

A woman with her hair tied back, wearing a white button-down shirt and a blue apron, is looking down at a white smartphone she is holding in her hands. The background is a plain, light-colored wall. The overall lighting is soft and natural.

# A 10-step guide on how to start a cake and baking business from home

by Sam Bromley

# About Simply Business

We're one of the UK's largest business insurance providers. Since we started life in 2005, we've helped three million small businesses and self-employed people find the protection that's right for them, from builders to bakers and personal trainers (we cover landlords, too).

## How does it work?

Answer a few questions about your business and we'll show you quotes from a range of insurers. After you buy, our Northampton-based team will be with you through every step of your cover, whether you have questions about your policy or you need to make a claim.

# Baking business

Wondering about how to start a baking business from home? You're at the beginning of an exciting journey – our 10-step guide will help you get going.

From getting to grips with baking from home regulations in the UK to actually selling your cakes from home, here's what you need to know.



# Contents

Register as self-employed	5
Follow selling cakes from home legal requirements in the UK	5
Register your premises	7
Sort your home baking insurance	8
Tell your landlord or mortgage lender	8
Think about standing out	9
Develop an online presence	10
Get out and about with your baking business	11
Keep track of your incomings and outgoings	11
Market your business	12
Is starting a cake business still right for you?	12

# Register as self-employed

When you're starting your home baking business you need to [tell HMRC you're self-employed](#) so that they know you need to pay tax through the [Self Assessment system](#). You need to do this even if you're going to be running your home baking business as a [side hustle](#), part-time or if you have another job.

To set up as a sole trader – the simplest business structure – telling HMRC is all you need to do to register your business. If you want to set up as a limited company instead, the process is a bit more complicated. See our step-by-step guide to [setting up a limited company](#) for more information.

# Follow selling cakes from home legal requirements in the UK

Complying with the rules can seem scary initially but they're quite simple to get to grips with.

First, you should think about getting a food hygiene certificate, namely taking a level 2 course if you're new to working with food. This is a good way to understand the rules you need to follow.

As an overview, your kitchen and premises need to be clean and kept in good condition. You need to be following good food hygiene practices in your kitchen, including protection against contamination and pest control. However, your home baking business won't be measured by the same standards as a big commercial premises like a restaurant.

The [Food Standards Agency](#) lists what regulations food preparation areas should follow:

- **floors and walls** – should be in good condition, well-maintained, disinfected, and in a good state of repair
- **ceilings** – should be in good condition, easy to clean, and free from mould, condensation and flaking paint and plaster
- **windows and doors** – should be easy to clean and disinfect, and built so dirt can't build up. There should be insect-proof screens that can be easily removed for cleaning
- **facilities for cleaning equipment** – you should have good facilities for cleaning, disinfecting and storing utensils, including equipment, with a supply of hot and cold water
- **facilities for washing food** – you need a sink for washing food and cleaning equipment, and a separate sink for washing hands (if you have a downstairs toilet, this should be fine as long as it's not too far away – all of these facilities should be kept clean and disinfected)

Ideally you need a separate fridge for your personal food, but if this isn't possible you should be clear about which foods are for your business and make sure there's no cross-contamination.

Pets should be kept out of the kitchen and food preparation areas. Children shouldn't be allowed in the kitchen while food is being prepared.

And finally, make sure you're up to speed on [food labelling regulations](#) and [Natasha's Law](#) when it comes to giving allergen information.

The Food Standards Agency has lots of resources that you can use for your home baking business, including the [Safer food, better business](#) pack, which is based on hazard analysis and critical control point (HACCP) principles.

We also have a [guide to health and safety for restaurants, catering and hospitality businesses](#), which might be useful for your cake business (there's a section on managing coronavirus risk, too).

# Register your premises

Another regulation when you're starting your cake business is that you're required to register your premises with the local authority's environmental health service at least 28 days before you start trading. This doesn't cost you anything and your registration can't be refused. Someone will come to your home and check your food preparation area. To get contact details for your local authority, use the [food business registration tool](#).

**Keep in mind regulations we've listed in this article are a guide. It's always best to get advice from your local environmental health authority if there's anything you're not sure about.**



# Sort your home baking insurance

It's important to think about business insurance when you're setting up your baking business. [Public liability insurance](#) and [product liability insurance](#) (usually sold together) can cover you if you're sued by a member of the public for injury or damage.

For example, you might have a claim made against you if someone falls ill after eating one of your cakes, or if you knock over an expensive vase when you're delivering a cake to a customer's home.

There's also [stock insurance](#) and [tools insurance](#), plus [employers' liability insurance](#) if your home baking business will have any employees. Go to our [home baker insurance page](#) to get started.

# Tell your landlord or mortgage lender

If your home is rented, you need to [get permission from your landlord](#) to run your business. However, the law says that your landlord can't unreasonably withhold or delay their permission. If you own your home, you may need to get permission from your mortgage lender to run your home-based baking business.

# Think about standing out

There's a [large number of baking and cake making businesses](#) out there, so you need to think about how you're going to differentiate yourself. You could specialise in vegan or gluten-free bakes, for instance, or concentrate on children's party cupcakes or wedding cakes.

Since cakes are difficult to transport, you need to have a good sense of your local market, as most of your customers need to be close enough for in-person delivery or collection.

Stuck for inspiration? Our guide to the [best small business ideas](#) highlights the latest trends in the baking world, including vegan options and nostalgic flavours.



# Develop an online presence

You make a product that looks beautiful, so photographs are key.

Set up a simple website with important details like what you do, where you're based, and how people can place an order, and add plenty of mouth-watering photos. There are tons of [website builders](#) to choose from, including WordPress, Squarespace and Wix.

Also set up a Twitter account, a Facebook page, and an Instagram account for your business, and keep them updated with posts and photographs. It's important to interact with other people on social media, so spend a few minutes each day liking and commenting on other people's posts, and following relevant accounts.

You could even consider selling your cakes on Instagram by using the shoppable post feature and creating your own online shop. Our guide on [how to sell on Instagram](#) has more tips on how to set this up.

Another idea could be to record video tutorials and baking tips and publish them on YouTube. Or why not publish your recipes as a cookbook [and promote them on Instagram](#)? This is a great way to establish yourself as a baking authority while also creating a new revenue channel for your business.

# Get out and about with your baking business

Although you're setting up your baking business from home, it's a good idea to get out and tell people about your business and develop a reputation locally. Consider applying for a stall at local events, including food markets and fetes. You can offer people free samples, sell cakes, and give out flyers and leaflets to promote your cake business.

# Keep track of your ingoings and outgoings

Since you're running your own business, you need to keep track of your income and your business expenses so that you can enter this information when you complete your tax return.

Our [guide to tax-deductible expenses](#) should help you figure out which expenses you can subtract. Remember that you need to keep your receipts as HMRC may ask you to produce evidence of your expenditure.

There's lots of [small business accounting software](#) available that can help you to manage your business finances.

You'll also want to use a [budget calculator](#) and [choose the best business bank account](#), so you can keep your personal finances separate.

# Market your business

People need to discover your wonderful cakes, so it's important to think about marketing strategies. As well as going to local events with your cakes and using social media to reach potential customers, think of other ways.

If you're specialising in wedding cakes, you may be able to put flyers in a wedding dress shop, or develop a relationship with a local wedding venue, for example. If you're making vegan cakes, perhaps you can get permission to put flyers in a local vegetarian restaurant, or write a guest post for a popular vegan blog. You could also try Google Pay Per Click (PPC) ads or Facebook advertising, although remember to narrow the audience down to your local area so that the adverts are only appearing for people within your delivery zone.

Download our free [business plan template](#) to map out everything from your initial idea and financial investment to your marketing strategy and plans for growth.

## Is starting a cake business still right for you?

If you're not set on starting a cake business, there are plenty more creative business ideas you can start from home. Why not think about:

- [starting a clothing business](#)
- [starting a craft business](#)
- [starting an online shop](#)
- [starting a food truck business](#)

## Related articles

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