



NEW YEAR, FRESH APPROACH

MAKING THE SWITCH TO CONTRACTING



THINKING OF GOING SOLO?



The world of contracting can open up a wealth of new opportunities and a completely different approach to how you work.

Recent insight from IPSE¹ (The Association of Independent Professionals and the Self-Employed) reported **4.8 million freelancers** working across the UK, contributing **£119 billion** to the UK economy – so there's a huge amount of opportunity to earn a living as a freelancer.

In this e-book we'll explore what that new world could look like, and prepare you to go solo.

IN THIS GUIDE YOU'LL FIND...



KEY
CONSIDERATIONS



PREPARING TO
GO FREELANCE



FINDING THAT FIRST
CONTRACTING JOB



NEXT
STEPS

Reference:
¹IPSE - "To be or not be a freelancer", June 2017

KEY CONSIDERATIONS

If you're thinking of making a move to the world of contracting, you'll no doubt have a lot of questions.

Is contracting right for you?

Becoming a contractor may feel daunting - leaving the comforts of a permanent salary and employee benefits but taking the leap can really pay off.

Contractors enjoy a significantly higher salary on average compared to permanent workers, with an average senior managerial daily rate of £591 and £532 for technical professionals².

Going freelance also grants you more independence when it comes to choosing when and where you work.

Are there opportunities to progress in your current role?

One of the main perks of being a freelancer is the fact that you get to be your own boss. You determine which projects you want to work on, and what your work schedule will be.

If you're currently employed in a business where you can't see any opportunities to progress, contracting may unlock the key.

Operating through your own company is one of the best ways to take control over your career and build up your experience on larger scale projects to help boost your CV.

How will I get paid if I move to contracting?

There are a number of different options available to freelancers:



LIMITED COMPANY

Limited company contractors bill clients for their services as a supplier and can recoup essential expenses such as training accreditations and business mileage, but will need to manage their own tax compliance.



UMBRELLA COMPANY

Umbrella company workers don't earn any tax benefits like limited companies can, however tax and National Insurance contributions will be fully managed so contractors receive only their net salary at the end of each month.

Reference:

²IPSE - "Freelance Confidence Index", Quarter 3 2017



**NRL
TOP TIP**

It's essential for potential contractors to receive the best possible advice when deciding which trading model they should use. The companies on our Preferred Supplier List provide expert advice, helping individuals decide which trading model would best suit their needs. If you are unsure about which option would work best for you, please get in touch:

ADVANCE

PayStream*

**BROOKSON
ONE**

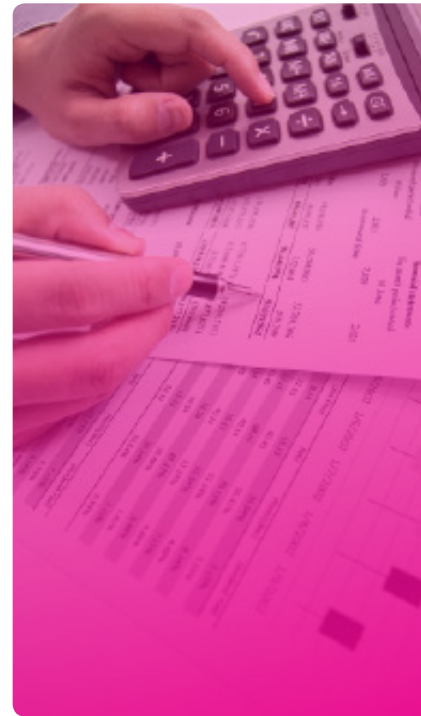
How does HM Revenue & Customs perceive contractors?

It's vital to understand that HM Revenue & Customs have strict regulations on how they perceive contractors with regards to UK tax obligations.

In the past workers have moved to a contractor role to benefit from the tax breaks of not working directly for an employer – whilst continuing to unofficially work for the company and receive similar benefits to the company's direct employees. To combat this kind of behaviour (known as 'disguised employment') the IR35 legislation was launched, giving clear guidelines on how a contractor should operate to show they are not working directly for a company.

To ensure you are compliant as an independent contractor, and not seen as a disguised employee, you'll need to ensure contract work is accepted on a project by project basis with set deliverables and deadlines in line with IR35 regulations. This ensures you're being commissioned by the client purely on a project basis, with no permanent or long-term role once the project is complete.

Don't be put off by the idea of these complex regulations though. A good recruitment agency will be experienced in working within IR35 scope and provide you with fully compliant work contracts.



What will I need to consider financially?

You'll need to identify all the additional expenses you'll need to pay out of your contract income. Fixed costs such as overheads, telecom services and accreditations should be factored in. You may also want to think about additional benefits to support you in the future - comprehensive insurance, a private pension as well as financial protection to cover your mortgage if you were to fall ill.

Think about how you'll manage your finances if you have any calendar months where you haven't secured contract work – consider building up a contingency fund as you work that you can fall back on if needed during quieter periods.



**NRL
TOP TIP**

A good accountant can help you identify what expenses you'll need to budget for over the year, so you shouldn't feel overwhelmed by the idea of this.

Ask friends and co-workers for accountant recommendations, or visit the **Institute of Financial Accountants** to find accredited accountants in your local area.



FIND ACCOUNTANTS IN YOUR AREA



As a contractor, it's worth thinking about taking out insurance. While at first it may seem like an unnecessary cost, taking out the appropriate insurance could save you thousands in the long run. As well as providing cover, having the right insurance in place could actually help you find more work, as some clients only look to hire fully insured contractors.

For your insurance needs, we recommend Kingsbridge - experts in their field with a service tailored to freelancers. You can even save 20% on your insurance package by quoting 'NRL' when taking out an insurance package.

KINGSBRIDGE
CONTRACTOR INSURANCE

[VISIT THE KINGSBRIDGE WEBSITE](#)

Will there be a demand for my services?

As a contractor, it's important to understand what the market for your skills is like. A number of factors such as the strength of the economy or the location of the roles can also influence the rates you charge, so you'll need to do some research.

You can set up **Job Alerts** on many recruitment websites, including NRL's, to see the number of jobs being posted each week that match your skills. Monitoring these over a few months to gauge the number of roles available in the market will help you see if there's a need for your skills on a contract basis.

Social media channels such as **LinkedIn** and **Facebook** can also help you get an idea of the kind of salaries you could expect to earn, and which areas of the country companies are recruiting in. Search for local area groups and sector specific job vacancy groups and keep track of the average contractor salary rates being offered by Recruiters.

What will the work-life balance be like?

The great thing about being a contractor is that you can choose when you want to work, making it easier to achieve a work-life balance. With wages often higher than working directly for an employer, contractors often don't need to work 12 months of the year to take home a wage that can support their family and lifestyle.

You may also want to consider how much you're willing to travel for work. If you're happy to widen your geographical work radius, or work away for short periods of time, you could secure larger contracts or attract more competitive contractor pay rates.



PREPARING TO GO FREELANCE

You've considered the financials and identified a need for your skill in the contracting world, so you're now ready to make the move.

Your next steps:

- Set-up for payroll compliance**
Register your limited company or sign up with an umbrella company.
- Take out insurance policies**
Make sure you have all the insurance policies you'll need to go about your work.
- Update your professional accreditations**
Will you need any individual memberships or accreditations to operate independently?
- Consider joining trade organisations**
Are there any regional groups or sector-specific trade organisations that you may benefit from joining? These could give you access to discounted training, networking opportunities and legal support.
- Register with recruitment agencies**
Set yourself up with recruitment agencies hiring temporary workers in your sector and let them know the types of roles and geographical areas you're looking for work in.
- Consider additional training**
Are there any extra training certifications that could help increase your hourly rate?
- Update your CV**
Not just with your latest training, but tailored for the jobs and sectors you are interested in working in.
- Start job hunting!**

FINDING THAT FIRST CONTRACTING JOB

To be a successful contractor you'll need to secure regular work, but this doesn't need to be as difficult as it sounds.

JOB HUNTING TIPS FROM OUR CONSULTANTS



**TIM MILLBANK,
SENIOR CONSULTANT IN WIGAN, SAYS:**

Connect on LinkedIn 

Build your network

Use LinkedIn, or keep your own list of connections as you liaise with clients on projects. Often your connections will change jobs or move projects, so keep an eye on these career changes and use them as an opportunity to reach out and chat with them.

As a contractor, you will sometimes move from job to job quite quickly. Make sure you build up a network of the people you meet, whether they're managers or fellow contractors. By making yourself known to a large network of people you will grow your own reputation in the industry and you'll leave a lasting impression for future work opportunities.

Have a look for LinkedIn groups that match your skills and technical sector in your region – these can also be great places to network as well as understand what the local market is like for contract opportunities.

Most importantly though, don't be afraid to ask for recommendations on LinkedIn, these will help show what you can deliver.



ANDY WILLIAMS,
SENIOR CONSULTANT IN WOKING, SAYS:

 [Connect on LinkedIn](#)

Perfect your CV

Make sure you create a strong CV that details all the key skills and experience you have to offer businesses.

It's important to tailor your CV in order to show the employer that you have experience with the skills they need for their vacancy.

Keep your CV smart by using a professional font and make sure you don't have any spelling mistakes or grammar errors. When you think you've finished your CV, ask someone to read it for you and check for any mistakes. Showing the employer that you've taken the time to perfect your CV will leave them with a good impression.

When you're first starting out you may not always secure each role you apply for, but even if you're not successful on that occasion the exposure could help support your next role with that client or another.



REBECCA RUFFELL,
SENIOR CONSULTANT IN WASHINGTON, SAYS:

 [Connect on LinkedIn](#)

Register for Job Alerts

Set yourself up an online profile with Recruiters, then register for job alerts to receive new job placements directly into your inbox.

Create a number of alerts, including job titles and keywords such as the qualifications you hold to ensure you receive all jobs relevant to you. When you see a job that matches your skill you'll be able to directly apply for it.



NICOLA FARRER,
SENIOR CONSULTANT IN EGREMONT, SAYS:

 [Connect on LinkedIn](#)

Talk to your Recruiters

As well as building up connections in the roles you work, make sure you're also connecting with your Recruitment Consultants.

They'll often be able to tell you the demand for roles in the area, discuss any pending roles they may need to recruit for, or give you some advice on the geographical areas to base your search on.

NEXT STEPS

Now that you know the basics, what else do you need to do before making the move?

Hopefully you've found the information in this guide helpful in supporting your move into the contracting world, and you're now ready to take the leap.

To get you on the first step of the ladder you've already signed up to LinkedIn, have begun building connections and are using social media to understand what opportunities there are in your local market.

You should also have a better understanding of how you'll need to organise your finances to prepare you for freelancing, and have begun to make steps to ensure you'll remain compliant and meet IR35 regulations.

At NRL we have 35 years' experience working with technical personnel to support their contracting careers. Last year we helped over 4,000 contractors, connecting our clients with the best individuals to support their projects and our contractor community with roles that best utilise their skills and experience.

Our expertise at work could help you define your career, finally achieve the work-life balance you wish for, and support a bright future in the contracting world.

To get started working as an NRL contractor, begin by taking a look at our **vacancies**, view our **Jobs of the Week**, sign up for **Job Alerts** to stay up-to-date with our latest roles and **follow us on social media** for our latest news and updates.



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