

Contractors should have schedules in their contracts

The schedule is a critical part of contractor contracts, and you need to see that it is handled properly. Unfortunately, many agencies are not as careful in this respect as one might wish. So it is important that you demand a two-part contract: 1) the general terms governing your work, and 2) the schedule, which defines the specific project you are working on and the services you will provide — at least as best you can!

Contractors should try to include the following in their contracts:

1. Obtain a schedule with terms
2. See that it defines a specific project, with a time scheme
3. Define as clearly as you can what you are doing
4. Show that you have the terms to keep you outside [IR35](#)

Contract Essentials

When you contract with an agency, you need to ensure two things: that the contract does not put you inside IR35, and that the project you are to work on is as clearly defined as it can be under the circumstances. Says Adrian Marlowe, managing director of the Hove-based legal consultancy [Lawspeed](#) which specialises in contractor affairs: "You are contracting to provide specific services; you are not signing up to a 'contract of service' which, assuming those services are not specifically defined, could put you within IR35."

The Worst Contract

The worst kind of contract is one that does not have a schedule, and instead has just a few lines of job description. Something like this: 'My company x is to work for y pound per hour in the service of client z.'

You will find agents who offer you this scribble. Never accept it: all of the crucial terms are missing from this agreement. You would risk attack by the Revenue as being within IR35; you would not know what you are being paid for, and so you would not be able to prove you have supplied it; you would be open to the client's demanding work on anything and everything that the client might desire.

The Permanent Section

To avoid the bad contract above, you should work out a contract that is divided into a permanent section and a schedule. The permanent section lists the basic terms that govern your work with the client (as well as defining terms for the agency like payment period, rate of pay, etc.). This section should include a certain number of terms that [show you are outside IR35](#): there is no "[mutuality of obligation](#)"-- the agency is not obliged to give you any work in the future; you have the "[right of substitution](#)"-- you can pay another contractor to do this job for you; you define your own hours and your own place of work--if you work on the client site, you do it when and how you want to. Very important: you supply some of your own equipment.

"The contract should show that you are in [control](#) of all the work that you do for the client," explains Marlowe.

The Schedule

Once the general terms are defined, the specifics of the project you are to work on should be set out in a schedule. In an ideal contract this would include start-finish dates, specifically defined tasks, milestones for delivery (if possible), and as detailed a description of the specific services you are to perform as you can possibly get. "Get the project as well-defined as you can," says Marlowe.

One cannot, alas, be too exigent in this respect. Unfortunately, unless you have a fixed-price contract, the closest you'll get in terms of milestones and deliverables is something like this:

'Providing the above services (list of services provided) on the XYZ project, with the following milestones identified:
Present to Feb 2008 : Phase 1.
Mar 2008 – Sep 2008 : Phase 2.'

Not Like In Storybooks

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“ It never ceases to amaze me some of the rubbish contracts agencies present contractors. ”

Peter Smith

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“ You are not signing up to a contract of service which assuming those services are not specifically defined could put you within IR35 ”

Adrian Marlowe-Lawspeed

What does this mean? Most projects are not developed in perfect sequence these days; there is not a clear beginning, middle, and end to them like in the storybooks. Sometimes contractors come in right in the middle, hurriedly achieving something immediately necessary.

Behind this entire process are high-level business goals, but these goals are not reflected in the contract. Further, the work done by contractors to achieve these goals may change radically as the final product evolves. You should be prepared to accept such changes in practice, but you are not an employee who has to do whatever the boss says. Your contract needs to reflect this; hence the importance of the schedule which shows that you are there to do a specific project, not whatever comes down the pipe.

New Contract, New Schedule

Should the contract be subject to a [contract renewal](#), see that a new schedule is produced with the same level of detail.

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“ The contract should show that you control your own work ”

Adrian Marlowe-Lawspeed

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