

Issued February 2018

PROJECT MANAGEMENT BENCHMARK

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Welcome to the 2018 Project Management Benchmark Report from Arras People.

Rather than waste pages on self congratulatory introductions I would like to introduce you to this, the 13th Edition of the Arras People Project Management Benchmark Report, which once again provides a unique, unbiased insight into our project management domain.

From a dearth of information about the domain back in 2006, this year we saw two other surveys from the APM vying with ourselves to capture the thoughts and experiences of Project Management practitioners through December and January. So this year, I would like to offer an extra special thank you to the many old and new practitioners who once again contributed to our survey. Without their support, we could not create this body of work and the many readers, both globally and in the UK would not be able to access the many insights that the data allows us to draw.

2017, the year of the rooster, was another interesting year with International, European and Local challenges and issues impacting the lives of project management practitioners. Some commentators suggested that there were/are threats to the liberal international order fuelled by Trump; Terrorism; Brexit; Cyber attacks; Polarisation; Populism and Globalism. For others the future of the planet was top of the agenda as we saw many extreme weather events. News and media was under the spotlight as some grew ever more concerned about Fake News; Weinstein; Snowflakes; Gender and the Abuse of Power. While closer to home many practitioners were concerned about the impact on jobs; their ability to earn a living; exchange rates; inflation and pay.

Possibly there is only one thing for certain: the road ahead continues to be uncertain and this is where project management and its many great practitioners can thrive, as agents who deliver and embed successful change.

If you require any further detail about the report or how Arras People may be able to help you please get in contact with us. If you have any comments about the 2018 PMBR itself, please do feed them back to us through our dedicated email address pibr@arraspeople.co.uk

I hope you enjoy the report and look forward to your feedback

Best regards

John Thorpe, PMBR Creator and Managing Director

Arras People , February 2018

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About The Survey

Our Data Source:

The data used to create the 2018 Arras People Project Management Benchmark Report was collected during the months of December 2017 and January 2018 through an on-line survey. This survey was marketed as the Arras People 2017 PM Census and project management practitioners were invited through a number of channels including direct email, blogs, Tipoffs newsletter and Twitter. Once again the PM Census attracted participation from a UK and Global audience which this year totalled 1,899.

Respondent Status:

As can be seen in Fig. 1 the majority of respondents identified themselves as UK based PM practitioners. Segmentation of the respondents was achieved through the survey questions to ensure that each group we were interested in were presented with the correct sub-set of questions which this year totalled 189. Segmentation not only increases the user experience but also ensures that the data collected is attributed to the correct cohort; it also allows us to filter out respondents who are not in our target audience.

Respondent Relationship:

In order to collect a panel of respondents that we have confidence in representing the PM community it is important that they are not drawn from one source. As can be seen in Fig. 2 just 33% of this years respondents have a current record in the Arras People candidate database with 54% coming from other sources. Those who chose not to share their personal detail accounted for the remaining 13%. Overall a mix that we are happy to report and one that we believe presents a realistic view of the UK Project Management domain.

PM Practitioners:

As can be seen in Fig. 3 the largest cohort within the Project Management Practitioners once again identified themselves as Project Managers.



Fig 1- Respondent Status

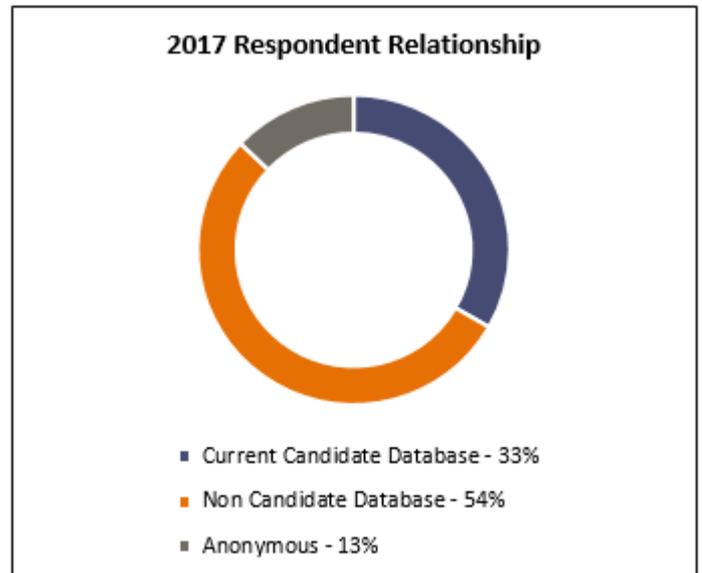


Fig 2- Respondent Relationship

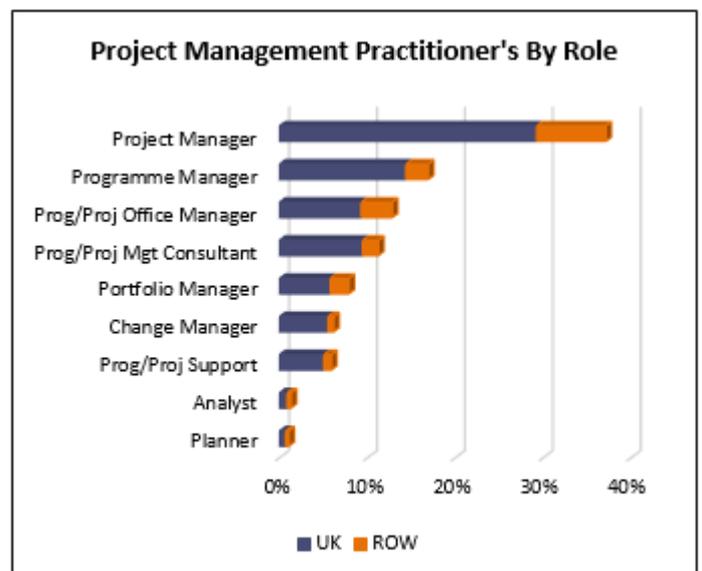


Fig 3- PM Practitioners by Role

UK Role, Age and Gender:

As we can see in Fig. 4 the number of practitioners identifying themselves as Change Managers has increased significantly as this community of practice gains momentum. Those who identify as PM Consultant remain steady at 12%; within this 20% deliver operational PM activities, 11% expert guidance and the remaining 69% a combination of the both.

The age profile continues to show that the UK practitioner pool is getting older, a point that is looked at in more detail in the report. Whilst on the gender front we continue to see no significant change in the numbers of female practitioners.

Of the UK based practitioners, 90% identify as UK Nationals, 7% EU Nationals and 3% from the rest of the world. Both of the non-UK categories are slightly down on previous years though it would be too early to say if this is a post Brexit trend.

In terms of status the UK based practitioners split into 51% Employees, 41% Freelancers with 7.6% Unemployed.

In terms of home location, as we can see in Fig. 5 there is no significant change over recent years with London, South East and the Home Counties accounting for 48% of respondents. In terms of where they work, 27% identified that they work in a different location, with 21% having no fixed work location and 40% saying they commute from their home base to work in London.

Non-UK Practitioners:

Once again we had respondents from around the globe and as we can see in Fig. 6 the largest response came from those working in Europe. In terms of UK Nationals working abroad they accounted for 14% of this cohort, a figure that we have not previously tracked. Of this group 82% are male, 57% are aged 50+ and 48% have the PMI’s PMP qualification. In terms of where they are living and working, Europe has the highest return with 36% followed by North America with 21% and Australia at 15%. Some say this is a trend that will increase and it is something we will look to track moving forward.

Role	2017	2016	2015
Project Manager	36%	39%	43%
Programme Manager	18%	16%	19%
PM Consultant	12%	12%	12%
PPM Office Manager	12%	12%	10%
Change Manager	7%	4%	3%
PPM Support	6%	7%	5%
Portfolio Manager	7%	7%	5%
Analyst	1%	2%	2%
Planner	1%	1%	1%
Age Group	2017	2016	2015
Under 34	10%	17%	16%
35 to 49	43%	44%	46%
50+	46%	38%	37%
Not disclosed	2%	1%	1%
Gender	2017	2016	2015
Male	72%	68%	71%
Female	27%	31%	29%
Not disclosed	1%	1%	1%

Fig 4- UK PM Practitioner Role, Age and Gender

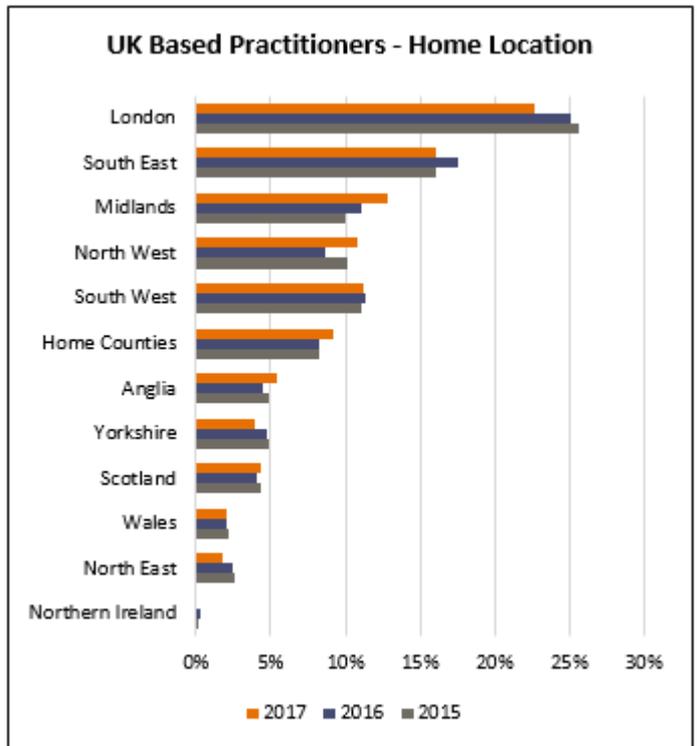


Fig 5- UK PM Practitioner Home Location



Fig 6- Non-UK PM Practitioner Location

UK Hiring:

The good news for UK based PM practitioners during 2017 was that hiring was back on the agenda for many organisations.

For those respondents involved in the recruitment process however it would appear that actually recruiting the practitioners that they needed was not as straightforward as some would have hoped and 55% indicated that they did not fill all open PM positions.

Additional hiring was primarily driven by business demand which is great news for UK PLC. We also saw an increase in those reporting that they were recruiting to replace leaving staff, which for practitioners and future remuneration is good news after the reduced market churn of the post financial crash years.

50% of respondents anticipate PM headcount will increase during 2018, whilst 44% also anticipate that staff turnover will increase.

War for Talent:

20% of respondents indicated that they had no problems filling open roles. The remaining 80% indicating varying degrees of challenge when looking to fill roles. Chief amongst the challenges were:

- Remuneration on offer did not match market rates for the skills and experience required.
- Too many academic PM's with not enough experience for the roles on offer.



Fig 7 – UK PM Hiring Success

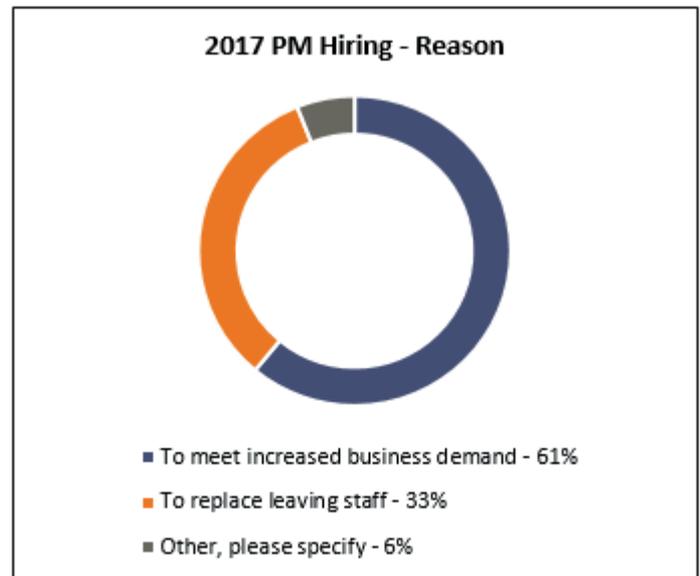


Fig 8– UK PM Hiring Reason



Fig 9 – Key Word Analysis of UK PM Recruitment Challenges in 2018

Employees:

With increased recruitment activity in the market PM practitioner churn also increased with 23% of UK based employees reporting that they have been with their current employer less than one year. 17% indicated that they had switched from being Freelance, with the top two reasons being; to avoid the Off-Payroll legislation changes and because they were only Freelancing until a permanent opportunity arose.

When asked about their current satisfaction we can see in Fig. 10 that whilst 43% are happy and/or looking to change role with their current employer, 52% are open to change if the right opportunity comes along.

With many practitioners subject to the ongoing challenge of pay not keeping up with inflation, Fig. 11 shows that many anticipate that 2018 will be no different. With a market that is starting to offer new opportunities this may be the trigger for higher levels of activity as they look to correct this issue.

49% of UK Practitioners who changed employer got a pay rise >5%

Freelancers:

Comments from respondents who are involved in hiring suggest that there is a more plentiful supply of applicants for Freelance PM roles, which is backed up by the data shown in Fig. 11, 31% of Freelancers said that they are currently resting or between assignments.

Of those resting 39% say they have had no assignment for less than one month, whilst 31% have had no assignment for four months or more.

In terms of the active Freelancers Fig. 13 shows their contract position heading into 2018 where we can see that 45% have between 3 to 6 months.

Overall the utilisation of the Freelancer population is consistent with those of last years survey. It also correlates with the data from other surveys that show employee appointments increasing at a faster rate than Freelancers during 2017.

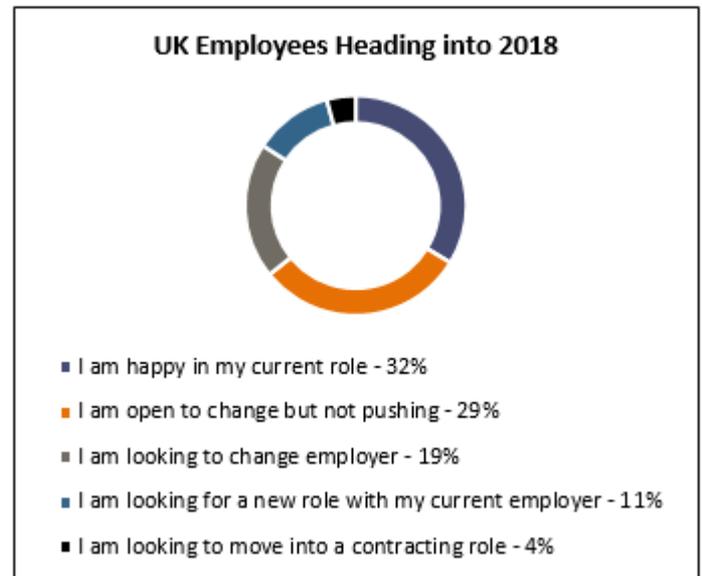


Fig 10 – Happy with current employer?

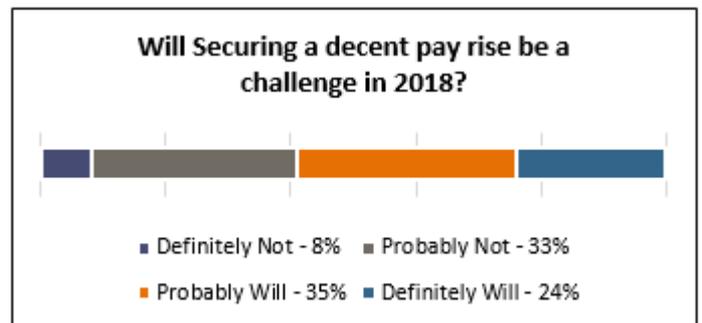


Fig 11 – Pay challenges

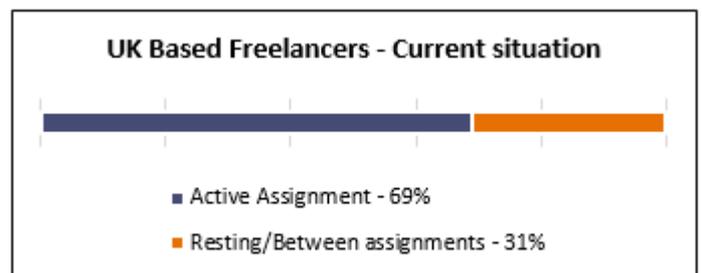


Fig 12 – UK Freelance PM Status



Fig 13 – UK Freelance contract position

Education, Education, Education:

Data collected from respondents over our thirteen years of benchmarking have tracked the trend of higher levels of higher education across the UK. As we can see in Fig. 14 University education is in the low 70's as a percentage of the UK PM practitioner community.

By comparison the respondents who indicated that they are aligned showed a figure of 81% with 8% PhD, 36% Masters and 37% Bachelors. PM practitioner respondents from the rest of the World reported a figure of 88% with 6% PhD, 49% Masters and 33% Bachelors.

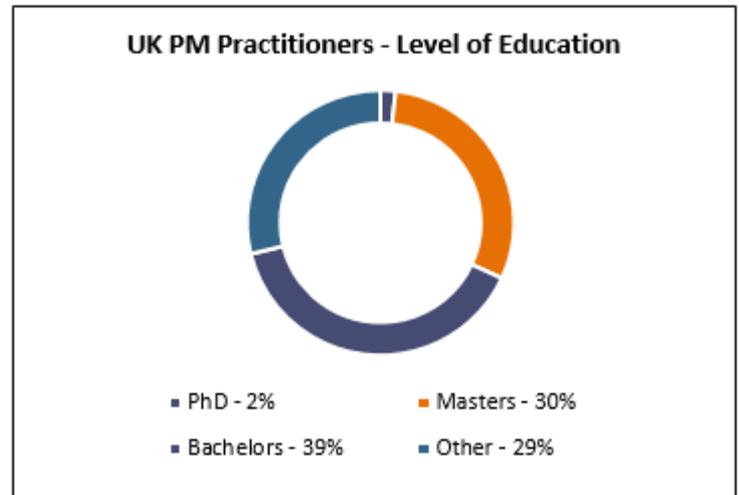


Fig 14 – UK Levels of Education

Education and Remuneration:

To see what impact the level of education has on remuneration for UK based PM practitioners we looked at both Freelancers and Employees pay bands as plotted in Fig. 15 and Fig. 16 shown to the right.

For Freelancers the impact of the PhD/Masters can be seen once the rate is over £500 / day where they track above the average (All) distribution. For those with a Bachelors they appear to reap some benefits in the mid ranges with parity at lower levels of pay. However at the £600+ day rates they fall behind the practitioners with no university education and the PhD/Masters.

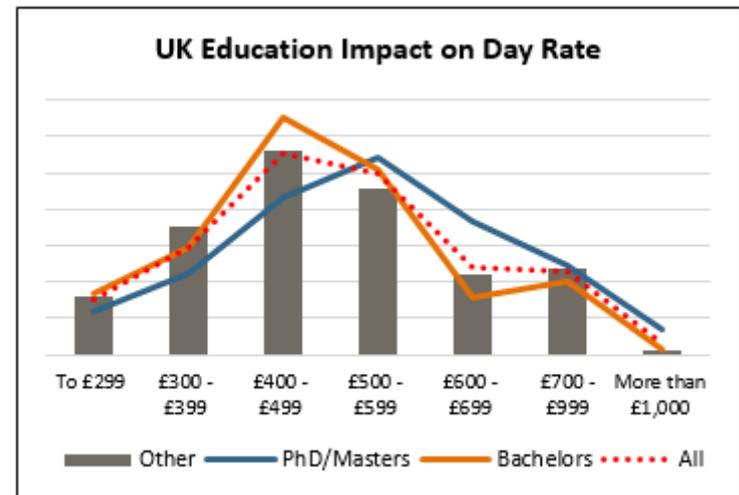


Fig 15 – Education Impact on UK PM Day Rates

Experience + (Education or Qualifications) A winning combination

When looking at employee salary we see a very similar pattern with one very obvious exception in the £60 to £75K bracket. Here we see that the non-university educated practitioners outperform their counterparts and the average (All). The data also suggests that this may be a glass ceiling for these practitioners as those achieving salaries greater than £75K have significantly more respondents with a university education.

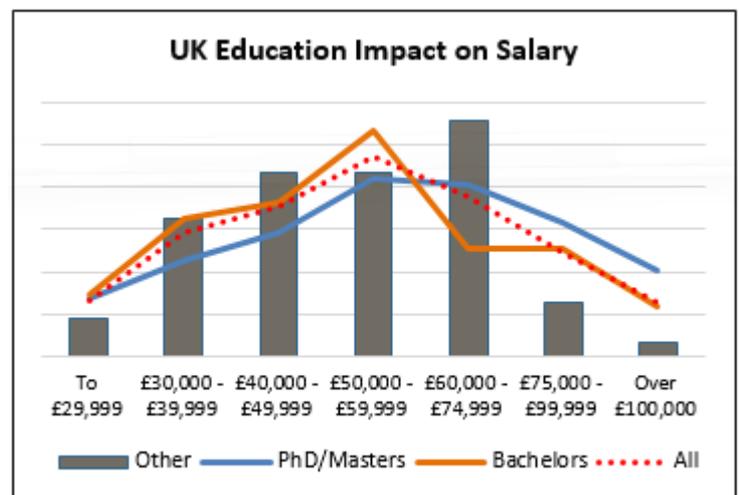


Fig 16 – Education Impact on UK PM Salary

So who are this group? 58% are over the age of 50; 81% are male; 48% have a HND (Higher National Diploma); 90% have some formal project management qualifications; top sectors in which they work are telecoms, manufacturing and government. First and second generation PM's who lead with their experience and domain knowledge?

PM Qualifications:

This year we returned to the traditional list of PM qualifications in order to grab a snapshot of the picture across both the UK (Fig. 18) and the rest of the world (Fig. 17). Once again some PM practitioners indicated they have no Pm qualifications, 18% RoW and 16% UK.

PMI - PMP - Project Management Professional	55%
Axelos - PRINCE2 Foundation	30%
Axelos - PRINCE2 Practitioner	29%
Scrum	17%
Lean / Six Sigma	16%
None of the listed	16%
Axelos - ITIL - IT Service Management	12%
Axelos - MSP - Managing Successful Programmes	12%
Axelos - MoP - Management of Portfolios	7%
Axelos - P3O - Portfolio, Programme and Project	5%
APMG - Agile Project Management - Practitioner	5%
APM - PMQ - (formerly APMP)	4%
SAFe	4%
Axelos - M_o_R - Management of Risk	3%
PMI - ACP - Agile Certified Practitioner	3%
APMG - Agile Project Management - Foundation	3%
AXELOS - PRINCE2 Agile Practitioner	3%
PMI - PgMP - Program Management Professional	2%
PMI - RMP - Risk Management Professional	2%
APM - PQ - Practitioner Qualification	2%
PMI - CAPM - Certified Associate in Project Management	2%
DSDM - Agile Project Management	2%
PMI - PfMP - Portfolio Management Professional	1%
APM - PFQ - (formerly APM Introductory Certificate)	1%
Axelos - MoV - Management of Value	1%

Fig 17 – RoW PM Qualifications

Axelos - PRINCE2 Practitioner	66%
Axelos - PRINCE2 Foundation	48%
Axelos - MSP - Managing Successful Programmes	29%
APM - PMQ - (formerly APMP)	19%
Axelos - ITIL - IT Service Management	13%
PMI - PMP - Project Management Professional	10%
Lean / Six Sigma	10%
Scrum	10%
Axelos - P3O - Portfolio, Programme and Project Offices	8%
Axelos - M_o_R - Management of Risk	8%
DSDM - Agile Project Management	7%
APM - PFQ - (formerly APM Introductory Certificate)	6%
None of the listed	6%
APMG - Agile Project Management - Foundation	6%
APMG - Agile Project Management - Practitioner	6%
APM - PQ - Practitioner Qualification	5%
Axelos - MoP - Management of Portfolios	5%
AXELOS - PRINCE2 Agile Practitioner	3%
PMI - CAPM - Certified Associate in Project Management	2%
Axelos - MoV - Management of Value	1%
PMI - PgMP - Program Management Professional	1%
PMI - RMP - Risk Management Professional	1%
SAFe	1%
PMI - ACP - Agile Certified Practitioner	1%
PMI - PfMP - Portfolio Management Professional	0%

Fig 18 – UK PM Qualifications

Agile PM Qualifications:

As we can see in the tables the take up of Agile PM qualifications is still relatively low when compared to the old favourites of PRINCE2 and PMP.

However when we look at Fig. 19 which is for PM practitioners with Agile qualifications we see a slightly different picture. Whilst PRINCE2 is still top of the pile SCRUM makes a good impression with 44%, followed by the DSDM and APMG Agile offerings. Looking at practitioners with Scrum, they also have a selection of traditional PM qualifications and many also have an Agile PM qualification too.

In terms of where these practitioners work; in the private sector 50% are in IT/Financial services and in the public sector 43% work in Government. With regards to age 62% are under 50, compared to 53% for all and by gender 74% are male compared to 72% for all, with 77% university educated.

Axelos - PRINCE2 Practitioner	70%
Axelos - PRINCE2 Foundation	63%
Scrum	44%
Axelos - MSP - Managing Successful Programmes	42%
DSDM - Agile Project Management	31%
APMG - Agile Project Management - Foundation	27%
APMG - Agile Project Management - Practitioner	25%
Axelos - ITIL - IT Service Management	23%
PMI - PMP - Project Management Professional	20%
Lean / Six Sigma	19%
Axelos - M_o_R - Management of Risk	13%
APM - PMQ - (formerly APMP)	13%
AXELOS - PRINCE2 Agile Practitioner	11%
Axelos - MoP - Management of Portfolios	9%
Axelos - P3O - Portfolio, Programme and Project Offices	9%
SAFe	6%
PMI - ACP - Agile Certified Practitioner	6%
APM - PFQ - (formerly APM Introductory Certificate)	6%
APM - PQ - Practitioner Qualification	6%
None of the above	6%
PMI - CAPM - Certified Associate in Project Management	3%
Axelos - MoV - Management of Value	2%
PMI - PgMP - Program Management Professional	2%
PMI - PfMP - Portfolio Management Professional	2%
PMI - RMP - Risk Management Professional	1%

Fig 19 – UK Agile PM Qualifications

In April 2017 the rules around Off-Payroll Workers (IR35) were updated for workers engaged in the UK Public Sector. The most significant change moved the point of determination (and liability) for IR35 status from the contractor delivering the services, to the engaging client.

Any decision of In-Scope places an obligation on the party paying the worker (Engaging client, Agency, Umbrella), to ensure that PAYE, National Insurance and Employers National Insurance are collected at source and paid to HMRC through their payroll systems. These workers took on a new status "deemed employee" being taxed as if an employee, without gaining any employment rights.

In the run up to the November 2017 Budget there were many scare stories across the media that the "successful changes" would be rolled out across the Private sector in April 2018. This caused massive consternation and for many much relief when the rumours did not turn into fact. However the Chancellor did announce that a new consultation would take place in early 2018 (yet to be announced) to discuss how/when/if this roll-out will be activated in order to "level the playing field".

We ran a separate survey in early November 2017 to gather the thoughts of the PM community and published a report "IR35 and its Impact in the Project Management Domain" which is available for download from the Arras People website.

Questions posed in the PM Census were used to validate the previously collected data and gather the thoughts and opinions of those impacted as well as those worried about any future implementation of this legislation.

IN or OUT:

As we can see in Fig. 20 many PM practitioners have been unaffected by the legislation as their roles have been identified as Out of Scope. Whilst some roles were always going to be In-Scope as they are supervised.

The major issue has always been around those roles that are classed as In-Scope regardless of the real facts around what the Freelancer is being engaged to deliver. Examples such as the blanket In-Scope decisions implemented by the MoD (Ministry of Defence), with no appeal process are seen as poor execution of the legislation.

It would appear that there is still much confusion about the implementation of the legislation, which is making many Public bodies err on the side of caution to avoid any future liability should HMRC not agree with their decision. This lack of execution is impacting the freelancing community in terms of their earnings and opportunity. Whilst at the same time it is impacting the sectors ability to attract PM practitioners with the required skill sets due to the rates and conditions which they are being asked to engage under.

There is much for the future consultation to consider if this legislation is to be made to work in a fair and equitable way.

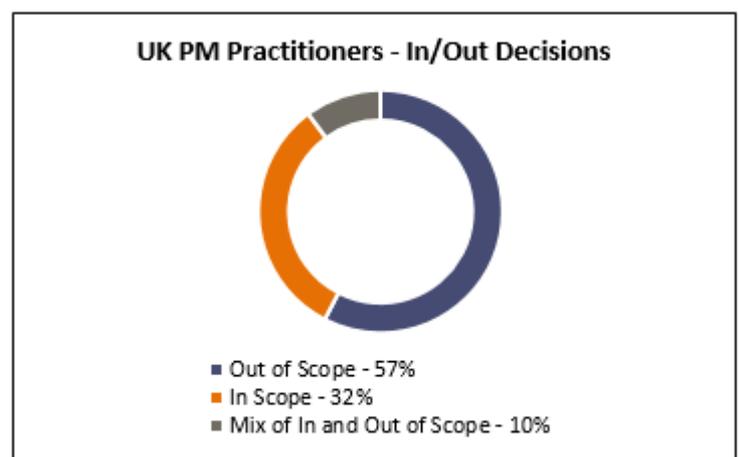


Fig 20 – UK Public Sector Freelancers In/Out of Scope

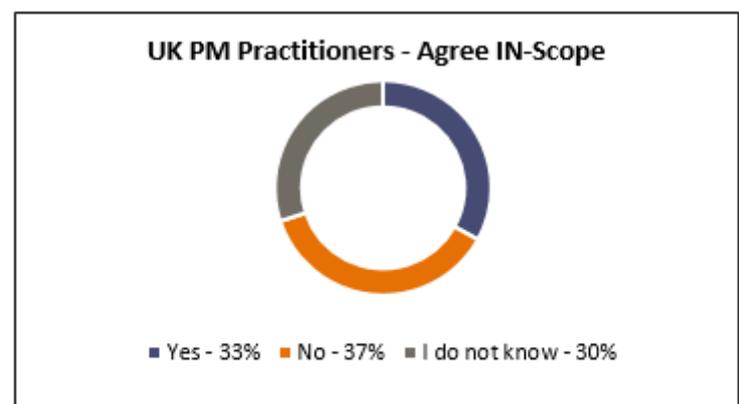


Fig 21 – UK Practitioners Agree with In/Out Decision

88% of those deemed as IN-Scope were given no process for appeal

In all our years being involved in the recruitment of Project Management practitioners it has been a very rare occasion when a client has not requested that candidates have the relevant experience. This demand for relevant experience has been shown again in this year's census data, where we asked those involved in the recruitment of Project Management practitioners what they value most in a candidate. As per previous years "PM Experience" came out top of the pile with "Domain/Sector knowledge and Experience" coming in third.

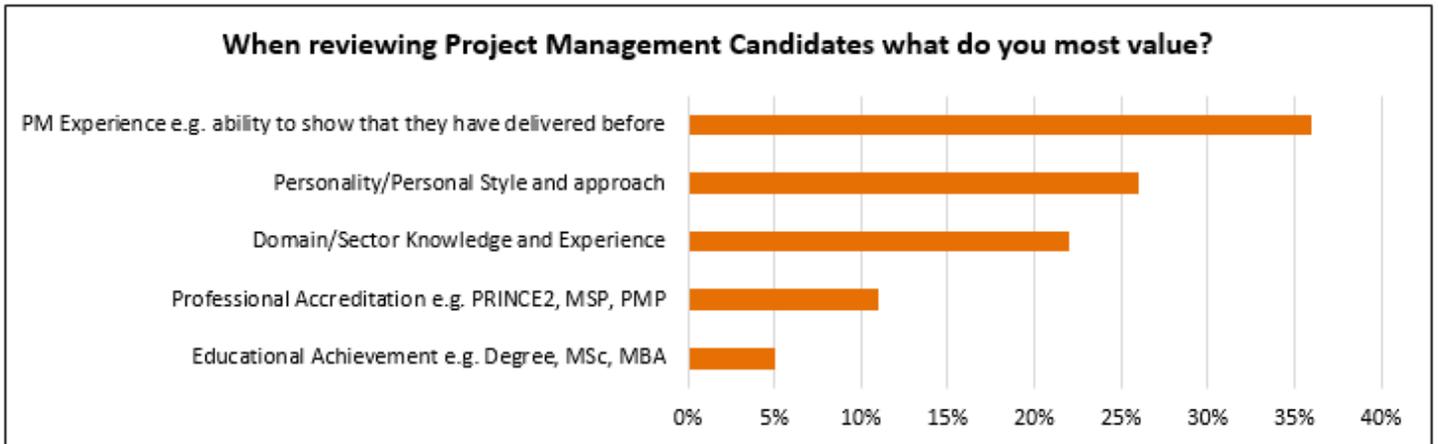


Fig 22 – What is most valued in a PM Practitioner

As Project Management is an art rather than a science, the requirement to be able to show relevant experience is not really a surprise. Great Project Management practitioners have experience, can tell great stories of past triumphs and (occasionally) failures; they have the scars of battle. We all know that the 'right' experience will enable someone to 'hit the ground running', whilst 'getting up to speed' etc, etc.... and in tough recessionary times when it is hard to get the authorisation to hire there is even more pressure on to get it right.

Tippling Point?

Project management experience is a catch 22 scenario for many practitioners. Perceived not to have the relevant experience for a role and thus never get the opportunity to gain it!

The great recession exacerbated this situation as leaner organisations demand the ability to execute today with no budget to invest in people for tomorrow.

Ten years on from the great recession, our data is suggesting that the lack of investment in training and developing PM practitioners may have hit a tipping point, as shown in Fig. 23.

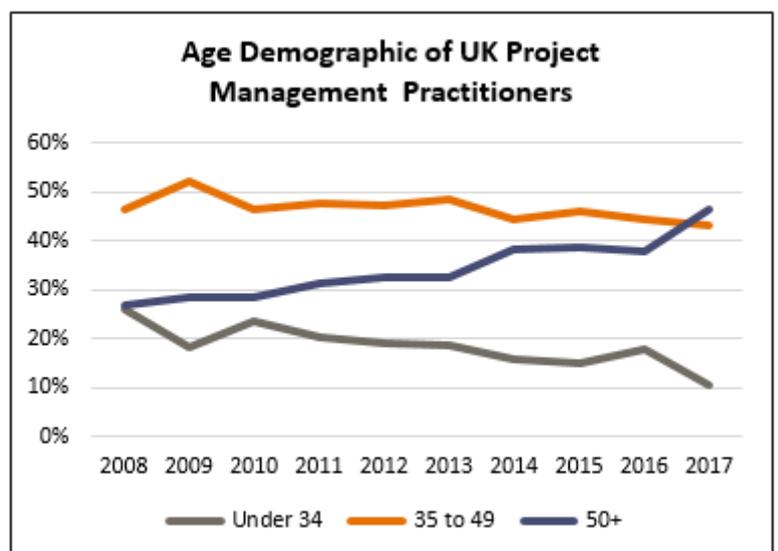


Fig 23 – UK PM Practitioner Age Profile

Looking at the data for the last 10 year, since 2008 all three groups have a distinct trend which suggests that there may be troubles ahead. The 2017 data has created for the first time an intersection point where the '50+' cohort have risen to the largest group accompanied by decreasing trend for both of the younger age groups.

Like a conveyor belt, how long can UK Plc expect Project Management to deliver if the relevant investment is not being made in the future generations. Will the generation retire before suitable replacements are available? If so, the impacts could be significant.



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Unemployed Practitioners

As we saw the unemployment level in the UK continue to drop, the PM community do not appear to be keeping track with the overall trend with 7% of respondents saying they are currently unemployed.

When the profile of the unemployed practitioners is reviewed and compared to the overall practitioners group (Fig. 24) we can see that there is a disparity in terms of the age breakdown. In the unemployed the 50+ age group accounts for 61% compared to 46% in the wider population.

Other notable comparisons for the 50+’s include gender where 80% are male; 30% have no common PM qualifications compared to 26% of all unemployed and 16% of the full practitioner group; by location the largest group at 20% are in the North West and 58% had a previous income level of £50K or more.

Overall the unemployed practitioners report that 63% have been so for 6 months or less, whilst 22% have been so for more than 12 months.

The challenge:

Amongst the unemployed practitioners there is a great deal of frustration which includes;

- A perception that their previous PM experience is framed by the domain they were working in, rather than what they delivered.

“The phrase 'transferable skills' appears to play second fiddle to previous industry/ sector experience, regardless of success.”

- The quality of many recruiters and agencies who do not have any project management experience to apply to the CV sifting process. Thus they do not get the opportunity to sell their experience to a hiring manager.
- The perception that ageism is alive and kicking across the UK. Age and experience being seen as a reason not to hire, rather than the opportunity to bring in a new blood.

Whilst these are not new observations, the fact that they repeat year on year suggests that a pool of talent is potentially going to waste.

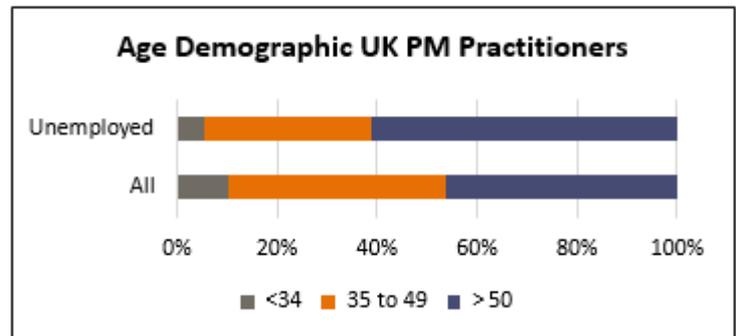


Fig 24 – UK PM Age Profile Comparison

“I am not convinced that my age is not a barrier, I secure a fair proportion of interviews but get pushed back following a face to face with 'too senior' for role, or no feedback at all.”

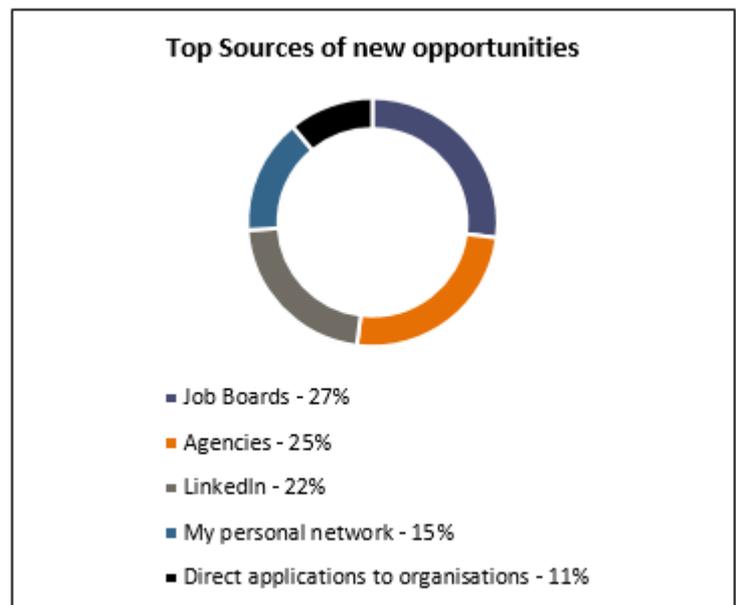


Fig 25 – UK Unemployed—Opportunity Source

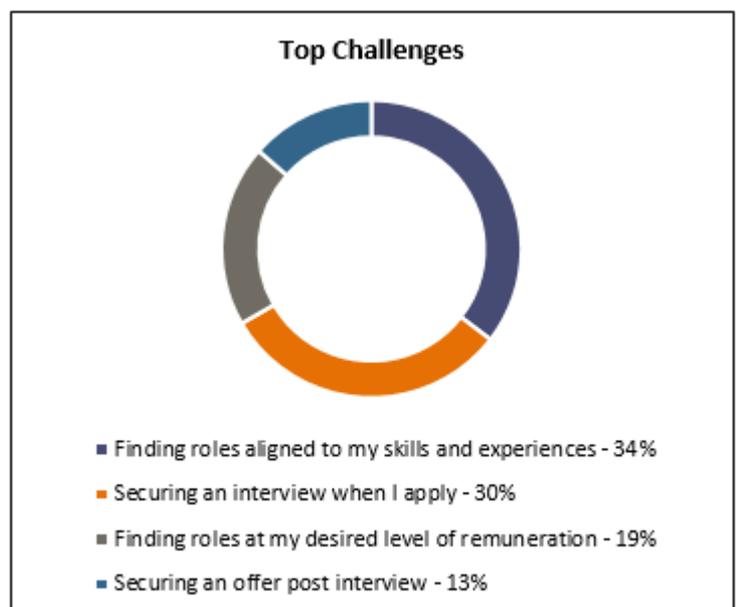


Fig 26 – UK Unemployed—Top Challenges

2017 saw another challenging year on the economic front for the UK as the impacts of lower exchange rates started to translate into inflation. The CPI (Consumer Prices Index) hit 3.1% in November, the highest rate for six years and at the same time data was showing that wages were rising at just 2.2%. With this in mind we thought it would be interesting to look at responses over the last ten years.

Financial Position:

As we can see in Fig. 27, despite the reported economic situation, 39% of the UK practitioners reported that they are feeling better off than they did 12 months previously, whilst 35% say they feel the same. Whilst these splits are very similar to last year, compared to 2009 and the period of the financial crisis the 26% feeling worse off is a significant improvement on the 49% back then.

Personal Confidence:

The historical view of the data from UK based PM practitioners around personal confidence has shown that it tends to be positive regardless of the economic conditions. The data returned this year however has a marked difference as we can see in Fig. 28. Practitioners recording very high (11%) and High (42%) are down on recent years and are very similar to those of 2009. Those recording feeling neutral have increased significantly compared to any previous response and account for 36% of the responses recorded. Those with low levels of confidence at 11% are low especially when compared to 2010 when this figure peaked at 28%.

Brexit impact:

As we can see in Fig. 29 when asked if Brexit is impacting their expressed level of confidence, we recorded a slight movement from last years response to the same question. Those saying no increased by 6% whilst those saying yes, either positively nor negatively dropped by around 3%.

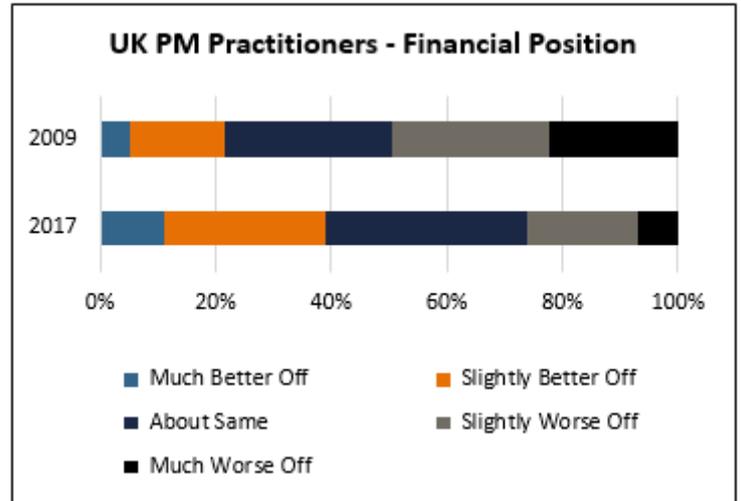


Fig 27 – UK Practitioners Financial Position

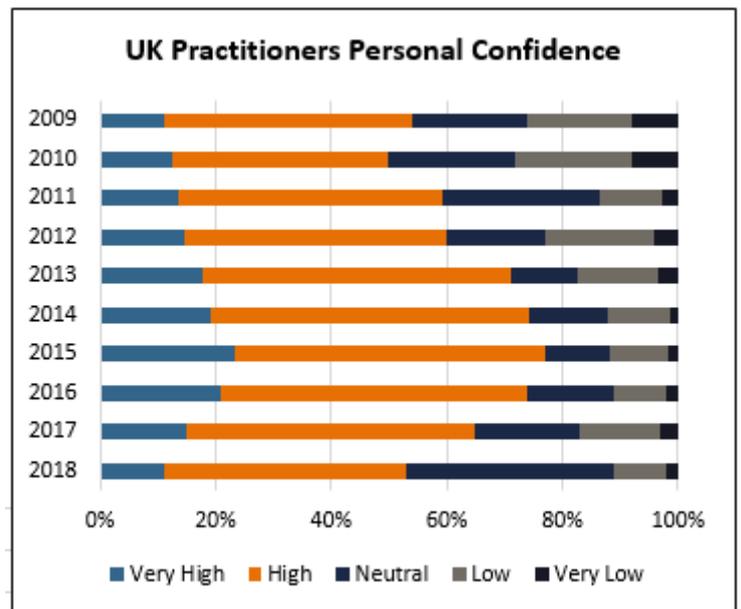


Fig 28 – UK Practitioners Personal Confidence

“Just get on with it - make the most of Brexit or any other situation that arises”

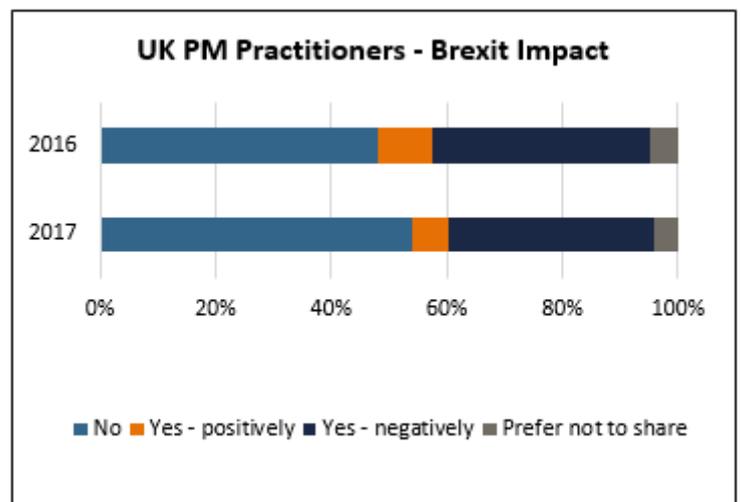


Fig 29 – Brexit Impacting Personal Confidence

Day Rates:

As we can see in Fig. 30 the UK based freelancers had mixed fortunes with regards to day rates during 2017. The impact of the Off-Payroll legislation can be clearly seen with 36% seeing their rates fall including 22% seeing a fall of greater than 12% which aligns with EENI (Employers National Insurance) being subtracted from the rates on offers for assignments classed as In-Scope. Across sector those seeing no change in rate were similar at 43% with 36% of private sector freelancers achieving a rise compared to 20% of those delivering in the public sector. Another challenging year.

Salary Rates:

For employees the challenges on pay are also apparent and mapped out in Fig. 31 where we can see the greater security of being on the payroll, with just 3% reporting a fall in their salary. For those seeing no change to basic pay in 2017 the figures were 20% for public sector and 23% in the private sector compared to 39% and 28% in 2016. The cap on public sector pay is once again evident with 46% achieving a 1 to 2% increase. Over this level, just 11% of public sector workers reported a pay rise of 3% or more and 24% of those working in the private sector.

For those employees who changed employer the story is generally more positive as we can see in Fig. 32 with 49% achieving an increase of more than 5%. By sector this increases to 64% for those working in the private sector.

Outlook:

When asked to look forward into 2018 the respondents painted a picture that aligns with current forecasts with a significant proportion of practitioners predicting little change to their remuneration.

The contractor community look a little more positive with an increase in those anticipating day rates will increase in 2018, though they are still operating in a very competitive market.

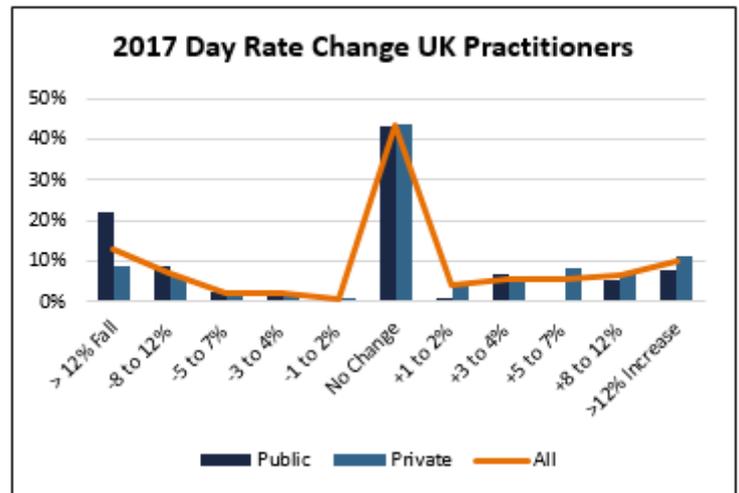


Fig 30 – UK Practitioners 2017 Day Rate Change

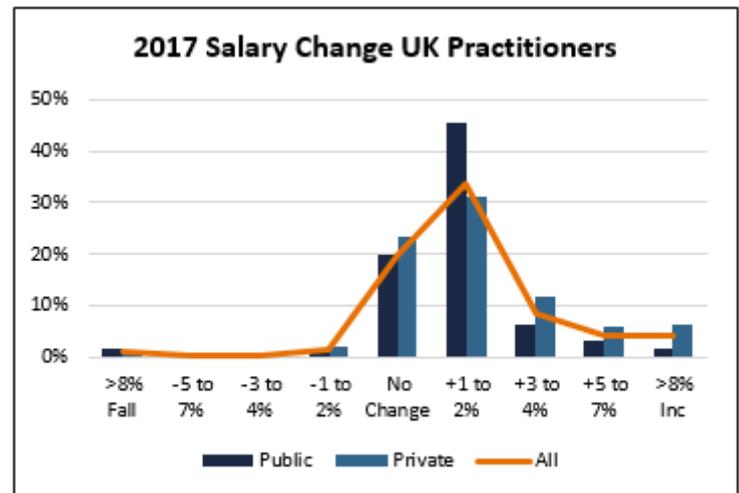


Fig 31 – UK Practitioners 2017 Salary Change

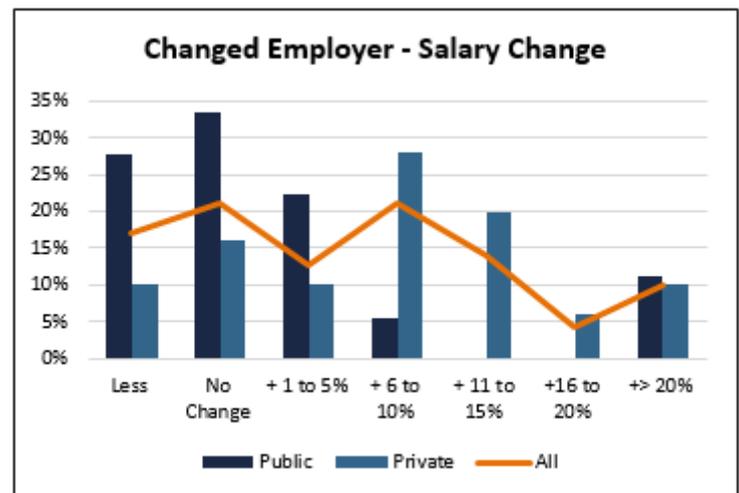


Fig 32 – UK Practitioners Increase Changing Employer

Employee Salary into Year	2018	2017	2016	2015	2014
Fall	2%	2%	2%	3%	2%
Unchanged	27%	30%	32%	28%	31%
Increase	71%	68%	67%	70%	67%
Contractor Rates into Year	2018	2017	2016	2015	2014
Fall	9%	11%	9%	11%	12%
Unchanged	42%	56%	51%	51%	58%
Increase	48%	33%	40%	38%	30%

Fig 33 – UK Practitioners 2018 Expectations

Practitioners who identified themselves as Freelancers (Contractors) accounted for 41% of the UK based respondents, a figure which aligns to last years result. Many respondents reported 2017 as a challenging year with the impact of the Off-Payroll (IR35) changes hitting not only those in the public sector through lower rates and reduced opportunities; but also some in the private sector as competition intensified as practitioners looker for greener grass by swapping sector. Looking forward to 2018, the threat of the Off-Payroll legislation being rolled out across the private sector is a major worry for many and the planned consultation is eagerly awaited.

Active?

With the known challenges we asked freelancers for the first time to identify their current status in terms of being active or resting/between assignments. As can be seen in Fig. 34 a significant number (31%) reported that they were inactive when completing the survey. Of these 9% did not work in 2017, 35% had been inactive for less than a month and 28% between two and three months.

What is a Consultant?

We have always had a class of PM Consultant in the survey and this year we tried to dig a little deeper into what this means. Our experience is that it is a word which is open to interpretation and for some a way of implying status. Looking to Fig. 36 we can see that many Consultants are delivering operational activities, a low number expert advice and guidance, whilst the majority say they are delivering a combination of the two. Maybe our thoughts are correct.

Day Rates:

The day rate data collected from our respondents is shown in Fig. 37 and we can see some differences from the previous two years data with a double peak occurring in the £450-£499 and £550-£599 ranges which we have not seen for a number of years.

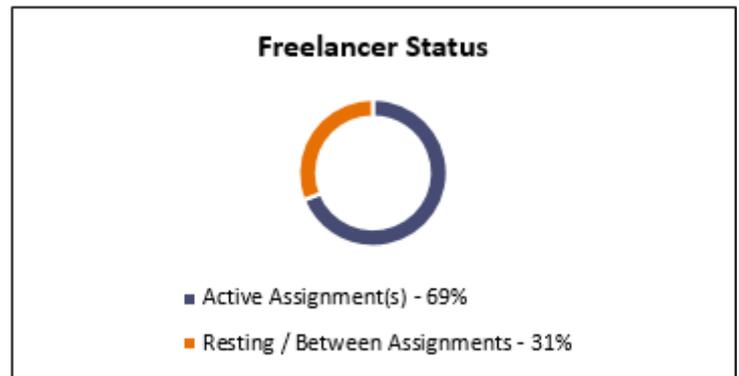


Fig 34 – UK Freelancer Status

Mode of Operation	2017	2016	2015	2014	2013
Ltd Company	86%	89%	88%	85%	78%
Umbrella Company	9%	5%	8%	8%	12%
Sole Trader	5%	5%	4%	7%	10%
Paying Clients Engaged with:	2017	2016	2015	2014	2013
One	71%	76%	79%		
Two	18%	16%	12%		
Three	6%	4%	5%		
Four or More	5%	4%	4%		
Time as Contractor	2017	2016	2015	2014	2013
Under 1 Year	14%	17%	13%	16%	16%
1 - 3 years	23%	26%	32%	25%	28%
4 - 5 years	14%	11%	15%	11%	11%
Over 5 years	49%	46%	53%	48%	45%

Fig 35 – UK Freelancers



Fig 36 – UK Freelance PM Consultants

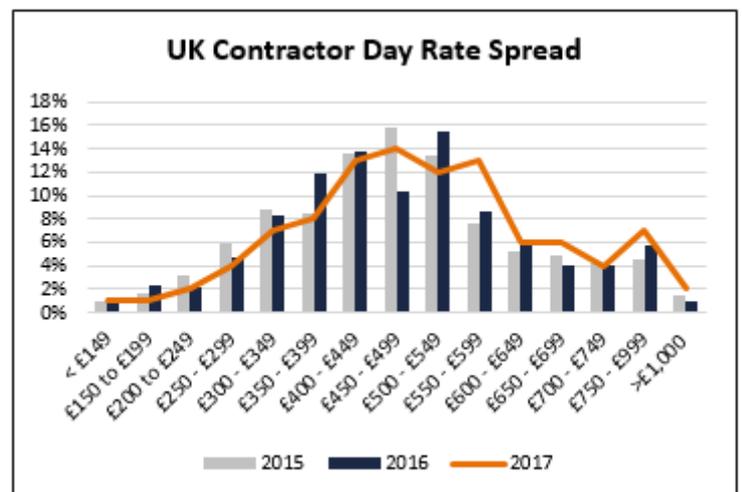


Fig 37 – UK Freelance Day Rates

When analysed at a deeper level it can be seen in Fig. 38 that the primary driver is the difference in profile between the Programme Managers and the Project Managers. The average for All respondents taken from those willing to share their actual day rate averaged at £514. For Programme Managers the average came in at £578/day whilst for Project Managers it was £459/day.

Profile of a PM Freelancer:

Looking at the freelancers we saw the following:

- ⇒ 80% male
- ⇒ 58% are 50+ years old
- ⇒ 65% are University educated
- ⇒ 80% have 10+ years of PM experience
- ⇒ 38% class themselves as 'experts'
- ⇒ 8% class themselves as 'thought leaders'
- ⇒ 67% have PRINCE2 Practitioner qualification
- ⇒ 33% have MSP qualification
- ⇒ 17% have APM PMQ qualification
- ⇒ 12% have PMI PMP qualification
- ⇒ 12% work in Financial Services
- ⇒ 31% report to an IT Function
- ⇒ 36% live and work in London / South East
- ⇒ 34% of those who commute, do so to work in London
- ⇒ 20% of those who commute have no fixed work location

Work Rest & Play:

One of the common challenges for Freelancers is attaining a balance between work and life, often made harder by the fact that time away from an assignment is unpaid. Looking at the data the average freelancer is contracted 36.5 hours per week and yet delivers 42.7 hours, a not insignificant 117% of value! Added to this the average for commuting is 8.7 hours per week which all adds up to 51.4 hours per week or 141%. I wonder how many price this into their calculations when looking for an assignment?

We also asked the Freelancers how many weeks holiday they took during 2017, where **Holiday is classed as time away from paid work NOT time between assignments**, the results in Fig. 40 make for interesting reading compared to your average employee.

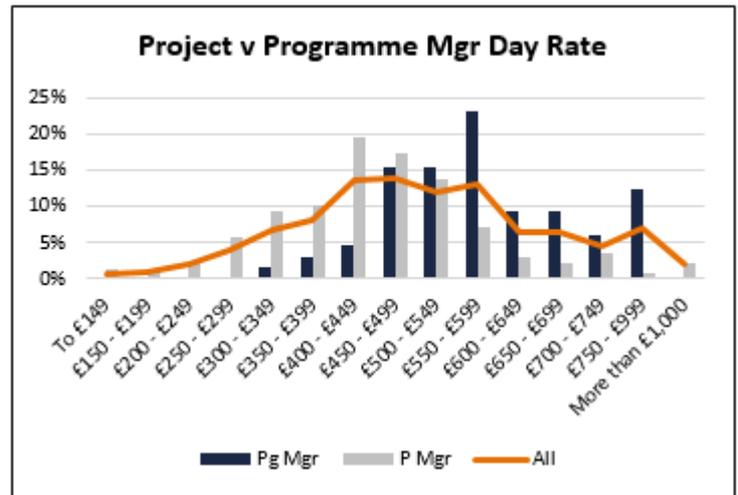


Fig 38 – UK Freelance PM and PgM Day Rates

Contracted for work during year	2017	2016	2015	2014	2013
1 to 3 Months	7%	10%	8%	7%	13%
4 to 6 Months	13%	16%	18%	17%	14%
7 to 9 Months	20%	26%	22%	23%	23%
10 to 12 Months	59%	48%	52%	53%	49%
Contract Availability	2017	2016	2015	2014	2013
Decreased	23%	31%	17%	12%	28%
Stable	46%	47%	45%	40%	40%
Increased	31%	22%	38%	48%	32%
Typical Contract Length	2017	2016	2015	2014	2013
1 to 3 Months	21%	22%	23%	22%	30%
4 to 6 Months	41%	36%	41%	38%	36%
7 to 9 Months	7%	12%	12%	15%	12%
10 to 12 Months	30%	30%	24%	25%	22%
I was Contracted	2017	2016	2015	2014	2013
1 time	32%	41%	27%	29%	33%
2 times	38%	33%	41%	37%	33%
3 times	17%	16%	19%	20%	20%
More than 3 times	14%	10%	13%	14%	14%
I am starting the current year with	2017	2016	2015	2014	2013
No Contract	36%	30%	28%	28%	30%
< 3 Months Contract	21%	27%	24%	27%	29%
3 to 6 Months Contract	30%	26%	33%	28%	28%
> 6 Months Contract	13%	17%	15%	17%	13%
Pressure on day rate	2017	2016	2015	2014	2013
Decreased	14%	13%	20%	19%	13%
Was Stable	50%	53%	49%	50%	49%
Increased	36%	34%	31%	31%	38%

Fig 39 – UK Freelancer Activity

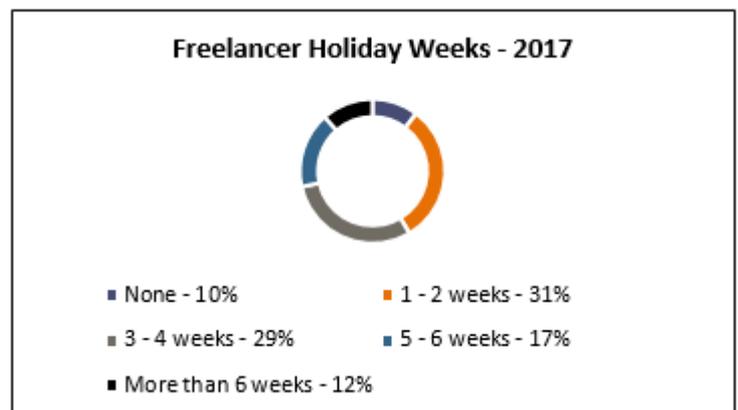


Fig 40 – UK Freelancers Holiday

Practitioners who identified themselves as Employees accounted for 51% of the UK based respondents, a figure which aligns to last years result. In this group 87% identified as UK Nationals, 8% from the EU and 4% from other parts of the world.

Profile of a PM Employee:

Looking at the employees we saw the following:

- ⇒ 64% male
- ⇒ 33% are 50+ years old
- ⇒ 77% are University educated
- ⇒ 59% have 10+ years of PM experience
- ⇒ 18% class themselves as 'experts'
- ⇒ 4% class themselves as 'thought leaders'
- ⇒ 65% have PRINCE2 Practitioner qualification
- ⇒ 27% have MSP qualification
- ⇒ 22% have APM PMQ qualification
- ⇒ 9% have PMI PMP qualification
- ⇒ 14% work in IT Sector
- ⇒ 26% Report to an IT Function
- ⇒ 40% Live and work in London / South East
- ⇒ 48% Of those who commute, do so to work in London
- ⇒ 21% Of those who commute have no fixed work location

Remuneration:

As we can see in Fig. 42 the base salary data provided by the respondents saw a positive shift to the right during 2017 with the largest grouping in the £50K range. From actual salary details provided by respondents we saw the average move to £57,865.

One of the hot topics of 2017 was gender equality in terms of remuneration as we saw the fall out from the BBC publishing their top earners list and other large UK based organisations starting to report their own figures.

Fig. 43 and Fig. 44 provide a slice through our data to show the salary distribution by gender, across both the public and private sectors. The data shows interesting distributions across gender and against the whole group that are worthy of deeper investigation outside of this report.

Employment Status	2017	2016	2015	2014
Permanent	92%	89%	93%	92%
Temp	6%	2%	6%	7%
Fixed Term	2%	9%	1%	1%
Time with Employer	2017	2016	2015	2014
Under 1 year	23%	26%	24%	20%
1 to 3 years	33%	32%	32%	32%
4 to 5 years	14%	9%	11%	10%
Over 5 years	30%	32%	33%	37%
Gender	2017	2016	2015	2014
Male	64%	62%	64%	69%
Female	35%	38%	35%	31%

Fig 41 – UK Employee Status

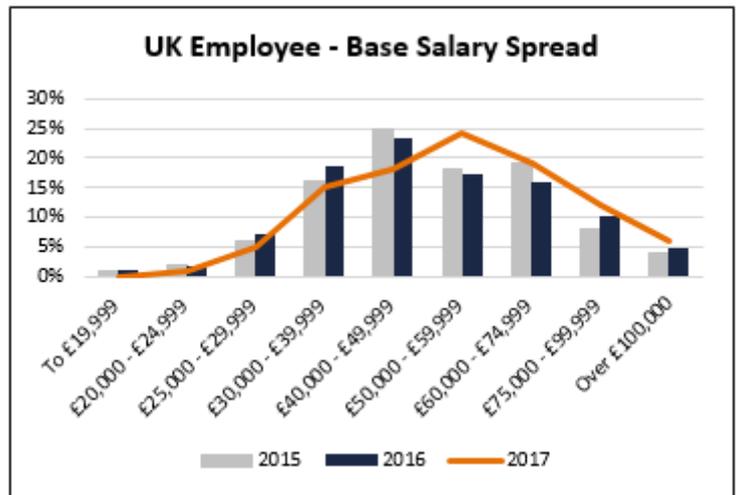


Fig 42 – UK Employee Base Salary

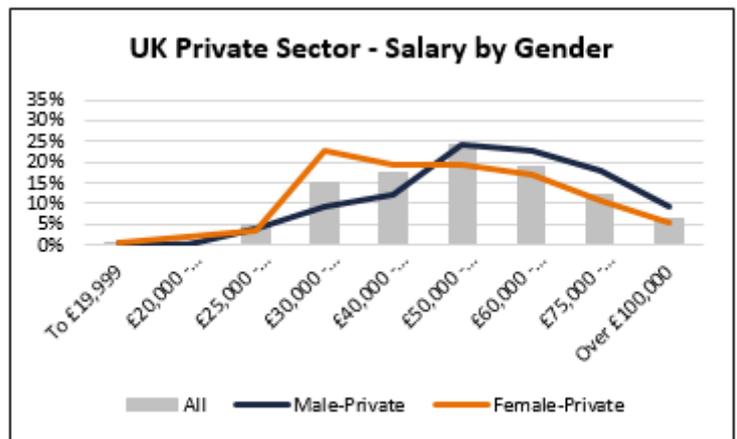


Fig 43 – UK Private Sector Salary by Gender

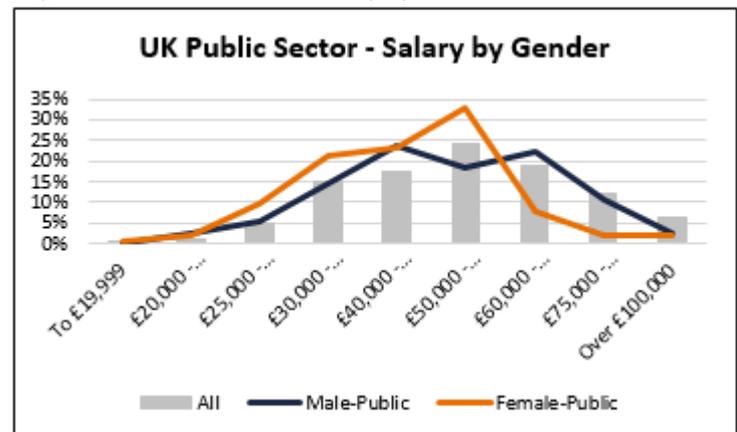


Fig 44 – UK Public Sector Salary by Gender

Working Hours:

Like the freelancers, the employees who responded to the survey were asked about their contracted, working and commuting hours. When analysed we see average contracted hours at 37.27 per week, average worked hours at 43.43 per week with 8.05 hours spent commuting. So on average employees are giving an extra day of work per week and a further day commuting.

The return of Churn:

Looking at the 2017 data it would suggest that the employment market is starting to see an increase in churn (people changing jobs) with 38% (up 14.6% on the last 3 years) reporting that they had either changed jobs with their current employer or moved to a new employer within the last year. Of these, 60% had moved to a new employment situation. Looking at the breakdown, 17% had moved from Freelancing into permanent employment as conditions remained tough or to escape the issues around the introduction of the Off-Payroll Legislation. 14% came out of being unemployed and the remaining 68% moved between employers. Churn is a positive indicator for employees and as we have previously identified these practitioners are also topping the remuneration changes, After years of low churn, employees and employers alike will be impacted by this change.

Happy?

As we can see in Fig. 48 the employed practitioners offer an interesting view of their position heading into 2018. The 32% saying they are happy in their current role is consistent with responses over recent years. The 23% looking to leave their current roles and the 29% who say they are open to change could well contribute to a further increase in churn during 2018. In turn this should ultimately start to have an impact on wage inflation which has for most practitioners remained flat for the last decade.

Bonus Payment Received	2017	2016	2015	2014	2013
All	50%	50%	44%	49%	47%
Public	21%	17%	20%	18%	25%
Private	63%	64%	51%	60%	56%
Bonus Calculated	2017	2016	2015	2014	2013
Personal Performance	11%	15%	18%	15%	16%
Company Performance	18%	15%	14%	15%	16%
Combination	71%	69%	68%	70%	68%
Bonus Level	2017	2016	2015	2014	2013
None	50%	50%	56%	51%	53%
1- 8% of Salary	29%	27%	23%	27%	26%
9 - 15 % of Salary	13%	13%	14%	12%	14%
16 - 25% of Salary	5%	8%	5%	7%	5%
25%+ of Salary	3%	2%	3%	3%	2%

Fig 45 – UK Freelance PM and PgM Day Rates

Employee Benefits	2017	2016	2015	2014	2013
None	3%	3%	26%	26%	22%
Yes	97%	97%	74%	74%	78%
Benefits Received	2017	2016	2015	2014	2013
Pension Plan – Contributory	88%	84%	89%	89%	88%
Healthcare Benefits	52%	54%	61%	63%	57%
Mobile Phone	50%	46%	51%	50%	53%
Life Insurance	39%	43%	42%	49%	43%
Share Scheme	18%	-	-	-	-
Car Allowance	18%	18%	23%	26%	31%
Child Care Subsidies	13%	14%	12%	13%	14%
Pension Plan – Non-Contributory	12%	13%	11%	12%	10%
Gym Membership	9%	11%	6%	10%	7%
Other	8%	12%	12%	12%	8%
Company Car	7%	6%	10%	11%	10%
Fuel Allowance	5%	7%	7%	6%	8%

Fig 46 – UK Freelancer Status

Changed Job/Role	2017	2016	2015	2014
Yes	38%	24%	23%	23%
No	62%	76%	77%	77%
Reason for Changing	2017	2016	2015	2015
Increase in challenge	27%	29%	40%	32%
Promotion	34%	29%	28%	30%
Better prospects	24%	23%	31%	28%
Better package	21%	19%	26%	23%
Change in lifestyle	15%	18%	19%	16%
Other	15%	17%	18%	16%
Redundancy	10%	16%	22%	10%

Fig 47 – UK Freelancer Status



Fig 48 – UK Freelancer Status

Every year in the Census survey we ask our respondents to place themselves in a band to represent their current salary or day rate so that we are not too intrusive regarding what many see as really interesting but personal information. We also include an optional question to see if they are willing to share their actual salary and day rate information. Of the contractors who provided a rate category, 77% went on to share an actual day rate figure (Consultants being the shyest with 64%) whilst of the employees who provided a salary category, 78% went on to share an actual salary day rate figure.

It is with this in mind that we have shared the tables below to give an indication of rate data against the seven main roles used throughout the survey to categorise our respondents. The figures whilst indicative to a point also show the difficulties in answering questions such as "how much am I worth?" and "how much would I have to pay for a project manager?" The added dimensions that are not included here are PPM experience, industry, domain expertise, location etc which will all impact the numbers that are generated. Detailed profiling of candidates and roles are just one of the many advantages that clients of Arras People have when they engage our unique project management recruitment services.

2017 Freelancer Day Rates									
	All	Max	Min	Private	Public	Third	Male	Female	
Portfolio Manager	£ 651	£ 950	£ 380	£ 694	£ 570		£ 646	£ 661	
Programme Manager	£ 566	£ 880	£ 300	£ 607	£ 527	£ 475	£ 560	£ 599	
Project Manager	£ 460	£ 1,250	£ 110	£ 494	£ 425	£ 475	£ 460	£ 463	
Change/Transformation Manager	£ 531	£ 800	£ 250	£ 534	£ 559		£ 535	£ 450	
Programme/Project Management Consultant	£ 591	£ 1,250	£ 320	£ 594	£ 596	£ 510	£ 593	£ 580	
PMO Manager	£ 511	£ 800	£ 220	£ 543	£ 439	£ 500	£ 470	£ 600	
Programme/Project Support / Analyst	£ 324	£ 450	£ 200	£ 450	£ 313		£ 320	£ 335	
All	£ 516			£ 546	£ 477	£ 486	£ 511	£ 538	

2017 Employee Base Salary									
	All	Max	Min	Private	Public	Third	Male	Female	
Portfolio Manager	£ 68,105	£128,000	£ 45,000	£ 70,958	£ 61,642	£ 94,522	£ 72,805	£ 55,762	
Programme Manager	£ 73,296	£166,000	£ 29,000	£ 79,362	£ 57,530	£ 49,000	£ 72,662	£ 75,200	
Project Manager	£ 49,775	£145,000	£ 24,000	£ 51,193	£ 46,758	£ 45,851	£ 51,804	£ 44,615	
Change/Transformation Manager	£ 64,119	£154,000	£ 18,998	£ 68,219	£ 59,334	£ 41,600	£ 67,713	£ 57,741	
Programme/Project Management Consultant	£ 72,464	£155,000	£ 35,000	£ 69,500	£ 84,125	£ 52,500	£ 77,700	£ 59,375	
PMO Manager	£ 55,682	£105,000	£ 31,846	£ 62,612	£ 45,331	£ 53,403	£ 60,212	£ 51,293	
Programme/Project Support / Analyst	£ 35,079	£ 99,600	£ 21,000	£ 39,604	£ 30,915	£ 30,650	£ 39,479	£ 29,579	
All	£ 57,860			£ 61,833	£ 50,991	£ 51,520	£ 60,917	£ 51,578	

Rest of the World

We would like to thank the respondents from outside of the UK who took part in the Arras People 2017 Project Management Census. The data you provided creates many reference points against which we can hold up the UK based practitioners and trends, some of which are included in this report and some which will be used in the future.

Unfortunately, the numbers who respond from each individual country/region are not of sufficient volume for us to create a detailed review/assessment on the level of the UK based practitioners, however your inputs are greatly valued.

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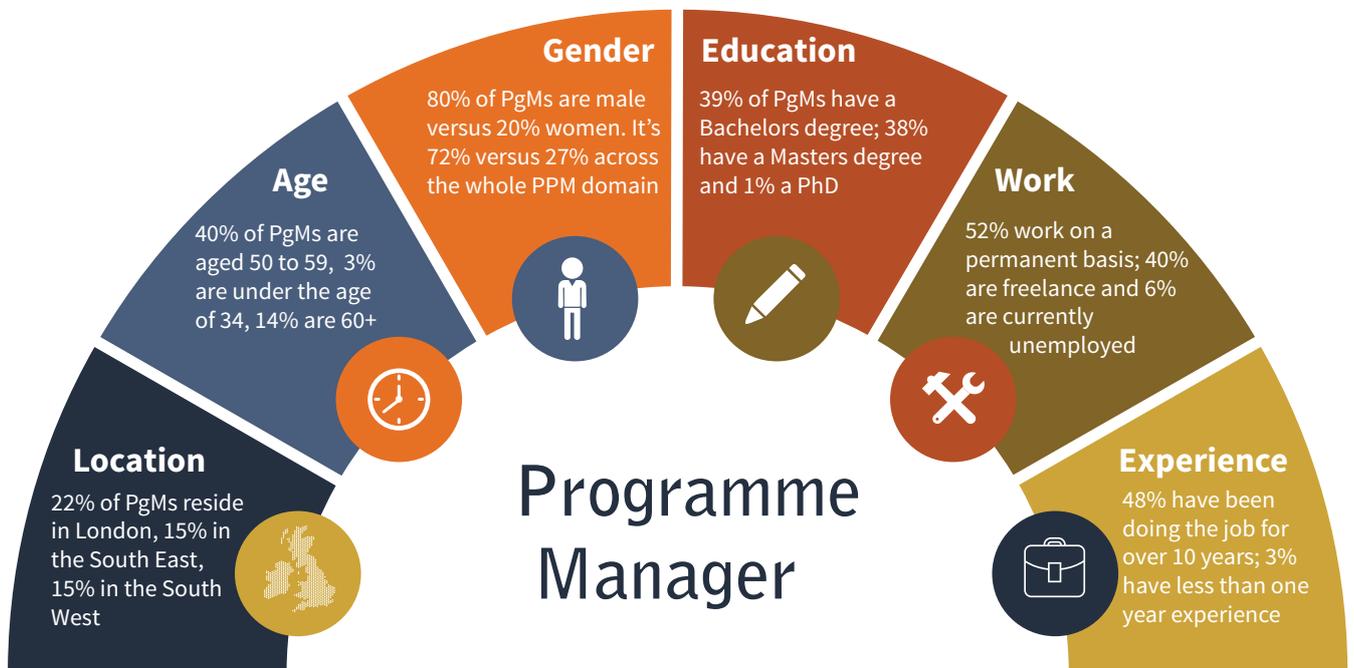
Events and Webinars

Jenny Bailey is hosting regular webinars to explore new thinking around critical areas of agility. Join her and her expert guests to be a part of this experience and have your questions answered. Most webinars are open to non-members and free to attend. Watch out for member training days, offering experiential workshops to support professional development.

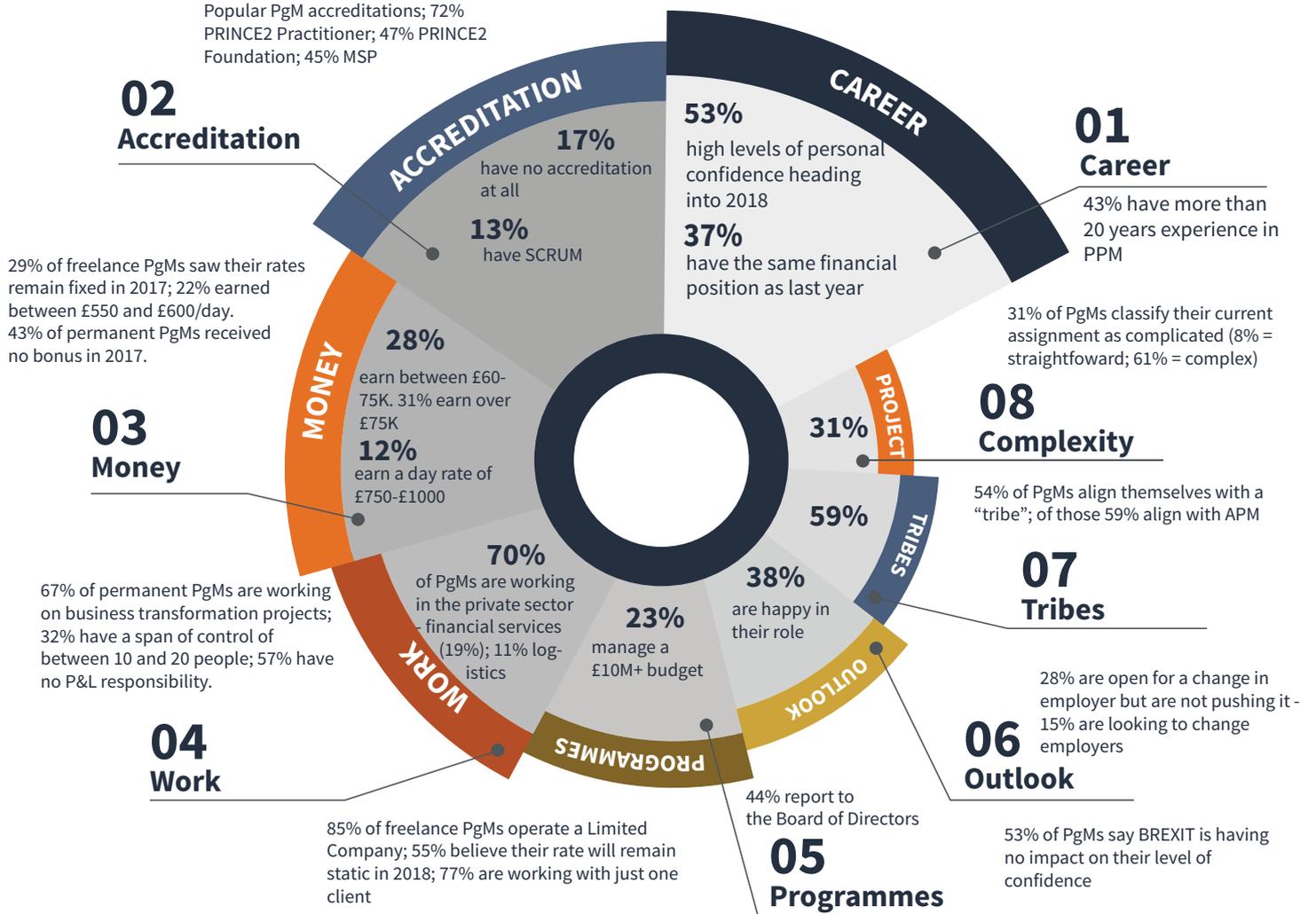


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Popular PgM accreditations; 72% PRINCE2 Practitioner; 47% PRINCE2 Foundation; 45% MSP



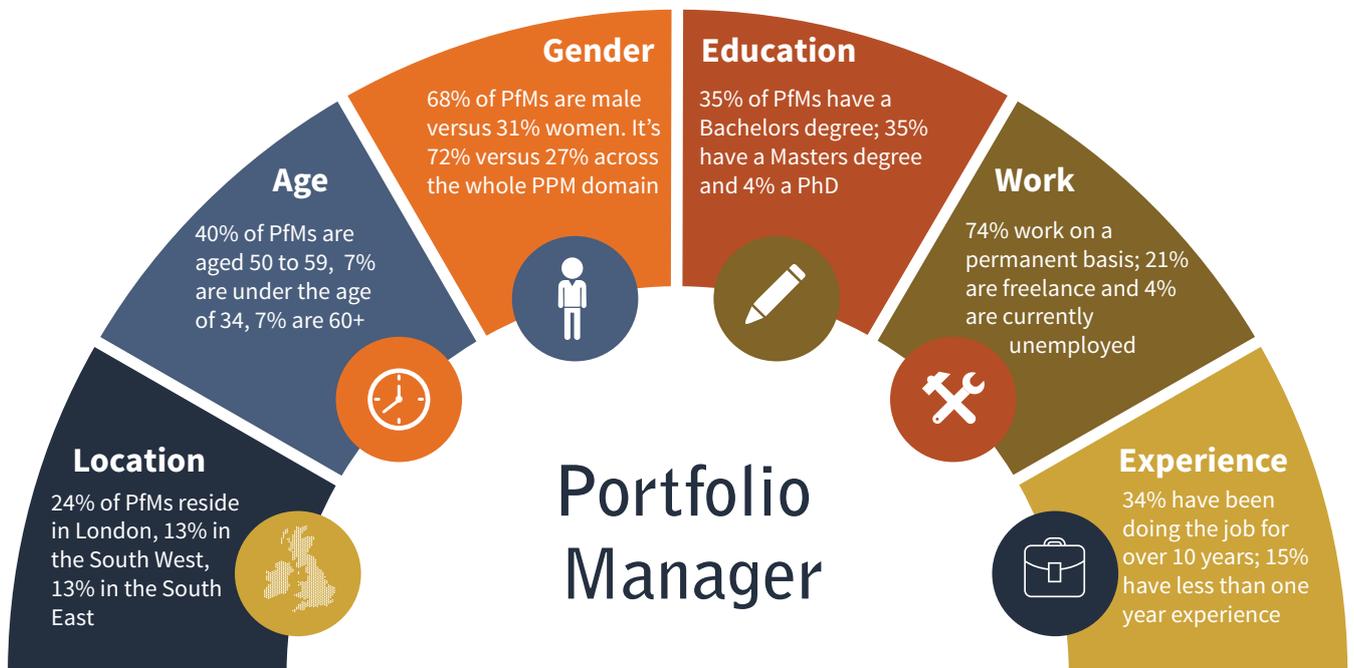
69% of PgM freelancers are currently on a contract; 31% are resting or between assignments



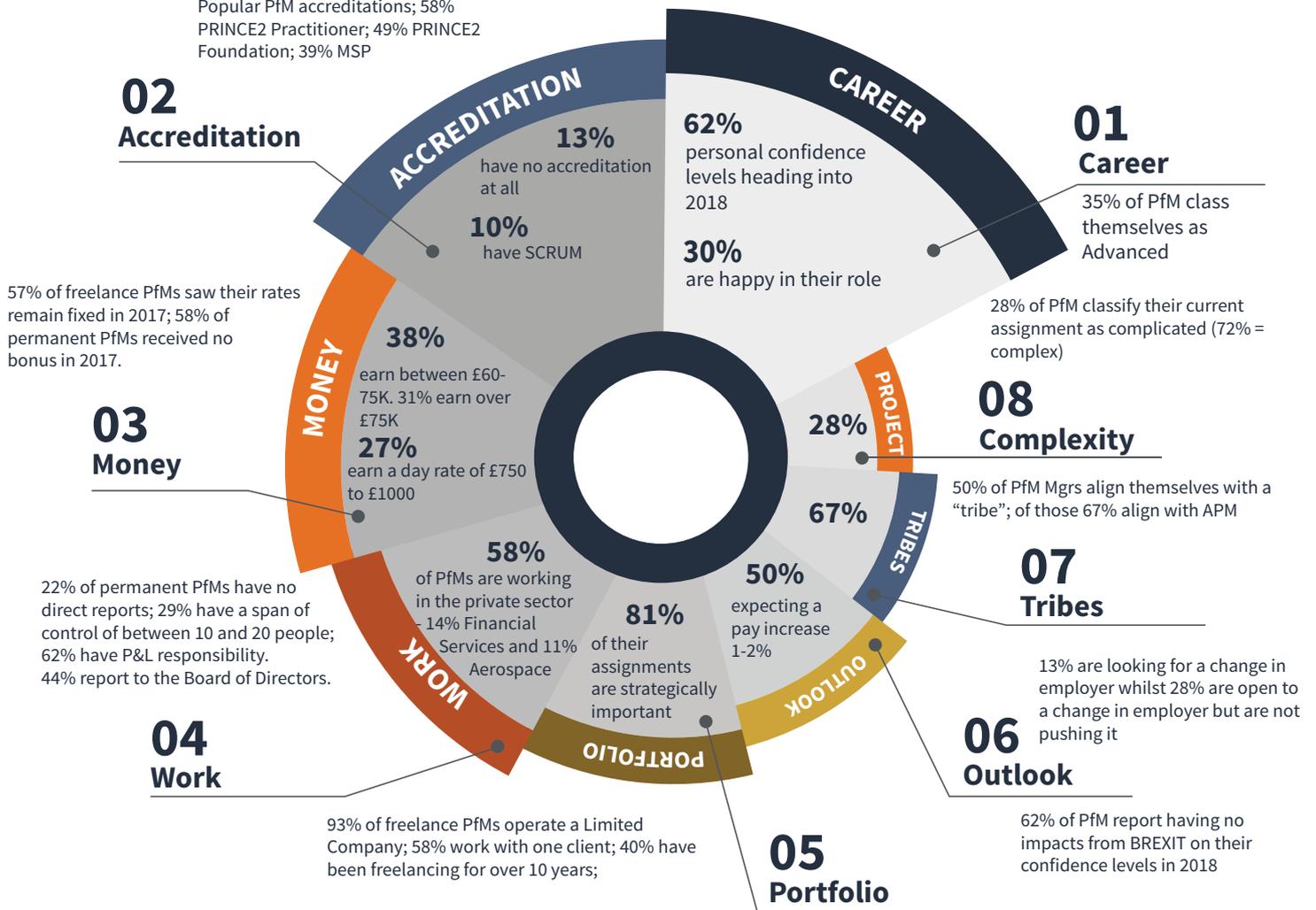
Changed position due to promotion



Changes in government legislation is the biggest challenge being faced in 2018 by PgM freelancers



Popular PFM accreditations; 58% PRINCE2 Practitioner; 49% PRINCE2 Foundation; 39% MSP



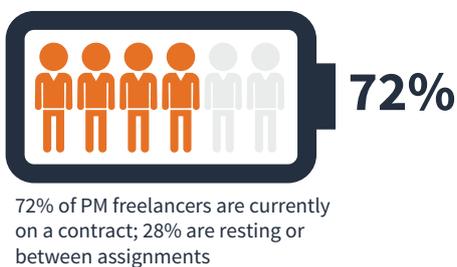
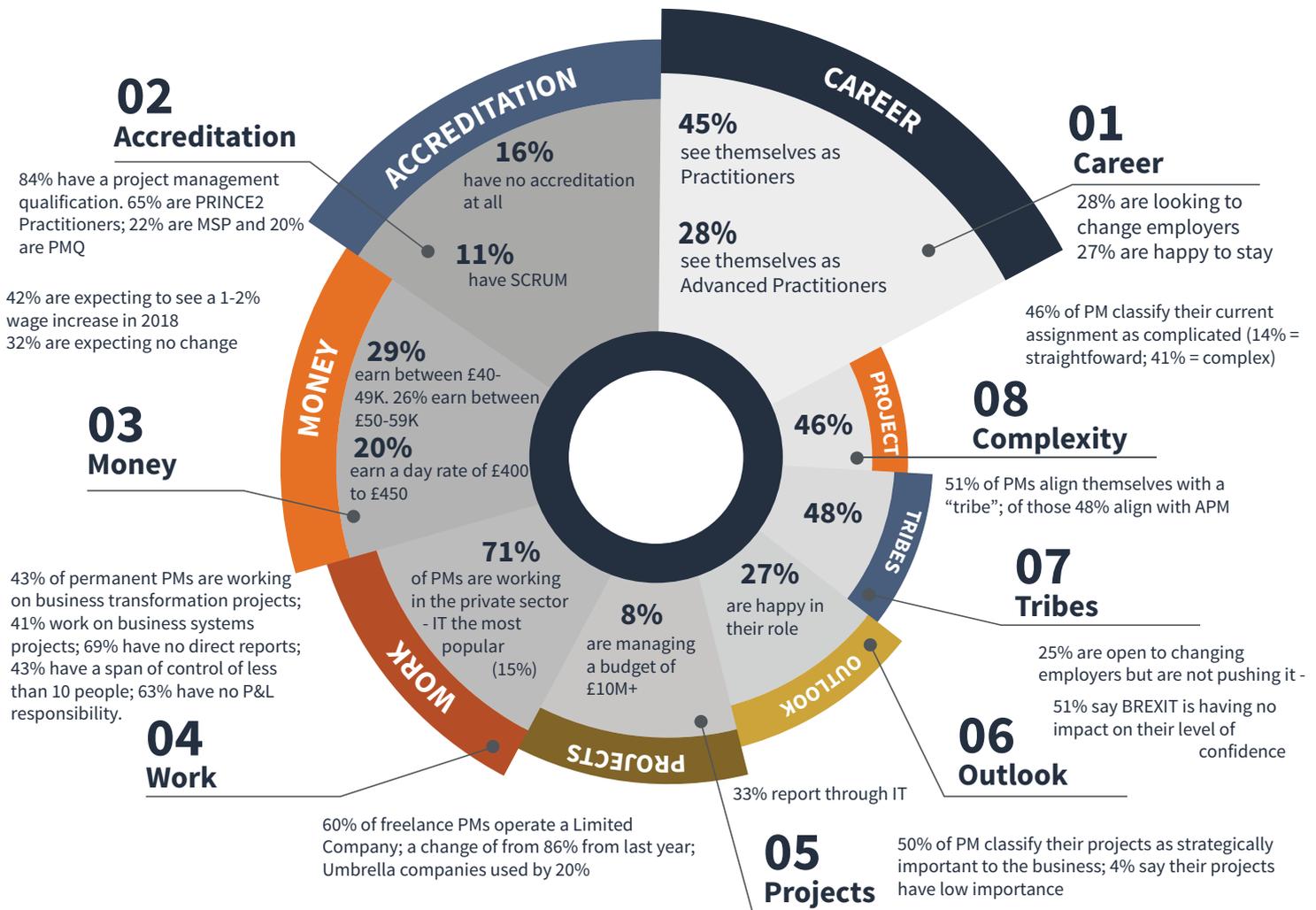
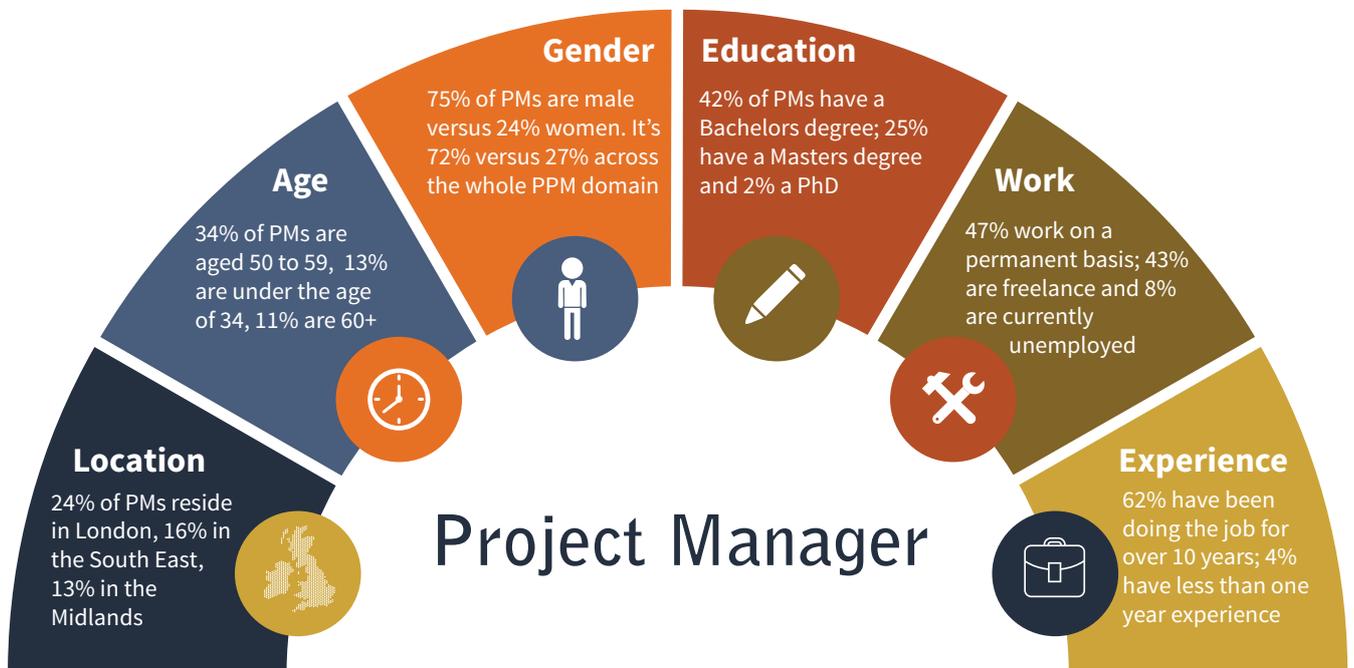
79% of PFM freelancers are currently on a contract; 21% are resting or between assignments

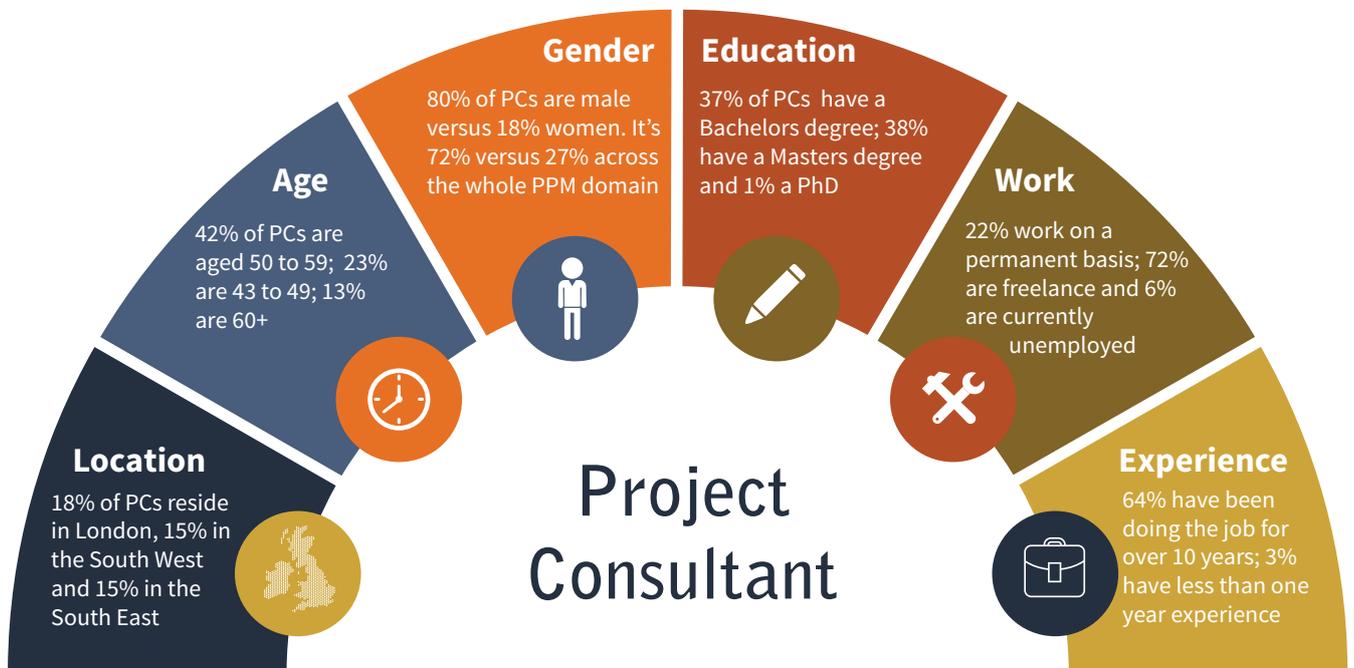


Changed position for better prospects

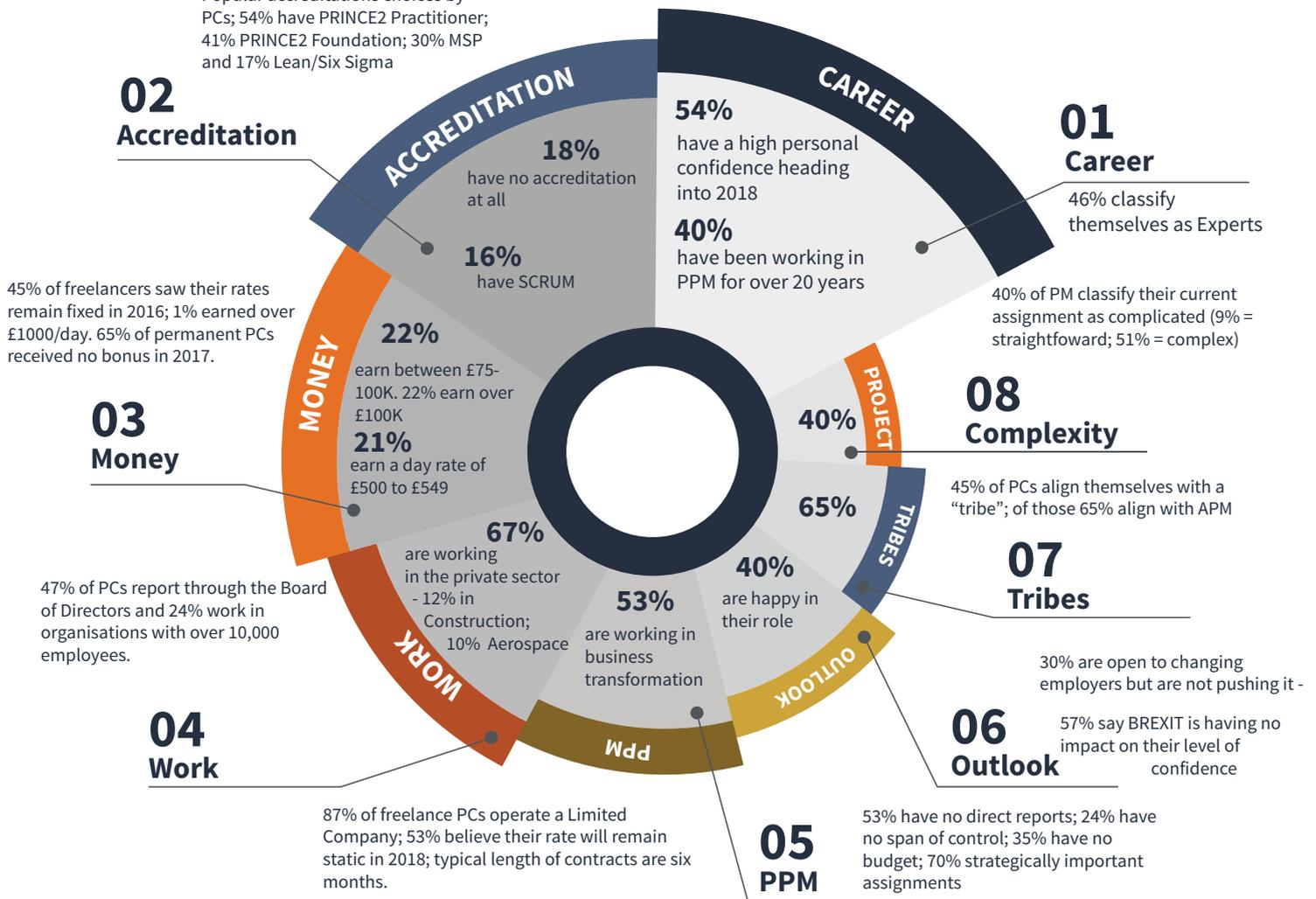


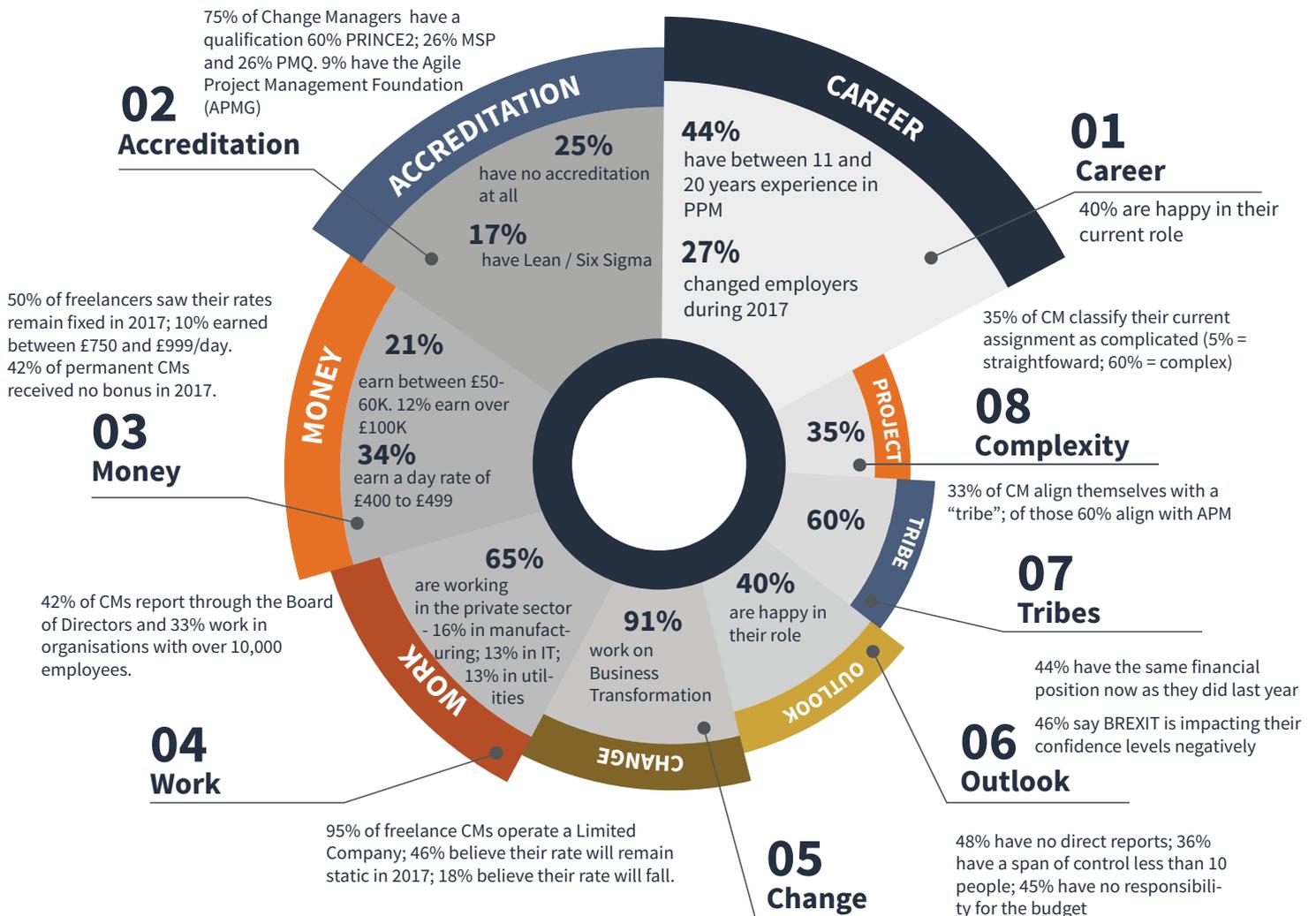
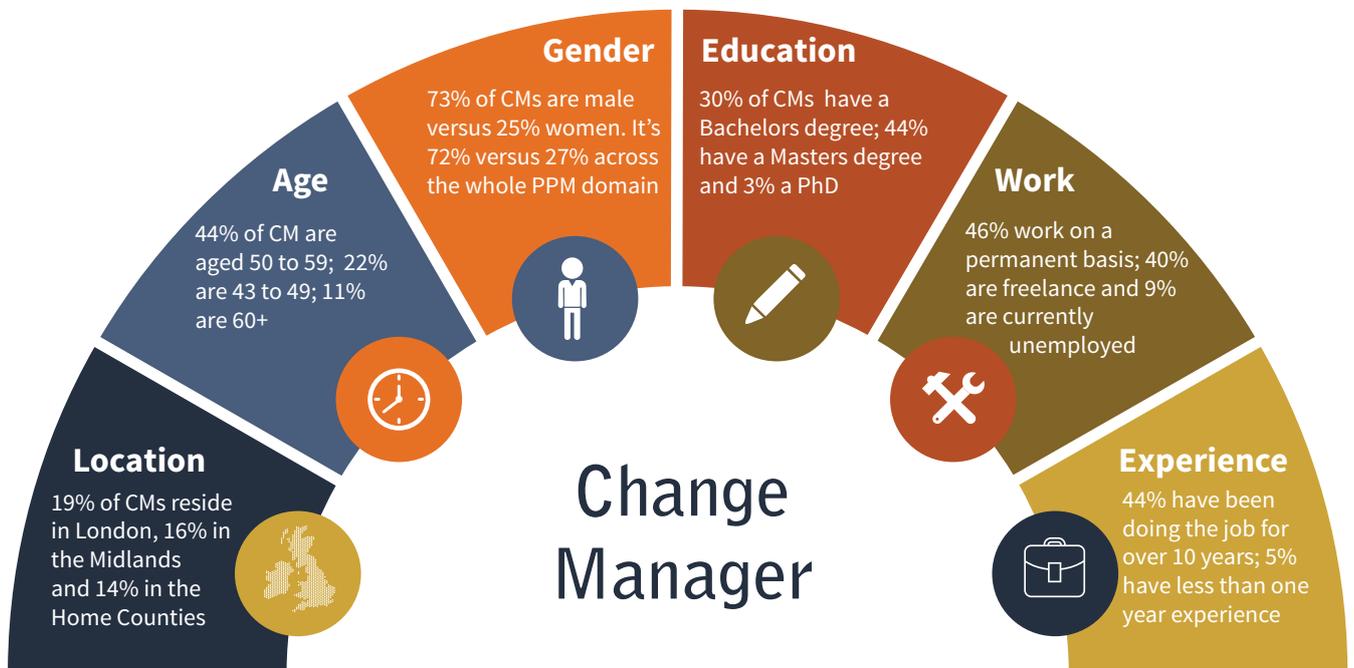
'Increasing my day rate' is the biggest challenge being faced in 2018 by PGM freelancers

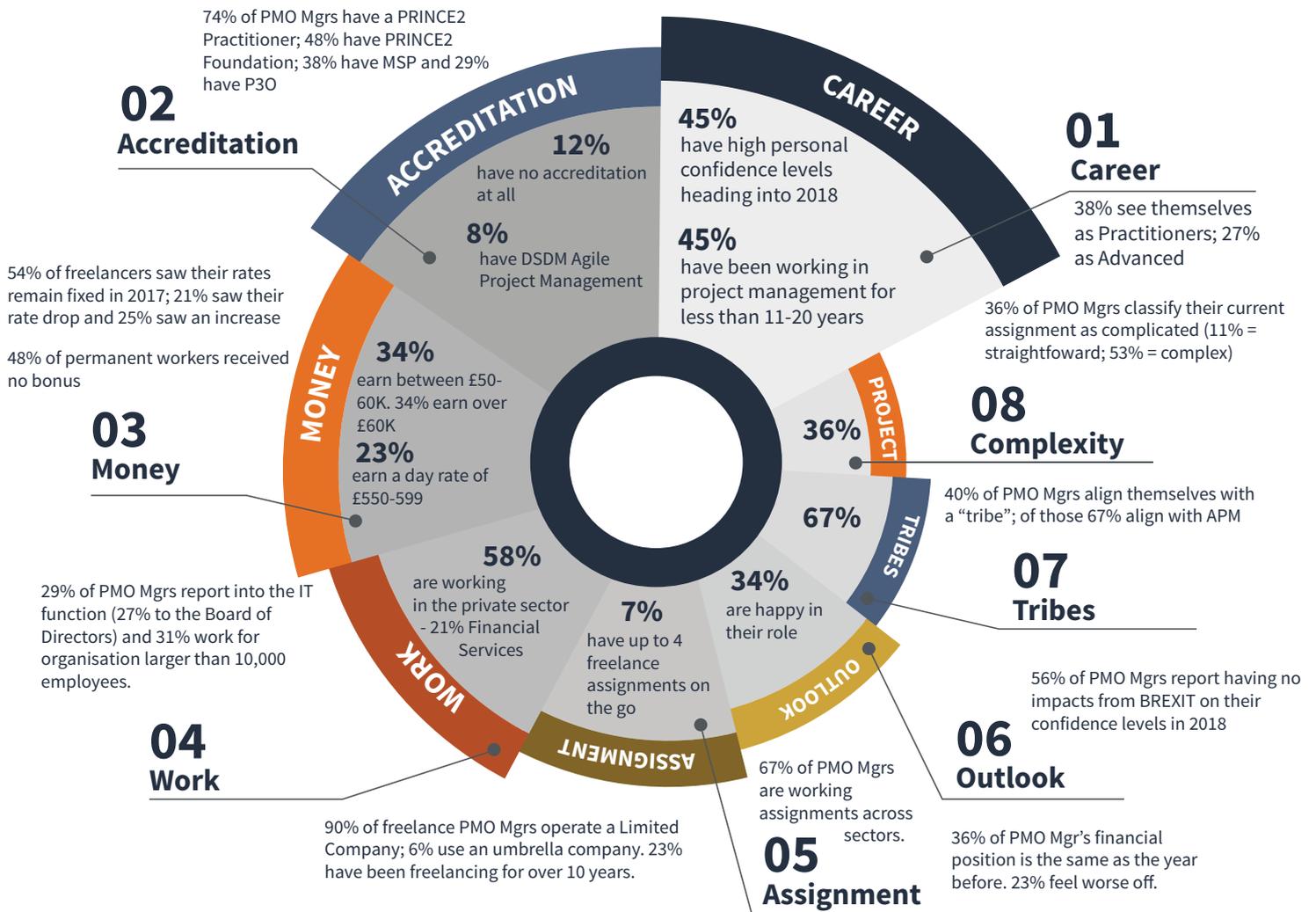
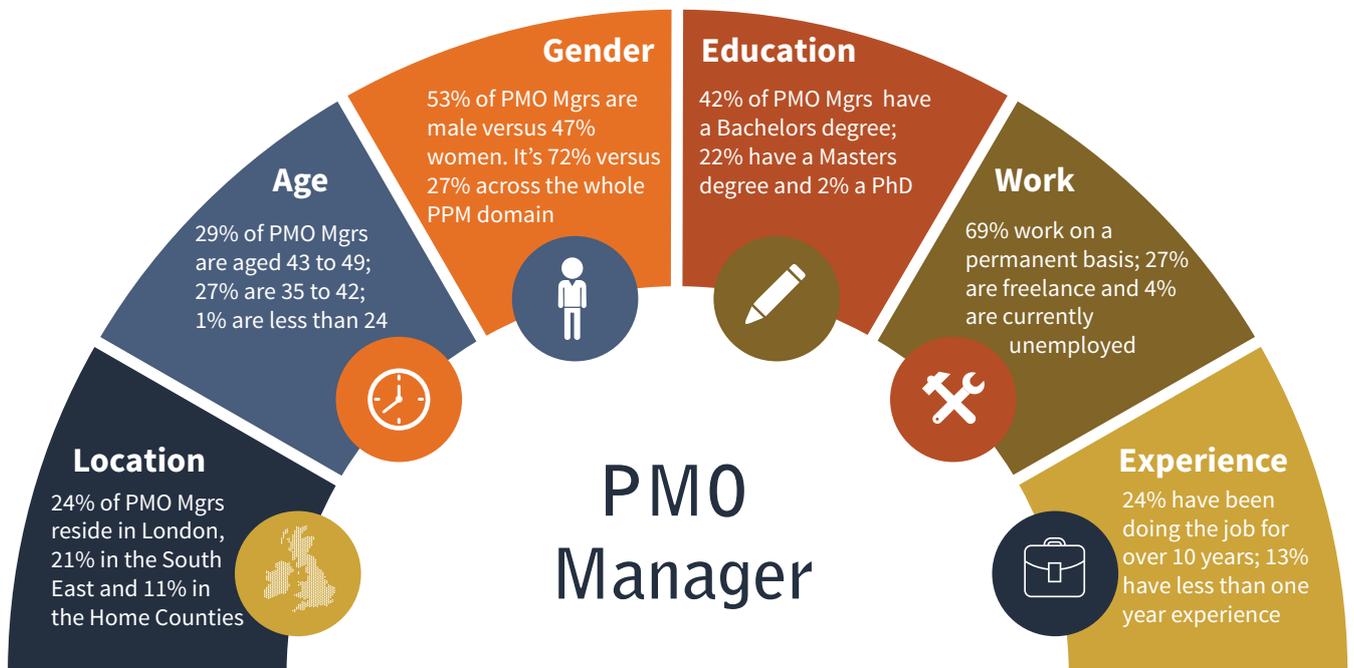




Popular accreditations choices by PCs; 54% have PRINCE2 Practitioner; 41% PRINCE2 Foundation; 30% MSP and 17% Lean/Six Sigma







84% of PMO Mgr freelancers are currently on a contract; 16% are resting or between assignments



Changed position due to promotion



'Finding suitable opportunities' was the biggest challenge faced by PMO Mgr freelancers

New for 2018!

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Classes

11th-12th June 2018

The PMO Conference

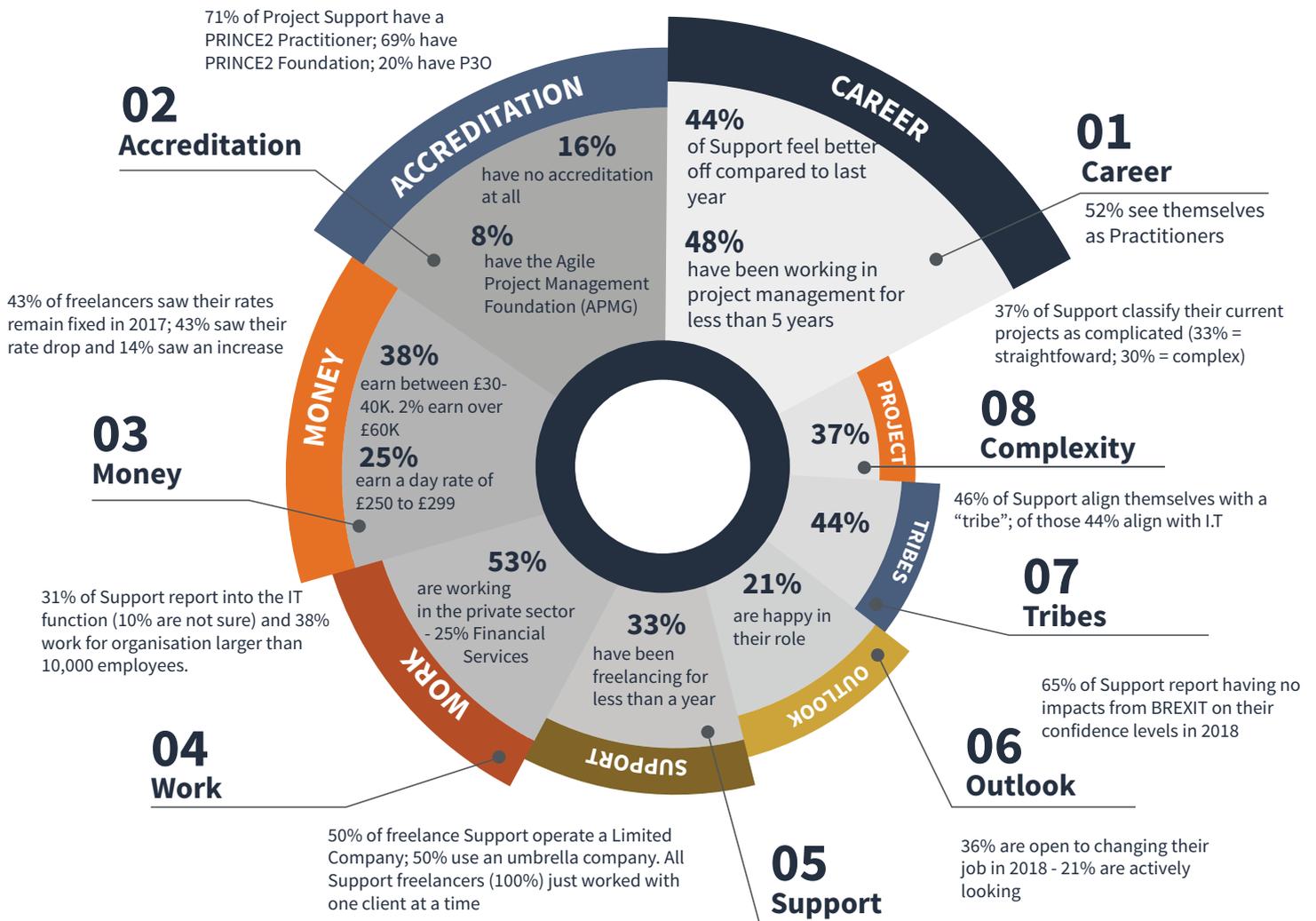
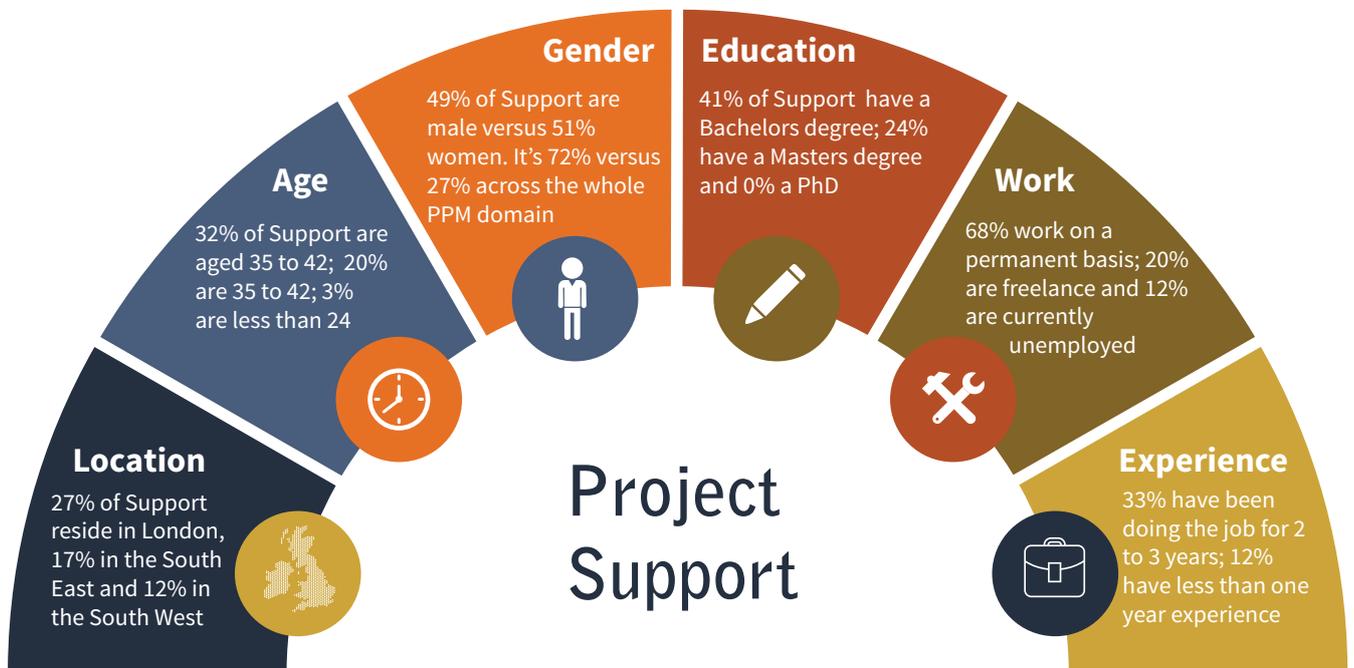
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