

UK tax practice market report and salary survey

2023-2024

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Introduction

We are very pleased to present our market report and salary survey for the professional services market in the UK.

There has certainly been shifts in the market to what we were seeing in the first half of 2022, however, while many predicted more negative changes more closely linked to macro economics, we have not seen a depression of the recruitment market and ultimately the outlook is much more positive. You will

see within this report demand continues across all areas of tax and while in some cases the demand is at specific levels, most of the market remains strong. This means we have continued to see a shortage of talent and businesses need to continue to be creative as to how they retain their tax professionals.



About this report

As well as covering compensation data and market trends in this report, we have also collated the preferences and views of the tax profession around other areas of interest. This includes hybrid working; diversity, equity, and inclusion; interviewing; and learning and development. Our aim is to support our clients with as much information as possible when it comes to attracting and retaining the best talent.

Our data comes from a variety of sources. Firstly, we look at the information from the placements we have made over the past 12

months. Secondly, we consider the salary and benefits information and feedback from the tax professionals we work with daily. Finally, we have conducted LinkedIn polls amongst our tax networks and sent out an online questionnaire to our database of tax professionals requesting information.

If you require more specific information about salary ranges and packages, would like bespoke benchmarking data for your team or wish to discuss any of the content in this document further, please do not hesitate to contact us.



Professional services market overview

The past 12 months has been a tale of two halves. During the second half of 2022, we continued to experience an unprecedented level of hiring as we had seen in the first half.

This was driven by several professional services firms looking to significantly increase headcount to meet client demands off the back of subdued levels of hiring during the COVID-19 pandemic. Having started 2023 with several professional services firms ahead or on track for headcount targets this financial year, coupled with economic and political uncertainty, we have experienced a reduced level of hiring in certain areas so far. There is however still enough demand to mean that many professional services firms face significant challenges retaining and attracting the best talent. We expect this trend to continue until new budgets are released at the start of the new financial year when we anticipate an increasing number of opportunities coming to the market. This is reinforced by the data we collected with 95% of our professional services clients stating they would expect to hire in the next 12 months and 74% stating that the 'shortage of candidates' would be their biggest challenge.

With the war for talent raging throughout 2022 and the UK facing a cost-of-living crisis, most professional services firms looked to combat these challenges through pay rises. Over 30% of respondents have received more than a 10% pay rise in the past 12 months. This was particularly the case within the Big 4 firms. This is not a surprise given that it has been well-publicised in the press how some of these firms have responded to current economic challenges. In May, KPMG announced that the majority of its UK employees would receive flat increases of either £2,000 or £4,000 in addition to increases later in the year during the annual pay review cycle. Interestingly, despite this response, most individuals are still motivated to move because of remuneration. This is not necessarily a reflection that the tax profession is feeling underpaid or undervalued, more a result of the fact individuals

are not willing to move unless they are financially incentivised to do so. This will continue to pose a significant challenge to firms looking to hire this year as they will need to balance attracting the right individuals whilst supporting their existing talent.

While the basic salary remains important to individuals, our data shows that the broader reward package on offer is also key. The top three benefits for respondents in our survey include pension, holiday allowance and hybrid working policy, closely followed by private medical insurance. This is not a surprise especially as post pandemic, market sentiment suggests that security for the future, support with health issues, and the ability to enjoy a healthy work/life balance through working flexibly and using holiday allowance are all factors that are important to most individuals. The latter point is particularly pertinent especially as 43% of respondents at professional services firms are not allowed to work outside of the UK. Interestingly, despite significant calls for employers to support their workforce more when it comes to balancing work and family life, many professional services firms still have a way to go. Most of our respondents still only have access to two weeks (53%) paternity and 8-16 weeks (35%) maternity leave on full pay. Whilst clearly, this is not a benefit that everyone needs access to, it does impact important factors for retaining staff and supporting diversity and inclusion efforts. It will be interesting to see what happens over the next 12 months as pressure to make changes in this area gather pace. Despite this, it is pleasing to see that most respondents felt positively about their firm's approach to DE&I (65%) and well-being (63%), with the majority also feeling enough was being done to minimise the gender pay gap (79%).

Post pandemic most professional services firms have embraced hybrid working and this is now considered to be one of the most important benefits for individuals. Over 50% of individuals stated they would turn down a job if they were required to work in the office more than 1-2 days a week. Friday is the least popular day to be in the office, with Tuesday being the most popular however, only just – a significant number of people also responded positively about working in the office on a Monday, Wednesday, and Thursday. This is likely driven by the desire to be as close to home as possible when the weekend comes.

With most people spending a specific amount of time working from home during the week, this does raise questions around the impact this is having on hiring and developing the best talent. 63% of people responded to say they would not accept a role without meeting a future employer face to face however interestingly, 57% of our clients would be prepared to hire someone without a face-to-face meeting. 74% of people either had no preference or would prefer to do a first-round interview virtually

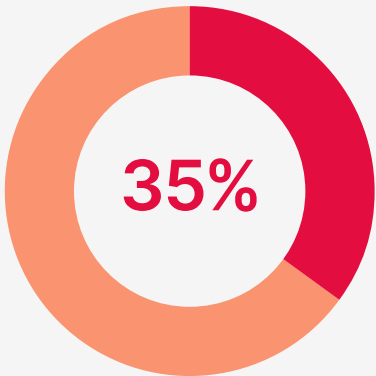
and whereas 79% said they would prefer a face-to-face interview during the 2nd round. In a talent short market, acting quickly and being agile can give professional services firms a competitive advantage so being flexible around interview formats can have a significant impact. Encouragingly, 72% of individuals stated that they feel their company culture has been positively impacted by hybrid working. In contrast, the impact on learning and development is a concern. Over 40% said hybrid working has had a negative impact on this. Whilst professional services firms must be mindful of this to avoid any long-term issues for talent, it must also be acknowledged that new techniques around learning in a hybrid working world are still being developed, and improvements are likely to be seen with time. One key area for professional services firms to consider is how they facilitate their training, as most individuals (63%) want to undertake a mixture of online and face to face training, so offering both to meet the demand of the majority could be advantageous.



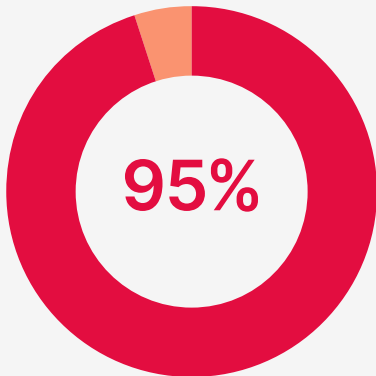
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Key results from our survey

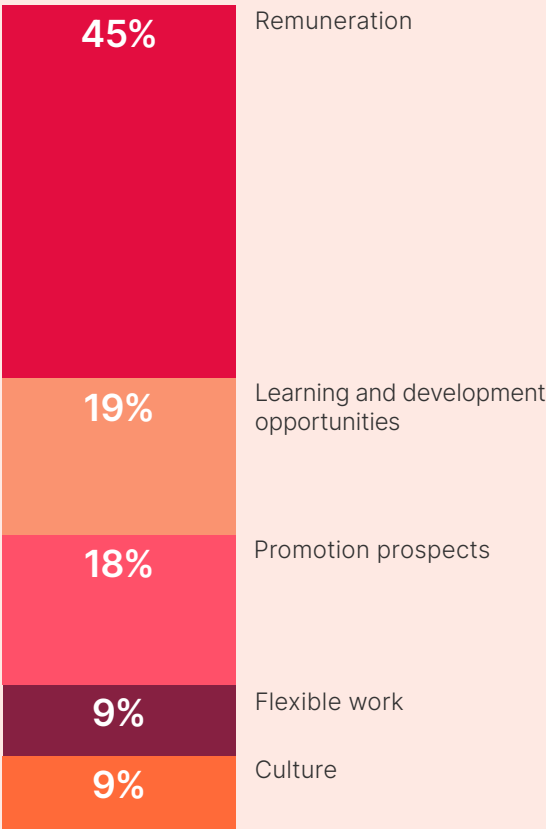


of respondents have had over 10% pay rise

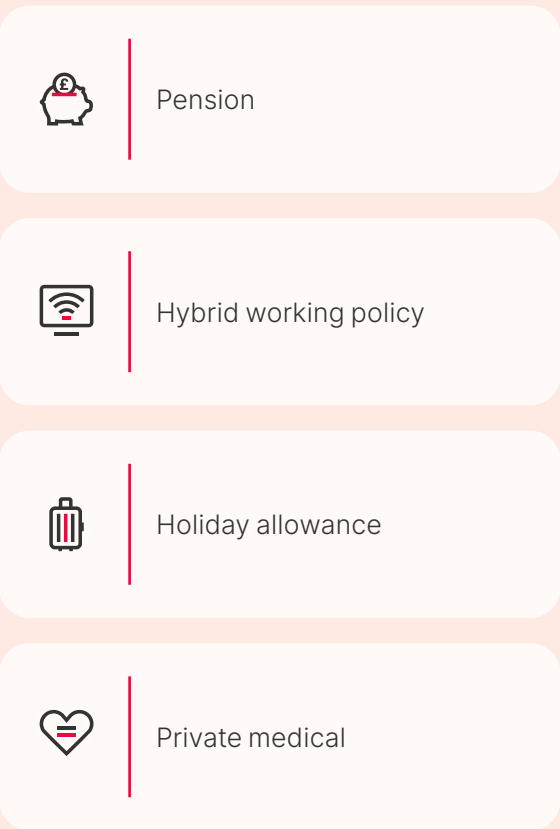


of businesses surveyed believe they will hire in the next 12 months

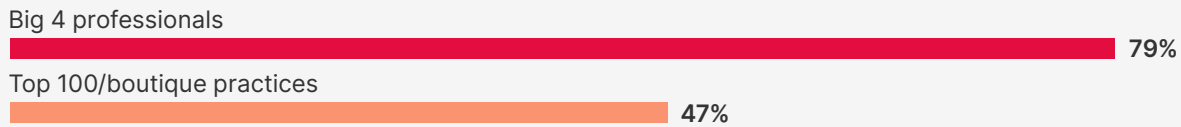
What are your main drivers for moving roles?



Top 4 benefits

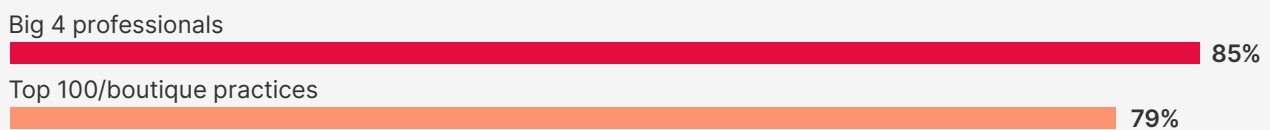


Who agrees hybrid working has positively improved company culture?



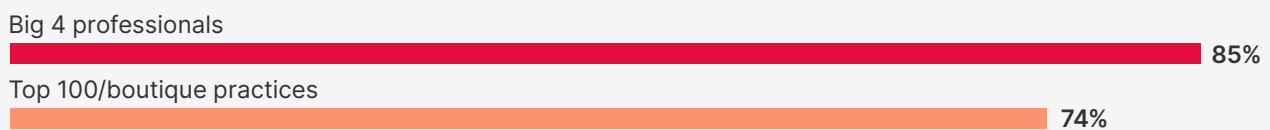
Far more Big 4 professionals feel hybrid working has improved company culture compared to professionals at the top 100/boutique practices.

Who agrees their company does enough to limit the gender pay gap?



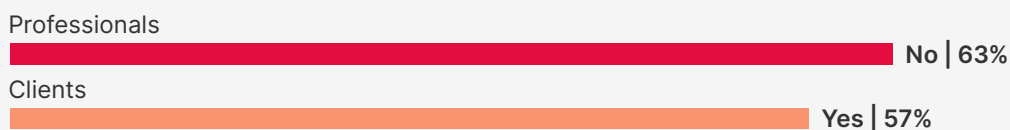
More Big 4 professionals feel their company does enough to limit the gender pay compared to professionals at the top 100/boutique firms.

Who agrees their company does enough to promote DEI?



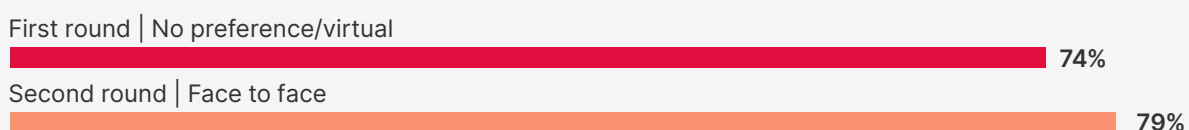
More Big 4 professionals feel their company does enough to promote DEI compared to professionals at the top 100/boutique firms.

Would you accept a role without meeting a future employer/employee face to face?



Professionals are less likely to accept a role without meeting a future employer face to face compared to clients

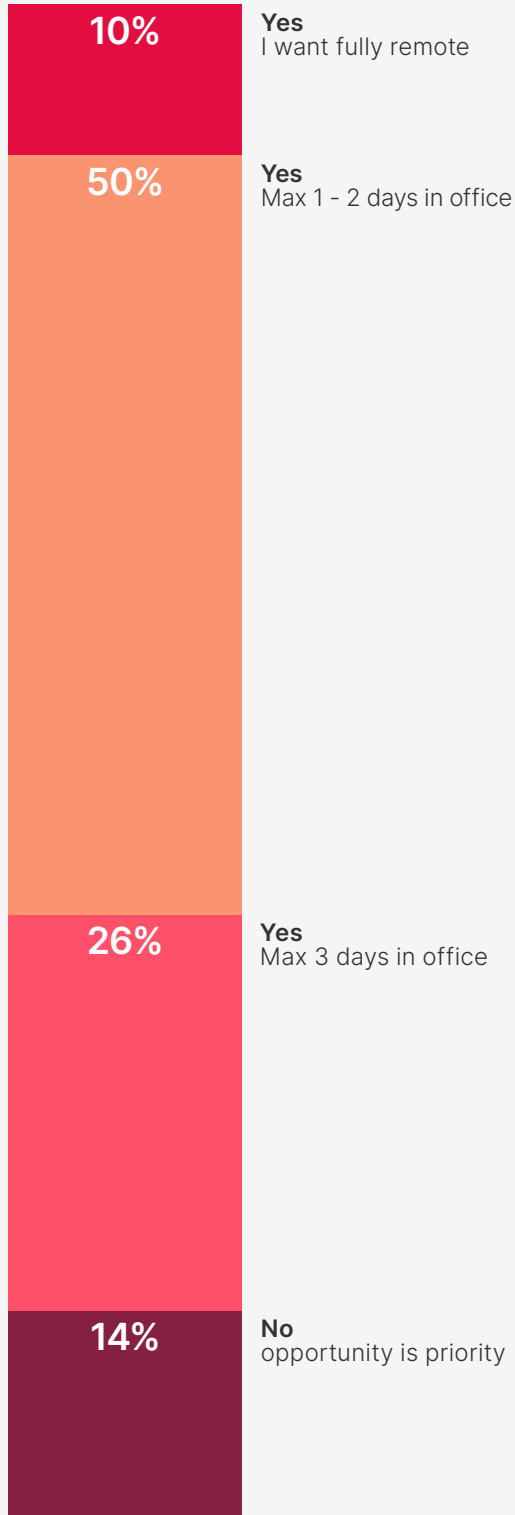
How would you prefer to have your first and second rounds of interview?



More professionals prefer to have a virtual first round interview, followed by a face to face second round interview

LinkedIn poll results

Would you turn down a role if you had to work in the office four or more days a week?



The UK tax market



22,774

tax professionals in the UK market



3401

tax professionals in the UK market who have moved jobs in the last year



2396

tax roles posted on LinkedIn in the last 12 months



14,950

tax professionals in Big 4, Top 20, Top 100 and law firms



46%

females in the tax market

53%

males in the tax market



Stats source: LinkedIn Talent Insights

I Salaries

Corporate tax

The demand for corporate tax professionals in the larger professional services firms has slowed over the last year, particularly within the deals and M&A tax space

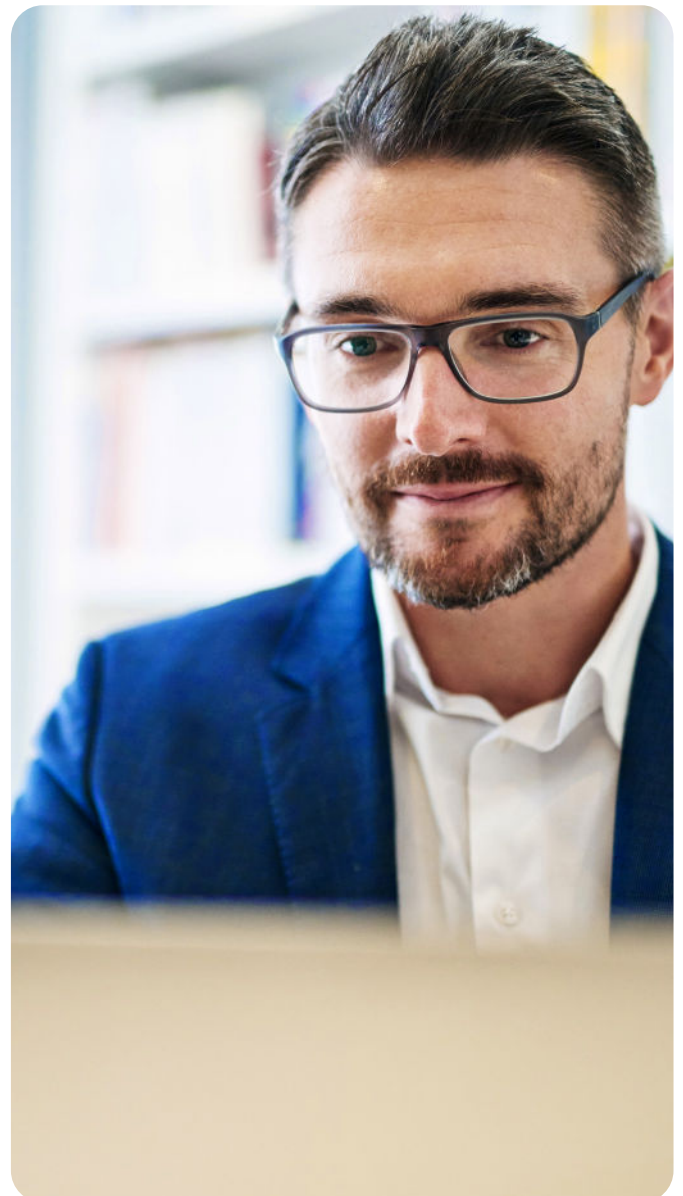
It must be noted though that this deceleration in demand is from a market peak post Covid in which the number of roles available far outweighed the number of candidates both in-house and in the profession; this was a market in which we saw candidates with numerous offers, counteroffers and retention bonuses. The knock-on effect being significant inflation in salaries and total compensation packages.

Demand for candidates in most areas has plateaued because roles have been filled both in house and in the profession and new roles have not been created as the deals market has slowed and demand for corporate tax advice has not grown so quickly. Moreover, Partners and hiring managers whose teams have gone through considerable change and growth over the last year have been keen to give staff time to bed down.

The slowdown in demand for candidates means we expect to see smaller rises in base salaries in 2023. The bonuses and large salary increases we saw in 2021 and 2022 are not expected to be replicated. Moreover, we are not seeing as many promotional moves or counteroffers; in a less candidate short market, candidates are not able to demand such big salary hikes when they move and firms are not so willing to pay retention bonuses as it is easier to replace someone who leaves.

Despite the slowdown, we are still seeing activity and demand in niche areas in particular tax technology and transformation, transfer pricing and R&D. These are growth areas for most of the Top 6 firms as an increasing number of clients need advice in these areas, but don't have enough of this work to justify an in-house specialist. The demand for this specialist knowledge has been more evident at Manager and Senior Manager level, but there is still a

lot of scrutiny over hiring. At the Director and Partner level, firms are still looking to recruit stand out candidates who will be able to leverage their skills and knowledge to help grow existing market share or develop new revenue streams.



Big 4/Top 10

	Corporate tax	M&A/international tax	Transfer pricing
Partner	170,000+	180,000+	180,000+
Director	110,000-180,000	115,000-185,000	115,000-185,000
Senior Manager	83,000-115,000	85,000-117,000	85,000-117,000
Manager	68,000-85,000	70,000-87,000	70,000-87,000
Assistant Manager (CTA/ACA Qualified)	46,000-62,000	48,000-£60,000	48,000-60,000
Senior/Assistant (ATT Qualified)	28,000-35,000	30,000-36,000	30,000-36,000

Top 20-50

	Corporate tax
Partner	140,000+
Director	100,000-130,000
Senior Manager	75,000-100,000
Manager	62,000-75,000
Assistant Manager	54,000-62,000
CTA Qualified	45,000-55,000
ATT Qualified	28,000-42,000

All figures are expressed in GBP.



Private client, trusts and mixed tax

Private client

The private client tax market remains candidate short within the accountancy firms. Concerns about whether the demand to recruit would remain in 2023, following a busy 2022, were soon quashed. As we continue to receive instructions owing to pent-up recruitment needs with private client teams expanding in size and a lack of trainees coming through because of reduced hiring during the pandemic.

From a hiring perspective this has continued to make things challenging as we have seen a significant number of private client vacancies especially within the smaller firms. However, although the high number of job vacancies has not been matched by similar candidate numbers, there has been a clear increase in confidence amongst candidates looking to move. There have, however, still been several challenges around getting candidates to move as employers have increased their efforts to retain talent.

Within the Big 4 and Top 6, demand has stagnated more than in the SMEs except in the more niche, specialist areas such as financial services private client advisory where skilled Managers and Senior Managers are sought after, and opportunities will be opened for Director level candidates with the skills to develop market share.

As with most of the tax market, salaries within private client tax have increased significantly over the past 12 months, however in the first half of 2023 we have not seen salaries continuing to rise at the same rate.

We have, however, seen firms look to attract key talent through offering creative flexible working solutions. For most roles, businesses have considered part-time talent for full-time roles and offered flexibility around working hours, whether this be shorter days or altered start/finish times. In addition, hybrid working and the opportunity to work from home has meant firms can consider a broader talent pool as individuals do not have to travel to the office as much and are therefore willing to travel further.

Personal tax

	Big 4
Partner	155,000+
Director	110,000-165,000
Senior Manager	83,000-115,000
Manager	65,000-85,000
Assistant Manager (CTA/ACA Qualified)	46,000-62,000
Senior/Assistant	28,000-35,000

	Tier A
Partner	130,000+
Director	100,000-125,000
Senior Manager	75,000-100,000
Manager	60,000-73,000
Assistant Manager	50,000-58,000
CTA Qualified	45,000-50,000
ATT Qualified	28,000-40,000

	Independent firms
Partner	120,000+
Director	95,000-115,000
Senior Manager	70,000-90,000
Manager	55,000-70,000
Assistant Manager	48,000-52,000
CTA Qualified	42,000-50,000
ATT Qualified	28,000-35,000

Mixed tax

Opportunities within mixed tax are still very much focused on mid-tier and small accountancy practices. However, the constant need for tax professionals with a broad understanding of how taxes interact is very much still there. The challenge is there are fewer professionals training in mixed tax and mid-tier firms have been hiring mixed tax professionals into both transactional tax and partnership tax teams. The result of all of this is that there are a multitude of options for those who are experienced in mixed tax.



	Tier A
Partner	135,000+
Director	100,000-125,000
Senior Manager	75,000-100,000
Manager	60,000-73,000
Assistant Manager	55,000-60,000
CTA Qualified	45,000-55,000
ATT Qualified	28,000-40,000

	Independent firms
Partner	125,000+
Director	95,000-115,000
Senior Manager	70,000-95,000
Manager	55,000-70,000
Assistant Manager	48,000-55,000
CTA Qualified	42,000-52,000
ATT Qualified	28,000-38,000

Trusts

The trust market continues to be a challenging area to recruit in, with a lack of candidates entering the specialism and few training contracts, there is a clear shortfall in talent. Over the last six months, we have seen a consistent stream of trust opportunities, predominantly for Manager and above. Hires in practice, family office and law firms are still consistent with salaries generally being comparable across the sectors however demand is generally higher to move in-house as the perception is that there is a better work life balance. Whilst this can be the case, there are opportunities in the profession offering greater flexibility as well.

	Average salary
Partner	130,000+
Director	105,000-125,000
Senior Manager	80,000-100,000
Manager	65,000-77,000
Assistant Manager	45,000-62,000
Senior/Assistant	28,000-44,000

Human capital and indirect taxes

Expatriate tax

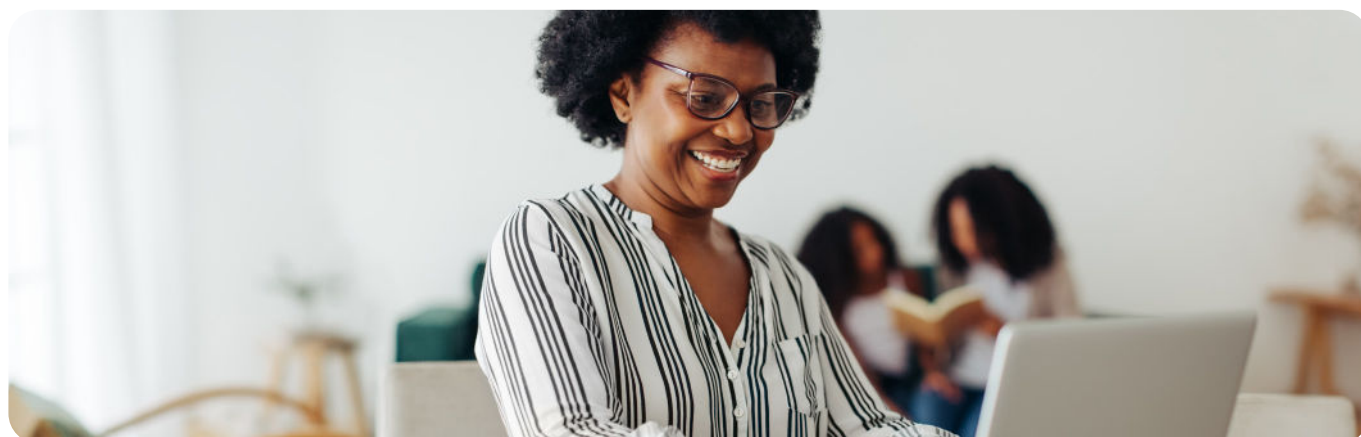
There has been significant change within the global mobility world over recent years. All of which has had an impact on the recruitment landscape within this market. The pandemic reduced the number of employees that were able to travel and whilst numbers have increased post pandemic, they have not returned to pre pandemic levels. The advent of hybrid and remote working has created opportunities however, overall, the reduction in the number of globally mobile employees has meant that many of the larger firms have looked to redefine their offering, restructure their teams and the roles within them. Most of the demand within expatriate tax across the profession has been at Manager level and below. We have seen some senior appointments made however, this has been for individuals with

strong business development acumen and a focus on non-large engagement work, predominately outside of the Big 4 firms. Where we have not seen demand, which we historically would have done, is for individuals to join the larger firms to do global coordination work. There is a continued emphasis on the part that technology must play in supporting clients to manage their global workforce and even more work being offshored to lower cost centres to ensure profitability. We expect these trends to continue throughout 2023 and beyond with opportunities coming to market for individuals who have solid experience within expatriate tax however, can present themselves as broader advisors or for those who can develop strong relationships and win work.

Employment/expatriate/reward Tax

	Big 4/Top 10	Top 20 - 50
Partner	130,000+	100,000+
Director	105,000-120,000	90,000-110,000
Senior Manager	75,000-110,000	72,000-95,000
Manager	58,000-75,000	52,000-70,000
Assistant Manager	38,000-55,000	35,000-52,000
Senior/Assistant	32,000-42,000	28,000-35,000

All figures are expressed in GBP.



Employment tax

Employment tax has been most in demand out of all the human capital tax areas in the profession. There has been steady demand across all levels over the past 12 months. We have seen several non-Big 4 firms look to invest and increase headcount in this area as opportunities have increased to support their clients. Unfortunately, the demand has not been met by the supply for talent which has led several firms to look to invest in their expatriate tax talent to develop employment tax skills. With several newly created roles in-house coming to market as well, this has exacerbated the challenges faced as the profession has lost talent which it has found difficult to replace.

The demand has been driven by the focus on governance and risk as well as the introduction of new legislation. The success of individuals from an expatriate tax perspective looking to upskill appears to come down to the role they have been doing and our experience is that individuals who have worked on small to medium sized engagements from an expatriate tax perspective have more success than those that have solely focused on large engagements and global coordination. We expect this demand and war for employment tax talent both in the profession and in-house to continue throughout 2023 and beyond.

Reward/Share schemes tax

This has been an area of growth for several non-Big 4 firms. With a war for talent raging over the past 12 months, most companies have had a focus on retaining and attracting the best talent. This has led to demand for advisors to support on reviewing benefits offered post pandemic and making sure these are fit for purpose as well as looking at creative ways to engage with individuals over and above increasing basic salaries.

As a result, many individuals have undertaken broader roles beyond just 'tax' where they are advising on benefit and well-being programmes, venturing into the world of HR. This has also played into demand for individuals to join in-house tax functions to support on these issues as well as advise on broader human capital tax work. Most of the demand has been at Assistant Manager/ Manager/Senior Manager level within the profession and most of the roles in-house have been for Senior Manager level equivalent. Whilst we expect hiring volumes to reduce overall this year, we do expect to see continued demand for this expertise.



Indirect tax

The indirect tax jobs market has remained steady throughout the past 12 months, having shown moderate demand throughout the year. Much like corporate tax, competition remains fierce for the best talent.

Unlike direct taxes (and certainly corporate tax) there has been a much more measured approach to candidate attraction throughout the year – we have not seen the sheer volume of demand that so characterised the professional services firms during the last 24 months.

The greatest demand remains for candidates from newly qualified through to manager level and most of these roles have been seen in the Big 4 and Tier A professional services firms, who are all vying for talent from each other. There remains demand for indirect tax candidates with strong technical skills and business development acumen which has led to several high-profile roles being recruited. We have seen a number of senior appointments made with Top 20 practices who have taken the opportunity to develop their indirect tax offerings.

Within the Big 4 and Top 6 demand within certain sectors has remained strong, particularly those where the advice required is outside of day to day, business as usual, such as indirect tax technology and processing or litigation. The skills required in these roles are not easily transferred from other areas of the business and as clients increasingly demand specialist advice, firms need to recruit externally which has helped prop up salaries and total compensation, particularly at the Manager and Senior Manager level.

The supply of candidates coming to the market has been muted meaning that some roles have taken longer to recruit. It has meant that firms have found it more challenging to recruit for the roles they have and ensure that demand, and therefore, salaries maintained an upward trajectory. As the UK comes out of stagnant growth and with Brexit lines more transparent, we expect to see demand increase for indirect tax professionals in the coming 12 months.

	Big 4/Top 10	Top 20 - 50
Partner	150,000+	130,000+
Director	105,000-135,000	95,000-125,000
Senior Manager	78,000-100,000	75,000-95,000
Manager	65,000-75,000	62,000-73,000
Qualified	46,000-58,000	45,000-55,000
Part-Qualified	28,000-40,000	28,000-38,000

All figures are expressed in GBP.



Legal

The tax legal market remains an important and growing sector within professional services, and it has seen significant change over the last 18 months.

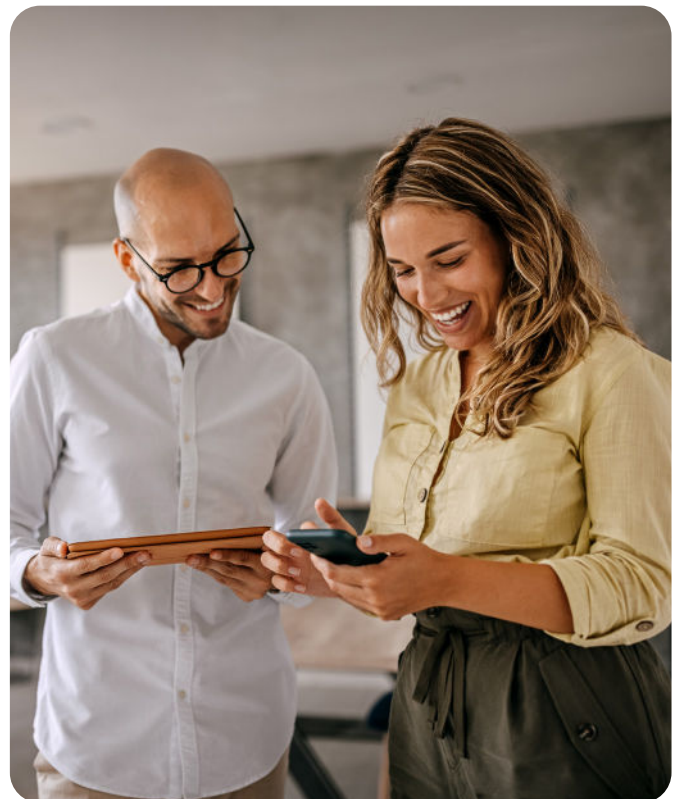
The pandemic has led to changes in the way tax legal services are delivered, with many law firms and tax advisory firms adopting remote working and digital tools to continue providing services to their clients.

The immediate post pandemic period led to a significant increase in demand for certain tax specialists both in-house and in the profession, particularly those for example with M&A and funds tax experience who were able to advise on complex corporate advisory and structuring work. Demand in-house and in practice has cooled now that the deals market has slowed down, so we have not seen the upwards pressure on total compensation we saw in 2021-22; the counteroffers and retention bonuses we saw when demand for talent was at its peak are not being replicated in the current market.

Demand for private client tax specialists has remained more consistent and is much less influenced by the in-house market, where there has always been much less demand for personal tax skills than corporate tax skills. The private client market within law firms has not seen the slow down evident within corporate tax focused roles, but demand for private client specialists did not grow to the extent demand in the corporate tax market did post pandemic.

Whilst demand for certain skills has stagnated, demand for others has grown. The increasing use of technology in tax compliance and reporting has impacted the demand for specialists in this area; they are increasingly sought after and able to command a premium salary, particularly at the 5-7 years PQE level at which candidates are well equipped to business develop potential revenue streams.

We continue to see lawyers moving into the accountancy profession, particularly the larger accounting firms with the scope to offer roles to those with more specialist tax advisory skills. In previous years, we would see movement at around 3-6 years PQE but we are now seeing more lateral Senior Associate and Partner moves in to the Big 4. The route to Partnership in a law firm is notoriously difficult and the role is not for everyone. Increasingly, the accountancy firms are able to offer competitive compensation packages but also the challenging work and client base required to secure the most senior level professionals.



UK tax practice market report and salary survey

Law firms - client-facing

	Corporate tax	M&A/ international tax	Transfer pricing	Share schemes	Private client
Partner	150,000+	170,000+	170,000+	150,000+	140,000+
Senior Associate	100,000+	110,000+	110,000+	100,000+	90,000+
Associate/NQ	75,000+	75,000+	75,000+	75,000+	75,000+

Law firms - in-house

	Corporate/partnership tax	Partners tax	Trusts
Director/Head of	125,000+	120,000+	120,000+
Senior Manager	85,000-110,000	80,000-100,000	80,000-100,000
Manager	70,000-90,000	70,000-85,000	70,000-85,000
Assistant Manager/Advisor	50,000-75,000	50,000-75,000	50,000-75,000

All figures are expressed in GBP.



Get in touch

Contact one of our expert consultants – they have an extensive understanding of every global market that we cover.



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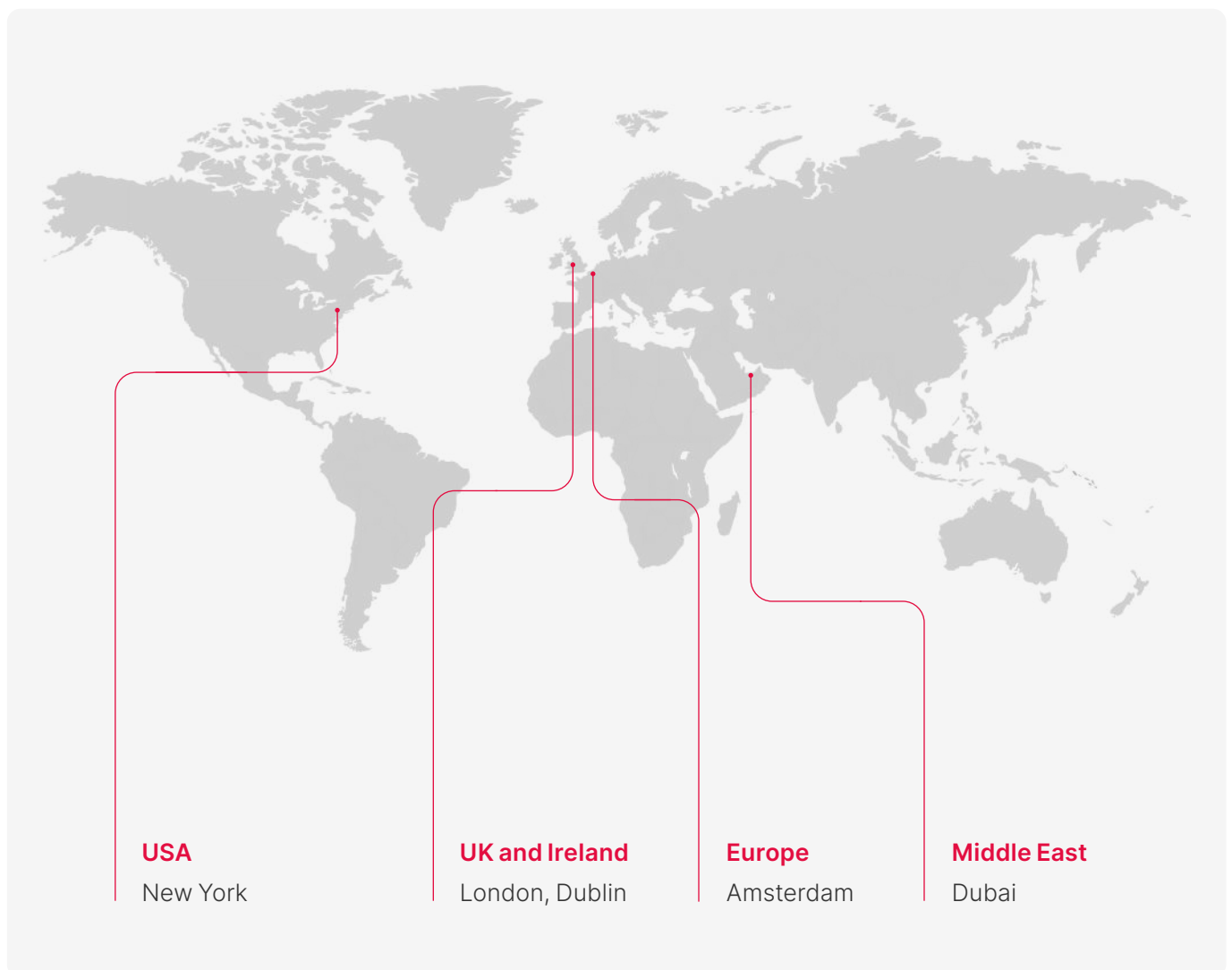
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