



The **ABC** of the restaurant industry

How to start a restaurant or café business



Business Helsinki

Something well planned gets off the ground faster

This guide contains practical advice on how to get your business off the ground. Starting a restaurant or café can be a complicated process, and you will come up against, and have to deal with, all kinds of regulations, laws, permit applications and the authorities.

The guide focuses on the most common official matters. Careful preparation, good planning and doing things in the right order will ensure that everything goes smoothly. If you follow the advice given in this guide, your business will get off the ground fast, you will avoid unexpected costs and you will not waste time.

At the end of the guide, there is some useful general information and there are links to more detailed matters connected with setting up the business. The guide has been put together by Business Helsinki. This is a service centre for current and would-be entrepreneurs that provides under the same roof all the services that entrepreneurs might need from the time they develop their business idea.

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The main steps involved in starting a restaurant or café



1.

Business plan

A clear mission and a carefully drawn up business plan are the keys to a successful business.

A steady flow of customers and adequate sales result from the right choice of location, a business idea that people find interesting and a professional approach. The Urban Research and Statistics Unit of Helsinki provides information connected with planning, including the population structure of different areas.

Profitability and the viability of the business will also depend on such factors as the necessary investment, the cost structure of sales and how flexible it is, and the financing required to cover initial operating expenses and later seasonal fluctuations.

It is very important to ensure that there is adequate financing. When starting up an enterprise, there needs to be sufficient capital to cover costs, until they can be covered with income from the business.

The business plan should include an estimate of how much would be needed to start the business and of other available resources, and a rough forecast of how sales are expected to go and the financial result. There are a lot of different models and templates online for making a business plan (e.g. newcohelsinki.fi/en/services/business-plan/). The business plan is an important tool for you, and it also serves as a sound basis for discussions with those providing the financing. You can also find advice and a forum for tossing ideas around in making a business

plan at the Business Advisory Service at Business Helsinki (newcohelsinki.fi/en/services/business-advisory/).

START-UP OPTIONS

A restaurant or café business can start with the purchase of an active company or business operation, or a share in a company. A transaction of this sort means that you will need to familiarise yourself thoroughly with the site you are buying and there should be clear agreements in place, and it is recommended to use an impartial expert (e.g. an accountant, auditor or company lawyer) or a broker specialised in the restaurant industry. There is also good additional advice available in the trade literature.

Starting a new company involves all the normal steps that need to be taken to set up any business, but there are also other factors that have to be considered when opening a restaurant or café. The business premises themselves, the regulations on food, health and safety, a licence to serve alcohol and many other matters mean that you will have to deal with quite a few of the city's authorities. You will need as a partner someone who has skills and competence in planning – that is almost inevitable.

This guide will ensure that the business start-up process runs as smoothly as possible and with no nasty surprises, and that there are good levels of cooperation with the authorities right from the beginning.

FORECASTS, PLANS, CALCULATIONS AND ESTIMATES

You should draw up a written business plan and forecasts, plans, calculations and estimates for the restaurant you want to start. These you will

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need in order to make sure that the company is profitable and also to acquire financing. This guide gives an example of a financing plan, a profitability calculation and revenue estimates. Very important too for a restaurant business is a cash flow forecast, where you can see, for example, how adequate the initial capital will be over the following months, and the level of sales that will be required in the future. The financing plan shows the cash required and its sources when setting up the business. The profitability calculation shows the company's monthly and yearly profitability. The calculation also shows the daily and hourly sales target. The revenue estimates are a forecast of the volume of monthly sales.

The example forecasts, plans, calculations and estimates have been made for an imaginary restaurant seating 50 customers opening in a suburb of Helsinki. The concern is a limited company with two owners. There are also two full-time employees on the staff. The restaurant

sells lunch, à la carte dishes, desserts, coffee shop products, non-alcoholic beverages, alcoholic beverages and cigarettes. The restaurant is open five days of the week from 11:00 to 22:00. The owners pay €1,500 in rent a month + VAT at 24%. There is a deposit to pay that is the equivalent of two months' rent. The restaurant's water and electricity expenses are on average €400 + VAT at 24% a month.

The restaurant is on premises that was previously used for a restaurant business. There is no need for alterations requiring a building permit or the services of a planner, which would require considerably more in terms of initial outlay.

FINANCING PLAN

The financing plan shows in the sections presenting the need for cash the costs of the intangible assets (in the example case €240 for registration costs and €2,000 for the shareholder's agreement and licences to serve alcohol), the cash set aside for machinery and equipment, the costs of business movable assets, the working capital for approximately three months and the need for stock and financial assets. The sources of cash consist of a shareholder loan of €38,700, a bank loan of €41,000, credit from suppliers of €500 and a loan of €6,000 from the parents of the entrepreneurs in question. The need for cash and its sources amount to the same figure, €86,200. The owners will pay off the €41,000 bank loan in instalments over five years, the bank charging interest and fees equivalent to 5% of the full amount (it is worth checking the figures with the bank in the preliminary loan negotiations). The shareholders will only start to pay off their shareholder loan and the loan from their parents, where possible, later. The management costs associated with these loans are therefore not included in the profitability calculation. The supplier's credit will not be repaid, as it takes the form of an advance bulk discount for the restaurant.

PROFITABILITY CALCULATION

The profitability calculation follows on from the profit target. The profit target is €10 a month; consequently, the company makes a tiny profit.

Example of a financing plan

NEED FOR CASH (before you start the business)		€
Investment	Where it concerns the purchase of a business; purchase price	
	Administrative expenses, including registration fees and licences, agreements	2,240
	Machinery and equipment, including IT	15,500
	In-kind contributions (equipment ready to use)	
	Telephone	200
	Fittings and installations	2,000
	Vehicle	
	Furnishings	10,000
	Renovations	2,000
	Tableware, etc.	5,500
	Marketing costs (including SEO, etc.)	1,500
Working capital 1–6 months. (After the business starts up, it takes some time before income from sales starts to cover costs and your salary. You will need to estimate how long this will take.)	Website, leaflets, flyers, booking system	1,500
	Rent/deposits	7,500
	Equipment hire/leasing	600
	Proprietor's own subsistence	15,000
	Employees' salaries	12,000
Stock and financial assets	Other incidental capital expenditure, including electricity	1,640
	Initial stock	8,820
	Cash	200
Need for cash total		86,200

SOURCES OF CASH (how will you organise your initial financing?)		€
Equity	Own equipment (cell E18)	0
	Personal investment in the company	
	Share capital (only applies to limited companies)	
Loan capital	Shareholder loan (limited companies only)	38,700
	Bank loan, Finnvera...	41,000
	Other loans (e.g. related party loan)	6,000
	Other (credit from a supplier)	500
Sources for cash total		86,200



Yiping Feng & Ling Ouyang

PROFITABILITY CALCULATION	months	12 months
Target 1)	10	120
+ repayment of business loans	683	8,196
= Net result	693	8,316
+ Taxes 2)	173	2,076
= Gross income (before taxes and loan repayments)	866	10,392
+ interest on business loans	171	2,052
A = total	1,037	12,444
Fixed costs for business activities (excluding VAT): ³⁾		
self-employed person's pension insurance, two self-employed persons, earned income à €13,600 (YEL) 4)	426	5,112
other insurance	200	2,400
employees' salaries	4,000	48,000
indirect labour costs related to employees' salaries (approx. 50%)	2,000	24,000
entrepreneur's own salary (not applicable to a sole proprietorship)	5,000	60,000
indirect costs related to an entrepreneur's salary 3%	150	
rents and electricity	1,900	22,800
lease fees and/or hire purchases	200	2,400
marketing, advertising, fairs and all promotions	300	3,600
telephone and internet	100	1,200
travel and car expenses	200	2,400
book keeping	200	2 400
office expenses, bank charges, etc.	50	600
education and development	150	1,800
magazines, subscriptions, professional literature, newsletters	50	600
repairs, maintenance and software updates	150	1,800
unemployment fund for entrepreneurs		0
other miscellaneous expenses (music licences, MaRa, Helsingin yrittäjät, working clothes, cleaning)	300	3,600
B = total fixed costs	15,376	182,712
A+B required sales margin	16,413	195,156
Purchases (directly in the revenue estimates under the product in question)		0
= Required turnover	16,413	195,156
+ VAT [15.4% used in this formula, calculated average 14% and 25%] 5)	2,528	46,837
= Total sales/invoicing	18,941	241,993

SALES TARGET	Excluding tax	including VAT
	195,156	241,993
Monthly sales target over 11.5 months	16,970	21,043
Daily sales target over 20 days	849	1,052
Hourly sales target over 11 hours	77	96

MONTHLY SALES ESTIMATE													
Product	Lunch buffet €10		A la carte-dish €17		Dessert €7		Non-alcoholic beverages €4		Alcoholic beverages €7		Cigarettes €7		€/month exclusive of VAT
unit price	8.67		14.73		6.14		3.51		5.65		5.65		
unit costs	3.60		4.90		2.50		1.50		2.30		5.05		
= (sales) margin	5.07		9.83		3.64		2.01		3.35		0.60		
Customer group	no.	total	no.	total	no.	total	no.	total	no.	total	no.	total	Total €/month
Daytime customers	800	4,056			30	109	315	633	60	201	5	3	5,002
Evening customers			900	8,847	350	1,274	525	1,055	600	2,010	25	15	13,201
Sales margin total:		4,056		8,847		1,383		1,688		2,211		18	18,203
Product sales total:	800	6,936	900	13,257	380	2,333	840	2,948	660	3,729	30	170	29,373
Costs total:		-2,880		-4,410		-950		-1,260		-1,518		-152	-11,170

REQUIRED SALES MARGIN	Month	Year
Turnover (excluding VAT):	29 373	352 477
Expenses:	-11,170	-134,034
Sales margin total:	18,204	218,443
Required sales margin from previous tab (carries over automatically)	16,970	203,641
Difference (must show a profit)	1,234	
Difference expressed as a percentage	93%	

At the outset, it makes sense to know how much the restaurant needs to sell to cover costs. The profit margin is roughly 60%; i.e. more than €130,000 is spent on raw materials annually. In the calculations, the costs of purchasing raw materials are located in the estimated revenue section and focused directly on the products for sale.

The restaurant pays VAT at a rate of 24% on the sales of alcohol and cigarettes and 14% on the sales of food and non-alcoholic beverages. The average figure for the rate of VAT appears in the calculation as 15.4%. The restaurant is shut for two weeks of the year and is therefore open for 11.5 months. The restaurant is open on 20 days in any one month. According to the calculation, the daily turnover must be at least €849 (exclud-

ing VAT); i.e. the day's takings must be €1,052 (including VAT) for the restaurant to cover its costs.

REVENUE ESTIMATES

The figures in the revenue estimates exclude VAT. The product group sections should show the average price for each group. Below them under costs, the price of the raw materials/purchase price for the product is recorded. For example, the prices for à la carte dishes for customers vary between €8 and 23, but the average price is estimated at €17. The customers divide into daytime and evening customers. The owners estimate that the restaurant will sell 40 lunches a day (800 a month), 45 à la carte dishes a day (900 a month), 18 desserts/coffee shop products

GROWTH RATE	year 2 (%)	year 3 (%)
Income	15	10
Expenditure	5	5

INCOME STATEMENT OVER THREE YEARS	year 1 (€)	year 2 (€)	year 3 (€)
Sales revenue	241,993	278,292	306,122
VAT	46,837	53,863	59,249
Turnover	195,156	224,429	246,872
Materials and supplies	0	0	0
Personnel expenses	132,000	138,600	145,530
Rent	22,800	23,940	25,137
Marketing	3,600	3,780	3,969
Other operating expenses	24,312	25,528	26,804
Earnings before interest, taxes, depreciation and amortization	12,444	32,582	45,432
Financing costs	10,248	10,248	10,248
Taxes	2,076	2,180	2,289
Financial result	120	20,154	32,896
Depreciation			
Net income	120	20,154	32,896
Incidental revenue/expenses			
Gross income	120	20,154	32,896

aday (380 a month, 40 non-alcoholic beverages a day (840 a month), 33 standard drinks a day (660 a month) and 30 packets of cigarettes a month. The company makes a profit of €1,234 a month on top of the €10, which is the profit target, so it makes more profit than intended. (If the company makes more profit than intended, it must also indicate this in the tax return!) If the company were to make a loss, you would have to put up prices at the restaurant, cut costs or increase sales in order to earn a profit.

Above you will also see an example of a three-year sales forecast. That is something you should prepare if you are looking for financing from, say, the banks.

CASH FLOW FORECAST

The cash flow forecast is needed to indicate the company's liquidity, especially if external financing is required to cover the costs of setting up the business or the investments made. The forecast will help you see if the initial financing is enough until such time as the company starts to be productive. It will also help you see how big a cash buffer you will need to get through the quieter periods. (Do remember the VAT payment schedule: the tax return and payment is on the twelfth day of the month in the second month following the end of the VAT period. So the VAT for January is declared and paid on 12 March, etc.).

CASH FLOW FORECAST (includes VAT)													
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Balance
Cash at the start of the period		34,525	45,415	52,602	57,938	63,273	62,566	52,795	62,386	73,829	78,547	83,266	667,142
Cash receipts													0
+ cash sales	27,745	41,618	41,618	41,618	41,618	32,370	18,497	46,243	46,242	41,618	41,618	41,618	462,423
+ accounts receivable													0
+ other payments													0
Total	27,745	76,143	87,033	94,220	99,556	95,643	81,063	99,038	108,628	115,447	120,165	124,884	1,129,565
Cash payments													0
- VAT			3,703	5,554	5,554	5,554	5,554	4,320	2,468	6,171	6,171	5,554	50,603
- purchases	18,437	14,426	14,426	14,426	14,426	11,220	6,411	16,029	16,029	14,426	14,426	14,426	169,108
- accounts payable													0
- salaries	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	108,000
- before taxes, social security contributions, employment pension insurance premiums, YEL insurance	2,576	2,576	2,576	2,576	2,576	2,576	2,576	2,576	2,576	2,576	2,576	2,576	30,912
- rent	4,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	25,800
- interest	171	171	171	171	171	171	171	171	171	171	171	171	2,052
- taxes	173	173	173	173	173	173	173	173	173	173	173	173	2 076
- other	43,480	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	63,280
In total	78,737	30,046	33,749	35,600	35,600	32,394	27,585	35,969	34,117	36,217	36,217	35,600	451,831
Financing													0
- loan repayments	683	683	683	683	683	683	683	683	683	683	683	683	8,196
+ loans raised	47,500												39,304
+ owners' investments	38,700												38,700
- owners' withdrawals													0
Total	85,517	-683	-683	-683	-683	-683	-683	-683	-683	-683	-683	-683	78,004
Cash at the end of the period	34,525	45,415	52,602	57,938	63,273	62,566	52,795	62,386	73,829	78,547	83,266	88,601	88,601

2.

Acquiring premises

More often than not, restaurant or café premises are rented. The tenancy agreement should be in writing and be in effect for a sufficiently long period.

Therental agreement will normally be for five to ten years, and will continue indefinitely afterwards on the terms and conditions for giving notice to terminate the arrangement. It is worth entering into an agreement for a period long enough to pay off the costs of repairs and alterations to the premises, the purchase of equipment and the marketing efforts during the agreement period. On the other hand, an agreement that is in effect for too long can become a burden. The space must also be large enough to seat your customers, work in, and store goods and supplies.

A fixed-term agreement is binding on the tenant for its entire duration. According to the law, when selling a business, a tenant may assign a rental agreement to the purchaser. However, it is normal for the tenancy agreement to have a condition in it that states that the landlord must give his consent to any such assignment: he may check the new tenant's background before the agreement is assigned. The tenancy agreement should state that the space is being used as a restaurant or café. It should also specify how much the rent is, who is liable for the costs of the use and upkeep of the space and the terms and conditions governing this, and when and how the rent may be increased. If the premises are being bought, there should be similar precise descriptions and explanations concerning what the space is being used for, with remarks on any restrictions, fees/compensation, etc.

The landlord or seller of business premises, or any agent or intermediary involved in the process, must make known the existence of any major renovation work on the building's pipe-work, façade, or anything similar that could disrupt activities in the restaurant or café.



Premises that are fit for purpose are the key to a successful restaurant business.



3.

Use of the premises

When acquiring premises it is essential to ensure that they are suitable for running the intended restaurant or café business and the preparation, storage, sale or serving of food.

The space may have been used previously as a restaurant or café, but it might not be suitable for the new business. It is worth examining drawings and other documentation for the restaurant that was there before using, for example, the archives of Building Control Services before signing a tenancy agreement or bill of sale, or there must be a proviso regarding any changes recorded in the tenancy agreement/bill of sale. Building Control Services cannot confirm beforehand that the space is suitable as a restaurant.

Furthermore, the changes may entail a lengthy construction project that requires a building permit, adequately trained and experienced planners and their plans, foremen and professional builders. Sufficient time should be set aside for this.

The planners will examine, for example, town plans, the adequacy of the ventilation system, the requirements for the type of kitchen, any necessary technical modifications (e.g. where the grease duct leads), the sufficiency of the number of exits relative to the number of people at the restaurant, the sound insulation arrangements, accessibility, etc. with reference to the regulations. If there are any problems with the

suitability of the facilities for use as a restaurant and changes are required, the tenancy agreement should be made conditional.

After the repairs and renovations have been made to the facilities, the surveys described in the building permit will be conducted. The business cannot start until the final survey has been given the go-ahead.

It is not enough merely for an assurance on the part of a property company, housing cooperative or property manager that the space can serve as a restaurant or café. A number of requirements connected with construction engineering, HVAC, hygiene, safety and security, and accessibility may prevent the start of the intended operation entirely or result in expensive alterations to the business premises, the feasibility of which needs to be ensured beforehand. The same applies to town plans, cityscape considerations and other issues.

Even though the business that operated on the premises before might have had the required permits, you should nevertheless clarify matters with the supervisory authorities. A new company can be called upon to meet new or modified requirements for the business on the premises to be able to continue. This has to do with the regulations of the Building Control Services, the food standards agencies and the rescue services, which we describe in more detail later. Furthermore, when buying a restaurant you should carefully check the tenancy/lease agreement for the premises and general compliance with the regulations.

ALTERATIONS REQUIRE A BUILDING PERMIT FROM THE BUILDING CONTROL SERVICES

A building permit is always needed if the purpose of use of the premises is changed, the

space is being extended or another kind of establishment selling/serving food or drink is being built. For example, a building permit is required if a shop is being converted into a restaurant or what was previously just a café is to become a restaurant. A building permit may also be needed if there is a change to the size of the seating area or there are structural or technical alterations to the premises.

Helsinki is divided into various districts. Contact details hel.fi/kaupunkiymparisto/fi/yhteystiedot/yhteystiedot+alueittain. If you have any questions, you should use the permit advice request point Lupapisteen Neuvontapyyntö.

If you want to change the purpose of use of the space or you need building permits, you can apply to the owner of the plot of land or whoever is responsible for it (housing cooperative or property company), but the company may also be granted power of attorney to acquire them. This would normally be granted to a planner hired by the company to take care of permit applications using the permit point facility. A housing cooperative or property company may set requirements and restrictions on the business and any changes as regards, for example, opening hours, noise, smoking, the building's

façade, the pavement and outdoor areas, such as gardens. You should investigate any such restrictions and record them when signing the tenancy agreement.

DOCUMENTATION AND PLANS NEEDED FOR A BUILDING PERMIT

The application must be made electronically: lupapiste.fi

- Power of attorney (unless the owner or managing company for the property starts the application at Lupapiste)
- Security of tenure and the minutes of the Board meeting.
- Main drawings
 - + site plan showing town planning and orders
 - + floor plans showing, for example: the former and new use of the premises, the area of change, the structures to be dismantled, fire compartmentation, kitchen type, the equipment needed to prepare food, number of seats for customers, regulation exits, soundproof markings, unobstructed entrance, adequate toilet facilities and a wheelchair-accessible toilet, grease duct,



Kuvatoimisto Kuvio (photo agency)

grease separator, social spaces, cleaning cupboard

- + Cross-section drawings
- + Façade drawings if there are to be alterations to the façade (be aware of protection orders)
- + A photograph of the building undergoing alterations (if there are to be alterations to the façade)

You will also need the following

- HVAC plans
- Structural plans if changes are being made to structures
- These can also be recorded in the building permit decision as specifications, in which case they can be submitted after the decision is taken.

Inspection engineers and master builders from the Structural Unit and Building Services Engineering Unit of the Building Control Services oversee the construction process and conduct the surveys specified in the permit, which may take the form, for example, of an initial meeting, a structural inspection, a water and drainage system survey, a ventilation/air conditioning survey and a final survey. The space can only start to be used following the final survey.

Outdoor terraces, serving counters, fences, barriers, furnishings, advertising signs, etc. often

require separate planning permission or other placement permits.

HAVE A PROFESSIONAL PLANNER HELP YOU

For a building permit and dealings with the authorities you will need to hire qualified planners (chief planner, construction designer, HVAC design engineer and structural engineer, and possibly an acoustician also, if the place is going to be noisy, as with a karaoke bar, for example). The plans for alterations should take account of the many building regulations and regulations on hygiene, noise, rescue operations and occupational safety and health. The planning work will require a high degree of professional competence, and professionals can also help you with the permit processes and deal with the Building Control Services.

Plans that are carefully drawn up by an expert and which are in line with town plans and the rules and regulations will speed up the processing of permits. The schedule will be kept to and the business can open its doors as planned.

With good plans it will also be easy for you to invite offers from building contractors and suppliers of furnishings and equipment and enter into clear agreements with them concerning installation, fittings, timetables, etc.

Many building, safety and security and food regulations apply to restaurant and café premises. Many of the requirements concerning facilities depend on the existence of an approved number of seats for customers.

A permit from the Building Control Services is not needed if a café to be established inside business premises or a stall area at street level on the ground floor:

- has no more than six seats for customers,
- prepares no food,
- has a serving area under 20 m²

or

if a business premises at street level on the ground floor operating as a café:

- has no more than six seats for customers,
- prepares no food,
- has a surface area of under 20 m²

The exemption only applies to the Building Control Services and not to housing cooperative or environmental services permits.

On the following pages there is a general description of the matters that have to be taken into consideration when planning a restaurant or café.

FIRE AND RESCUE SERVICES

The Finnish Rescue Act requires operators to prevent the risks associated with their activities, prepare for them and be prepared to act in the event of dangerous situations or accidents.

A rescue plan will need to be drawn up for a restaurant that seats more than 50 customers. Seats on a terrace must be included in the number of seats available for customers, even though they might only be used in the summer. A risk assessment must be carried out at the restaurant in order to produce a rescue plan. The results of the risk assessment, the safety arrangements in place for the business premises and the instructions given to employees and customers are recorded in the plan. The City Rescue Department can advise you on how to produce the plan. hel.fi/pel

The number of exit routes and their width depend on the greatest permitted number of staff employed. They must not be obstructed: nothing should be kept in front of doors or in passageways. The exit routes must be clearly identifiable. On new business premises, routes normally have exit signs with battery-operated lighting.

There should be fire compartmentation on the premises in accordance with current regulations. The compartmentation system must be kept in good condition in accordance with the



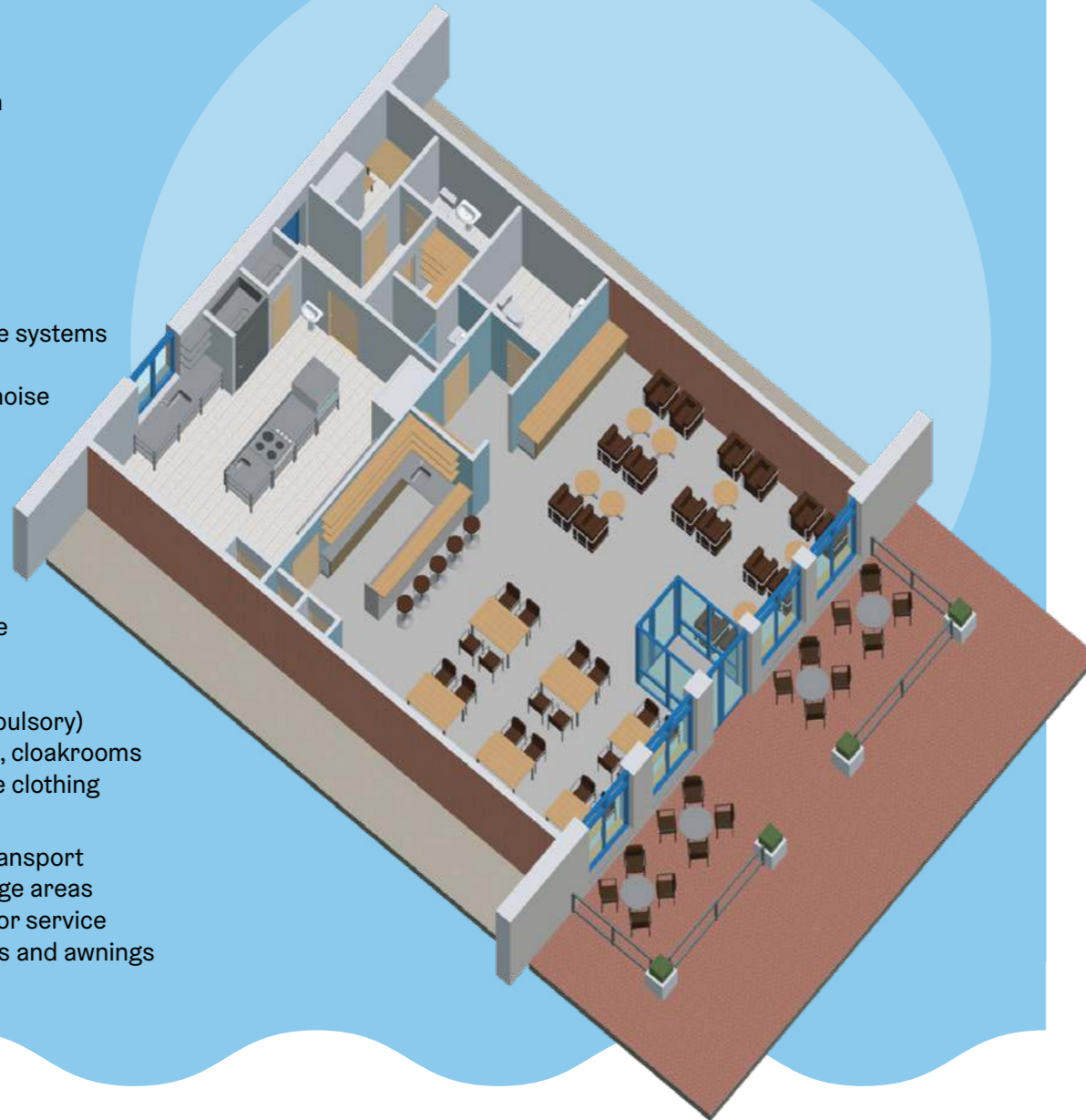
Outdoor terraces, serving counters, fences, barriers, furnishings, advertising signs, etc. often require separate planning permission or other placement permits.



Important considerations with alterations to a restaurant or café

There must be compliance with any building protection notices.

- Town plans
 - Building protection
 - Accessibility
 - Fire safety
 - Exit routes
 - Entrances
-
- Ventilation
 - Water and drainage systems
 - Lighting
 - Sound insulation; noise
 - Public areas
 - Dining area
 - Kitchen
-
- Staff areas and facilities
 - Cleaning and waste management
 - Toilet facilities
 - Smoking (not compulsory)
 - Vestibules, lobbies, cloakrooms and places to store clothing
-
- Food and goods transport
 - Dry and cold storage areas
 - Terrace and outdoor service
 - Advertising devices and awnings



terms and conditions of the building permit. Access to the other compartments should be via fire doors, which are normally kept shut. If the fire doors have to be kept open, for example, to let customers through, the doors must be fitted with automatic closing systems that react to fire. When acquiring interior fittings and surface materials, pay attention to their flammability classifications. In public areas,

fire-resistant materials must mainly be used, and the building permit may state special conditions in connection with the flammability classification. Decorations and the use of fire and naked flames also warrant attention to be paid to the risk of a fire. Candles should be lit with care and caution, and the use of fire and naked flames should always be monitored. Safety candles, for example, are recommended.

The restaurant must have enough fire extinguishers for the space concerned (normally at least 6 litre liquid extinguishers or 6 kilo powder extinguishers). The extinguishers must be inspected, marked/labelled and attached to the wall. The kitchen area must have a fire blanket. A class F extinguisher for cooking oil and grease fires is also recommended for the kitchen if you are using a deep fat fryer or something similar.

The use and storage of dangerous chemicals, such as liquefied gas and flammable liquids, is regulated under the Finnish Chemical Safety Act and various subsequent decrees. A quantity of liquefied gas considered necessary for the operation may be stored in areas where people gather. If 200 kg or more of liquid gas are stored on the premises, the Rescue Department will need to be informed. hel.fi/pela/fi

Guide to chemical and safety risks for small companies: tukes.fi/documents/5470659/6406815/Pienyritysten+kemikaali-+ja+turvallisuusriskien+hallinta/df5f4904-da5b-4780-924f-e84cf6f9ad41

Finnish Decree on the Fire Safety of Buildings: finlex.fi/fi/laki/alkup/2017/20170848

Advice on general fire-related matters is available from the fire inspector. You will find more information and their contact details at: hel.fi/pela/fi

ACOUSTICS

Restaurant and café businesses can cause a lot of **noise** for residents in the same building. Sound insulation must conform to the building regulations so that local residents and the surrounding areas are not affected by noise. And even that is not always enough, because noise pollution is assessed from the point of view of housing health and safety. Live music and disco music are assessed in different ways.

The requirements set for noise levels at night are stricter than the daytime values. For example, music or low bass frequencies affecting a residence at night almost always exceed the guideline values for noise.

Finnish Decree on the Acoustics of a Building: finlex.fi/fi/laki/alkup/2017/20170796

There should be a vestibule or some other draught prevention arrangement **at the entrance**.

There must be wheelchair access to the restaurant or café. Wheelchair access requires adequate access openings, ramp gradients in accordance with the regulations, the necessary handrails and handles, and thresholds no higher than 20 millimetres. When planning and carrying out new construction, the principle of accessibility should apply and should also serve as a guideline in renovation work. For restaurants or cafés seating more than 25 customers, an unobstructed and wheelchair-accessible entrance and toilet must be planned.

Finnish Decree on the Accessibility of Buildings: finlex.fi/fi/laki/alkup/2017/20170241

The preparation of food should be kept separate from the place where dirty dishes and waste are handled.

Equipment for the preparation of food should be used under a steam hood fitted with a grease filter. The extract air must be allowed to flow along a separate flue that meets the fire regulations over the roof of the building. If the duct extends outside the building, it needs a building permit.

talotekniikkainfo.fi/esimerkit/keittioiden-ruoan-valmistuslaitteiden-ilmanvaihdon-periaateratkaisu

There must be a separate water point for the preparation of food (including the washing of vegetables) and the washing and rinsing of dirty dishes. There must be a separate place in the kitchen for the staff working there to **wash their hands**. The eventual need for water points in the kitchen will depend on how much food is being handled, space solutions and where the various functions are located.

There must be adequate **dry and cold storage space** for raw materials, food and drinks.

So you will need the following

- Sufficient space for the handling, preparation and storage of food
- Sufficient equipment for cooking and refrigeration
- Sufficient space for washing up and storing tableware
- Non-toxic surface materials that are easy to keep clean and can, if necessary, withstand mechanical cleaning
- Waste storage areas
- Other storage areas, as required: for example, for transport containers and trolleys, if these are kept at the restaurant
- Floor drains where objects need washing

A kitchen for the preparation of food must be equipped with a **grease duct and filter**. The grease duct must be cleaned frequently enough to ensure that grease accumulating there does not pose a danger of fire, and in any case

it should be cleaned once a year. A suitable cleaning interval to deal with grease accumulating should be discussed with the operator doing the cleaning work. The filter must also be cleaned regularly – once a week is generally sufficient. The restaurant must have a certificate of cleanliness, and a grease separator must be installed under the sink.

Grease disposal instructions for restaurants: [hsy.fi/vesi-ja-viemarit/rasvaopas/](https://vesi-ja-viemarit/rasvaopas/)

There must be compliance with the regulations on the storage and use of liquefied gas and flammable liquids. A maximum quantity of 25 kg of liquefied gas may be kept inside the premises, and composite bottles are recommended. You will have to discuss the use of liquefied gas with the rescue authorities.

A restaurant or café can reduce its environmental impact by paying attention to matters

such as its choice of raw materials, food that is wasted, the volume of waste that accumulates, the energy consumption of equipment and the use of chemicals and water.

A kitchen’s technical and structural requirements depend on the business and its scope.

The type of kitchen depends on how the food is prepared, and that sets its own requirements for the layout, the equipment, ventilation and fire safety. Restaurant kitchens can be divided into the following types.

A kitchen where food is prepared from raw materials, the preparation process typically including boiling,frying, deep frying, roasting and grilling. The food safety risks associated with this sort of operation are major.

A kitchen where pre-cooked or ready-to-eat food is heated up in a combination oven or a bain-marie, or is boiled.

A kitchen where the food is served, having been prepared elsewhere.

There must be regulation toilets for the **sole use of the staff**, and separate facilities for men and women, if necessary. This applies to all food premises. The door to a toilet may not open directly onto areas where food is handled, and the staff toilets must therefore be located either behind two doors or further away from where food is handled. In your plans, you should also give attention to the fact that your staff will need proper areas in which to change and wash.

The food establishment must have a separate and properly equipped space for the storage and maintenance of cleaning equipment. It is recommended that there are separate cleaning cupboards for the customer and kitchen areas, or if there is a common area in use, the cleaning equipment used in the kitchen should be clearly marked.

CUSTOMER TOILETS

If there are more than six seats for customers in the serving area, you should also have customer

toilets on the premises that can be accessed directly from where the customers sit.

Make sure there are enough toilets for customers. Seats for customers on a terrace might mean more toilet facilities are needed.

Restaurant and café premises planned from scratch for new buildings must **always** have at least one disabled toilet. For restaurants and cafés seating more than 25 customers and located in older buildings, a toilet designed for persons with disabilities and equipped accordingly must be planned.

Use the recommended guidelines in the table on the next page when planning the ideal number of toilets. The building regulations make it necessary for anyone running a restaurant or café to ensure that, if there are seats for 25 or more customers, at least one of the toilets is wheelchair-accessible and designed and equipped for persons with disabilities. The suitable number of toilets depends on the nature of the business activity. For example, you should plan on installing more toilets if you are opening a bar or pub than if you are starting a restaurant. This recommendation can also apply to the design of unisex toilets.

With permission from the supervisory authorities, staff and customer toilets may be located in a separate area or building. This is the case, for example, in large shopping malls. A restaurant may also be open when the rest of the mall is closed, and then there will not always be access to customer toilets in the shopping mall. In such cases, the restaurant must have separate toilet facilities for both staff and customers.

OUTDOOR SERVING AREA

An outdoor serving area requires permission from the landowner (the local authorities in towns and cities, or a housing cooperative) and the property company concerned, and, in the case of a public area (e.g. the street or a park), a permit from the Land Use and Monitoring Unit. In a residential property or in the immediate vicinity of houses or flats, outdoor service is only permitted until 22:00 and no later, unless

THE MOST COMMON EQUIPMENT IN KITCHENS WHERE FOOD IS PREPARED					
Item of equipment	Fire rating for the relevant extract air flue EI60/EI120	Steam hood	Grease filter/ separator	Other considerations, e.g. compartmentation/ UV light	Remarks
Cooking appliances					
Stock pot	+	+	+	(+)	
Pressure cooker	-	+	+	(+)	
Frying, baking and roasting equipment					
Frying pan	+	+	+	(+)	
Griddle (hot plate)	+	+	+	(+)	
Grill (with lid), if > 3 kW/=< 3 kW	+/-	+/-	+/-	(+)	1), 4)
Combination oven > 20 kW/=< 20 kW	+/-	+	+	(+)	2)
Pizza oven > 20 kW	+	+	+	(+)	2)
Pizza oven=< 20 kW	-	+	+	(+)	2)
Rotary oven (pizza oven)	+	+	+	(+)	2)
Fan oven > 20 kW/=< 20 kW	+/-	+	+	(+)	2)
Energy-efficient single oven =< 3 kW	-	(+)	(+)		4)
Tandoori oven	+	+	+	(+)	2)

Recommended number of toilets

CUSTOMER TOILETS ACCORDING TO NUMBER OF SEATS		
Number of seats for customers	Toilets for women (number of seats)	Toilets for men (number of seats + urinals)
more than 6 but fewer than 25	one common toilet	
25–50	1	1
51–100	3	1+1
101–150	4	1+2
151–200	4	2+2
201–250	5	2+3
251–300	5	2+4
301–400	6	3+4
More than 400	on a case-by-case basis	
Disabled toilets are included in the table's recommendations. There should be unobstructed access to a disabled toilet from the terrace		

you have a special licence. Food and drink can only be served outdoors if it is in the immediate vicinity of the restaurant or café.

If you are planning to feature an outdoor serving area, note the following:

- in terms of its function, it is connected to the restaurant or café and is run from there
- there is only one street between it and the restaurant
- it does not block access to the property or obstruct wheelchair access, traffic, or the use of a public space generally
- half of the number of seats for customers is taken into account when calculating the number of toilets, and other requirements related to hygiene and waste must be complied with

You will find all you need to know about outdoor serving areas / terraces and the permits required for them in the City of Helsinki terrace instructions: hel.fi/static/hkr/luvat/terrace-instructions.pdf

OUTDOOR SALES: FOOD TRUCKS

A food truck is a registered vehicle or trailer, from which food is sold. You will find more infor-

mation at hel.fi/helsinki/fi/asuminen-ja-ymparisto/tontit/luvat/myyntipaikat/ketterat-kioskit

Smoking may be permitted on a terrace provided that no cigarette smoke drifts inside the building.

Separate instructions apply to **advertising devices**. The Building Control Services have published the following guidelines on this: hel.fi/static/rakvv/ohjeet/Mainoslaitteet_rakennuksissa.pdf. Advertising devices usually require the approval of the property company.

SMOKING

may be allowed on a terrace or in another outdoor location connected with the restaurant. You must not let cigarette smoke drift inside the building through the doors or windows or via the ventilation system. You will need to agree on an outdoor smoking area beforehand with a housing cooperative.

DESIGNATION OF A SMOKING AREA

Smoking is not permitted indoors unless there is an enclosed and ventilated designated area for smoking. People can smoke in a designated area of at least seven square metres that

is structurally separated from the rest of the premises. It must have negative pressure ventilation, and the extracted air should be conducted outside separately or to an extract air discharge flue, so that it cannot recirculate. It is not compulsory to have a designated smoking area.

You will always need to apply for a building permit for a smoking area. Special regulations apply to staff numbers, fire safety, access and accessibility, etc. See the Building Control Services guidelines on applying for a building permit for a smoking area hel.fi/static/rakvv/ohjeet/Tupakointila_raklupa.pdf

The smoking area is only for smoking. It is not permitted to eat, drink or play games there, and no alcohol is to be consumed there. Staff may not work in the smoking area except to perform tasks that are necessary to maintain standards of tidiness and safety, and the area may only

be cleaned when it has been thoroughly ventilated. More detailed guidelines connected with the construction are to be found on the Building Control Services website. hel.fi/rava

RETAIL OF TOBACCO PRODUCTS

Licences to sell tobacco products are issued in Helsinki by the City Environmental Services. A sales licence requires an acceptable arrangement for the place of sale, sales monitoring and an approved-self-monitoring plan. A licence to sell tobacco is for the specific company or place of sale concerned. Guidelines on sales licences and self-monitoring and an electronic application form can be found on the Valvira National Supervisory Authority for Welfare and Health) website valvira.fi

Smoking bans also apply to the use of electronic cigarettes and herbal products for smoking.

Guide to establishing a terrace and applications in the City of Helsinki

	Property owner's consent	Application for a terrace *	Notification of work to be carried out in a public area	Reserving space on the street	Notification concerning a food operation	Building permit or planning permission	
Mini-terrace	●						● The property's competent representative (e.g. manager or housing cooperative board)
Terrace in front of a ground-floor establishment	●	●			○	○	● Land Use and Monitoring Unit of the Urban Environment Division
Parklet	●	●	●	●	○	○	● Land Use and Monitoring Unit of the Urban Environment Division
Terrace with a serving point, where food or drinks are made or sold	●	●	○	○	●	○	● Obtainable from various service providers
Terrace with fixed or permanent structures, procedures that affect the façade of the building, advertising, or whose construction affects the façade or significantly impacts on the cityscape	●	●	○	○	○	●	● Environmental Services of the Urban Environment Division
Glazed and/or covered terrace	●	●	○	○	○	●	● Building Control Services of the Urban Environment Division
* An application for a terrace to the Land Use and Monitoring Unit is not necessary if the terrace is located on land not owned by the City and perhaps not even if it is, if the terrace is located in a temporary terrace area. In such a case, contact the site owner or managing agent to use the terrace area.							● Necessary
It is also often necessary to deal with other authorities (e.g. the Regional State Administrative Agency for a licence to serve alcohol, etc.)							○ As required

4.

Other matters requiring licences or notification connected with the business

When you have a good, viable restaurant facility that complies with the rules and regulations (or at least one is on the way), it is time to consider the other permits, licences and notifications you may need for the business.

There are various licences that have to be applied for and notifications that need to be made in connection with a restaurant or café business.

4.1. Food standards and control

Before starting a new café or restaurant, you should make sure that your planned space is suitable for the activity. To find out more, contact the City of Helsinki environment services, food safety unit and Building Control Services.

Under the Finnish Food Act, you must notify the start of a restaurant or café no later than four weeks before it opens for business. You can submit the notification electronically at ilppa.fi. When the notification has

been processed, you will be sent an acknowledgement of it. A food inspector will visit the premises and check the operation within one to three months of the date you open. The inspection will be followed by an inspection report and an Oiva report. The Oiva report will be published at oivahymy.fi and it will also be displayed at the entrance to the restaurant or café. There is a charge for processing the notification and for the inspection. A yearly charge is also payable for checks and monitoring.

As a food industry operator, you have a self-monitoring (in-house control) obligation. You can use the City of Helsinki self-monitoring templates, for example, to produce your self-monitoring plan. The self-monitoring plan must be completed before the food inspector's first visit. hel.fi/helsinki/en/housing/food-stuff/food-handling

Please remember that, in the areas where unpackaged food that spoils easily is handled, staff must be in possession of a hygiene passport and a valid statement of health status as referred to in the Finnish Communicable Diseases Act.

More information on obtaining a hygiene passport is available at ruokavirasto.fi or hygieniapassi@ruokavirasto.fi

4.2 Licence to serve alcohol

The sale of alcoholic beverages to customers requires a licence, which can be applied for at the Regional State Administrative Agency.

The licence is in the name of the place where alcohol is served, the company or the entrepreneur. The premises must be easy to control and the applicant must have produced a self-monitoring plan for the sale of alcohol. Where alcohol is consumed, there should be enough staff in attendance and to keep order, given the type of operation and its size. The Finnish Alcohol Act also lays down requirements for the licence applicant regarding reliability and finances.

Note too that a licence to serve alcohol in a functioning restaurant does not automatically transfer to a new owner/entrepreneur in any business transaction.

ALCOHOL PASSPORT (ALCOHOL PROFICIENCY CERTIFICATE)

The holder of a licence to serve alcohol must ensure that the relevant manager or other authorised person is in possession of an alcohol passport showing that the bearer is knowledgeable concerning the Alcohol Act. Licensed premises must have on site a responsible manager appointed by and representing the licence holder, or someone else so appointed by the licence holder when the restaurant or café is open for customers. An alcohol passport is issued by an educational institution providing training in the catering industry on the basis of a government licence or an authorisation from the Ministry of Education and Culture.

OFF-SALES OF ALCOHOLIC BEVERAGES ON LICENSED PREMISES

An application for the off-sales of alcoholic beverages with an ABV strength of no more than 5.5% can be made for indoor licensed premises. Alcoholic beverages for consumption off the premises must be in ready-filled, closed containers. Alcoholic beverages under the off-sales licence with an ABV strength more than 2.8% may only be sold between 09:00 and 21:00. The licensing authority may impose stipulations regarding the off-sales arrangements, such as sales reports if alcohol is also served in the same place of business.

SERVING ALCOHOL AT FUNCTIONS

When a facility for an event, meeting, get-together or party or a similar area has been approved for the serving of alcohol subject to notification, the licence holders may serve alcohol at such functions if they simply notify the licensing authority. This must happen no later than three months before the function takes place. A licence to serve alcohol may also be granted to an applicant who has no licensed premises.

More guidelines can be found on the Regional State Administrative Agency website at avi.fi and on the National Supervisory Authority for Welfare and Health Valvira website at valvira.fi.

4.3 Music licences

If you are going to play music in your restaurant or café or on their terraces, you will need a licence to do so. A licence is needed both for background music, be it on the radio, on television, on disc or on a computer, and for live music performances, if you are going to organise gigs or concerts. You can obtain a licence to play background music from the Musiikkiluvat.fi service.

Gramex and Teosto are the music copyright collectives that run the licence service. They duly distribute the licence fees to the composers, creators, publishers, performers and producers of music. The cost of a music licence is negotiable and agreed with restaurant and café entrepreneurs or the umbrella organisations that represent them, such as the Finnish Hospitality Association MaRa.

4.4 The staff and the entrepreneur/owner

Good restaurant and café employees are professional and know how to treat their customers. Depending on the job, employees may be required to be in possession of a hygiene and alcohol passport or be a police-approved doorman, for example.

The safety training of employees and their first aid skills are important practical measures

5.

Useful sources and links

in the event of danger. Health and safety in a restaurant places special emphasis on protection from noise and cigarette smoke.

You should draw up written contracts of employment with your employees. These should take account of the generally binding collective agreement for the accommodation and catering industry.

Under the law, employers are obliged to provide their staff with an occupational health care facility and be responsible for occupational safety and health in general.

Employees may also be acquired from employment agencies, some of which are special-

ised in providing the accommodation and catering industry with kitchen and waiting staff, etc.

The entrepreneur/owner must also ensure that the normal social security, pension and unemployment insurance arrangements are in place. You might like to consult an insurance company to discuss the possible risks and agree on suitable policies for the company and the business.

More information is available on the websites of the authorities concerned, insurance companies, the trade union Service Union United (PAM) and the Finnish Hospitality Association MaRa and in the the Restamark guides.

Business Helsinki
newcohelsinki.fi

CITY OF HELSINKI SERVICES:

Building Control Services
hel.fi/rava

Environmental Services
and Food Standards and Control
hel.fi/kaupunkiymparisto

Rescue Department
hel.fi/pel

Statistics Finland
hel.fi/tietokeskus

Energy company Helen
helen.fi

Helsingin tukkutori (wholesale market in Helsinki)
heltu.fi

OTHER AUTHORITATIVE BODIES

Regional State Administrative Agency

avi.fi

Finnish Food Authority
ruokavirasto.fi

ValviraNational - Supervisory Authority for Welfare and Health
valvira.fi

Public services at one address
suomi.fi

OTHER USEFUL AGENCIES:

Helsingin yrittäjät
yrittajat.fi/aluejarjestot/helsingin-yrittajat/

The Finnish Hospitality Association MaRa
mara.fi

HOTEL AND RESTAURANT SUPPLIES:

Restamark
restamark.fi

Service Union United PAM
pam.fi

Musiikkiluvat.fi (music licences)
musiikkiluvat.fi





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