

# The rise of the Northern Pound



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# Introduction

UK businesses continue to operate in a competitive, candidate-driven market. We've seen an ongoing period of high employment, reaching almost **76%** according to recent figures from the Office of National Statistics. Northern businesses have the added challenge of competing not just within their local areas, but against the lure of London, with the offer of higher salaries and faster career progression commonly associated with the capital.

However, the Northern Powerhouse is in a strong position, being home to over 1 million businesses exporting £50 billion worth of goods across the globe. Investing into the North is increasingly on the agenda for policy makers and business leaders alike. Making core northern cities more accessible was one component of the 2018 Autumn budget, with a further £37 million allocated for development of upgraded rail services in the North, building on £300m already committed to ensure HS2 accommodates Northern Powerhouse Rail and Midlands Engine services. Ultimately, the North is building a strong case for greater connection between its cities.

Meanwhile, recruiters across the UK are facing a range of challenges, from attracting good quality candidates (**40%**), overcoming skills shortages (**26%**), coping with limited budgets (**18%**) and building a talent pool of go-to candidates (**14%**).

With this in mind, Totaljobs delved deeper into what the North has to offer when it comes to working life and career motivators, determining the advantages the region poses to both workers and employers.

One core benefit of living and working up North is the lower cost of living. Taking into account a range of factors including commute cost and time, rent and hourly wages, we worked alongside Geraint Johnes, Professor of Economics at Lancaster University, to calculate just how much further money goes up North.

## The value of the 'Northern Pound'

£1 in London

in the North **£1.17**

Totaljobs surveyed 1,821 people, with a minimum of 200 respondents in each of London, Manchester, Liverpool, Sheffield, York, Newcastle and Leeds. The research took place between 16th and 24th January 2019.

<sup>1</sup>Source: [northernpowerhouse.gov.uk](https://northernpowerhouse.gov.uk), <sup>2</sup>Source: [globalrailwayreview.com](https://globalrailwayreview.com)

## A day in the life

Why is £1 worth almost 20% more in the North than the capital?

	London	Vs.	The North
Coffee	£2.39 (per day)		£1.80 (per day)
Commute cost	£101.42 (per month)		£58.77 (per month)
Commute time	43 minutes (per day)		28 minutes (per day)
Overtime	3.5hrs (per week)		2.9hrs (per week)
Rent	£1,053 (per month)		£533 (per month)


When it comes to ownership, the average property owned in Newcastle is worth just over £170,000, which pales in comparison to the £520,000 price tag in the capital. Reports of more Londoners selling their homes to relocate for a bigger and better set up suggest that one in five moved to the North or Midlands in 2018. This has shot up since 2008, where just one in 17 did so. Another significant disparity between housing costs is stamp duty. On average, stamp duty for buying a detached home in the South is £14,780, compared with £5,358 up North.<sup>3</sup>



is the amount of time a Londoner spends commuting per year

<sup>3</sup>Source: [The Guardian](#)



A young woman with curly brown hair tied in a bun, wearing a blue and white striped shirt and a brown apron, is smiling and looking at a tablet computer. She is standing in a grocery store aisle with shelves of jars and baskets of produce in the background.

**2 in 3** people have left a job due to a lack of learning and development opportunities.

## All in a day's work

Working hours are similar across the board, with the majority of people contracted 7.5 hours per day. Londoners are more likely to work slightly longer, with 8-hour days.

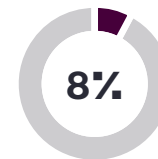
On average, each city rated 'not having to do overtime on evenings or the weekend' as one of their top priorities when it comes to work. A quarter of workers in York, Newcastle, Manchester and Liverpool, and **22%** of both Leeds and Londoners said this factor is extremely important. Those living in Sheffield are the most likely to rank this factor highly, at **30%**.

Despite the clear priority of having work-life balance, Leeds, York and Liverpool are the Northern cities that spend the most time working beyond their contracted hours, taking on between 3.1 and 3.2 extra hours on average, per week. However, Londoners are the most likely to work overtime (at **75%**), at 3.5 hours on average. Those in Manchester have the least overtime, at 2.4 hours.

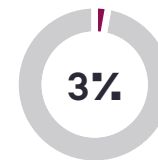
This shows that the wants of employees across the UK don't marry up with the realities of working life. While project deadlines may make overtime inevitable in some contexts, workers staying in the office beyond their contracted hours on a regular basis creates multiple issues. Overworked employees who feel the need to put in extra hours will only get more stressed and this will negatively impact their wellbeing further. There's also much to be said from a productivity perspective, as Totaljobs research found a quarter of employers recognise that longer hours don't equate to more work being done.

Being home in time to be with their family in the evenings is most likely to be highly prioritised by those living in the North. Almost a third (**32%**) of Northerners would rank this factor as extremely important. Fewer Londoners give it the same weighting – at **20%**.

### Northerners more likely to set up office at home than their London counterparts




Those in York are most likely to work remotely



Those in London are least likely





**1 in 4** people would leave their job for one that allowed them to work remotely.

# What workers want

The difference can also be seen in the other ways Londoners and Northerners prioritise their work preferences. Londoners are more likely to look for a high salary and career progression, factors which historically have been associated with the idea that working in the capital fast-tracks careers. The other consideration is that Londoners are prioritising these things out of necessity – a higher cost of living makes a higher salary more of a given, rather than a nice to have. Their Northern counterparts are more likely to prioritise earning enough for a 'comfortable' life and place less weight on high salary. According to the ONS, an average wage in the North is £22,185, whereas Londoners receive £30,311 on average.<sup>4</sup>

Previous Totaljobs research highlighted that, in line with their prioritisation of career progression, **62%** of Londoners believe it's very important to consider learning and development opportunities when it comes to applying for a new job. A quarter are dissatisfied with the current training opportunities offered by their employer. By focusing in on the L&D and progression opportunities within your business, Northern-based employers can speak directly to the London talent pool.

In many ways, the difference in mindsets echoes the traditional view of the North and London when compared to one another. However, there's also a clear indicator that the common associations with the North and London's working life and the drivers behind them are shifting.

<sup>4</sup>Source: [ONS](#)

## Londoners prioritise:



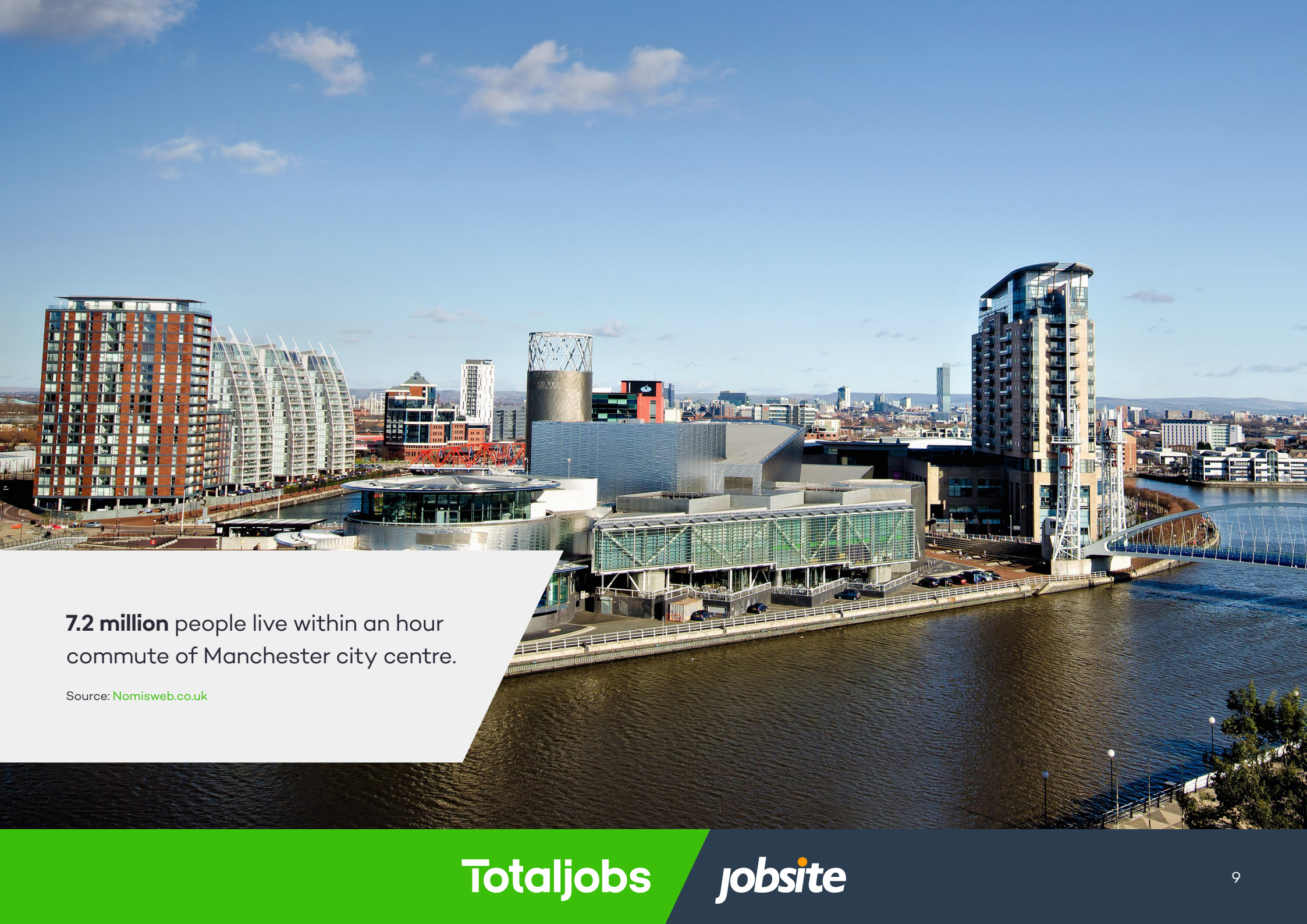
- High salary
- Career progression

## Northerners prioritise:



- Earning enough to be comfortable
- Getting home on time



An aerial photograph of the Manchester city centre waterfront. The image shows a mix of modern architecture, including a large curved building with a glass and metal facade, a tall cylindrical tower, and several high-rise apartment buildings. The River Manchester flows through the foreground, and a bridge is visible on the right. The sky is blue with scattered clouds.

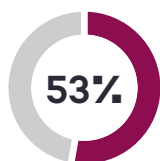
**7.2 million** people live within an hour commute of Manchester city centre.

Source: [Nomisweb.co.uk](https://www.nomisweb.co.uk)



# Heading North

Of those who have relocated in the past 3 years, career motivations are some of the biggest drivers. **41%** moved for a job and **20%** moved for better employment opportunities. **15%** were pursuing career progression, whereas **8%** were looking for a shorter commute. Personal motivations also play a role – **16%** said housing costs were a factor, and **7%** relocated with quality of schools in mind. **20%** just needed a change of scene.



Over half (**53%**) of Londoners would accept a lower salary if they could move out of the capital in pursuit of a better quality of life.

With many Londoners open to relocating outside of the capital, businesses based in the North need not contain their recruitment drive within their local area. The North is appealing for people currently in London, which offers a great opportunity to promote not just the roles you offer, but the benefits of living in a thriving cultural hub within the North.

In 2017, over 10,200 people moved from the capital to Manchester – versus 8,870 who swapped London for Manchester.<sup>5</sup> This shows that London is in direct competition with the Northern cities – but for many, the scale has tipped in the North's favour. Those in Newcastle are particularly happy with their city – **53%** of Geordies wouldn't relocate, even if they could earn more. In fact, Northerners are very content with their quality of life, as **46%** wouldn't be interested in relocating – even for a pay rise.

Some businesses have already grown their presence in the North. This includes Channel 4, who in 2018 selected Leeds as the location of their new national headquarters, praising the thriving digital industry and strong digital talent pool of the city.<sup>6</sup> Online retailer Boohoo expanded its Manchester head office operations back in 2016, and ASOS pledged to invest £14.5 million in its warehouse in Barnsley, South Yorkshire, in 2017.

## A mobile workforce

In a year, London sees 229,406 people migrate into the city and 336,014 move elsewhere, highlighting how mobile its population is.<sup>7</sup>

<sup>5</sup>Source: [Reach PLC](#), <sup>6</sup>Source: [The Independent](#), <sup>7</sup>Source: [ONS](#)

## Is London's loss the North's gain? Attracting candidates up the M1

Highlighting the advantages of the area your business is based in – whether that's lower living costs, work-life balance or the cultural and social scene, is a great way to engage potential candidates. The approach doesn't have to be overly complicated.

### 1. Foster local pride

Whatever the story is, there's a reason why both business and employees chose the location they did. That pride can be tapped into and shared. It can inform your internal communications programme, encouraging employees to make the most of what's right on their doorstep.

### 2. Put your business on the map

You can attract new talent by hosting content on your company website that showcases all your business and location have to offer. You can even present this visually within your job adverts by including imagery or video content to further bring your brand to life.

### 3. Expand your talent pool and offer relocation support

For those with a relocation offer from their existing employer, 80% of UK workers would be encouraged if they were offered a relocation package. 60% would desire assistance in securing temporary accommodation or help with moving costs. Take the time to ask what support a new employee needs when it comes to moving. There are currently 175,000 London-based candidates on our CV Database who are willing to relocate.

### 4. Tailor your benefit packages

With a diverse range of needs, it's worth considering tailored benefits packages for your workforce. For example, if people have relocated, it's likely they'll want to head back to visit friends and family at the weekend. Whether they need to catch a train back to London or elsewhere, be open to flexible working so those who travel can make the most of their free time.





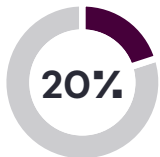
**1.7 million** people live within a 30-minute commute of Newcastle city centre.

Source: [InvestNewcastle.com](https://www.investnewcastle.com)

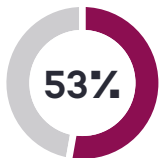


# Conclusion

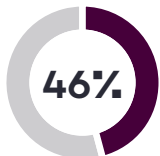
The North is seeing increasing investment into its cities and holds a strong position as the home of an array of thriving businesses. This is supported by a good quality of life overall for those who live and work there.



more 'bang for your buck', with wages going further in the North



of Londoners would accept a lower salary and move out of the capital for a better quality of life



of Northerners say even a pay rise wouldn't convince them to move elsewhere

<sup>8</sup>Source: ONS

“ While the London bubble hasn't burst, the Northern Powerhouse is thriving. The North East and North West both showed positive net flows in 2017 when it comes to migration to these regions, according to the ONS.<sup>8</sup> Yorkshire and The Humber has a very similar number of people moving into the region as it does moving out.

For workers, the North offers lower living costs and strong work-life balance. For businesses, lower operating costs and a chance to expand their talent pool beyond their local area is a fantastic opportunity to engage with even more top talent from around the UK through a well-established employer brand that reflects the wider regional community, as well as the company culture.

London has its own competitive jobs market, but that is not to the detriment of employers based elsewhere. Northern businesses can look to highlight the differences their region brings to working life. Employers can appeal to people across the UK looking to make their next move on the career ladder and want job opportunities with a strong work-life balance and the cultural scenes the North offers. ”

**Martin Talbot, Group Marketing Director, Totaljobs and Jobsite**

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