

H2 2022

# Public Practice

# Market Trends Report

BUILDING BETTER FUTURES

ambition

# Contents

Introduction	3
Employee survey statistics	4
Changing jobs	5
What jobseekers are looking for	6
Career progression and exams	7
Pay and workload	8
Employer survey - hiring plans and pay	9
Resignations	10
Predications and hiring	12
Diversity and inclusion	13
Hybrid working	14
Tax market update	15
Audit market update	16
Key takeaways	17
Advice for employers and jobseekers	18
Ambition contacts	19

# Introduction

Welcome to Ambition's latest Audit, Accounts, Outsourcing & Tax market trends report.

As many predicted, the last 6 months (and indeed, 12 months) have been nothing short of remarkable for the Public Practice recruitment market. We have seen the best unemployment statistics ever recorded, with vacancies outstripping unemployed jobseekers for the first time ever!

This shortage of skills has led to an increase in mergers and acquisitions as a method of bolstering employee numbers and, therefore, increased job capacity. As a result, recruiting and retaining talent has never been more important.

In the past year we have observed steep increases in pay rises, counteroffers and resignations, as well as general movement from practice-to-practice, more than we had seen in the past 15 years.

The profession has also come under real scrutiny, with calls for independent regulators across audit, new standards being set in accounts and tighter controls requested around tax claims. We anticipate that this will lead to larger recruitment drives at graduate level which, as a long-term strategy will help these skills shortages. However, it won't fix the immediate need for experienced staff, so we expect to see a continuation of the above hiring patterns in 2023.

We have also seen what we thought was the 'new normal way of work' continue to evolve with flexible working now a baseline expectation from employees. Employers have been formalising their policies on hybrid working and have adapted their recruitment and onboarding processes.

One key finding that stands out from our survey results is that the majority of respondents feel that they are now being offered a variety of work and are in fact choosing to move from one Practice to another, as opposed to moving into industry as was the more common path for many years. From those we have spoken to, this is due to the uncertainty of how companies will continue to recover from the pandemic as well as the threat of an economic downturn vs the greater level of security, progression and salary increases now being offered in Practice.

In short, it truly is a job seekers' market right now and we hope that our market trends report is useful not only for hiring managers but also for those that are considering making a move.

Our message remains consistent; if you are interested in hearing about what options may be available to you this year then please do reach out for a confidential chat, and our team of expert Consultants will be happy to talk you through what we're seeing out in the market.

## Contact us:

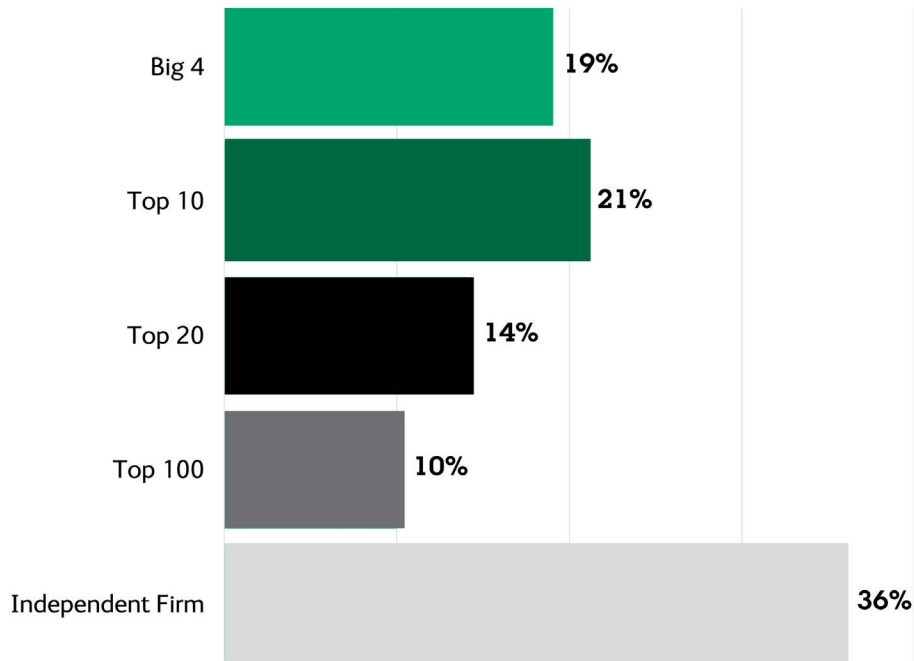
Audit, Accounts & Outsourcing team: [f&a@ambition.co.uk](mailto:f&a@ambition.co.uk)

Tax team: [tax@ambition.co.uk](mailto:tax@ambition.co.uk)

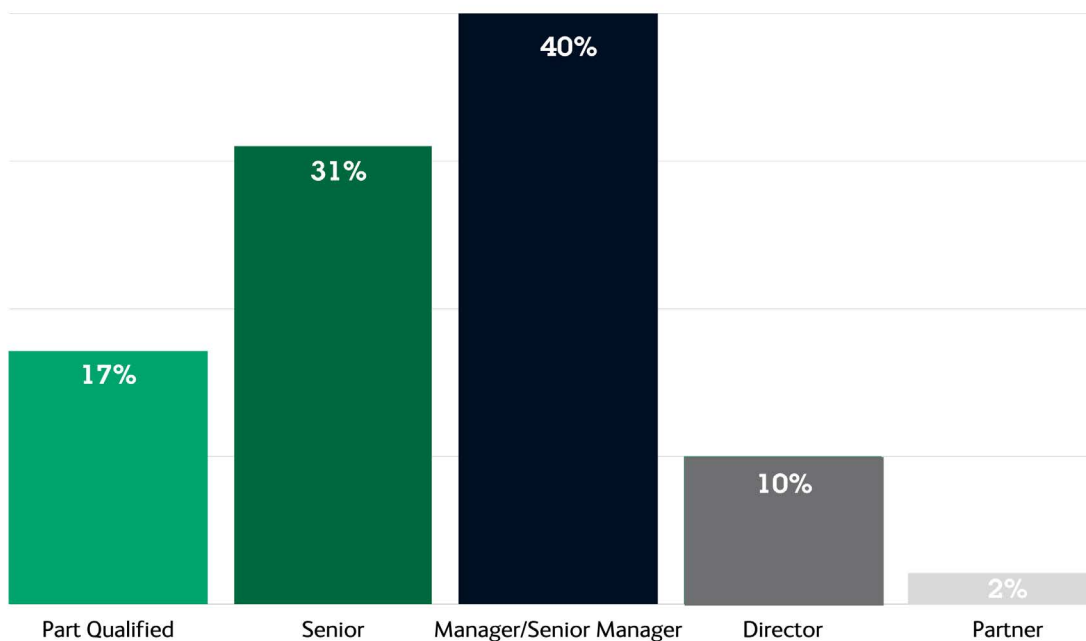
Tel: 020 7404 4004

# Employee survey stats

How would you describe the size of your firm?

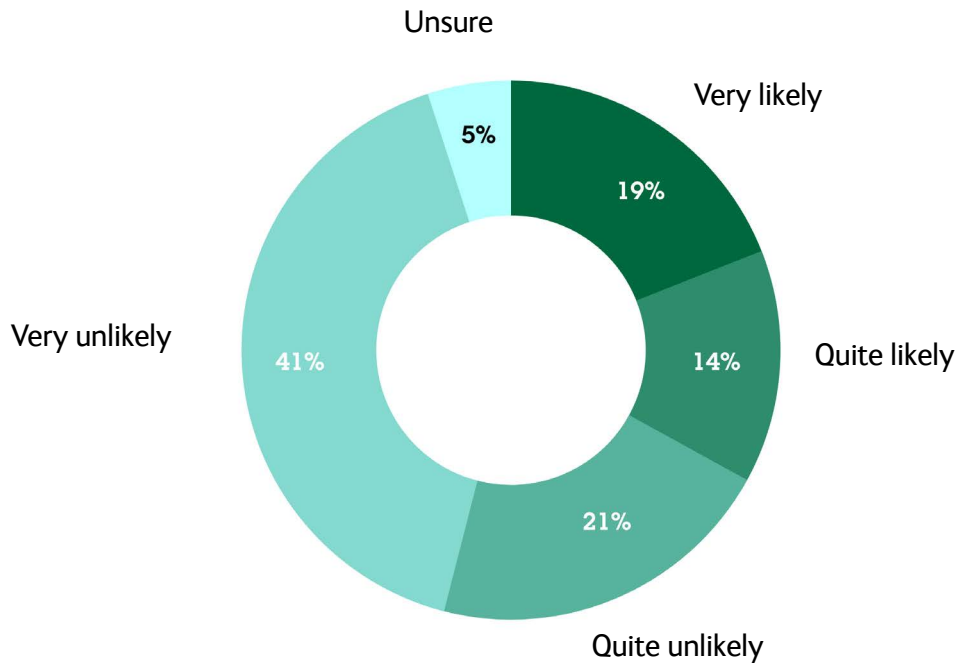


What best describes your level of seniority within the team?

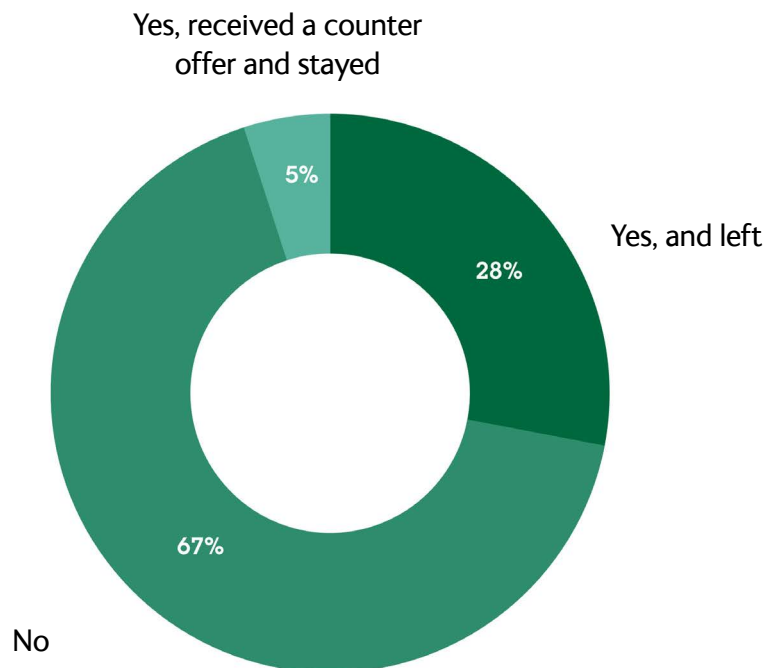


# Changing jobs

How likely is it that you will change jobs this year?

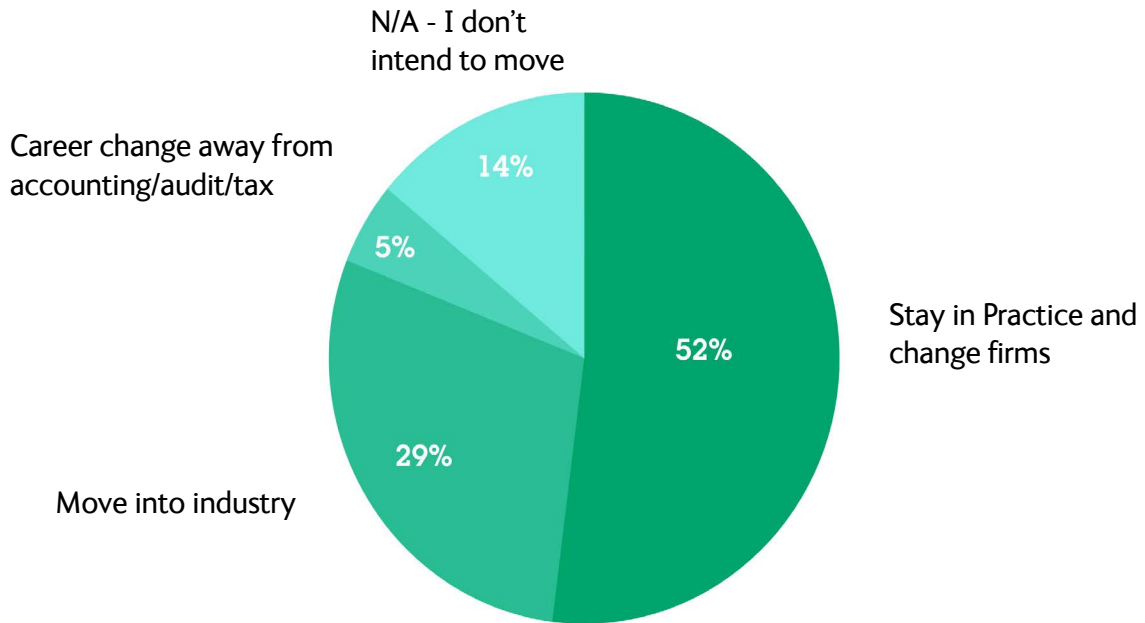


Have you resigned in the last 12 months?

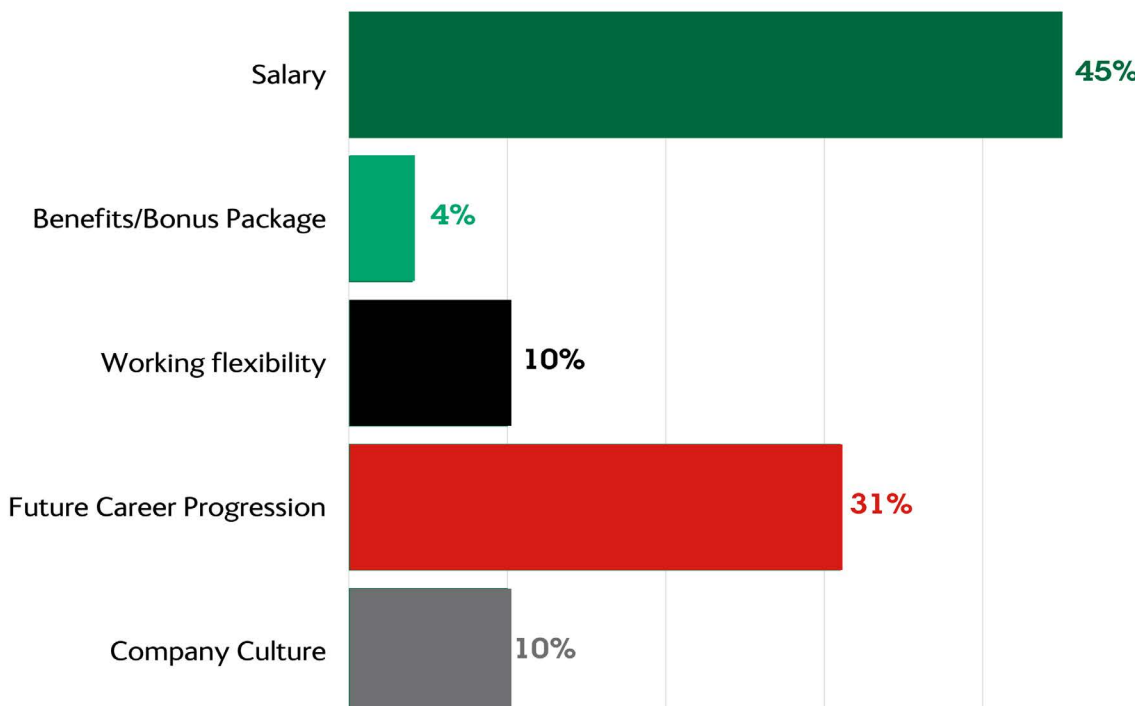


# What jobseekers are looking for

If you were to change job, would it be to...



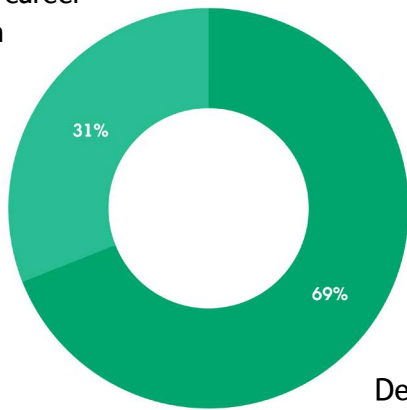
What is the most important factor for you when looking for a new role?



# Career progression and exams

## My firm offer me and my colleagues...

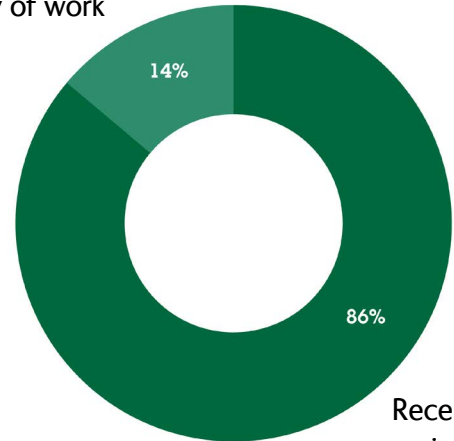
No defined career progression



Defined career progression

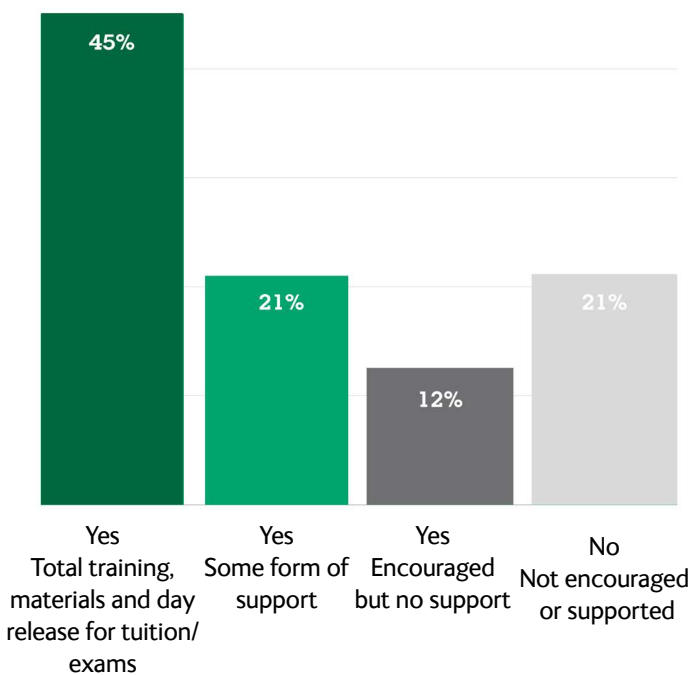
## My team and/or I...

Receive a lack of variety of work

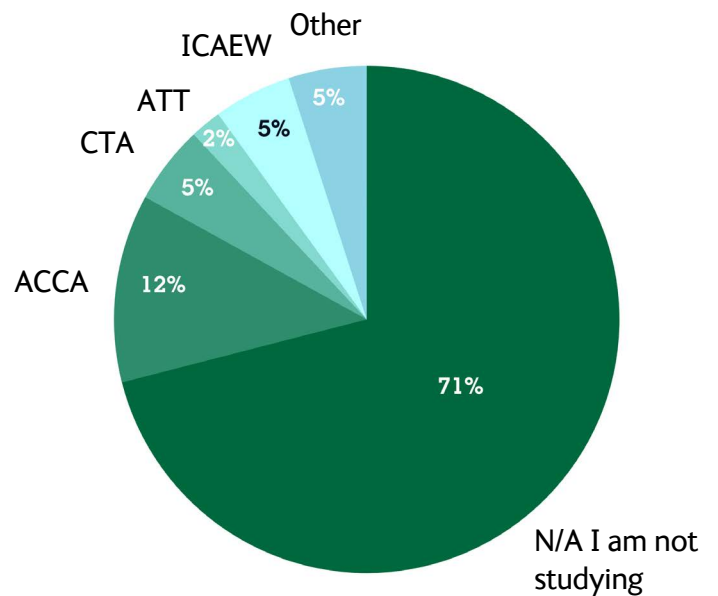


Receive a variety of work

## Are you encouraged to study and/or do you receive study support?



## If you are studying for exams this year, what are you taking?



# Pay and workload

Have you received a promotion or pay rise in the last 12 months?

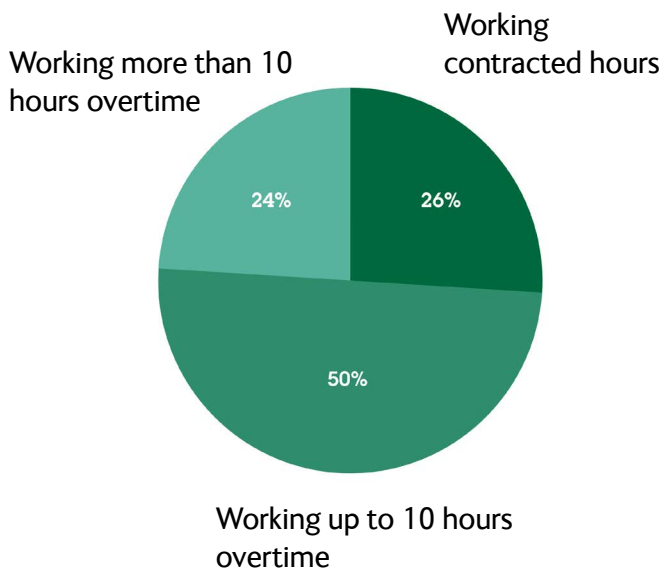


79%

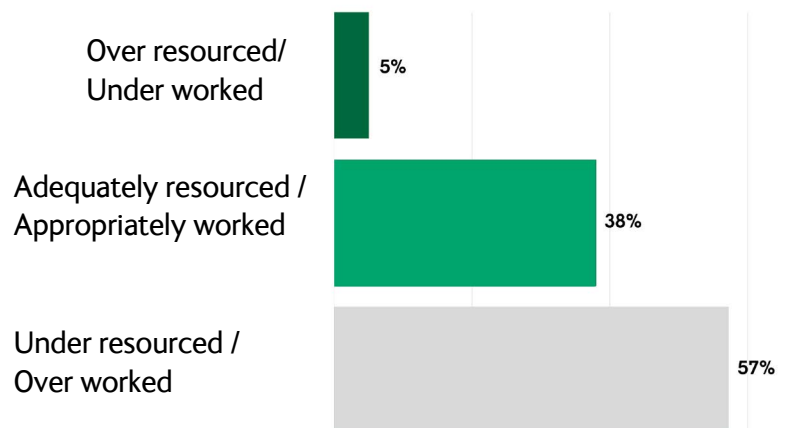


21%

My team and/or I am...



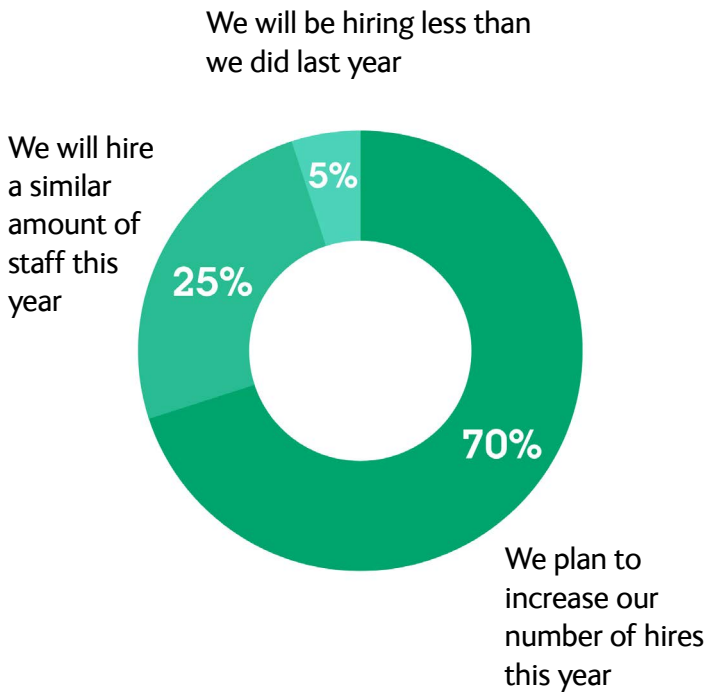
My team/firm is.



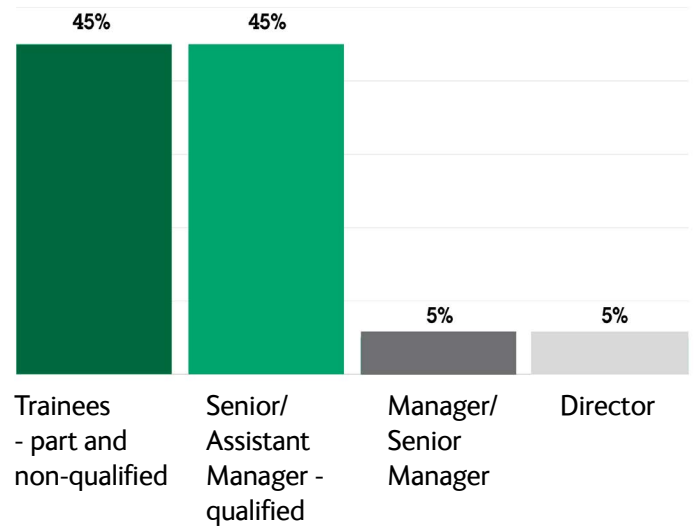


# Employer survey - hiring plans and pay

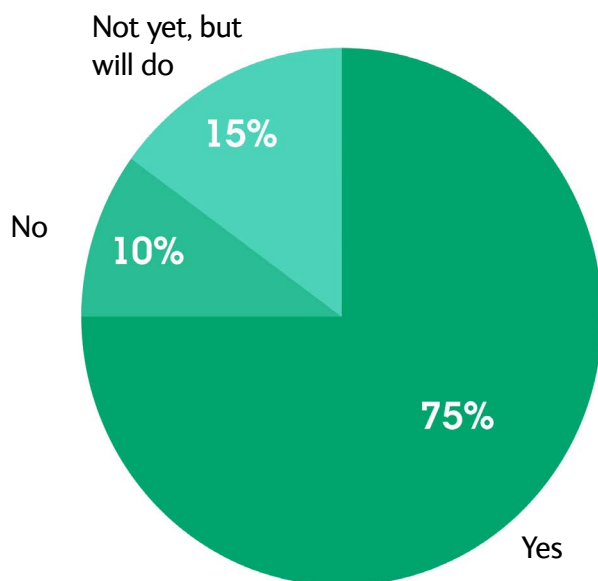
## What are your hiring plans for 2022?



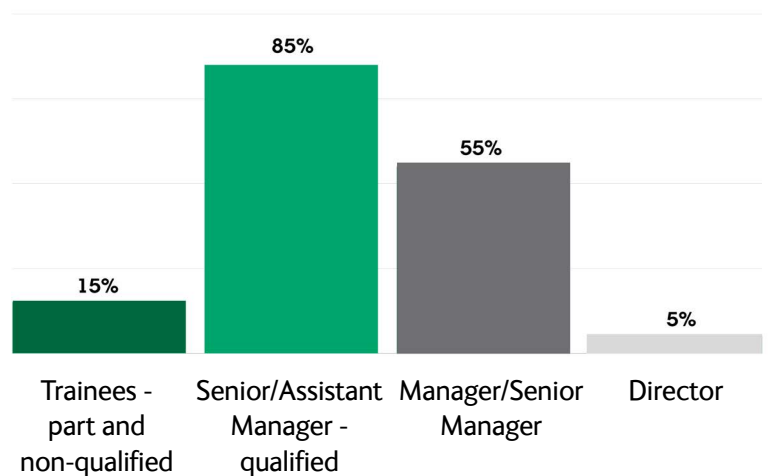
## At what level of experience have you hired most this year?



## Have you given your staff a pay increase this year?



## If you were to hire this year, what level of experience are you most in need of?



# Resignations

Have there been resignations in your team this year?

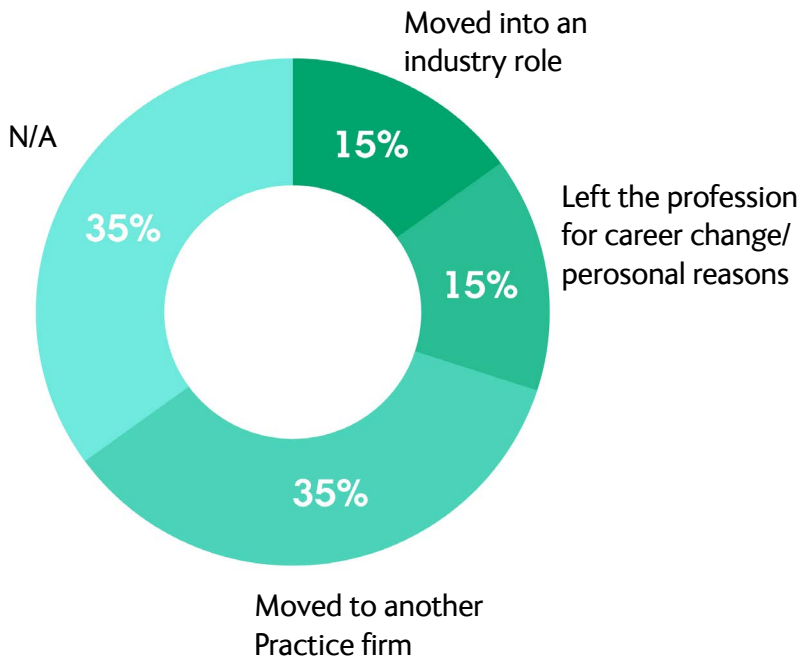


**75%**

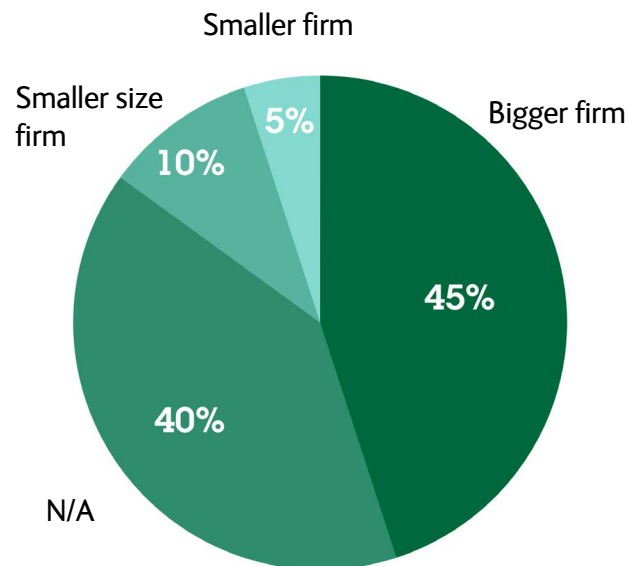


**25%**

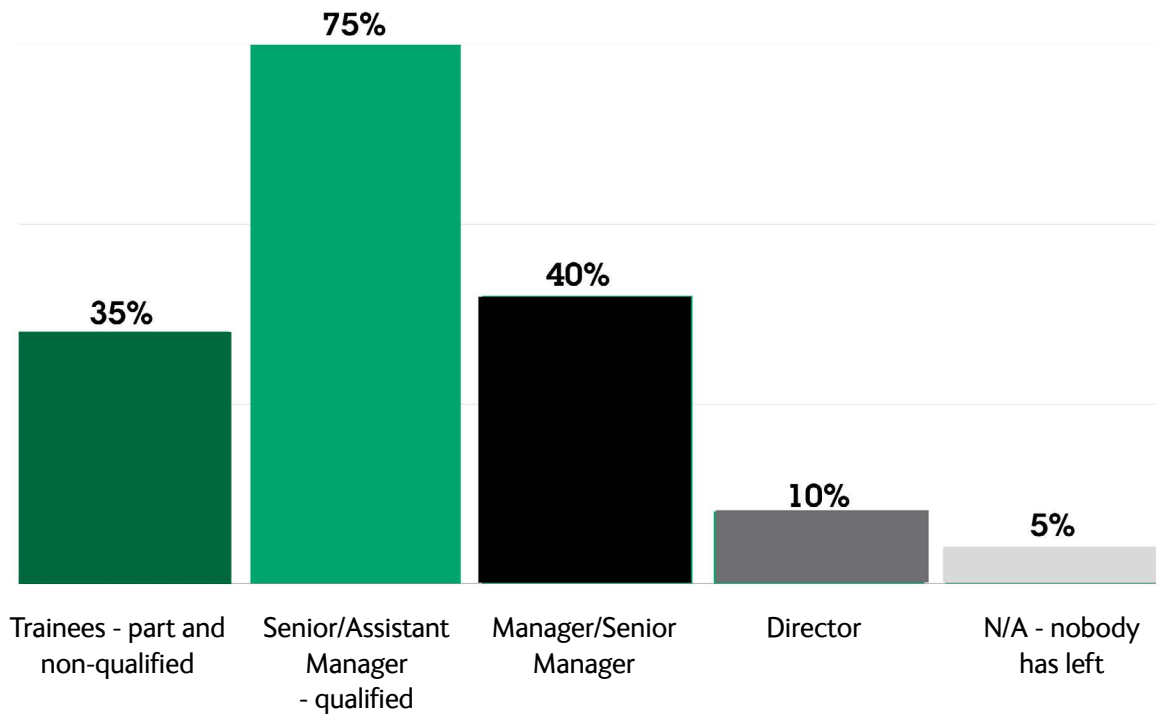
If yes, have they...



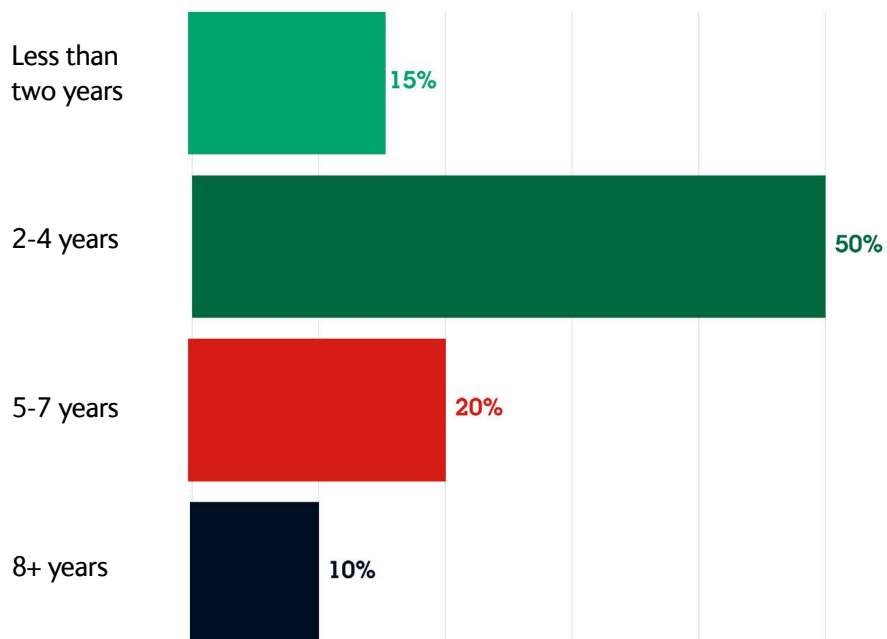
Was the firm they moved to a...



## What seniority level were the staff that left in the last 12 months?



## On average, how long had these people been working at the firm?



# Predictions and hiring

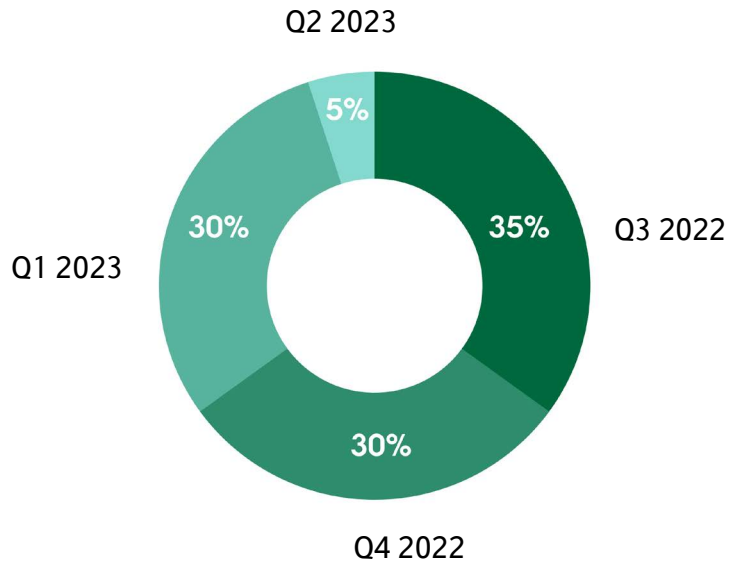
Do you expect to see more new client wins this year compared to 2021?



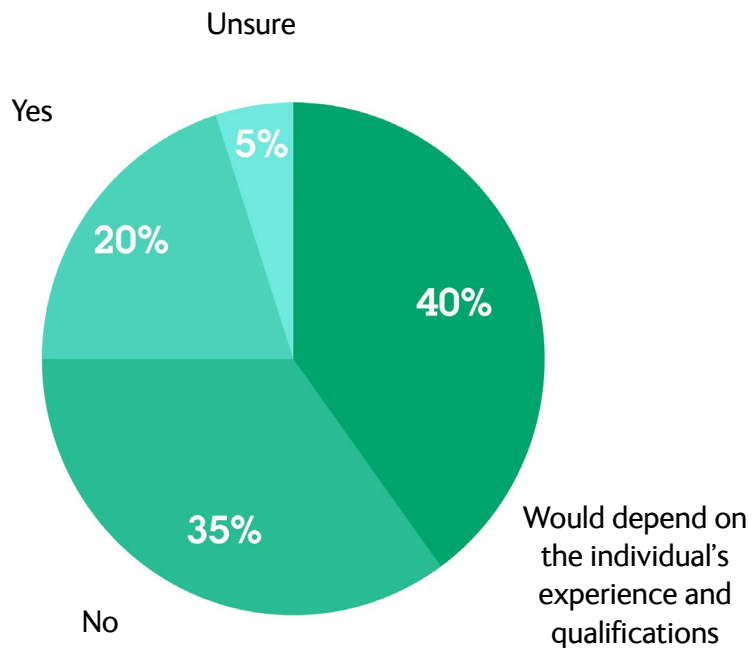
**85%**

said yes

When do you expect to be the busiest quarter for your business?



Would you consider hiring someone from overseas that had no prior UK experience?



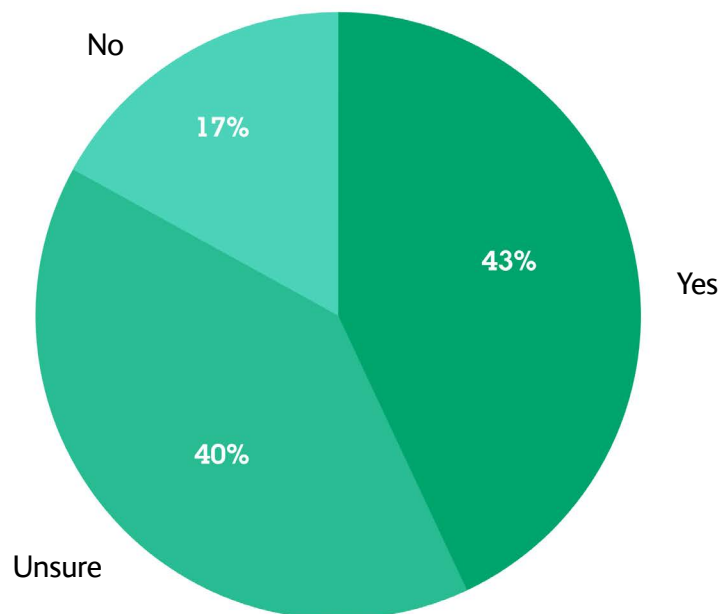
# Diversity and Inclusion

Does your firm have a D&I policy in place?

Employers:



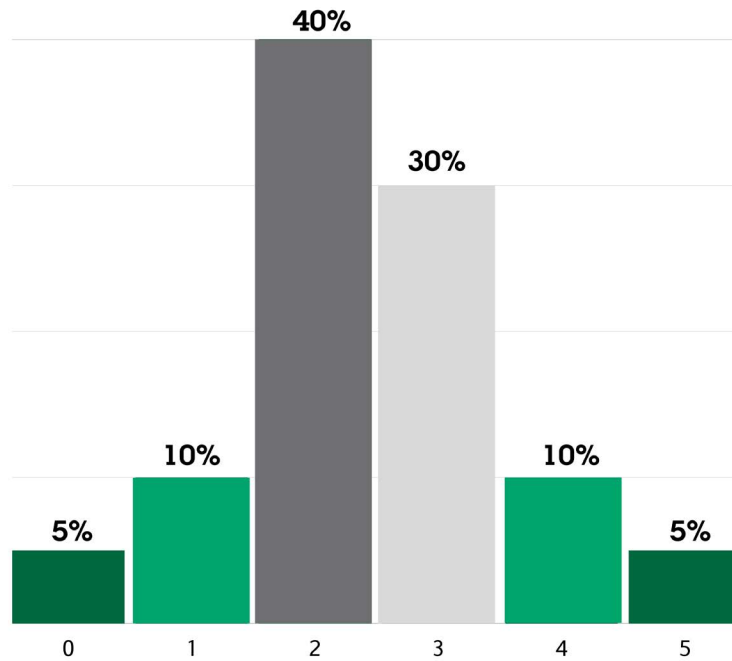
Employees:



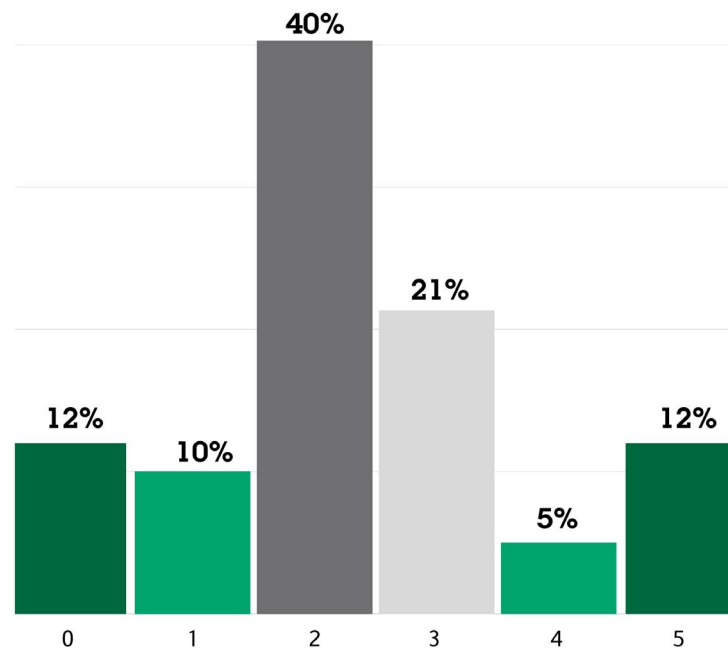
# Hybrid working

How many days are your team expected to be in the office each week?

Employers:



Employees:





# Tax market update

## Private client and Personal tax

Demand has remained consistent across the first half of 2022, with a number of smaller practices investing in building out their Private Client and Personal Tax teams. Candidates who have an interest in Trust related work has also been highly sought after, as this is a very specialised area and there has been a noticeable increase in trusts being set up to manage Inheritance Tax.

## Corporate tax

Corporate tax has remained consistently busy across the first half of 2022. Many candidates with an appetite to gain exposure to more advisory work have been given opportunities within firms that are taking on more complex work, from either their audit team clients or through their own networks. This has worked particularly favourably for those candidates who are working towards their CTA and are in need of exposure to advisory work to support them through their studies.

## Personal tax

Demand for US UK Personal Tax candidates at senior and manager level has remained high throughout this year. Several larger Practices have restructured their US tax teams to be able to service clients better and offer a more dedicated and bespoke offering to those clients that are required to file their taxes in both the UK and the US. We expect the US UK Corporate Tax space to slowly pick up in the second half of 2022 as Practices look to expand this side of the business.

## R&D tax

The R&D market continued to boom across H1 2022 with all firms hiring and even some practices investing to build a function. Candidates from a software/computer science background continue to be highly sought after due to the nature of software R&D claims and the increase within the technology sector, however all individuals have plenty of options across the market.

## VAT

VAT has been incredibly busy across the first half of 2022. For many, the opportunity to specialise within a niche sector or to focus on a more diverse portfolio has been a key driver. Notably, there has been increased demand for Assistant Managers and Managers for the majority of firms with an established Indirect tax presence.

## Capital Allowances

**Capital Allowances** has also been incredibly busy across all levels, this is as a result of the implementation of [super-deduction](#). This trend shows no sign of stopping, with new boutiques and firms looking to build and grow a capital allowances function.



## Audit & Accounts market update

- Vacancies among Top 100 and independent firms remain very high with most firms currently understaffed and under resourced. Planned temporary hires and larger graduate intakes by some large firms are on the horizon.
- The last 12 months saw a large number of Senior Manager and Director hires, but we predict a shift in with an increase of Audit Senior and Audit Manager hires.
- The pending EY shake up and sale of its audit business, if it happens, could have huge ramifications across the industry, with more firms thinking of adopting a similar model which could result in less blended roles.

There has been a clear change in the market when it comes to attracting potential employees:

- Signing on bonuses have become a prevalent way of securing talent without breaking the salary bandings.
- Frequent job changes and reasons for doing so have become less of a concern for employers than in previous years.
- There has been a move away from the traditional job descriptions, with many roles now being built around a candidate's wants and needs.
- Outsourcing/Management Accounting has continued to grow steadily with most firms now offering some form of outsourced FC function, with a continued trend for firms to outsource the more basic work themselves.





## Key takeaways

- **The rest of 2022 will remain a fiercely competitive market**, with a large number of employers aiming to attract a relatively smaller pool of active candidates.
- With flexible working now here to stay, **salary has now replaced flexibility and career progression as the most important motivator for job seekers.**

Candidates feel that in general that most employers will offer them career progression and flexible working as a pre-requisite, but with over half of those surveyed feeling overworked, it stands to reason that people want to be paid well for this work.

However, it also appears that **employers are planning on hiring more people than they did last year**, which may help to address the problem of heavy workloads, largely at Manager and Senior level.

- The majority of firms that we've met with over the past 6 months have suggested the salary surge is 'unsustainable' but it appears now with fee increases being imposed to clients, perhaps it isn't? Nearly 80% of employees reported promotions and/or pay increases in the last 12 months.
- **Retaining staff within the profession remains a key priority for employers to focus on**, with just under a third of those surveyed saying that they would move into industry. Yet, we have also seen an increase in those wanting to stay with just over half saying they would remain in the profession.

However, with 75% of employers reporting resignations in the last year, and over half of that talent moving to bigger firms, we would advise employers to watch out for those tell-tale signs of that someone is looking for a role, particularly those within 2-4 years of service, and have open conversations to try resolve any issues and retain them.

## Recommendations and advice

With all signs pointing towards increased levels of hiring over the next 12 months, we would recommend that employers stay close to their key staff. Ensure that you are providing clear career paths and that those staff are paid what their true worth to the firms, as opposed to solely 'market rate'.

If you are thinking about making a move yourself, then perhaps there has never been a better time to start speaking to your manager about your personal growth and objectives, before speaking to an agency/potential employer.



## Advice for Employers

### **Employee worth vs. market rate.**

With drastically increased salaries across the profession, the phrase 'market rate' has become somewhat meaningless. We recommend reviewing and tailoring salary offers based on the employee and their real worth to the firm, rather than solely based on the role and chargeable fees.

### **Consider a second offer.**

With counteroffers becoming par for the course, we recommend getting advanced sign off on a second offer, should the first offer be met with some form of negotiation. By acting quickly in a negotiation you maintain momentum and demonstrate a feeling of want and reassurance in the candidate's eyes.

### **Understanding candidates' key drivers and values.**

Assume that all candidates will be interviewing for multiple roles with several of your direct competitors. Think about what differentiates your firm and make sure that you clearly communicate this to candidates when they interview.

## Advice for Jobseekers

### **Know your value in the market.**

If you're unhappy in your current role or feel as if there is something missing, then try to avoid staying within your own bubble and assuming that your current employer's working practices are industry standard. The world of work has changed and keeping abreast of what's going on in the wider market will only benefit your career in the long run.

### **Can you avoid the time and stress of jobhunting?**

Although looking for a new job is easier now than it has ever been, it can still be one of the most stressful and time-consuming things that you can do. So we strongly recommend that before you decide to look for a new job, have an honest conversation with your managers to try and resolve the issues you are having before you start your search.

### **A problem halved is a problem shared**

Whilst most of us at Ambiton are not accountants, auditors or tax professionals, we know an awful lot about these markets so if you are thinking of moving on, please don't hesitate to reach out to a specialist recruiter here to discuss your situation without prejudice. Recruiters will take your specific situation into account, we will be able to leverage our extensive knowledge of the wider market and be able to guide you on whether a move is actually advisable.

# Get in touch:

At Ambition, we aim to build long term relationships with those who are looking to hire or move jobs. However, this also extends to those who are passively searching or just want to keep updated with what's going on in the wider market.

We pride ourselves on our consultative approach and if you'd like to know how we can advise you, then please do reach out and we'll be happy to have a conversation about the tailored service that we provide.

## The Audit, Accounts, Outsourcing & Tax Team



**Jonathan Cohen**

Associate Director  
Public Practice

[jonathan.cohen@ambition.co.uk](mailto:jonathan.cohen@ambition.co.uk)  
0207 430 7273



**Gideon Gale**

Divisional Manager  
Accounts & Outsourcing

[gideon.gale@ambition.co.uk](mailto:gideon.gale@ambition.co.uk)  
0207 430 7266



**Ashley Campbell**

Associate Consultant  
Accounts & Outsourcing

[ashley.campbell@ambition.co.uk](mailto:ashley.campbell@ambition.co.uk)  
0207 430 7286



**Sebastian Thomson**

Senior Consultant  
Audit

[sebastian.thomson@ambition.co.uk](mailto:sebastian.thomson@ambition.co.uk)  
0207 430 7240



**Callum MacRae**

Senior Consultant  
Audit

[callum.macrae@ambition.co.uk](mailto:callum.macrae@ambition.co.uk)  
0207 430 7237



**Tobias Belli**

Associate Consultant  
Audit

[tobias.belli@ambition.co.uk](mailto:tobias.belli@ambition.co.uk)  
0207 430 7274



**Claire Cheung**

Principal Consultant  
Private Client, Expat and  
Corporate Tax

[claire.cheung@ambition.co.uk](mailto:claire.cheung@ambition.co.uk)  
0207 430 7262



**Chris Barnett**

Senior Consultant  
R&D, Grants, Capital Allowances and  
Indirect Tax

[chris.barnett@ambition.co.uk](mailto:chris.barnett@ambition.co.uk)  
0207 430 7246

View our latest roles here:

[www.ambition.co.uk](http://www.ambition.co.uk)