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IHBC GUIDANCE NOTES

Starting out on your own – some advice for setting up in private practice

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This is one of a series of occasional Guidance Notes published by The Institute of Historic Building Conservation (IHBC). IHBC Guidance Notes offer current and recent guidance into topics that we consider crucial to the promotion of good built and historic environment conservation policy and practice. The Notes necessarily reflect knowledge and practice at the time they were developed, while the IHBC always welcomes new case examples, feedback and comment to research@ihbc.org.uk for future revisions and updates.

Executive Summary

1. The Institute is aware that an increasing number of its members are now moving to, or working in, the private sector or intend to do so in future, particularly as a consequence of tightening resources in the public sector, especially shrinking job opportunities in local government.
2. This Guidance Note is designed to assist those IHBC members who are actively considering whether to set up in private practice as a heritage consultant or who are in the process of doing so and are still finding their feet. It is aimed principally at sole practitioners, either as sole traders or operating as a limited company, but some advice is also given on the formation of small partnerships for those who prefer not to work alone.
3. The guidance includes some advice on business planning, fees and marketing and how to ensure a satisfactory work-life balance – which may be one of the key motivations of moving from the public to the private sector. The independence to freely manage your own business can have considerable attractions but it may also be driven by financial necessity.
4. IHBC members need to take account of the requirements under the [Institute's Code of Professional Conduct](#).

Some issues to consider before starting out on your own

5. The following considerations may help you come to a decision on whether you wish to work independently.

- Do you intend to work full-time or part time?
- Will you carry out any employed work alongside your self-employed consultancy work?
- Are you prepared for a sustained level of commitment – potentially the longer hours you may need to work to guarantee a livelihood;
- Have you assessed your existing financial situation and can you maintain an acceptable standard of living whilst your consultancy is being established? (This will include your start-up costs)
- What equipment do you already have and what else will you need (e.g. telephone, laptop and/or tablet, printer, camera and can these be synchronised)?
- Do you have sufficient home office space or do you need to rent somewhere to base your consultancy?
- Have you done sufficient advance planning or have external circumstances forced you to make a sudden change?
- Are you sufficiently confident in the professional services you can offer independently?
- Do you have a good network of potential clients?
- Do you have a network of fellow professionals who you could ask to support you on projects that require additional specialist expertise?
- Do you understand the day-to-day practicalities and requirements of running a business?
- Do you know where to go for business advice?
- Do you know where to go for financial / tax advice, such as whether to register for VAT ?
- Are you customer focused? Clients will have a particular perspective and expectations about the commissions you will undertake.
- Do you have a 'critical friend' who can assess your strengths and weaknesses and provide honest feedback on your abilities and prospects?
- How will you market yourself?
- Will you join the IHBC's promotion and recognition service HESPR?

Setting up as a consultant – business planning & finance

6. Moving directly from salaried employment to an independent consultancy needs preparation. It is rarely enough to postpone this until you have been given the notice period for the termination of your present job. Finding time for some pre-planning will help you to clarify what running a small business involves and perhaps to contact potential clients.

7. A succinct, written-up business plan for the first 12 months of trading is recommended although it is not necessarily essential. It would define what work you wish to do; the prospects of finding it; the resource commitments; and a realistic assessment of your likely income and expenditure.

8. Notify your bank about your intentions and check if they offer advice on the cash flow and other financial implications of your move. Avoid borrowing money if you can but take advantage of any guidance on offer about your business plan

- particularly if you think an initial overdraft or start-up bank loan may be needed.

9. Most banks are keen for you to have a “business account” but the initial interview you need with a bank official can take a while – usually by appointment. Remember that business bank accounts normally attract a bank fee but may not offer anything particular that is required for the running of your business. However, particularly for sole traders, it may be easier and cheaper to simply open a separate personal account, which works like your own personal account but without the fee. Whatever you choose, it is important to separate your business costs from your personal costs and it is important to keep receipts.

10. It may be helpful to get separate debit and credit cards for your business so that you keep all expenditure separate from your household and personal accounts. It makes it much easier to sort the accounts out at the end of the year.

11. If monthly expenses are not substantial and a careful record is kept. it may be straightforward simply to use a personal credit card for business expenses and reimburse these from the business account each month when the credit card statement is received.

Accountancy

12. Even as a small trader, a good accountant will save you time and money and can act as a business advisor even if you are confident about your accounting skills and running a small business.

13. Who you choose may be down to personal chemistry but also with a clear understanding of the particular needs of small businesses. Personal recommendations are always valuable but, if you have any doubts, consider entering into discussions with at least three candidates before coming to a decision.

14. You will need to know in particular:

- whether a sole trader or limited company route is the best for you, or whether entering into a partnership with others might be more suitable;
- how day-to-day income and expenditure records are best kept;
- the dates you want your accounting year to start and finish;
- how you should calculate ‘start-up’ expenses;
- what your thresholds and liabilities for VAT might be.

15. The law will require you to maintain accurate financial records and then retain them for six years. If you are doing your own day-to-day book-keeping you have to keep on top of it at all times (little and often). When your end-of-year accounts have to be compiled, accurate up to date spreadsheets will save your accountant having to sift through piles of unsorted receipts and request bank statements or further information. Saving them time will save you money.

16. If you wish, your accountant will set up an Excel spreadsheet for you to record income and expenditure under an appropriate set of headings and although you can find online bookkeeping software of varying degrees of complexity and cost

these may take time and effort to adapt to your specific requirements. VAT registered businesses are likely to have to use an approved accounting software after April 2019, as part of the Government's 'Making Tax Digital' programme.

17. How often you interact with your accountant may depend on the volume of transactions your business conducts. Many small businesses may only meet to deal with Companies House returns and when the annual accounts must be prepared and the tax return submitted to HMRC. If the volume of business increases significantly you may need to be in contact more frequently. Companies House returns are not required if you are a sole trader.

18. Some accountants may chase unpaid invoices and sort out company and personal tax returns but you will need to give clear instruction and this will entail additional (small) fees. Otherwise you will need to deal with unpaid invoices yourself and need to be aware that this can be quite time consuming and stressful.

The most suitable form of business for you

19. The choice of the legal form of the business will depend on your attitude to personal financial risk and whether you want to work alone or with partners. It is always possible to change the legal form of your business in future but this takes time and money.

20. Your main choices are to be a sole trader, a limited company or operate in partnership. Further information can be accessed via Companies House, or Business and self-employed "set up a business" pages on Gov.uk.[\[1\]](#)

21. Some local authorities have business support departments and occasionally run courses or workshops to help local businesses set up in their areas.

Sole practitioner/sole trader

22. This is the easiest way to start a business but you must register with HM Revenue and Customs [HMRC] within three months, or risk a fine. Legally your consultancy will be regarded as simply an extension of your activities as an individual, i.e. you are the business but you are liable for all of your business's debts.

23. You must complete an annual self-assessment tax return, and pay income tax based on your business profits, along with making National Insurance contributions (NICs). You will also need to check if you need to be VAT registered [\[2\]](#) and it would be worth discussing this with a qualified accountant.

24. As late payments to HMRC will incur penalty charges you should put 25% of your gross earnings into a separate account to meet your tax bill. HMRC will request payments on account for the following year's estimated tax so it is important to remember that your initial tax bill may be much larger than you had anticipated.

25. Even if you are defined as a 'sole trader' you are permitted to employ people but you must collect their income tax and NICs and operate a PAYE (Pay As You

Earn) payroll scheme. You may also need to offer a pension for those you employ and should ensure you are familiar with the regulations.

Limited company

26. A limited company is a separate legal entity from the owner, as are its finances. It must be registered with Companies House [\[3\]](#) but this route offers protection against personal liability for debts, although there will be marginally higher costs and greater administration to start with.

27. You will need to think of a suitable, and previously unused company name. This also needs to work for you if you are going to set up a web site and email address for the company. So, think carefully about your potential domain name before you register your company name.

28. What you will require apart from the obvious company name and nature of the business, will be where the company's registered office will be located (usually but not always your home address), the 'memorandum of association' and rules for the running and regulation of the company (the 'articles of association'). Your accountant or solicitor will usually do this for a small fee.

29. You may find it surprising that companies require only one appointed director who will also be a shareholder. You (or the accountant on your behalf) will be responsible for filing annual accounts with Companies House, but as the director (although there can be more than one director/shareholder) you will be responsible for complying with company regulations; be liable for any breaches of statutory duty by the company, and be liable in law for negligence.

30. Companies House will normally formally notify you by letter well in advance that an annual Company Tax Return is required setting out the profits, losses and other information required under the Corporation Tax Acts. If their records show that you have an accountant (or agent) they will tell them that you have been issued with the notice to enable them to prepare the Return on your behalf.

31. Although small companies must produce an annual statement of accounts these do not need to be audited. Corporation tax is payable on any taxable income or profits. As a company director you are an employee of the company and as such you may need to pay income tax and National Insurance Contributions but as the profit from limited companies is usually distributed to the shareholders, as an employee you may draw income as a regular or annual dividend.

Partnerships

32. Establishing a partnership is similar to setting up as a sole trader. Going into business with other (heritage) professionals needs careful thought. You and your prospective partners need to define the structure of the business relationship and the legal and financial responsibilities involved.

33. Partners may draw earnings, rather than a salary and the partnership need not be registered at Companies House and need not file annual returns. The only legal requirement is therefore that the partners agree to work together, sharing

the profits but there is a shared liability for the business debts and any claims against the business. The business structure, legal implications and each partner's responsibilities needs to be set out in a formal partnership agreement on which legal advice should be sought at the outset.

Where is it best to work from?

34. In establishing a small business as a newly established practitioner it is likely you will start from home. This limits your initial overhead expenses; will usually provide an environment conducive for quiet efficient working; and contribute to a better work-life balance. Depending on the nature of commissions, this may or may not prove to be suitable for receiving clients or presenting the image of the business you wish to convey and if this is a potential stumbling block and/or you may wish to take on additional employees then the expansion of your business will require separate premises.

35. Even today there are basic issues to consider when working from home – Do you receive sufficiently fast Broadband? Do you have mobile phone connectivity? If working from a garden room or separate shed, do you have sufficient electricity supply for your office equipment, heating, lighting etc.? The cost of conversion of existing buildings can be set against your income tax but it is likely that the construction of new buildings may not.

36. If your business is based from home a proportion of the running costs (lighting, heating, phone charges etc.) your business incurs can be set against tax and your accountant will be able to tell you how much HMRC will allow.

37. There can be big costs for hiring office space which will eat into your profits, and these often require you to sign up to a specific period of tenure.

38. Be sure to fully record the value of your office equipment to assess your start-up costs and allow for capital depreciation and insurance. Capital costs can include equipment acquired before the business was established including for example camera equipment, computers, tablets, office furniture etc. and it is helpful if you have a record of both the original and potential replacement costs. Also include in your costs, annual professional subscriptions such as IHBC membership and any essential reference materials, and public liability and professional indemnity insurance (see below).

39. Finally ensure your insurance covers your office furniture and equipment and if you plan to use your car for business make sure you notify your insurance company.

Pension arrangements

40. Depending upon the point at which you decide to make the switch to working for yourself – and this may be more towards the middle or latter part of your career -you should keep your pension arrangements in view. You need to assure yourself that you will have an adequate income when you retire. Take expert, independent financial advice e.g. on what pension plan would best suit.

your needs and that you have an appropriate level of life insurance and personal accident insurance in case of accident or illness.

Marketing your business

41. At the start of the business you have established relationships with other professionals and prospective clients that quickly result in commissions, but you may also need to market the business, but perhaps not so successfully that you are unable to properly fulfill.

42. Establishing the right rapport between the new business and your clients is therefore the key to success and initially may be difficult to achieve and will rely on a certain amount of trial and error. In forming relationships with clients there are a number of potential pitfalls concerning the expectations and these are dealt with in a separate IHBC Guidance Note. [\[4\]](#)

43. Remember the Institute's Code of Conduct and ensure that in providing specialist heritage advice you exercise impartial and independent professional judgment. Unbiased clear-sighted advice will be valued by clients as it may save them difficulties later, therefore one of the best forms of marketing will come from satisfied clients who value your specialist knowledge and capabilities and may return to you with repeat business which may well help in maintaining a manageable level of future work from the same source.

44. Once your business is established, you may be entirely busy with consecutive or simultaneous commissions but it may be worth instituting a periodic review to consider whether for example you may need to form relationships with other professionals to provide e.g. specialist planning or archaeological advice or even graphics assistance; whether changes in the economy or legislation may affect your business with the aim of ensuring you focus on only the most suitable, most accessible business opportunities.

45. If you are starting from scratch you will have to promote your skills and chase the work and you may wish to identify potential clients in your area who are likely to require your services and you may wish to consider if there is any value in e.g. listings in local business directories, or parish magazines which are often the most economical means of getting your advertisement seen by local people.

46. Joining the IHBC HESPR recognition service will help you market your business in a wider area and it will also serve as an indication of your company's adherence to the standards of the IHBC (hespr.ihbc.org.uk)

47. If you are looking for work locally your specialist professional expertise may already be known to pre-existing planning consultants and architectural practices but you will also need to consider if you have worked for the local authority in that area, in relation to the Institute's Code of Conduct, whether it is appropriate to be 'gamekeeper turned poacher' and undertake private commissions within the same boundary. Your relationship with the local authority you worked for may affect your continued professional relationship when you are on 'the other side'.

Promotional material

48. Depending on whether you already have an established and widely known professional profile and are known to prospective clients, you may want to consider producing, for example material promoting the business for use at conference and other events targeted at an informed audience outlining the professional services you offer. This should be succinct, well designed and printed to a high standard. Distributing promotional materials may attract a cost. Be clear about this before you order special print runs.

Website

49. A website can prove a valuable marketing tool for new consultancies, whether you are a company, partnership or even a sole trader and is not necessarily expensive to establish as there are many good freelance web designers in the marketplace and will usually have a good idea of how to present who you are and what you do to best advantage and can also economically update the material at intervals to ensure it is both fresh and current.

50. Choosing a web designer from scratch may be daunting as the internet offers thousands to choose from. It is often better to take a recommendation by word of mouth if this is possible. If a particular format and content appeals to you, consider approaching the consultancy about who designed it. Some web designers include their name within the design and you can then contact them direct.

51. A good website conveys a professional image and allows potential clients to access information about how to contact you and appreciate the capabilities and specialist skills of your business. Clients can also easily verify your credentials.

52. Your contact details need to be established before you set up your website. For example, should you separate your home/personal telephone numbers from your business numbers? It is recommended that you should have a separate business email address from your personal email address.

53. When commissioning your website consider using a 'send mail' or similar system which produces a form for enquiries. The advantage of this is that you can control the content, including the senders' contact details and length of text. As this does not display your email address it can be directed to your own name @ your business address or a 'role based' email address such as contact@. However, be aware that sending from 'role based' email addresses can result in your communications being marked by email providers as SPAM.

54. Potential clients may also simply search online for an independent heritage consultant in their local area and while a number of web companies offer search engine optimisation [SEO] so that your website will feature prominently on search engines, generally the value remains unproven and in practice heritage specialists feature well enough when the right keywords are entered into the search box.

55. The IHBC HESPR recognition service website (hespr.ihbc.org.uk) has a listing page for each member company which includes a description of your company, contact details and examples of projects you have worked on. For some with a part time company this may be an alternative to a website but for most others it

is a complimentary indicator to potential clients that your company is out there.

56. Whether you are a sole trader or a limited company it is important to ensure that your website, any email communication and any storage of client information complies with the requirements of the General Data Protection Regulation (2018). Professional advice on this should be sought if you are in doubt as there are differing interpretations of what obligations it places on consultants.

Social media

57. Although it is considered in some circles that creating a website isn't enough to promote your business, and that there is also value in using social media as a means of promoting a small consultancy because it is a way of getting your voice heard, a note of caution is urged.

58. In the early stages of a small business, the use of social media can be a distraction from earning fee income and anecdotal evidence from IHBC members suggests that, at least in the early stages, the amount of business likely to be generated from that direction will be negligible by comparison with other forms of marketing, but if you have social media accounts such as Twitter and Facebook you may want to include links to your website.. Similar caveats apply to blog posts and discussion forums and only consider them if you are confident the business has sufficient spare capacity.

59. It is wise to separate your business social media accounts from your personal accounts – your clients won't be impressed by Facebook feeds of your latest party photos or pictures of your cat!

Your professional profile

60. Do find time early on to write a professional profile setting out what do you, what your specialism entails, how long you have been in the heritage sector, your qualifications and experience (even if migrating from the public sector) and any noteworthy career highlights so far. Initially you will not be able to list many clients, but you will be able to do so later (and update your website as your client base develops).

61. You may wish to identify yourself with a logo or business name even if you are a sole trader. Consider the order in which you need to prepare this. Do you have the skills to design a logo for use in printing and on the web site or will you need to engage the services of a graphics designer who will add to your set-up costs?

Stationery

62. Although you will probably be tempted to immediately produce business stationery (including business cards), if you also intend to generate a business website, it is well to hold back sufficiently to integrate the design of both - especially if there is going to be a business logo. This will ensure a seamless and

integrated image is presented to clients once you are up and running.

63. There is little call for headed business letter paper these days as most communication is done by email (which might include a logo with the address and signature), but consider it and you can easily create this in e.g. Microsoft Word as a template by adding your logo (but also make sure to add somewhere your company registration number).

64. Also, consider how you will set up your filing system. Although it is increasingly important to keep work electronically, you will undoubtedly accumulate paper documents too. Establish yourself an efficient but simple referencing system. Consider the options for keeping material on “the Cloud” or regularly back up documentation to a separate secure hard drive. Take into account the additional costs of this.

Professional networks

65. You may want to prepare a list of your professional and social contacts who you consider it would be useful to inform that you have started your own consultancy, particularly architects, planning consultants and chartered surveyors who may require the use of your heritage specialism. There may be some merit in joining professional social networks such as Linked-in but this may not generate commissions and you may be on the receiving end of requests to ‘link’ seeking commissions from you or, awkwardly endorsements by people you have not worked with or don’t know. As a rule, you should only link with people you know (at least tolerably well).

Defining the scope of commissions

66. It may seem a truism that you will need to understand what clients require but establishing baseline parameters is essential if there are to be no misunderstandings. These are:

- the client’s or the agent’s intended outcome;
- the scope of your specialist advice;
- what background information, reports and drawings will be supplied;
- what you are required to deliver: a report, a schedule or specification, the outcome of negotiations or perhaps a site meeting;
- clarity about copyright and use issues (usually dealt with by a disclaimer appearing in any reports produced); [see paragraph 63 below]
- the deadline for completing the work;
- the agreed fee for the works and expenses including travel and any out-of-pocket expenses (and whether the fee is with or without VAT);
- as appropriate, clarity that additional work will incur additional costs.
- what will signify interim or final delivery to enable interim or final invoicing of the work (and to whom: the client direct or if you are sub-contracted, e.g. the architect or planning consultant)
- the appropriateness of setting out separate Terms & Conditions including your invoicing schedule [see paragraph 83].

67. While there is no set form of words appropriate for the enforcement of intellectual property rights, reports and other written material may be usefully prefaced along the lines of: "This document has been prepared for the stated purpose in accordance with the Agreement under which my/our services were commissioned and should not be used for any other purpose without the prior written consent of [business name]. We accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned."

68. You may wish to add the copyright symbol ©, your business name and the date and add: "All rights reserved. No part of this document may be otherwise reproduced or published in any form or by any means, including photocopying, storage on computer or otherwise without the prior permission of the copyright holder."

69. Depending on the nature and or reputation of the client you may be comfortable to agree terms and requirements by exchange of emails or you wish to formalize the position by a formal fee quotation and a fee acceptance form requiring the client's signature.

70. Be particularly clear about who will be footing the bill and what billing address should be used before you commence work. This is especially important if you are working through a third party such as the client's planning consultant or architect.

71. If the works are complex, to be carried out in clearly defined stages, or are clearly required as one of a number of competing quotations or tenders, a more structured proposal may be more appropriate setting out concisely what is proposed so that the client can compare the submitted bids.

72. Never allow yourself to be persuaded, particularly by a well-resourced client, to reduce your fee as you will know this will be uneconomic - even as a potential 'loss-leader' i.e. with the possibility of further work. Other work will come along if the client looks elsewhere.

Fees for your services

73. When first trading, knowing what to charge can be a fraught issue. You will want to be competitive, not miss out on potential work but not necessarily know the 'going rate'. This will also be the subject of regional differentials such as London costs and overheads for those based there versus those based in the regions. A balance will need to be struck between what you consider is value for money for your expertise whilst ensuring your business runs at a surplus.

Time based fees

74. Heritage specialists will normally expect to charge based on the time spent on the work expressed as an hourly or daily rate plus travel expenses and any incidental expenses. Some consultants include a fee while travelling if this takes

up a significant amount of time while others do not. It may depend on the nature of the work and the size of the commission and the time 'on the road'.

75. Where the extent of the work may be open ended it may be best to agree a realistic initial ceiling for the fee, carefully record the time expended and negotiate further work when the limit has been reached. Some clients may want a firmer idea of roughly how much a job will cost them and therefore it may be necessary to estimate up-front the number of hours you will need to spend on a project.

76. In reaching a conclusion about hourly rates you will have taken into account your start-up and ongoing costs. This may have allowed over the year for a number of variables including any income, salary or payroll costs, National Insurance Contributions; any regular or annual premiums to cover pension, life and health insurance and any other benefits; professional indemnity insurance; and office costs not reimbursable as separate cost items including accounting, administration, utilities, office equipment, ICT costs; marketing; your CPD and HESPR and IHBC membership subscriptions. This may look like a daunting list compared with the income from individual fees but remember that these costs will be building up over a year and you may be anticipating a paper loss in the first year before the business settles down in profit.

77. To translate your costs into an hourly rate that can sustain you through your first year, you need to gauge how many fee earning hours you may generate (the nominal working year is usually defined as 210 potential working days allowing for weekends, public holidays and allowing holiday and sick leave) but you may only expect to generate income for no greater than 40% or 50% of your potential fee earning time. Remember that you won't earn if you are sick or on holiday!

Fixed fee contracts

78. These are usually negotiated on the basis of the time required to complete the commission and once the fee is agreed, it remains valid for the period of the contract. Clients tend to favour lump sum contracts not least because you will have to absorb extra work or additional costs over and above those agreed. If you are asked to do so make sure the implications are clearly understood by both parties as you may need to enter into some re-negotiation of the fee.

79. If the client has significantly changed the scope of the work or you can show that the excess is due to circumstances beyond your control, you will have a justifiable claim for additional fees but don't assume that when the client asks for extra work to be done that they will also understand your fee will increase. Make sure they understand and agree to additional fees before you commence.

80. If a second or subsequent commission emerges and you consider the fee for the initial project was too low (especially if some time has elapsed) bear in mind that fees can be re-negotiated although this may not always be in your favour if your fees become uncompetitive.

Recording time and receiving payment

81. For time-based work especially, be methodical and consistent about how you

record the time spent on each commission. This is particularly important for open-ended projects where (as noted above) an initial fee ceiling has been set and where clients may need to see timesheets and how time has reached the upper limit before you are paid.

82. For fixed fee contracts it also helps to have recorded the actual time spent on a particular job so that you can make a better estimate of future work time commitments, so your fee proposal will be more accurate. It is very easy to underestimate the time you are likely to spend.

83. In the initial stages of a consultancy a simple paper record or a Word/Excel document on a computer may suffice but for a higher level of workload a range of software is available to help you monitor and record the time spent on specific commissions (that can be time-tracked, cost-tracked and invoiced, automatically) but for a small practice the cost probably doesn't justify necessary information input and added expense.

Invoicing

84. In the early stages of the business you will want to maximize your cash-flow (or avoid going into the red) and it may hardly need saying that you should always present your bills promptly, set a payment deadline (21 days or 28 days is customary), track the dates and firmly follow up any invoices that have not been paid promptly. Most clients are happy to pay by BACS these days, but some will wish to pay by cheque. Have you set up your account to deal with this and as discussed above should you separate your personal and professional accounts?

85. A friendly reminder and a copy of the invoice 'in case it has gone astray' is usually sufficient. Bad debts in the heritage sector are uncommon but if a first letter is not successful a more direct more insistent communication may be necessary. Some heritage consultants write to a recalcitrant client stating that a charge for a further delayed late payment will be levied (equivalent to the fee that a local debt-collecting agency will charge). You will be unlucky if you have to revert to county court action for recovery of the fee – but advice for small businesses is available from HM Courts & Tribunals. [\[5\]](#)

86. On almost all short, time-based, contracts expect to invoice immediately on completion of the work, or for larger, longer commissions at regular intervals in arrears, e.g. on the final day of each calendar month. Make sure your invoicing schedule is clearly set out in your fee proposal and/or Terms and Conditions.

Thresholds for VAT

87. You need to bear in mind that if your business is successful to the extent that your taxable turnover is more than £85,000 in a 12-month period or you expect to go over the threshold in a single 30-day period you must register with HMRC when you go over the threshold, or know that you will. The threshold is based on your VAT taxable turnover i.e. all your business that isn't VAT exempt.

88. You can register voluntarily if your business turnover is below £85,000 but you must pay HMRC any VAT you owe from the date they register you. You can also apply for a registration 'exception' if your taxable turnover goes over the threshold temporarily. More information is available from HMRC. [\[6\]](#) If your turnover is below the threshold and much of your work is for clients who are themselves not VAT registered then it is likely to be disadvantageous for you to register as your fees will become less competitive. If on the other hand all your clients are VAT registered businesses or local authorities who can reclaim your VAT charged you may find that, in their eyes, being registered enhances the reputation of your business. Either way, seek the advice of your accountant as to which option best suits your business.

Licenses

89. If you are moving from the public sector or from a previous company to working by yourself remember that access to OS maps requires a licence fee and that you may need to pay annual subscriptions for services such as Microsoft 365, Adobe Photoshop, Ancestry, etc.

Avoiding conflicts of interest

90. As a heritage specialist newly established in the private sector, if you are based in the local authority area where you had previously worked, this may provide valuable local knowledge and useful local contacts but can lead to potential conflicts of interest and you should not use any knowledge from your previous employer that isn't publicly available. The [Institute's Code of Professional Conduct](#) is clear on this issue stating that:

"Members shall not reveal confidential information unless required by law; nor use confidential or privileged information to their own advantage or that of a third party. [Item14]. If there is the possibility of conflict, you should advise your client that you cannot personally undertake the work."

Other help and support

91. As noted in the Introduction as an IHBC Member there are also a number of requirements you need to meet under the Code of Professional Conduct. This deals with the standards, ethics and professional behavior expected of Institute members. There is no obligation to inform IHBC of intention to commence in private practice and the majority of members now work in the private sector. You may wish to inform the IHBC of a change of status to ensure your short contact entry in the IHBC's annual Yearbook is up to date and you may wish to use it to advertise your professional services.

Using IHBC in your marketing?

92. As a full member of the Institute you are permitted to use the designation 'IHBC' after your name and the use of the IHBC logo, for example on your web pages and stationery etc. will underline your status as a qualified conservation

professional helping to demonstrate that you are governed by IHBC values and your work will meet the highest standards of competence.

93. Association with the IHBC will promote trust and confidence in your work and sharpen the competitive edge of your business. The Institute has produced [design guidance](#) on the use of its logo as part of your marketing.

Professional indemnity insurance (PII)

94. As an IHBC member you are expected to hold PII when working as a heritage consultant. This is to ensure that you have adequate financial means if a claim is made against you. To that end the Institute has developed with McParland Finn Ltd a bespoke, value-driven [scheme and associated insurance products](#) which understands the insurance needs of IHBC members.

95. You will be offering services to Clients and, there will be an expectation that those services will be provided with reasonable skill and care and will achieve the Client's objectives. While the majority of your projects are likely to be completed to the satisfaction of all parties, every once in a while a Client will prove to be difficult, problems will be encountered on site or mistakes will be made.

96. Whatever the case may be, when a project becomes difficult or a client feels aggrieved, there is always a risk that the Client may look to make a claim against you for wasted costs, remedial work or any other losses they believe they have suffered. A claim against a practice can be daunting, especially when the Client is alleging a significant loss, but in these cases you can turn to your Professional Indemnity Insurance. This is a type of insurance specifically designed to cover your practice for claims which arise out of the conduct of your professional business.

97. The key to MFL's service offering is understanding of the Members' business and assess the exposures which they face, facilitating the seamless transfer of risk to insurers by way of the appropriate insurance products the benefits of which include:

- Civil Liability policy wording offering wide cover
- Brief and easy to understand proposal forms and application process
- Competitive premiums with optional finance facilities
- Risk management and claims advice
- Free legal helpline, provided by independent solicitors
- Free in-house contract and collateral warranty vetting service

98. Along with the core product of Professional Indemnity there is a range of additional insurance products and services available including:

- Employers' & Public Liability Insurance
- Property All Risks Insurance
- Office Insurance
- Directors' & Officers' Liability Insurance
- Cyber Liability Insurance
- Legal Expenses & Travel Insurance

Public Liability Insurance

99. Even if clients don't visit you, if there is a risk of causing injury or damage when you (or if you have employees) visit a client, or there is interacting with customers or passers-by it may be worth considering public liability insurance. This is not compulsory by law but can protect you from compensation costs and/or to satisfy the requirements of potential clients. Your decision is likely to be based on whether you come into contact with third parties because clients visit your premises; you work on client sites, for example if you are undertaking site surveys; and/or your work is in the public domain and could potentially cause injury or damage to someone passing. Your decision may be dependent on whether you need to do risk assessments for the sorts of jobs you are undertaking.

100. In thinking about the need for public liability insurance, consider if you could afford to meet the cost of a compensation claim if your business was sued and you didn't have cover.

101. It's also worth checking whether clients or potential clients expect you to hold a policy. Local government contracts in particular will usually say you need a particular level of public liability insurance.

HESPR

102. The IHBC's [HESPR](#) service connects clients with authoritative conservation businesses and their expert advice. HESPR enables clients to easily explore the best of conservation businesses and advice to get a commission done properly: efficiently, effectively and sustainably.

103. The potential benefit of applying to join HESPR is the way the Register promotes the availability of a range of specialist conservation-related services, from new design in historic areas, to sector research or guidance on public interest and communication.

- Searchable online service with hosted and managed webpages for each HESPR business, containing full contact details and links
- Web links from IHBC's homepage, the starting point for IHBC's 30000 page web resource with c. 1/4million hits per month
- HESPR company listings published in IHBC's Yearbook, circulation 5000+ (including planning authorities & other heritage regulators and leaders)
- Free c. weekly tender notification service
- One free '[IHBC Jobs etc.](#)' advert & email package p.a. (worth up to £450)
- HESPR fliers circulated at select IHBC events, such as the IHBC's Annual School, and IHBC-partnered events
- HESPR promotion on IHBC networks, including social media etc

104. Practices recognised under HESPR agree to observe the institute's standards through a formal link to the IHBC in the person of their Designated Service

Adviser, who will be a Full Member of the IHBC. That Full Member has personal professional responsibility for their endorsement of the standard of service in the practice and serves as the 'quality control' for the practice for areas covered by the IHBC's code of conduct.

Continuing Professional Development (CPD)

105. The IHBC requires members to plan, complete and record 50 hours of [CPD](#) in each two year period. Compliance is flexible in terms of the way professional knowledge is gained and expanded. The IHBC also has a range of online CPD resources including its [Toolbox of Research & Guidance Notes](#) some of which relate specifically to private practice and runs CPD events throughout the Home Countries, through its Annual School, Branch events and in conjunction with or in partnership with other heritage sector organisations.

Branch Network

106. The Institute has [thirteen branches](#) throughout the UK organizing events, networking opportunities and branch conferences workshops and seminars.

Context

107. Members receive a free copy of the Institute's journal [Context](#) five times per year together with the yearbook that are essential for promoting best current professional practice.

IHBC Website, Wiki and Toolbox

108. Additional resources including good practice guidance and the Institute's Research and Guidance Notes, some of which relate specifically to private practice can be downloaded from the Institute's home page and navigation bar: ihbc.org.uk

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Bob Kindred MBE BA IHBC MRTPI

Endnotes

1. <https://www.gov.uk/government/organisations/companies-house>
2. <https://www.gov.uk/government/organisations/hm-revenue-customs>

3. *ibid.*
4. GN 2018/1, June 2018 - "*10 red flags*"
5. HM Courts & Tribunals Service Guidance Note EX350: A guide to debt recovery through the County Court for small businesses - <https://www.gov.uk/government/publications/debt-recovery-through-the-county-court-small-businesses-ex350>
6. <https://www.gov.uk/vat-registration/when-to-register>