



PARTICIPANTS: CLOCKWISE FROM TOP

■ **Sarajane Kempster (Chair)**
Director, Fiduciary Specialist Team, RBC

■ **Shona Alexander**
Partner, Charles Russell Speechlys

■ **Donzelina A Barroso**
Director of Global Philanthropy, Rockefeller Philanthropy Advisors

■ **Sarah Conway**
Partner, Head of Real Estate, Maurice Turnor Gardner

■ **Simon Goldring TEP**
Partner, Co-Head of the London private client group, McDermott Will and Emery

■ **Suzanna Harvey**
Partner, Burges Salmon

■ **Patrick Harney TEP**
Partner, Mishcon de Reya

■ **Rosie Schumm**
Partner, Family Team, Forsters

■ **Henry Stevens**
Partner, Commercial Real Estate Team, Farrer & Co

■ **Iain Younger TEP**
Director, Frank Hirth



Royal Bank of Canada

Paradigm shift

THE COVID-19 PANDEMIC HAS DRAMATICALLY CHANGED THE WAY WE WORK. A RECENT *STEP JOURNAL* ROUNDTABLE, SPONSORED BY ROYAL BANK OF CANADA, REVIEWED HOW IT HAS IMPACTED THE WORLD OF WORK FOR PRACTITIONERS AND IMPACTED CLIENTS

In August 2020, ten private client experts came together for a virtual roundtable discussion sponsored by Royal Bank of Canada (RBC). Although ordinarily such events would take place in person, the roundtable was conducted online due to the COVID-19 pandemic: a fitting modification in response to a public health emergency that has changed the world of work globally.

The impact of COVID-19 on the current and future business practice of private client practitioners, as well as their clients, was the subject of the discussion. Chair of the roundtable Sarajane Kempster, Director of the Fiduciary Specialist Team at RBC, opened the conversation by noting how vastly and quickly ways of working have changed.

THE COMPANY IMPACT

‘It’s now been a four-month period since RBC employees in the UK started working from home,’ Kempster began. ‘When it started, we were dealing every day with the struggle of working without

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■ Shona Alexander

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■ Henry Stevens

office technology, without being face-to-face, with balancing our family life and much more. Now people have settled into it, many are not in a rush to return to the office full-time, or are looking to have more flexible working arrangements. How, as a business, can we work with that, so we are allowing flexibility and work-life balance while maintaining operations as a cohesive team?’

All of the participants agreed that employees’ adaptation to new working conditions has been a swift transition that many have undertaken more successfully than businesses would have anticipated. Since successfully negotiating public transport, children’s schooling and, quite simply, a new work-life balance, a large number of employees do not wish to return to the office until at least the beginning of 2021.

‘Many younger people now don’t want to be sitting in an office for five days a week,’ commented Shona Alexander, Partner at Charles Russell Speechlys. ‘They might not actually want the traditional career path of staying somewhere and aiming to become a

partner; they might want to have more than one career. This has fast-forwarded businesses to think about agile ways of working, and how having more flexibility for employees might actually be helpful in retaining talent.’

However, in the world of private client work, the current lack of face-to-face interaction both inside the workplace and with clients is nonetheless causing some concerns.

Donzelina A Barroso, Director of Global Philanthropy at Rockefeller Philanthropy Advisors, agreed that in crowded cities such as New York, people are in no hurry to get back to the office as they have very real concerns around the safety of public transport. But, she added, a particular challenge has been how to bring new staff into the business and make them part of the workplace culture remotely.

Similarly, hiring at this time has been difficult for many practices. Iain Younger TEP, Director at Frank Hirth, commented: ‘The office has evolved incredibly well, but we have had to put a

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■ Donzelina A. Barroso



'The international market has slowed because clients can't travel here ... but the UK domestic market has improved, especially in areas with outdoor space'

■ Sarah Conway

hold on our graduate programme, as it's simply too difficult for graduates to come on board and become part of the team. Ultimately, that will have an effect on the business a few years down the line.'

For many of the participants, companies may have found new ways of creating team cohesion, but working remotely raises questions around the adequate development of junior members of staff. 'It has been easier for senior staff: we all have established networks,' said Patrick Harney TEP, Partner at Mishcon de Reya. 'For those less senior, that's far more challenging. They are now not sitting with partners, picking up work, learning skills: the office is also the training ground and juniors are just not getting that experience at present.'

It's not just the junior members of teams who are missing out on face-to-face interaction: both Simon Goldring TEP, Partner and Co-Head of the London private client group of McDermott Will and Emery, and Rosie Schumm, Partner in the Family Team at Forsters, noted that many client relationships are fostered far better in person.

Schumm commented: 'Face-to-face interaction is always going to play a key role in what we do. Some clients simply do not like other approaches and, as a family lawyer, nothing is as good as that in-person meeting. Virtual mediums can be very restrictive.'

THE FINANCIAL IMPACT

Schumm also raised concerns about the impact long-term remote working could have on cities, citing London as an example.

Henry Stevens, Partner in the Commercial Real Estate Team at Farrer & Co, agreed: 'The centre of London is

virtually empty at present, and although it's not easy to persuade people back into offices yet, it is important that they do return to some degree. Our team has been incredibly busy dealing with the impact of commercial tenants defaulting on rent payments and looking to revisit their lease terms: it brings to the fore the question of the purpose of property space, and how we plan its use.'

However, this is not a London-centric issue; it is likely that many other cities will be facing the same dilemma of injecting investment back into commercial centres as people continue to work remotely. Innovation is needed, says Stevens: 'If the majority of people want more flexibility in their workplace, office space has to evolve to be a space for collaboration, learning and socialising.'

On the side of residential real estate, however, practitioners have less of a concern, said Sarah Conway, Partner and Head of Real Estate at Maurice Turnor Gardner. 'The international market has slowed because clients can't

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■ Suzanna Harvey

travel here for the moment, but the UK domestic market has improved, especially in areas with outdoor space, as people look to move away from the city into the countryside.'

Conway commented that real estate practitioners have faced challenges in dealing with a pent-up demand of cases as lockdown started to ease, but that this was aided by HM Land Registry's decision to allow electronic signing of documents. Stevens added that it has improved the issue of 'greater collaboration' between landlords and tenants.

Although real estate assets seem to be remaining stable, there is uncertainty surrounding the likelihood that governments globally will look to tax reform to make up the deficits left by the pandemic. Kempster asked the participants if this is having a significant impact on the decisions clients are making around their wealth, for example, in terms of future-proofing for potential tax changes.

'Increased taxes are almost certainly coming down the line, so that is making people wary of jumping into major restructures,' noted Suzanna Harvey, Partner at Burges Salmon, 'but what they are doing is examining their planning options; for example, gifts, potential disposals of assets standing at significant capital gains and so on. This [pandemic] has given them time to start thinking, and for those already talking about planning around their structures, there has been an acceleration in their decision-making.'

Younger added: 'A lot of the discussions will start moving forward into action after the summer; not wholesale restructures, but rather examinations of current estate plans and whether they are still fit for

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purpose, make sense for the client and preserve wealth in the most efficient way for their families.’

Similarly, Alexander and Schumm said that in the arena of family and matrimonial practice, they had done a lot of work around asset preservation, including pre- and post-nuptial agreements and cohabitation agreements. As the family courts moved to a focus on the most urgent cases, clients have also been finding new ways of resolving disputes, from private negotiation hearings to mediation discussions: arguably a positive step.

THE CHARITABLE IMPACT

Another unexpectedly positive outcome from the pandemic has manifested through the reaction of philanthropic families. Barroso said: ‘We work with dozens of different foundations that have wanted to jump in with help immediately. The pandemic has caused donors to engage in education about initiatives they can work with, and they’re trying to take a long-term approach in the support they can give.’

Kempster agreed, having also seen this trend: ‘When the magnitude of COVID-19 started to unfold, some large philanthropic families quickly mobilised capital to the hardest-hit communities, as well as to medical research and distribution of PPE. For us as practitioners, this involved a lot of work around the redrafting of charitable trusts very quickly, in very extreme circumstances.’

And while the world has been dominated by COVID-19, the period of lockdown has also seen an increased focus on – or entirely new movement around – key social issues.

‘There’s been a huge push on supporting the Black Lives Matter

movement,’ explained Goldring. ‘It has mobilised philanthropic families to do more in the world, funding education pieces or supporting the entrepreneurship of people of colour. In some ways the pandemic has really revealed the good in people.’

All the participants acknowledged that the COVID-19 crisis has revealed how capable private client practitioners are at working cohesively and remotely, and how it has seen clients take a thoughtful, socially responsible approach to managing their structures.

WHAT THE FUTURE HOLDS

Nevertheless, participants recognised that as the novelty of virtual social events has worn off and people have seen their leave cancelled, work fatigue can set in.

‘The longer people are out of the office, the more their resilience starts to fade, especially when their professional life is so busy,’ Kempster pointed out. ‘It’s all too easy to log on very early and log off very late: there’s no physical separation between work life and home life. How should businesses manage this?’

Harney responded that business practice will adapt, as well as the employees themselves: ‘This has given us a whole new perspective on what is necessary and important, especially in terms of face-to-face interactions.’

‘COVID is going to be a disrupter until the winter at least, and possible tax changes and succession planning will mean that we’re going to be very busy in the autumn,’ added Harvey. ‘We need to manage expectations about our capabilities, both with clients and with staff, and continue to stay as well connected and communicative as we can.’

‘We don’t have the answers to what’s going to be happening even a month from now,’ agreed Alexander. ‘Everyone just has to keep communicating; having

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been in this situation for a long time, we need to be prepared for how to come out of it in such a way that everyone remains physically and mentally well.’

‘It’s been a surreal experience,’ Stevens summarised. ‘COVID has caused a recalibration of what’s important, from how we work to how we live our lives. We have a renewed focus on the wellbeing of both our staff and our clients. After all we’ve gone through globally, that’s got to be one positive outcome.’

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#CAREER AND PERSONAL DEVELOPMENT

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