

City HR Community Chat Remuneration Review 20 October 2020

- Based on City Pay Survey published findings April & October
- Survey Participants
 - London focused
 - Smaller to medium-sized FS organisations
 - Commercial, Investment & Private Banks
 - Fund/Asset Management Companies
 - Commodity Trading Companies
 - Other Financial Sector

Pay Reviews for 2020

- In late 2019 expected pay increases for early 2020: 2.8 - 3.4%
- Reviews Jan – March 2020
 - Implemented as planned
 - Median increase: 3.3%
- Reviews April - July 2020
 - 60% implemented as planned
 - 40% impacted by Covid - delayed; budget reduced; pay freeze
 - Median increase: 2.4%

Pay Reviews for 2020

- Overall for 2020 Pay Reviews
 - Median increase 2.7%
 - 16% of respondents reported a pay freeze for 2020 (compares to 3% in 2019)
 - Some still deciding whether to implement any pay increases for 2020
 - Senior and executive management most likely to see pay frozen in those companies that revised 2020 pay plans due to Covid

Pay Forecasts for 2021

- Covid & Brexit continue to offer challenges
- Expectations for pay reviews in 2021 vary:
 - The majority expect pay budgets to be below 3%
 - Those who saw lower than planned pay increases or pay freezes in 2020 expect a budget of 3 – 5%
 - Average forecasted budget for 2021 currently 2 – 3%
 - We expect to see more pay freezes in 2021

Annual Bonus Awards

- Awards implemented 2020 for 2019 performance
 - Around 80% of respondents implemented awards as and when planned (typically in Feb – April 2020)
 - Remainder delayed or reduced bonus awards
 - Average bonus awards were below those awarded in 2019

Annual Bonus Awards

- **Expectations for 2021 awards**
 - Average bonus awards for 2020 performance will be lower than those awarded in 2020
 - However, where business performance has remained strong there is pressure to pay comparable bonus awards to previous years
 - Some support areas may see higher bonus awards than their peers in recognition of keeping business operational, including IT, HR and Facilities

Flexible Working Likely to Continue

- Earlier in the year respondents to our surveys expected most employees to return to office (full or part-time) by September/October
- More employees have spent some time in the office over the summer but a sustained return is now delayed until at least the New Year
- Most FS companies participating in our survey expect that flexible working arrangements will continue to operate for many employees

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

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