

Self-employment in IPS

A guide to supporting IPS clients into self-employment

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Role of the employment specialist

- ⊙ Initial exploration as part of vocational profiling.
- ⊙ Discuss/signpost to advice on benefits and self-employment.
- ⊙ Signpost to local expertise in self-employment/business start-up/job centre work coach.
- ⊙ Attend initial meeting with client and self-employment advisor.
- ⊙ Act as a sounding board/emotional support during initial phase.
- ⊙ Review employment goal.
- ⊙ Support to identify a business mentor e.g. Job centre work coach, federation of small businesses.
- ⊙ Agree an in-work support plan incl. considering triggers, work/life balance, how to deal with challenging customers etc.
- ⊙ Record outcomes and sustainment.
- ⊙ Watch out for self-employment opportunities that seem too good to be true – scams, money laundering schemes.

Initial exploration:

Be curious. Do they have an idea of what they want to do? Do they have previous or family experience of self-employment?

If undecided, it's useful to consider and work through the pros and cons of self-employment versus working for an employer.

Decision balance sheet (example):

	Being self-employed	Working for an employer
Pros	Choose own hours, Doing what I want to do Flexible Suit health fluctuations Job satisfaction Earning potential	Steady income, paid if unwell or holidays, pension
Cons	Admin Accounts/Tax Unpredictability of work/income Can be hard work	Inflexible working patterns

Query whether a previous bad experience is influencing their decision to go into self-employment,, or perhaps it was a previous good experience?

Consider the different types of self-employment: sub-contractor, business owner, sole trader. Support the client to do a SWOT analysis on themselves, their business and/or their business plan.

Strengths:	Weaknesses:
Opportunities:	Threats:

Some examples of previous self-employment in IPS:

Gardener, cleaner, baby-sitting, artist, dog-walker, mobile catering, photographer, mobile hairdresser or renting a chair in a salon.

Caution: Be careful of pyramid schemes or money laundering schemes.

How to record an employment outcome?

Ideas on how to record/evidence self-employment. What would a successful job outcome for self-employment look like in your service? IPS Grow have the following definition:

Job Outcomes		
Performance indicator	Definition and rationale	Recommended evidence
Job outcomes (single individuals)	<p>Number of people who have completed 4 or more hours of paid employment. Note: Please follow your contractual requirements.</p> <p>For clients who are self-employed or working zero hours contracts, take the average weekly hours over the first month of work. Hours worked per week can be calculated and updated as the case progresses.</p> <p>A client is self-employed if they are:</p> <ul style="list-style-type: none"> • Registered as a sole trader with HMRC • Registered as a company <p>Paid work placements and apprenticeships are included.</p>	<p>If required – payslips or for self-employed – Unique Tax payer Reference number.</p> <p>Record number of outcomes using IPS Grow Data Tool or caseload summaries.</p>

Full KPI document is available here: <https://future.nhs.uk/IPSWorkspace/view?objectID=214310245>

Useful links for clients

Advice available from gov.uk website:

<https://www.gov.uk/working-for-yourself>

<https://www.gov.uk/business-support-service>

<https://www.gov.uk/write-business-plan>

For people aged 18-30:

<https://www.princes-trust.org.uk/how-we-can-help/support-starting-business>

Self-employment and benefits:

Self-employment and universal credit

<https://www.gov.uk/self-employment-and-universal-credit#:~:text=Your%20work%20coach%20can%20tell,work%20with%20the%20self%20Deployed>.

Turn to us – some FAQs on self-employment

<https://www.turn2us.org.uk/get-support/information-for-your-situation/self-employment-and-benefits/self-employment-and-benefits-frequently-asked-questions>

Cautionary tale:

"Would bear in mind that from my experience with a client I supported in my previous company who also wanted self-employment. Once they had informed the DWP that they were looking at self-employment while being on work capability, it brought up a lot of questions from the JCP about if they wanted self-employment did this then mean they felt they were able to work? And were then told they had to look for paid employment along side self-employment to enable them to move off benefits."

From an employment specialist on the Future NHS platform.

Other advice support:

Federation of small businesses

<https://www.fsb.org.uk/membership/fsb-regions-and-nations/fsb-wales.html>

Rural business network: <https://rbn.org.uk/>

Economic development officer at the local authority may have better local knowledge.

Link and local info –

[Getting Into Work - UK and Multiple Nation Wide Schemes | Turn2us](#)

Northern Ireland

[Getting Into Work - Northern Ireland - Work Schemes and Help | Turn2us](#)

<https://www.investni.com/support-for-business/support-for-local-start-ups>

<https://www.nibusinessinfo.co.uk/content/starting-business>

Scotland

<https://www.mygov.scot/starting-business>

[Getting Into Work - Scotland - Work Schemes and Help | Turn2us](#)

Wales

[Get help with your business online](#), or by calling the Business Wales Helpline.

Business Wales Helpline

Telephone: 0300 060 3000


Monday to Friday, 10am to 4pm (except [bank holidays](#))

[Find out about call charges](#)

<https://businesswales.gov.wales/>

<https://www.turn2us.org.uk/get-support/information-for-your-situation/getting-into-work/wales-work-schemes-and-help>

Useful checklist for client to consider



When planning to become self-employed or start a business, it's crucial to follow a structured approach. Here is a comprehensive checklist of the necessary steps and resources to help you navigate the process across:

1. Business Idea and Market Research

- **Develop a Business Idea:** Ensure it is viable and sustainable.
- **Conduct Market Research:** Understand your target market, competitors, and potential demand.
- **Business Plan:** Write a detailed business plan outlining your goals, strategy, target market, financial forecasts, and growth plans.

2. Legal Structure

- **Choose a Business Structure:** Decide whether to operate as a sole trader, partnership, limited company, or another structure.
 - **Sole Trader:** Simple, with less regulatory paperwork.
 - **Partnership:** Involves two or more individuals sharing responsibility.
 - **Limited Company:** More complex but offers personal liability protection.
 - **Social Enterprise or Charity:** If your business has social objectives.
- **Register the Business:**
 - **England and Wales:** Register with HMRC and Companies House (if forming a limited company).
 - **Scotland:** Similar process with registration at Companies House.
 - **Northern Ireland:** Register with HMRC and Companies House for limited companies.

3. Tax and National Insurance

- **Register for Taxes:** Inform HMRC that you are self-employed to get a Unique Taxpayer Reference (UTR).
- **National Insurance Contributions (NICs):** Ensure you understand your obligations:
 - **Self-employed:** Pay Class 2 and Class 4 NICs.
 - **Limited Companies:** Pay Employer's National Insurance.
- **Value Added Tax (VAT):** Register for VAT if your turnover exceeds the VAT threshold (£85,000 as of 2024).
- **Keep Financial Records:** Maintain accurate financial records for at least five years.

4. Business Licenses and Permits

- **Check Licensing Requirements:** Depending on the nature of your business, you may need specific licenses or permits.
 - **England and Wales:** Check with local authorities or the Gov.uk website.
 - **Scotland:** Check with local councils.
 - **Northern Ireland:** Visit NI Direct for business-specific licensing information.

5. Funding and Finance

- **Explore Funding Options:** Consider personal savings, loans, grants, crowdfunding, or venture capital.
- **Government Grants and Loans:**
 - **England and Wales:** Look into Start Up Loans, New Enterprise Allowance, or regional grants.
 - **Scotland:** Explore the Scottish Government's funding schemes and Business Gateway.
 - **Northern Ireland:** Invest NI offers financial support.
- **Open a Business Bank Account:** Separate your business and personal finances.

6. Insurance



- **Consider Necessary Insurance:** Depending on your business, consider:
 - **Public Liability Insurance**
 - **Employer's Liability Insurance** (if hiring staff)
 - **Professional Indemnity Insurance**
 - **Business Interruption Insurance**
 - **Product Liability Insurance**

7. Business Name and Branding

- **Choose a Business Name:** Ensure it is unique and memorable.
- **Check Trademark Availability:** Register a trademark if necessary to protect your brand.
- **Domain Name:** Secure a domain name for your business website.

8. Hiring Employees

- **Understand Employment Law:** If you plan to hire employees, comply with employment laws, including contracts, minimum wage, pensions, and working conditions.
- **Register as an Employer:** Register with HMRC as an employer.

9. Online Presence and Marketing

- **Create a Website:** Develop a professional website for your business.
- **Social Media:** Set up social media profiles to promote your business.
- **Marketing Plan:** Outline your strategy for reaching and engaging customers.

10. Health and Safety

- **Health and Safety Compliance:** Ensure your business complies with health and safety regulations, particularly if you have premises or staff.
- **Risk Assessment:** Carry out a risk assessment of your business operations.

11. Data Protection

- **GDPR Compliance:** Ensure your business complies with the General Data Protection Regulation (GDPR) if handling personal data.
- **Register with the ICO:** Register with the Information Commissioner's Office if necessary.


12. Networking and Support

- **Join Business Networks:** Engage with local chambers of commerce, business associations, or trade bodies.
- **Seek Professional Advice:** Consult accountants, solicitors, or business advisors for tailored advice.
- **Utilize Government Resources:**
 - **England:** Use resources from the UK Government's business support helpline.
 - **Wales:** Access Business Wales for support services.
 - **Scotland:** Contact Business Gateway for free advice and workshops.
 - **Northern Ireland:** Use Invest NI and NI Business Info for guidance.

13. Ongoing Compliance and Monitoring

- **Submit Annual Returns and Accounts:** Limited companies must file with Companies House and HMRC.
- **Self-Assessment Tax Return:** Submit yearly if self-employed.
- **Review Business Performance:** Regularly review your financial and business performance against your business plan.

14. Exit Strategy

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- **Plan an Exit Strategy:** Consider long-term plans such as selling the business, passing it on, or winding down operations.

Each of these steps involves different procedures depending on the specific region (England, Wales, Scotland, Northern Ireland), so it's advisable to consult regional websites and local authorities for the most accurate and up-to-date information.

This information is correct as of August 2024. Please let us know if you find any redundant web links in the document.

