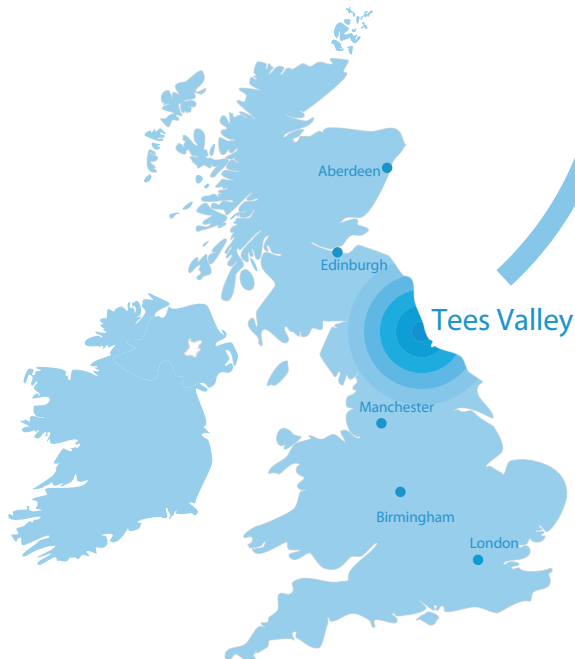


Tees Valley – Business Relocation

A Text Book Case



Tees Valley



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Foreword

Tees Valley : an overview

Few areas in the UK have more potential, are developing faster, or are more dynamic than Tees Valley. Then again, few locations offer you more for your money.

Encompassing the five authorities of Darlington, Middlesbrough, Hartlepool, Redcar & Cleveland and Stockton-on-Tees, Tees Valley covers an area of 3,317 square miles and is home to a workforce of over 400,000 and a quarter of the North East's population. Tees Valley is also the UK's fastest growing region for process industries and one of the best places for business start-ups in the country.

This, combined with low property prices, low labour costs, a high standard of living, a flexible and skilled workforce, favourable financial incentives and a £1.5 billion investment programme, has created the perfect environment for rapid business growth.

And with world-class sporting, shopping, and cultural facilities on your doorstep, and acre after acre of the UK's most beautiful scenery, life outside the office will be just as rewarding.

It's what you call Tees Valley Added Value. And it's just another reason why, once you move to Tees Valley, you'll never look back.

To find out more, call the Business Investment Team on **01642 632020** or email **info@teesvalleyregeneration.co.uk**

www.teesvalleyregeneration.co.uk



Workforce

The Tees Valley has an abundance of skilled, committed and readily available labour on its doorstep. The working age population in Tees Valley is currently over 400,000 and it is expected to grow. In addition up to 1.4m people of working age live within 30 miles of Tees Valley centres. With pay in the Tees Valley 85% of the UK average, productivity 5% higher and staff turnover amongst the lowest in the UK, the Tees Valley workforce is excellent value and highly flexible.

Availability

The tables below illustrate just how available labour is in the Tees Valley. They show population of working age, population within 30 minutes' and one hour's drive, and workflows both within the Tees Valley and the surrounding areas.

Population of working age

	Total	
	Number	% of total population
Darlington	60,600	60.4
Hartlepool	55,900	60.9
Middlesbrough	85,400	62.1
Redcar & Cleveland	83,600	59.7
Stockton-on-Tees	120,100	62.6
TEES VALLEY	405,700	61.3
North East	1,588,600	61.8

Source: JSU, 2008

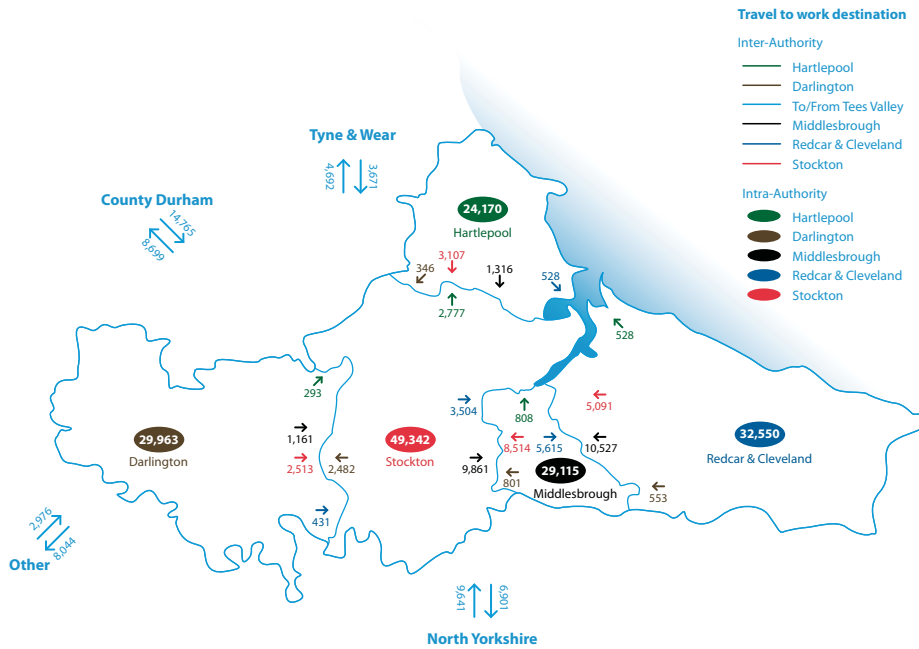
Total population and working population within 30 minutes' and 1 hour's drive

	Total population within 30 mins	Working population within 30 mins	Total population within 1 hour	Working population within 1 hour
Darlington centre	846,000	521,000	2,722,000	1,685,000
Hartlepool centre	1,068,000	663,000	2,600,000	1,612,000
Middlesbrough centre	899,000	550,000	2,753,000	1,704,000
Redcar centre	584,000	360,000	1,621,000	1,000,000
Stockton centre	1,000,000	612,000	2,753,000	1,704,000

Source: JSU, 2008

Travel to work flows within the Tees Valley

The map below shows the flow of labour both within the Tees Valley and from the surrounding area, for example 14,765 people travel from County Durham to work in the Tees Valley, and in Darlington 29,963 people live and work within the borough while 2,513 travel to Stockton to work.



Source: JSU, 2008

Turnover rates

Staff turnover as a whole in the North East is lower than any other region in the UK and half the rate of the South East. In addition a recent survey of the Tees Valley service sector found that staff absenteeism and staff turnover in the Tees Valley were half the level of the national industry average. These facts taken together demonstrate just how committed and reliable the Tees Valley workforce really is.

Staff turnover and absenteeism in Tees Valley contact centres

	Staff turnover %	Staff absenteeism %
TEES VALLEY	16	5.9
National Industry (Contact Centre) Average	30	9.3

Source: TVR, 2008

Affordability

The weekly pay of full-time Tees Valley workers is 85% of the UK average and as the table below shows, rates for office staff in the North East are considerably lower than the South East and less than any other area of the UK.

This, combined with the fact that North East productivity is 5% higher than the national average, (taking into account regional price differences), makes the affordability of Tees Valley staff undeniable.

Average office salaries

	Operational Director	Office Manager	Office/Admin Manager	Specialist Administrator	Team Leader
NORTH EAST	£45,000	£20,000	£18,000	£15,000	£17,000
London	£48,000	£38,000	£29,000	£25,000	£22,000
Thames Valley	£50,000	£27,000	£25,500	£20,000	£19,500
South West	£47,000	£23,000	£21,000	£16,000	£17,500
North West	£50,000	£24,000	£22,500	£17,000	£19,000
National Average	£46,421	£24,711	£23,132	£18,158	£19,132
East Midlands	£45,000	£22,000	£20,000	£15,000	£17,000
West Midlands	£45,000	£23,000	£23,000	£18,000	£20,000
Wales	£45,000	£22,000	£20,000	£15,500	£17,500
Scotland	£47,000	£22,500	£22,000	£16,000	£17,500
Yorkshire & Humber	£45,000	£21,000	£19,000	£16,000	£17,500

Source: Hays Recruitment, 2008



Existing skills base

The Tees Valley is an established location for the service sector, which has increased by over 20,000 people since 2001, and now employs 80% of the workforce. The Tees Valley has a strong engineering design sector supported by professional services including legal services, project management and financial services. The table below shows the distribution of employment by occupation.

Employment by occupational area

	All people in employment	% of all employed in:						
		Professional Managers & Senior etc	Associate & Technical	Admin & Secretarial	Skilled trades	Personal Services & Sales	Process Plant & Machine ops etc	Elementary and other occupations etc
Darlington	45,100	28.2	14.4	12.1	10.9	15.0	8.6	10.5
Hartlepool	36,500	19.3	16.4	9.2	13.0	20.0	9.1	12.5
Middlesbrough	55,500	16.4	14.1	12.4	11.0	20.4	9.9	15.4
Redcar & Cleveland	59,400	25.2	12.2	11.3	11.7	16.6	10.2	12.7
Stockton-on-Tees	83,200	24.8	13.9	11.5	10.6	19.0	9.2	10.3
TEES VALLEY	279,700	23.1	14.0	11.5	11.3	18.3	9.4	12.1
North East	1,106,900	24.2	13.5	12.0	11.0	17.7	8.9	12.4

Source: JSU, 2006



Education and Training

Together the training providers in the Tees Valley produce a constant supply of skilled graduates and young people. The area offers first-class work-based learning opportunities, as well as further and higher education facilities, which are responsive to the needs of employers. The area has two universities into which over £140m has been invested over the past decade, alongside six further education colleges, which have benefited from over £78m of investment, and 14 Centres of Vocational Excellence. They all provide business-facing, bespoke packages of training, as well as off-the-shelf courses and apprenticeships.

Higher Education

The Tees Valley has two world-class universities, the University of Teesside and The University of Durham (Queen’s Campus based at Stockton-on-Tees). There are also 6 additional universities (Northumbria, Newcastle, Sunderland, Leeds, Leeds Met, York) within an hour’s drive.

University of Teesside

The University of Teesside is home to 22,000 full and part-time students, up 65% over the last decade and the University is still expanding and is expected to grow by a further 20% by 2020. The University offers a wide range of courses and its areas of expertise include:– leadership and management, computer science and digital media, engineering, construction and technology. Indeed Teesside University is the North East centre for Computer Science, with over 4,000 students comprising almost half of the region’s total for the subject.

The University has a team dedicated to helping businesses. The team worked with over 500 companies last year, helping to develop businesses by providing professional consultancy services and training. The University is a leader in Knowledge Transfer Partnerships (KTPs), sharing expertise with local businesses, particularly in Leadership & Management.

Teesside Business School offers a variety of undergraduate, postgraduate and part-time courses in Business and Accounting, Leadership and Management and Marketing and PR.

University of Teesside – student numbers

	Full-Time	Part-Time	Total
Total	9,736	12,651	22,387
Undergraduate Degree	7,148	1,392	8,540
Undergraduate Non-degree	1,672	9,368	11,040
Postgraduate	916	1,387	2,303
Further Education	--	504	504

Source: University of Teesside, 2008

University of Durham

The University of Durham’s Queen’s Campus in Stockton has over 2,000 students studying a wide range of courses . The University has a dedicated Business School, with over 1,200 undergraduate and 1,600 postgraduate students, offering many courses, including MBAs, executive and bespoke training. The Business School is ranked the 7th best school throughout the whole of Europe

University of Durham – student numbers

University of Durham – 2007/08	Durham City	Queen’s Campus	University
Total	12,993	1,938	15,507
Undergraduates	9,471	1,938	11,409
Postgraduates	3,522	--	4,098

Source: University of Durham, 2008

Further Education

More than 125,000 students enrol on courses in the Tees Valley every year and recent investment in the Tees Valley’s further education colleges of over £78m has created world-class facilities offering top-quality training to provide business with a skilled workforce. Our FE Colleges offer a huge spectrum of subjects, including; Business Administration, Customer Services, Professional Services, Digital Media and Design and, as shown in the table later in this section, have considerable numbers of students taking the courses.

Many of the Tees Valley Colleges have particular expertise in business related subjects:

Accounting, Business Administration & Law – These courses are offered by most of our FE colleges, Middlesbrough College for example has a 90% success rate for apprenticeships in Business Administration and Law. In addition Redcar & Cleveland College is a Centre of Vocational Excellence in Business Administration.

Computing & Digital Media – All of Tees Valley’s colleges offer IT and computing courses. Darlington College, for example, is a Centre of Vocational Excellence in media-digital production and design. Middlesbrough College offers courses in ICT including IT and business, software engineering, systems support and network technology as well as a number of media-based ICT courses in the likes of multimedia, animation, games and website design.



Customer & Professional Services – All our colleges offer customer services training, Stockton Riverside College, for example, offers dedicated courses and training services for customer services and the contact centre industry. The college has worked with such companies as Barclaycard and Orange.

Design Engineering – the majority of colleges in the Tees Valley offer courses and apprenticeships in engineering design, computer-aided design and many other related disciplines, for example Hartlepool College is a Centre of Vocational Excellence for Technical and Design Engineering.

Leadership & Management – many of the Tees Valley's colleges offer courses in leadership and management; Darlington College offers Leadership and Management courses in association with the University of Teesside, Stockton Riverside College offers NVQs in Team Leading, Hartlepool College offers courses in Business, Management and Leadership, while Middlesbrough College's specialist Employer Response Unit offers a wide range of NVQ programmes.

Tees Valley student enrolments by subject and college

	Business, Admin & Law	ICT	Arts, Media & Pub	Social Sciences	Health, Public Services & Care	Education & Training	Science & Maths	Leisure, Travel & Tourism	Construction & Planning	Engineering & Manufacturing	Other	TOTAL STUDENTS
Darlington College	379	349	296	-	8,326	488	39	312	325	555	9,922	20,991
Hartlepool College	502	1378	134	72	935	374	323	166	986	722	3,677	9,269
Middlesbrough College	619	445	997	124	3,686	434	549	1974	752	937	12,695	23,212
Prior Pursglove College	549	273	759	421	237	5	1974	335	-	48	8,817	13,418
QE 2 6th Form	616	406	1,047	722	245	-	1853	369	-	-	5,902	11,160
Redcar & Cleveland College	511	302	69	47	859	180	242	97	705	942	6,422	10,376
Stockton Riverside College	1,097	779	723	15	1,747	427	160	214	300	828	5,905	12,195
TOTAL STUDENTS	5,475	5,817	6,897	2,310	17,146	2,219	7,949	4,119	3,080	4,205	66,594	125,811

Source: LSC, 2006/7

Tees Valley Economy

Many of the economic indicators used by government and industry show that both the North East and the Tees Valley economy is growing fast. The area has exceeded the national average for the growth of the number of businesses for the past 5 years, and the Tees Valley's start-up business survival rate is amongst the highest in the UK.

Business services in the North East account for 23% of the regional economy, a large increase since 2000, the Tees Valley is now home to a growing number of office-based businesses.

Some of the companies already in the Tees Valley

Digital, media and IT companies

- Qurios Entertainment
- Nisai
- Infoserve
- Enable Media

Engineering Management and Design companies

- Foster Wheeler
- Aker Solutions
- Hertel
- K Home International
- AMEC

Customer services and contact centres

- First Choice
- Orange
- BT
- Barclaycard
- CJ Garland
- Virgin Media

Government departments

- Independent Safeguarding Authority
- Department for Children, Schools and Families
- Student Loans Company
- Crown Prosecution Service

Health Services

- Southern Cross
- Allied Healthcare

Professional and Legal Services

- Dickinson Dees
- Crutes
- Mincoff Jacksons
- Blackett, Hart and Pratt

Examples of growing Tees Valley sectors

1 – Creative Industries and Digital Media

There are over 2,800 creative businesses, including computer games and video production companies operating in the North East, employing around 26,000 people and the sector is growing faster in the North East than in any other region.

The University of Teesside has an excellent reputation and track record in digital and creative industries and is leading on the development of DigitalCity – comprising Digital Studios, a Virtual Reality Hemispherium and a Digital Business Park.

Part of DigitalCity, the newly opened £12m Institute of Digital Innovation at Teesside University is designed to stimulate innovation amongst students and businesses. DigitalCity has already worked with more than 150 new and growing digital businesses.

CODEWORKS, the Centre for Excellence in Digital Innovation is also based in the North East and supports the creative industries in Tees Valley by working with technologists, digital companies, entrepreneurs, university researchers, venture capitalists, economic developers, rationalists and visionaries in the development and creation of digital companies in the North East.

2 – Professional & Customer Services

The Tees Valley is an established location for the service sector, which has increased by over 20,000 people since 2001, and now employs 80% of the workforce, an increase of over 10%.

A recent study of the Tees Valley service sector found:

- High levels of satisfaction with important Tees Valley attributes, such as availability of workforce and premises, as well as key infrastructure.
- In terms of recruitment, those surveyed rated highly the availability, suitability and flexibility of staff in Tees Valley.
- Transport infrastructure was particularly praised, with staff commuting times almost exclusively under 40 mins, with over 80% less than 20 minutes.
- Staff were overwhelmingly positive about the Tees Valley as a place in which to work.
- 30% of businesses were thinking of expanding in the Tees Valley.
- More than half surveyed rated the Tees Valley as good or excellent for their business.
- Very positive ratings for staff turnover, flexibility, room for expansion and suitable buildings.
- There were very low staff turnover and absenteeism rates, half the national industry average.

Transport and Communications

Transport links in Tees Valley



The Tees Valley has the fastest-flowing peak and off-peak traffic in the UK, with excellent road connections to all points of the country. The A1(M), A19 and A66, provide quick and hassle-free road connections, these, plus regular rail services and one of the fastest-growing airports in the country connect the Tees Valley to the rest of the UK and beyond.

Average traffic speeds

	Peak (MPH)	Off-peak (MPH)
TEES VALLEY	33.9	33.5
Portsmouth	28.9	30.2
Brighton	27.5	26.8
Tyneside	22.3	27.1
Leeds/Bradford	20.4	24.4
Hull	19.8	21.1
West Midlands	19.3	22.5
Greater Manchester	19.2	26.5
Nottingham	17.0	21.6
Bristol	16.1	19.3

Source: DfT 2006

Road

Tees Valley is:

- 40 mins drive from Newcastle
- 1 hour from Leeds and York
- Just over 2 hours from Manchester

Rail

Tees Valley has excellent rail links via the East Coast Main Line (National Express, Virgin, Grand Central), with trains at least every half an hour at peak times to:

- Newcastle in 30 mins
- Glasgow in 2 hours
- Edinburgh in 2 hours
- London in 2.5 hours

There are excellent rail services to Leeds and Manchester (Transpennine Express), as well as the Midlands and South West (Virgin Cross Country).

Air

Durham Tees Valley Airport is rapidly expanding and currently provides regular routes to the likes of Heathrow, Dublin, Amsterdam and Barcelona.

Scheduled flights from Durham Tees Valley Airport

Destination	Frequency	Airline
Aberdeen	Mon–Fri & Sun, 4 services	Eastern Airways
Amsterdam	Mon–Sun, 3 services	KLM
Barcelona Gerona	Tue, Thu, Sat	Ryanair
Dublin	Mon, Tue, Thu, Fri, Sun	Ryanair
London Heathrow	Mon–Fri, 3 services Sat–Sun, 2 services	bmi

Source: Durham Tees Valley Airport, 2008

Sites and Premises

The Tees Valley has a portfolio of sites and premises available immediately, and as shown in the table below the average rental and rateable values for office space are considerably lower than many other areas of the UK.

Office rental and rateable values

	Office rental value (£s per sq ft)	Rateable Value (£s per sq ft)*
TEES VALLEY	£16.00	£739
London	£63.00	£29.11
Manchester	£28.00	£12.94
Birmingham	£27.00	£12.47
Bristol	£25.00	£11.55
Southampton	£21.00	£9.70
Leeds	£21.00	£9.70
Newcastle	£20.00	£9.24
Cardiff	£17.00	£7.85

Source: VOA, 2008 & Local Knowledge, 2007

*Using rating multiplication of 46.2p



Quality of Life

Lonely Planet described the area around the River Tees as the “most exciting, beautiful and friendly region in the whole of England”. The quality of life in the Tees Valley is undeniable, with some of the most affordable house prices in the UK (half the cost of houses in London and the South East) lower all-round cost of living, the fastest urban road speeds in the UK and excellent schools, colleges and universities. We have superb coast and beautiful countryside on our doorstep, as well as a thriving cultural, leisure and retail scene offered by the area’s bustling centres and pretty market towns, complemented by the region’s major cities, Newcastle, York and Leeds.

Tees Valley offers a wide choice of quality comprehensive and private schools, including the top-performing Macmillan Academy and the prestigious Yarm and Teesside High Schools, with a high proportion of children attending their first choice of secondary school. There is currently over £500m worth of investment going into Tees Valley schools to further improve facilities, and class sizes and pupil-to-teacher ratios are amongst the lowest in the UK.

Business Support and Financial Assistance

Much of the Tees Valley is eligible for grant support and Tees Valley Regeneration can steer you through the grants and assistance available to companies relocating to the Tees Valley. We have helped companies expanding and relocating in the Tees Valley to create and safeguard 5,000 jobs and attract £794 million investment in 3 years, with many companies being given significant grant support.

Tees Valley Regeneration can advise you on recruitment, skills availability and training support and can identify property and site solutions that suit your business needs. We have excellent links with both public and private organisations in the area and can provide introductions to people who offer the specialist help you need. We can help you build your business case and can show you exactly why Tees Valley is the ideal location for your business.

To find out more, call the Business Investment Team on **01642 632020**
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