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Financial services jobs boom outside London

An increasing number of financial services jobs are being created in Edinburgh, Leeds and Manchester, rather than the industry's traditional home in London.

More than half (55 per cent) of all new financial services job vacancies last month were located outside of the capital, according to London and Harrogate-based recruitment company BrightPool. This is compared to the 20 per cent share regional hubs were used to seeing before the credit crunch.

Financial services companies have been attracted to regional centres and away from the capital by the prospect of lower costs, while they pay employees an average of 30 per cent less than those in London.

There were 1,995 financial services jobs in Edinburgh last month, cementing its position as the UK's second city for the industry. It was closely followed by Manchester on 1,922 vacancies and Leeds on 1,602. Major cities such as Birmingham, Glasgow, York, Bristol, Southampton and Liverpool also featured in the UK's top 10.

BrightPool's managing director Angela Hickmore said Edinburgh had become a "powerhouse" in retail financial services, with new start-up banks like Virgin Money and Tesco Bank setting up strong bases in the Scottish city. The government has also located its Green Investment Bank in Edinburgh, she said.

Jonathan Davis, managing director of Jonathan Davis Wealth Management, said: "Global finance - of which of course the City of London has been a leader for over a decade - is in long-term decline. Last year and this year in total, about 50,000 to 60,000 City professional jobs will have been lost.

"Now clearly you should also consider peripheral services, and we are talking a sizeable number, that decline is showing itself in big job losses and I believe that decline will continue."

Davis said while investment banking brokers would not be based in regional centres, fund management posts can be based in Edinburgh with the likes of Scottish Widows and Standard Life, while Clerical Medical has offices in Bristol.

"I can imagine investment fund management jobs are moving out to less international financial centres and also global banking is moving across the world, probably to the likes of Singapore. You say London will never be taken over, but you might be surprised."

But Davis said London still holds some advantages over its global competitors.

“Simply by virtue of its geography (London has advantages), we are right in the middle of the Far East and east coast of the United States. It will always stand London in good stead,” said Davis.

“Paris and Frankfurt don’t quite have the breadth and depth that London has. I think it will remain the European number one, but won’t be number one globally.”