

Freelancing Matters

**Protecting and
promoting the
interests of freelance
consultants and
contractors**

**Raising PCG's
profile in
the regions**

**Annual
membership
survey 2005**

**In pursuit of
a workable
collaboration
model**



Dr Simon Juden
Chairman

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There is a third way

Welcome to the seventh issue of Freelancing Matters. We are a nation of individuals with a tradition of individual independence. Freelance working as it happens in the UK does not really happen anywhere else in Europe. The competitive advantage afforded the UK by its highly skilled, highly mobile and highly flexible freelance workforce must be nurtured and protected.

Politicians and others in the policy world talking about work tend to think and act in terms of "employees" and "employers". The one in seven UK workers who have spread their wings and work for themselves, doing whatever it is they do well, for a succession of clients, without wanting or needing to "grow a business" of their own, have hitherto largely been invisible from the policy environment. It is this lack of understanding of our sector that has led to measures such as IR35 and S660A.

A major part of PCG's role is to ensure that the voices of those following this "third way" (to coin a phrase) are heard in Westminster, Whitehall, Brussels and beyond.

Our policy team has continued to build relationships at all levels both domestically and within Europe to achieve this. Only by inculcating an understanding of the value of our ever-growing sector and what it brings to our economy can we truly protect against the introduction of future measures which either by design or accident threaten it. This is a long programme of work but we are making significant progress with it.

Our annual membership survey was distributed in print this year, and elicited 1,307 responses, a 79 per cent increase on last year's survey, representing over 10 per cent of the membership. The survey shows that taxation, especially IR35, is still the biggest issue for our members, followed closely by concerns about changes in legislation.

Obviously, fighting IR35 remains a key priority for PCG; the number of case wins for us and our affiliates has just passed the 1,000 mark, measured against only three losses. This track record both emphasises the value of the tax insurance bundled with PCG membership, and raises questions as to why the Government does not measure the revenue it is generating through this discredited tax.

Another key area for members is S660A. PCG is taking the critical Arctic Systems test case to the Court of Appeal at the end of November 2005. The result should be available to small family business owners before the self-assessment deadline at the end of January.

We are determined to achieve clarity, certainty and common sense in taxation for freelance workers. It seems absurd that these very simplest of businesses have to operate in such a Heath Robinson environment of tax, regulation and other legislation. We understand that HM Revenue & Customs (HMRC) is considering a root and branch review of taxation of owner-managed businesses and we will ensure that PCG plays a pivotal role in any such discussions.

We have an exciting and challenging few months ahead, with the launch of several new member services, focusing on our regional work, expanding and strengthening our links with complementary organisations, and continuing to support our members commercially.

PCG's work is of crucial importance and I am very proud to lead the organisation that champions the rights of those who choose to work for themselves.

Useful contact numbers

PCG administration and support helplines

Membership administration	0845 125 9899
General enquiries	0845 125 9899

Tax investigation claim line	0845 125 9899
Legal helpline	0845 125 9251
Tax helpline	0845 125 9252

Contract review service suppliers

Accountax	08450 660 035
Bauer & Cottrell	01525 712 727
Egos	01534 729 977
Lawspeed	01273 236 236
SJD Accountancy	0500 152 500

PI & liability insurance

Coulson Pritchard	01480 470220
Randell Dorling	020 7929 5454

News from PCG headquarters

It is less than a year since permanent staff took over the running of PCG's operational and membership administration functions. Great strides have been made in that time, with further streamlining of processes and the introduction of new marketing and membership initiatives.

Staff

Sandwich student Nadia Mohamed is reading Business Studies with Marketing at Brighton University. On a one-year contract with PCG as marketing assistant, she helps administer the introducer scheme and Affiliate membership applications, prepares marketing collateral for events and sales visits and handles direct mail campaigns. Marketing support manager Mandie Bell says, "Nadia has settled in extremely well and is an asset to the sales and marketing team. We call her the 'Recycle Queen' because of her enthusiasm for the recycling initiative that she introduced here."

Jas Sian joined PCG in November as business development manager with a remit to grow membership numbers by building relationships with agencies and professional advisers, working with the regional co-ordinators and participating in seminars, trade fairs and networking events. He had worked in the telecommunications industry for over 15 years, in various operational, sales and business development roles, and spent five years running a small business.

Introducer scheme

Around 75 organisations have signed up for PCG's introducer scheme. Designed to encourage accountants, advisers and agencies to recommend PCG membership to their freelance contractor clients, the scheme offers them the choice of an introductory commission or a first-year discount off the membership fee for their clients.

Operations manager Mark Wharton says, "We work closely with a number of accounting firms and agencies who appreciate our expertise on IR35, Section 660A and other issues that affect freelance businesses. We aim to complement the services that they are already providing their clients by offering them expert advice about freelancing matters and the chance to meet or work with other freelance contractors. Our members are covered by PCG's tax

investigation insurance policy and they get access to free tax and legal helplines, IR35 and S660A analysis and manuals, standard contract templates, discounted insurances and much more.

"We see this as a win-win situation all round. Introducers are offering added value to their clients, who in turn discover the benefits of belonging to the only trade association dedicated to representing freelance consultants and contractors, and we gain new members."

Website

PCG is in the process of implementing a content management system to drive its new website, which is scheduled to go live during December 2005. The new site will offer improved navigation, a home page that explains to new visitors more clearly what PCG is about, and a host of new resources, including downloadable articles and member case stories. Those responsible for marketing, policy and administration will be able to update the content without recourse to valuable IT resources.

Promotional material

In addition to contributing editorial to a range of august publications, such as the Institute of Directors' *Growing Business*, *IEE Computing & Control Engineering*, *ITNOW* and the *ATSCo Staffing Handbook*, PCG has produced a range of flyers and case studies. Some are geared

towards potential and new members, whilst others, like *Your flexible workforce*, are specifically for client organisations, giving them valuable advice about engaging freelancers. PCG is also contributing to a Chartered Institute of Personnel and Development (CIPD) book about freelancing.

A compact membership flyer with tear-off application form is now available. This is ideal for promoting PCG at events, regional meetings and client sites; please email admin@pcg.org.uk to request stock.

Certification audit

PCG has passed its ISO9001 certification audit for the third year, with no non-conformities or observations. Simon Juden said, "This audit took place after a period of considerable transition, and the process owners were almost exclusively permanent staff rather than directors. This makes the result all the more pleasing and reassuring. My thanks go to everyone in the team for an excellent outcome."

Annual report

PCG's annual report for 2004-2005 has been published and is available to download from the publications area of the website. As well as providing financial information, the report outlines PCG's objectives and provides an overview of key campaigns, activities and achievements.

Diary

November 2005

- 1 ATSCo legal forum
- 1 REC meeting
- 1 smallbusiness|europe meeting
- 2 Trade Association Forum Exchange
- 8 Presentation of PCG (QS) to MEPs
- 14 IEE Consultants for Consultants Convention
- 17 EU Presidency Conference on Social Dialogue
- 22 Liberal Democrat Business Forum breakfast meeting
- 24 Freelancing in the 21st Century
- 25/26 Business Startup
- 28/29 CBI Conference
- 29/30 Arctic hearing at the Court of Appeal

December 2005

- 5 Pre-budget report

January 2006

- 17 TUC meeting
- 18 House of Commons breakfast meeting

March 2006

- 7 smallbusiness|europe annual reception





Member profile:

Seven Suphi

life far more varied, exciting and fun because you need to have a range of skills or at least have access to a network that does.

"Freelancers generally work in isolation. I previously underestimated the value of the interaction that takes place in an office; it was a hard lesson to learn, but now I have built a good network of contacts and colleagues. Networks are a vital lifeline for any business – and especially so for freelancers.

"Having access to expert information is important too; I joined PCG for its contract templates, on my accountant's advice, and have found it really helpful. So many organisations over-promise and under-deliver – PCG does the exact opposite."

Seven is passionate about coaching and what it can do for her clients. "During my management consulting days, I had been fortunate enough to experience the benefits of one-to-one coaching," she says. "This helped me realise that I wanted to help people improve their lives quickly and effectively, and when I discovered Neuro-Linguistic Programming (NLP), Time Line Therapy™ (TLT) and hypnosis, I knew that I had found tools to utilise the power of the mind, and that I would be able to achieve my goal."

According to Seven, coaching can be beneficial in a number of different scenarios. It has helped many of her clients to give up smoking, for example, and saved one client from allowing his mid-life crisis to have devastating repercussions on his nearest and dearest.

Many of her professional clients are high achievers who want to achieve more, faster. "I help them to improve their emotional intelligence," Seven says. "When it comes to moving up the corporate ladder, technical competence will get you so far, but emotional intelligence is the key to progressing to the highest levels.

"Networks are a vital lifeline for any business – and especially so for freelancers."

"Most senior executives who are being coached are trying to improve their emotional intelligence quotient. There's a whole variety of behavioural challenges – communicating with people, not having enough gravitas or confidence, being seen as 'bullying' or behaving aggressively, or being seen as too soft or not serious enough, especially for those in higher positions who still want to be the 'nice guy' and part of the team. One thing is certain – companies typically invest only in those people whom they value and want to be part of the future of the business, so it is a great privilege to be offered executive coaching."

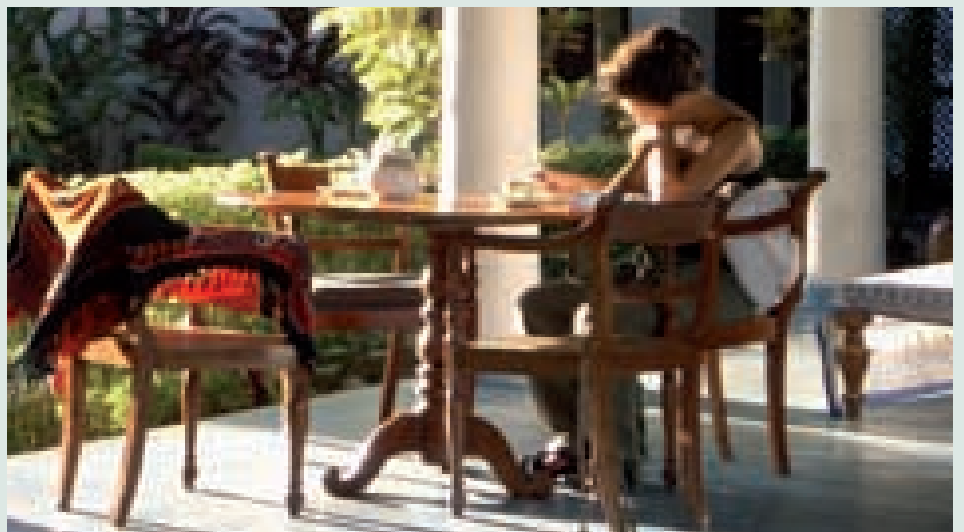
Seven also provides coaching services for clients of Seventy Thirty, a business offering matchmaking, partner headhunting and lifestyle services to high net worth

Four years ago, having worked as a management consultant with Coopers & Lybrand and as a salesperson, Seven Suphi abandoned her corporate career to set up her own freelance business, Odyssey Solutions Ltd, offering executive and life coaching and team facilitation to help people improve their relationships, confidence and emotional intelligence.

"I wanted my life and my company to be congruent with my core self," explains 35-year-old Seven. "My aim is to provide an exceptional service, helping people to transform their lives, and I wasn't prepared to compromise. I was going to be true to my values – integrity, excellence, empowerment, growth and fun. I couldn't find the kind of company I wanted to work for, and so I created my own.

She has valuable advice for people wanting to set up in business. "You need to think through it well; the more you invest in upfront preparation, the more successful you will be and the more time and money you will save. You need to know what is important to you, why you want to do it, what it is going to do for you, what you will actually be doing, what can go wrong, how you will overcome obstacles and who can help you. Play out scenarios in your mind. Be your client, your supplier, your colleague, and run it all through until you are happy and have exceptional results."

Seven loves running her own business. "What I like is that the buck stops with you – you are ultimately responsible for everything. The structure of it empowers you. It also makes



Seven writing her book, Unawatuna, Sri Lanka

individuals. She particularly enjoys this work, a fact which she ascribes to her romantic nature. "People like this are often 'cash rich, time poor' and have difficulty in finding the right partner," she says. Both the company and Seven were featured in a Telegraph magazine article on 5 November 2005.

"Humans are not used to evolving and adapting at the rate we have had to in the last 100 years – our whole way of life has changed from what we do to how we do it and the speed at which everything moves on," says Seven. "Even the dynamics between men and women have changed. Before, our challenges were more external, material and tangible, and we had limited choices, whereas now the challenges are mental and emotional, and we have far more choice. Our schooling and upbringing are simply not enough to help us cope and, in a way, coaching has become essential to living well in this day and age. Whether you self-coach through reading developmental books or you go to a professional coach, it



Seven in Kandy, Sri Lanka

doesn't matter, as long as you are taking steps to develop the programming of your mind and emotions so that you can get the most out of life.

"Coaching can help you improve your business and personal relationships, achieve what you want quickly and effectively, through goal-setting and perseverance, and have more fun in life and not take things so seriously. It can help you to be 'centred' and happy with your life, to take control of it rather than being a product of it."

Last year, Seven decided to take a round-the-world trip. "I wanted to concentrate on writing a book," she explains, "and also to adopt a daily habit of taking exercise, eating healthily, having no alcohol, meditating and using some performance techniques to improve my mind, body and eyesight."

Highlights of her trip included walking in the New Zealand countryside, which she describes as being the most varied and beautiful in the world, staying in a hut right on a beach in Thailand, eating delicious curries in Sri Lanka and – after a strict regimen of no drinking for six months – enjoying Chilean wines in the Atacama. A visit to Machu Picchu, an Inca city high in the Andes Mountains rediscovered in 1911 by a Yale professor, also stands out as a high spot for Seven. "I had the most amazing experience while I was there," she says. "It felt as though my hands were glowing and throbbing with energy."



Spectacular countryside in New Zealand

The tour proved to Seven that she could indeed write, and she has since been very pleased to secure a publishing contract with John Wiley & Sons for her first book, *More Than Men and Makeup: a woman's guide to life*, due out in September 2006. That was only one of the benefits though. "I learnt more last year than I have in any other single year of my life," says Seven. "We all know that when we push our boundaries and our comfort zones, we give ourselves the best environment in which to learn and grow, and that's exactly what I did."

"I learnt about other cultures, and about myself. For someone who hated exercise before the trip, I managed to adopt a regime that shaped both body and mind fantastically. It was challenging and stimulating, and showed me that if you do a little, every day, working consistently to achieve a goal, you are sure to get the most amazing results."

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Payment services for freelance contractors

- We pay our contractors on time.
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- We research continuously to ensure that we provide the best tax solutions within the current legal framework.

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Policy highlights

As usual, autumn has proved to be a busy time for PCG's policy team. The party conference season gave rise to various opportunities, and the resumption of activity both in Westminster and Brussels after the summer break has further added to the political workload for PCG.

Work permits and offshoring

In July, the Government announced a wholesale revision of the immigration system with its consultation paper *Selective Admission: Making Migration Work for Britain*. The central proposal is a five-tier points-based system. The main advantage of this is that the system will now be much easier to change, as and when immigration priorities are adjusted. Although this development is extremely welcome, some of the finer detail of the consultation paper gave PCG cause for concern, as reflected in its response, available to members on the Policy forum.

PCG also submitted an important new study on the impact of offshoring, an issue of longstanding concern for members. Written by Gurdial Rai, it is the first empirical analysis of the impact of offshoring on the UK ever undertaken. Its principal finding is that there is no clear evidence that offshoring helps companies make the cost savings predicted by economic theory or offers them a cost advantage over their competitors. Without this, there can be no wider economic benefit to offset the loss of work within the UK. Gurdial Rai and John Kell presented these findings to the DTI economists who monitor policy in this area on 28 October 2005. PCG will continue to campaign for more research into offshoring and, if appropriate, for policy to be amended.

Taxation

Both main opposition parties have announced major exercises on taxation, to which PCG will be contributing. The Liberal Democrats' Tax Commission was announced in May by Charles Kennedy, in a speech to a meeting of the party's Business Forum which Jo Phillips and John Kell attended for PCG. Having consulted members via the Policy forum, PCG has compiled and submitted its response to the Commission.

Shortly after their conference, George Osborne announced that the Conservatives

would also be conducting a major policy exercise on tax. Although its focus will be on the advisability of a flat tax, possibly for adoption as official policy, PCG and other business organisations will have the opportunity to make submissions.

PCG intends to develop a wider and more comprehensive position on taxation to complement its detailed stances on IR35 and S660, on which it has historically campaigned. Representations to political parties will continue to focus on IR35 and S660A, especially as the number of IR35 investigations successfully contested by PCG Affiliates recently surpassed the 1,000 mark.

EU developments

In the EU, PCG continues to monitor three particular policy areas. In the first of these, there has been a substantial development. As part of the bulk withdrawal of a large number of directives and other measures in September, the European Commission has announced that the Temporary Agency Workers Directive will be withdrawn, although it reserves the right to return to the issue in light of developments in other areas. PCG had been concerned that this directive might unnecessarily burden freelance contractors with regulation intended to protect temporary workers. A blocking minority in Council had been holding up this measure for a couple of years, but its removal is nonetheless welcome news.

Whether or not the measure is revived will depend on the outcome of the Services Directive, which aims to create a free market in services. PCG strongly supports this measure and believes that it will create opportunities for the UK's freelance workers. Its first reading in the European Parliament is proving highly tortuous, however; a committee vote was due to take place on 13 September, but was postponed due to problems with compromise amendments. It will now take place on 21 November,



followed by the plenary vote in January 2006. The main bone of contention is the "country of origin principle", which made the directive so controversial in France during the referendum campaign in May.

Following the defeat of the so-called "software patents directive" in July, there have been rumours that measures may be introduced to make software patentable "by the back door." Reports that the "community patent" scheme might be revived to this end have so far proved unfounded; the measure remains deadlocked in Council, as it has done for some years. A number of consultation exercises will, however, be carried out by the EU next year relating to IPR, small businesses and competitiveness; PCG will respond to these as appropriate and continue to monitor developments.

Policy forum

A new area of the members' forums has been established for consulting members on specific areas of policy. The Policy forum is heavily moderated to keep discussion on-topic. Members are encouraged to check this forum regularly for opportunities to give direct input into PCG's policy work.

Party conferences

PCG had a light and targeted presence at the Labour, Conservative and Liberal Democrat party conferences this year, represented by Simon Juden, John Thomas, Chris Woollacott and John Kell. The object of the exercise was to raise PCG's profile within all three parties and to expand its base of contacts. Extensive contact was made with members of each party's front-bench teams and a range of follow-up meetings and activities are being arranged.

Annual membership survey 2005

PCG's 2005 annual membership survey elicited 1,307 responses, 79 per cent more than the previous year. Representing over 10 per cent of the membership, this delivers a robust sample for meaningful analysis.

Member feedback is extremely valuable for PCG's management team in setting objectives and developing strategies.

Who are PCG's members?

They are, in the main, long-term freelancers:

- 35% have been freelancing for 5-10 years
- 38% have been freelancing for 10 years or more

They are well qualified too:

- 62% have a degree
- 22% have a master's degree or doctorate
- 26% have a technical qualification
- 33% have a professional qualification

With the majority of PCG's members being over 35, they have an abundance of experience to offer:

- 37% are between 35 and 44 years of age
- 33% are between 45 and 54 years of age
- 19% are over 54 years' old

Working model

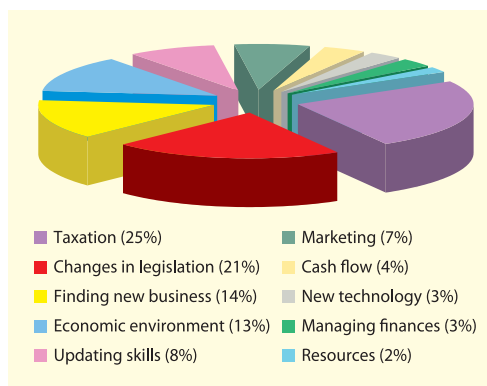
- 88% work through a 1-2 person limited company
- 46% belong to other organisations
- Top three sources of work are agencies, existing client renewals and referrals

Prospects for 2005

- 87% in contract June 2005, compared to 81% in the 2004 survey and 77 % in the 2003 survey
- 79% expect turnover to increase in the next year
- 81% expect new business opportunities to increase
- 38%, however, expect profit to decrease

Areas of major concern

As in previous surveys, taxation and changes in legislation topped the league table in terms of members' major concerns, with IR35 and Section 660A being named as the specific issues that they were most keen to address.



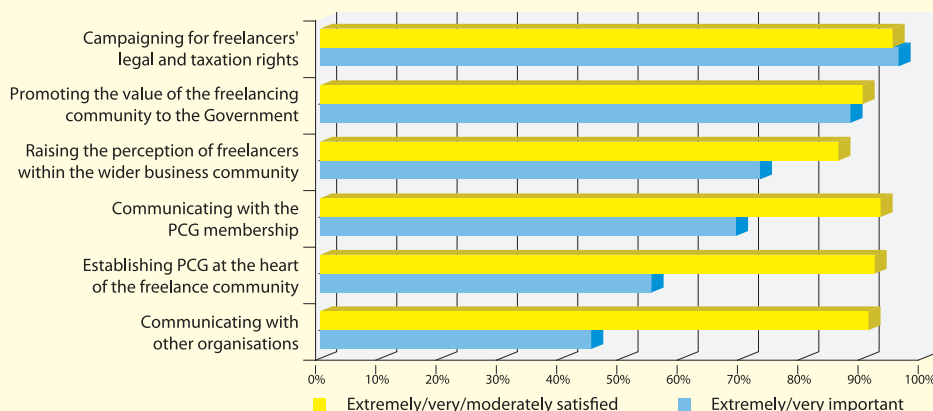
Seeking advice

Accountants may be pleased to know that they are still the most favoured source of advice, way ahead of banks and business advisers.

- 89% seek advice from their accountant
- 63% seek advice from fellow freelancers
- 39% seek advice on the PCG forums

Satisfaction with PCG's activities

PCG's initiatives have won the approval of most respondents:



What respondents liked about PCG:

"Excellent source of information and guidance - especially for a new contractor. Back up and support where legislation is complex."

"The sense of not being alone. Case studies of other members' companies are excellent."

"Friendliness, focus, like-minded people, humour, professionalism, business advice."

"Quick response, not imposing, deals with new issues swiftly."

"Gives a lot of notoriously independent people the power of a group trade association."

"Professional approach and presentation. Campaigning on taxation. Support for standards and training."

"It gives us a voice and a well-informed source of information, knowing we are not alone."

"Professional, serious body dedicated to the interests of contractors."

"It's a collection of like-minded people with lots of experience and knowledge across a broad range of subjects."

"You fight for 'the little man' in a sea of sharks. For your help over the years I am very grateful."

"Extremely useful website and newsletters provide a good reference point and up-to-date information on freelancing matters."

"PCG protects the interests of all freelancers whilst raising awareness of their true value to industry."

"Everything a freelancer needs from one source."

"IR35 advice. Contract templates."

"Great work in bringing together and standing up for the contractor community."

"Excellent resource base and fighting to establish and to protect freelancer interests."

"Working on my own at home, the PCG forums provide a distraction and a form of camaraderie. They are also a very good source of technical and legal advice."

"Excellent value for money and very impressed by all that has been done to date."

"Excellent and useful information provided in a highly professional manner."

"Sample contracts - extremely useful for direct contracts."

"Help, advice, news, communication with other professional bodies, championing our cause."

Raising PCG's profile



As part of a drive to recruit new members and foster better communication with and between existing members, PCG has started building a regional infrastructure to complement the virtual community model. There are tens of thousands of freelance contractors and consultants who should be members but have never heard of PCG or are not sufficiently aware of its work and the valuable benefits that it offers.

The first stage involves a pilot programme and four regional co-ordinators have been appointed. Their remit is to build local groups of freelance contractors who can network, collaborate, socialise and support each other. They will arrange regional meetings, seminars and co-hosted events for members and other freelancers, get to know the local MP and council officers, build relationships with local businesses and work with the PCG press office and local media outlets to help communicate PCG's messages. The new PCG website will feature a dedicated page for each of the regions, providing information about local PCG events, open to both members and non-members.

Cheshire & Merseyside



Andy Beesley has worked in the IT industry for over 20 years, providing programme management and technical architecture services to a variety of large and small companies across the UK.

His last permanent role was that of chief technology officer at a growing new business. He joined PCG in 2001 and has been offering freelance services to a number of businesses in the North West of England. His company, Wire Consulting & Technology, provides application hosting

services to small businesses throughout the UK.

For the past 12 months, Andy has been organising PCG meetings in the area to bring fellow freelancers together. As regional co-ordinator, he is now planning a number of activities, which include writing to all the members in his area, organising local meetings to support the regional membership and contacting local accountants.

Email: cm-region@pcg.org.uk

Greater Manchester & Lancashire



Andy Humphreys has operated as a freelancer for nearly half of the 14 years that he has been working in the IT sector. Specialising in IBM midrange systems architecture, security and integration, and applications development, he has provided services to a range of clients within the financial services, distribution and logistics, chemicals and industrials and transport industry sectors, both in the UK and abroad. He is also a director of Firsway Computer Services, which provides consultancy on networking and much of the Microsoft product range, as well as operating a retail arm for custom-built PC hardware and related peripherals.

Since joining PCG in September 1999, Andy has been actively involved in many of its official activities. He helped with the creation and launch of the Route35 insurance product in 2002, and had a stint

compiling the "Latest News" section of the PCG website. He has helped PCG at several exhibitions and events, and has organised regional meetings in both the Manchester and Dublin areas. He was elected to the Consultative Council in April 2002 and is now serving his second two-year term.

Andy plans to identify key sub-areas within his region and set up local meetings there. "I want to tell the grass roots exactly what PCG is doing," he says, "and to invite their input as to what PCG should be doing, and what additional services it should be offering."

In the meantime, he'll be attending the Business Enterprise Exchange North West 2005 at the Manchester International Convention Centre in November, to spread the word about PCG.

Email: gml-region@pcg.org.uk

in the regions

Julie Stewart, PCG's director responsible for the regional initiatives, lives in Yorkshire but until recently worked at a client site in Berkshire during the week. She speaks from experience when she says, "Freelance contracting can be a lonely way of life, and local groups can provide support to other contractors who are working away from home, by offering contact points and meetings in the local area".

PCG's origins can be traced back to the fact that a group of freelance contractors used to email jokes and items of interest to one another. When they heard about the proposed changes to tax legislation, now known as IR35, they spread the information quickly to fellow contractors and formed a lobby group. A strong "virtual" community blossomed, and evidence of this can be seen today on PCG's discussion forums.

"Our new regional initiatives will build on that strong sense of community," says Julie, "and help us to promote PCG to the freelance contracting community and freelance contracting to commercial, industrial and public sector clients."

If you are interested in becoming a regional co-ordinator, please email regions@pcg.org.uk

Aberdeen



Ajmal Zia has 16 years' experience of the oil and gas industry. His current role is that of principal process engineer for subsea field developments, based in Aberdeen.

As a chartered chemical engineer, he has been responsible for process engineering on a wide variety of single and multidiscipline conceptual and detailed design projects through to commissioning and operations. He has a strong background in design and operations support and flow assurance issues, gained with operators like BP, Shell, Conoco and Talisman, and contractors like Brown & Root, Amec, Woodgroup & Aker Kvaerner).

Ajmal has been a member of PCG's Consultative Council since 2000, and has organised several regional meetings. His experience is that they work best when there is a formal agenda.

Over 115 people turned up to an event that he helped organise, at which Dave Smith of Accountax talked about IR35 and S660A. "We always provide handouts and copies of Freelancing Matters, and we discuss recent IR35 cases, for example," he says.

Email: ab-region@pcg.org.uk

South Yorkshire



Phil Nicholls starting his career as a software developer in the digital libraries sector and has worked in ICT for nine years. During his seven years in permanent employment, Phil pursued a number of different roles, ranging from the very technical through to man and project management. A typical assignment would have involved working with a small team on funded research and development projects.

Phil became a freelance consultant in 2003, and joined PCG at the same time. His company, Psydev Ltd, provides consultancy, software development and technical specification to the elearning sector, predominantly in the areas around standards. Psydev supplies a number of different clients, including UFI Learndirect, Sheffield University Enterprises Ltd and the European IMS Network.

In order to increase the profile of freelancing in his area, Phil is working not only with PCG but also with Digital South Yorkshire (DSY). South Yorkshire benefits from Yorkshire Forward and

Objective One funding and, in the digital industries, this led to the creation of DSY, an organisation that promotes enterprise in the region, funds special interest groups, brings conferences to the region and helps to promote the region's growing creative and digital sector. DSY has created a Freelance Special Interest Group, which will work closely with PCG.

Phil is also keen on implementing programmes to raise awareness for client businesses on how to best engage with the freelance community. "As enterprise moves towards a model where experts are utilised on disparate projects across a wide range of different clients," he says, "so successfully engaging with those experts will be of paramount importance. I envisage a strong focus on the business nature of freelancers – and dispelling the myths that surround us. We are not temporary employees, but businesses in our own right."

Email: sy-region@pcg.org.uk

In pursuit of a workable collaboration model

In the countless discussions about business models and channels to market, the term “collaboration” has become somewhat overused. Freelance consultants and contractors have many potential channels for acquiring work, and deploying a healthy mix of them can prove more successful than concentrating on just one.

Some PCG members rely on agencies to find work for them, whilst others find all their projects through their own marketing and networking activities.

There is an ongoing discussion within the industry regarding the merits, requirements and processes associated with successful collaboration. Here we aim to present an overview of the current thinking and introduce a few ideas for further consideration.

Models of collaboration

There is no fixed form for a collaborative project, nor any timescale obligation.

- Prime and subcontracts: one organisation leads the project and identifies and selects suitable subcontractors.
- A consortium: a number of organisations agree to work together and set up a new consortium company to represent the group, or simply operate as an informal syndicate.
- Partnership of companies: the individual companies enter into a formal (usually written) partnership agreement.

All three models are valid and deciding which to adopt should take account of:

- The type of work and the type of client.
- The timescale of the collaboration. A team of freelancers agreeing to work together over the long term and present themselves as a group with synergy of skills might find a consortium company more appropriate.
- Individual situations. If a consultant has the potential to win a piece of work but needs to subcontract certain aspects then a prime/subcontract arrangement would be more suitable.

Do you need a contract?

Most definitely yes. Experienced collaborators will always recommend a contract of some form; ideally this should be agreed and engrossed before any work begins and should cover all the important issues and the understanding between the parties. It should specify what happens in the unfortunate event that:

- The client goes bankrupt
- One of the team wants to pull out
- One of the team does not perform

It should also address the financial issues in some detail, such as how the revenue, costs and risks will be shared, who will cover the costs of administration, legal fees and marketing, and cash flow implications. The issue of intellectual property rights is another thorny one that should definitely be covered, and the contract should be quite clear about which parties will undertake specific work tasks.

Dealing with the client

Clients invariably prefer to deal with a lead individual responsible for overseeing the project, including deliverables and performance management. Assess which team member is best suited to carry out this important role; whilst project management and negotiation skills are important, the ability to build up a strong rapport with the client may also be a key consideration when they are looking to commission additional work.

Finding people to collaborate with

Matching the range of skills required for a project is only half the picture; finding a team in which all parties can work effectively together may be harder. Successful collaboration is based on the whole being greater than the sum of the parts, so choose your collaborators carefully.

- Talk to fellow freelancers
- Post on the PCG forums
- Post on other forums, e.g. Reed (free)
- Use other networks, e.g. BNI, BRE, e-cademy
- Use professional trade organisations

Assessing their skills

- Ask for detailed CVs
- Check out some of the jobs or projects
- Take references from fellow contractors
- Consider their previous conduct

Evaluating team fit

- Arrange a group meeting
- Establish whether your values and working styles are sufficiently aligned to allow trust and working together

With thanks to Paul Nethercott of Thornhurst Consultants for his contribution. See www.thornhurstcl.com



Collaboration in practice: a case study

Project Pilots Limited was born in April 2002 when half a dozen freelancers, all PCG members, decided to band together.

Their motivation was threefold:

- They agreed that the postmillennial freelance marketplace was being transformed rapidly and that to survive in the future, they would be better able to adapt as a collaborative brand.
- They believed that, by pooling their diverse skills, they ought to be more attractive to clients and better equipped to bid for opportunities that might otherwise be out of their reach.
- They were – and still are – all friends who trusted and respected each other and relished the chance to work together.

Shortly after forming the company, several of their number became involved in a project for which Project Pilots was an inappropriate vehicle and it was mothballed for two years. The company was relaunched at the beginning of 2005 and currently comprises five directors and shareholders, all of whom are PCG members.

Primary competencies cover all aspects of successful project delivery and those skills underpin a range of service offerings designed to help clients maximise returns from new and existing IT investments. Project Pilots is an authorised VAR (Value Added Reseller) for Compuware's automated testing and performance improvement software tools, Changepoint's governance product suite and the UNIFACE application software development toolset and can supply fully accredited Primavera project management product training and consultancy.

In June, Project Pilots became the fifth company to pass its BVQI external quality audit via the PCG (QS) scheme and has now achieved UKAS-accredited ISO9001:2000 certification.

Although Project Pilots had already secured business in the construction industry, gaining ISO9001 certification has been crucial to winning business in the rail industry. Owen Williams Railways Ltd say that being ISO9001 compliant was a major factor contributing to Project Pilots winning their contract.

"Wherever feasible, we promote the capabilities and services of fellow PCG members to actual and potential clients," says director Peter Gable. "When we need additional resources, our first port of call is to source expertise from the PCG reservoir of talent. To protect our reputation, our mandatory criterion is that the candidate must be known to us, from within our network of contacts, and that we'd have no reservations in endorsing them.

"In developing our model, we wanted to grow the Project Pilots brand to achieve self-sufficiency and a critical mass capable of providing us with a satisfactory income whilst being unambiguously acknowledged as a 'genuine business' by whatever definition government departments wish to apply. We also wanted a flexible business model that offered each shareholder the choice of working both/either under the Project Pilots brand and/or under his own company identity."

Gable summarises their adopted model:

- Project Pilots is incorporated as a limited liability company.
- Shares have been allocated equally between the company founders, each of whom is a director.
- Currently, Project Pilots has no employees and does not run a payroll.
- They have deliberately not sought seed capital from banks, business angels or venture capitalists in order to avoid the risk of compromising control of their company.
- Project Pilots sources work and divides the assignment into logical work packages which are subcontracted to some/all of the companies operated by the shareholders and, as appropriate, to other third parties.
- Project Pilots owns the client relationship and the contractual responsibility to deliver an assignment, and bills the client.
- Each company operated by a shareholder, to whom work has been allocated, invoices Project Pilots for the agreed standard daily rate. Any surplus is retained by Project Pilots to fund operating and development costs and add to capital reserves.



- At the end of each financial year, the directors decide on the proportion of any surplus to be retained in the company and the dividend amount, if any, to be distributed according to shareholding.

Gable says that although Project Pilots is still in the early stages of its development, he and his colleagues have learnt some valuable lessons that others may find helpful:


- Their collaborative model appears to satisfy their aspirations and operable constraints, but may not suit everyone.
- Mutual trust and respect have been crucial in helping them overcome difficult situations which might otherwise have derailed the concepts.
- Effective and regular communication between partners is essential.
- Compromises and some personal sacrifices are likely to be necessary.

"We also developed and agreed a comprehensive business plan, with timelines, at the outset," says Gable. "This covered corporate governance, financial planning and management, protocols for the reimbursement of costs and division of profits, competitive analysis, routes to market, target customer groups and selling methods, brand marketing, development of products and services, SWOT analysis and resourcing.

"We sought the views of other successful business owners, whose opinions we respected, to test our business plans. Inadequate funding to cover start-up costs can cause the enterprise to remain stillborn. We recognised at an early stage that our model might incur corporation tax penalties in due course, but we took the decision that the advantages, to us, of our model outweighed apparent downsides.

"Finally, we recognise that being able to sell successfully is a very definite skill and should not be underestimated. As expected, this has proved to be our weakest area but one which we are addressing. We have made mistakes and will continue to make mistakes and learn, but we have seen enough promise to encourage us for the future of Project Pilots."

See www.projectpilots.net



Business banking that puts you first

Following close consultation with the PCG, we are offering PCG members a choice of high quality business banking accounts – choose from a free banking account with direct access or a fixed-fee account with a relationship manager. Both give you the flexibility to manage your finances in a way that suits you.

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Freelancing as a modern phenomenon

The word “freelance” comes from the Middle Ages and literally means a mercenary soldier who is not attached to any master. His modern counterparts are far removed from their predecessors; they bring experience, knowledge and flexibility to a business world that is now based less on manufacturing and more on knowledge and service and needs to be able to react quickly to fast-changing markets.

Freelancing experienced a period of significant growth in the 1990s, but increased regulation and competition from abroad has slowed this growth since 2000. Without a legal definition, freelancers inhabit the gap between external suppliers and employees. In the UK and EU, governments have sought to deal with this by legislating that freelancers are more closely aligned with traditional employees.

This approach ignores the fact that most freelancers have turned their backs on traditional employment models. Freelancing used to be the only option available to those who could not find permanent

employment, but has now become the preferred way of working for the very best talent in all sectors, people endowed with precisely the skills, capabilities and attitudes most in demand from employers.

Most freelancers do not wish to be viewed as employees or “temps”, nor do they hanker after the benefits and trappings of employment. Organisations wanting to take advantage of the flexibility, expertise and knowledge that they offer should understand some basic employment status and tax issues. Instead of a contract of service or employment contract with the freelancer, they need to have a **contract for services** with the freelance business, which includes:

- A substitution clause allowing the work to be performed by another person provided by the freelance business
- A clause specifying that there is no “mutuality of obligation” between the parties; in other words, there is no “obligation, on the one hand, to work and, on the other, to remunerate”
- A clause stating that the freelance personnel will not be subject to supervision, direction or control as to the manner in which they render the agreed services

Large corporations discovered the benefits of engaging freelance contractors for specific projects a long time ago.



With a growing number of freelancers, many of whom find some or all of their work through local networks and referrals rather than through agencies, it has become easier for smaller businesses to follow suit.

SMEs are in an ideal position to take advantage of the many skills and services offered by freelancers, allowing their businesses to be agile and versatile in an increasingly competitive world. As the burdens of employment legislation become weightier, small businesses can draw comfort from the fact that there is an army of freelancers out there, ready, willing and able to take on specific projects, help cope with peaks in demand and provide valuable advice and expertise.

Freelancers live or die by their reputations, and good freelancers invariably have an extended network of well-known contacts that they can call upon to provide services outside their scope. The value of this to their clients is surely incalculable.

Microsoft SBS status for Invincible

PCG member Invincible Networking is one of the first ten UK companies to achieve *Microsoft Small Business Specialist* status. Introduced by Microsoft in early July, this new accreditation is designed to help small businesses identify the technology partners best suited to support them.

Established just three years ago, Invincible Networking provides IT support and maintenance services throughout south-east England, and has

extensive experience in providing solutions to companies from business start-ups to the more established. Clients are able to draw on the company’s comprehensive offering of computer and network consultancy, total support and proactive maintenance as well as hardware and software sales.

Says managing director Adrian Wilkinson, “We are delighted to be one of the first ten companies in the UK to achieve this accreditation, which demonstrates our dedication to providing reliable and effective solutions to the small business market.”

The *Small Business Specialist Community* is available as a competency designation

within the Microsoft® Partner Programme. Qualifying requirements include taking a sales and marketing assessment and sitting a technical examination on designing, deploying and managing a network solution for small and medium-sized business.

John Coulthard, Director of Small Business at Microsoft UK said, “It’s great to see them achieve this new accreditation and we look forward to working with Invincible Networking to help small businesses realise the benefits of technology.”

See www.invincible.net



IR35 Contract Problems?

SQ Computer Personnel are proud to offer their contractors pre-approved contracts for IR35 insurance with QDOS and ACCOUNTAX.

Having trouble with a client or agency that does not offer IR35-friendly contracts that you can insure? We may be able to help you.

Please contact Bernie Potton at SQ Computer Personnel on **020 8463 05555** or email ir35@sqcp.com for further information.

Gamekeeper turned poacher

SQ are currently looking to recruit IT consultants looking for a change in career direction. Promoting our IT recruitment solutions, this is a new business development role and is a position that requires excellent sales skills, tenacity and exceptional interpersonal skills.

Please contact Simon Newman at SQ Computer Personnel on **020 8463 0555** or email simon@sqcp.com for further information.

SQ Computer Personnel was established in 1984. We are a professional IT recruitment consultancy providing contract and permanent IT recruitment solutions, as well as IT payroll services.

Thumbs up for contract scheme



Delight turned to disappointment for PCG member Mark Handford when the agency contract for a role he had been offered turned out to be unacceptable.

Handford's company, Psi Cron Limited, specialises in software development for the financial markets and investment banking sector and has worked for clients such as Barclays Capital, CSFB and HBoS. When his last contract was coming to an end, he heard about a potential opportunity at BP, thanks to a fellow contractor who had just started an assignment there.

To his delight, Handford was offered the role, but there was a snag. Like many large companies, BP would deal with contractors only through an agency. "I didn't think that this would be a problem," he said, "as I had a good working relationship with an agency. It transpired that BP has a preferred agency for referrals though, and I was told to get in touch with them.

"This I did, and when I received their contract, a quick scan highlighted several areas for concern, and so I sent it to Roger Sinclair at Egos. He did a sterling job of reviewing and amending the document within a very short time frame. I returned it to the agency with his recommended changes, and when I hadn't heard from them, telephoned to chase it up.

"You can imagine my dismay when they said that they wouldn't budge – I could take the contract as it stood or leave it. They reckoned that making changes would eat into their profit margin. Here was an agency that wished to receive a sizeable amount of commission on my contract, for no effort on their part, and wasn't afraid to pull the plug on my deal with the client. I thought that I would have to forfeit the role. The good news is that BP then recommended another agency, SQ Computer Personnel. The even better news was that SQ Computer

Personnel is a PCG Affiliate member and would be using a PCG Approved Contract. Paul Haynes at SQ Computer Personnel was very helpful and friendly. What a superb result – and a hearty recommendation from me for both SQ Computer Personnel and PCG's Approved Contract scheme!"

"The even better news was that SQ Computer Personnel is a PCG Affiliate member and would be using a PCG Approved Contract."

Bernie Potton, SQ Computer Personnel's managing director says that Handford is not alone in appreciating the scheme. "We have had many reports now from contractors informing us of their delight with the ease and convenience of the Approved Contract scheme and this is clearly a much-needed facility in this ever-changing market-place."

Other Contract Approved agencies are equally enthusiastic. Boyd Kershaw, Practicus director, says, "The Approved Contract scheme has been very successful with our interim candidates. One of our objectives was to align our business with companies and suppliers who share the

same views on service provision – providing quality service without compromise. I believe that PCG chairman Simon Juden shares my view, and he has done a fantastic job of raising the profile and improving the brand of the PCG.

"Having our contracts approved by PCG has enabled us to demonstrate due diligence around our business terms, and being an Affiliate member of PCG demonstrates that we take the building of relationships with our interim community very seriously. We feel that PCG as an institution holds a special position within the recruitment market and, as time goes on more and more interims in the IT community are waking up to this."

Steve Phillips, operations manager at Pendragon, has this to say: "We were honoured to be one of the first employment businesses to carry the PCG logo on our contracts and have promoted the scheme wholeheartedly. Participation in the Approved Contract Scheme has had a very positive effect on our business; it has further raised our profile in the contractor marketplace and has helped to distinguish us from our competition. The PCG logo on our contracts acts as a 'quality mark' which both reassures and impresses contractors and clients alike. Official recognition from PCG enhances Pendragon's reputation and provides a clear indication of the integrity of our advice and the quality of service we provide."

PCG Approved Contract scheme



PCG's Approved Contract scheme was introduced in 2004 to facilitate the availability of standard, commercially sound business-to-business contracts suitable for freelance contracting businesses operating outside IR35. The review and approval service is available to Affiliate member agencies, who may use it for all their contractor clients, whether they are PCG members or not.

Contact admin@pcg.org.uk for further information.



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PCG is the not-for-profit trade association that represents freelance consultants and contractors. Why should you join us?

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Case law update

Employment rights

A trend in case law over the last couple of years has been causing anxiety to end-users, agencies and contractors. The courts have become increasingly willing to offer employment rights to temporary workers.

There has yet to be a case in which a contractor has been granted employment rights: a small number have sought them unsuccessfully in the past, but it now seems a greater risk than ever. The courts seem to be acting out of a paternalistic instinct and assuming that people who do not work as employees are by definition hard done by and in need of protection.

While it seems grossly unjust that some end-users are deploying contractors as de facto employees without the concomitant rights, PCG's position remains that the best solution to this problem is for business-to-business arrangements to become the norm. If contractors are deemed to be employees in the future, there is a serious

risk that their entire way of working could be obliterated. The loss of the flexibility afforded by contractors would be a substantial loss to the UK economy, as costs for end-users will increase, to say nothing of the chaotic possibility of "wrongly" paid VAT being claimed back from HMRC by end-users.

"The courts seem to be acting out of a paternalistic instinct and assuming that people who do not work as employees are by definition hard done by and in need of protection."

A brief overview of recent developments follows, which will concern itself with two key cases: *Dacas v Brook Street* (2004) and *Cable and Wireless v Muscat* (2005). The *Dacas* decision stated that it should in future be considered the norm that PAYE temps, whose relationship with an end-user is de facto one of employment (even if no employment contract exists), should be considered employees.

This represents a break with traditions of English contract law, in which two parties could, historically, agree to whatever they wanted to. Now, courts must set aside clauses explicitly stating that the contract is not one of employment and consider what the effect of the contract is in reality.

More worryingly, the *Muscat* decision applied this *Dacas* principle to a contractor, despite the presence of a substitution clause in the contract. *Muscat* was, however, an extreme case: Mr *Muscat* was obliged by *Cable and Wireless* to become a contractor in a "Friday to Monday" manoeuvre so blatant that *C&W* paid for his incorporation costs and integrated him thoroughly within their departmental structure. Whether or not this type of judgment will ever be extended to contractors who are genuinely in business on their own account remains to be seen.

PCG is keeping a close eye on developments in this area and will be working closely with agencies and HR departments in an effort to ensure that contractors are engaged and deployed in an appropriate manner.

IR35 wins: the juggernaut continues

The stout defence by PCG's Affiliates of contractors undergoing IR35 investigations continues and, by October, 1,119 contractors had been investigated and found to be outside IR35, compared to only three found to be inside.

Unhappily, some IR35 investigations are stretching to three years or even longer. A few cautionary tales have also emerged from the recent victories: Dave Rolinson, of Clifton Computer Systems, received notification of an investigation only weeks after his PCG membership expired.

As he put it: "Typical!!! This meant that I had to cover the costs myself, so let that be a warning to anyone who lets their membership lapse."

Mike Thompson of BFG Computer Services found that real arrangements letters helped strengthen the case against IR35.

"As many of us are subject to standard agency contracts, it is really important that the true working relationships are documented effectively and signed by the end client."

"As many of us are subject to standard agency contracts," he said, "it is really important that the true working relationships are documented effectively and signed by the end client." However counter-intuitive they may seem, PCG's advice remains that real arrangements letters are definitely worth obtaining if you possibly can.

Arctic at the Court of Appeal



PCG will be supporting Geoff and Diana Jones as they take their S660A test case to the Court of Appeal on 29 and 30 November. The case was originally

scheduled to be heard in January 2006, but has been brought forward at the instigation of the Chancellor of the High Court, Sir Andrew Morritt CVO, in view of the desirability of obtaining a ruling before the self-assessment deadline at the end of January. PCG is pleased that the importance of gaining certainty on this point of law as soon as possible has been recognised.

Taking the pain out of company formation

That's it. You are fed up with the routine and had enough of the corporate grind. It's time to take control of your life and become your own boss.

Every year, up to 100,000 people in the UK leave the relative security of their salaried careers for the more challenging and usually more risky world of self-employment or freelancing. For some, it is less of a choice and more of a necessity as employers continue to downsize and outsource functions such as human resources and IT. For many, however, the decision is about making lifestyle changes and doing something more personally, and perhaps, financially rewarding.

For those who take the plunge, the real value of time soon becomes apparent. Suddenly all the unseen things that your ex-employer once did for you are now your responsibility. Whether it's dealing with expenses, invoicing clients, VAT returns or chasing payments, the buck quite literally stops with you. Not only that, but time spent on paperwork means less time dedicated to more productive activities that will generate more business.

Making the best use of time isn't something that just applies to small businesses, but when there aren't enough hours in the day, services that save you time and unnecessary stress are always worth considering. Take for example the issue of company status. Is it better to be a sole trader or set up a limited liability company? With employers and recruitment agencies becoming more insistent that freelancers and interim appointments are engaged as limited

companies, how difficult is it to set up a limited company and is it worth the hassle of doing so?

In truth, it is a comparatively straightforward process. Compared to being a sole trader, limited companies have to satisfy more stringent requirements, such as registering the company at Companies House and filing annual reports, but with appropriate guidance from an accountant or business adviser, and preferably access to the internet, it is usually possible to set up a limited company in a matter of days – usually in less than a week.

If however, the prospect of additional paperwork and administration fills you with dread, specialist agencies such as A1 Companies can take away the hassle of company registration by offering an effective one-stop-service that also takes hours rather than days to complete.

A1 Companies senior manager Martin Worsley explains, "Provided that the instructing client gives us the relevant information, such as the company name, the registered office address and the names of the director or directors, shareholders and company secretary, we can feed those details into our bespoke database and transfer it to Companies House in the correct specified format. Companies House will then electronically issue a Certificate of Incorporation within a maximum of 48 hours, but usually within 12 to 24 hours."

Using an internet-based service helps to fast-track the registration and also reduces the amount of form-filling and administration that the process would otherwise entail. Worsley continues, "Several agencies offer similar

web-based systems, but A1 Companies was one of the first to provide a system that formats the data in a way that Companies House can work with, so it's a much more seamless process."

Most accountancy firms will also help to set up limited liability companies, but Worsley has found that a growing number of accountants are referring clients, or are themselves using the services of specialist agencies. "Specialist agencies are able to keep more up to date with the practical requirements of company registration as well as the key legal issues, such as the position on money laundering regulations," he says. "Some accountancy firms may not have all the necessary resources at their disposal and perhaps may seek legal advice from a lawyer that would bump up the costs. Specialist agencies can conduct the work at a fraction of the cost and in a more practical and realistic time frame for a new business," he adds.

Many contractors find it burdensome that employment agencies insist on freelancers and interim managers having limited company status. How can specialist registration agencies help? Worsley says, "It used to be the case that almost all new companies were registered with the formation agents' own nominees, accompanied by quite a lot of administration and paper work. This could take a day, but realistically the process of Companies House getting the information on to the public file, where it could be verified by the person's bank or employment agency, could take up to ten days. Using an electronic system, there is no need to do this. The contractor can form the company in 24 hours or less with their own details on the public file from the very start. Banks, employment agencies and clients can check them out online and verify that they are bona fide corporate contractors in seconds."

What should a new contractor expect to pay to set up a new company? "Our standard rate for a new company is £127.25, including VAT, but A1 Companies will offer a 20 per cent discount to PCG members," says Worsley. "The costs of registering a company can be repaid to the contractor by his new company, which means it can be claimed as a business expense," he adds.

See www.a1companies.com and www.companieshouse.gov.uk



"The contractor can form the company in 24 hours or less with their own details on the public file from the very start."

Martin Worsley, A1 Companies

Working with partners and in the community

Cooperating with complementary associations and organisations forms an important part of PCG's work to influence policy, disseminate information to a wider audience, and negotiate reciprocal arrangements for the benefit of members.

One such initiative has involved PCG joining forces with the British Computer Society (BCS) to offer a fast track service for PCG members to join BCS at a professional grade which conveys chartered status.

Earlier this year, BCS had introduced its new gold standard membership category of Chartered IT Professional (CITP), which requires ten years' IT experience or an IT degree plus a minimum of five years' experience. Under the scheme, PCG members who currently have BCS standard or MBCS membership are offered a fast track route to the next level of membership.

A PCG assessment panel for BCS chartered status membership commits to processing applications within an average of four weeks. New members are awarded professional grade MBCS membership within one week of applying; this remains in place until chartered status is conferred. The service is also open to PCG members wishing to join BCS for the first time. PCG took part in the *Management Consultancy Careers Fair* at Olympia on October, promoting PCG to independent consultants. Diana Watson, John Kell, Mandie Bell and Nadia Mohamed all helped man the PCG stand.

Directors Chris Woollacott and Richard Robson attended the IEE *By Consultants for Consultants Convention* in November, with Jack Tsouramanis of BVQI. Chris, who gave a presentation on *Being a Contractor*, described the event as being extremely worthwhile. Numerous contractors visited the PCG (QS) stand and took literature about the scheme and PCG membership.

In September, PCG fielded a team to participate in Byte Night, the IT sector's annual sleep-out in support of the NCH, the children's charity, and its vital work with



vulnerable young people who are homeless or coping with life after care. Members of the team secured sponsorship, and PCG placed a full-page advertisement in the Byte Night programme.

The ATSCo Charity Golf Day in association with PCG took place at the Buckinghamshire Golf Club in October. PCG won the Fantasy Golf award, and Neville Jones won a prize for the "nearest pin". Proceeds from the event were donated to the NSPCC.

Speaking out

PCG welcomes the opportunity of meeting new organisations, providing expert speakers for events and contributing editorial for newsletters, magazines and other publications. Areas of expertise include:

- IR35: the intermediaries' legislation
- Section 660A: the settlements legislation
- Setting up a freelance business
- Marketing your freelance business
- Better client relationships

Please contact PCG on 0845 125 98 99 or by email at admin@pcg.org.uk if you are interested in discussing speaking engagements or editorial contributions.

Standard terms and conditions for direct work

Members who engage directly with their clients will be pleased to know that PCG has drawn up a standard set of terms and conditions to complement its direct contract template. This document is much shorter than the direct contract template, and is an ideal accompaniment to quotations for relatively small pieces of work.

"The PCG direct contract template is a comprehensive document that is entirely suitable for substantial engagements," said deputy chairman Chris Woollacott, "but we recognise that it can be a bit unwieldy when you're quoting a client directly for small pieces of work.

"We have of course taken the advice of commercial, employment law and tax experts in producing this contract. Roger Sinclair of Egos drafted the terms, which were then reviewed by Lawspeed, Qdos and Accountax to ensure that they met our requirements and those of our insurers. We also took the opportunity of having all the other contract templates redrafted to offer a more succinct set of documents that reflect current legal thinking and continue to offer protection from IR35."

The complete set of documents available to members on the website comprises:

- Direct Supplier-Client Agreement, and Schedule template
- Supplier-Agency Agreement and Schedule template – opted out of agency regulations
- Supplier-Agency Agreement and Schedule template – opted into the agency regulations
- Agency-Client Agreement, and Schedule template, which is "back-to-back" with the Supplier-Agency versions
- A set of standard Terms and Conditions which Suppliers may append to quotations to direct clients for small pieces of work
- An agency regulations opt-out form
- Written explanatory notes, for each of the documents, which advise PCG members when and how to use each of the documents


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PCG Affiliates – Banking Products & Services.

Can you confirm your bona fides?

Employment agencies and employment businesses are increasingly requesting copies of passports or other forms of identification before putting freelance contractors and consultants forward for projects. Whilst there is no onus on them to do so where a proper contract for services exists, many agencies and end clients are adopting identity checks as a standard procedure.

It is the Government's clear intention that such organisations should check workers' identities, and although contractors are not required to provide such evidence, there is no reason not to comply with such requests. Declining to cooperate might rule one out of a contract, although this is of course a decision for the individual.

The threat of terrorism is one of several reasons why client organisations are taking more care about establishing the bona fides of potential employees and contractors. Whilst this can raise difficult and sensitive issues for all parties concerned, it is increasingly being seen as good practice to reduce risk and ensure peace of mind.

A recent analysis of 3,000 screens of potential financial services employees demonstrated that 25 per cent of the CVs contained material irregularities, according to The Risk Advisory Group. This was borne out by a 2002 Mori poll, which found that one third of respondents admitted to fabricating elements of their CVs. A survey conducted by the Chartered Institute of Personnel and Development last year found that 25 per cent of employers in the UK had withdrawn job offers in 2003 after discovering CV fabrication.

It's no wonder then that agencies are keen to find a way of ensuring that information on a CV is accurate. Deploying contractors with integrity, who have the necessary skills

and competence to do the job, is crucial for the success of a project. Engaging contractors who do not have the appropriate skills can demotivate other team members, damage relationships, prejudice the satisfactory completion of a project and even attract litigation.

So, just how do we as freelance consultants and contractors prove that we have the qualifications, character and experience to do the job?

RwC plc is a leading supplier of checking services for the verification of qualifications, work experience and references of contractors and job candidates for companies in every industry sector. It markets its services under the "backgroundchecking.com" banner.

Chief executive Steve Bailey, says, "We're in the business of background checking and nothing else. Our clients are looking for three basic safeguards. They want to protect their business from fraudsters, they want to protect their existing employees from unknown elements entering the workplace and they want to protect their customers from any kind of threat."

PCG is working with RwC plc to develop a scheme for its members, to be launched within the next three months. Chief executive John Thomas confirms that this is a valuable and timely service. "This is being driven globally by statutory and regulatory pressures and corporate best practice," he says. "And frankly, it makes good sense and will complement our other quality initiatives."

The scheme will provide PCG members with certification that they have been checked to BS7858 level, which includes:

- Basic personal and financial check (electoral roll, CCJs, bankruptcy check)
- Highest educational qualification
- Further technical or professional qualification or membership
- Full 10-year continuous history to include date of leaving continuous education, verification of employment dates, employment gaps and basic criminal records check (unspent convictions)



RwC chief executive, Steve Bailey

Preferential rates will also be offered for a three-year scheme providing the full check in the first year and an annual renewal check in subsequent years.

Bailey explains that they are usually required to destroy all records and findings after six weeks. "Clearly, this is inappropriate for contractors, who by definition move from job to job. We can, however, with their permission, hold base level information that requires checking only once. This could be histories of all qualifications, job references and financial records up to the point when they last took a contract. When they move job we would only have to check the period of their last employment and just refresh our records for that time. This is far cheaper than rechecking from scratch."

Derek Wreay, managing director of the Wreay Group and a member of the ATSCo executive committee says, "People deliberately misleading on their CVs is one of the biggest bugbears for our recruiters, and we welcome PCG's proposed initiative. Large corporates typically spend millions of pounds on physical security, like manned guarding and biometric access to buildings and computer systems. They are now waking up to the fact that they rarely check out new contractors and employees with the same rigour, and yet IDC research shows that 80 per cent of threats come from within the workplace."

For further information, see www.backgroundchecking.com



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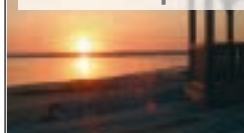
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Building quality businesses

Transsol, Norbite, Emmons Engineering and KIC Computing were the first four member businesses to achieve ISO9001 certification through the innovative PCG (QS) scheme. Since then, five more businesses have been awarded certificates:

- Project Pilots (see page 11)
- KA Technology
- CM Project Management
- Graham Oakes
- Hybrid Business Solutions

A further three businesses – PDE Management, T2 Consulting and Enchainé Informatic – have passed their certification audits and over 100 member businesses have signed up for the PCG (QS) scheme.

KA Technology Limited specialises in the design and development of a broad range of software systems using Microsoft-based technologies. Based in Goring-on-Thames near Reading in Berkshire, the company offers expertise in a wide variety of systems, from multimedia titles helping learners prepare for their Driving Theory Tests to large scale web-based systems for corporate and public sector clients.

According to managing director Keith Avery, the award has placed the company in a strong position to expand its public sector and corporate client list at an even greater pace. "The benefits of certification are already evident; in particular the procedures to monitor client satisfaction ensure constant improvement of the services we provide to our clients," he said.

"It would be impractical to justify the time and cost of developing our own quality system and, in our view, the PCG (QS) scheme offers the best value for money to a consultancy of our size. ISO9001 certification is a superb advertisement for our business and ethics, as it sends out a clear message that we can be trusted to provide services in a responsible and professional way."

Over the last couple of years, KA Technology has been subcontracted by Nickleby & Co to develop a number of Microsoft .NET / SQL Server systems for a well-known retailer. A spokesperson from Nickleby said, "We are delighted to hear that KA Technology has been awarded certification because it reflects publicly the quality and standard of work that KA Technology applies to the services they provide for us and for our clients."

Graham Oakes Limited, an IT consultancy based in the north-west, helps people understand how to use technology to transform their businesses and helps organisations develop strategies for customer relationship management, enterprise content management and collaborative systems. Clients include Oxfam, Yahoo Europe and Cisco Systems.

Dr Graham Oakes, who started the consultancy in 2003, said, "The organisations we work for need the personal attention and dedicated expertise that small consultancies excel at providing, but they also need assurance that consistent, high quality processes will be followed.

This certification demonstrates that we can deliver both as we help people find ways to achieve their customer and information management objectives."

Joe Dall, Head of Information Systems and e-Business at National Savings & Investments said, "We're delighted that Graham Oakes Ltd has achieved this certification. They have done an excellent job to help us develop our IS strategy over the last few months. Small consultancies fill a valuable niche, but as a government agency we need to be confident that they will work to the highest ethical and quality standards. This certification confirms our experience that Graham Oakes Ltd can do this."

Hybrid Business Solutions was formed in 1992 and supplies specialist technical expertise to consultancies and FTSE100 clients across a broad spectrum in two distinct yet related fields – Oracle databases and business intelligence solutions.

Managing director Gerard O'Connell is unequivocal about his plans, now that his company has achieved certification: "Today my business is supplying services; tomorrow my business will be supplying complete solutions."

About PCG (QS)

PCG (QS) was developed in partnership with BVQI and BQI Consulting. It is the first scheme of its kind and incorporates a fully-hosted electronic quality management system with technical support, full-day training course and instructional materials, templates and checklists, remote online internal quality auditing and an ethical code of conduct.

For further information, see www.pcgqs.org.uk



PCG (QS) launch in June 2005



Keith Avery



Graham Oakes

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CRM: indispensable tool for small businesses?

Customer relationship management (CRM) is not the exclusive domain of big corporations with their team secretaries, office managers, personal assistants and account managers to organise information and processes.

As as a freelancer, business owner or sole trader, you are very unlikely to have the luxury of such help, and so it's all the more important for you to have the right CRM system in place. CRM is not just about having customer information at your fingertips; it's also about understanding where your business is now and where it is going.

PCG member Michelle Hoskin runs The Adviser Partnership, which helps financial advisers and other small businesses to implement effective CRM systems. "At the core of any CRM system is a contact management database," she says. "Clients and prospects are probably your most valuable asset, and having the ability to capture, store and use information about them effectively will almost certainly give you an edge over your competition. You would be surprised at how many small businesses have no contact database at all."

These are some of the tools that people use to store contact information:

- paper files and diaries
- general purpose email and contact management packages, such as Microsoft Outlook
- general purpose database packages, such as Microsoft Access
- word processing and spreadsheet packages, such as Microsoft Word and Excel
- personal digital assistant (PDA) software, such as various Palm and PocketPC applications
- dedicated contact management systems, such as Act!, GoldMine or Microsoft's Business Contact Manager

Whilst all of these can be effective tools to help you store and retrieve key information and reminders, the electronic options offer faster access, and some of them can integrate with other software applications, like email and word processing. Using disparate tools

without having a real system in place can create unnecessary complication, duplication and extra work, according to Michelle. "Apart from being time-consuming," she says, "it does not guarantee to deliver the result that you were hoping for. Having the right system in place, for your needs, and using it properly, will pay dividends."



"You would be surprised at how many small businesses have no contact database at all."

Michelle Hoskin

It is of little use to have a good system unless you use it to good effect as part of your daily business routines. The contact database should contain up-to-date details of:

- Every person and organisation capable of giving you business
- Everyone you know who might know someone capable of giving you business
- Every person or organisation that you want to work with or for (your "most wanted" list)
- Media contacts, if you intend to issue press releases as part of your marketing efforts

Different businesses have different needs, but these are the areas of functionality you should consider before making a decision to implement a CRM system:

- A single place to manage customer information, sales opportunities, accounts and business contacts
- Lead and sales prospect tracking, with information about revenue potential, probability of closing and expected close date so that you can monitor your business pipeline, earnings and workflow for each client and prospect

- The ability to share customer and prospect information with colleagues
- Synchronisation with PDA software so that you have access to contact information when you are out and about
- Integration with email and word processing applications so that you can create email and printed mailshots, quickly and easily
- Activity scheduling, with diary system, task lists and reminders to help ensure that you don't miss important business opportunities and deadlines again
- Activity tracking, so that you can store letters, emails, meeting records and file notes against each contact to help you with the overall management of their contact history
- The facility to import contact information from legacy systems, so that you don't have to create your contacts database from scratch

Watford-based Decor Tiles, which opened in 1976 and is still owned and managed by the original family, recently engaged Michelle's company to implement a CRM system. "The process has proved not even half as painful as I had anticipated," says Glyn Hughes, "and has delivered twice the benefits I had hoped for."

Alan Geddes of specialist consulting firm Asbestos Solutions agrees. "Having a system like this allows for fast searching of client details and lets us track our job opportunities and see important sales statistics at a glance. It works as a good marketing tool too, in that we can perform mail merges to specific client types, quickly and easily."

"You can't depend on technology to fill gaps in your sales and marketing strategy," concludes Michelle, "but a good CRM system, used properly, can help you to stay organised, make the best use of your time, optimise your business opportunities and ensure that you don't miss out because of shoddy or non-existent record keeping."

For further information, see www.theadviserpartnership.co.uk, www.frontrange.co.uk, www.act.com and www.microsoft.com/office/outlook



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Randell Dorling acts on behalf of Hiscox Insurance Company Limited in relation to the PCG Professional Indemnity, Public Liability and Employers' Liability programme. Randell Dorling Limited was specifically created to administer the placing of insurance for groups of professionals and has been insuring PCG members since March 2000. Currently, 3,250 PCG members are insured with Randell Dorling. We offer:

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Protecting your company or brand name

Wise men do not build castles on sand. And certainly on sand they do not own. But a great many businessmen think nothing of spending considerable amounts of money, time and effort in building a business and creating a brand without ensuring that nobody else has a right to that name or that they have taken steps to secure their rights.

Many companies say that they are not bothered with trademarks, that they are “not for them” or they are too big to be worried about other people’s rights, or “who would object to a small company?”

Cases that have hit the headlines in recent weeks highlight this strange attitude – Google lost the right to call its new product “Gmail”, and Judy Bell, who runs a small cheesemaking firm in Thornton-le-Moor, was not aware that “Yorkshire feta” would be infringing European rights. Every week there are numerous cases where companies have to give up a name, change their packaging and meet expensive costs.

Why does this happen? The most popular misconception is that the following actions give rights to the use of the name:

- registering a company name
- having used the name for a while without any objection
- having registered the name as a domain

A number of companies, small and large, are now realising that the longstanding common law rights which companies acquire by use fade into insignificance when faced with European statutes.

In a recent case heard before the Trade Marks Registry, high street retailer Arcadia Group Brands Limited lost in an action taken by the Italian company Seven SpA over the right to the trademark SEVEN. Arcadia had used the mark since 1996/7, with sales turnover rising from £3.4 million to £14 million by the time they filed an application in early 2003. Such use provided no defence in the face of the European registration for a similar mark in July 1997, on or about the time that Arcadia first started to use it. If the decision is not appealed, then Arcadia faces a fairly expensive change in finding an alternative name, which after seven or eight years of use is not a particularly palatable option.

“It costs nothing to ask and very little to research. Even if the goodwill and reputation of the company name is not worth protecting, at least companies would be wise to ensure that the sand on which they are building their castles is not owned by another.”

Another popular misconception is that searching the internet or the Patent Office website and not finding the mark registered means that one can safely use it. How many people know what earlier rights are and the extent to which the courts will go in protecting registered trademarks? How many would have expected the courts to regard WAGAMAMA and RAJAMAMA as being similar?

The Registry’s view of what it considers to be sufficiently similar marks that they may lead to confusion is typified by its very



recent decision to hold the marks DALPROFEN and CALPROFEN similar. Business owners often say that it is too expensive to research and protect a brand, or that if they run into problems, they will change the name.

John Groom of Groom Wilkes & Wright LLP is a trademark attorney with more than 30 years’ experience of advising companies about their brands. “Most SMEs will spend considerably more in a year on the staff’s tea and biscuits than it would cost to search, register and protect their most valuable asset – and registration lasts for ten years and can be renewed indefinitely,” he says. “Unless there is a real conflict, the whole process of having a professional search, specifications devised, the case steered through to completion and for that mark to be watched over by professionals for, say, the next ten years is likely to be in the region of between £600 and £800.

“It costs nothing to ask and very little to research. Even if the goodwill and reputation of the company name is not worth protecting, at least companies would be wise to ensure that the sand on which they are building their castles is not owned by another.”

John Groom is a Fellow and past President of the Institute of Trade Mark Attorneys (ITMA) and has represented the Institute at several World Intellectual Property Organisation congresses. He was the co-author of ITMA’s book, “A Practical Guide to the UK Trade Marks Act 1994”. He regularly lectures on trademarks and is a specialist tutor at Queen Mary-Westerfield College.

For further information see www.gwwtrademarks.com.

Guide to insurance for freelance businesses

Insurance can provide financial compensation and peace of mind when things go wrong, but even some seasoned freelance contractors are unsure as to which types of insurance they need. Very few types of insurance are compulsory for small businesses, but it can be a false economy to neglect those which really should be viewed as essential.

Motor insurance

Third-party liability insurance is compulsory for all vehicles used on the road.

Comprehensive insurance includes this but also provides cover for fire, theft and accidental damage. Personal accident cover, for certain bodily injuries sustained by the driver, is usually offered as an extra option. You should ensure that business use is specifically covered.

Employers' liability insurance

The Employers' Liability (Compulsory Insurance) Act 1969 requires all employers, unless they are exempt, to have at least £5 million of employers' liability insurance with an approved insurer to protect them against claims from employees for accidents or sickness caused through work. In practice, most insurers offer at least £10 million cover.

The law was amended with effect from 28 February 2005 to exempt very small companies that employ only their owner (see the Employers' Liability (Compulsory Insurance) (Amendment) Regulations 2004, SI 2004/2882). In a letter to PCG, the Department of Work and Pensions confirmed that if a limited company employs only the owner, and that owner owns more than 50 per cent of the issued share capital, then the company is exempt.

As a freelance consultant or contractor operating outside IR35, however, you are likely to have a substitution clause in your contracts. Without employers' liability insurance, you cannot fulfil this clause without breaking the law, so in practice you ought to have cover.

There are no hard and fast rules about who counts as your employee for the purposes of employers' liability insurance. People who you may think of as self-employed may be

considered as your employees for the purposes of employers' liability insurance; what matters is the real relationship with the people who work for you and the degree of control you have over the work they do for you. Even part-time and casual staff may count as your employees.

The law is enforced by the Health and Safety Executive (HSE); its inspectors can ask to see your certificate of insurance at any time. These must be retained for at least 40 years after the insurance has expired. You can be fined up to £2,500 for any day which you are without suitable insurance. If you do not display the certificate of insurance or refuse to show it to HSE inspectors when they ask, you can be fined £1,000. The Financial Services Authority keeps a register of authorised insurers, which is available on its website www.fsa.gov.uk

Legal liability insurance

Legal liability insurance is voluntary for most businesses, but could save you a lot of money in the long term. Note that it covers you only if you are legally liable for the injury or damage. Public liability and product liability insurance are two types that may be relevant.

Public liability insurance

Public liability insurance covers you against accidents to members of the public or damage to property that occurs as a result of your business activities. It also covers any related legal costs.

Even if you work from home, you may need public liability cover. If clients visit you there, the policy will cover you if they injure themselves while they are on your premises— it could be something as silly as tripping over a computer cable. If you regularly work off-site, your policy should cover this too.

KEY to insurances:

- **Compulsory for most businesses**
- **Essential or advisable for most businesses**
- **Recommended for most freelance service businesses**
- **Recommended for product businesses**
- **Worth serious consideration**

Product liability insurance

Product liability insurance covers you against injury or damage caused by faulty goods. This can be important if you manufacture, repair, install or even retail goods; a small defect could open you up to massive claims. Your policy should guard you against safety claims, manufacturing quality, spoilage and indemnity costs (medical bills and so on).

Professional indemnity insurance

Professional indemnity insurance protects you against your legal liability for losses suffered by your customers as a result of your negligent advice. It is legally required in certain professions, such as law, accountancy and financial services.

It is common in other areas, such as management and computer consultancy, publishing, engineering and design. If you give any advice which could make you liable, or if you are working in a collaborative arrangement, you should have a suitable policy.

Your policy should include retroactive cover, so that you are insured for any claims arising in the next 12 months, but also for your work or decisions back to the date you commenced trading. When you complete your proposal form, you will need to disclose any likelihood of a future claim, as the underwriters will want to protect themselves from taking on any current or known claim exposure.

Professional indemnity insurance works on a "claim made" basis, and so when you cease trading, retire, or take a permanent job, it is wise to purchase run-off cover for at least 12 months after that in case a claim is made against you, after your policy has expired, for work done previously.



Property and contents insurance

You will need to insure your business property, including premises, fixtures and fittings, stock, computers and equipment. If you work from home, you need to check that equipment used for business purposes is still covered by your home contents insurance, or purchase specific business insurance. In response to a growing trend in homeworking, an increasing number of insurers now offer buildings and contents policies that specifically include cover for business stock and equipment.

Permanent health insurance

As a freelancer, you do not have the safety net of a permanent employer to pay for sick leave. It is worth investigating permanent health insurance to cover your personal outgoings should you ever be unable to work for long periods.

Private medical insurance can make a lot of sense. Quicker treatment times through private care can help you avoid lengthy layoffs. Some policies pay a lump sum in the event of a critical illness. It is advisable to apply for medical insurance before you experience symptoms of a serious nature.

Income protection insurance

Income protection insurance schemes can be used to cover employees in the event of long-term sickness, paying their salaries during the period of incapacity. Executive income protection provides cover for both salary and dividends.

The information is furnished for general guidance only. It is highly recommended that you contact an insurance specialist for detailed advice specific to your particular circumstances. PCG cannot be held responsible for any loss or damage resulting from the action taken as a result of advice given.

Other types of insurance

- **Business interruption** (or “consequential loss”) insurance compensates you for extra costs incurred and trading profits lost if your business suffers serious disruption after, say, a fire.
- **Tax loss insurance** reimburses the tax, penalty and interest losses arising from an HMRC ruling against you which results in additional tax to be paid, especially in relation to IR35.
- **Jury service insurance** will pay out up to a certain value per day if one of your directors, partners or employees is called for jury service.
- **Legal expenses insurance** covers legal costs such as solicitors’ fees and court costs. Many policies offer legal guidance via a telephone helpline.
- **Key man insurance** can make your business less vulnerable to the illness or death of key employees.

Insurance tips

- It can be more cost-effective to buy employers’ liability, public liability and equipment insurance as single package.
- Premiums will depend on the type of business, your turnover and the number of employees. Don’t underestimate the level of protection you think you need and don’t underinsure your property.
- Read the small print in any policy documents. Question any clauses that you don’t understand.
- Be scrupulously honest with your insurance company about information relating to your business and any previous claims.

Cover for PCG members

Professional expenses insurance

PCG’s professional expenses insurance (PEI) policy covers all members and pays up to £75,000 per member per membership year, to cover professional fees relating to tax investigations covering:

- Income tax self-assessment full enquiries
- Corporation tax self-assessment full enquiries
- Corporation tax self-assessment aspect enquiries
- Employer compliance disputes in respect of PAYE, P11D and NIC
- VAT disputes
- IR35 disputes
- S660A enquiries

See the members’ area of the PCG website for specific details about trigger points for each of these, and the main exclusions.

The policy covers the fees of the appointed specialist tax consultants, but may, at the discretion of the Insurer, also include any necessary costs of your accountant. Such costs will include the gathering of necessary information to answer HMRC’s queries and representing you at a hearing with the Commissioners. It does not cover any taxes or fines levied if your appeal is unsuccessful, but you can buy such insurance cover separately (see *Tax loss insurance*).

PAYE Audit Cover

A PAYE audit is a routine check from HMRC to ensure that your company is keeping appropriate records and operating PAYE correctly. Although not an investigation, it could become one if a non-compliance is found.

PAYE Audit Cover provides additional insurance to PCGPlus members. Designed for any business that runs a payroll, including partnerships and sole traders that have employees, the scheme guarantees expert advice and support throughout the whole process of an IR35 investigation, up to and including a hearing at the Special Commissioners, and includes expert professional support during the PAYE compliance visit itself.

Under the PEI policy, the trigger point for an IR35 investigation is when HMRC declares you “caught” and you disagree. With PAYE Audit Cover, you tell the insurers and get professional help as soon as you receive a letter from HMRC notifying you of a PAYE audit.

Affiliate members in the news

TAC Europe acquires rail industry specialist Westmead

Technical recruitment solution provider TAC Europe has acquired the business of Westmead Associates, a technical recruitment company specialising in the rail industry. Westmead, a division of Surf1st International Rail Group, has a client portfolio boasting such market leaders as Bombardier Rail. Its business has grown significantly since its inception in 1999, and Surf1st felt that it needed to be integrated with a market leader, in order to continue its development.



Announcing the acquisition, TAC Europe's managing director, Simon Trippick, said, "The Westmead business is entirely compatible with ours; both organisations share the same focus on

technical recruitment and quality. This move helps strengthen our presence in the rail industry. Our ongoing acquisition strategy is focused on working with small recruitment companies, operating in a technical niche, who would benefit from being part of a larger enterprise."

Two awards for Penta

Specialist ICT recruitment company Penta Consulting achieved double honours when they were named Best Growing Business and Best International Business at the 2005 Best of Business Awards, which are open to companies in London and across the South East.

Managing director Paul Clark said, "Winning these awards is testament to the hard work, talent and commitment of everyone at Penta and recognition for what we have all achieved. The award for Best Growing Business reflects the fact we have not only accomplished outstanding financial growth but that success at Penta is all about teamwork. Our company values are honesty, integrity, commitment and delivery and it's great to see them being played out in the business every day."

With a head office in Wallington employing over 70 staff, Penta has over 500 senior IT and telecommunication professionals deployed on projects in more than 50 countries.

Moneypenny wins two National Business Awards

Moneypenny, which offers an outsourced receptionist service, has won two National Business Awards for the Wales & West Country region in 2005. Having scooped the regional Customer Focus Award and the AXA Small to Medium Sized Business of the Year Award, Moneypenny will go forward to the national finals, being held in London later in the year.

Moneypenny director Rachel Clacher said, "These awards really do belong to everyone that works at Moneypenny. The reason we are able to provide fantastic customer service is because of the quality of the people in our team."

The National Business Awards competition is divided into five regional programmes with the winners joining other entrants into the national final, and the programme encompasses businesses of all sizes from all sectors.

KPMG awarded HMRC contract to measure tax burden

Business adviser KPMG has been awarded a contract to undertake research into the Cost to Business of Meeting the Administrative Burden of Information Obligations by HM Revenue & Customs (HMRC).

The initiative is part of the Government's commitment to reduce the cost of the administrative burden on small businesses of complying with the tax system.

KPMG was one of three suppliers that tendered for the work, and was awarded the contract because its proposal offered the best value for money. Tax partner Rachel Anderson said, "We are delighted to have been awarded this contract. This initiative will create the foundations to allow for the

minimisation of the administrative burden of the tax system on small businesses."

Welcoming the news, Sir Digby Jones, chairman of the CBI, said, "This is an important project and has the potential to inform future government policy on taxation. We urge companies to take part in the interview process as the results need to be credible if the aim of reducing the cost of business compliance is to be achieved."

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Bond Pearce ranked as 'outstanding' law firm

Commercial law firm Bond Pearce LLP has been confirmed as an "outstanding" law firm in this year's independent Legal 500 guide to the legal profession, winning plaudits for the standard of its national work and ranking as a "regional heavyweight" across the South and South West of England.

The Legal 500 guide states that Bond Pearce has a national name in areas such as planning, professional negligence and energy and receives great client feedback and appears on major nationwide tenders. It also ranks Bond Pearce alongside the largest London firms for the quality of its expertise in relation to

environmental and health and safety issues, and says the London insurance practice, which opened an office in the City in 2003, had done well in acquiring a reputation.

Managing partner Simon Richard said, "The Legal 500 independently recognises our growing national reputation as a commercial firm and the strength of our offices regionally. We will continue to invest in our people and our systems to ensure that we maintain the highest standards of client service and attract the highest quality of staff."

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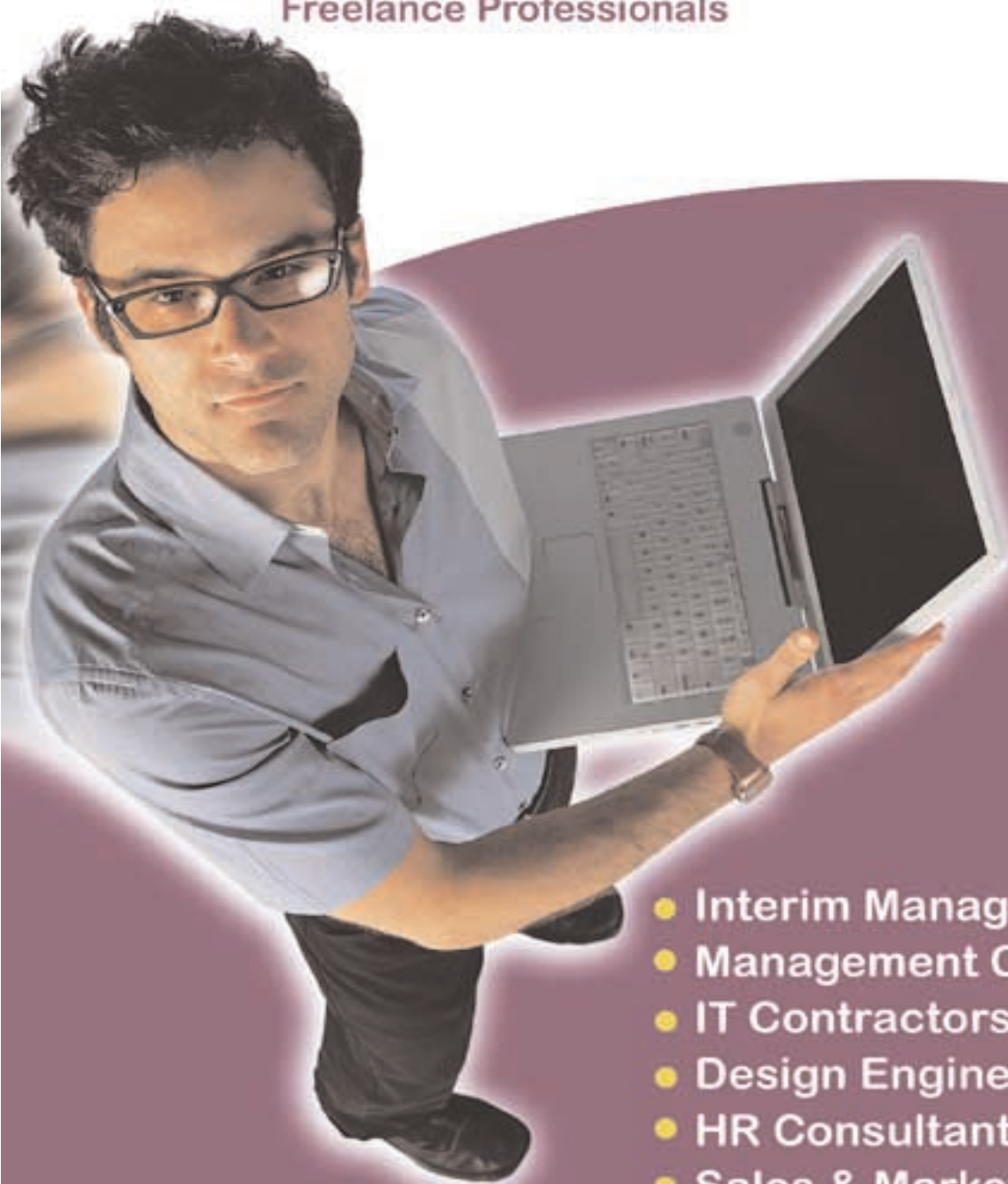
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