

# Setting up a catering business

## Step by step guide

The following guide is provided to help people when opening or taking over a catering business in Jersey. A catering business is one which prepares food for sale and includes food businesses working from home, in a commercial kitchen, in a café, restaurant or accommodation as well as a mobile food unit. It is very important to get things right at the start as this will make it much easier for you to run the business in the future. This guide will let you know of the main things you need to consider.

## Setting up a business

You will need to set up your business as a sole trader or limited company in order to run your company in Jersey. It will be helpful to read our guide to <u>Types of Trading Entity</u> which outlines the differences between the type of business structure you can use and will help you to decide which type is most suitable for your particular business.

Here you can find detailed information about how to set up as a <u>sole trader</u> and as a <u>limited company</u>.

# Registrations and licences relating to food preparation

This section contains information about licences that relate specifically to businesses preparing and selling food.

## **Environmental Health Department**

If you are starting or taking over a catering business, you must register your premises with the Environmental Health Department at least 28 days before opening.

Environmental Health is responsible for administering and enforcing legislation related to environmental health. They will direct you to the <u>Food Standards Agency Business</u> <u>Guidance</u> and before you proceed with your venture it is recommended that you read these so that you understand the responsibilities of running this type of business.

## Food safety and labeling

Proprietors must ensure that any food and drinks they supply comply with food safety, hygiene and labelling legislation.

Currently, it isn't a legal requirement for a business to display all allergens within their food. However, it is illegal for a business to claim that something is free of a specific allergen when it isn't.

The description of gluten-free is subject to strict labelling rules and for more information about the labelling of glutenfree or low-gluten products, go to <u>Gluten-free Advice</u>. Be careful of using the term 'gluten free' if the possibility of cross contamination exists.

## **Places of refreshment licence**

A place of refreshment can be a restaurant, a café, a snack bar, kiosk, mobile unit, a tea shop, a canteen, or any other place which sells meals or refreshments.

You will need to register for a licence to sell refreshments under the Places of Refreshment (Jersey) Law 1967. There is a fee for this licence which is renewed annually. Go to <u>Licence to Sell Refreshments</u> for details of how to register your business.

The Licence is subject to the Fire Service and Environmental Health Department approval and they will both need to visit your site before giving approval. The Fire Service will charge a fee for this inspection.

A catering business that is considering providing a take away or home delivery service, as part or all of your income, will need to consult with the Planning Department and apply for separate permission to provide this. Planning will consider a number of factors and consult with a number of stakeholders, including the Parish authority, before permission may be granted. If customers are ordering food online they must be able to view your Eat Safe rating as part of the process.

### Eat Safe rating

The Environmental Health Department is also responsible for the management of the <u>Eat Safe Food Safety Scheme</u>. Businesses are inspected by Environmental Health anywhere between every six months to five years, depending on their level of risk and compliance.

Through this scheme every registered food business in Jersey is subject to a food safety audit and given a star rating which is based on compliance with the Eat Safe Brand Standard. This rating reflects the premises' food safety and hygiene standards, not the quality of the food. From December 2017 every restaurant, café, and takeaway must show their 'Eat Safe' food safety and hygiene standard rating or face prosecution.

You can download the <u>Eat Safe Food Safety Checklist</u> which will help you identify areas of food hygiene and improvement.

## **Liquor licence**

If you wish to sell alcohol you will need to apply for a Liquor Licence. There is an annual fee which depends in the type of licence you apply for and you can find more information on the types of licences, how to apply and pay at <u>Liquor Licence</u> <u>Information</u>

The Licensing (Jersey) Law 1974 prevents a person, under the age of 18, from being employed in work in connection with any bar on licensed premises. The Children (Regulation of Employment) (Jersey) Order 2011 forbids a child as defined as 'a person who has not attained the age of 16 years' from selling or delivering any kind of alcohol while in any employment.

#### Ice cream licence

You must have an ice cream licence if you run a food business from a non-fixed premises, such as a shack, kiosk, ice-cream van or similar and wish to sell ice-cream as part of your business. The licence can be obtained from Environmental Health.

# Other registrations and licences

In this section you will find information about other licences you need to consider depending on how and where you operate your business.

## **Public entertainment licence**

If you wish to hold a regular or one-off public event you must apply to the Bailiff for a public entertainment licence. All you need to know about the application process can be found at <u>Permission to hold a public event</u>.

Most venues that offer regular entertainment apply for an annual permit which covers them for the year. An event organiser does not need a permit if the event meets the terms of the venue's existing permit so when you hire a venue you should check this.

## **Music licences**

Businesses that play background music in their premises must hold licences from the Performing Rights Society for Music (PRS) and PPL. Go to <u>PRS Licence</u> and <u>PPL Licence</u> for information.

## **Data protection**

If you hold or process sensitive personal information, for example details of customers, suppliers or staff, you will need to notify and register your business with the Office of the Information Commissioner.

Think about the systems and processes you will use to make sure that you hold and manage sensitive personal information securely.

Both the Environmental Health Department and the Planning Department will be involved in authorising any changes that you make to premises. You should contact both these departments before starting any work to make sure you understand what you need to do to be compliant. The

## Your premises

following are some of the key issues to consider:

#### Hand washing facilities and toilets

You must comply with the requirements to provide toilet facilities if your establishment is a public house, licensed restaurant or place of refreshment.

You must have enough washbasins dedicated for staff to wash their hands with hot and cold running water and materials for cleaning and drying them hygienically. Smaller cafés typically provide toilets and hand-washing facilities for customers by enabling them to use staff toilets. Full details are shown at <u>Toilet Requirements.</u>

#### Workplace health and safety

All working activities are covered by the Health and Safety at Work (Jersey) Law 1989 and depending on the type of work being carried out, may also be subject to additional regulations and approved codes of practice.

All employers must ensure they have an adequate up to date Health and Safety Policy if employing five or more staff. Information on health and safety requirements are available from the <u>Jersey Safety Council</u>.

As a general guide, if you are an employer, then you must ensure that the health and safety of your employees and others, such as members of the public, is not affected by your working activities. Failure to comply with your legal duties may result in enforcement action being taken against you.

For further information on the relevant legislation, which covers a wide range of health and safety topics, go to the guide <u>Health & Safety in the Workplace.</u>

#### **Costs and rates**

You will need to budget for the costs associated with leasing or buying premises, including legal fees, rent, utility bills, and rates. For more information go to our <u>Property Guide for</u> <u>Small Business.</u>

## Mobile catering units

If you are considering a mobile unit you will need to seek the permission of the landowner to operate your business. In most cases when you are looking to operate in a public car park and public area you will need to contact <u>Jersey Property</u> <u>Holdings</u> to obtain a licence. In other cases, you will need to contact the land owner directly.

Please see our separate guide for <u>Starting a mobile catering</u> <u>business in Jersey</u>

### Shop fronts, signage and outside tables

Business premises usually display signage on shop fronts or on A-boards on the pavement outside their site. If you have any of these, you will need to get planning permission for:

- New and replacement shop fronts which differ significantly from the original. Additions to a shop front including blinds, canopies and external shutters will also require planning permission. Go to <u>Shop Front</u> <u>Permissions</u>
- Signs and advertisements including sandwich boards and window stickers. For more information go to <u>Signs &</u> <u>Adverts Permissions</u>
- Displaying an A-board outside your site. You will need to contact the relevant Parish to request permission and complete an application and there is a small fee for this.
- Placing tables and chairs outside your premises. If the space is managed by the Parish, i.e. a pavement, you will be required to present your plans at a Parish Roads Committee meeting for consideration. If successful you will pay the Parish a charge based on the size of the allocated alfresco area. If the space is owned privately or by the States of Jersey then a Planning Application will be required.

You may also need planning permission when your business signage is in a location away from your actual premises so make sure you check with the Planning Department to ascertain what consent is necessary.

## **Broadband & Wifi**

Most catering businesses provide customers with Wifi internet access and you will need to budget for an appropriate broadband package. Costs of commercial packages vary and details are provided on request by broadband providers.

### No smoking

Smoking is prohibited in all enclosed public places and enclosed shared workplaces and you will need to ensure that you take 'all reasonable steps' to ensure that employees, customers and other visitors do not smoke on your premises.

It is a requirement of the Tourism (Jersey) Law 1948 that no smoking signs are displayed at the main entrance(s) of licensed premises, premises registered under the law and premises registered under the Places of Refreshment (Jersey) Law 1967. The signs must be clearly visible and prominently displayed, be no less than 230 millimetres high by 160 millimetres wide and must display the international 'No-Smoking' symbol, no less than 110 millimetres in diameter.

There is no obligation to provide smoking shelters for employees or customers but if you do any smoking shelter must have at least half of its sides completely open. Go to <u>Smoking Guidance for Businesses</u> for more information.

### Security

You should consider if you need security for your business and the type of security that is most appropriate which might include:

- An alarm system
- CCTV
- A safe that can be used to keep small amounts of cash secure. Make sure you choose a safe that satisfies the level of insurance cover for cash held on the premises but remember that ideally cash should be banked regularly to keep the amount on-site to a minimum.

**Employing staff**,

Before you start your business, you should consider the

## qualifications and skills

recruitment and sourcing of the staff that you are going to need. In Jersey, several categories of employment qualifications exist and you need to be aware of these when employing staff as your business will only be able to employ a certain number of people in the different categories. The system of employment qualifications is carefully controlled be the Population Office which is generally reluctant to grant new businesses the ability to employ staff with less than 5 years' continuous residence in Jersey. You need to consider this when thinking about your business plan as it may affect your operations, the way you advertise for staff and possibly the salary you will need to pay them.

## **Qualifications and skills**

There is no legal requirement to have a specific qualification to start up and run a place of refreshment in Jersey. However, anyone starting this type of business will require an up-to-date understanding of food safety and hygiene legislation and related practical issues.

Experience in the hospitality and catering sector as well as culinary and food service skills will be an advantage and significantly increase the chances of success for the business.

Anyone involved in producing, preparing and handling food and drinks must be able to demonstrate appropriate food hygiene knowledge. Although a formal qualification is not legally required, obtaining a certificate in food safety is a good way of demonstrating this knowledge. Choose a course that is accredited with a professional body such as City and Guilds or the Chartered Institute for Environmental Health.

## **Employing staff**

Once a business starts to grow it inevitably gets to a point when it needs to take on employees and this can be a daunting prospect. However, if a business is to succeed it needs to get the most out of its employees and having appropriate policies and procedures in place can really help to manage staff effectively. Some regulations are particularly relevant for businesses employing young people:

- You are not permitted to employ anyone under 13 years old
- People under the age of 16 are not permitted to 'undertake work of any kind in a kitchen in which food is prepared for sale in the course of a business'.
- You must not employ young people in any way that falls outside the list of restrictions for young workers including the hours of employment and work breaks.
- For more information go to Employing Children.

## Minimum wage, tips and gratuities

Some customers leave tips for café proprietors or their staff and the proprietor must comply with Jersey tax and minimum wage regulations:

- If tips are given directly to staff they do not have to pay income tax on these via their wages, but they are responsible for declaring tips on their income tax return
- If tips are passed on via the employer, tax must be deducted from staff pay under the ITIS system.
- Tips and service charges cannot be used to make up employees' Minimum Wage.

For more information, go to Minimum Wage Guidelines

#### Right from the start you should develop a business plan and financial projections for your business to make sure it is viable. You can download our <u>business plan template</u> and also use the <u>Guide to writing a business plan</u> to help you think through how your business will operate. These are some specific areas that you might want to consider carefully:

## Sourcing suppliers and consumables

You will need to budget for and source a wide range of supplies and ingredients from reliable trade suppliers, some of which may specify minimum order levels.

Ingredients can be sourced from UK national wholesalers and local wholesale suppliers. In addition, there are a variety of local artisan produce suppliers who are members of <u>Genuine</u>

# Commercial and financial Issues

#### <u>Jersey</u>.

#### Insurance

You should consider having the appropriate <u>insurance</u> <u>cover</u> which could include:

- Public liability insurance, which covers the business against claims for compensation from customers, suppliers and members of the public injured or adversely affected by its activities.
- Professional indemnity insurance, which covers a café against claims of breach of copyright (for example by playing music in the café without a PRS for Music or PPL licence) or negligence (for example by failing to provide information about potential allergens in ingredients) when supplying drinks and food items.
- Employers' liability insurance, which is mandatory as soon as the business employs staff.
- Legal expenses insurance, which provides cover for pursuing or defending any claims from contractual disputes or to defend employment tribunal cases.
- Building and contents cover, which will be needed to cover the café premises, office and IT systems, equipment, supplies and stock against accidental damage, deterioration and spoilage (for example due to the electric supply to fridges and freezers failing) for example.
- Theft of stock or cash by staff, as well as cover for the loss of cash and cheques from the premises.
- Vehicles used for business purposes, which must include a minimum of third-party cover. Cover can also be obtained for goods and equipment stored in the café's vehicle.

## **Taking payments**

Think about how you will record your transactions throughout the day and ideally how you can get information about the sales you have made at the same time. The more you can integrate your systems the easier it will be to manage other aspects of your business such as your stock and payments.

There are different options to think about:

- A simple till will handle basic transactions
- A chip and pin card machine will process credit and debit card payments
- Customer are increasingly using smartphone apps and contactless cards to make payments
- Online platforms will integrate your till with bookkeeping tools and sales reports to record transactions and give you good financial information.

## GST

Businesses with a turnover of more than £300,000 must register with the Taxes Office but can elect to register before this threshold for commercial reasons. For more information go to <u>GST for Organisations</u>.

If a business adds a service charge to a bill, the charge constitutes part of the value of the service provided and is subject to GST unless the business' taxable person (normally the owner) can prove that all the service charge was paid to members of staff as part of their remuneration.

If a customer leaves a voluntary tip for the service they receive, this amount is not subject to GST provided that:

- the whole of the payment is retained by the employee to whom it is given, or
- the payment is pooled between the employees, who share the whole amount between them

# Key contacts for Jersey government and regulators

Information on all government departments can be found on <u>www.gov.je</u>

#### **Environmental Health Department**

E: environmentalhealth@gov.je Tel: 01534 445808

#### **Planning Department**

E: planning@gov.je Tel: 01534 445508

#### **Health and Safety Inspectorate**

E: hsi@gov.je Tel: 01534 447300

#### **Department for Infrastructure (formerly Transport**

#### and Technical Services)

E: dfi@gov.je Tel: 01534 445509

#### Jersey Fire and Rescue Service

E: <u>s.admin@gov.je</u> Tel: <u>01534 445906</u>

#### **Parish Halls**

www.parish.gov.je

#### Office of the Information Commissioner

<u>www.dataci.je</u> E: <u>enquiries@dataci.org</u> Tel: +44 (0)1534 716530

#### **Jersey Safety Council**

www.jsc.je E: admin@jsc.je

# Key contacts for commercial suppliers in Jersey

#### Local food suppliers

Genuine Jersey: <u>http://www.genuinejersey.com/find-</u> products/

Directory: www.jtdirectory.com

#### **UK Food suppliers**

Booker: <u>www.booker.co.uk</u>

Bestway: www.bestway.co.uk

Costco: www.costco.co.uk

#### **Telecommunications providers**

Airtel Vodafone: www.airtel-vodafone.com/contact-us

Jersey Telecom: www.business.jtglobal.com/channel-islands

Sure: www.web.sure.com/jersey

Finance and payment systems:

		CityPay Jersey: <u>www.citypay.com</u>	
		Checkout Epos Systems: <u>www.checkoutci.com</u>	
		Worldpay: www.streamline.com/card-machines	
		Chip & Pin Solutions: <u>www.valitor.com</u>	
		High street banking solutions are also available.	
UK industry and other bodies		Performing Rights Society for Music: <u>www.prsformusic.com</u>	
		PPL: <u>www.ppluk.com</u>	
		Food Standards Agency: <u>www.food.gov.uk</u>	
Food hygiene training		City and Guilds: <u>http://www.cityandguilds.com/</u>	
		Law at Work: www.lawatworkci.com	
		Nationwide Caterers Association: <u>www.ncass.org.uk</u>	
		Chartered Institute for Environmental Health: <u>www.cieh.org</u>	
Relevant	The following legislation and regulations can be found at <u>www.jerseylaw.je</u> .		
legislation and	Food Safety (Jersey) Law 1966		
regulation	IlationPlaces of Refreshment (Jersey) Law 1967Licencing (Jersey) Law 1974Restriction on Smoking (Jersey) Law 1973Unlawful Public Entertainments (Jersey) RegulationsHealth and Safety at Work (Jersey) Law 1989		
	Tourism (Jersey) Law 1948		
	Employment (Minimum Wage) Jersey Orders		
	Food Hygiene (General Provisions) (Jersey) Order 1967		

Restriction on Smoking (Workplaces)) (Jersey\_ Regulations 2006

Restriction on Smoking (Amendment No.2) (Jersey) Law 2006: Smoking Shelters

Statutory Nuisances (Jersey) Law 1999

Food Safety (Ice-cream stalls etc) (Jersey) Order 1969

Food Safety (Labelling) (Jersey) Order 2005

Food (Registration of Premises) (Jersey) Order 2001

Food Safety (Miscellaneous Provisions) (Jersey) Law 2000

In addition, information on the East Safe scheme can be found at <u>https://www.gov.je/Industry/RetailHospitality/FoodDrink/Pages/FoodMatters.aspx</u>

T 01534 445808; E environmentalhealth@gov.je

# **Relevant Links**

Food Standards Agency Business Guidance
> Jersey Safety Council
> Genuine Jersey
Soluten-free Advice
Licence to Sell Refreshments
> Eat Safe Food Safety Scheme
> Eat Safe Food Safety Checklist
> Health & Safety in the Workplace
Employing young people

> Minimum Wage Guidelines	
Liquor Licence Information	
> Permission to hold a public event	
Shop Front Permissions	
> Signs & Adverts Permissions	
> Toilet Requirements	
> Business Waste Charge	
Smoking Guidance for Businesses	
> Music licences-PRS Licence	
> PPL Licence	
> Office of the Information Commissioner	
SST for Organisations	

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