

City HR Compensation Forum

19 March 2024

- City Pay & Benefits Survey
 - London focused
 - Smaller to medium-sized Finance Sector organisations
- Latest Results to be published early April 2024
- Data primarily based on 2023 survey data
- 2024 pay reviews (early indications & commentary)

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Base Pay Reviews 2023

- Energy crisis & cost of living increases 2022 – 2023 had a substantial impact on 2023 salary reviews
- Increasing market pressures (recruitment & retention)
- Higher than average salary increases particularly seen for roles in Control Functions (Risk, Control, Compliance, Finance), IT, Junior Talent and Specialist Operational roles

Source: City Pay Guide, April 2024

- Median Company-wide increases for annual base pay reviews

2023	2022	2021
6.3%	4.2%	2.2%

Indications of Likely Base Pay Increases 2024

- Recent updates sourced from our survey participants
- Average pay increases typically lower than those implemented in 2023
 - Early indications: median base pay increase of c5%
- Factors influencing pay decisions
 - Inflation/Cost of Living
 - Maintaining pay levels against the pay market
 - Ability to attract and retain staff
 - Internal Equity
 - Equal Pay

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Pay Pressures 2024

- Likely to receive above average pay increases:
 - Clerical/lowest paid staff
 - Key junior talent
 - Risk/Compliance/Control
 - IT
 - Finance/Reporting

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Annual Bonuses Awards 2024

- Expectations for Bonus Awards
 - Almost half of those responding expect bonus awards to be higher than previous year
 - Around a third expect bonus awards at a similar level
 - Remaining 20% expect lower awards.
- Bonus Cap removal likely to have less impact on smaller to medium sized firms.

Improving the Employee Value Proposition

- Increasing Employer Pension Contributions
- Improvements to Private Medical Benefits
- Improvements to Holiday Entitlement or Buy/Sell
- Increasing cash allowances for gym membership
- Provision of Employee Assistance & Well-Being programs
- Enhanced Maternity & Paternity Benefits

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