



the expertise, the experience

the facts

Government Relocation

The case for Tees Valley



The Case for the Tees Valley



The facts that support our claim

■ **Here are some simple facts to whet your appetite. Supporting detail will be provided later in this brochure.**

1. The cost of quality commercial property in Tees Valley is one of the lowest in the UK. We're talking a third of London costs and considerably lower even than Leeds, Manchester or Newcastle.

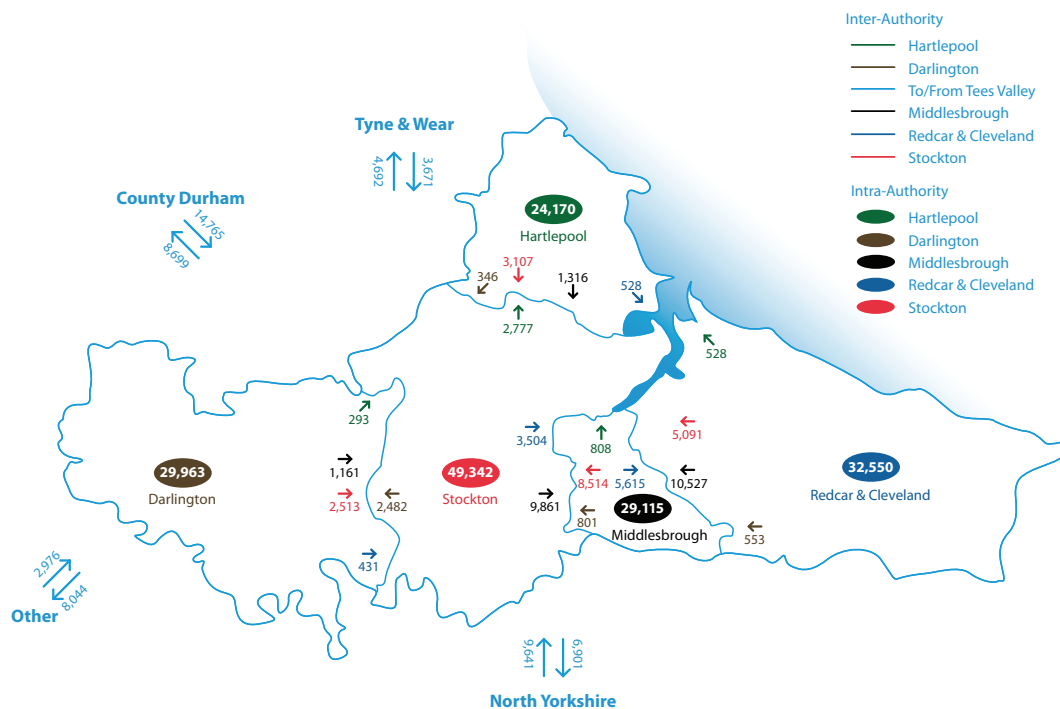
The Tees Valley has an ongoing supply of new office space that in terms of rental levels will afford savings of 93%, 113% and 283% versus Edinburgh, Manchester and London respectively. For a 500 sq ft office, this could save between £600,000 and £2.4million each and every year.
2. Tees Valley has ready availability of high quality personnel and staff turnover in the North East is lower than any region within the UK, half the rate of the South East.
3. Public Sector relocation to the Tees Valley would provide a massive boost to the regeneration of the area.
4. Government departments who have recently moved to the Tees Valley include the Independent Safeguarding Authority, Student Loans Company and Department for Children, Schools & Families.
5. The area enjoys first class transport links – both internally and externally – with the Tees Valley having the fastest-flowing urban traffic speeds in the UK.
6. We can offer exceptional quality of life in an area of great natural beauty. What's more, all of this is available within a 2 1/4 - hour train journey from London.
7. Tees Valley, in short, has the space (both in terms of sites and new premises), the will (a public sector committed to ongoing regeneration) and the people (up to 1.7 million within an hour's drive).

That's the very quick potted version of the Tees Valley proposition. Read on and you'll find a great deal more to convince you that there really is no contest.

The Case for the Tees Valley



Commute flows, inter and intra Tees Valley



Source: JSU, 2008

The numbers that count

- Rent levels that are a third of the price of those in London.
- Less than 5% turnover levels, two thirds of the UK average and lower than all other regions. ¹
- The fastest flowing traffic speeds in the UK
- 2 1/4 - hour journey from London.
- Population of 1.7 million within 1 hours drive.

Tees Valley

What and where?

- **The Tees Valley is the area of the North East of England covered by the five unitary authorities of Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees.**

The Tees Valley offers a potential workforce of over 600,00 within a 30 minute drive of specific centres and 1.7 million within 1 hour's drive. The area's population is relatively concentrated within urban environments but there is immediate access to extensive coast and countryside.

Historically, Tees Valley has been highly dependent on traditional industries, such as iron and steel production, offshore fabrication and the process industries. These sectors still exist and continue to thrive, but employment patterns have changed dramatically. The area has a growing digital media sector and a thriving engineering design and project management industry.

Public sector relocation to the Tees Valley would provide a massive boost to the regeneration of the area. Led by Tees Valley Regeneration, the UK's largest urban regeneration company, a number of government funded initiatives are currently being developed, including the exciting Middlehaven, Middlesbrough, North Shore, Stockton and Central Park, Darlington, developments.

"A service organisation like ours thrives on a hard working, friendly and skilled workforce. Tees Valley gives us that. And in just 10 years, our call centre business has grown from a handful of people to a thriving international company employing over 3,000."

Chey Garland,
Chief Executive, C|Garlands



Tees Valley

First class communications - internal and external

■ External

Darlington's Railway Station is part of the main East Coast rail network and provides rapid connections southwards to London and northwards to Glasgow and Edinburgh in a little over two hours, as well as transpennine connections to Manchester and routes to Birmingham and the South West.

Durham Tees Valley Airport offers three daily flights to London Heathrow and regular links to a rapidly growing portfolio of European destinations. Private and public sector investment of over £20 million is expected to double passenger numbers over the next year.

The A1, A19 and A66 Trunk Roads provide fast and efficient north-south and east-west connections. Average journey times are 4 hours to London, 2.5 hours to Manchester, 3 hours to Edinburgh, 1.5 hours to York and less than 1 hour to Newcastle.

■ Internal

A recent survey of the office and manufacturing sectors in Tees Valley found that over 86% of employees travelled less than 30mins to work

In addition, the latest Department of Transport figures confirm that Tees Valley has the fastest road speeds in the UK, at both peak and off-peak times.

"I used to spend around 4 hours a day commuting and now I get to work in about 20 minutes. I have more time, I'm less tired and have a better work-life balance."

Chris Foster,
Department for Children, Schools & Families

Travel times

Road - Car journey times from Central Tees Valley

| | |
|------------|------------|
| Sunderland | 30 minutes |
| Newcastle | 40 minutes |
| Leeds | 1 hour |
| York | 1½ hours |
| Manchester | 2½ hours |
| Edinburgh | 3 hours |
| London | 4 hours |

Rail - Train journey times from Central Tees Valley

| | |
|------------|------------|
| Newcastle | 30 minutes |
| York | 30 minutes |
| Leeds | 1 hour |
| Edinburgh | 2 hours |
| Manchester | 2¼ hours |
| London | 2½ hours |

The People

Ready, willing and able

- **The catchment area for the Tees Valley workforce naturally extends beyond our boundaries. Recent studies show that the total working age population within one hour's drive time of specific centres within the Tees Valley is up to 1.7m and over 600,000 of working age live within 30 minutes commuting distance.**
- The workforce resident within the Tees Valley comprises over 270,000 people, with an increasing proportion (79.3%) employed within the service sector. In Middlesbrough that figure rises to 88.7%.
- We could tell you ourselves about the loyalty, trainability and flexibility of our people. They have after all been a key factor in our success in creating and safeguarding 5,000 jobs and attracting £794m of investment. But we believe the facts have more power when they are stated by the incoming companies who have experienced the power of our people. So we'll let them do the job for us.
- We'll simply quote again the labour turnover rate for the area. Across all sectors in the North East it is 4.7% - almost half the national average. In the Tees Valley Contact Centre Industry turnover is half the UK industry average. Work it out for yourself. Lower labour turnover means better employee relations and lower costs for replacing and retraining staff. Yet more savings offered by the Tees Valley.

"This region has been good to us and we wanted to relocate within the area. We found exactly what we wanted: an exciting, modern office space, fitted out specifically for us, close to town and right at the heart of the business community."

Sarah Palmer,
Partner, Crutes law firm

"Our experience has been excellent in every way and the passion that exists in the region for its own success is the thing that sets Darlington apart from its competitors. As we continue to grow our business on a regional and national basis we plan to look no further than Darlington as it is just as much key to our success in the past as it will be in the future."

Martin Littleton,
Partner, BiB Insurance

The People

Contact centres in the Tees Valley

In 2008 an independent survey was commissioned by Tees Valley Regeneration in order to provide quantitative and qualitative information relating to the local contact centre industry

■ **The main findings of the survey, were:**

- ▶ Perceptions of Tees Valley as a location for contact centres are very positive. Highest ratings achieved were for staff flexibility, availability of suitable buildings, Tees Valley accent, general attitude of agents and labour availability.
- ▶ None of the operators reported difficulties in recruiting contact centre agents.
- ▶ Turnover rates are on average 16% - almost half of the UK industry average. Half of all companies reported turnover rates of less than 10%.
- ▶ Staff absenteeism in Tees Valley Contact Centres is 5.9%, almost half the national industry average of 9.3%.
- ▶ Most agents were found to perform well and were highly regarded in terms of flexibility, particularly in terms of changing working patterns.
- ▶ Agents' starting salaries are on average £11,500 for Outsourced Call Centre agents and £14,600 for Public Sector Call Centre agents.
- ▶ Tees Valley compares very well with the national picture in terms of technology, with all companies making use of the latest contact centre technology.
- ▶ The proportion of centres using agencies for staff recruitment has reduced considerably. Direct recruitment is the principal recruitment channel.
- ▶ Over 75% of Tees Valley Contact Centre agents said they were satisfied with Tees Valley as a place to work.
- ▶ Tees Valley contact centres are positive about the future of their Centre in a location which is moving forward.

■ **Here are what 2 of our contact centre managers have told us:**

- ▶ *"We don't have a problem identifying staff – we get plenty of the right calibre."*
- ▶ *"The Tees Valley has got good links, a very decent infrastructure and it can compete on a national front."*

The Places

- Commercial & Residential



Superb choice, at the UK's lowest prices

Whether you are looking for a site for development or ready-made commercial premises, Tees Valley has the choice you need - but at prices that beat every other region of the UK for value.

- In this respect we provide an outstanding opportunity to maximise cost savings through public sector relocation. For example, a new 50,000 sq ft office development in a prime location in the Tees Valley would have a headline rent of £15 per sq ft. The table below compares this cost with other UK locations.

| Location | RENT (£ per sq ft per annum) | 50,000 sq ft per annum | Cost over TV | % of extra cost |
|----------------|------------------------------|------------------------|--------------|-----------------|
| Tees Valley | £15.00 | £750,000 | -- | -- |
| Aberdeen | £30.00 | £1,500,000 | £750,000 | 100% |
| Birmingham | £33.50 | £1,675,000 | £925,000 | 123% |
| Bristol | £27.50 | £1,375,000 | £625,000 | 83% |
| Cardiff | £20.00 | £1,000,000 | £250,000 | 33% |
| Edinburgh | £29.00 | £1,450,000 | £700,000 | 93% |
| Glasgow | £28.50 | £1,425,000 | £675,000 | 90% |
| Leeds | £27.00 | £1,350,000 | £600,000 | 80% |
| Liverpool | £22.00 | £1,100,000 | £350,000 | 46% |
| City of London | £57.50 | £2,875,000 | £2,125,000 | 283% |
| Manchester | £32.00 | £1,600,000 | £850,000 | 113% |
| Newcastle | £22.00 | £1,100,000 | £350,000 | 46% |
| Sheffield | £21.00 | £1,050,000 | £300,000 | 40% |

Source: Knight Frank, Q3, 2008

The Places

- Commercial & Residential



- **The savings clearly vary from location to location but, for a 50,000 sq ft office over a 10 year lease period, a Tees Valley location would save £8.5 million compared to Manchester, or over £21.25 million compared to London. At the time of writing, the Tees Valley has over 300,000 sq ft of immediately available prime office space, ranging from small to large units. We anticipate that speculatively built space will continue to be added in the coming years and there is also capacity to build bespoke requirements at a number of sites where developers are already engaged.**
- **Contact us on 01642 632000 for the most up to date information on property availability.**

Unbeatable value in housing too

- **Should your plans involve the relocation of a significant number of personnel, then house prices in the Tees Valley will provide a significant benefit for your employees.**
- The average house price in Tees Valley is £128,000, still lower than any other region. The Northern average is £148,000 and the national average is £224,000, Greater London is £383,000 and the South East is £270,00.
- The gulf between average prices in Tees Valley and Greater London of all types of detached and semi-detached houses has widened considerably in recent years.
- For the average cost of a terraced house in London, you can buy a detached house and a flat in Tees Valley and still have £45,000 to spare.
- Average prices in Tees Valley are lower than those for any other region in England.

| Average house prices by Type – Sept 2008 | | | | | |
|--|----------|----------|----------|----------|----------|
| Location | Detached | Semi | Terraced | Flat | Average |
| Tees Valley | £214,000 | £127,600 | £88,800 | £129,400 | £128,300 |
| North | £255,400 | £142,500 | £113,600 | £117,200 | £148,700 |
| Greater London | £778,900 | £416,500 | £417,100 | £315,300 | £383,000 |
| England | £345,000 | £196,500 | £177,600 | £199,700 | £224,100 |

Source: Land Registry, 2008

“A significant government letting within the Tees Valley would without question provide an added stimulus and vitality to the market.”

Tim Evans, Knight Frank

The Policy Context

Background

- **The King Sturge background report for Sir Michael Lyons in 2004 tested the ability of the UK regions to host 20,000 jobs relocated from London and the South East.**
- **In doing so, it highlighted Tees Valley (Middlesbrough and Stockton-on-Tees) as preferred 'first quartile' site for the following main types of central government activity:**
 - ▶ Information Support Contact Centres
 - ▶ Interactive Contact Centres
 - ▶ Back Office Processes
- **Tees Valley is a prime example of the need for a reduction in regional disparity. Clearly there remains a significant inequity between the North and the South, which is recognised in the policy context of the Northern Way. Indeed in this new policy context the Tees Valley is recognised as a city region, particularly as being one of the first to sign a Multi-Area Agreement with the government.**
- **In addition, the Gershon Report 2004 stressed the need for, and strongly recommended, increased efficiency savings in public service provision. The Government has since adopted this as a key plank of Treasury policy.**

"Tees Valley is almost certainly one of the best places in the UK to deliver the sort of sustainable economic impacts that the treasury surely expects from Civil Service re-locations."

Professor Ron Botham,
Professor of Entrepreneurship and Regional Development,
The University of Glasgow

The Way of Life

Quite simply, a better way

- **For any personnel involved in relocation, the Tees Valley offers a more rural, less frenetic, but still lively way of life. All of the urban centres are within 20 minutes of spectacular coastal and countryside attractions. A significant part of the North Yorkshire Moors National Park lies within the Tees Valley, and five national parks are within a 90-minute drive.**
- The principal towns of the Tees Valley offer extensive retail, leisure and cultural facilities, including three theatres, a vibrant nightlife and a variety of first class restaurants which are earning the area a growing and justified reputation for fine food.
- Tees Valley is home to the Middlesbrough Institute of Modern Art (mima), which has seen over 150,000 visitors in an opening year where works by the likes of Cezanne, Picasso and Warhol were displayed.
- The area also hosts a number of internationally renowned festivals such as Stockton Riverside Festival and Middlesbrough 'Music Live', together with a variety of sporting events, many centred around the impressive waterfront infrastructure of the River Tees.
- The working population of the Tees Valley enjoy a higher than average standard of living due to lower housing costs and the resultant higher level of disposable income. This creates a self-perpetuating demand for ever-higher levels of local amenities.
- On the educational front, Tees Valley schools in both the public and private sectors have produced top ranking results and have featured prominently in national league tables. Class sizes and pupil-to-teacher ratios for primary and secondary schools in Tees Valley are amongst the lowest in the UK.
- Indeed, Lonely Planet described the area around the River Tees as the "most exciting, beautiful and friendly region in the whole of England".
- In short, the unbeatable financial savings that Tees Valley offers come complete with a better way of life included. Take a closer look at Tees Valley, take a fresh perspective and we believe you will acknowledge that in every respect there is no contest.

The Way of Life

What the relocators say

- *"I relocated to Darlington from London in August 2001 along with my wife and my daughter, who was then three years old. We had visited the town several times before as my sister-in-law and her family had relocated here in 2000. We therefore knew a lot about the area already.*

We knew that the nursery, primary and secondary schools were far better than their London equivalents. We knew that commuting was minimal. My journey to work now takes around 30 minutes whereas in London I spent 2 1/2 hours a day travelling. We also knew that we could afford much better housing in Darlington.

Since we've been here we've found out a lot more about the area's amenities and attractions. Favourite places of ours include the Civic Theatre and Arts Centre, which have a good range of shows and plays, and the Dolphin Centre, where we love to swim.

Thanks to the Department's specialist relocation contractor, Cendant, everything went very smoothly with our relocation. They helped us access all the services we needed, such as solicitors, surveyors, removal companies."

Robert Pilling,
Department of Children, Schools & Families

- *"Since relocating to the Tees Valley from London in July 2001, my wife and I have enjoyed a slower pace of life and gained much more quality of life.*

I used to spend around 4 hours a day commuting and now I get to work in about 20 minutes. I have more time; I am less tired and have a better work-life balance.

The location is excellent, with easy access to wider attractions such as Newcastle and the Yorkshire moors, and the cost of living is much lower than in London, particularly where housing costs are concerned.

We've been here for three years now and we consider it to be home. The people are friendly and hospitable, the air is cleaner and life is better all round. My wife is expecting her first baby in September and we are proud that he or she will be born a Northerner."

Chris Foster,
Department of Children, Schools & Families

The Tees Valley

Offering in a nutshell

- **The cost of quality commercial property is lower than the vast majority of all regions in the UK.**
- **Over the next few years the Tees Valley could have an ongoing supply of new office space that in terms of rental levels will afford savings of up to £2.1 million each and every year.**
- **Tees Valley has ready availability of high quality personnel and one of the lowest labour turnover figures of any region within the UK.**
- **Any relocations to the Tees Valley would in themselves be a significant spur to further development and this would generate more development.**
- **The area enjoys first class transport communications - both internally and externally**
- **The average cost of housing in Tees Valley is £128,000. That's lower than the average in any other region.**
- **We can offer exceptional quality of life in an area of great natural beauty.**
- **Tees Valley, in short, has the space (both in terms of sites and new premises), the will (a public sector committed to ongoing regeneration) and the people (up to 1.7 million within an hour's drive).**
- **A track record of success in attracting and retaining new businesses**
- **All the help you could ever want, courtesy of Tees Valley Regeneration.**

The Tees Valley

Tees Valley Regeneration - driving the process of change

- **Tees Valley Regeneration was formed in 2002 as one of fourteen urban regeneration companies promoted by the government and established by local partners to champion and stimulate investment.**
- **We have a remit to lead a £1.5 billion investment programme in land, property and infrastructure, which makes us the UK's largest urban regeneration company.**
- **Our seamless blend of property, regeneration and promotion skills is unique. We maintain comprehensive information on every aspect of our area and offer a complete package of support to facilitate inward investment in the Tees Valley.**

1. ONE, Moving North East, 'Workforce,' 2002, <http://www.movingnortheast.co.uk/> (National average = 7.1%)



the expertise, the experience

the facts

to find out more

www.teesvalleyregeneration.co.uk/business-relocation

for more information contact

Business Investment Team

Tees Valley Regeneration | Cavendish House | Teesdale Business Park
Stockton on Tees | Tees Valley | TS17 6QY

tel **01642 632020**

email info@teesvalleyregeneration.co.uk