

# Budget Allocation Parameters — Current Compensation Review

**From:** Finance Partner, Corporate Finance **To:** HR Director, People & Culture; Compensation Analyst, Total Rewards **Date:** Current compensation review cycle **Subject:** Approved Budget Envelope for the current compensation review cycle **Classification:** Internal — Confidential

## Approved Budget

The approved total budget for the current compensation review cycle is **£48,000** across all departments included in this cycle.

This figure covers base salary adjustments and equity corrections only. Variable compensation changes, spot bonuses, and off-cycle retention payments are funded from separate budget lines and are not included.

## Allocation Rules

### 1. Priority funding order:

- Critical adjustments (employees with compa-ratio below 0.90 AND Strong or higher performance) must be funded first.
- High-priority equity corrections (peer equity gaps exceeding the 8% threshold) are funded second.
- Remaining budget may be allocated to Medium and Low priority adjustments at the Compensation Analyst's discretion, subject to HR Director approval.

**2. Per-employee cap:** No single adjustment may exceed **£12,000** without separate Finance Partner approval. Requests above this cap must include a business case and retention risk assessment.

**3. Phased implementation:** If total recommended adjustments exceed the budget envelope, the Compensation Analyst may propose a phased approach where Critical and High items are implemented in the first implementation window after approval and remaining items are deferred to the mid-year review. Phased adjustments must be communicated to affected managers at the time of the initial review.

## Departments in Scope

The following departments are included in this review cycle:

- Operations
- Management Consulting
- Risk & Compliance Advisory

Other departments (Operations, HR, Finance, IT) are reviewed in a separate cycle.

## Constraints

- Adjustments take effect on the standard effective date for this cycle.
- The budget figure assumes current headcount as of the headcount freeze date for this cycle. New hires after this date are excluded from the current cycle.
- The Finance Partner requires a final cost summary and variance report within five business days of cycle completion.

## Sign-Off

Role	Status
Finance Partner, Corporate Finance	Approved — current review cycle
HR Director, People & Culture	Acknowledged — current review cycle