

# HOW TO START A FOOD BUSINESS IN 2026

**7-Part YouTube Series — Complete Script Pack**

Channel: @AllAboutBusiness33

[nasirdigital.com](http://nasirdigital.com) | [mynasir.com](http://mynasir.com) | [printinghouse.co.uk](http://printinghouse.co.uk)

## **PART 5: STAFF MANAGEMENT AND PAYROLL 2026**

## VIDEO 5 OF 7

# HOW TO START A FOOD BUSINESS IN 2026

## Part 5: Staff Management & Payroll in 2026

🎧 Topic: Hiring, Payroll, UK Law & Getting This Right

📺 Channel: @AllAboutBusiness33

Every year, hundreds of food businesses get hit with HMRC penalties — not because they're doing anything dodgy, just because they got payroll wrong. Underpaying by even 1p per hour per worker can trigger a full investigation. In this video I'm breaking down exactly what you need to know about hiring staff, paying them correctly, and managing your team in 2026. Including the new rules that came into effect in April this year.

### 🔑 SECTION 1: UK National Minimum Wage — April 2026

Let's start with the legal minimums. Because this is where you can get yourself in serious trouble if you don't know the numbers.

AGE GROUP	HOURLY RATE	ANNUAL (FTE 40hrs)
21 and over	£12.71/hr	£26,438
18–20 years old	£10.85/hr	£21,156
16–17 & Apprentices	£8.00/hr	£15,600

These are LEGAL minimums. You cannot pay less than this. And before you think 'I'll pay cash in hand' — HMRC cross-references bank records, payroll data, and tip-offs from employees. The penalties are brutal: back-pay for every affected employee, plus fines of up to £20,000 per worker. Just pay correctly from day one.

### 🔑 SECTION 2: The True Cost of One Employee

Here's where most new business owners go wrong. They see a wage of £12.71 per hour and think that's what an employee costs. It's not. There are additional costs on top — paid by you, the employer. Let me show you.

ONE FULL-TIME EMPLOYEE at £12.71/hr (40 hrs/week):

Gross salary: £26,438/year  
 Employer National Insurance (15%): + £3,966/year  
 Pension auto-enrolment (3% min): + £793/year

---

TOTAL COST TO EMPLOY: £31,197/year

5 employees = £155,985 JUST in staff costs.

So a team of 5 people costs you nearly £156,000 a year before you've bought a single ingredient. This is why the rule of thumb is: labour costs should be 30 to 40% of your total revenue. If you're doing £10,000 a week in sales, you can afford around £3,000 to £4,000 a week in staff costs. If your wage bill is eating 60% of your revenue, something is wrong and you need to act fast.

### 🔗 SECTION 3: Realistic Staffing for a Small Food Business

Let me give you a realistic staffing model for a small food business — takeaway or dark kitchen, doing around £8,000 to £12,000 a week in revenue.

ROLE	HOURS/WEEK	ANNUAL COST (ALL-IN)
Manager / Owner (you)	50+	Your investment
2 Kitchen staff	40 hrs each	£31,197 each
1–2 Delivery drivers	Part-time	£15,000–£26,000
1 Admin (part-time 20hrs)	20 hrs	£13,219

In the early days — do as much yourself as you can. Not because you should work 80-hour weeks forever, but because you need to understand every part of your operation before you hand it to someone else. Know how to take an order, prepare food, handle deliveries, close the till. Once you know it, train someone and step back.

### 🔗 SECTION 4: 2026 Payroll Changes — What's New

Right — a couple of important changes that came in this year that you need to know about.

#### STATUTORY SICK PAY FROM DAY 1

Previously, employees didn't get Statutory Sick Pay until day 3 of illness. From 2026, it starts from day 1. The rate is £116.75 per week. So if your delivery driver calls in sick on Monday, you start paying from that day. Make sure your payroll software handles this automatically — or you'll make mistakes.

## **PAYROLL SOFTWARE — USE IT, DON'T DO IT MANUALLY**

I cannot stress this enough. Do not try to calculate payroll manually. Use software. I recommend Gusto, Sage Payroll, or PayFit. These cost £20 to £50 a month and they handle everything: wage calculations, National Insurance, pension contributions, HMRC submissions — all automated. A single payroll mistake can cost you £10,000 or more in penalties. The software pays for itself on day one.

## **KEEPING PAYROLL RECORDS**

You must keep payroll records for at least 3 years. Name, wages, National Insurance number, tax deductions. HMRC can ask to see these records at any time. Keep them in your payroll software — they're automatically stored.

## **🔑 SECTION 5: Building a Good Team Culture**

Quick but important. The food industry has one of the highest staff turnover rates of any sector. People leave. But you can make them stay longer with a few simple things.

- Be consistent — same rules for everyone
- Pay on time, every time — this is basic and non-negotiable
- Give praise publicly, feedback privately
- Involve staff in decisions — ask them what can be done better
- Offer a meal during shift — it costs you almost nothing and builds goodwill

Replacing a member of staff costs you around 20–30% of their annual salary when you factor in recruitment, lost productivity, and training. It's always cheaper to keep a good person than find a new one.

## **🔑 Summary**

To recap: know your wage minimums for 2026, understand the true cost of employment, use payroll software, and build a team that wants to stay. Next video — marketing. How to get customers through the door before you even open, and how to keep them coming back. This is the video I'm most excited about. Subscribe and I'll see you in the next one.

---