AgilePM guidance offers a practical and repeatable methodology that achieves an ideal balance between the standards, rigour and visibility required for good project management, and the fast pace, change and empowerment provided by Agile.

- Enable change faster, at lower cost and with lower risk, by continually validating project milestones against objectives and developing solutions incrementally.
- Improve time-to-market and project success rates by encouraging stakeholder involvement, feedback and effective controls.
- Empower project personnel and encourage increased collaboration and ownership.
- Based on the Agile Business Consortium’s Agile Project Framework (established for over 20 years and regularly refreshed).

Approved training and certification available via APMG’s global network of Accredited Training Organizations (ATOs).

TRAINING & CERTIFICATION:
WWW.APMG-INTERNATIONAL.COM/AgilePM

GET YOUR COPY OF THE GUIDANCE:
WWW.APMG-BUSINESSBOOKS.COM
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About Arras People

Your Project Management Recruitment Specialists

Arras People are the UK’s No.1 Specialists in Project & Programme Management Recruitment. We are 100% focused on providing Programme and Project Management (PPM) professionals across the UK and across all industry sectors.

For more information visit https://www.arraspeople.co.uk or call us on 017 0636 6444

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Introduction

Welcome.

2019, the fourteenth edition of the Arras People Project Management Benchmark Report (PMBR) where we take a look back to what happened in 2018 and polish our crystal ball to look ahead to see what this year may bring for practitioners in the field of project management.

With less than 50 days to go until Britain’s scheduled March 29 exit date, we have Theresa May back in Brussels trying to renegotiate her Brexit deal and a house full of MPs who don’t seem to be able to rise above party politics as the country teeters on the edge of something historic. Historically fantastic or historically stupid seems to be the end of the previous sentence that the population still cannot agree on and the comments left throughout this years survey truly reflect the deep divide that is evident.

Meanwhile, life continues as practitioners deal with the ongoing challenges of making a living and staying in some form of meaningful employment. 2018 saw the introduction of the General Data Protection Regulation (GDPR) which created much confusion and some opportunity. IR35 changes continued to challenge the freelancing community as it further impacted the Public sector workers and worried those in the Private sector over when it will be implemented. At the same time, many freelancers came under scrutiny as HMRC pushed on with its retrospective tax initiative to recover monies from those who took their income in the form of non-repayable loans.

On the upside we saw an increase in the real standard of living for many UK based practitioners as remuneration began to outstrip inflation. The remainers appeared to lose out, compared to those who moved jobs as they achieved significant inflation busting increases and generated the much-missed churn in the employment market. Some commentators suggested that the UK had moved to a candidates market, though the wider evidence would not necessarily support that across the whole PM domain.

Finally, I would like to express our gratitude to the 1,861 practitioners who took the time participate in the PM Census survey, we couldn’t do this without your support. It’s a fact of life that we never have any shortage of people who love to consume the report, though the number who are willing to contribute proves to be more of a challenge each year as surveys become more common in the PM space.

If you have any questions or feedback about the report or the analysis contained within, please do come back to us at pmbr@arraspeople.co.uk

John Thorpe

Arras People – February 2019
Who Got Involved

Data Source:
All respondents who contributed the data for the 2019 Arras People Project Management Benchmark Report (PMBR) took part in the Project Management Census; an on-line survey which was available from late December 2018 through to the 31st January 2019. The survey was marketed across the Arras People domain including the website, LinkedIn, Facebook and Twitter. In addition, previous participants and subscribers to our TipOffs Newsletter were invited to participate.

Global Participation:
As can be seen in Figure 1 the survey once again attracted responses from a global audience, though the majority identified as UK based Project Management practitioners. The report primarily uses the UK based data though where possible we have tried to offer a comparison using the non-UK responses under the banner Rest of the World (RoW). There were insufficient numbers to make any meaningful breakdown by continent or country for the RoW participants.

Role and Status:
Figures 2 and 3 show the respondent status and role for both UK and RoW participants and once again the Project Managers formed the largest cohort. Overall the distribution across the roles was consistent with the data of previous years.

In terms of how respondents are engaged for work, the majority identified as being employees (56% UK & 73% RoW) with freelancers coming in at 35% for the UK compared to 21% for the RoW. UK unemployed recorded at 6.3%, slightly higher than Government figures.
**BREXITED:**

Based on the respondent origin (Figure 4) we see no significant change from previous PMBR’s in terms of the percentage identifying as EU Nationals working in the UK. The numbers for Non EU/UK have also remained consistent.

**Gender:**

For the UK based respondents, we once again see a distribution around the 70:30 mix (Male:Female) with no significant movement over recent years. However, looking back 10 years to the 2008 data we can see a not insignificant movement from the 75:25 split. We can also see a significant difference when compared to the RoW response where females account for 15%.

**Aged:**

As discussed in the 2018 PMBR, the age profile of UK based practitioners appears to have passed a tipping point and this years data added to the overall trend as we saw further aging in the profile.

Practitioners aged 50+ increased again to 47% whilst those under 34 remained at just 10%.

**Educated:**

Compared to the general population of the UK respondents have a higher level of attainment in terms of 70% having achieved a University level education.

However, when compared to the RoW responses that figure increases to 84%. As a percentage of each cohort we see nearly twice the number in the RoW having Masters and PhD level achievements.
**Sector Challenges**

**Sector Snobbery:**

For many project management practitioners that we have spoken to over the years here at Arras People, the Sector/Industry they have accumulated their experience in has become an invisible ball and chain with regards to career advancement.

At the highest level of Public, Private and Third (Charity) there are many simple prejudices and preconceptions held by people involved in the recruitment process, about people who working in sectors other than their own. Too woolly, too hard, not fluffy enough being just a few of the phrases we have heard over the years when exploring the options of introducing a PM practitioner from another sector.

**Man and Boy:**

Whilst the phrase “man and boy” is probably wrong on so many counts these days, the essence of “for the entirety of a persons’ professional life” is something that we commonly hear when organisations are looking for their ideal candidate.

Many organisations still hold this view in terms of Sector/Industry and as such limit the ability for highly skilled project management practitioners to take up opportunities that are well within their capability once they have picked up a few of the local nuances.

**Future Challenges:**

With the ageing demographic and the desire to buy rather than build the next generation of project management practitioners, organisations are going to have to seriously consider how they can bring onboard practitioners from other Sectors/Industries/Domains if they are going to maintain their delivery capability.
Sector Remuneration:

When analysed by sector, the UK practitioner 2018 average remuneration for those that shared this level of detail are:

Freelancer:
- Private - £567 / day
- Public - £487 / day
- Third - £411 / day

Employee:
- Private - £60,700 / Annum
- Public - £50,900 / Annum
- Third - £51,000 / Annum

The Third Dimension:

A third and often overlooked dimension which can have a significant impact on salary and day rate is where the PM practitioners role sits in the business (Reporting Line). As can be seen below, data from respondents who identified as reporting through Information Technology show differing rates across not only Sector but also the Industry/Domain within.

### Information Technology

#### UK Day Rate

<table>
<thead>
<tr>
<th>Sector</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Sector</td>
<td>£461</td>
</tr>
<tr>
<td>Private Sector</td>
<td>£556</td>
</tr>
<tr>
<td>Financial Services</td>
<td>£568</td>
</tr>
<tr>
<td>IT Products &amp; Services</td>
<td>£541</td>
</tr>
<tr>
<td>Retail</td>
<td>£639</td>
</tr>
</tbody>
</table>

#### UK Salary

<table>
<thead>
<tr>
<th>Sector</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Sector</td>
<td>£50,714</td>
</tr>
<tr>
<td>Private Sector</td>
<td>£57,577</td>
</tr>
<tr>
<td>Financial Services</td>
<td>£51,265</td>
</tr>
<tr>
<td>IT Products &amp; Services</td>
<td>£58,700</td>
</tr>
<tr>
<td>Retail</td>
<td>£53,345</td>
</tr>
</tbody>
</table>

With sufficient respondent data it would also be possible to drill for differences by Organisation Size etc to complete this multi-dimensional puzzle.
PM Qualifications

PRINCE2 Rules!

Well, in the UK at least. As we can see in the table below, the PRINCE2 project management qualifications maintain their position as the most popular amongst UK based practitioners as well as having a reasonable traction amongst those from the RoW. The PMI’s (Project Management Institute) PMP remains the most popular amongst the RoW practitioners and has a steady uptake in the UK. In terms of Agile qualifications we are still seeing relatively low uptake for PM practitioners both in the UK and the RoW with Scrum, again, heading the list.

<table>
<thead>
<tr>
<th>PM Qualification</th>
<th>RoW</th>
<th>UK All</th>
<th>UK Employee</th>
<th>UK Freelance</th>
<th>UK Unemployed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axelos - PRINCE2 Practitioner</td>
<td>25%</td>
<td>66%</td>
<td>66%</td>
<td>69%</td>
<td>56%</td>
</tr>
<tr>
<td>Axelos - PRINCE2 Foundation</td>
<td>22%</td>
<td>53%</td>
<td>56%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Axelos - MSP - Managing Successful Programmes</td>
<td>10%</td>
<td>29%</td>
<td>29%</td>
<td>31%</td>
<td>28%</td>
</tr>
<tr>
<td>APM - PMQ - (formerly APMP)</td>
<td>4%</td>
<td>21%</td>
<td>24%</td>
<td>20%</td>
<td>13%</td>
</tr>
<tr>
<td>Axelos - ITIL - IT Service Management</td>
<td>14%</td>
<td>13%</td>
<td>13%</td>
<td>15%</td>
<td>6%</td>
</tr>
<tr>
<td>None</td>
<td>15%</td>
<td>12%</td>
<td>10%</td>
<td>12%</td>
<td>18%</td>
</tr>
<tr>
<td>PMI - PMP - Project Management Professional</td>
<td>58%</td>
<td>11%</td>
<td>8%</td>
<td>13%</td>
<td>22%</td>
</tr>
<tr>
<td>Lean / Six Sigma</td>
<td>13%</td>
<td>10%</td>
<td>8%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>Scrum</td>
<td>19%</td>
<td>10%</td>
<td>9%</td>
<td>12%</td>
<td>3%</td>
</tr>
<tr>
<td>Axelos - Portfolio, Programme and Project Offices (P3O®) – Foundation</td>
<td>8%</td>
<td>10%</td>
<td>13%</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Axelos - M_o_R - Management of Risk</td>
<td>2%</td>
<td>8%</td>
<td>9%</td>
<td>8%</td>
<td>3%</td>
</tr>
<tr>
<td>Axelos - Portfolio, Programme and Project Offices (P3O®) – Practitioner</td>
<td>8%</td>
<td>8%</td>
<td>9%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>APM - PFQ - (formerly APM Introductory Certificate)</td>
<td>1%</td>
<td>7%</td>
<td>9%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>APMG - Agile Project Management - Practitioner</td>
<td>7%</td>
<td>7%</td>
<td>6%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Axelos - MoP - Management of Portfolios</td>
<td>8%</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>APMG - Agile Project Management - Foundation</td>
<td>7%</td>
<td>7%</td>
<td>6%</td>
<td>8%</td>
<td>3%</td>
</tr>
<tr>
<td>DSDM - Agile Project Management</td>
<td>2%</td>
<td>5%</td>
<td>5%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>AXELOS - PRINCE2 Agile Practitioner</td>
<td>3%</td>
<td>4%</td>
<td>5%</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>APM - PQ - Practitioner Qualification</td>
<td>3%</td>
<td>4%</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>SAFe</td>
<td>6%</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>PMI - CAPM - Certified Associate in Project Management</td>
<td>4%</td>
<td>2%</td>
<td>1%</td>
<td>3%</td>
<td>9%</td>
</tr>
<tr>
<td>PMI - ACP - Agile Certified Practitioner</td>
<td>5%</td>
<td>2%</td>
<td>1%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>BCS - Programme and Project Support Office (PPSO) Essentials</td>
<td>1%</td>
<td>2%</td>
<td>1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCS - Programme and Project Support Office (PPSO) Advanced Practitioner</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PMI - PgMP - Program Management Professional</td>
<td>6%</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>IPMO - Expert™ (IPMO-E)</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>PMI - PIMP - Portfolio Management Professional</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PMI - RMP - Risk Management Professional</td>
<td>8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IPMO - Foundation™ (IPMO-F)</td>
<td>1%</td>
<td></td>
<td></td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Axelos - MoV - Management of Value</td>
<td>2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IPMO - Practitioner™ (IPMO-P)</td>
<td>2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Price of No Qualifications:

Respondents who indicated that they have no recognised project management qualifications remain steady, though interestingly it is highest amongst those who also identify as unemployed where we see a peak of 18%. Across the other qualifications the general trend for the unemployed cohort is a lower take up of qualifications, the one exception being PMI’s PMP which may suggest that there is a recognition issue in the UK marketplace. On the other hand, we still see many practitioners with no qualifications in gainful employment and making a good living.
Impact of Qualifications

Comparative Impacts:

All qualification owners would love to be able to say that their particular PM qualification leads to practitioners securing the job of their dreams or enhances their ability to earn more money.

The graphs to the right show the comparative position of the three most common PM qualifications identified by the UK based practitioners.

Using the actual remuneration figures provided by respondents this translates into the following averages for All respondents and then just those who identified as Project Managers.

**All - UK Practitioners**
- **Freelancer - Day Rate**
  - PRINCE2: £523
  - APM-PMQ: £545
  - MSP: £559

**All - UK Practitioners**
- **Employee - Salary**
  - PRINCE2: £57,645
  - APM-PMQ: £56,942
  - MSP: £65,911

**All - UK Project Managers**
- **Freelancer - Day Rate**
  - PRINCE2: £465
  - APM-PMQ: £467
  - MSP: £533

**All - UK Project Managers**
- **Employee - Salary**
  - PRINCE2: £50,000
  - APM-PMQ: £49,670
  - MSP: £52,022
Recruitment Matters

Show Us Your Battle Scars!

Regular readers of the PMBR will not be surprised by the responses in Figure 16 which once again confirm that those involved in the recruitment of Project Management practitioners view experience as the most important attribute that a candidate can bring to the table.

PM qualifications, whilst important are ranked fourth, following on from personality/style and domain/sector knowledge.

Continued Growth:

Asked why their organisations hired PM practitioners during 2018, 68% of the respondents indicated that it was to meet increased business demand.

Asked to look forward into 2019, 44% offered the opinion that PM headcount in their organisation will continue to rise. Surprisingly, given the doom being expressed surrounding the BREXIT scenarios only 16% anticipated a reduction in headcount during 2019.

Churn is Good?

From a recruiters point of view a healthy market has churn (people moving between jobs). For individual practitioners it should also be seen as good news as it tends to be a positive factor in driving day rate and salaries up.

The responses in Figures 17 and 18 suggest that churn is returning to the market in terms of leavers during 2018 and anticipated movers in 2019.
London Calling

**Mobile Practitioners:**

So, the title of The Clash hit from 1979 would appear to be still true when it comes to Project Management in the UK. London is still calling with 28% of our UK based respondents saying they work there.

When the work location data is analysed by engagement type, we can see further differences with 26% of employees indicating that they work in London and 32% of those who are freelancers.

In terms of mobility we can see in Figure 19 that London draws its workers from across the UK, though the North West bucks a general trend in also reporting more people working in the region than being resident.

**Streets Paved with Gold?**

As can be seen in the Figures to the right and also the tables below the attraction (or cost to employers) of this draw is quite pronounced with both day rate and salary averages significantly higher than the rest of the UK.

**All - UK Practitioners**

**Freelancer - Day Rate**

- London: £602
- Non-London: £495
- Not Fixed: £750

**Employee - Salary**

- London: £67,960
- Non-London: £53,999
- Not Fixed: £80,388

**Mobility Premium:**

Whilst London has a premium, the practitioners who deliver with no fixed location have an even bigger premium for both freelances and employees.

---

[Figure 19 – UK Practitioner Locations]

[Figure 20 – UK Work Location Day Rate]

[Figure 21 – UK Work Location Salary]
My Deliverables:

You Do What?

Complexity is a word that many project management practitioners like to use and it is also something that could be used to describe what they are and what they actually do.

Adding another layer to those we have already discussed in this report we can now look at the detail of the environment in which practitioners undertake their work.

Manager of What?

To generate the data shown in the tables to the right we asked only the respondents who have identified as belonging to a group that has the word “manager” associated to it.

Manager? In my view somebody who is regarded in terms of their skill in managing resources, taking responsibility for controlling or administering an organization or group of staff.

The tables give us a flavour for what the respondents do in terms of:

- Type of deliverable
- People they control
- Budgetary responsibility

The responses are interesting in that many would assume that all “managers” have people and fiscal duties but the data strongly suggests that the reality is somewhat different.

Recruitment Warning:

Don’t make assumptions, always understand what you need and question potential candidates about their actual experience!

---

### Project Type

<table>
<thead>
<tr>
<th>Project Type</th>
<th>RoW</th>
<th>UK All</th>
<th>UK Employee</th>
<th>UK Freelance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Transformation</td>
<td>49%</td>
<td>60%</td>
<td>60%</td>
<td>59%</td>
</tr>
<tr>
<td>Business Systems</td>
<td>46%</td>
<td>39%</td>
<td>42%</td>
<td>31%</td>
</tr>
<tr>
<td>Service Transformation</td>
<td>26%</td>
<td>32%</td>
<td>33%</td>
<td>31%</td>
</tr>
<tr>
<td>Digital Services</td>
<td>27%</td>
<td>32%</td>
<td>36%</td>
<td>24%</td>
</tr>
<tr>
<td>Software Development</td>
<td>35%</td>
<td>30%</td>
<td>33%</td>
<td>24%</td>
</tr>
<tr>
<td>New Product Development</td>
<td>30%</td>
<td>24%</td>
<td>27%</td>
<td>17%</td>
</tr>
<tr>
<td>Equipment or System Installation</td>
<td>29%</td>
<td>21%</td>
<td>22%</td>
<td>19%</td>
</tr>
<tr>
<td>Construction</td>
<td>19%</td>
<td>12%</td>
<td>13%</td>
<td>9%</td>
</tr>
<tr>
<td>Manufacturing or Engineering</td>
<td>18%</td>
<td>10%</td>
<td>13%</td>
<td>5%</td>
</tr>
<tr>
<td>Mergers and Acquisitions</td>
<td>7%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>9%</td>
<td>9%</td>
<td>7%</td>
<td>11%</td>
</tr>
<tr>
<td>Event or Relocation</td>
<td>3%</td>
<td>8%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Research</td>
<td>12%</td>
<td>7%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>Community/Social</td>
<td>6%</td>
<td>6%</td>
<td>7%</td>
<td>4%</td>
</tr>
</tbody>
</table>

### Direct Reports

<table>
<thead>
<tr>
<th>Direct Reports</th>
<th>RoW</th>
<th>UK All</th>
<th>UK Employee</th>
<th>UK Freelance</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>39%</td>
<td>49%</td>
<td>44%</td>
<td>59%</td>
</tr>
<tr>
<td>1 to 3 people report directly to me</td>
<td>20%</td>
<td>24%</td>
<td>25%</td>
<td>21%</td>
</tr>
<tr>
<td>4 to 7 people report directly to me</td>
<td>20%</td>
<td>17%</td>
<td>19%</td>
<td>11%</td>
</tr>
<tr>
<td>8 to 10 people report directly to me</td>
<td>6%</td>
<td>4%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>More than 10 people report directly to me</td>
<td>15%</td>
<td>7%</td>
<td>7%</td>
<td>6%</td>
</tr>
</tbody>
</table>

### Span of Control

<table>
<thead>
<tr>
<th>Span of Control</th>
<th>RoW</th>
<th>UK All</th>
<th>UK Employee</th>
<th>UK Freelance</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>9%</td>
<td>10%</td>
<td>6%</td>
<td>17%</td>
</tr>
<tr>
<td>Less than 10 people</td>
<td>36%</td>
<td>36%</td>
<td>39%</td>
<td>31%</td>
</tr>
<tr>
<td>10 to 20 people</td>
<td>22%</td>
<td>28%</td>
<td>28%</td>
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<tr>
<td>21 to 40 people</td>
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<td>12%</td>
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<tr>
<td>41 to 60 people</td>
<td>6%</td>
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<td>More than 60 people</td>
<td>17%</td>
<td>8%</td>
<td>8%</td>
<td>7%</td>
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### Budgetary Responsibility

<table>
<thead>
<tr>
<th>Budgetary Responsibility</th>
<th>RoW</th>
<th>UK All</th>
<th>UK Employee</th>
<th>UK Freelance</th>
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<tbody>
<tr>
<td>None</td>
<td>-</td>
<td>31%</td>
<td>30%</td>
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</tr>
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<td>-</td>
<td>5%</td>
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<tr>
<td>£100,000 to £249,999</td>
<td>-</td>
<td>4%</td>
<td>3%</td>
<td>6%</td>
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<tr>
<td>£250,000 to £499,999</td>
<td>-</td>
<td>8%</td>
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<td>6%</td>
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<tr>
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<td>9%</td>
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<td>£6M to £10M</td>
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### P&L Responsibility

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<th>UK Employee</th>
<th>UK Freelance</th>
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</thead>
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<td>35%</td>
<td>36%</td>
<td>33%</td>
</tr>
<tr>
<td>No</td>
<td>-</td>
<td>65%</td>
<td>64%</td>
<td>67%</td>
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</table>
My Project Is:

It’s a Matter of Opinion:

We further asked our respondents to categorise their current assignments across three common indicators in terms of:

- Importance to the Organisation
- Risk Profile
- Complexity

All of which could be classified as “in the eyes of the individual” rather than measurable against an agreed standard of measure.

As can be seen in the figures to the right we had an interesting mix of responses for our practitioners in the UK and the RoW.

Taken separately the results show that Strategically Important, Moderate Risk and Complex are the highest individual scores.

When considered in the round, the table Figure 29 shows the highest scoring combinations which came out as Strategically Important, High Risk and Complex for the UK Practitioners (19%) and Strategically Important, Moderate Risk and Complex (29%) for the RoW.

In terms of average remuneration for the UK practitioners who were managing these various combinations we can see the results below:

**All - UK Practitioners**

**Freelancer - Day Rate**

- Strategic, High, Complex: £637
- Strategic, Moderate, Complicated: £521
- Strategic, Moderate, Complex: £566
- Operational, Moderate, Complicated: £502

**All - UK Practitioners**

**Employee - Salary**

- Strategic, High, Complex: £63,298
- Strategic, Moderate, Complicated: £67,262
- Strategic, Moderate, Complex: £62,832
- Operational, Moderate, Complicated: £64,271
Living Standards & Confidence

Financial Position:
As we can see in the table Figure 30 there are a significant number of respondents who are feeling financially better off than they were 12 months earlier. Around a third feel their circumstances are similar and the remaining 25% are feeling worse off. Compared to the responses of 12 months earlier there is no significant change.

Personal Confidence:
As we have seen across the many years we have been tracking these responses, financial wellbeing and personal confidence do not always run hand in hand. Typically, levels of confidence when looking forward are always higher regardless of the economic, political or other situations that are impacting practitioners lives. The plot in Figure 31 shows the path from the great recession of 2008 through to this year.

“I fear the great downturn is coming in 2019”

“Brexit and IR35 both add significant uncertainty.”

“Brexit will help the whole economy”

In terms of the comments left by our respondents about their confidence and the 2019 outlook we saw the full spectrum from outright despondency through to extreme optimism as can be seen above.
Unemployed UK Practitioners

Unemployment Up?

When looking at the number of UK practitioners who identified as unemployed we see a slight decrease this year with a figure of 6.3% compared to 7% last. However, if we add in the number of Freelancers who have been economically inactive for over 12 months this figure increases to 7.7% which is significantly higher than the ONS figure of 4%.

Demographic:

When looking at the distribution of the UK based unemployed practitioners we see a gender split of 78% male and 22% Female and 66% are 50+ in terms of age.

“Although age discrimination is illegal, it is a major factor”

Looking at the long term unemployed (=>12 months) we also see that the 50+ practitioners dominate.

Ageism:

So, we would appear to have a potential issue for 50+ Males in terms of their usefulness to the marketplace.

Whilst many quote ageism as an ongoing issue, this is also a worry considering Government policies that are extending working lives as pensionable age increases.

Affordability:

Looking at Figure 36, maybe affordability is also part of the issue for unemployed practitioners as they were earning substantially more that the average levels of remuneration?

Whichever way we look at it, if there are skills shortages we need to find a way to re-engage this experienced pool of talent.
UK Freelancer Overview

As the world of work continues to change, it is possible to argue that the UK based Freelancer is a group that has and will continue to see much change over the coming years.

The introduction of the new IR35 Off-Payroll worker legislation in the Public sector has had a significant impact on many who now find themselves operating as employees of an Umbrella company and subject to PAYE rather than operating through their own Limited Company.

Many long-term Freelancers face the threat of bankruptcy or worse as HMRC progresses its 2019 loan charge policy, which was announced at Budget 2016 and targets those who took income as a loan. A practice that the Off-Payroll worker legislation seems to have stimulated as workers look to retain their levels of income!

The budget of 2019 also set out plans to roll out the IR35 Off-Payroll worker legislation in to the Private sector in April 2020; full details of which are yet to be set or announced.

Against this backdrop of change, practitioners have also had ongoing challenges of falling rates, reduction of opportunity and for some a glut of competition. Yet somehow for many, it is still a great way to earn a living that offers significant challenge and also reward.

Umbrellas Up:

As we can see in Figure 38 the number of UK based Freelances using the services of Umbrella companies has once again risen as a result of the introduction of the IR35 Off-Payroll worker legislation in the Public sector.

72% of our respondents indicated that they deliver to a single client and 16% started their current assignment back in 2016. Both factors that could spell future trouble under IR35.
Freelance Rates and 2018 Change:

The figures below show that the UK based Freelancers continue to earn a broad spectrum of daily rates with a distribution around the level of £500 to £549 per day.

In terms of rate rises during 2018, the winners fall into two categories; those who moved and those who the Public Sector didn’t want to lose. The latter securing rate increases >>13% to cover the additional tax burdens introduced by the IR35 Off-Payroll Worker legislation!

Value of Work Delivered:

For those Freelancers that were willing to share their levels of invoicing and Umbrella income we can see a very healthy picture regarding the levels of remuneration generated in 2018.

36% managed a contract length of between ten and 12 months, 44% between four and nine months with the final 20% between one and three which impacted those on the lower levels of remuneration generated in 2018.
2019 Rates:
As we can see in Figure 41, 57% of the UK based practitioners are anticipating no change to their day rate during 2019 compared to 42% 12 months earlier. We see 13% anticipating a fall which is +4% from a year ago and just 30% anticipating a 2019 increase.

Show Me the Money!
Not wanting to paint an unfair picture of freelancers but as we can see in Figure 42 the day rate on offer is ranked as the most important influencer when seeking a new assignment. Location becomes more important to many freelancers as HMRC clamp down on allowable expenses and outside of IR35 is currently important for those in the Public sector.

“Assignments with long distance or weekly commutes became financially non viable thereby reducing opportunities.”

“... reduced number of contracting roles in favour for poorer paid perm roles”

“It is tough sometimes - the work is there, but the money is not.”

“2018 has been a good year.”
IR35

Public Sector Woes!

Having now collected two years data following the introduction of the Off-Payroll Worker legislation we can see a picture that needs to be considered before its roll-out to the Private Sector.

As anticipated by the team at Arras People a high proportion of project management practitioners are classified as Out of Scope due to the fact that they are not in business-as-usual jobs.

Of those that have been classified as In-Scope 35% agree with the decision whilst 45% disagree and the remainder are unsure.

What appears to be the biggest issue is organisations (such as the MoD) making blanket decisions of everybody IN with no appeal process. Take it or leave it, our way or the highway (unless we need you .. see page 14) This approach not only goes against the HMRC spirit of implementation but also means that some freelancers are forced into using Umbrella companies and a tax regime that penalises them with no recourse to justice!

Private Sector Readiness.

In terms of the Private sector, where there was a giant sigh of relief when the target date for implementation was not set as 2019 it feels that there is still a long way to go.

As yet no further consultations have been set and the many interested parties are still lobbying and campaigning, though to what end, is unclear.

HMRC are set on levelling the playing field and it is hard to imagine that it will not happen in April 2020. In the meantime efforts should be focussed on getting the implementation right and fair to the individual freelancer.

Public Sector IR35 Decisions

- 26% - In Scope
- 11% - Mix of In and Out of Scope
- 62% - Out of Scope

Private Sector- Aware of IR35 Changes

- 89% - Yes
- 11% - No

UK - Concerns about IR35 Changes

- 'blanket In-Scope'
- Higher taxation
- Market will be destroyed
- Forced to use an Umbrella
- Day rates will be reduced
- Business will be restricted
- Other

UK - Impact of In-Scope Decision

- Negative 31 to 40%
- Negative 21 to 30%
- Negative 11 to 20%
- Negative 1 to 10%
- No Impact

UK - Impact of Out-Scope Decision

- No Impact
- Negative 1 to 10%
- Negative 11 to 20%
- Negative 21 to 30%
- Negative 31 to 40%

Private Sector Change Awareness

- 89% - Yes
- 11% - No

Public Sector Change Concerns

- 'blanket In-Scope'
- Higher taxation
- Market will be destroyed
- Forced to use an Umbrella
- Day rates will be reduced
- Business will be restricted
- Other
Employee Overview

With UK employment being touted as being at the highest levels since comparable estimates began in 1971 it would appear that all is rosy.

In addition, the UK’s booming jobs market is finally giving the workers increased spending powers as real pay finally begins to rise following many years (a decade?) of stagnation.

According to the ONS, “with bonuses” average pay moved to 3.4%, which equated to the average worker’s pay increasing by 1.1%.

So this should be good news for our employee respondents, 94% of whom are on permanent contracts with the remaining 6% engaged on Fixed Term contracts of employment.

26% of our practitioners identified as being with their current employer for less than one year and of this group 18% were previously Freelancers, 62% moved from another employer and 19% were previously Unemployed.

Remainers Lose Out!

As we explored in the 2018 PM Snapshot report, 2018 was a year for movers rather than remainers when it came to increases in base salary. As we can clearly see in the figures below 75% of the remainers were in the zero to three percent range with 22% attaining a rise of 4% or more. In comparison 26% of movers were in the zero to three percent range with 49% attaining a rise of 4% or more.

Figure 49 – Employee Years with Employer

2018 UK Employee Salary

Figure 50 – 2018 Employee Salary

2018 UK Changed Job - Salary Movement

Figure 51 – 2018 Salary Change – Moved Employer

2018 UK No Job Change Salary Movement

Figure 52 – 2018 Salary Change – Not Moved
2019 Salary Outlook:

UK Based employees are looking more positive about their earnings increasing during 2019 despite the economic uncertainty around BREXIT and troubling news in the global economy, as can be seen in Figure 53.

With UK inflation at 2.1% in January 2019, a two year low, 30% of our respondents are anticipating rises of 3% or more.

2018 Bonus:

Bonus payment continue to be a feature for roughly half of our UK based employees, as can be seen in Figure 54. In terms of how these are calculated the majority of 72% say that this is calculated based on a combination of personal and company performance. The remaining 28% are equally split in terms of just personal or company performance.

Government Policy in Action:

When looking at benefits received by UK employees we have seen one piece of Government Legislation in action over recent years. This is the increasing number of employees that now have a pension benefit compared to the days before workplace pension automatic enrolment was introduced.

It will be interesting to see if the next increase which will happen on 6 April 2019 to a total of 8% of qualifying earnings (of which 3% must be paid by the employer) will drive an increase in those opting out. There is some general concerns that this next increase will be seen as unaffordable.
Working Predictions:

Along with the paperless office and flying cars the shorter working week seems to have failed to materialise as we rapidly head towards 2020.

In my early working life back in the late 1970’s I remember the significant stride forward as we hit a 37.5 hour working week, a giant step towards the future of work. And now, 40 years later, Figure 57 would appear to confirm that we are no further forward in the quest to increase our amount of leisure time.

In fact, Figure 58 would suggest that we have not made any progress at all! All the new technology, the globalised economy and the demand for smarter, faster, cheaper appears to be pushing us backwards from that goal. As we can see, just 21% of our UK based practitioners work 37 hours per week or less. The remaining 79% recording that they work 38 hours or more!

AI (Artificial Intelligence) is now being positioned as the next great leap forward, the silver bullet which will free organisations of their need to capture and consume labour. The magical solution that will enforce leisure time on the masses and require new economic models to ensure that wealth is distributed fairly to sustain us all.

In a world where so many projects are still run and controlled on Excel spreadsheets, this feels like a giant leap of faith?

“Something will have to give and my fear is we become agile in name only but with an expectation that somehow that means we can do more for less. I don’t see how myself.”

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Are you concerned that the planned legislation will have a detrimental impact on you?

<table>
<thead>
<tr>
<th>Concern</th>
<th>Yes</th>
<th>No</th>
<th>Don't Know</th>
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<tbody>
<tr>
<td>I will be subject to higher taxation</td>
<td>55%</td>
<td></td>
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<tr>
<td>The freelance market will be destroyed</td>
<td>45%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I will be forced to use an Umbrella company</td>
<td></td>
<td>32%</td>
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<tr>
<td>Opportunity to build my business will be restricted</td>
<td></td>
<td>32%</td>
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<td>The freelance market will be destroyed</td>
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<td>45%</td>
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</tr>
<tr>
<td>The freelance market will be destroyed</td>
<td></td>
<td>45%</td>
<td></td>
</tr>
</tbody>
</table>

What is your concern?

- Higher taxation: 55%
- Forced to use an Umbrella company: 32%
- Opportunity to build my business will be restricted: 32%
- The freelance market will be destroyed: 45%

Programme Manager

- £70,378 (average salary/rate based on those that shared that data)
- £621

- 70% Are working in the private sector with 27% in the public sector
- 47% work in London
- 29% Don't have a fixed location
- 72% classify their assignments as strategically important
- 50% Believe their confidence has been negatively affected by Brexit
- 36% said that new opportunities remained stable in 2018
- 44% Believe they are in a better financial situation heading into 2019
- 52% Work as an employee, with 42% freelancing
- 13% of PgM’s do not have a qualification, 75% have PRINCE2
- 48% of PgM’s have more than 20 years experience in the PM industry
- 17% earn £500-£549 day rate
- 31% made between £75k and £99k

Size of Organisation (in employees)

- 14% 250 - 999
- 22% 1,000 - 4,999
- 14% 5,000 - 9,999
- 35% 10,000+

- 23% Female
- 74% Male

- 41% of PgM’s are aged 30 to 42
- 40% of PgM’s are aged 50 to 59
- 12% are 60 and above

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Are you concerned that the planned legislation will have a detrimental impact on you?

- Yes
- No
- Don’t Know

What is your concern?

- I will be subject to higher taxation: 50%
- The freelance market will be destroyed: 50%
- I will be forced to use an Umbrella company: 50%
- Opportunity to build my business will be restricted: 50%

Portofolio Manager: £76,448

Money: 25% earn £750-£999 day rate, 63% have got their PRINCE2, 32% have the Axelos MSP qualification, 49% of PfM's have 11 to 20 years experience in the PM industry.

Work: 80% work as an employee, with 17% freelancing, 47% have a high level of personal confidence heading into 2019, 69% are working in the private sector with 26% in the public sector, 71% work in London, 14% don't have a fixed location.

Confidence: 51% believe their confidence has been negatively affected by Brexit, 47% of PfM's have 11 to 20 years experience in the PM industry, 49% of PfM's have 11 to 20 years experience in the PM industry, 25% said that new opportunities increased in 2018

Brexit: 25% said that new opportunities increased in 2018.

Opportunities: 51% believe their confidence has been negatively affected by Brexit.

Size of Organisation (in employees):

- 14%: 250-999
- 33%: 1,000-4,999
- 10%: 5,000-9,999
- 29%: 10,000+

Male: 67%
Female: 33%
IR35

Are you concerned that the planned legislation will have a detrimental impact on you?

Yes 61%
No 12%
Don't Know 24%

What is your concern?

The freelance market will be destroyed 60%
Opportunity to build my business will be restricted 32%
I will be forced to use an Umbrella company 60%
I will be subject to higher taxation 36%

Money

17% earn £500-£549 day rate
17% made between £45k and £49k

Work

57% Work as an employee, with
35% freelancing

Confidence

51% Have positive high levels of personal confidence heading into 2019

Sector

74% Are working in the private sector with 21% in the public sector

Location

23% work in London. 15% Don't have a fixed location

Opportunities

45% Believe Brexit has had no impact on their confidence levels
47% said that new opportunities remained stable in 2018

Project Manager

£53,009
£462

*average salary/rate based on those that shared that data

Size of Organisation (in employees)

10% 250 - 999
19% 1,000 - 4,999
12% 5,000 - 9,999
38% 10,000+

25% Female
74% Male

- 4% of PM's are 29 and under
- 46% of PM's are aged 30 to 49
- 49% are 50 and above

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Are you concerned that the planned legislation will have a detrimental impact on you?

- Yes: 88%
- No: 6%
- Don’t Know: 0%

What is your concern?

- I will be subject to higher taxation: 47%
- Opportunity to build my business will be restricted: 47%
- I will be forced to use an Umbrella company: 40%
- The freelance market will be destroyed: 40%

Money
- 22% earn a £650-£699 day rate
- 27% Had a base salary over £100k

Work
- 37% Work as an employee, with 59% freelancing

Confidence
- 45% Believe they are in a better financial situation heading into 2019
- 45% Believe their confidence has been negatively affected by Brexit

Experience
- 35% of ChM’s have more than 20 years experience in the PM industry

Accreditation
- 63% of ChM’s have APM - FMQ
- Only 6% have PRINCE2

Sector
- 67% Are working in the private sector with 23% in the public sector
- 25% Don’t have a fixed location

Location
- 25% work in the North West

Opportunities
- 74% classify their assignments as strategically important
- 37% said that new opportunities increased in 2018

Change Manager
- £75,641
- £621 *average salary/rate based on those that shared that data

Size of Organisation (in employees)
- 25% 1,000 - 4,999
- 41% 10,000+
- 15% 250 - 999
- 10% 5,000 - 9,999

- 12% of ChM’s are aged 30 to 42
- 70% of ChM’s are aged 43 to 59
- 17% are 60 and above

Gender
- 24% Female
- 73% Male

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Are you concerned that the planned legislation will have a detrimental impact on you?

<table>
<thead>
<tr>
<th>Concern</th>
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IR35

PMO Manager £58,736 £526

*average salary/rate based on those that shared that data

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<td>0 - 999</td>
<td>1,000 - 4,999</td>
<td>10,000+</td>
<td></td>
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<tr>
<td>5,000 - 9,999</td>
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</table>

% Male

- 30% of PMO Mgr’s are aged 30 to 42
- 64% of PMO Mgr’s are aged 43 to 59
- 6% are 60 and above

% Female

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Are you concerned that the planned legislation will have a detrimental impact on you?

- Yes: 57%
- No: 0%
- Don't Know: 43%

What is your concern?

- I will be subject to higher taxation: 100%
- I will be forced to use an Umbrella company: 75%
- Opportunity to build my business will be restricted: 50%
- The freelance market will be destroyed: 75%

What is your concern?

- Opportunity to build my business will be restricted: 50%
- The freelance market will be destroyed: 75%
- I will be forced to use an Umbrella company: 75%
- I will be subject to higher taxation: 100%

Project Support

- Average salary/rate based on those that shared that data:
  - Project Support: £37,802/£22,734
  - Recruitment: £417/£235

Size of Organisation (in employees)

- Female:
  - 0 - 999: 29%
  - 1,000 - 4,999: 30%
  - 5,000 - 9,999: 16%
  - 10,000+: 25%
- Male:
  - 29% are 29 and under
  - 60% are aged 30 to 49
  - 17% are 50 and above

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Thursday 13th June

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