



2021

# Salary Survey

Corporate Governance

# WORD FROM THE MD

## **Welcome to Saxton Leigh's annual market report and salary guide for 2021. Last year was an extraordinary year that no one will forget.**

Looking back to January/February 2020, both the financial services market and subsequent recruitment market were relatively buoyant considering the Brexit uncertainty. However, in a short space of time both businesses and individuals had to come to terms with the impact COVID-19 had, including multiple lockdowns and an economic shock.

Companies in the financial services space adapted remarkably quickly to a remote working model and many have recognised that their businesses can function with people working remotely. However, one area of concern highlighted by businesses is that they have struggled to retain the company's DNA and regulatory culture without the interaction associated with working within an office environment.

For the most part COVID-19 dominated the news in 2020, but the financial services sector also had a close eye on Brexit negotiations.

For an industry that accounts for approximately 3% of the UK workforce and contributes over 11% of all employment taxes, the outcome of the Brexit negotiations that finalised on Christmas Eve was not what the sector was hoping for. The loss of passporting rights and ongoing discussions on equivalence means considerable uncertainty and makes cross border business more challenging. Some member states such as Belgium and Luxembourg have made adjustments to their local laws/regulations in order to allow UK firms to continue providing some cross border services. Other EU countries such as Germany, France and the Netherlands have taken a harder stance, with the Dutch regulator saying UK firms without an EU license can no longer operate. A decision on equivalence is expected by 31st March 2021 which will override any agreement made with individual countries.

We have already seen approximately 7500 jobs move from London to Europe and we expect more to follow in 2021.

The effects of COVID and Brexit uncertainty led UK unemployment rise to a five year high of 5.1% (equivalent of 1.74m people) in the period October – December 2020. In the last quarter of 2020 we began to see redundancies rise in the financial services space as businesses reviewed their cost base. In the short term we expect little improvement in the wider economy with the Bank of England estimating that unemployment may continue to rise and peak at 7.75% in mid 2021.

Speaking to financial services employers in January and February 2021, over 60% of respondents indicated they didn't have a documented strategy for the remote working pattern following the lifting of governmental restrictions. I think it is fair to say we are 12-24 months away from understanding what the 'new normal' will look like. The only thing we can be certain of is that employees are now looking for more flexibility than ever, and firms that insist on employees attending the office 5 days a week are likely to find retention and attraction of staff challenging.

For people looking for employment in the corporate governance fields there are positive signs. The regulatory challenges and management & shareholder expectations have not decreased, and although firms have adapted, improved technology and implemented new processes, over 50% of teams we've spoken to have reported that the increase in workload will drive the need to hire further staff 2021.

Throughout 2020/21 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. If you have any feedback or would like to input into any future reports then please email me at [marcus.courtney@saxtonleigh.co.uk](mailto: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.

**10%** of our business was contract in 2020.

Compliance was the most robust area of corporate governance recruitment.

# INTRODUCTION

**Welcome to the Saxton Leigh's market report and salary guide for 2021. We hope that this report will be an informative guide for both our clients and candidates.**

Our experienced consultants have gathered 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 to look at remuneration benchmarking.

Please note that the research for this paper was carried out in 2020. Given the unprecedented nature of the COVID-19 outbreak and uncertainty it continues to bring, 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

After a relatively slow start in January 2020, we saw positive signs as recruitment volumes increased in February and early March. However, as lockdown commenced in March 2020, 80%+ of our live jobs were frozen and the new job flow was almost reduced to zero. In the first half of 2020 Saxton Leigh saw new vacancies decrease by 56% when compared to H1 2019.

However, what was more startling was the 61% drop in new vacancies between Q2 and Q1 2020. This was clearly a result of COVID, with firms facing cuts in budgets as well as feeling uneasy about hiring without having face to face meetings with future employees. As the year progressed we saw an improvement in job flow and we finished with job volume down 45% when compared to 2019.

If we look to our candidate registrations, Saxton Leigh recorded a decrease of 18% when comparing H1 2020 to H1 2019. As we progressed beyond summer 2020, candidate registrations increased between the lockdowns as confidence increased, but unfortunately so did redundancies. Overall for the year we saw candidate registrations decrease by 9% when comparing 2020 with 2019.

Across the risk & credit markets, the average salary increase on changing employers in 2020 was 8%. This is down on 2019 where the average increase was 12%. In the compliance space, the average salary increase in 2020 was 15% which was down from 19% in 2019. Audit salary increases were relatively flat at 9% for 2020, compared to 10% in 2019. Once again, pressures placed on firms' budgets due to COVID-19 and Brexit has meant that there has been little room for pay rises and candidates have recalibrated their expectations.

We have highlighted some of the specific trends below, as well as an overview of the contract workforce market trends.

### OPERATIONAL RISK

- Operational risk recruitment market was the most resilient in the risk space when comparing 2020 with 2019, overall we saw a decrease in volume by 33%.
- We have seen an increased demand for individuals with first line experience as well as those with a technology focus.

- Permanent salaries have remained relatively flat during 2020 and to date we haven't seen any impact due to the economic climate/ COVID-19. However, contract positions in the operational risk space remain relatively scarce, particularly at the more senior end (>£600) and we have seen day rates continue to decrease.

## CREDIT RISK

- Although firms highlighted credit default as a significant risk to their business during 2020, we still saw job volumes decrease substantially, ending the year 56% lower than we saw in 2019.
- Both permanent and contract rates have remained relatively flat during 2020 and to date we haven't seen any impact due to the economic climate/COVID-19.
- Pressure remains on credit teams to evaluate new business but also to continually review the credit worthiness of the existing portfolio. 62% of Heads of Credit feel their teams are under resourced and will need to hire in 2021 in order to meet the demands of the business.

## MARKET/INVESTMENT RISK

- The market/investment risk recruitment space suffered in the 2nd half of 2020 as firms adjusted their focus on to non financial risks.
- Comparing 2020 v 2019 we saw market/ investment risk vacancy volumes decrease by 55%.
- The focus for hiring remains on candidates who have programming languages such as Python and R who can assist the business with refining the models.

## COMPLIANCE

- The compliance recruitment market across financial services/insurance remained active but we still saw an overall 34% decrease in job volumes.
- Buy-side job volumes were hit the greatest (-43%) followed by sell-side (-23%), insurance (-19) and finally fintech (-12%).
- Hiring activity focussed on the mid to junior section of the market during 2020.

## INTERNAL AUDIT

- In 2020 we have seen an increasing dependence on audit departments by senior management and shareholders who not only want accurate financials and current risks to be identified, but who also wanted the department to be horizon scanning and planning for upcoming risks.
- Increased use of technology and automation were common themes in 2020 for audit departments. This has led to an increase in demand for auditors with a strong technology focus.
- Cyber security reviews have become a considerable part of the auditors workload in 2020. The threat of data breaches has increased considerably with the workforce connecting to systems remotely from unsecure networks.

## TEMP AND CONTRACT RECRUITMENT COMMENTARY:

The potential for a second postponement of the new IR35 regulations has now passed. We saw the acceptance of the finance bill in July 2020; and the budget in March 2021 confirming it will come in to effect on 6th April 2021. This will mean the IR35 status will be determined in the majority of cases by the company engaging the worker.

In terms of the contingent workforce, temporary contract jobs made up 10% of our business in 2020 which is a decline from the 12% we saw in 2019. This decline is attributed to upcoming changes to IR35 regulations, restrictions on budget due to the economic impact reducing the number of projects being started and the fact businesses were reluctant to hire contractors remotely.

Looking forward, for those firms who haven't finalised their contingent workforce strategy, time is now of the essence if they want to retain and attract the best talent. It is worth noting that generally after a recession or economic shock the contract recruitment market is generally the first pick up so readiness is the key.

## FUTURE TRENDS:

The effects of COVID-19 and Brexit have had a significant effect on the wider UK economy and the financial services sector. This coupled with the new remote working model that firms have had to adapt to, has meant significant implications for risk management and the wider corporate governance functions as we move into 2021.

Non financial risk will continue to be a priority for a large number of financial services businesses in 2021. With the key focus being on operational risk, resilience and cyber security. Through 2021 firms are also likely to continue to strengthen the risk culture by improving 1st line risk management. Cost reduction (as in 2020) will continue to be a key driver, with risk and compliance teams being asked to look at automation in order to improve efficiencies, reduce risk and cost.

Over 65% of the financial services firms we have spoken to don't expect to have a significant presence back in the office until at least August/September 2021. The majority of these firms are still finalising their workforce strategy but have indicated the return to the office will include an element of flexible working with either 2 or 3 days in the office and the remainder from home. With this in mind, we have already seen firms releasing central London office space to make cost savings and we expect this pattern to continue throughout 2021.

Although employers seem to be more optimistic about 2021, given the current lockdown/roadmap, we don't see any significant increase in corporate governance recruitment until the second half of 2021. Talking to clients there is a strong indication that we will see more senior level strategic hires (Senior Manager/Director) in 2021 when compared to 2020.

With the question of equivalence still unanswered we expect firms to continue looking into hire in mainland Europe and Ireland, and we expect this trend to continue for at least the next 6-12 months until the regulatory landscape and associated laws become clear.

As firms adapt to the new IR35 workforce regulations in April 2021 and start to return to the office in summer we expect an upward trend in temporary/interim job registrations as projects are resumed and additional headcount is required to deal with the implementation of new and upcoming regulations.

Although internally within businesses we expect salaries to plateau and bonuses for 2020 to be down, we could see upward pressure on base salaries for niche roles as candidates are looking to be compensated for the risk of moving. We expect the average corporate governance salary to increase between 10-15% when employees look to change employers. Salary is no longer the main driver for employees. COVID-19 has led many people to reassess their lifestyles and look for employers who can satisfy not only financial and career ambitions but also address the work life balance and allow flexibility in terms of where and when people complete their work. The top 3 motivators are now flexible working, wellbeing and career progression. Looking forward employers who insist on the 9-5 in the office, 5 days a week are likely to miss out on some of the best talent.

In conclusion, firms looking to hire in 2021 will need to have a strong recruitment process to attract the best talent. They will need to articulate a clear strategy on Brexit, COVID and post-COVID and what it means for their employees as we are already seeing candidates doing more in-depth due diligence and research on potential employers prior to accepting offers of employment.

## TOP 3 MOTIVATORS: FLEXIBLE WORKING, WELLBEING, CAREER PROGRESSION

# REMUNERATION GUIDELINES

Please note that these figures are based on base salary only and data collected in 2020.

## IR35

amendments to  
be implemented  
in April 2021

### RISK

| Operational Risk         | Basic Salary        | Daily Rate  |
|--------------------------|---------------------|-------------|
| Analyst/Senior Analyst   | £30,000 - £45,000   | £180 - £230 |
| Manager (AVP)            | £50,000 - £75,000   | £225 - £375 |
| 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 | £30,000 - £50,000  | £200 - £250 |
| Manager (AVP)          | £55,000 - £75,000  | £275 - £400 |
| Senior Manager (VP)    | £75,000 - £110,000 | £450 - £550 |
| Director               | £90,000 - £145,000 | £500 - £850 |
| Head of Credit         | £130,000+          | £800+       |

| Market Risk - Sell Side | Basic Salary        | Daily Rate    |
|-------------------------|---------------------|---------------|
| Analyst/Senior Analyst  | £30,000 - £50,000   | £200 - £250   |
| Manager (AVP)           | £55,000 - £85,000   | £275 - £450   |
| Senior Manager (VP)     | £85,000 - £115,000  | £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     | £25,000 - £48,000   | £200 - £250   |
| Manager (AVP)              | £50,000 - £80,000   | £250 - £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 - £55,000   | £250 - £300 |
| Manager (AVP)          | £55,000 - £75,000   | £275 - £400 |
| Senior Manager (VP)    | £75,000 - £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 2020.

| 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/<br>Broking/Stockbroking/Private Banking/<br>Exchanges/Fintech | Basic Salary       | Daily Rate  |
|--|--------------------|-------------|
| Compliance Assistant   | £30,000 - £40,000  | £180 - £250 |
| Compliance Analyst/Associate   | £40,000 - £50,000  | £200 - £350 |
| Senior Compliance Analyst/Associate  | £45,000 - £60,000  | £250 - £400 |
| Compliance Supervisor  | £60,000 - £75,000  | £300 - £450 |
| Compliance Manager /Senior Compliance Officer  | £75,000 - £90,000  | £400 - £600 |
| Deputy Head of Compliance  | £90,000 - £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                       | £33,000 - £45,000  | £200 - £300 |
| Compliance Associate                       | £45,000 - £55,000  | £250 - £350 |
| AVP/Manager                                | £60,000 - £85,000  | £300 - £500 |
| VP/Senior Manager                          | £75,000 - £120,000 | £450 - £600 |
| Director/Deputy Head of Compliance         | £115,000+          | £700+       |
| Head of Compliance (SM16 registered roles) | £140,000+          | £800+       |
| Global Head of Compliance                  | £180,000+          | £1,500+     |



# COMPLIANCE

Please note that these figures are based on base salary only and data collected in 2020.

| 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                 | £30,000 - £40,000  | £180 - £250 |
| AML/Financial Crime Analyst/Associate         | £45,000 - £60,000  | £200 - £350 |
| AML/Financial Crime Senior Officer/Supervisor | £55,000 - £70,000  | £300 - £450 |
| AML/Financial Crime Manager                   | £75,000 - £90,000  | £400 - £600 |
| DMLRO   | £85,000 - £100,000 | £500+       |
| MLRO (SM17 registered roles)                  | £110,000+          | £700+       |

| KYC/Onboarding             | Basic Salary       | Daily Rate  |
|----------------------------|--------------------|-------------|
| KYC Analyst/Assistant      | £30,000 - £40,000  | £180 - £250 |
| Senior KYC Analyst/Officer | £45,000 - £60,000  | £260 - £350 |
| QA/QC Officer              | £55,000 - £70,000  | £330 - £420 |
| KYC Manager/Supervisor     | £70,000 - £85,000  | £450 - £650 |
| Head of KYC/Onboarding     | £85,000 - £120,000 | £650+       |

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*I was very pleased to be called up by the team at Saxton Leigh 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**

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*I have dealt with the Saxton Leigh team over the last couple of years. They have always been there when needed, with no fuss and never intrusive. They supported me on the smooth transition between a couple of contract roles, have made themselves available to use as a sounding board whenever needed and were supportive when moving into a permanent role. Much appreciated.*

**M O'Leary**

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*Saxon Leigh for the past few years have always sent me interesting roles and they recently secured me two interviews at banks with roles that are good for my career. I managed to secure a job at one of those, so thanks to Marcus and the team.*

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**M Keys**

# YOUR RECRUITMENT PARTNER



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