

City HR Community Chat Remuneration Review 14 July 2020

- **Based on City Pay Survey April 2020
and On-going mini-surveys**
- **Survey Participants**
 - **London focused**
 - **Smaller to medium-sized fs organisations**
 - **Commercial, Investment & Private Banks**
 - **Fund/Asset Management Companies**
 - **Commodity Trading Companies**
 - **Other Financial Sector**

Covid-related Working Arrangements

- **Less than 10% report they have had to furlough any staff.**
 - **Maximum furloughed: 7% - 18% of employees by company**
- **Homeworking**
 - **75% of companies had all staff working from home during lockdown**
 - **Currently 50% still have all staff working from home**
 - **Where some working at the office fewer than 10% of staff or on an occasional basis**

Returning to the Office

- **Just under 20% of companies are now allowing some staff to return on a voluntary basis**
- **Most do not expect staff to return until September/October**
- **Most expect the return to be staggered over time, in team 'bubbles' or on a rolling part-time basis**
- **Almost all expect that flexible working arrangements will continue for some**

Pay Reviews for 2020

- **Late 2019 we reported likely pay increases for early 2020 at 2.8 - 3.4%, based on budget forecasts**
- **Reviews due Jan – March 2020.**
 - **Implemented as planned**
 - **Median increase: 3.3%**

Pay Reviews for 2020

- **Reviews due March to July**
 - **60% took place as planned**
 - **Reminder delayed until later in the year, or budget revised downwards**
 - **Median increase for this period: 2.4%**
- **Reviews due September/October**
 - **Around 50% expect to go ahead as planned**
 - **Median budget 3%**
 - **Remainder as yet undecided**

Annual Bonus Awards

- **Early in 2020, expectations for bonuses based on 2019 performance, had been on a par with that paid in 2019**
- **Just under 80% of respondents implemented bonus awards as and when planned.**
- **Remainder have delayed or cancelled bonus awards for 2020**

Pay Forecasts for 2021

- **Few can provide a forecast yet**
- **Much will depend on the economic situation and on-going impact of Covid**
- **Expectations vary:**
 - **Those who are unlikely to implement a review in 2020 suggest they expect a budget of 5% or more for 2021**
 - **Others expect budgets to be limited for 2021 reviews, no more than 2%**

Changes to Employee Pay & Benefits

- **Over a quarter of respondents expect bonuses for 2020 performance to be negatively impacted**
- **Over half do not expect employee benefits to be affected**
- **Additional Comments**
 - **Cost of insured benefits likely to increase**
 - **Withdrawal of overtime payments**
 - **Flexible and home working likely to continue**

Covid-Related Challenges for HR

- **Mostly around the duty of care to employees working from home**
 - **Mental well-being/isolation of staff**
 - **Ensuring communications from employer and managers sustained and appropriate**
 - **Managing overloads of work**
 - **Adjusting work arrangements to allow for home schooling and other demands**
 - **Health & safety issues**
 - **Training requirements – new methods of delivery, helping staff work from home and leaders to manage**
- **Increased workload on HR department – risk assessments, revised policies, cultural transformation, keeping abreast of government guidelines**
- **Remote recruitment, interviewing and on-boarding of new staff**
- **Managing the return to the office - safety & cost implications**

Covid-Related Challenges for the Business

- **Risk adjustments and likely business restructuring**
- **Liquidity & Cost control**
- **Maintaining business continuity**
- **Additional operational costs**
- **Transition to home working – paperless operations, IT & comms issues, health & safety, internal communications, managing remote teams**
- **Returning to the office**
- **The World economy impacted by Covid and Brexit still to come**

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City Pay Guide – April & October 2020
City Benefits Guide – July 2020
Non-Executive Directors' Survey – May 2020

**If you are interested in participating in our surveys,
purchasing our pay guides or tailored benchmarking,
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