



salary survey 2013

**walkerdendle**

# INTRODUCTION

Walker Dendle's salary survey remains an authoritative overview of recruitment practices in Surrey & South West London and the report presents informative and detailed information on staffing trends and remuneration packages on offer to accountancy and finance professionals in the regional marketplace.

The source data has been taken from a review of compensation packages across a diverse range of organisations in the region, from SMEs to FTSE100 companies, and a variety of industry sectors including FMCG, manufacturing and production, retail, telecommunications and financial services. The detail is supplemented with our own perception of the market throughout the troubled economic backdrop of the past four years and how the demand for labour, both temporary and permanent, will affect remuneration, reward and retention in 2013.

We have also explored job availability for finance professionals in the South East and consequently reward practice and how astute organisations, now more than ever, use compensation and benefits packages to attract and retain key talent. In spite of sluggish growth in the UK, the focus of organisations in Surrey & South West London has continued to be on strategies to win, develop and retain talent, particularly for highly skilled, professional and managerial staff.

Between 2010 and 2011 permanent salaries in the South East remained reasonably constant, but by 2012 we observed some escalation for key commercial skills as well as technical expertise such as IFRS/IAS/USAAP and global consolidation. With such a density of manufacturing and production, skills that are in real demand, the “hot spot” in the market, continue to include cross-functioning business partnering skills and techniques and proven decision support (focussing on sales, marketing and promotions activity), experience gained in a regional or global environment, experience of working in a virtual team and, at managerial level, proven ability to add value to the success of a strategy, product or a promotion.

As the UK moved out of decline we witnessed organisations continuing to recognise the value of employee acquisition and retention; many have continuously invested in attractive reward schemes whilst others offer highly flexible “holistic” benefits packages, tailored to suit individual business needs. As attention inevitably revisits recruitment and talent acquisition we would anticipate further improvement in base pay and other cash allowances to complement total reward. Although an APSCo (Association of Professional Staffing Companies)/Staffing Industry Analysts Annual Review of Trends 2012 declared an overall deceleration in the UK job

market, the trend for professional workers in the South was very different, with vacancies for highly-skilled workers increasing by up to 10% in Q4. In the South East base salaries for finance professionals have shown an increase of between 5% to 20% (although this would be heavily weighted to the “hot spots” mentioned above).

With research showing that the UK is fast becoming a highly-skilled economy, we continue to predict that the professional categories, most notably accountancy and finance, are areas where the South East will experience major capability shortages in 2013, even during a continued period of sluggish growth.



# MARKET EVALUATION & REWARD MANAGEMENT

In Surrey and the South East specifically there was clear evidence of employment growth, with a high proportion of manufacturing and production and other private sector businesses reporting an increase in demand for professional staff. This in turn consolidated the scarcity of skills seen last year as demand for suitably qualified and experienced staff picked up.

Interestingly, although there was a nominal decline in the number of vacancies registered in the region, the number of actual “placements” improved, perhaps indicating that confidence levels in potential applicants may have risen. This, coupled with an urgent desire to move on, may have attracted more candidates to the market late in the year. The fact that 90% of organisations are now strategically positioning reward levels between the median and the upper decile may also have provided the incentive required for some applicants to venture to market.

It is fair to say that 2012 was a year of two halves, with the first portion of the year monopolised by the anticipation of the London Olympic Games, and the spectre of a triple dip recession in the second. However, the recruitment market more than rallied in the final few months with many recruiters in the region reporting a phenomenal surge in activity and the demand for finance and accountancy staff as the year drew to a close. With the ongoing uncertainty surrounding both the Euro and the US Debt crisis, 2013 promises to be equally volatile with continued ebbs and flows, but overall the feedback from employers in the area is that the marketplace for talent remains competitive despite such uncertain economic conditions. This, in turn, will have an impact on

reward and remuneration in the South East, with businesses applying competitive remuneration positioning relative to their competitors with the objective of attracting and retaining the very best.

Notably more companies than ever have reported that they are positioning pay in the top 10% of sectoral comparators, particularly for professional staff with the capability to bring “value add” to an organisation, in response to increased market competition for talent as the UK economy makes a hesitant recovery in 2013.

According to a recent CIPD survey, almost 40% of employers believe that market rates are the most important factor in determining pay, but in the face of a continued skills shortage, employers seek to reflect employee success through recognition and over 78% will then use individual performance to progress the base pay of existing staff.

Two thirds of organisations surveyed operate a bonus or other incentive scheme, with these being most common in the manufacturing and production sectors (including FMCG), internationally owned businesses and large scale organisations, and least common in SMEs. Individual bonuses and merit pay rises feature most frequently with nearly

50% of organisations using combination schemes or group bonuses for management levels and above. Just over a third of employers provide individual non-monetary recognition rewards and just over 25% offer a share scheme or long term incentive.

Not surprisingly over 30% of organisations confirm that they intend to increase their benefit spend in 2013 with the primary reasons being the intention to hire more staff in the next 12 months, together with the objective to increase and/or maintain the attractiveness of the overall benefits package to new and existing staff.

Equally predictable is the fact that 90% of companies now contribute to a pension scheme and, with the requirement to comply with auto-enrolment, four in ten anticipate the need to make changes to their pension schemes in 2013/2014.

(Source: CIPD Reward Management Annual Survey Report 2012)

# REMUNERATION RANGES

## SENIOR FINANCE ROLES

Position	Permanent basic salary range per annum (£)
Finance Director (including Group & Divisional Levels & Internal Audit)	90,000 – 125,000
Financial Controller (including Group & Divisional Levels & Head of Finance)	60,000 – 90,000
Financial Planning & Analysis Manager (including Commercial Manager & Business Controller)	60,000 – 90,000
Finance Manager	50,000 – 65,000
Senior Accountant (including Group roles & Internal Audit)	45,000 – 65,000

## QUALIFIED FINANCE ROLES

Level	Permanent basic salary range per annum (£)
ACA/CIMA/ACCA Qualified with 3–5 years PQE	55,000 – 65,000
ACA/CIMA/ACCA Qualified with 1–3 years PQE	50,000 – 60,000
ACA/CIMA/ACCA Newly Qualified/Passed Finalist	45,000 – 50,000

## PART QUALIFIED ACCA

Level	Permanent basic salary range per annum (£)
Professional Level	35,000 – 40,000
Fundamentals Level	25,000 – 35,000

## PART QUALIFIED CIMA

Level	Permanent basic salary range per annum (£)
Top CIMA	40,000 – 45,000
Strategic Level	35,000 – 40,000
Managerial Level	30,000 – 35,000
Operational Level	25,000 – 30,000
Certificate Level	To 25,000

## SENIOR INTERIM & CONTRACT

Position	Interim rate range per day (£) PAYE
Transitional/Change Manager	500 – 1,000+
Finance Director	450 – 750+
Financial Controller	300 – 500
Financial Planning & Analysis	300 – 500
Finance Manager	200 – 350
Senior Accountant	200 – 250
Part Qualified	100 – 175

## BENEFITS & ALLOWANCES

2012 saw a significant focus on benefits as an important component of the remuneration package with just under two thirds of employers operating performance related reward schemes – with bonuses, individual or group, being the most common. Almost 44% of large businesses and 21% of SMEs now offer long term inducements (LTIs) such as share incentive plans (SIPs) and save as you earn (SAYE) schemes.



**Pensions** With pensions reform very much on the agenda in 2012 it is not surprising that 40% of employers intend to review and modify their pension arrangements in order to comply with auto-enrolment over the next two years. It is anticipated that the most widespread changes will introduce salary sacrifice (17%) and the augmentation of employee defined benefit contributions (16%), as automatic enrolment into a company pension scheme comes into force in 2013/2014.

After pensions, flexible working is the most common benefit on offer. Generally there has been little change in recent years to the suite of benefits offered to employees which continue to include:

**Voluntary Benefits (VB)**, or “affinity benefits”, which are available for purchase at a discount through the employer by employees from taxable income or via a salary sacrifice. Almost 40% of all employers now feature these types of benefit which fall into three main categories: health, financial and leisure/lifestyle.

**Flexible Benefits** or “flex plans”, which are formalised plans also offered by four in ten of companies that allow employees to bespoke their remuneration through salary adjustment and which are very much aligned to total reward as they can offer greater flexibility.

## Typical benefits

- Pensions Benefits – contributory/non-contributory
- Bonus Scheme – based on personal and/or company performance
- Company Car/Car Allowance
- Financial Benefits – Occupational Pension/Discounted Household & Holiday Insurance
- Share Options
- Health Benefits – Private Dental/Eye Care/Private Medical Insurance/Life Assurance
- Study Support
- Enhanced Maternity/Paternity Leave
- Flexible Working Hours
- Subsidised Restaurant/Café
- Leisure/Lifestyle Benefits – Gym Membership/Childcare Vouchers/On site Crèche/Discounted Shopping/Increased Holiday Entitlement
- Season Ticket Loan
- Cycle2Work Scheme
- Give As You Earn
- Social/Team Building Events

# BENEFITS & ALLOWANCES

## SUMMARY OF KEY FINDINGS IN UK REWARD MANAGEMENT

Types of Bonus & Incentive Schemes	% of respondents 2012	% of respondents 2011	Top Six Benefits	% of respondents 2012
Merit Pay Rise	56	56	Flexible/Home working	69
Individual Bonus	67	53	Annual Leave in Excess of Statutory	65
Individual Non-Monetary Recognition Award	34	30	Training Career/Development	65
Combination Scheme	40	28	Childcare Vouchers	63
Defined Contribution Pension Scheme (DC)	64	70	Free Refreshments	62
Defined Benefit (DB)	22	25	Christmas Party/Lunch	60
Contribution to Personal Pension Scheme	23.5	16	On-Site Parking	57
Flexible Working	69	81		
Voluntary Affinity Benefits	25	47		
Flexible Benefits	24	36		

(Source: CIPD Annual Reward Management Survey Report 2012)

Long Term Benefits/Incentives Provided	% of respondents 2012	% of respondents 2011
Pension Plan	89	99
Executive Share Option Scheme	39	17
Share Incentive Plan	35	31
Company Share Option Plan	37	20
Save As You Earn	24	34
Executive Restricted/Performance Share Plan	13	17

## CONCLUSION

In spite of continuing difficult economic conditions throughout 2012, it seems that there will be no let up in the demand for “top talent” as organisations in Surrey and the South East position themselves for growth after a long and hard recession. The response to such a need for superior candidates, or groups of individuals, who can add value and improve organisational performance, seems to be a strategic approach to reward management with organisations “in the know” responding to the renewed war for talent by positioning pay and benefits at the top end of pay scales in comparison to their competitors. At the same time, once on board, key employee retention will be centred on merit pay rises and individual performance-related schemes, in addition to a suite of flexible and enhanced benefits and a clear pathway to career development and betterment.

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