



**RTPI**

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# Starting in Private Practice

## RTPI Good Practice Guide

## **Foreword**

This good practice guide is designed to support members who are considering private practice, or who have recently set up as a planning consultant. It focuses on information related specifically to planning consultancy. Where applicable it includes supporting information from surveys of the consultancy sector, and sources of RTPI guidance and advice.

The guide includes comment from some RTPI members who write first-hand about the reasons why they made the move into consultancy, the lessons that experience has taught them, and the key issues and challenges facing new consultants.

The RTPI is grateful to them for sharing their experiences and helping bring to life the content of this guide.

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## 1 Working for yourself

Planning to go into consultancy? It's a move that an increasing number of RTPI members are making. More than 3,000 members of the RTPI earn a living in private practice.

The consultancy sector offers scope for work in almost every field of planning and development. The [RTPI's online directory of consultancies](http://www.rtpiconsultants.co.uk) (www.rtpiconsultants.co.uk) provides information on the kinds of projects undertaken and the specialist knowledge offered.

### **Before you take the decision to become a consultant there are some questions to think about.**

- You need to feel confident that this form of employment is right for you. Perhaps what attracts you to consultancy is the freedom of being your own boss, and the ability to develop your career in the way that you want. You will be responsible for your own livelihood, and you may find yourself working even harder and longer than you did in your previous employment. When you are starting up, you may have to be available for work 24 hours a day – though you may not be able to charge on that basis! – and clients will expect you to sort out their problems at a moment's notice.
- Is this the right time for the move? Would it be better to wait until you've planned things more carefully, or have circumstances beyond your control presented this opportunity?
- Make an assessment of your own professional strengths and credentials - what will give you a distinctive edge in the market? Are you a generalist? For some planners leaving a local government work culture that is often reactive (e.g. dealing with applications) a change of approach will be required. As a consultant you will need to be proactive, ensuring projects and potential schemes keep moving forward. Clients will expect you to keep them informed and updated.
- Find a 'critical friend', perhaps a work colleague or trusted person who knows you as a professional, and ask them for honest feedback. This will enable you to assess your strengths and weaknesses, as well as those important personal skills.
- Do you have a useful network of contacts in the planning profession? Did you build good relationships with clients during your time as an employee? Keep a note of all the people and organisations you deal with, as this will help you develop contacts and work.

*"You will need to ensure you comply with any client protection clauses your current/previous employer may have put into your contract of employment. The RTPI provides members with free access to an [employment law helpline](#), which can offer advice as appropriate. Further information is available from the RTPI website [www.rtpi.org.uk/member\\_services](http://www.rtpi.org.uk/member_services)."*

- Calculate your existing financial commitments and the costs that a move into consultancy will incur. If you are leaving salaried employment you are likely to be exchanging a regular and dependable monthly income for a less predictable pattern of earnings. Will you have the

means to maintain an acceptable standard of living through the first year or so if work is scarce?

- Do you want to work as a consultant full-time, or are you thinking of combining consultancy with other activities? Would you rather act as a sub-contractor or specialist advisor to other consultancies than work directly for clients?

*“The most difficult aspect of starting in private practice is the decision itself. Once you have agonised over the pros and cons, and made the decision to start up, the future suddenly becomes a lot clearer. The object simply is to be successful.”*

- It is essential to understand the implications of running a business so that you make the right business decisions. You need to be the sort of person who interacts well with people, and who is good at both listening to what they have to say and communicating your own ideas. Drive and commitment are important too – but, above all, you have to be able to see consultancy from the client’s viewpoint. This means an awareness of client expectation, and an understanding of what clients perceive as an efficient, value-for-money service.

**If you can respond positively to these points, you will be well placed to succeed!**

## 2 Making the move

Most consultants setting up on their own enter private practice directly from salaried employment with a public authority or an existing consultancy. Your period of notice is unlikely to provide sufficient time to prepare for the move. It is important not to underestimate the time needed to research and understand issues relating to running a small business, as this can have implications on your fee earning capacity in the early days.

Early planning is essential in building up your professional contacts, letting potential clients know of your availability, gaining information about opportunities, setting up meetings and lining up work to see you through the months ahead. Subject to the provisions of your contract and conditions of service, and the RTPI Good Practice Note [Consultancy by current and former public sector employees](http://www.rtpi.org.uk/item/616/23/5/3) ([www.rtpi.org.uk/item/616/23/5/3](http://www.rtpi.org.uk/item/616/23/5/3)), there is an extensive range of measures which should be started as soon as possible.

### 2.1 Preparing a business plan

You need to let your bank know about your intention to set up in private practice. They can offer advice and discuss the cash flow implications of your move. It is likely that they will advise you to prepare a business plan for your consultancy.

The business plan is a statement which outlines your objectives, resources and prospects, based on a realistic assessment of your likely income and expenditure over at least the first year of trading. It is an important first step for every would-be consultant, and it is essential if you are seeking a loan or overdraft to help set up your practice or to cover your existing commitments.

*“Setting up as a planning consultant need not be expensive, and avoid borrowing money from a bank if you can. An elaborate business plan isn’t always necessary, but it is important to have a realistic estimate of income and expenditure so you can work out cash flow and working capital required. The most important consideration is the delay between doing the work and getting paid when you still have to pay bills”*

Before agreeing a loan the bank will need a convincing plan which justifies the capital you need, and explains how the loan will be repaid. Banks have information available to help you prepare a business plan, and it makes sense to follow the style and guidelines recommended by the bank you are approaching. Make sure your business plan includes the following topics:

- business strategy and objectives
- the size of the potential market for your services
- client and competitor analyses
- assessment of your competitive edge
- marketing strategy
- pricing strategy
- break-even analysis
- projected profit and loss, cash flow profile and balance sheet.

**Speaking from experience . . .**

As the decision to leave my previous employer was effectively made for me the step into self-employment, whilst still a difficult one, could not come soon enough. I had always thought that one day I would like to establish my own private practice, and now I had the motivation to do so. It was still a big commitment though, especially knowing that my monthly salary would no longer be arriving regularly in my bank account.

In the initial stages of establishing my practice I was fortunate enough to be able to negotiate a reduction in my working hours, to 3 days a week, giving me 2 days a week to 'test the water' in the private sector. I used this time to write to all of the local architects, with whom I had had a good working relationship in the past, to tell them of my plans and to offer my services. I also 'wined and dined' some of the more established local planning consultants, to seek to understand the market in more detail. Surprisingly they were incredibly helpful! I set up a simple website and had a graphic designer friend of mine design me a corporate image, and print some business cards. Finally I contacted a number of ex-colleagues who were already consultants, and asked them for their 'top-tips'; "keep your clients well informed", "don't try to do your own tax returns" and "never underestimate how long it takes to fill in an application form" were all good advice.

Within 6 months of setting up on my own I had enough clients and confidence in the future of my business to begin full time self employment, a decision I have not yet regretted. There is so much about the new job that I enjoy. Having a young family the flexible working arrangements are a real bonus. I am also really enjoying hands on planning again, something that I lost working within the Local Government environment where everything is often so tied down with bureaucratic red tape. I had also become quite insular in that respect. Now I am a 'customer' of a large number of different Planning Authority's I am often astounded by how their approach and organisational culture varies.

Having sought 'top-tips' from a wide range of sources when I set up on my own the following are those that I would want to pass on to anyone thinking of going down the same route:

- Always be honest with potential clients. Never say that planning permission will be granted just to get the job
- Never take on a potential development that you would not have felt comfortable recommending for approval to your Planning Committee
- Don't treat Planning Officers as 'the enemy'
- Keep up to date with both the National and Local Government agenda. In particular know what the current status of the Development Plan is
- Make use of the RTPI and join as many Networks and Associations as you can (It's quite lonely being self-employed at times)
- Don't forget to find the time to do the mundane things like time recording and filing. You have to be well organised.

**Michael Hyde MRTPI**  
**MH Planning**

## 2.2 The accountant

If your training as a professional had included accountancy you may feel confident that you have the accounting skills needed to run a small business. However you would be well advised to consult an accountant about the financial responsibilities of running a business, as well as the consequences of self-employment for your personal tax status.

The most important items for an accountant to explain are:

- the differences between various types of business (e.g. sole traders, partnerships, limited and unlimited companies) and the form of practice that will best suit your particular situation
- having a business account at your bank, separate from your personal account
- the need to record income and expenditure
- the date when your accounting year should start
- the financial information you will require in order to manage your business efficiently
- the categories of item which can properly be charged to your practice, and which should be recorded in your accounts
- the basis on which to calculate 'start-up' expenses
- the question of liability to charge VAT

*"An accountant is essential for advice on business structure and annual accounts. I also find a book keeper equally essential. My book keeper works for half a day a week and deals with all bill and invoices, chases unpaid invoices, VAT returns and company and personal tax returns. Takes all this off me, and is done professionally. The best decision I ever made in business"*

Your accountant will also arrange to notify your tax office of the change in your employment status. Businesses are also dealt with by the local Inland Revenue office in your area, which may not be the same office that handled your tax affairs when you were on PAYE.

In choosing an accountant, look for one with particular experience of tax and VAT planning for small businesses. Wherever possible, your choice should be made on the basis of personal recommendation.

## 2.3 Support from the RTPI

The RTPI provides free guidance and information specifically for members considering consultancy, as well as those who already run their own successful practice.

**RTPI [consultant information and support](http://www.rtpi.org.uk/member_services/piwp/)** (www.rtpi.org.uk/member\_services/piwp/)

These webpages contain guidance on a range of issues, including professional indemnity insurance, risk management, terms of business, using the RTPI logo, and management factsheets dealing with many small business issues including marketing, business and finance, IT and human resources.

**RTPI [Independent Consultants Network \(ICN\)](http://www.rtpi.org.uk/independent_consultants_network/)**

(www.rtpi.org.uk/independent\_consultants\_network/)

This RTPI network is for planners who are sole practitioners or who work in small practices (with other planners or related professionals). Its purpose is to provide;

- information and resources, and disseminate knowledge and good practice
- a national voice and focus for independent planning consultants
- a forum where RTPI members can discuss relevant issues, topics and share good practice

The ICN also provides an email discussion forum supporting members on a range of day to day issues facing planning consultants.

The RTPI recommends members join the Independent Consultants Network, and any number of other RTPI Networks, as part of your member benefits. For further information visit the [RTPI website](http://www.rtpi.org.uk/events_awards_and_networking/networks_and_associations/) (www.rtpi.org.uk/events\_awards\_and\_networking/networks\_and\_associations/).

**RTPI [Good Practice Notes](http://www.rtpi.org.uk/the_rtpi/practice/) (www.rtpi.org.uk/the\_rtpi/practice/)**

This recommended reading includes Consultancy by Current and Former Public Sector Employees, Personal Safety at Work and Effective Community Involvement and Consultation. Remember to check regularly for news and policy updates.

**The RTPI [Code of Professional Conduct](http://www.rtpi.org.uk/the_rtpi/professional_conduct/) (www.rtpi.org.uk/the\_rtpi/professional\_conduct/)**

There are several clauses in the Code which refer to private practice and consultant member's relationships with clients:

- 4: avoidance of conflict of duty or interest
- 5: information acquired in confidence
- 6: disclosure of discounts, gifts or commissions
- 7(a): terms of engagement
- 7(b): notifying clients of additional work or costs
- 8: services for private individuals
- 9: insurance against claims
- 12: conduct of planning matters
- Annex A4: Advertising

**RTPI [directory of planning consultants](http://www.rtpiconsultants.co.uk) (www.rtpiconsultants.co.uk)**

This website is an entry point for the public seeking information about professional planning consultants and consultancies. It includes a comprehensive search facility and a guide to help clients select the consultants best suited to meet their needs.

**Yellow Pages RTPI corporate advertising scheme (www.yell.com)**

Yellow Pages offer a corporate advertising scheme where members, or the practice that employs them, can be listed in the 'RTPI planning consultants' section of the Yellow Pages directory. This can be arranged through Yellow Pages [www.yell.com](http://www.yell.com).

## 2.4 Other sources of guidance

General information and guidance on business issues, including start-up help, are available from [Business Link](#), the Government supported network of local business advice centres

([www.businesslink.org](http://www.businesslink.org)). The [HM Revenue and Customs website](http://www.hmrc.gov.uk/index.htm) ([www.hmrc.gov.uk/index.htm](http://www.hmrc.gov.uk/index.htm)) offers access to a range of useful information and advice including;

- Self employed ([www.hmrc.gov.uk/selfemployed](http://www.hmrc.gov.uk/selfemployed))
- Starting in business ([www.hmrc.gov.uk/startingup/index.htm](http://www.hmrc.gov.uk/startingup/index.htm))

## 2.5 The form of practice that is best for you

There are five main options:

- sole practitioner
- unlimited liability partnership
- limited liability partnership
- unlimited liability company
- limited company

Most individuals setting up in business for the first time will choose the first of these options. If you intend to form a business relationship with one or more other colleagues, you will need to give careful thought to the structure of this relationship, and to the legal and financial responsibilities involved. The relationship will need to be formalised as either a partnership or a company. The paragraphs that follow outline the key features of each form of practice. Further information is available from [Companies House](http://www.companieshouse.gov.uk/index.shtml) (<http://www.companieshouse.gov.uk/index.shtml>).

### Sole practitioner

If you intend to go into practice on your own, and under your own name you will have the advantage of being able to start in business with the minimum of fuss. Your practice is regarded in law as simply an extension of your activities as an individual. You will have to declare your income to the Inland Revenue, and you will be liable personally for all the debts of your practice. Further information on your obligations is available from the [HM Revenue and Customs website](http://www.hmrc.gov.uk/index.htm) ([www.hmrc.gov.uk/index.htm](http://www.hmrc.gov.uk/index.htm)), or from a qualified accountant.

### Unlimited liability partnership

A partnership can be set up without legal formalities. In law the only requirement is that you and your partner (or partners) agree to enter practice together, with the intention of sharing the profits. Legal advice is essential when drawing up a contract to define the terms of the business relationship. Like sole practitioners, partners may trade either under their own name (e.g. 'Brown & Jones') or under some other title (e.g. 'Southern Development Partnership'). If they choose the latter style, their names and the practice address must appear on all practice stationery.

Partners are liable individually and jointly for all claims against the practice and for its trading debts. Partnership contracts can be complex documents and expensive in terms of legal advice.

### Limited liability partnership

Unless the partners in limited liability partnerships (LLPs) are personally negligent, their liability to bear losses is restricted to the assets of the company. The tax treatment of LLPs is broadly in line with that of unlimited partnerships: LLPs will normally be transparent for purposes of tax, with members liable to pay income tax on their shares of profit so long as the LLP is in business.

## **Companies**

A company has a legal and financial identity of its own, distinct from the individuals who are its members or shareholders. They are regarded as employees of the company, paying income tax under the PAYE scheme as well as being liable for National Insurance contributions both by the firm and themselves. The company, on the other hand, is assessed for corporation tax, paid on an 'actual year' basis.

The question whether to practice as a company rather than a sole practitioner or partnership will hinge largely on matters of taxation, legal considerations and items such as pension scheme arrangements. It is essential to obtain the specialist advice of your accountant or solicitor on these points.

### **Unlimited liability company**

In law, the liability of a professional adviser for actions which were his or her personal responsibility cannot be limited, whatever the form of the practice. For this reason, consultancies practising as companies are generally not limited companies. This applies particularly to small practices which have little to gain in terms of tax advantages from limited company status. If the company defaults and cannot meet its debts or obligations, the shareholders are liable in full, at the cost of their own personal assets.

### **Limited liability company**

In this type of company the liability of the shareholders for debts and obligations is limited to the extent of any amounts still owing to the company on their shares. If the company cannot meet its debts, it will be liquidated for the benefit of its creditors, but the personal assets of the shareholders will be secure – unless they are officers of the company and a bank or finance house has a charge on them in respect of credit provided to the company. The officers of the company remain liable, however, for the breach of statutory duty by the company, and they are liable in law for negligence. Thus the limitation of liability may be more apparent than real. The tax status of the limited liability company, and the opportunity that limited liability offers to inject outside capital into a firm, are unlikely to be useful to a small practice, and may even present commercial disadvantages.

### **Consortia and associations**

The formation of a loose consortium or association, without the legal, financial and professional responsibilities of partnership, is not subject to the provisions of company law. Each member of the consortium will incur and maintain his or her normal trading obligations. It will be helpful to obtain legal advice on the drafting of any written agreement about the operation of the consortium.

## **2.6 Setting up your office**

Should you work at your home address, or in a separate office? The internet has made working from home an attractive and practicable option for many, but there are also other factors to be taken into account, such as the:

- extent to which you are likely to develop your practice: i.e. full-time or part-time
- quality and efficiency of the working environment

- possible need to accommodate assistants or sizeable office equipment
- overhead expenses of a separate office
- facilities needed to receive clients
- image likely to be conveyed by your practice address and your work premises

In view of the importance of this decision, it is worth trying to set out as objectively as possible a balance-sheet of these and other factors. The choice which may seem the most convenient or economical in the short term may not be to your best advantage over the longer term.

*“When meeting clients for the first time be smart and business-like in your appearance and demeanour. Differentiate yourself from the stereotypical image of a planner. You never get a second chance to make a first impression”.*

Working from home will allow you to set off against tax the proportion of the costs of running your house that is necessarily incurred by your business. This proportion will be related to such things as the number of rooms used for work-related purposes, the cost of heating lighting and furnishing those rooms, the extent to which your phone and other telecoms charges are for business calls, and similar factors. Your accountant will advise you on these points.

If you decide on a separate office, it may still be useful to use a home location initially while the pattern of your work is taking shape. A broadband connection will be an integral part of your set-up.

When you are starting up, it is worth investing as much as you can sensibly afford in IT equipment that will raise your productivity and the efficiency of your work delivery. You may find it more economical and flexible to use a print/design service for large-scale photocopying and printing.

*“Anyone starting out should be IT competent in terms of producing their own correspondence and in using scanners and similar equipment. A basic home-user IT course will help”.*

You should prepare an inventory of your office equipment and record its current value, for the purpose of assessing ‘starting-up’ costs, capital depreciation and insurance.

In calculating the expenses of setting up an office, remember to include the costs of information and reference material, handbooks and other specialist literature. In your previous work you probably had access to a library of technical information in your own field and in related disciplines. You will now need to build up a basic in-house collection of information and reference material. It is a good idea to compile a check-list of the sources you are most likely to use in the day-to-day work of your practice, including any professional or technical journals to which you should take out subscriptions.

Office furniture and equipment should be insured. Make certain that your current insurance cover is adequate. You should also consult your insurer about the advisability and cost of insuring the documents in your office as a separate item. If you propose to use your car for business purposes, you need to notify your insurance company.

## 2.7 Personal considerations

In private practice you will have to market your skills and chase the work. Consultants can usually expect to approach many more people than they would ever receive as clients. The usual maxim is 'never turn work away' – though you should still be prepared to decline work if you feel it is not right for you.

*“Above all you must be truthful to clients. Don't just tell them what they want to hear. Whether they are opinionated or simply enthusiastic about their planning prospects, you must advise them if the harsh reality is likely to be somewhat less. They will appreciate you for this – after all, you are being paid for your professional advice.”*

If you are combining work with parenthood or caring there may be additional difficulties in maintaining a balance in the demands of your time. But if adequate practical arrangements can be made, such as using a reliable child minder or a nursery, consultancy can offer flexibility in terms of when and where you undertake your work. Further information is available from Direct Gov ([www.direct.gov.uk/en/Parents/index.htm](http://www.direct.gov.uk/en/Parents/index.htm)) and the Government sponsored [Child Care Link](http://www.childcarelink.gov.uk/) website ([www.childcarelink.gov.uk/](http://www.childcarelink.gov.uk/))

The experience of consultants who also have child care responsibilities suggest it may be better to plan deliberately for under-working, to assess realistically the hours available for fee-earning, allowing for slippage and administration, and not to market your skills too widely at first. This will help avoid turning work down, and it may indeed mean that you do not have fee-earning work for all your available time. These spare hours can be filled with supporting activities, such as CPD or volunteering for Planning Aid.

The ideal for a new consultant with caring responsibilities is a manageable amount of work from the same source. It might therefore be useful initially to try to work freelance for a local practice of architects or solicitors, or with a larger planning practice needing occasional assistance. In this way experience and contacts can be built up gradually.

## 2.8 Continuing Professional Development

Make sure you have copies also of Professional Conduct Advice Note 1 dealing with [Continuing Professional Development](http://www.rtpi.org.uk/download/360/PCAN1.pdf) (<http://www.rtpi.org.uk/download/360/PCAN1.pdf>), which all members of the RTPI are obliged to maintain.

Review your professional development plan and identify the skills and knowledge that you need to acquire or improve. Your local RTPI Region (or RTPI in Scotland, RTPI Cymru or the two RTPI Irish Branches) provides a comprehensive programme of low cost, high quality CPD events.

Research online training opportunities, such as the RTPI's Planning Matters service ([www.planningmatters.co.uk](http://www.planningmatters.co.uk)).

### **Speaking from experience . . .**

I set up my practice in 1989. Apart from 4 years with a national practice I have continued to trade as a sole practitioner, often with consultancy agreements and contracts in place with larger practices or government agencies. This has helped with my fee income, and got me involved in bigger and more interesting projects. Setting up on your own after practising with others is obviously much easier than doing so straight from local government. These are my top tips:

- Equip yourself with the tools for the job, such as the *Encyclopaedia of Planning Law and/or Development Control Practice* and learn how to use them. Look at the publications available from fellow institutes, such as the RIBA. Do not undertake any work for which you are clearly unsuited or try to muddle through. I have seen many examples where clients have been let down by poor quality advice caused by a lack of understanding of relevant case law or planning practice.
- Learn from other planning consultants and be aware of the competition. Look at or acquire copies of their appeal or design and access statements from public files to see how these are put together. Talk to them and pick their brains when you can, they may sometimes put work your way. Use the RTPI Independent Consultants Network discussion forum.
- Don't put all your eggs in one basket. Being a specialist in one area is fine provided demand continues for your service. However you are likely to be more employable as a generalist. Do not become too reliant on just a handful of clients. If you depend mainly on referrals from architects, remember that in a recession they will probably try to do their own planning work!
- Make time to network and promote your business. Advertising is rarely effective. Word of mouth and cultivating relationships with developers and fellow professionals is likely to be more productive.
- Don't borrow heavily at the beginning - it is vital to keep your overheads down. If you are setting up alone, don't be afraid to work from home. After all, many Inspectors do. It is the quality of your advice that counts. Meet clients on site, at their offices or in hotel lobbies. If you want to lead a 'normal' life, get a separate telephone line and only answer it during office hours.
- Be honest in your advice and don't accept obvious no-hopers just because you have had a slow month. Your integrity and professional reputation depend upon it.
- Be wary about 'no-win, no fee' arrangements. You could make a rod for your own back. Most clients prefer a fixed fee. But don't be afraid to offer alternative fee arrangements, composite fees or a provision to review your fees in the event of unexpected circumstances or additional work being required.
- Get invoices out promptly and chase late-payers as soon as an invoice is overdue. Insist on money upfront if you suspect that the client is a bad payer.
- Outline clearly in your fee proposals the scope and cost of the work to be supplied and the risks involved, and get the client to confirm their agreement to this in writing - an email will suffice. It makes debt collection and dispute resolution so much easier. Prepare some Terms of Business to cover matters such as disbursements, responsibilities and penalties for late payment etc.
- Be prepared to work long hours and to meet deadlines at very short notice. If you work alone, taking holidays can be difficult. Working for yourself also requires self-discipline, self-confidence and stamina. It is not for everyone.
- Keep your client informed and get them to check over and approve draft submissions before they are finalised. Not only will this improve the quality of your outputs but it lessens the chance of any comeback if you fail to achieve your objective.
- Bigger clients usually mean repeat business and bigger fees. Fewer larger projects are normally more profitable than a series of small, one-off projects for clients who are never likely to require your services again.

**Philip Moren BA (Hons) MRTPI -  
Planning Consultant & Technical Author**

### **3. Now you're in business**

#### **3.1 Marketing**

For new consultants, there are several key points to remember: There are clients out there who need the services you offer and are prepared to buy them. You must understand the expectations of clients at least as well as your competitors do; you must recognise how the needs of the market are likely to evolve, and try to satisfy those needs with a quality of service which represents true value for money to your clients.

Marketing is an essential business activity. It has many aspects – creating and keeping clients, responding to their needs, seeing problems from their viewpoint, showing the difference your work can make and winning new business from them – but essentially it is concerned with the relationship between client and customer. Getting this relationship right is the key to successful consultancy. This is why every approach you make in your consultancy career has to place at the centre of attention the professional strengths that make you distinctive, and the benefits these can bring to your clients.

Opportunities for work can come through any number of channels: from existing clients, referrals, advertisements, from tendering opportunities, or from your own initiative in identifying a client need and structuring a possible solution. Whatever the route, your success in capturing these opportunities will depend on the information clients have about your services, and the information you have about them and the market sectors in which they operate.

By far the most influential form of promotion for a consultant are satisfied clients who know your strengths, trust your capabilities, understand the value you add to their organisations and recognise the benefits of using you rather than trying to perform the work themselves. They are able to open other doors for you within the market. Treat existing clients as your most valuable marketing resource.

Take advantage of opportunities to raise your profile in the market – for example by participating in conferences, meetings and seminars, RTPI activities nationally and locally, writing for business publications, and gaining editorial mentions in the technical press. Depending on your field of activity, having your own website may be an asset, provided that people are aware of its existence and you are prepared to invest time and resources in its design, content and maintenance. Intelligent and informed contributions to email discussion forums can also help to get you known.

#### **3.2 Targeting your opportunities**

Identify those organisations within your operating area which are likely to require the services you can provide. Business directories, libraries and trade and professional associations, such as the local Chamber of Commerce, will help. You may find it useful to draw up two lists, one headed 'services' and the other 'geographical area'. Under each heading, and using published information or personal judgement, list potential clients. Ideally, you should then research each of these target clients so as to identify those with immediate, medium or long-term potential for your practice.

*“Before starting up, you should already have identified a basic clientele on whom you can rely for business. Usually these are the business and professional contacts that you have made in your career, possibly including your previous employer. It helps if you have already done some private work for them, perhaps in a spare time capacity.*

*What you cannot rely on is putting an advertisement in the local press and wait for business to come through the door. It won't. To build up your clientele you need to rigorously identify potential clients and actively pursue them. It is a slog. If you are dealing with companies, try to identify by name the Managing Director or the person who would be responsible for giving you business. Try to meet them wherever possible. Failing that, try to make a personal call, and in any event follow up your first contact with a letter and a smart brochure about your practice. The most important consideration is the delay between doing the work and getting paid when you still have to pay bills”*

Build up a profile of these targets and their fields of operation: who they are, what they do, their management structure and the key personnel involved in the engagement of consultants. If the client does employ consultants, get to know how consultancy services are brought in. Is this done centrally following a set procedure, or do departments have discretion in the way they procure and select consultants? Is there one individual to whom you should direct your marketing efforts, or are responsibilities divided between several people in various offices? Do consultancy appointments require endorsement by the board? Will it be enough to convince the managing director or chief executive?

Spend time researching local Council websites and the local press, identifying their plans for development and identify any areas in your region which are scheduled to expand. Try to establish what is wanted. If you can identify the types of development planned for the future, you can go back to your lists and identify the companies and organisations which may be involved in their development.

*“It is important to be aware of what is going on in your area and to be up to date with planning legislation and developments. Get to know a bit about your nearest Councils, their political set-up and planning committee structure. Members make decisions in planning and clients are impressed if you know a bit about them”.*

Remember that what you are marketing are your personal strengths and energies – the expertise and experience that you have gained as a working planner. To a potential client the most important question is “What can this consultant do to help me achieve my objectives?” You need to be very clear in your response. The question the client is asking, either directly or indirectly, is “why should I engage you instead of someone else?”

### **3.3 Letting people know**

There are various channels of communication open to you, including:

- personal and professional contacts
- direct marketing: direct mail, presentations, social events
- editorial mentions in local papers, technical and trade magazines
- advertising, including promotional events

Produce separate and carefully focused forms of advertising for each sector of your target market. The shotgun approach, with the same material sent out to everyone, is generally more wasteful than effective.

Prepare an outline of the professional services offered by your practice, your areas of specialist interest and previous career experience. Keep this outline brief, and make sure it looks well-designed. All promotional material should be designed and printed to a high standard to present a professional image.

When writing to an organisation address your approach to the individual likely to best understand the occasion for consultancy advice. For example, the head of a local authority department, the managing director of a company, the head of an 'estates division' or a chartered town planner employed as part of the in-house staff.

Some organisations will already retain consultant chartered planners, so take care to ensure that you don't lay yourself open to the charge of attempting to poach work. Refer to the RTPI Code of Professional Conduct for further advice. It may be preferable to contact their existing planning advisers to see whether some aspect of your specialist skills and experience may be of use to them in meeting the client's planning needs.

You should inform local authority information centres about your services. Where there is a citizens' advice bureau, consumer advice or legal aid centre or civic and amenity society in the area, let them know of your availability. Check whether central and branch libraries maintain lists of professional advisers working locally. Use appropriate websites such as Linked In.

### **3.4 Professional network**

Draw up a list of professional and social contacts who you would consider useful to inform personally about your entry into private practice. These contacts will include two main categories:

- other consultants and professional advisers in related fields (e.g. architects, surveying practices, consulting engineers)
- contacts such as solicitors and estate agents, who require sources of qualified planning advice as part of their everyday services to clients.

A useful way of reinforcing your position and building up your client base is through collaboration and networking with other consultants. If you are a consultant working on your own in a specialist field, you may be able to develop a niche relationship with a larger firm, supplying scarce expertise on a subcontract basis; or you may prefer to explore a new market by networking with other consultants who share your approach and offer parallel skills. This is one of the aims of the [RTPI's Independent Consultants Network](http://www.rtpi.org.uk/independent_consultants_network/) ([www.rtpi.org.uk/independent\\_consultants\\_network/](http://www.rtpi.org.uk/independent_consultants_network/)).

The links and alliances that you form with other consultants will hopefully develop into assignments in which you participate as a team. Clients may want to have one consultant or firm acting as sole contracting party, or they may be prepared to accept a situation in which each participant is contracted separately.

### 3.5 Stationery

The image you present to clients is all-important. Headed notepaper is essential: it should carry as a minimum the name of your practice, your business address and contact information (phone/fax numbers, email address). If the practice name is different from your own (for example: 'Southern Planning Partnership', the owner(s) of the practice must by law be named, together with an address in the UK to which business documents can be sent. This requirement applies also to orders for goods and services, invoices, statements and receipts. There is no need to include your VAT number, if you are registered, in letter headings, though it must appear on invoices.

It is usual to include your qualifications in the letter heading, (for example BA DipTP MRTPI) and a phrase which indicates your field of professional activity (e.g. Planning and Development Consultant, or Consultant Chartered Town Planner).

As a member of the RTPI you are entitled to use the RTPI logo on your business stationary. [Further guidance](http://www.rtpi.org.uk/member_services/piwp/) is available from the RTPI website ([www.rtpi.org.uk/member\\_services/piwp/](http://www.rtpi.org.uk/member_services/piwp/)).

Any person, whether professionally qualified or not, is able to use the description 'planning consultant', but only Fellow and Members of the RTPI are allowed to use the term 'Chartered Town Planner'. A partnership may use the collective description of 'Chartered Town Planners' only if more than one employee is a Fellow or Member of the RTPI.

Compare quotes and standard of work from local print firms to decide who provides the best value.

### 3.6 Press advertising

If you are interested in working locally and your local or regional newspaper has an appropriate 'services offered' column, it may be useful to invest in a semi-display advertisement. Give your name, address and phone number, indicate your RTPI membership and outline the scope of your activity.

### 3.7 Informing the RTPI

Please advise the RTPI of your intention to start in private practice, including any change of address to ensure you continue to receive your weekly copy of Planning magazine. Email details to [changeofaddress@rtpi.org.uk](mailto:changeofaddress@rtpi.org.uk)

You will be eligible to advertise within the RTPI's online [Directory of Planning Consultants](http://www.rtpiconsultants.co.uk) ([www.rtpiconsultants.co.uk](http://www.rtpiconsultants.co.uk)). Please note that there is a cost involved with advertising in this directory.

Planning magazine provides the opportunity to announce the setting-up of your practice (the 'Moves' section). It also includes classified advertising on its 'Consultants' pages.

Some built environment trade magazines provide details of practice announcements. Back issues of these publications will give you an indication of the appropriate styles in which to phrase your notice. Since these announcement columns tend to appear irregularly, you should send in your notice as early as possible after deciding to set up a practice.

### **3.8 RTPI [Region and Nations](#)**

[\(www.rtpi.org.uk/events\\_awards\\_and\\_networking/nations\\_and\\_regions/\)](http://www.rtpi.org.uk/events_awards_and_networking/nations_and_regions/)

Regions and Nations provide a local and regional focus for members. Participation in its events and activities will help to get your own practice known, and help prevent the sense of professional isolation that some consultants can feel. The opportunities for contact with other members at meetings, seminars and conferences can be invaluable when you are just starting up. They also produce newsletters which may offer opportunities to raise your profile locally.

**Speaking from experience. . . .**

I arrived in consultancy like Alice tumbling into Wonderland. I had not planned to leave local government and so was not prepared. Working for more than a decade as a Chief Officer, mostly in London, had knackered my health, but there was no time for indulgence. I had an urgent requirement to generate a regular flow of income to pay the bills!

The most useful thing I did was pick the brains of those who were already well established in the private sector. I spoke to people who made a living out of selling specialist advice, not only to town planners. One kindly gave me a copy of 'Bluff your way in Consultancy' publication, which reassured me that I did not have to be brilliant to succeed in consultancy - I just had to convince clients that their ideas would carry more authority if supported by an independent consultant. This confirmed all the worst fears I had when commissioning consultants. But never mind, I was now on the other side of the fence.

Another advised me that the private sector approach to business success was to 'put yourself about' by arranging half hour appointments to test out proposals with those who have already 'made it'! This was invaluable advice. Even when people are very busy, they are flattered to be asked for their opinion and will make a small time window available. The meeting gets you known, helps put you in touch with hot issues and, if you are sure not to overrun, you'll be invited to return when you want to test out another idea. With any luck you will also be remembered when they've a project to suit your skills.

It is remarkable how helpful folks want to be. They'll tell you all about balancing doing work with finding it, keeping overheads down, charge-out rates, taxation, administration, setting up a limited company, creating an image, and avoiding the problems of employing others. One consultant also advised me not to shun the agencies as a source of initial work and this proved to be sound advice, as many consultants and local authorities now look to agencies when they need to plug a hole at short notice.

At one meeting an established consultant pointed out an emerging new niche market with few established players. Once I had made it known that I had requisite skills to offer, opportunities began to emerge.

At the outset I put a lot of effort into drafting my CV, getting established consultants to edit it and professional printers to produce it. My intention had been to circulate it with an introductory letter to firms where I knew people, as a marketing exercise.

Producing the CV was an excellent discipline that helped me create my identity as a consultant. But, to avoid having more work than I can undertake, I sent them out in stages, rather than a mass mailing.

After the first year I didn't feel that I had got far past first base, but I kept my bank manager happy, which I feel was no mean feat.

**Hazel McKay MRTPI and RTPI past president**

## 4. Winning work

### 4.1 Basic points to define

In many situations the client may require nothing more formal than a meeting before commissioning you to do the work. In your first discussions with the client about a prospective job there are, as a minimum, several basic points to be defined:

- scope of the advice which the client really needs: you may have to help the client identify key problems and issues, which may not always correspond with their initial understanding of a situation.
- the client's objectives in commissioning the work: get a sense of the key benefits which the client is seeking from the work.
- timetable to which the client wants you to work: are there milestones and what deadlines that the client has to meet which govern the time span available to you?
- professional resources that you will need to put into the work.
- outputs and deliverables required by the client: for example a plan, report or set of specifications. It is particularly important to identify the final deliverable that will mark the completion of the work; will the client require, for example, to approve or agree your final report before the work can be signed off?
- background information and technical data that are available from the client.
- financial or budgetary constraints on the extent of the work.
- any specific requirements the client may have about the way the work is to be managed.

### 4.2 Letters and proposals

The client may ask for a short letter explaining what you propose to do, when and how the work will be performed, and what the estimated costs are. An effective proposal letter starts with a statement of its purpose and the client's objectives. It should set out an explanation of the proposed approach, programme of work and timetable (with an estimate of the expected budget) and end with an offer to provide any further information the client may request, with a prompt for action on the part of the client. Background information about the credentials and experience of the consultant or firm can be included in the body of the letter, following the opening statement, or in an appendix.

Where the job involves large-scale commitment, the client may require from you a technical proposal explaining your approach to the work, the methods you would adopt and other related issues. This is true in a competitive situation, where the client wants to be able to select the consultant most likely to deliver the best results. However, even where you are the only consultant to be approached, it makes sense for the client to ask for a proposal so as to assess how well you would respond to the demands of the work. Clients are likely to appreciate a proposal which is easy to read and presents essential information in the most practical and concise manner.

If the client has asked you to structure the proposal in a specific way, follow those instructions. If the structure and content of the proposal are left to your judgement, you need to include the following information – again as a minimum:

- a clear statement of the purpose and origin of the proposal

- summary of your professional strengths and credentials for the assignment, and your experience of comparable or related work
- outline of your proposed technical approach – e.g. an itemised sequence of tasks or activities
- personnel to be assigned to the work and their individual responsibilities
- work programme and time schedule – for example a bar chart indicating time scale and completion dates for each part of the work
- details of project management and organisation, as appropriate
- estimate or confirmation of the fees and expenses likely to be incurred, unless the client has asked for this information to be provided separately. Take care not to under price your bid in the hope of capturing work; you may later find it hard to negotiate upward the rates you accepted at the start. Never let a client persuade you to accept a rate you know is uneconomic by holding out the promise of more work to come. What matters is your cash flow here and now!

**Remember the key questions that clients will be asking when they evaluate your technical proposal:**

**Compliance:** Is the proposal fully compliant with our requirements?

**Insight and ideas:** Does the consultant really understand our needs and priorities? Does the consultant offer good ideas/solutions that we had not thought of?

**Professional effort:** Does the proposal show evidence of genuine commitment and involvement, or does it read like a routine exercise?

**Balance and method:** Does the proposal reflect a balanced approach to the project? Is there a sensible and realistic input of time and effort, and is this likely to deliver results on target? Has the work been thought through in the necessary detail?

**Team and resources:** Does the consultant have a convincing record of experience and offer the scales of resources appropriate to the work? Is it clear exactly who is going to do the work?

**Presentation:** Does the quality of the proposal suggest hasty and careless preparation, or does it give us the confidence that the end-product will meet high professional standards?

**Performance and management:** Does the proposal indicate best value-for-money? Is there an appropriate emphasis on output delivery? Is there a convincing match between the results that are promised and the price quoted?

**Added value:** Does the proposal convince us that the consultant is a minimum-risk source of professional advice, with whom we can sustain a constructive and efficient working relationship?

Check through the document carefully to eliminate any factual or formatting errors and to make sure that everything is explained as clearly as possible.

#### **4.3 Putting things in writing**

In most instances, confirmation of appointment can be made through an exchange of letters. A sample letter of agreement is reproduced at the end of this chapter. The essential requirements are to identify the tasks you will undertake and the basis on which the client will be charged, and to make it clear that any additional work will mean an additional cost. When accepting instructions

from private individuals RTPI members must ensure that the services offered are appropriate to the individual's requirements.

The RTPI's Code of Professional Conduct requires members to '*ensure that their terms of engagement have been given and confirmed in writing to their clients and shall satisfy themselves that these terms have been accepted*'. You must avoid a situation in which there is any misunderstanding or difference of view about either what the client wants you to achieve or what you would expect to do for the client.

In other cases, it may be necessary or preferable to have a formal contract agreed with the client. A public authority or corporate organisation will generally have its legal department or advisers prepare a contract in draft: you should forward a copy to your solicitor for comment and any unnecessary amendment prior to final agreement.

The items which need to be specified in a contract include:

- services to be provided by the consultant
- inputs to be provided by the client (e.g. data/information, office accommodation, transport, equipment, as appropriate)
- start and completion dates of the work, with any intermediate phasing
- schedule for the delivery of outputs, including definition of the final deliverable
- requirements for the keeping of project accounts and records
- the basis of fee and expenses payments, and details of when such payments are to be made
- arrangements for any additional work commissioned
- copyright issues and ownership of deliverables
- any special conditions applying to the performance of the work

Where sub-consultants are likely to be used, the terms of their engagement should be covered in the contract. Clients may expect you to seek their agreement if you wish to sub-contract a significant proportion of the work, and they will want you to assume contractual responsibility for the performance of your sub-consultants.

There will, of course, be additional items specific to the job in hand which may require inclusion in a contract. A solicitor is the best person to advise you on the content and wording of a contract document.

The letter of engagement (see Appendix A) or contract should include an arrangement for the consultant to keep the client informed about the progress of the work, the amount of time that you have worked and its relationships to the overall schedule and budget for the job. This can be achieved through management meetings and progress reports.

If the client asks you to undertake additional work during the course of a lump sum or fixed price contract, or fails to provide data or other inputs at the time they are required, make sure the implications for the budget and programme of the work are clearly understood. You may need to seek to negotiate a revision in the contract price.

**Speaking from experience . . .**

I left local government after 18 years. I worked with an architectural and development consultancy for the first three years, and then started my own practice. Most of my work began with help from other professionals, such as architects, surveyors, solicitors, who used my services to complement their own. After the first few months I also found repeat work with several developer clients.

My practice is based on development management and policy matters. I prepare planning applications, appeals, deal with enforcement matters, development appraisals and development projects. All of this work is subject to the timetables and deadlines of the statutory planning system, which can demand emergency action at key times.

If yours is a sole practice, part of the work will inevitably involve fire fighting in crisis situations that usually arise at 4.00pm on a Friday and need to be sorted out by the Monday. To survive this, you need to have a very understanding and flexible family environment!

I enjoy the flexibility of running my own practice, but the report or appeal statement has to be done within the appropriate deadlines.

I have good working relationships with three other sole practitioners: one of them provides cover for holidays, and all three will take on work if I am too busy. I also take on work from them, currently in an ad hoc fashion. I do not really want to employ others, so I will be exploring associate working.

Enjoy your work – each client and each assignment will be different. The business is you, and the success and integrity of the business is reflected by your effectiveness and energy. Concentrate on your strengths and explore the types of work you might like to undertake which might need further study or preparation. Never forget the importance of Continuing Professional Development.

Be honest and direct about the issues that clients place before you. If I consider that a proposal is unlikely to gain a permission, I will always tell the client this, even if it is not what they want to hear.

You need to have a genuine desire to find solutions to planning issues, to search for a compromise that will make both the client and the Council feel they have achieved success. Planning is about finding a way forward with equity and adaptability.

- Listen carefully to the client's needs and their reasons for needing planning permission. Research the background thoroughly.
- Don't get lulled into spending lots of time unproductively on jobs that never materialise.
- Try and work at an hourly rate if at all possible. And have a systematic procedure for chasing up unpaid invoices!
- Be firm with the work and stick to what you have quoted for. If you are asked to do more, explain to the client that you will have to charge for the additional work.
- Keep in touch with other colleagues and use your RTPI Region and the Independent Consultants Network. This can prevent you becoming isolated professionally, and can help with CPD opportunities and in raising your profile locally.

**Jenny Lampert MRTPI**

## 5. Knowing what to charge

Deciding what rate to charge can be difficult at first. Your prices have to be competitive in terms of the market for planning services and must represent value-for-money for your clients, while at the same time providing you with a reasonable level of profit.

When you are trying to get your first job from a new client, remember that some clients may feel it safer to give you a relatively modest initial assignment, within a strictly defined budget, to limit their exposure to the risks inherent in hiring a new, untested consultant. If they are satisfied with your professional qualities and the value of your services, you may then have the opportunity to develop a relationship which allows you more flexibility in pricing, for example through time-based contracts.

*“The RTPI carries out an annual survey of members of its [Independent Consultants Network \(www.rtpi.org.uk/independent\\_consultants\\_network/\)](http://www.rtpi.org.uk/independent_consultants_network/) and publishes the results, which include information on fee rates and issues around professional indemnity insurance..”*

### 5.1 Time-based fees

The services of a chartered town planner in private practice are normally charged on the basis of the cost to the practice of the time spent on the work. Time-based contracts normally involve two elements:

- fees which remunerate the consultant for the time spent, expressed in terms of agreed rates per hour, day, week or month
- expenses directly and necessarily incurred on the assignment and reimbursable either at cost or with a mark-up, management charge or handling fee

On assignments where a consultant is working away from home or office, a daily allowance for living expenses may form a third element, or it may be included as part of the reimbursable expenses.

In estimating the costs to the practice of your time, you need to take full account of:

- payroll costs, including your salary (or equivalent target income if self-employed), National Insurance contributions, pension plan, life and health insurance, and other benefits if applicable
- office costs not reimbursable as separate cost items under a contract. They normally include administrative, accounting and secretarial costs; rent and rates; services and utilities costs; office equipment and furnishing; cleaning and maintenance; communications; postage; IT costs; financing costs; professional indemnity costs; marketing and business development costs; the costs of maintaining a technical library and attending professional conferences; the costs of your CPD/staff training; costs related to quality accreditation; professional affiliation fees; and related items

- the return or profit sought from chargeable time, normally calculated as a percentage of the sum of the payroll and office costs
- To translate these costs into a rate per hour that can sustain you through your first year of trading, you need to gauge the number of fee-earning hours you are likely to obtain during the year. In many sectors of business, the nominal working year is usually defined as about 210 potential working days, taking into account weekends, bank holidays, vacation time and an allowance for sickness leave. Assuming an 8-hour day, that amounts up to 1680 potential fee-earning hours. If you have firmly committed jobs lined up, you may be able to count on earning fees from all or most of these hours. For many people, the pattern of work is likely to be uneven during the first year, so that it might be prudent to expect to obtain income from no more than about 40% or 50% of your potential fee-earning time overall. During this initial period, a substantial amount of time and effort has to be put into the task of promotion and work search. The costs of this activity have to be borne by the practice itself. This is another reason why it is important to make adequate financial provision in advance for the starting-up phase.

Time spent on the work is usually interpreted to include:

- time incurred on technical work as defined in the contract or agreement with the client
- time spent on surveys or data processing
- meetings with the client, with other consultants or advisers associated with the work, and with external organisations
- site visits
- time spent travelling in connection with the work
- preparation and production of outputs and deliverables, such as reports, plans and drawings
- writing, editing, proofreading and correcting reports
- time required for community involvement and consultation procedures
- presentations of findings
- follow up work as agreed with the client

New consultants may undercharge for their services, either out of fear of losing opportunities for work or through a lack of reliable information about market rates. They are also prone to omit charging for the time that is spent, for instance, researching information as part of a project or writing reports.

## **5.2 Lump sum contracts**

Lump sum or fixed price contracts are negotiated on the basis of estimated inputs of personnel and other items, or on percentages of project values. Once the fee is agreed, it holds valid for the life of the contract, but it is worth bearing in mind that contracts can be re-negotiated, and not always in your favour.

Payments are usually linked to deliverables. Clients favour lump sum contracts, particularly on large-scale assignments, but they need to be certain about the end products of the work. Consultants often prefer time-based contracts, since these offer more flexibility and are more

helpful in situations where changes beyond their control demand extended work or additional inputs.

### **5.3 Ad valorem contracts**

A practice and its client may agree a fee basis which takes account of the value of the work to the client, e.g. a percentage of the increase in the development value of the site or property based on an independent valuation.

If this form of fee basis is to be used, it should always be agreed before work is started. The percentage agreed may reflect, for example:

- the importance of the work to the client
- cost or value of the property
- level of expertise, specialist knowledge, responsibility and innovation involved
- any special circumstances such as the need for urgent action

This means that it is possible, for example, to negotiate a bonus for achieving the objectives of a commission, provided that the criteria of success can be clearly identified. There are evident risks in undertaking professional work on a speculative fee rate which does not cover costs – risks which are inherent in these alternative fee arrangements. New consultants will usually find it easier to keep to time-based fees.

### **5.4 Setting out a detailed estimate of fees**

The RTPI's experience is that most complaints and disputes about consultants' fees occur in situations where no agreement has been formalised between consultant and client. It is in your interests to make sure that there is no vagueness or misunderstanding about either your professional responsibilities or the client's financial commitment. Not only would this be a potential breach of the RTPI Code of Professional Conduct, it could give rise to a legal dispute with the client.

Clients may specify information to be included in a fee estimate cost schedules or breakdowns of prices. Where these matters are not defined, you are advised to cover the following items, as appropriate:

- summary table of estimated costs (fees for consultancy services + reimbursable expenses): set out for the work as a whole and for each stage or part of the work, of appropriate.
- detailed tables of time costs, indicating the proposed time inputs and rates for principals and assistants involved in the work, calculated on an hourly or daily basis, including where applicable a definition of the numbers constituting a working day
- detailed tables of reimbursable expenses: the following are the most common categories:
  - travel and transportation
  - equipment, materials or supplies purchased, leased or rented specifically in connection with the work
  - the costs of services brought in, such as additional professional knowledge, surveys, etc.

- services, legal work, etc
  - communications, IT, phone, fax and internet connections, courier services
  - printing and production, including photocopying, scanning and the presentation of project material (e.g. CD-ROM, etc)
  - documentation, covering the purchase of any necessary documents which may not be supplied by the client, including maps, copies of legislation, technical journals and standards
  - other specific costs: a category available for miscellaneous direct expenses not falling under any of the above items
- subsistence and daily allowances
- local authority fees for planning applications; indicate that these would be paid directly by the client
- terms and schedule of payment

There are certain items which are particularly hard to specify accurately in advance of the job, such as the costs of surveys, additional expert fees, and the printing of reports. You should identify these cost items separately in your estimate and include a ceiling sum for each.

Estimating fees is a skill in which experience is the most effective tutor. Where a job relates closely to your professional work before entering private practice, you may find it easy to quantify the amount of time that will have to be spent. Make sure you allow time for any necessary research, meetings and report writing. Other types of project may prove more difficult to gauge, and it may be necessary for you to arrange a period of retainment at an agreed rate and to set an intermediate point (in time or budget) at which you report progress to the client and determine the requirement for further work.

## 5.5 VAT

Each annual Budget normally redefines the level of turnover at which registration for VAT is compulsory. This requirement applies whatever the legal form of the practice. You must register by notifying your local VAT office, and when you are registered for VAT you must charge the tax on all your business activities to U.K clients, and calculate it on the sum of each individual invoice. You must include your VAT registration number on each invoice

If your earnings are likely to be below the threshold level, you may still opt to register for VAT, so as to be able to reclaim the VAT that you pay on business related purchases. You should seek an accountant's advice on VAT issues.

*["HR Revenue and Customs \(www.hmrc.gov.uk/index.htm\)](http://www.hmrc.gov.uk/index.htm) produce a helpful set of leaflets on all aspects of VAT records and accounting."*

## 6. Recording time and getting fees in

Many consultants experience varying workloads. It is essential to maintain a regular and consistent record of the time spent on each job. One useful idea is to keep parallel timesheets, one for each job and one for each day. They should be filled in at the same time, and the submission of invoices and receipt of payments can also be recorded on them. The day sheet allows you to track chargeable time outstanding, should this be needed for taxation purposes, without having to go through all the individual job files.

On larger or longer-term assignments, clients may require to see timesheets: in some instances your timesheets may need to be countersigned by a client manager, before you can receive payment. The following illustrations show fairly straightforward examples of timesheets adaptable to most contracts.

### 6.1 Sample weekly timesheet for consultancy

Name of Consultant .....											
Week ending (Saturday) ...../...../....										Sheet no ..... of .....	
Enter time worked in HOURS or HALF-HOURS											
Job No.	Activity code	Title of assignment	Rate code	Sun	M	Tu	W	Th	F	Sat	Total
TOTALS											
Total hours worked (inc. overtime) in words ..... hours											
Signed .....											

A range of software is available to help you monitor and record the time spent on assignments, including programs that enable work to be time-tracked, cost-tracked and invoiced, automatically creating reports on time inputs and charges, and comparing actual project charges against project estimates.

Tell the client as early as possible if it seems likely that the initial estimate of total costs or the agreed budget ceiling will be exceeded. You will have a justifiable claim for additional payment only if you can show that the excess is due to circumstances outside your control, or if the client has significantly changed the scope of the work.



- submitting an application (ensure client payments have cleared into your account)
- submitting an appeal (ensure client payments have cleared into your account)
- exchange of statements
- presentation of draft proof of evidence
- exchange of proofs
- the inquiry

*“Ensure that you have received part (or full) payment before submitting an application on behalf of a client. This will help you avoid a situation where the client fails to pay invoices once the application has been submitted. Once an application has been submitted it should not be withdrawn without client instruction. To do so could expose you to a complaint made to the RTPI about your professional conduct.”*

### ***Speaking from experience . . .***

#### **Tips on record-keeping**

##### **Every day**

Write down the time spent on each job. I do this in 15- minute segments, which caters for all the odd, small items such as phone calls. I find a page-a-day diary showing hours (and, if possible, quarter hours) invaluable, and it can double as a ‘day book’.

##### **Every week**

Update your books – otherwise it’s easy to lose track of expenditure. If expenditure is to be passed on to a client, make a note of this so that you and they know what the payment is for.

##### **Every month**

Get your invoices out. Don’t let fees for non-regular clients build-up – test their capacity to pay early on!

**Stephen Bowley MRTPI**

## 7. Growing your practice

### 7.1 Looking to the future

Continuing professional development is a principle and obligation essential in our individual careers. It is also important for consultancy practices to maintain, improve and broaden their skill base if they are to survive and succeed.

Markets are dynamic: they expand, contract, change direction and generate totally new sectors of work. As they evolve, the clients and services which now account for most of your turnover may become less dependable, while other clients, or indeed existing ones, may find they have new requirements which offer fresh and unexplored potential for your skills. If you want your business to develop, you must look for pointers to areas where clients are likely to need services you can provide. Which are likely to be the growth sectors in planning services in, say, five years time? What does this imply for your existing repertoire of services and capabilities? The better your market information, the more clearly you will be able to see ahead. The future is on the side of the farsighted, so you cannot afford to wait until changes are obvious to everyone.

When you have identified promising new markets, you will need to think about the resource costs of entering them, as well as the benefits of growth. What are the levels of competition and risk that you will face? What will be the implications for your existing pattern of activities? Will you have to recruit additional personnel? These are some of the key questions to be addressed in looking beyond the immediate horizon.

### 7.2 Taking on staff

The day may arrive when your workload will be more than you can cope with on your own, or you may need to bring in new people to capture new market opportunities. It is important to select staff carefully and to make sure their conditions of engagement are clearly defined. This is particularly important in view of the substantial body of legislation which governs employment.

The RTPI's [Consultancy Information and Support](#) information ([www.rtpi.org.uk/member\\_services/piwp/](http://www.rtpi.org.uk/member_services/piwp/)) includes guidance notes on a number of HR issues, and RTPI members also have free access to an employment law helpline service. The Government's [Business Link service](#) ([www.businesslink.gov.uk](http://www.businesslink.gov.uk)) provides a comprehensive range of guidance on employing staff and Health and Safety. The ACAS website [www.acas.org.uk](http://www.acas.org.uk) may also be of use.

### 7.3 Quality accreditation

Many clients in the public sector now expect or require firms bidding for work to possess quality accreditation to ISO 9001 or comparable quality standards. The process of gaining accreditation demands a substantial input of time and effort from consultants, and its implementation and maintenance impose additional management costs on a practice. Quality accreditation can more than repay this investment by demonstrating to clients that the practice has in place an audited quality assurance management system which provides a consistent quality of service, and by securing access to a broader range of tendering opportunities. The RTPI's [Consultancy Information and Support](#) information ([www.rtpi.org.uk/member\\_services/piwp/](http://www.rtpi.org.uk/member_services/piwp/)) offers guidance on this topic.

#### **7.4 Pension arrangements**

Whatever your circumstances, and whatever your age, do not neglect to make arrangements for your eventual retirement. Seek expert and independent advice on the financial provision which you need to make now by way of a pension plan or other forms of investment to ensure you have an adequate income should you ever wish or be obliged to stop work.

You should also ensure you have an appropriate level of life insurance, personal accident insurance, and consider how to protect your income is if you were unable to work due to an accident or illness.

## Appendix A: Letter of agreement

Dear *(name)*

Further to our meeting on 25 May, I advised that I would set out in writing how I might be able to assist you in *(specify field of work – for example the preparation and submission of a planning application)*. This letter outlines my ideas on the scope and programme of the work, and sets out an estimate of the costs involved.

In undertaking the work, I would expect to perform the following tasks:

*(specify tasks and activities, for example:*

- *visit the site;*
- *appraise relevant planning policies*
- *prepare draft application, including illustrative material, for agreement with client;*
- *meet with local planning authority officers to discuss scheme prior to submission;*
- *submit application and monitor its progress.)*

The work would be undertaken by *(the undersigned/A.N. Other)* who is a Principal/Associate/Senior Planner *(specify status)* with the Practice and a Member/Fellow of the Royal Town Planning Institute. *(Specify experience/capabilities of other personnel involved relevant to the project.)*

I estimate that the work will require an input of *(...days/week/months)*, and will be completed by *(date)*.

The fee for this work would be charged on a time-spent basis, net of VAT and expenses, which would be reimbursable at cost. I enclose a copy of the Practice's current schedule of hourly/daily rates, and the Practice's standard terms of engagement. On the basis of x days' input, the estimated fee will be in the order of £..... net of VAT and expenses. I enclose with this letter a note which details the basis of this estimate, and the date when payment(s) is requested.

Should you require any additional work to be undertaken which is not covered by the tasks listed above, I would be pleased to provide an estimate in respect of the costs of such additional work.

To enable you to monitor the costs of the work, I will provide you with a *(monthly/quarterly, etc.)* statement of fees incurred. *(Or:)* I propose to invoice you *(on a monthly/quarterly, etc. basis)* *(Or:)* at the completion of the work.

I would be grateful to receive your written confirmation that the terms of this proposal are acceptable. Please let me know if you wish me to provide more information on any point. I look forward to hearing from you in due course.

Yours sincerely.

## Appendix B: Additional sources of information

### 1. Business Link

- England <http://www.businesslink.gov.uk>
- Northern Ireland <http://www.nibusinessinfo.co.uk>
- Scotland - [www.bgateway.com](http://www.bgateway.com)
- Wales - [www.business-support-wales.gov.uk](http://www.business-support-wales.gov.uk)
- Ireland - [www.enterprise-ireland.com](http://www.enterprise-ireland.com)

### 2. Chambers of commerce

[www.britishchambers.org.uk/](http://www.britishchambers.org.uk/)

### 3. RTPI support and information

- The [RTPI's consultancy information and support service](http://www.rtpi.org.uk/member_services/piwp/) ([www.rtpi.org.uk/member\\_services/piwp/](http://www.rtpi.org.uk/member_services/piwp/)) is available from the RTPI website. This includes information on terms of business, professional indemnity insurance, management guidance notes and the use of the RTPI logo.
- RTPI Networks and Associations are free to join and provide news, information and support on a wide range of topics and subjects.

Further information is available from the [Networks and Associations webpages](http://www.rtpi.org.uk/events_awards_and_networking/networks_and_associations/) ([www.rtpi.org.uk/events\\_awards\\_and\\_networking/networks\\_and\\_associations/](http://www.rtpi.org.uk/events_awards_and_networking/networks_and_associations/)).

This includes the [Independent Consultants Network](http://www.rtpi.org.uk/independent_consultants_network/) ([http://www.rtpi.org.uk/independent\\_consultants\\_network/](http://www.rtpi.org.uk/independent_consultants_network/)) and email discussion forum.

- **RTPI Regions and Nations**

Wherever you are based in the UK or Ireland, [RTPI Regions and Nations](http://www.rtpi.org.uk/events_awards_and_networking/nations_and_regions/) provide locally focussed support, services and low-cost CPD events.

[www.rtpi.org.uk/events\\_awards\\_and\\_networking/nations\\_and\\_regions/](http://www.rtpi.org.uk/events_awards_and_networking/nations_and_regions/)

- **RTPI Conferences**

For national events & training courses [www.rtpiconferences.co.uk/rtpi/](http://www.rtpiconferences.co.uk/rtpi/)

- **Online Directory of Planning Consultants**

[www.rtpiconsultants.co.uk/](http://www.rtpiconsultants.co.uk/). Includes the UK and Ireland online directory of local authorities

### 4. Planning Matters

- Online CPD available through [www.planningmatters.co.uk/](http://www.planningmatters.co.uk/)

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mediation of space · making of place

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