

2022

Salary Survey

Corporate Governance



MESSAGE FROM THE MD

Welcome to Saxton Leigh's annual market report and salary guide for 2022.

For the majority of people 2021 passed with many of the same challenges seen in 2020. However, the UK regulators and government were focused on looking forward at the financial services sector post Brexit, with the objective of making the regulatory environment attractive for international businesses and investors. The first outline of what things would look like was provided in the Treasury's November 2021 Regulatory Framework Review.

If we focus on the 2021 recruitment market we can see that it was impacted by the ongoing COVID-19 pandemic, lasting effects of Brexit, changes in IR35 regulation, candidate shortages and businesses & employees adapting to both the benefits and challenges of working from home. However, for all of the negatives of 2021, there were also a lot of positives. The UK economy bounced back quicker than expected, unemployment fell to 4.1% by December 2021, salaries rose in the corporate governance market and employees and employers on the whole embraced the new flexible working patterns, with firms often seeing an increase in productivity.

2022 has already got off to an exceptionally busy start and we see no sign of things slowing down. Much like the latter half of 2021, we expect vacancy volumes to continue to increase through 2022 due to pent up demand, growth in the sector and the increasing regulatory and internal demands on risk, compliance and audit teams. In contrast, we expect candidate availability to be limited due to the hesitancy of some individuals to move during the pandemic, strong recruitment through 2021 already depleting the talent pool and the new flexibility afforded to employees meaning they are happy to remain with their current employers.

Throughout 2021/22, the Saxton Leigh team have been working hard both advising clients on virtual interview strategies and onboarding, as well as matching many candidates with their new employer. I hope you find this report useful, we will continue to provide sector-specific updates throughout 2022.

If you have any feedback or would like to input into any future reports then please email me at marcus.courtney@saxtonleigh.co.uk

OUR SERVICES

In an ever-changing recruitment market, Saxton Leigh delivers a dedicated and specialist recruitment service for both UK employers and candidates specifically focussing on the Corporate Governance market. We help build out teams, source specialist individuals and provide an end to end recruitment service for both permanent and contract staff.



WHY US?

With extensive market knowledge and experience, we have the insights that set us apart from other firms in the industry. With this experience, we have earned the trust of both our clients and candidates, which means that we have the industry's top talent and leading firms working with us. Our consultants can offer you a tailored, bespoke service to match your every hiring need and requirement, whether you are looking to grow out a team or to find a niche specialist to help with a particular project. From a candidate perspective, our consultants are here to help guide you on your job-hunting journey and provide you with the best next step in your career.

8% of our business was contract in 2020.

32% increase in corporate governance vacancies – 2021 v 2020

OUR APPROACH



PERMANENT

The success of our permanent solution is based on the continual development of our network of candidates. We are constantly mapping the market and identifying both active and passive job seekers, thus giving you access to the best talent.

INTERIM

Having the right interim resource readily available is essential whether it be to lead a project or provide cover for a BAU position. We have an enviable network of immediately available professional interim consultants, and we are able to provide either individuals or teams for any length of assignment.



EXECUTIVE SEARCH

For vacancies with specific or in-demand skills, we also offer a full search service. Utilising our dedicated research function, we will map, identify, and present the most suitable candidates from the whole market for you to meet.

INTRODUCTION

Welcome to Saxton Leigh's market report and salary guide for 2022. Our experienced consultants have combined their industry insights and analysis of the financial services corporate governance market to bring you this pack.

We hope that this report will be an informative guide for both our clients and candidates, whether to plot growth strategy, understand what is happening in the market, or look at remuneration benchmarking.

Please note that the research for this paper was carried out in 2021.

Given the unprecedented nature of the COVID-19 outbreak, and the uncertainty it continues to bring to businesses and individuals, we only make predictions on what the future holds for corporate governance recruitment trends. As part of our work as your dedicated corporate governance recruitment specialist, we carry out constant market research through attending virtual seminars, writing blogs, and engaging with our clients on a regular basis. This research continues to keep us at the forefront of corporate governance recruitment and as one of the UK's leading specialist firms.

OVERVIEW OF CORPORATE GOVERNANCE RECRUITMENT

2021 started with renewed positivity and by the end of February/early March the market was already feeling buoyant. When we compare H1 2021 to H1 2020 we can see job volumes were up by 43%, showing just how much the market had rebounded. This large increase in job volumes in H1 2021 can be attributed to several factors including pent up demand in 2020 where headcount restrictions were in place as well as market confidence returning both for businesses looking to hire and candidates looking to progress their careers. The positivity continued into H2 2021 with jobs increasing 25% when compared to H2 2020. Overall when we compare 2021 with 2020 there was a 32% increase in registered vacancies.

Candidate registrations in the UK corporate governance space increased in 2021 by 19% when compared to 2020. By comparing the percentage increase in new vacancies against new candidate registrations we can already see a mismatch which is why firms are now competing for the best talent.

The shortage of candidates led to a rise in salaries and created an internal benchmarking challenge for many businesses as often there was a big gap between the salaries they were paying to current employees when compared to a new joiner doing the same role.

As we saw the demand for specialist talent increase in 2021, we also saw the time to hire decrease with the average time to hire in the UK corporate governance space down to 41 days. Companies that had a protracted recruitment process beyond three rounds of interviews or who left large intervals between each stage of the interview were often finding candidates they wished to pursue were off the market having secured positions with employers who had focussed on developing a streamlined, predominantly online process. Towards the end of 2021 and prior to the last lockdown we did start to see the return of face to face interviews and this was often conducted as the final interview stage.

With the market being as fast-paced as it was and the talent pool being so small there became a surge in counteroffers. Counteroffers were almost expected as firms looked to retain knowledge within their business whilst reducing business impact and mitigating the cost to hire a replacement.

MARKET TRENDS

RISK:

For the risk market when we compare H1 2021 to H1 2020 we can see job volumes were up by 14%. This positivity continued into H2 2021 with vacancies increasing 47% when compared to H2 2020. Overall when we compare 2021 with 2020 there was a 32% increase in registered vacancies.

Candidate registrations in the UK risk space increased in 2021 by 24% when compared to 2020. The candidate scarcity drove risk salaries upwards again in 2021 and we are now seeing the average salary increase when changing positions and joining a new employer at 15%. This is a significant increase on what we saw in 2020 when it was 8%.

COMPLIANCE:

For the compliance and financial crime markets when we compare H1 2021 to H1 2020 we can see job volumes were up by 53%. This positivity continued into H2 2021 with jobs increasing 19% when compared to H2 2020. Overall, when we compare 2021 with 2020 there was a 33% increase in registered vacancies.

Candidate registrations in the UK compliance and financial crime space increased in 2021 by 17% when compared to 2020. The candidate scarcity drove compliance and financial crime salaries upwards again in 2021 and we are now seeing the average salary increase when changing positions and joining a new employer at 17%. This is an increase on what we saw in 2020 when it was 15%.

AUDIT:

For the audit market when we compare H1 2021 to H1 2020 we can see job volumes were up by 43%. This positivity continued into H2 2021 with vacancies increasing 18% when compared to H2 2020. Overall when we compare 2021 with 2020 there was a 27% increase in registered vacancies.

Candidate registrations in the UK audit space increased in 2021 by 20% when compared to 2020. The ongoing candidate scarcity drove audit salaries upwards again in 2021 and we are now seeing the average salary increase when changing positions and joining a new employer at 12%. This is an increase on what we saw in 2020 when it was 9%.

TEMP AND CONTRACT RECRUITMENT TRENDS:

Changes to IR35 regulations in April 2021 had a big impact on contract recruitment for 2021. As a business, we saw temporary vacancy volumes begin to decline at the end of 2020 and this continued into Q1 & Q2 2021.

In 2021 contract hires made up 8% of our business which was a drop from the 10% we had seen in the previous year.

Many firms were unsure of their strategy right up to point of implementation. This uncertainty led to some firms halting all contract recruitment, whilst others would only entertain PAYE contractors and some switched purely to Fixed Term Contract (FTC) hires. Candidates were also unsettled by the implementation of the new rules, the decrease in income and the financial risk it exposed them and their companies to. In many cases candidates who were doing BAU roles started looking for permanent positions.

By H2 2021 contract vacancy volumes began to gradually increase as firms became accustomed to the new IR35 rules and assessments. As a business, we saw an ongoing reluctance for firms to hire corporate governance professionals via their limited companies (PSC's) with the majority of hiring on an inside IR35 basis (PAYE/ Umbrella Co) or FTC.

TOP REQUIREMENTS FOR EMPLOYERS:

Diversity has become a top priority for the majority of financial services businesses over the last 12 months. Many firms have invested heavily in their diversity programme, reviewing their approach, setting up specialist teams and engaging with their communities.

When discussing hiring strategies and individual hires with our clients, a common trend appeared around the need for technologically savvy employees. Whether this was due to the ever increasing burden of regulation or the need to develop/enhance models and systems, firms are looking to automate processes where possible and candidates who can demonstrate previous experience of systems implementation, automation and programming are in high demand.

The pandemic has forced financial services businesses and the regulators to rapidly adapt and we have potentially seen 5-10 years of evolution happen within the space of 2 years. This has brought added complexity to the financial services sector and thus to corporate governance teams, meaning hiring managers now require individuals to be specialists rather than generalists.

TOP MOTIVATORS FOR CANDIDATES:

With the pandemic still looming large over 2021, we saw the top motivators from candidates looking to change positions remain predominantly the same as we did in 2020. It will come as no surprise that the most requested benefit was flexibility, and this has ranged hugely with some individuals requesting one to two days remote whereas others were requesting to be fully remote. Most candidates now seem to be comfortable with 2-3 days in the office.

Over the last two years, people have had time to reflect on their careers and personal life and wellbeing is now a big part of what people consider when changing employers. When looking to attract the best talent employers need to be able to articulate a clear and concise wellbeing strategy.

Career progression came in the top three motivators for candidates in 2021, beating remuneration as a key motivator. Again, candidates have taken time to reflect on what is important to them mid to longer term and are now focussing on what future employers can offer them in terms of training, exposure to new products and future responsibility.

DIVERSITY

In 2021 one of the top business priorities was building a diverse workforce. Studies show that a workplace that harbours a diverse workforce allows for more novel ideas and processes to be implemented. This means a broader range of skills among employees, as well as a plethora of diverse experiences and perspectives, which increases the potential for increased productivity. From our 2021 demographic data we saw 56% of our placements been taken up by females compared to 44% taken up by males. With our ethnicity figures recording the following breakdown: Black 9%, White 60%, Asian 31%.

ESG

Following on from COP26, with Rishi Sunak saying the UK will be the world's first net-zero financial centre the demand for individuals with experience and skills concerning ESG issues has reached an all-time high, exceeding the existing number of qualified people available in this market.

THE TOP 3 REQUIREMENTS FOR BUSINESSES ARE:

1. Diversity
2. Tech savvy individuals
3. Specialists over generalists

THE TOP 3 MOTIVATORS FOR CANDIDATES ARE:

1. Flexible working
2. Wellbeing
3. Career progression

This has contributed to a rise in ESG related salaries. With climate change now firmly embedded in future strategies, alongside other generational issues, the race for talent in ESG presents a particular challenge to the development of climate and sustainability solutions in what is a candidate-poor market.

FUTURE TRENDS

Looking forward, we believe the 2022 recruitment market will be buoyant, with an excess of vacancies when compared to the available talent pool. 41% of our clients indicated they expect to hire in their corporate governance functions in 2022. This is a slight decrease from the indication we were given by our clients at the beginning of 2021, when we found 48% of firms indicated an intent to hire in the year. Due to the ongoing demand, we expect salaries will continue to increase and a 13-18% salary increase will become the norm for individuals moving companies.

Given economic uncertainty and the need to deliver on projects that were paused in 2020/21, we expect firms to increase the use of contractors both on an inside and outside IR35 basis.

Given the reporting requirements for UK listed businesses and the expected consultation by the regulator in the first half of 2022, we expect firms to continue to focus on their Diversity & Inclusion policies and hiring during 2022.

Financial services businesses will continue to develop their ESG strategies, especially given the introduction of the FCA's ESG Sourcebook. This will put a focus on firms trying to hire individuals with prior knowledge and experience in this space.

RISK:

We expect the risk market to remain buoyant across all areas in 2022. Operational Resilience and Third Party Risk management will dominate the non-financial risk market particularly in Q1 with new Outsourcing Third Party Risk Management rules being implemented on 31st March 2022 for PRA regulated firms.

Firms will continue to enhance their financial risk functions with development of their internal models. To facilitate this the highest demand will be for candidates with programming languages such as Python & R.

Given the continued economic uncertainty financial services business will look to strengthen their credit risk teams and will require candidates with strong modelling and in-depth analysis skills.

COMPLIANCE:

With the ever-increasing regulatory burden, we expect 2022 to be a busy year for compliance/financial crime teams and in particular those individuals who can assist with horizon scanning and policy work.

There will be significant regulatory change and development around sustainable finance, financial crime and consumer protection. With the anticipated regulatory divergence between the United Kingdom and European Union, we are expecting to see an increase in opportunities and the highest salaries for those with expertise in EU-regulations.

AUDIT:

An audit teams overarching view of a business has always meant their teams have been challenged by the diversity of their work and 2022 will be no exception. Audit teams will have to assist the business on areas including; consumer protection, ESG, resilience and digitalisation to name but a few. This is likely to lead to an increase in job volumes and for larger teams to increasingly hire specialists rather than generalist auditors. Smaller firms will have to rely more on outsourcing for specialist audits such as cyber security. Candidates who can demonstrate strong IT audit and/or operational resilience experience will be in the highest demand.

Businesses now need to have a clear recruitment strategy that articulates what they offer as a business to employees beyond salary and flexibility. An offering of work from home will no longer be used to offset salary as this is a part of the 'new normal' with over 90% of businesses allowing it in some capacity.

REMUNERATION GUIDELINES

RISK

Please note that these figures are based on base salary only and data collected in 2021.

Operational Risk	Basic Salary	Daily Rate
Analyst/Senior Analyst	£35,000 - £50,000	£250 - £300
Manager (AVP)	£55,000 - £75,000	£300 - £400
Senior Manager (VP)	£80,000 - £110,000	£400 - £525
Director	£100,000 - £145,000	£500 - £750
Head of Operational Risk	£110,000+	£700+

Credit Risk	Basic Salary	Daily Rate
Analyst/Senior Analyst	£35,000 - £55,000	£250 - £300
Manager (AVP)	£55,000 - £75,000	£300 - £400
Senior Manager (VP)	£75,000 - £110,000	£375 - £550
Director	£90,000 - £145,000	£500 - £850
Head of Credit	£120,000+	£800+

Market Risk - Sell Side	Basic Salary	Daily Rate
Analyst/Senior Analyst	£35,000 - £60,000	£250 - £325
Manager (AVP)	£65,000 - £85,000	£330 - £450
Senior Manager (VP)	£85,000 - £120,000	£500 - £650
Director	£130,000 - £160,000	£800 - £1,000
Head of Market Risk	£160,000+	£1,000+

Investment Risk - Buy Side	Basic Salary	Daily Rate
Analyst/Senior Analyst	£30,000 - £55,000	£250 - £300
Manager (AVP)	£60,000 - £80,000	£300 - £450
Senior Manager (VP)	£85,000 - £110,000	£500 - £600
Director	£100,000 - £160,000	£600 - £1,000
Head of Investment Risk	£160,000+	£1,000+

Liquidity Risk	Basic Salary	Daily Rate
Analyst/Senior Analyst	£35,000 - £60,000	£250 - £325
Manager (AVP)	£65,000 - £80,000	£350 - £400
Senior Manager (VP)	£80,000 - £110,000	£450 - £650
Director	£100,000 - £130,000	£600 - £750
Head of Liquidity Risk	£130,000+	£800+

AUDIT

Please note that these figures are based on base salary only and data collected in 2021.

Internal Audit - Financial Services	Basic Salary	Daily Rate
Internal Auditor - NQ	£48,000 - £63,000	£300 - £350
Internal Audit Manager	£60,000 - £85,000	£350 - £450
Senior Manager/Audit Director	£80,000 - £130,000	£400 - £750
Head of Audit	£120,000+	£750+

Internal Audit - Insurance	Basic Salary	Daily Rate
Internal Auditor - NQ	£48,000 - £58,000	£300 - £350
Internal Audit Manager	£55,000 - £70,000	£350 - £400
Senior Audit Manager/Audit Director	£68,000 - £100,000	£400 - £550
Head of Audit	£110,000+	£700+

COMPLIANCE

Corporate Banking/Wholesale Banking/ Broking/Stockbroking/Private Banking/ Exchanges/Fintech	Basic Salary	Daily Rate
Compliance Assistant	£30,000 - £45,000	£200 - £275
Compliance Analyst/Associate	£40,000 - £55,000	£225 - £350
Senior Compliance Analyst/Associate	£45,000 - £60,000	£275 - £350
Compliance Supervisor	£60,000 - £75,000	£300 - £450
Compliance Manager /Senior Compliance Officer	£75,000 - £90,000	£400 - £600
Deputy Head of Compliance	£80,000 - £110,000	£500+
Head of Compliance (SM16 registered roles)	£120,000+	£700+
Global Head of Compliance	£160,000+	£1,500+

Investment Banking	Basic Salary	Daily Rate
Compliance Assistant	£35,000 - £50,000	£200 - £300
Compliance Associate	£45,000 - £60,000	£250 - £350
AVP/Manager	£65,000 - £85,000	£300 - £500
VP/Senior Manager	£75,000 - £120,000	£450 - £600
Director/Deputy Head of Compliance	£130,000+	£700+
Head of Compliance (SM16 registered roles)	£140,000+	£800+
Global Head of Compliance	£200,000+	£1,500+

COMPLIANCE

Please note that these figures are based on base salary only and data collected in 2021.

Asset Management	Basic Salary	Daily Rate
Compliance Assistant/Analyst (1/2 years)	£35,000 - £50,000	£200 - £250
Compliance Associate	£45,000 - £65,000	£250 - £350
AVP/Compliance Manager	£60,000 - £80,000	£350 - £500
VP/Compliance Manager	£80,000 - £120,000	£500 - £750
Head of Compliance	£130,000 - £180,000	£750 - £1,200
Global Head of Compliance	£180,000+	£1,000+

Insurance	Basic Salary	Daily Rate
Compliance Assistant	£23,000 - £35,000	£150 - £200
Compliance Analyst/Associate	£30,000 - £45,000	£200 - £250
Senior Compliance Analyst/Associate	£45,000 - £70,000	£250 - £350
Compliance Manager	£75,000 - £110,000	£400 - £600
Compliance Officer/Head of Compliance	£110,000+	£700+

Financial Crime	Basic Salary	Daily Rate
AML/Financial Crime Assistant	£35,000 - £45,000	£200 - £275
AML/Financial Crime Analyst/Associate	£45,000 - £60,000	£250 - £350
AML/Financial Crime Senior Officer/Supervisor	£55,000 - £80,000	£300 - £450
AML/Financial Crime Manager	£75,000 - £100,000	£400 - £600
DMLRO	£85,000 - £110,000	£500+
MLRO (SM17 registered roles)	£120,000+	£700+

KYC/Onboarding	Basic Salary	Daily Rate
KYC Analyst/Assistant	£32,000 - £45,000	£180 - £250
Senior KYC Analyst/Officer	£45,000 - £60,000	£250 - £350
QA/QC Officer	£55,000 - £70,000	£300 - £420
KYC Manager/Supervisor	£70,000 - £90,000	£450 - £650
Head of KYC/Onboarding	£90,000 - £120,000	£650+

“

We recently used Saxton Leigh to help us find a Head of Risk. They were very helpful in firstly understanding our requirements and then finding suitable candidates that matched the criteria. The whole process was managed very efficiently with excellent communication throughout, we would happily use Saxton Leigh again.

Richard Anstead - ICM Investment Management Limited

We worked with Saxton Leigh on a market risk search. They were successful in assisting us to secure the right person for the company with their good knowledge of the market, specialist focus and extensive networks. The search was delivered in an organised and efficient way with timely communication from staff. I would have no hesitation in giving my recommendation to use Saxton Leigh, as I have confidence in their ability to achieve the results you need.

Bei Cao - Head of HR, CCBI Global Markets (UK) Limited

I was very pleased to be called up by the consultant who gave me a status update, especially as there was no specific news to pass on – in my experience it's very rare for recruiters to keep in touch and I really appreciated the effort. Everyone from Saxton Leigh that I have met during this process has been exceptionally professional.

”

G Wolvaardt - Candidate

YOUR RECRUITMENT PARTNER



Saxton
Leigh

Visit: 107 Cheapside, London, EC2V 6DN

Email: contact@saxtonleigh.co.uk

Call: 0203 008 8036

Web: www.saxtonleigh.co.uk