planning ahead

The present, however splendid it may be, bears the seeds of its own ruin if it separates itself from the future.

Father Jose Maria Arizmendiarieta,
Founder of the Mondragón Co-operatives of Spain¹⁴

Planning for and financing unexpected and hidden costs is another business dilemma faced by many initiatives, especially when resources are limited. While innovative projects are more likely to attract funding, ambitious plans often come with hidden price tags. For example, mobile food initiatives include the hidden costs of running and servicing a vehicle; expanding a small food co-op into a one-stop shop for young people includes the costs of finding and equipping bigger premises to rent, but also premises within an area that young people will frequent. If these prices are not budgeted for at an early stage, projects can discover all too late that they may be financially out of their depth. Planning ahead is vital.

Formal versus informal

Projects need a business model – we need to move away from ‘grace and favour’ to more formal arrangements...¹⁵

One of the strengths of community food projects, as identified in the Joseph Rowntree Study, *Food projects and how they work*¹⁶, is the flexible and dynamic nature of staff and volunteers working within many food projects. Food projects, due to the constantly changing circumstances they face, often have to reinvent themselves on a regular basis to ensure they continue to meet the needs of the local communities they serve as well as the changing criteria of funders.¹⁷

While this flexibility is advantageous and allows projects to be opportunistic and responsive, food projects at times have also been criticised for being too flexible and informal in their business practices. Lack of business skills training has been highlighted as a concern of projects,¹⁸ as has the need for projects to develop more formal arrangements that could cover project staff, volunteers and management committee development. More specialised

13 McGlone, P., Dobson, B., Dowler, E. and Nelson, M., 1999. *Food projects and how they work*. York: Joseph Rowntree Foundation.

14 Mondragón Corporacion Cooperativa www.mondragon.mcc.es/ing/cooperativismo/coop.html (Accessed 6 January 2006).

15 NHS Health Scotland 2004. *Community Mobile Food Initiatives*.

16 See Footnote 13.

17 See Footnote 13.

18 See Footnote 4.

19 See Footnote 6.

20 See Footnote 10.

business skills training to meet the specific needs of food projects are called for, as are more resources and quick guides that make business information clear, relevant and concise.

Management structures, roles and expectations

Developing clear lines of management and communication are not only vital when setting aims and objectives, but will underpin the ultimate success or failure of an initiative. The business of appointing management committee members and agreeing a project constitution can be complex, but are essential before funding can be applied for or a bank account opened.¹⁹

The management committee plays a crucial role in prioritising what a project can and cannot achieve at any given time, and is an important support structure for project staff. Research also highlights how influential they are in ensuring staff are able to devote sufficient time to all elements of a project's business plan. For example, in the evaluation of community cafés in Glasgow, one recommendation called for “management committees to support staff taking time out of the kitchen to invest in setting up better and more efficient means of sourcing foods and delivering healthy menus to customers... management committee support for the introduction of healthier choices is vital.”²⁰

Management committee members also need to be supported with the necessary training opportunities, especially in specialist areas like stock control and hazard analysis, which was also called for in the community café research. The legal and financial requirements of projects – from registering with Environmental Health to book-keeping, banking and keeping track of licences and insurance – also often fall into the hands of volunteer management committee members. While such breadth in skill and knowledge may be desirable, projects have to retain a realistic sense of their expectations of volunteer management committee members if they are to retain them for any length of time.

Valuing volunteers

All of the projects use volunteers, and they were seen as vital if the breakfast clubs are to improve, and for many to survive... volunteers felt they have a real influence on the project's operation and enjoyed the interaction with the children. Project leaders were aware of the potential for exploitation of volunteer helpers and offered such incentives as training and a free breakfast. The recruitment of volunteers and keeping them on board is a major issue for every project.²¹

The value of all volunteers and volunteering cannot be underestimated within community food projects. Research undertaken by the Scottish Council Foundation and Volunteer Development Scotland has contributed to the growing evidence base concerning the positive contribution that volunteering can have to better health and wellbeing in Scotland.²²

Improved skills, increased confidence and social support are only some of the most notable benefits. Food projects can, however, rely too heavily upon the goodwill of volunteers, sometimes out of necessity due to a lack of funds to employ and pay staff. This over-reliance on volunteers has been particularly highlighted within Scotland's breakfast clubs.²³ It has also been an issue in other food projects.²⁴

Without proper training and support, volunteers – like management committee members – can often become out of their depth when trying to juggle the demands of a food project and their own lives. For example, as a result of the many complexities faced by volunteers when running a mobile food initiative in Paisley, the evaluation findings recommended that paid staff with the necessary business skills and experience should be in post to at least help run such a service, as it was the equivalent of expecting volunteers to run a small business without any experience. The need to support volunteers and lay staff was similarly highlighted within an evaluation of Ayrshire's community food workers, "for more satisfactory day to day administration, consideration should be given to employing a manager who

21 Greater Glasgow Health Board, 2000. Evaluation of Breakfast Club Initiatives in Greater Glasgow: stages 1 & 2. NHS Health Scotland.

22 Scottish Council Foundation, 2002/3. Health Gain Through Volunteering.

23 Scottish Community Diet Project, 2004. Breakfast Clubs... More of A Head Start. Glasgow: Scottish Consumer Council.

24 Scottish Community Diet Project, 2002. Developing Effective Community Catering Skills: Round Table Discussion. (online) Glasgow: Scottish Community Diet Project.

could have much more frequent and consistent contact with the community food workers.”²⁵

In addition to this support, projects also need to become more business-like in their recruitment procedures. For example, it is recommended that they should ensure that they develop proper systems of employment, with induction procedures, pay scales and access to “a jigsaw of training opportunities to match individual needs and changing needs.”²⁶ Again, specialist resources and training opportunities may need to be developed to fill these gaps.

Some recommendations for future activity

All knowledge should be translated into action. Albert Einstein

In considering the many lessons from community food research, it is important to identify useful ways of translating this knowledge into appropriate action to help the continued growth and development of robust and effective food projects in Scotland. From listening to and responding to the experiences of food projects across Scotland since 1996, the Scottish Community Diet Project is clear that projects are not only open to, but also willing to develop and participate in more business skills training that is orientated to what they want and need. The business of ensuring easy access to an affordable healthy diet for all should therefore not only be the business of community food projects, but everybody’s business.

Lizanne Conway was the Development Officer (Practice Development) for the Scottish Community Diet Project for several years and is now the Programme Manager – Community and Voluntary Sector at NHS Health Scotland.

25 Department of Nutrition & Diet Therapy and Primary Care Trust & University of Paisley, 2004. Evaluation of Ayrshire’s Community Food Initiative Project. Department of Nutrition & Diet Therapy and Primary Care Trust & University of Paisley

26 Scottish Community Diet Project, 2001. Lay Food Workers, Round Table Discussion. Glasgow. Scottish Community Diet Project

Case studies



Name	Gorebridge Health and Regeneration Project
Address	The Brown Building, 80 Hunterfield Road, Gorebridge, Midlothian, EH23 4TT
Tel	01875 823922
Email	admin@chirp.org.uk
Date established	1997

Aims To encourage awareness and stimulate action on health issues through community development methods and to promote health and wellbeing for members of the community.

Structure The project is a registered Scottish Charity with a voluntary management committee, and plans also to become a company limited by guarantee in 2006. The food co-op will become a trading company in 2006 and was renamed the Midlothian Community Food Initiative (MCFI) in January 2006. The project has a constitution.

What they do The main projects that operate every week throughout the year are:

- The Community Food Initiative (MCFI), which runs weekly stalls at various venues for a couple of hours at a time and also a mobile shop (Toot for Fruit) operating throughout Midlothian five days a week. The initiative is particularly aimed at those on low incomes and the elderly. Goods sold include a wide range of fresh fruit and vegetables, dried products, bread, cheese and fresh free range eggs. Around 10% is added to the wholesale price to cover wastage. The initiative also has a delivery service to provide subsidised fruit to local schools, nurseries, after school clubs and other charity organisations.

- A Milk Token Initiative, delivered through the MCFI, for parents in receipt of benefits who are entitled to free milk. Normally milk tokens would be exchanged for free milk at a local retailer who would retain the profit. The project 'gives back' the profit margin by providing an additional 50 pence worth of free fruit, 50 pence into a book club account and 50 pence into a credit union account for the child.
- A Day Centre which runs twice a week for isolated elderly people in Gorebridge. A two-course meal is provided and social recreational activities are offered. The Day Centre has trained staff and volunteers.
- A Breakfast Club where children from the local primary school are provided with a free or subsidised healthy breakfast of cereal, toast, fruit and drinks. They take part in activities that encourage personal and social development. Teachers refer children whom they believe would most benefit from attending the club.
- The Food Train, which is a shopping delivery service provided by volunteers for anyone who is elderly, disabled, housebound, suffering from illness or who has difficulty carrying heavy shopping bags. The service was piloted in Mayfield in 2004 under the auspices of the project, and it is planned to extend this service to the rest of Midlothian. The Food Train uses the Scotmid Co-op store in Mayfield and is currently a free service.

The project has also run numerous other activities such as 'Ready Steady Cook', baby massage, women's health day and health promotion events.

Numbers involved The whole project supports two full-time and 14 part-time staff members. There are approximately 17 volunteers involved in various projects and eight volunteers making up the Management Committee.

Funding The project was set up initially with core funding from Midlothian Council and later received additional funds from Lothian Health Board, Leader Plus and the Big Lottery. The Annual Budget income in 2004-05 was £230,000 – of which just under £45,000 was from food and breakfast club sales, with the remainder coming from funders.

Partners and other links: Midlothian Healthy Living Partnership Project (HELPP), Midlothian Sure Start, Midlothian Council (Community Learning and Development).

Advice "Listen to people in different situations and make sure that what you're providing actually meets their requirements – whether it's reducing the size of goods for sale or being creative with the options of fruit and vegetables available for sale. And don't make any assumptions. For instance, we've really simplified the recipes with our soup bags now because we realised that often people don't have a set of scales in the house – we don't use weights now, we just say take a cup of this or a mug of that. It's all about looking after people properly."

Final comment "We would welcome feedback from other community food initiatives who have succeeded in becoming more self sustainable."

Name	The Green Door Catering Company
Address	5 South Fergus Place, Kirkcaldy, Fife KY1 1YA
Tel	01592 641472
Email	greendoorcatering@blueyonder.co.uk
Date established	2005

Aims

(1) To relieve poverty via:

- The provision of employment and training opportunities.

(2) To advance education and well being via:

- The provision of training and education in line with the Scottish Diet Action Plan to disadvantaged groups such as homeless people, mental health service users, young people, lone parents and people living in rural isolation, particularly the communities of the East Neuk of Fife.
- The free provision of a community venue for local events and local groups used to promote healthy eating and information around health and education.

Structure The Green Door Catering Company is a company limited by guarantee (charitable status pending), with a Board of Directors drawn from community representatives and people with experience in the catering business. A detailed diagram of the structure is shown below.



What they do The Green Door Catering Company has grown out of the Green Door Café in the small fishing village of St Monans (in the East Neuk of Fife), which was originally opened as an internet café in July 2002 following three years of fund-raising by the St Monans Community Project.

The Green Door Café was developed to provide a focal point for the community, to reach out and embrace those who are often excluded through physical or financial restraints, and to offer access and training in 'new technology' to meet the needs of the community. An additional aim was to improve access to high quality services for the most disadvantaged groups and individuals in rural communities – including access to healthy choice foods and produce that would otherwise be denied to them.

Open six days a week, the café soon became home on a regular basis to a number of community groups – especially youth groups. The quality of its food was such that it became one of the first community cafés in Scotland to achieve the prestigious Scottish Healthy Choices Award (and is now a Highly Commended Award Holder). Café staff have run a practical cooking skills course funded by the Scottish Community Diet Project. The café also provides 'Art on the Wall', a space for local artists to exhibit their work.

By 2005 the Green Door Café was so successful that a number of other voluntary organisations within Fife were looking to recreate the model. Two immediate trading opportunities were identified as likely to succeed – at the WRVS in Hunter House, Kirkcaldy and West Bridge Mill in Kirkcaldy. In both cases the social match was also in keeping with the social objectives of the Green Door Café. Thus the Green Door Catering Company was born.

This new social enterprise structure will allow the very successful healthy eating community café model to be extended into other areas of disadvantage in Fife, and will provide additional employment, training and volunteering opportunities. It will add value to previous and current activities by allowing greater economies of scale in all aspects of operations – including greater purchasing power and joint advertising – and allow for the development of differing skills across all three sites. All of these actions will contribute to the financial sustainability of the organisation in the longer term.

Numbers involved The Green Door Café in St Monans has a manager and four core staff, as well as employing seasonal workers and welcoming volunteers in whatever capacity. The projected staff numbers for the other cafés are two in Hunter House and five in Kirkcaldy (due to open in late summer 2006).

Funding The initial funding for the Green Door Café in St Monans came from a series of community fund-raising events which raised an incredible £40,000. Lottery funding for staffing costs was secured on top of this, and another staff member was funded through the New Deal.

Sales turnover has always been an important source of revenue, although this can vary enormously during the year – from as little as £20 on some

winter days to as much as £200 a day during the summer (boosted by tourists).

Development of the initial plan for expansion was funded by £25,000 from the Futurebuilders Seedcorn grants scheme run by Communities Scotland. Since then a funding package has been put together which includes a grant from the Fife Social Economy Development Fund (via Business Gateway) and a loan from Social Investment Scotland. A grant application has also been put in to the Esmée Fairbairn Foundation.

Partners and other links A wide variety of partners have included:

- Fife College, who have donated computers along with Package Assisted Learning Packs (PAL Packs) for public use
- NHS Health Promotions, Fife – including collaboration on a women’s health project and a summer scheme for children with behavioural needs
- Fife Council (including a community budgeting project)
- St Monans Primary School, working to help them attain Eco-School status
- The recently formed Fife Social Enterprise Network, which has been an invaluable source of advice and information

Advice “It’s great to have social aims, but you’ve always got to remember that you’re running a business too. Creating a surplus is the only way to gain real security and provide for your community – relying on grant funding is not an answer in the longer term.”

Final comment “Next year we’re planning to tender for some of Fife Council’s contracts, based on the added value that a social enterprise can provide. You’ve just got to keep at it, keep thinking ahead.”

Creating a surplus is the only way to gain real security and provide for your community – relying on grant funding is not the answer in the longer term.

The Green Door Catering Company

Name	Flourish House and Café Belize
Address	Flourish House, 23-25 Ashley Street, Glasgow G3 6DR
Tel	0141 333 0099
Website	www.flourishhouse.org.uk
Date established	1997

Aim Flourish House was set up to support people with long-term mental health problems. Café Belize was opened so that Flourish House could offer decent healthy affordable meals to members, staff and visitors as part of a work ordered day.

Structure Flourish House is a company limited by guarantee with charitable status, and uses the unique international Clubhouse model (see www.iccd.org). Those who attend – adults aged 18-65 with long-term mental health problems – are identified as members, not patients, and the focus is on their strengths and not their illness. Members play a crucial role in Flourish House’s overall operation and management.

There is a Management Committee consisting of 14 directors, of whom four are members – the rest being people who have taken an interest in the future of Flourish House. There is a catering meeting every week to menu plan and talk through catering and maintenance related issues. Decisions can be taken to the weekly house meeting and action is taken on consensus from all present.

What they do It was recognised that many members rarely cook for themselves using fresh ingredients at home, so the café ensures that the lunch served is freshly prepared every day. It also offers tea, coffee and snacks, and will occasionally cater for evening and breakfast events. The café facility is also used by staff and visitors, ensuring a positive and convivial atmosphere at lunchtimes.

Working in the café can lead to the opportunity to complete the basic food and hygiene certificate. There is a focus on healthy eating and in particular understanding the link between food and mood. The café also celebrates international food related festivals.

Numbers involved Flourish House currently has ten members of staff, three working in the Catering and Maintenance Unit. The clubhouse has full membership of around 850 people, and active membership of approximately 180 people, and an average daily attendance of between 40 and 50 members. It takes up to 13 members and staff to organise the preparation, cooking, serving, cashing up and cleaning up for lunch on any one day. Between 20 and 40 people eat in the café every lunchtime.

Funding The café is assigned a budget once a year from Flourish House, which receives grant money for working with people who have long-term mental health problems. It does not aim to make a profit, but there is a charge to cover some costs (starter 30p, main 90p and dessert 30p).

The café also applies for ad hoc grants to cover development projects such as cooking classes and other projects. Last year the café produced and sold a recipe book in order to raise some funds and to share their basic, nutritious and inexpensive recipes. Every so often the café may also fund raise by selling the produce from baking days.

The Catering Unit has an annual budget of £7,800 to cover food and drink, hardware and clothing, hospitality and materials. Because the café is non-profit making, all of the income brought in from food and drink sales is added to this budget. Last year the total income was just over £14,500.

Partners and other links There are paid work placement opportunities at the catering department of Ikea, Asda, a local independent sandwich shop and Greggs. Those people who take an interest in the catering at Flourish House are encouraged to make use of local and Scotland-wide networking opportunities.

Advice Café Belize would suggest learning from their recent experience of changing the layout of the kitchen, pointing out that it is important to spend time finding out what members practical requirements would be for a working kitchen when considering space requirements in relation to space availability. They would also have found it useful to visit other community food initiatives to understand the process of catering in a community setting. They also wish they had asked for – and would still welcome – advice on dealing with suppliers.

Final comment “We rely on the participation of members because there are not enough staff to cover all the work. However we take every day as it comes and are very adaptable. We don’t always stick to the planned menu. Anything can happen here but no one has ever gone hungry.”

Name	Edinburgh Community Food Initiative (ECFI)
Address	22 Tennant Street, Leith EH6 5ND
Tel	0131 467 7326
Website	www.ecfi.org.uk
Date established	1996

Aim ECFI aims to support any group of people in Edinburgh who would benefit from improved access to affordable fruit and vegetables. Most ECFI projects are based in low-income areas. Other beneficiaries include a wide range of children attending schools and nurseries across Edinburgh.

Structure ECFI is a registered Scottish charity and a company limited by guarantee, and is managed by a board of directors who are drawn from the local community. Funding representatives also attend the board meetings. The manager reports to the board and other staff report to the manager.

What they do The original intention was to help develop more food co-operatives. But ECFI soon took on the role of a supplier alongside their development work.

The main focus of ECFI's activities lies in supplying the 16 volunteer-run food co-ops with fresh fruit and vegetables, some dried foods and some household goods on a sale or return basis. Food co-ops are discouraged from putting on a mark-up of more than 5-10%, as wastage is covered by ECFI due to the returns mechanism. ECFI also assists food co-ops with business advice and training, volunteer and community development as well as health promotion activities.

There are a number of specific initiatives:

The 'Snack Attack' project provides three free portions of fruit per week to all Edinburgh primary school children in P1 and P2. All other children entitled to free school meals receive two free portions of fruit a week, and other children are able to purchase fruit at a subsidised cost. All the children also occasionally take part in fruit tasting promotions.

The 'Pip' project is a similar scheme that provides all children at 45 nurseries (2,000 children in all) with a free portion of fruit three times per week. As with Snack Attack, the ECFI development worker also runs apple tree planting workshops in four of the nurseries per year, and all nurseries have received a fruit activities pack. ECFI also provides nurseries with bags of fruit to sell for 50p to parents. Currently 33 of the nurseries have weekly fruit stalls.

- 'Happy Jack' is a free fruit scheme delivered in 12 family centres. Six hundred children receive three pieces of free fruit each week, families receive a free bag of fruit each week, and extra fruit bags are sold. ECFI provides sessional workers to the family centres to deliver

cooking sessions with parents and encourages the centres to develop a food policy.

- Work with GPs. This includes a Big Lottery funded fruit and vegetables box scheme for 30 households in rural areas to which participants are referred by their GP. GP surgeries in various parts of Edinburgh also sell fruit bags for 50p, and some also sell vegetable bags: a total of 300 fruit bags and 36 vegetable bags are sold in this way every week.
- There are five Milk Token Initiatives for parents on benefits who are entitled to free milk. Normally milk tokens would be exchanged for free milk at a local retailer who would retain the profit. ECFI 'gives back' the profit margin to the customer by also providing £1.50 worth of free fruit or vegetables.

Numbers involved There are 18 paid members of staff, including one who is seconded from Lothian NHS Board. There are also six sessional workers who deliver the cookery sessions for various projects. There are two or three volunteers who are based at ECFI and approximately 80 volunteers working in the 16 co-ops.

Funding The project was initially established by accessing Urban Aid funding. Today ECFI receives most of its income from funders, including the City of Edinburgh Council, Lothian NHS, the Big Lottery and Sure Start. Food purchases are covered by food sales. Annually, ECFI receives approximately £420,000 from funders with additional sales volume of some £320,000.

Partners and other links: apart from the funders mentioned above, other partners include Lothian & Edinburgh Environmental Partnership, Bookstart Edinburgh, and the Poverty Alliance.

Advice ECFI would suggest that projects have a clear understanding between the management committee and the project staff on what decisions staff can make without reference to the committee. Decisions that have to be made by the committee should be made quickly to ensure efficient running of the project. "Long-term planning is also crucial – make sure your funders are aware of the project's long-term aims and support possible expansion ideas."

Final comment "We would really like to increase procurement from local farmers and promote organic and local food to co-op customers by selling local food at the same or similar prices to other produce."

Long-term planning is also crucial
– make sure your funders are aware
of the project's long-term aims and
support possible expansion ideas.

Edinburgh Community Food Initiative

Name	Eday Community Enterprises Ltd
Address	Millbounds, Eday, Orkney KW17 2AB
Tel	01857 622283
Fax	01857 622283
Email	ece.eday@virgin.com
Date established	1982 (takeover of existing private outlet)

Aim To ensure the maintenance of a retail outlet on the island that meets most of the day-to-day needs of the population and helps to promote their health and wellbeing.

Structure The enterprise is registered as an Industrial and Provident Society co-operative with shareholders (members) and an elected management committee. A share costs £25. Each member has one vote whatever the size of their shareholding. The co-op operates a dividend card scheme returning 4% to shareholders on all sales. The AGM is held in March before islanders get busy with lambing.

What they do The shop provides a huge range of groceries, even if they only stock one item of some lines. The shop also retails petrol, diesel, tractor diesel, coal, gas, hardware, pet food and animal feed. As a corporate member of the Co-operative Group, the shop is able to order direct from the Co-op. They also use the Co-op's Community Food Discount Card (giving them a 10% discount) to top up from the Co-op store in Kirkwall. Sales are now more than £250,000 a year.

Since switching their order for fresh fruit and vegetables to the Co-op (a decision based on quality, price and availability), the turnover in this area has increased tenfold – something of which they are justifiably proud. They also supply fruit and vegetables to the island's primary school.

Numbers involved About 60% of the 127 islanders are shareholders. The management committee is made up of a chair, treasurer, secretary and currently three others (though they are always looking for more people to volunteer their time and experience).

There are seven staff (making the shop the island's biggest employer), although none are full-time. Staff work between three and 20 hours per week. Two key staff members recently retired after more than 20 years' service each.

Funding Although mostly self-sufficient, the shop applies for occasional grants. Like other rural shops in Orkney, it is eligible for a grant of 75% of any capital costs from Orkney Islands Council – in 2005 this amounted to almost £10,000, covering the cost of items such as a new chiller unit. Orkney Enterprise also recently provided funding towards the cost of a replacement petrol pump.

Partners and other links: Eday Community Enterprises is a member of the recently established Community Retailing Network, which helps to provide support, advice and networking opportunities. Major support for the shop has come from the Co-op and also Orkney Enterprise. Orkney College provided a trainer to allow all staff to gain the elementary food hygiene certificate.

Eday is included within the Scottish Executive's Initiative at the Edge²⁷ and through this has been able to set up a Development Trust for the island. The shop is a member of the Trust and benefits from the networking and support.

Advice "Don't give credit – the money outstanding nearly sunk us at one point, and also generated a lot of bad feeling within our small community."

Final comment "The shop is one of the cornerstones of our community; without it, people would leave the island and property values would fall."

²⁷ Initiative at the Edge was instigated by the then Scottish Office in 1997, and launched in March 1998, to concentrate attention and effort on tackling the problems faced by the most fragile rural areas of northern Scotland. See www.initiative-at-the-edge.org.uk

**Round Table Discussion on Community Retailing:
With 23 members of Scottish Community Food Initiatives**

Organised by the Scottish Community Diet Project Glasgow, March 2005

Website www.dietproject.org.uk

Structures The groups had or still used a variety of business structures – from properly constituted co-operatives to companies limited by guarantee and recognised charities. Most discussion surrounded how these structures were acquired. Some had been inherited or copied, appropriately or otherwise, from other initiatives.

Views on the benefits of taking a more business-like approach:

- Less dependent on external organisations/funders
- Community empowerment
- Financial control
- More control/autonomy/freedom
- Volunteers can become paid staff
- Allows long-term vision

Views on the pitfalls of taking a more business like approach:

Dealing with change and increased responsibility can consume much time and energy. A more business-like organisation may not be the same organisation it started out as.

Final comments The need to be able to develop and when appropriate, change structures were recognised as crucial. It was felt that as an initiative evolved and opportunities were identified, the knowledge and confidence to change structures was essential.



DOING



How to use this section

Evidence shows that community food initiatives base their operation and governing structures on the information available to them at the time of set-up. To become operational, a community food initiative should seek advice from a number of sources on a range of issues from business management to food handling skills.

The challenge for many community food initiatives is to seek useful business advice from advisors who are not familiar with the difficulties surrounding food access and explain to those working in food and health promotion about the uncertainty of running a community enterprise.

Advice about business set-up from local enterprise companies is available in all areas in Scotland. However, some areas might have agencies which have been developed to meet the particular needs of a specific area. For example, the Greater Easterhouse Development Company Limited currently employs a social economy advisor.

At the time of publishing, there is a plethora of organisations working to support social enterprises. Over time names, contact numbers and aims will change. Networking, which involves keeping in touch with other people in order to find out useful and practical information, will always be an important way to keep ahead in this dynamic field.

The Scottish Community Diet Project has published a Directory of over 300 Community Food Initiatives based in Scotland and also produces a quarterly newsletter – Fare Choice. Fare Choice features details about food projects, as well as information on food policy, funding events and publications.

However, there is no substitute for making your own contacts locally. Successful community initiatives build up their own local active networks. At the back of this guide is a checklist of local organisations and agencies that could be useful to community food initiatives and space to record contact details.

Business Support and Regulation

Business Gateway www.bgateway.com 0845 609 6611

Business Gateway is a partnership with Scottish Enterprise, the Scottish Executive and local authorities. It provides advice, support, training – through local seminars and workshops – and information to new and existing businesses throughout Scotland. See the website for your local Business Gateway or call them at the number above.

Community Interest Company Regulator

www.cicregulator.gov.uk 02920 346228

The Community Interest Company (CIC) is a new form of limited company with special additional features created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage. This is achieved by a ‘community interest test’ and ‘asset lock’, which ensures that the CIC is established for community purposes and the assets and profits are dedicated to these purposes. Registration of a company as a CIC has to be approved by the Regulator, who also has a continuing monitoring and enforcement role.

Companies House www.companieshouse.gov.uk 0870 33 33 636

Companies House is an Executive Agency of the Department of Trade and Industry. It incorporates and dissolves limited companies; examines and stores company information delivered under the Companies Act and related legislation; and makes this information available to the public. For more information or to register a new company, Companies House can be contacted by phone or by post. The Scottish branch is at: 37 Castle Terrace, Edinburgh EH1 2EB.

Department of Trade and Industry (DTI) www.dti.gov.uk 020 7215 5000

The DTI allocates funds to the Scottish Executive to distribute for enterprise and entrepreneurship in disadvantaged areas. The website provides information on workplace issues such as employment relations, UK employment law and work-life balance.

Financial Services Authority

www.fsa.gov.uk/pages/doing/small_firms/msr/societies/index.shtml
020 7066 8002

The FSA registers Industrial & Provident Societies, which can be either ‘bona fide co-operatives’ (run for the mutual benefit of their members) or ‘societies for the benefit of the community’ (providing services for people other than their members).

Highlands and Islands Enterprise (HIE) www.hie.co.uk 01463 234171

The HIE network consists of the main body, Highlands and Islands Enterprise, based in Inverness, and ten Local Enterprise Companies. The Local Enterprise Companies are the prime point of contact for businesses, communities and individuals looking for business support services, delivery of training and learning programmes, assistance for community and cultural projects and measures for environmental renewal.

HM Revenue & Customs www.hmrc.gov.uk 0845 607 0143

This Government department combines the business of the former Inland Revenue and HM Customs & Excise, and provides advice on tax issues for individuals, companies and charities and useful links to other sites relating to business set-up and operation.

Scottish Business in the Community www.sbcscot.com 0131 451 1100

SBC aims to engage more businesses and organisations in responsible business practice. It particularly encourages its members to help make an impact on five key issues in Scotland: health, economy, environment, education and employability.

Scottish Enterprise www.scottish-enterprise.com 0845 607 8787

Scottish Enterprise is Scotland's main economic development agency, funded by the Scottish Executive and with 12 Local Enterprise Companies covering all of Scotland except the Highlands and Islands. It offers a broad range of business support including helping business start-ups and existing companies to grow. Contact the help line or website for details of your local enterprise company or their business mentoring scheme for detailed information about their services.

Social Enterprise and Regeneration Support

Community Enterprise in Strathclyde (CEiS)

www.ceis.org.uk 0141 429 8089

CEiS is the largest development organisation working in the social economy in Scotland. Its mission is to become Scotland's first choice provider of business solutions to more-than-profit organisations that want to grow, change and develop.

Co-operation & Mutuality Scotland (CMS)

www.scotland.coop 0141 304 5550

CMS is a membership organisation set up to develop and extend co-operation and mutuality in Scotland's communities. Membership of CMS is open not only to co-ops and mutuals but also to other organisations supporting co-operative values and principles.

Communities Scotland – Social Economy Unit

www.communitiesscotland.gov.uk 0131 479 5379

The Social Economy Unit, now part of the Regeneration Division within Communities Scotland, plays a key role in helping to develop Scottish Executive policy and strategy on social enterprise. It also manages the Futurebuilders Scotland funding programme (see below, under Specialist Funding Sources, Communities Scotland).

Community Enterprise Limited (CEL)

www.communityenterprise.co.uk 01506 862227

Community Enterprise Limited is one of Scotland's longest established specialists in developing sustainable community organisations, combining expertise in community development and business development. CEL works in 11 local authority areas on the eastern side of the country, from Edinburgh and the Lothians up to Dundee and Angus.

Community Retailing Network

www.communityretailing.co.uk 01381 622406

CRN is an organisation established in association with the Co-operative Group to provide support services to community retail co-operatives in Scotland. It can also provide information on the Co-operative Group's Community Food Discount Card (offering a 10% discount to community groups).

Co-operative Development Scotland ian.hughes@scotent.co.uk

This is a new body to promote co-operatives set up by the Scottish Executive as a subsidiary of Scottish Enterprise, with initial funding of £1m a year for three years.

Co-operativesUK www.cooperatives-uk.coop 0161 246 2900

Co-operativesUK is a central organisation for co-operative enterprises in the United Kingdom. Member owned and led, it works to represent the interests of its member co-operatives in the UK, in Europe, and around the world. It provides a wide range of services to its members, and its website includes useful publications and fact sheets which can be downloaded. It works in partnership with Co-operation & Mutuality Scotland (see above).

Development Trusts Association Scotland

www.dtascot.org.uk 0131 220 2456

Development trusts are community-led enterprise organisations, working in towns, cities and rural areas, combining community-led action with business expertise. DTA Scotland aims to support the formation of new trusts, assist them in business matters and tries to raise awareness for development trusts.

Employee Ownership Scotland www.eos.coop 0141 304 5465

Employee Ownership Scotland specialises in employee ownership and worker co-operatives.

Highlands and Islands Social Enterprise Zone

www.hisez.co.uk 01463 715 533

HISEZ brings together expertise and commitment from Highlands and Islands Enterprise, Communities Scotland and Social Firms Scotland. It aims to support the growth of a dynamic and sustainable social enterprise sector by piloting a number of new measures that will increase financial sustainability and reduce grant dependency of the sector. The programme of support aims to tackle the particular issues that arise in supporting a sector that operates in an extensive and sparsely populated rural area.

New Sector www.newsector.co.uk 0191 375 0101

ns magazine is published six times a year. Each issue contains news, analysis, case studies and informed opinion about democratic enterprise and community control. It explores issues affecting the social economy both in the UK and abroad. Most of the articles are written by people actively involved in co-operative, community or social enterprise.

New Start www.newstartmag.co.uk 0114 281 6133

New Start is a weekly news magazine aiming to provide news, comment and analysis for all concerned with community regeneration and to stimulate debate and discussion of policy.

Scottish Council for Voluntary Organisations (SCVO)

www.scvo.org 0131 556 3882 or 0141 221 0030

SCVO is the main organisation supporting the voluntary sector in Scotland, including projects to strengthen the social economy. It also provides support to Councils of Voluntary Services throughout Scotland, and publishes a weekly newspaper for the voluntary sector, Third Force News.

Scottish Social Enterprise Coalition (SSEC)

www.ssec.org.uk 0131 557 1516

SSEC brings together all the main representative and support organisations for social enterprise in Scotland. Its main role is to influence policy via lobbying and other activities. It is a sister organisation of the Social Enterprise Coalition (see below).

Senscot www.senscot.net 0131 220 4104

Senscot is a mutually supportive network for social entrepreneurs, providing open discussion forums and networking opportunities along with a weekly e-bulletin. A recent development is the Senscot Exchange, which operates on three levels: web-based information; a personal response service; and active accounts – matching clients with suitable expertise.

Social Enterprise www.socialenterprisemag.co.uk 020 8442 1623

This monthly magazine aims to provide accessible, comprehensive news and practical help for everyone interested in social enterprise.

Social Enterprise Academy www.theacademy-ssea.org 0131 220 5333

The Social Enterprise Academy is a new organisation providing learning and development programmes for leaders and potential leaders of social enterprises in Scotland. The Academy acts as a hub, working through a collaborative network of partners and experienced social entrepreneurs to design and deliver learning tailored to the needs of the sector in Scotland.

Social Enterprise Coalition (SEC)

www.socialenterprise.org.uk 020 7968 4921

The Social Enterprise Coalition (SEC) is the UK trade body that brings together all types of social enterprise to promote the sector and share knowledge. Its website has links to all sorts of useful resources.

Social Enterprise Edinburgh (SEE) www.go4see.info 0131 663 9471

SEE aims to become a leading provider of the skills and knowledge needed to develop or start up sustainable social enterprises within the Edinburgh area. Its website includes a number of useful resources.

Social Enterprise Institute (SEI)

www.sml.hw.ac.uk/socialenterprise/ 0131 451 3858

The business of this institute set up by Heriot-Watt University is the provision of research, training, business planning, education and consultancy services for all stakeholders in the social economy.

Social Firms Scotland www.socialfirms.org.uk 0131 225 4178

Social firms are businesses developed to provide employment opportunities for people with a disability or other disadvantage in the labour market. Social Firms Scotland provides business advice, training and consultancy to individuals and organisations seeking to start a social firm.

Village Retail Services Association www.virsa.org 01993 814377

ViRSA, now part of the Plunkett Foundation, supports rural communities wanting to set up and run a community owned shop. Its website includes several useful case studies.

Volunteer Development Scotland www.vds.org.uk 01786 479593

Scotland's national centre for volunteering aims to promote, support and develop volunteering in Scotland. It offers training programmes for those who manage volunteers.

Specialist Funding Sources

Big Lottery Fund in Scotland

www.biglotteryfund.org.uk/about/offices/scotland.htm 0870 240 2391

The Big Lottery Fund in Scotland's manifesto, published in November 2005, announced a new plan of investment in communities, including a large-scale programme for 'Growing Community Assets'. Social enterprise has been identified as a key priority, and support will be provided to assist organisations before and during investment. Details were still being finalised at the time of going to press, so contact them for further information.

Charity Bank www.charitybank.org 01732 774050

Charity Bank offers loans to community and social enterprises as long as their purpose is charitable; it does not normally require guarantees, and also provides advice on sustainability.

Communities Scotland

www.communitiesscotland.gov.uk 0131 313 0044

Communities Scotland runs the three **Futurebuilders Scotland** funds – Investment, Seedcorn (both currently closed) and Learning – targeted at existing social economy organisations with the aim of helping them both to expand future service delivery and to improve their financial sustainability. Through the Scottish Centre for Regeneration it also provides two funds to support innovation and the exchange of ideas in community regeneration: the **Seeing is Believing Fund**, designed to help groups visit and learn from other successful projects; and the **New Ideas Fund**, which aims to help groups to assess the feasibility of new ideas and develop support for innovative approaches.

Co-operative & Community Finance

www.co-opandcommunityfinance.coop 020 7251 6181

Co-operative & Community Finance has been providing loan finance for co-operatives, employee owned businesses and social enterprises for 30 years, and is authorised and regulated by the Financial Services Authority.

Esmée Fairbairn Foundation www.esmeefairbairn.org.uk 020 7297 4700

The EFF's new 'Social Change: Enterprise and Independence' grant programme includes among its target groups: voluntary and community organisations aiming to achieve some degree of sustainability; social enterprises; and organisations taking an entrepreneurial approach to tackling social needs.

Social Investment Scotland

www.socialinvestmentscotland.com 0131 558 7706

Social Investment Scotland provides loans and business support to Scottish social economy organisations, either directly or through a network of local providers. Its website includes a downloadable directory of organisations lending to social enterprises in Scotland, 'Taking a Loan of Finance' (which includes case studies).

Scotland UnLtd

www.scotlandunltd.com 0131 226 7333 or 0141 221 2322

Scotland UnLtd invests in individuals who want to make a difference in their communities and who are starting down the path of social entrepreneurship. It also provides online advice and information about legal, compliance, business and finance matters.

Triodos Bank www.triodos.co.uk 0117 973 9339

Triodos Bank, one of the leading ethical banks in Europe, specialises in lending money to organisations and businesses pursuing positive social, environmental and cultural goals.

Food and Health

Cultivating Communities www.cuco.org.uk 0117 914 2425

Cultivating Communities is a Soil Association project, which supports Community Supported Agriculture (CSA) initiatives. The website aims to be a resource for all community based local food initiatives, however, and has many useful publications available for downloading.

“To be successful, local food enterprises should be in direct contact with, and respond to, the needs of the customers who represent the market for their products and services. Research into the opportunities and needs for a new initiative will make sure that it meets actual local needs. Time taken on research at this early stage will be beneficial throughout the development process as it will provide basic information on what services and products are needed and show whether the key people involved are committed.”

From 'Cultivating Co-operatives: organisational structures for local food enterprises', available on the Cultivating Communities website www.cuco.org.uk

Fairtrade Foundation www.fairtrade.org.uk 020 7405 5942

The website provides information on Fairtrade products, recipes, suppliers, educational resources and how to become a Fairtrade town.

Food Commission www.foodcomm.org.uk 020 7837 2250

The Food Commission campaigns for safer, healthier food in the UK and publishes a quarterly journal, the Food Magazine.

Food Standards Agency Scotland

www.food.gov.uk/scotland/ 01224 285100

The agency was set up to improve food safety and standards in Scotland and protect the health of Scotland's population in relation to food. The website carries a range of information along with a list of useful publications (many aimed at those starting a business).

Healthyliving Award (formerly the Scottish Healthy Choices Award)

www.healthylivingaward.co.uk (www.shcas.co.uk) 0141 226 5261

This national award will be launched in 2006 and will build on the experience of the Scottish Healthy Choices Award, which closed to applicants in September 2005. The Healthyliving Award will make it easier for people to eat healthily when out and about and will reward good practice in providing and supporting healthier eating.

Highlands and Islands Local Food Network

www.hilocalfood.net 01381 600525

HILFN is a group of food consumers, farmers, crofters, community groups, retailers and projects from across the Highlands and Islands of Scotland who are working together to make fresh, locally grown food more available in local communities.

NHS Health Scotland

www.healthscotland.com 0131 536 5500 or 0141 300 1010

NHS Health Scotland provides a national focus for improving health and reducing inequalities in Scotland. Links are provided to Scottish websites dealing with health issues, such as eating, exercise, smoking and pollution. They can also help you with contact details for your local NHS Board health promotion department, who may be a good source of support in terms of materials, grants, promotion and networking.

Soil Association Scotland www.soilassociation.org 0131 666 2474

The Soil Association has a history of supporting local and organic food initiatives across the UK, and has just appointed its first director in Scotland.

Sustain www.sustainweb.org 020 7837 1228

Sustain describes itself as 'the alliance for better food and farming', and its website includes resources on a variety of topics – including its own Food Poverty Project. It has also just launched its own online social enterprise toolkit for community food projects at www.sauce-toolkit.org.

Publications from the Scottish Community Diet Project

- **Fare Choice**, quarterly newsletter, available free of charge to anyone within the UK, also available to download from www.dietproject.org.uk

The following selection of publications from the Scottish Community Diet Project are available free of charge to those based in Scotland. Most publications can also be downloaded from the website.

- **Directory of Community Food Initiatives 2004**
(update version planned).
- **Source 2004:** Guide to funding for community food projects
(Source 2006 planned).
- **Routes to Health:** case studies of two community run mobile food shops. Published in partnership with Have a Heart Paisley, East Lothian Roots & Fruits and NHS Health Scotland, 2005.
- **Breakfast Clubs... More of a Head Start:** a step-by-step guide to the challenges of setting up and running breakfast clubs in Scotland, 2004.
- **Promoting Healthy Eating Choices in Community Cafés:**
key points learnt from a Glasgow Community café development Intervention. Published in partnership with the Scottish Healthy Choices Award Scheme, 2005.

Local network checklist

Involving local health and regeneration agencies, local food retail outlets and other community organisations can be one of the best sources of advice and support for a community food initiative. Within all communities there will be many people and organisations with an interest in food access issues. You will probably know or be in contact with many already.

Links you may already have:

Organisations your board members and others have links with.....

.....

.....

Local schools

.....

Other community groups

.....

Other local networks.....

.....

Local childcare organisations.....

.....

Statutory organisations and other people you could make links with:

Local NHS Board and contact at health promotion department.....

.....

Local authority.....

Health Improvement Officer at the local health authority.....

.....

Environmental Protection Officer at the local authority.....

.....

MSP
MP
MEP
Community nutritionist / dietitian
Community Planning partnership

Local Suppliers

Neighbourhood shops
.....
Local supermarkets
.....
Wholesale food distributors
.....
Farmers Market organiser

Business support

Accountant.....
Business advisor
Local businesses
.....
Local enterprise company

Voluntary sector support

Local training providers.....
.....
Local CVS (Council for Voluntary Services).....
Past funders and local funders
.....





healthyliving

Scottish Community Diet Project

c/o Scottish Consumer Council
Royal Exchange House
100 Queen Street
Glasgow G1 3DN

Tel: 0141 226 5261

Fax: 0141 221 0731

Email: scdp@scotconsumer.org.uk

www.dietproject.org.uk

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