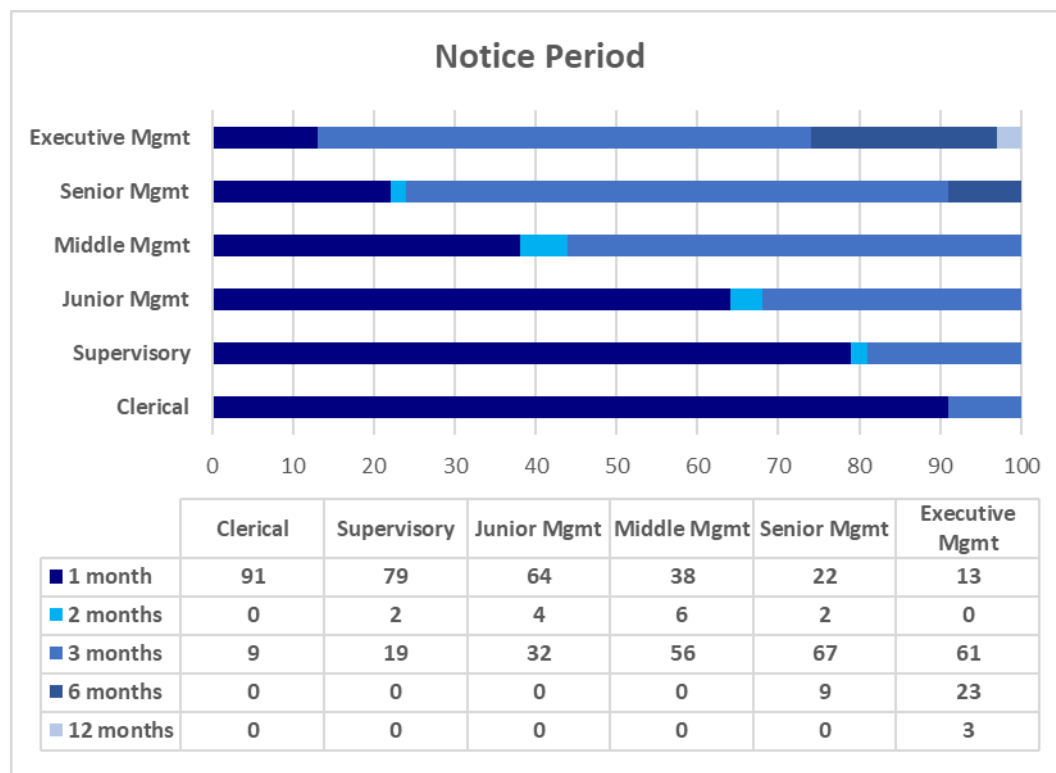


Notice Periods

We ask survey participants to advise us of the minimum notice period given by the employer once the employee has completed their probation. The results, by percentage of companies, are shown in the chart and table below.

Notice periods often increase with length of service, particularly for clerical staff. Typically, companies provide one month's notice to staff at clerical, supervisory and junior management levels rising by one week per year of service to a maximum of three months. Managerial staff are more likely to have a contract providing for three months' notice, with no minimum service requirement.

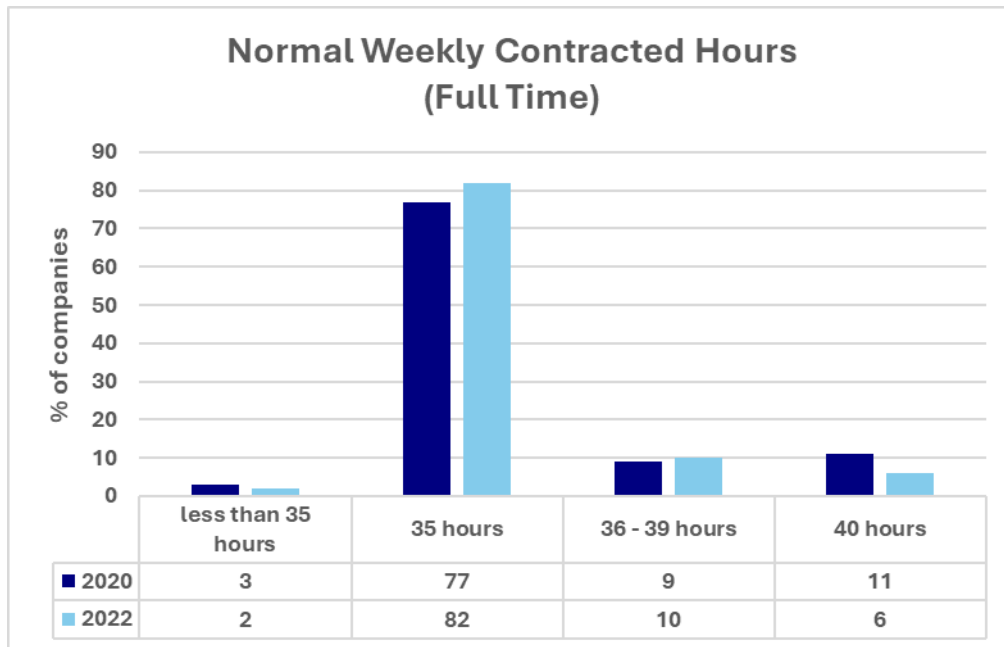
Twenty-six percent of financial sector organisations specify that they have six or twelve month notice periods for their executive management staff; notice periods of this length do not apply to those below senior management level in any organisation responding to this survey.



Over the past few years' we have noticed a slight move to longer notice periods for managerial staff with fewer companies giving one month's notice to those at mid-management levels and above, and more giving at least three months notice.

Contractual Working Hours

The contracted working week is typically 35 hours for the organisations covered by this survey. Eighty-two percent (77% in 2020) report this as their standard working week.



We now find that all of the companies in this survey operate the same standard contractual hours regardless of level of seniority whereas previously a very low percentage had contracts for senior managerial staff with longer hours than was the case for more junior staff.

It is not uncommon within many City organisations for staff to work more than their contractual hours, particularly for those in senior and front office posts. Staff in certain functions may have different contractual hours, for example messengers, security staff or those in IT. These non-standard hours are not included in the chart above. This data also excludes those on part-time or other flexible arrangements, being based on normal full-time working for that organisation.

Flexible Working

Employers are required, under statute, to consider applications from any employee for flexible working arrangements. There is no longer a requirement for the employee to be the parent or guardian of a child under 17 years old. An employer can only refuse the request for good business reasons.

Flexible working describes any working pattern that differs from the organisation's usual contractual working hours and has been adjusted to accommodate the needs of an employee. This may be:

- part-time – working fewer hours per week
- flexitime – choosing when to work, typically around a core period
- annualised hours – hours are worked out on an annual basis
- compressed hours – working agreed hours over fewer days, for example: 10 hours per day over 3 days (8am – 6pm)
- staggered hours – different start, finishing and break times for different employees
- job sharing – sharing a job designed for one person with someone else
- home working – permitted to work at home for all or part of a working week

Return to the Office and Hybrid Working

In June 2022 we undertook an additional survey of our participants to gauge their arrangements for returning to the office during 2021/22 and their approach to a hybrid working model.

We invited companies to provide information as to how they managed the process for staff returning to the office and whether working arrangements will permanently change from those that applied prior to the pandemic. We expected to see some cultural differences depending on the nationality of the parent company and the influences and expectations of senior management but have found this has not had a strong influence on the vision of future working arrangements for the responding firms.

From the many conversations with survey participants over the past couple of years, we have found that almost all enabled the vast majority of their employees to work from home over the pandemic period, and that they have found that this has not been detrimental to their business, the level of customer service they can provide, and employee productivity. Though some staff were keen to return the office and the face-to-face interaction with their peers, many others have found the more flexible approach to work-life balance a positive experience.

Returning to the Office (2021 to 2022)

Sixteen percent of respondent companies expected all their staff to return to the office, though not necessarily on a full time basis, once restrictions had been lifted by the government.

Over 70%% of respondent companies, however, expected this return, even for a limited number of days per week, to happen slowly and gradually, with almost a third of companies stating that they expect all staff to be attending the office at least one day a week by September.

The remainder expect the return to be even more delayed, with some looking to move towards a full return (though not necessarily full-time in the office) later in 2021, or even into 2022. For most there seems to be no rush and continued caution as to what the future months hold.

Over this transition period it was not uncommon for companies to intend to restrict the number of employees in the office at any one time.

The pandemic has certainly had a long-term impact on companies' plans for future working arrangements. Almost 80% of respondent companies are planning an ongoing hybrid home/office working pattern, though this may differ by role.

Full Return to Pre-Pandemic Working Arrangements?	% Companies
Yes	16
No, a hybrid scheme of working will be adopted	79
Not yet decided	5

As shown above, only 16% of respondent companies confirmed that they expected all staff to return to their previous working arrangements. However, there is a recognition by some of these companies that they may be expected to offer more flexible arrangements in the future for some staff, and that they will monitor how other companies in their peer group operate. The flexibility now expected by staff may well mean that ability to recruit and retain staff could be impacted by the company's approach to hybrid working and flexibility.

A number of companies have stated that the experience of working from home during the pandemic has brought about a culture change to their company, where previously flexible working was not accepted or encouraged, yet now hybrid working arrangements are being established for the future.

Hybrid Working Patterns

The table below indicates the minimum number of days that staff are now expected to attend the office on a weekly basis. Please note that, due to lack of details provided for some schemes, this table includes only the 79% of those firms that have established a hybrid pattern of work, so the percentages do not total 100% of respondents.

The majority of those introducing a hybrid scheme apply a standard number of days in the office or at home. This pattern may not apply to all employees but for the majority.

The most popular pattern described by participants in this survey is to require employees to work a minimum of 3 days per week in the office (3 days office, 2 days at home), with those selecting a pattern of 2 days in the office, 3 days at home coming a close second. In one instance, to provide more flexibility, a company states that they require a minimum of 4 days in the office, over a two-week period (included in the table with those requiring 2 days/week in the office).

Minimum Days in the Office per week	% Companies
2 days	26
50/50 split (equiv. to 2.5 days)	5
3days	32
Varies by role	5
Not yet determined	11

A number of companies stated that employees may opt to work more days than the minimum, either on a flexible basis or by arrangement.

To ensure that the office is not over-full on some days and empty on others, and also to ensure that teams and departments are able to collaborate and meet in a practical manner, the actual days to be worked may need to be agreed with line management, or be flexed according to business needs.

Of those introducing a hybrid scheme of working there is a fairly equal division between those considering this to be 'the new norm' (56%) and those describing it as an interim measure (44%). However in all cases the practice and pattern of working will be reviewed regularly to ensure that it works for the business, and competes favourably with the market/their peer companies.

Even for those companies not introducing a hybrid pattern, the responses given indicate that they expect to review this approach based on on-going market practice.

In all cases, respondent companies introducing hybrid working patterns indicate that they do not intend to change employment contracts at this time, though some state they may do so once the practice stabilises, being dependent on regular reviews.

Changes to Flexible/Hybrid Working Policies

The table below indicates expectations of changes likely to pre-pandemic flexible working policies, terms and conditions, benefits and need for office space.

Expecting Increase in Flexible Working Applications (% of companies)	Planning Changes to Flexible Working Policies (% of companies)	Changes to Other T&Cs or Benefits* (% of companies)	Reviewing Office Space# (% of Companies)
63	68	37	63

*Changes to Terms & Conditions or Benefits that are likely to be under review (as mentioned by respondents to this questions) include season ticket loans, IT equipment for home working, London weighting.

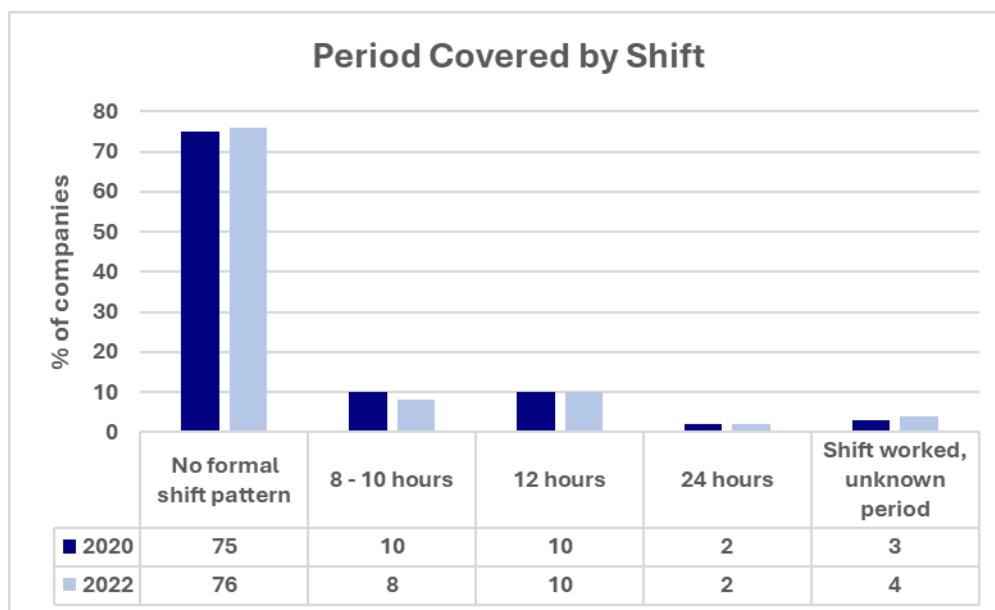
#Although 63% of companies expect to, or are considering reviewing their office space requirements, for some companies this is a long-term aim. For others the likely changes are minor (for example, layout of staff room or meeting rooms). Around 20% of respondents mention that they are likely to reduce their office space or have put a planned move on hold.

Shift Working

Certain categories of staff may be required to work a non-standard day or to work a shift pattern to provide cover to the business over a longer period of, say, 12 or 24 hours. Typically, we find that each shift is a standard seven working hours in length, excluding breaks, for example, two shifts, 7am to 3pm and 11am to 7pm, providing cover for a 12 hour period (7am – 7pm).

Of those companies participating in this survey, 24% report that they employ some members of staff on a formalised shift system, (down from 25% in 2020). A shift allowance is not necessarily paid in these instances as base salary is considered to reflect the hours worked (see next page).

The information in the chart below applies to the hours covered by the shift pattern on each working day, not the length of each shift. For example, in 10% of cases those on shift provide cover for a 12 hour period. Usually this involves a rota of 2 teams working overlapping 7 hour shifts with no overnight provision. Only 2% of companies have any employees on shifts covering 24 hours.



Few staff at managerial level are expected to work shifts. We find that only 5% of respondent companies require staff above the level of supervisor to work a formal shift pattern. This falls to less than 2% at senior management level. It is more common that management staff are expected to work longer or out-of-hours if necessary, yet not on a formalised shift pattern.

It is IT staff that are most likely to work a formal shift pattern with all companies operating shifts having at least some of their IT staff on a shift pattern.. Just under 10% of companies also operate a shift pattern for some banking operations staff. We no longer see receptionists, messengers or other categories of staff working a formal shift pattern.

Shift Allowances

Less than 10% of those organisations operating a shift system pay an allowance to those staff employed on this basis. This has remained unchanged for several years. It is more common for the base salary paid for the role to be set to compensate for non-standard working hours, bearing in mind that the length of a shift is rarely longer than 7-8 hours and often involves daytime working only. Working out of normal office hours may be expected for certain roles, particularly for IT support staff.

Where an allowance is paid it is either calculated as a percentage of base salary, or as a fixed shift premium paid monthly. However, due to the small sample of companies providing information on shift allowances we are not able to provide an average value for shift allowance payments.

On-Call and Call-Out Policies

Where an organisation requires certain categories of staff to be available on-call to provide out-of-hours business support, this tends to be limited to IT support or premises/facilities staff. Usually this is undertaken by junior management or clerical staff in the IT department, and management staff in facilities or premises functions (likely to be keyholders).

Typically, managerial staff will not be paid a call-out/on-call allowance as being on-call is an accepted part of their role. Time off in lieu may be offered.

Where a company has an on-call/call-out policy, most companies only expect individuals to provide this cover on an occasional basis, as and when required, i.e. there is no formal call-out rota and the frequency of call-outs are few and irregular, i.e. no more than once or twice a month. On-call support may be provided on-site or off-site (remotely).

Most organisations requiring staff to be on-call for certain situations do not operate a formal on-call policy with set allowances. It is expected, that, for certain roles, problems occurring out-of-hours may need to be resolved and this is considered part of the role, though likely to be required infrequently. Time off in lieu or overtime payments may be made at management's discretion in these circumstances.

Call-Out Allowances

Most companies do not pay a fixed rate for those employees providing on-call support. However, they may pay overtime or give time off in lieu of the actual time spent in providing out-of-hours support whether remotely (off-site support) or by attending the company's premises (on-site support). Where no payment is made, time off in lieu may be available.

Where an on-call allowance is paid it is usually limited to IT support staff only. Some companies pay a fixed rate per on-call period, others pay an annual allowance (paid monthly) to those included on the on-call rota. We are not able to provide a monetary value for these payments as the sample size is small.

It is normal practice for the employer to pay reasonable travel expenses and, possibly, a meal, if the call-out period is more than a few hours long.

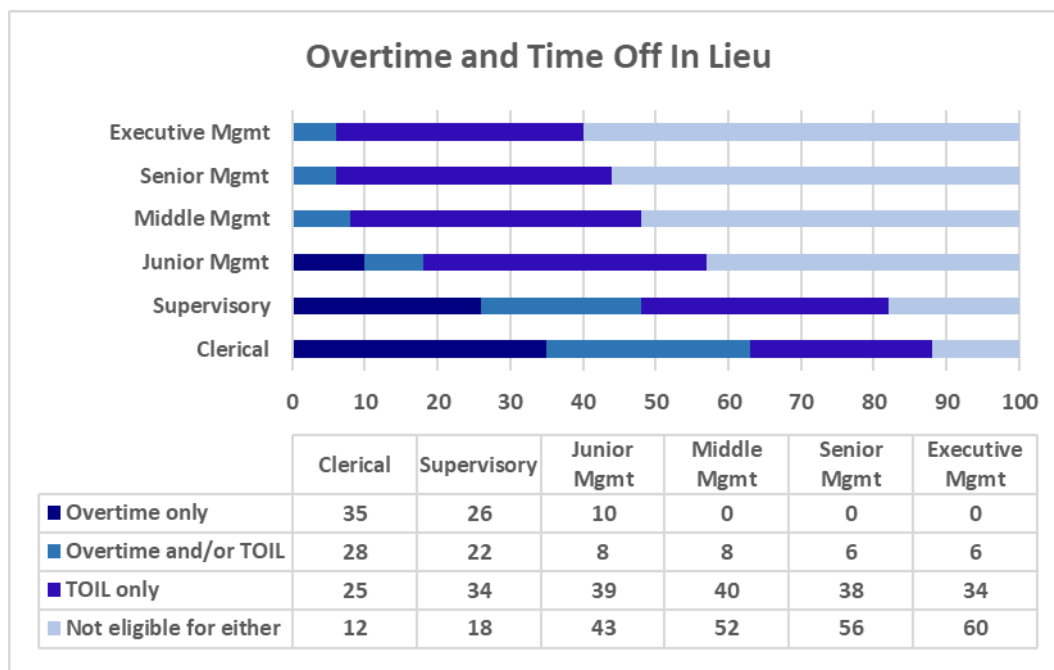
Overtime and Time off in Lieu

Sixty-three percent of companies pay overtime to employees at clerical levels (percentage unchanged since 2020). Forty-nine percent of companies also make overtime payments to supervisory staff, though paid overtime is less likely at junior management level or above, as shown in the chart below.

We note that 6% of companies report making overtime payments to senior management roles. However, this is usually limited to those working on IT-related or other special projects and payments tend to be payable only for weekend or bank holiday working, and in exceptional circumstances.

Companies may offer time off in lieu to those not eligible for overtime, or as an alternative to an overtime payment. We indicate below the percentage of companies who offer overtime payments and/or time off in lieu, by level of seniority. Please note that those who give both overtime and time off, would not typically do so for the same period of time worked, though in a few cases both are given for bank holiday working. Usually in these cases, those eligible have the choice of paid overtime or time off in lieu.

Time off in lieu of out-of-hours working is available to mid-level managers and above in around 35-40% of organisations. This is usually limited to exceptional out-of-hours working or for special projects.



We provide information on company policies for overtime/time off in lieu but not on how much overtime is actually worked. Some companies, though they have a scheme, report that they do not expect overtime to be worked or claimed other than in exceptional circumstances or for approved projects. For other companies paid overtime may be common.

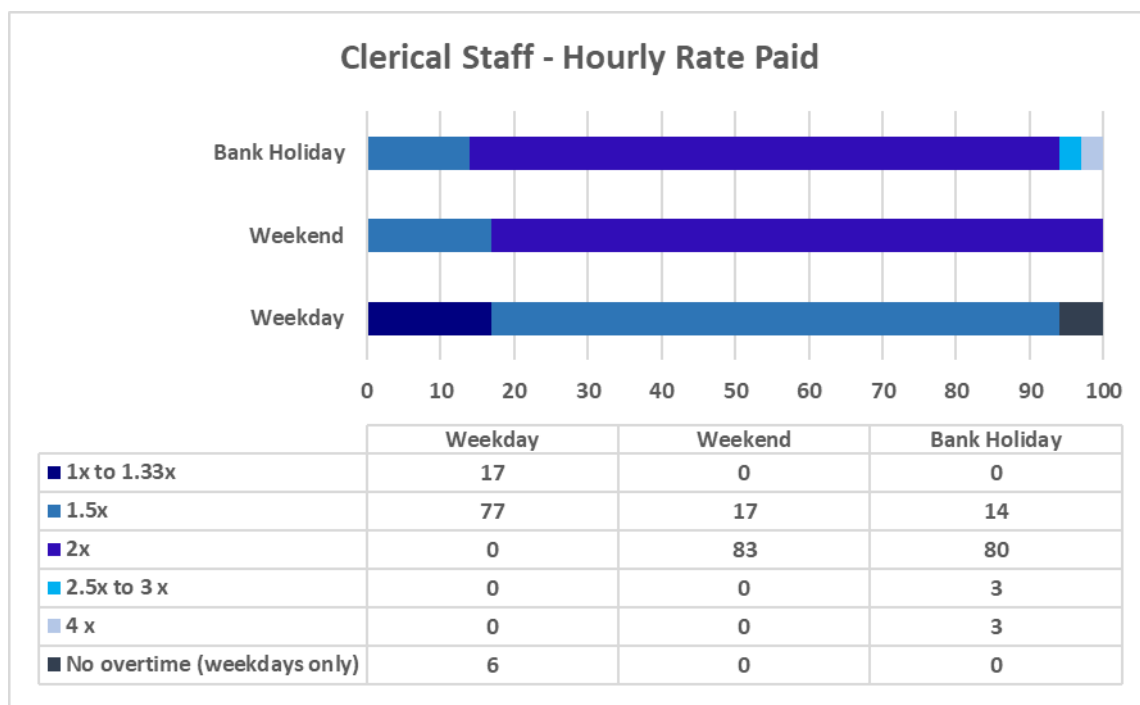
Overtime Eligibility - Maximum Salary Limit

In most organisations where overtime is payable, this is limited to junior grades, typically only clerical employees are eligible for paid overtime. Twelve percent of participating companies report that they operate a salary cap to further limit those eligible for overtime payments, so that only employees earning less than the cap may claim overtime. The percentage of companies with a cap hasn't changed since 2020, although its use had fallen over previous years, being around 20% three years ago.

Where a cap is in use to limit overtime eligibility, the median salary cap is currently £35,000, the same level as reported last year. Prior to 2020, a median cap of £30,000 had been reported for the previous 7 years.

Overtime Rates

Overtime payments are typically based on a multiple of salary. The chart below indicates the rates of overtime as a multiple of base salary, for clerical staff, for weekday, weekend, and bank holiday working, by percentage of those organisations offering paid overtime. Seventy percent of those organisations making overtime payments to clerical staff pay time-and-a-half for weekday overtime and double-time for weekends and bank holidays.



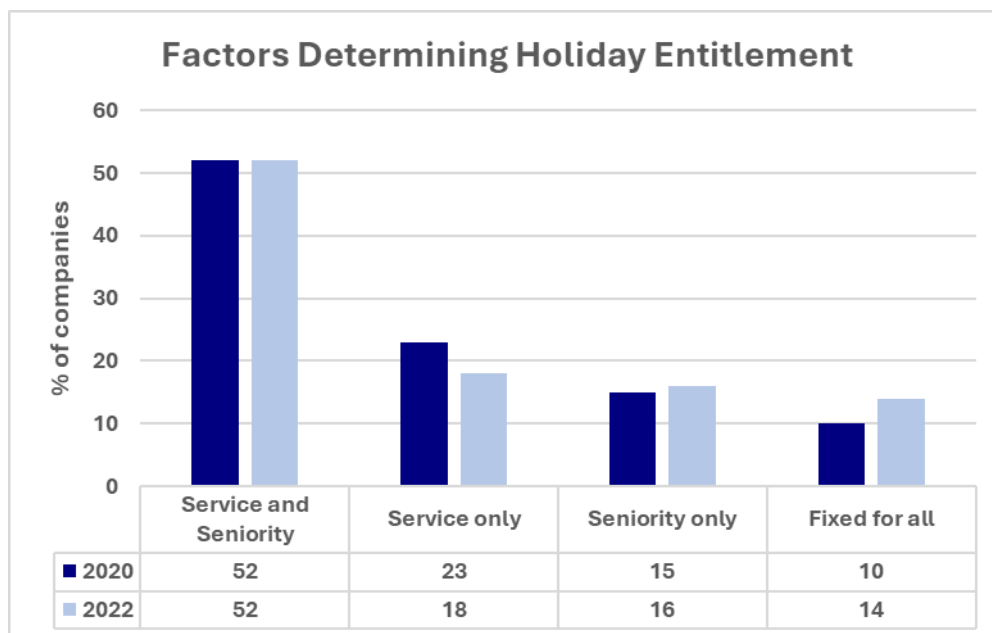
Staff at managerial levels, who are eligible for overtime payments, are more likely to see this restricted to weekend and bank holidays only, or in c10% of cases where overtime is payable, to receive a fixed rate payment, rather than a multiple of their normal hourly rate.

Holiday Entitlement

The minimum statutory holiday entitlement for someone working five days a week is 28 days. This can include bank and public holidays, of which there are currently eight (in a normal year) in England and Wales, nine in Scotland. Hence, by law, companies based in England must offer a minimum of 20 days per annum (pro-rated for part-timers) in addition to bank/public holidays.

Few companies in this survey limit holiday entitlement to the statutory minimum, with only 8% of participating organisations providing clerical staff with a minimum (basic) entitlement of 20 days per year. In the majority of these cases entitlement increases with length of service with only 2% of all participants limiting holiday entitlement to 20 days for clerical staff, regardless of length of service. It is even rarer for management staff to be limited to the statutory minimum with only 2% of companies offering a basic holiday entitlement of 20 days to middle level managers and above. In all these cases entitlement increase with length of service.

As shown in the chart below, most participating companies use a combination of length of service and seniority to determine holiday entitlement. The percentage using both factors is currently 52%, unchanged since 2020, though on a downward trend over several years previously.



Eighteen percent of companies use length of service as the only determining factor (23% in 2020) with 16% of companies determining holiday entitlement by grade or level of seniority alone. However, at senior levels length of service is less of a factor than for more junior staff.

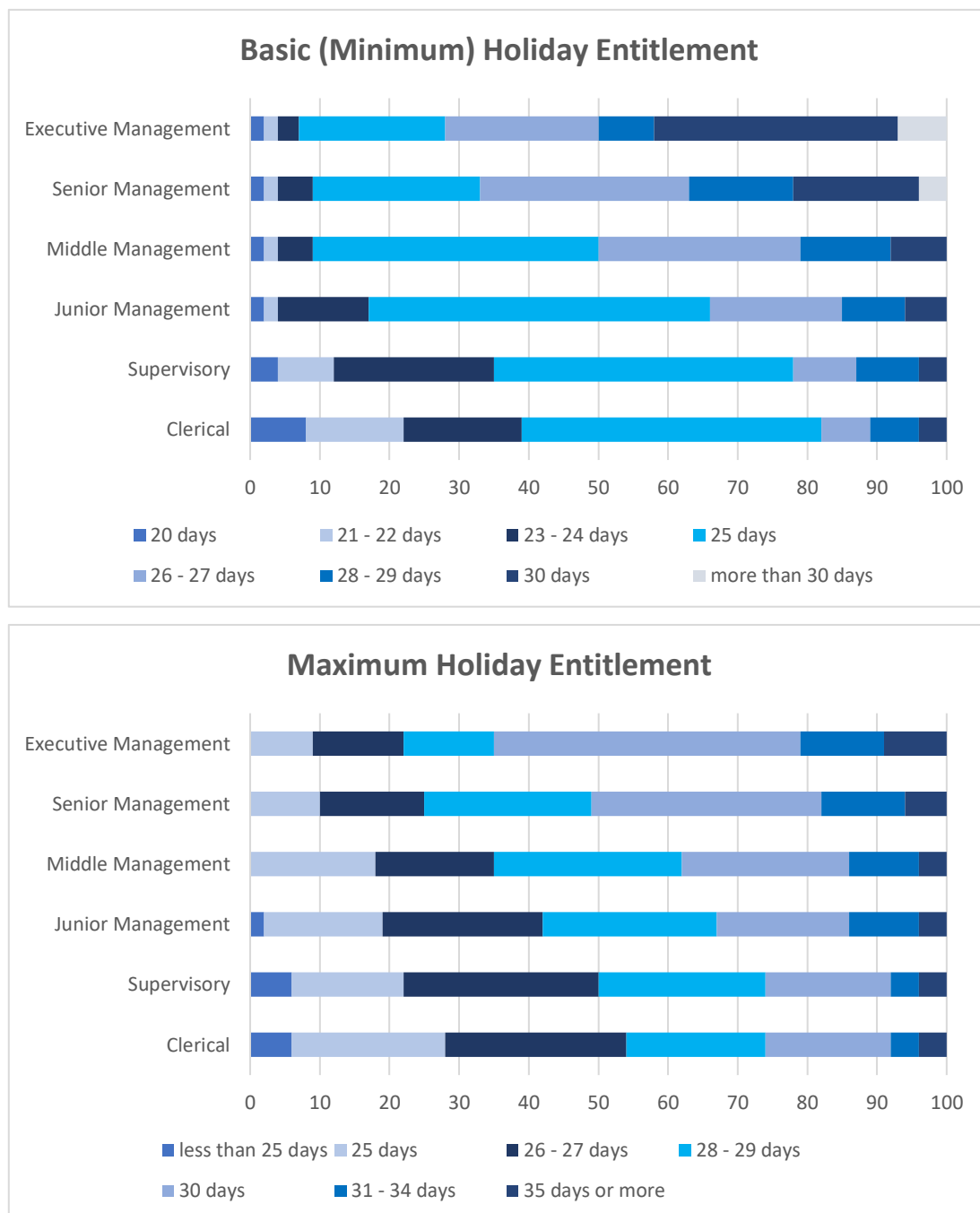
We note that the percentage of participating organisations providing the same level of holiday entitlement to all staff, regardless of seniority or length of service, is currently 14% (10% in 2020 and little changed over many years before then).

Where holiday entitlement is set at the same level for all staff regardless of grade or length of service, the median entitlement is 27 days per annum, though the most popular level is 25 days (both unchanged since 2020).

Holiday Entitlement (Basic & Maximum)

The following charts and subsequent table show basic (minimum) and maximum holiday entitlement by number of days per annum. The first two charts show the percentage of companies providing the number of days holiday indicated, by level of seniority. The number of days reported excludes entitlement to bank/public holidays, and any ‘grandfathered’ schemes which may be available to some employees.

Four percent of companies do not give a whole number of days’ holiday, for example, annual entitlement is 25.5 days or 27.5 days for different categories of staff. We have rounded these up to the nearest whole number for ease of analysis.



The most popular level of basic entitlement for any grade of staff is 25 days, with the most popular maximum holiday entitlement ranging from 25 days for clerical to 30 days for senior managers.

The table below indicates inter-quartile data for basic and maximum holiday entitlement, based on the same data as the charts provided previously, plus the mode (most popular) number of days, at each level of seniority.

ANNUAL HOLIDAY ENTITLEMENT (inter-quartile data)

	Executive Mgmt	Senior Mgmt	Middle Mgmt	Junior Mgmt	Supervisory	Clerical
Basic Entitlement						
Lower	25	25	25	25	23	23
Median	27	26	25	25	25	25
Upper	30	28	27	26	25	25
Mode (most popular)	30	25	25	25	25	25
Maximum Entitlement						
Lower	28	27	27	26	26	25
Median	30	30	28	28	27	27
Upper	30	30	30	30	30	30
Mode (most popular)	30	30	30	30	28/30 Equally popular	25

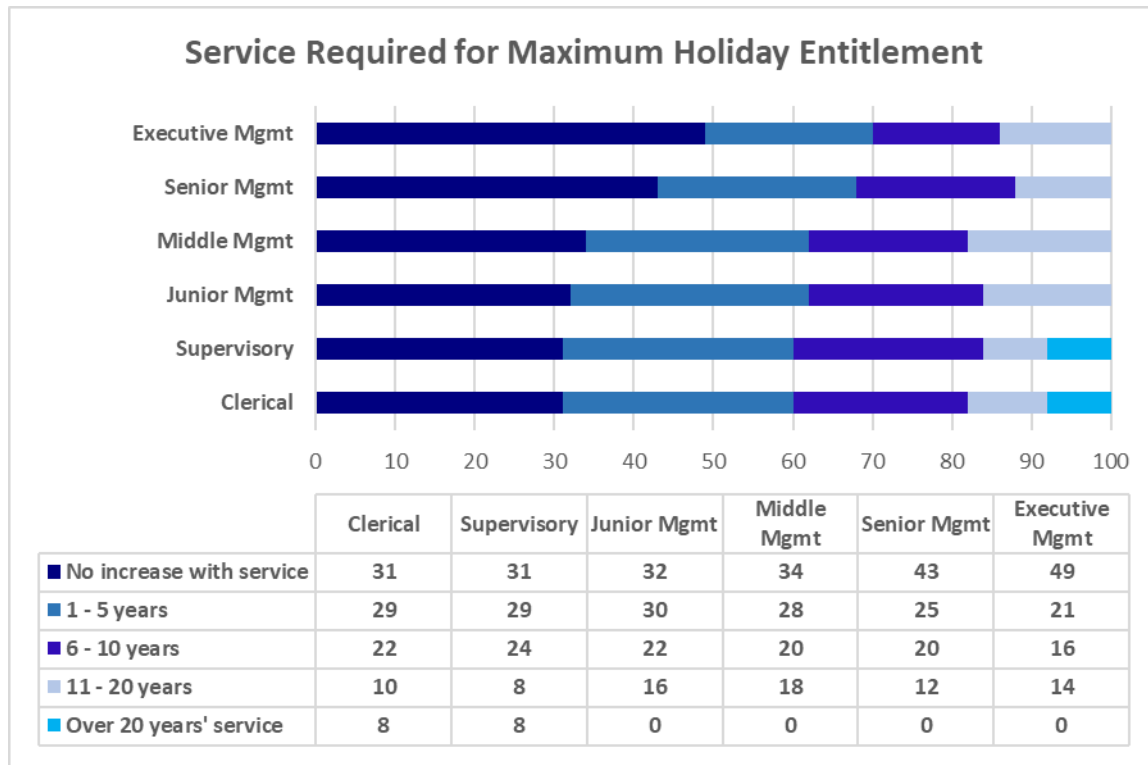
Although the interquartile and mode figures given above have changed little over the last 3-4 years, we note that average basic and maximum holiday entitlement is increasing slightly, and slowly, for all categories of staff. Fewer companies limit entitlement to less than 25 days holiday, at any level of seniority, than was previously the case. There has been an increase in those giving at least 25 days to clerical staff and 26-30 days to managerial staff. The most popular basic holiday entitlement is 25 days for all levels of seniority, except executive management, where 30 day entitlement has become most popular in 2021. For management staff over half receive more than 25 days.

Holiday policy and practice varies widely by company. In some instances, there is little difference in holiday entitlement by seniority or service, with senior management receiving only 2 or 3 extra days entitlement than other staff. Other companies increase the number of days' holiday at every grade, in addition to a length of service element. However, as seen in the tables above, holiday entitlement typically centres around 25 days basic entitlement and 27-30 days maximum entitlement based on seniority and length of service.

Extra holiday is given by some companies as a long-service award, i.e., an extra 5 days in the 10th or 20th year of service (see section on Other Benefits – Long Service Awards). Also, we note that around 5% of companies give an extra day's paid holiday following a year in which that employee has had no sickness absence.

Service Requirement for Maximum Holiday Entitlement

The use of length of service as a factor in determining holiday entitlement remains prevalent, particularly at clerical levels, with 70% of organisations using length of service as one of, or the only factor used, to determine the number of days' holiday. As can be seen in the table below, service is less of a factor at more senior grades.



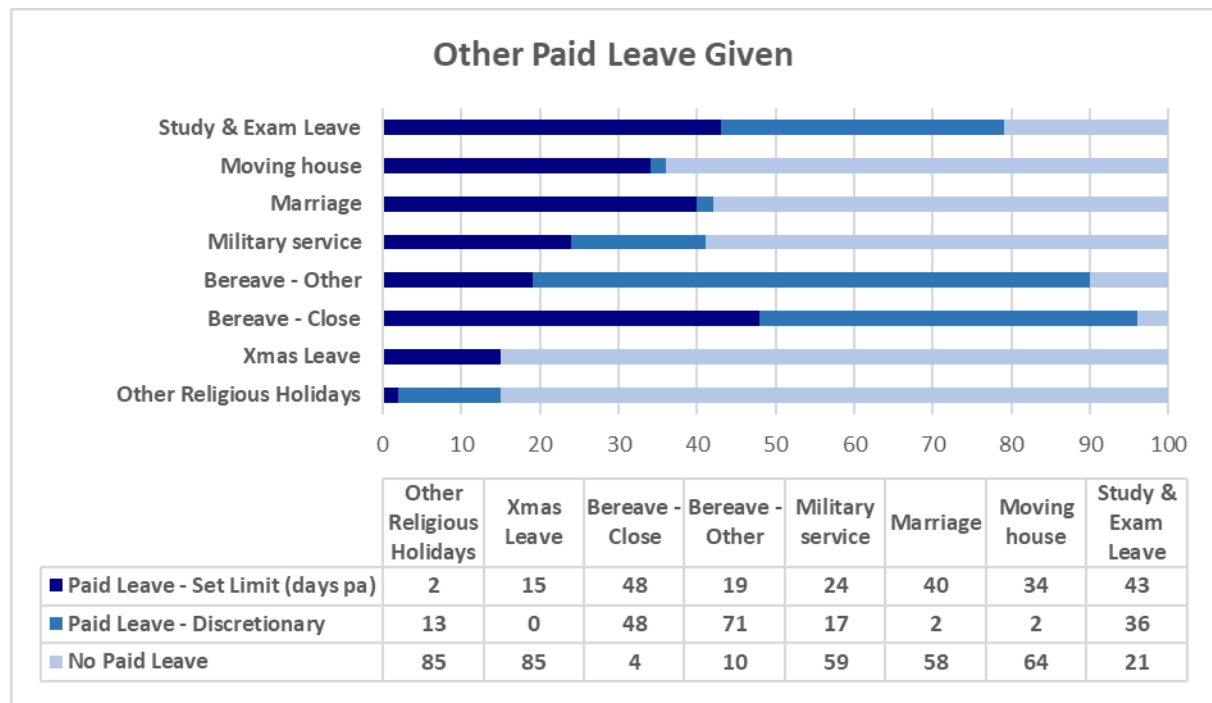
In general, where holiday entitlement increases with length of service, it increases in steps over several years, for example an additional day's holiday every two years until the upper limit is achieved.

Where there is a service requirement, the period of service required to achieve the maximum holiday entitlement, is most commonly 5 years, though over a third of companies require a longer service level to be reached to achieve the maximum holiday entitlement, and in some cases, this may occur until over 20 years' service is reached.

Other Paid Leave

Many City-based employers will give additional paid leave for specified reasons or events such as military service, marriage or moving house. Organisations do not always set a fixed limit on the number of days available, permitting line managers to use their discretion on an individual basis.

The table below indicates the percentage of companies providing additional paid leave indicating where a set number of days is defined in the organisations basic policy, or whether it is discretionary.



The next table indicates the median days per annum allowed for each form of leave, where a maximum number of days is set. This excludes those instances where managers are permitted to use discretion based on individual circumstances.

MEDIAN DAYS PER ANNUM WHERE SET

	Median number of days per annum
Study & Exam Leave	5
Moving house	1
Marriage	2
Military service	5
Bereavement - Close	5
Bereavement -Other	1
Extra Christmas Leave	1
Other Religious Holidays	n/a

Where military or study leave is given it is usual for companies to require the individual to match the paid leave given with days taken from their annual holiday entitlement, i.e. 5 days' additional paid leave matched with 5 days' holiday.

For information on maternity, paternity and parental leave please see the section 'Other HR Policies'.