



Report No **03**

the expertise, the experience

the facts

Manufacturing Industry in Tees Valley

Summary of Research Findings

2008

acritas



Manufacturing Industry in Tees Valley



Objectives & Methodology

- **The objectives of the research were to:**
 - ▶ Profile the manufacturing industry in the Tees Valley
 - ▶ Generate data about the market and discover how this compares to the national picture
 - ▶ Seek the opinions of companies towards the Tees Valley and its suitability for manufacturing

- **In-depth interviews were conducted with 29 major Tees Valley manufacturing companies.**

- **They operate in a number of different fields, including energy, chemical, plastics, engineering, transport and metals.**

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Key Findings

- **Low staff turnover and absenteeism rates**
- **Very positive attitude towards staff training and development**
- **Great pride for the Tees Valley and confidence in the manufacturing industry in the area**
- **High levels of satisfaction with important attributes such as availability of workforce and premises, and key infrastructure**
- **A number of plans to expand and increase staff numbers**
- **Positive about the future of their manufacturing business in a Tees Valley which is moving forward**

Tees Valley Employees

- **Among the companies that took part in the survey, the average number of employees per site was 157**
- **The typical site is made up of 80% male and 20% female employees**
- **The average employee is 41 years old**
- **96% of employees work full time with 4% part time**

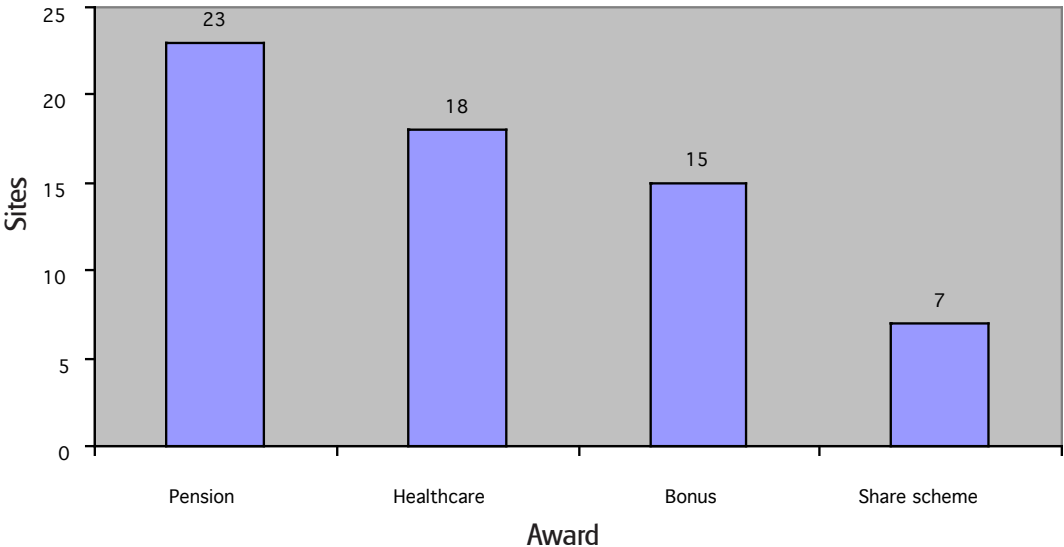
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Value For Money Employees

- The average starting salary for shop floor workers in Tees Valley is £19,250.
- The average starting salary for senior members of staff is £40,471.
- These figures are based on respondents who pay fixed annual salaries.
- Many respondents pay hourly rates, meaning that average salaries in Tees Valley are likely to be lower than stated above.

Employee Awards



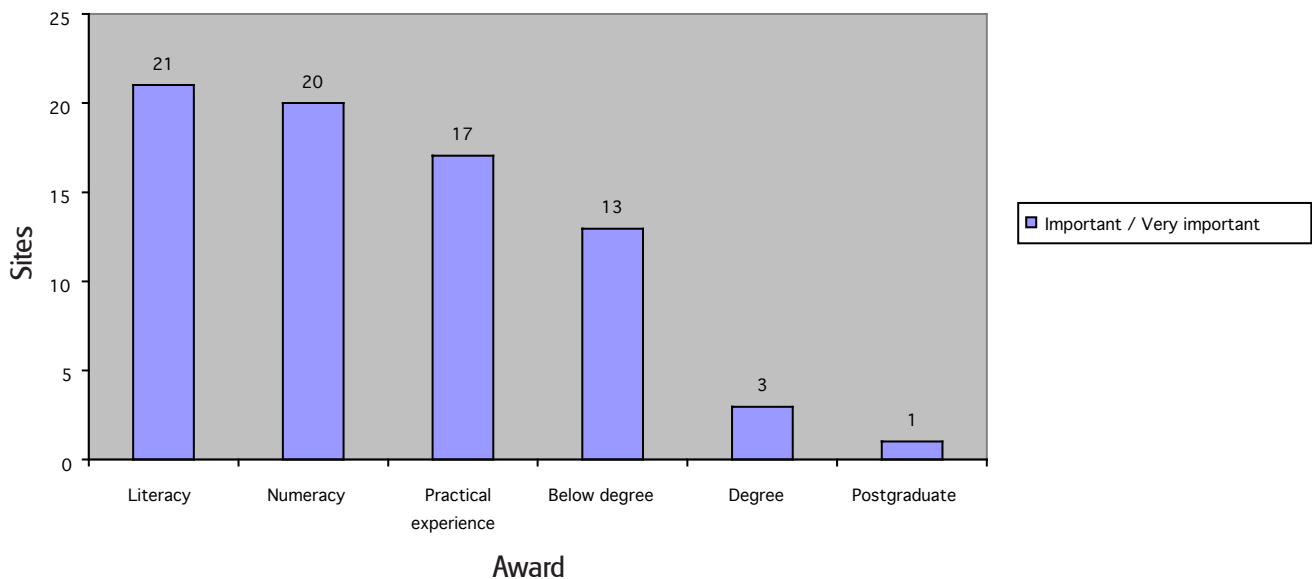
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Recruitment Criteria & Success

- Literacy and numeracy, followed by practical experience, are the most important criteria for shop floor workers
- Respondents reported considerable success with word of mouth recruitment for shop floor staff
- Degrees and postgraduate qualifications become important for more senior or specialist roles

Recruitment Criteria: by importance



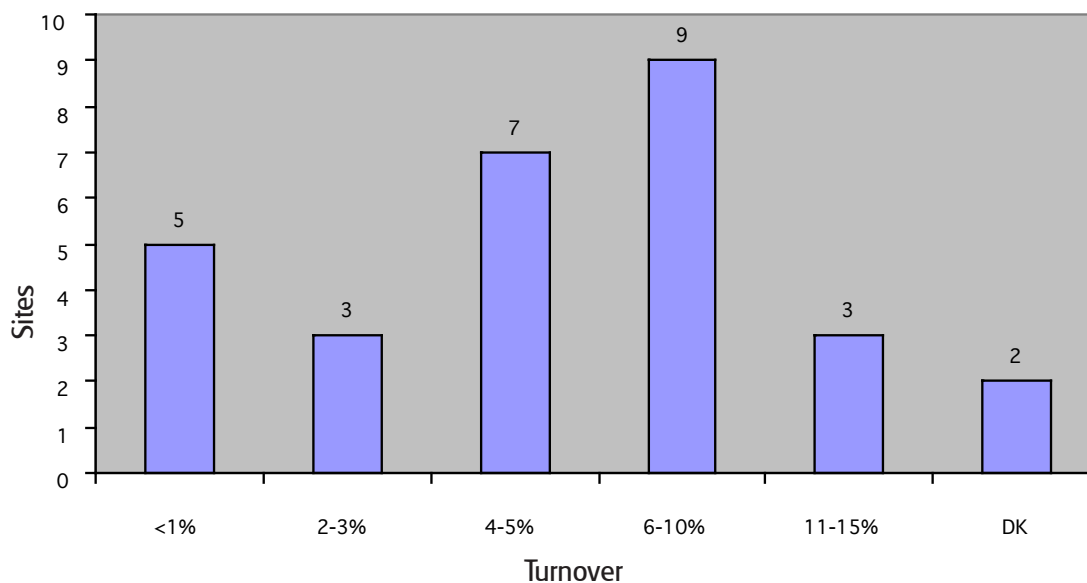
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Excellent Staff Retention

- **83% of Tees Valley businesses had staff turnover rates of under 10%.**
- **This is well below the national industry average of 13.4% (Source: CIPD, 2007)**
- **Important retention factors include clear communication, job security, good terms and conditions, salary and career progression.**

Annual Staff Turnover



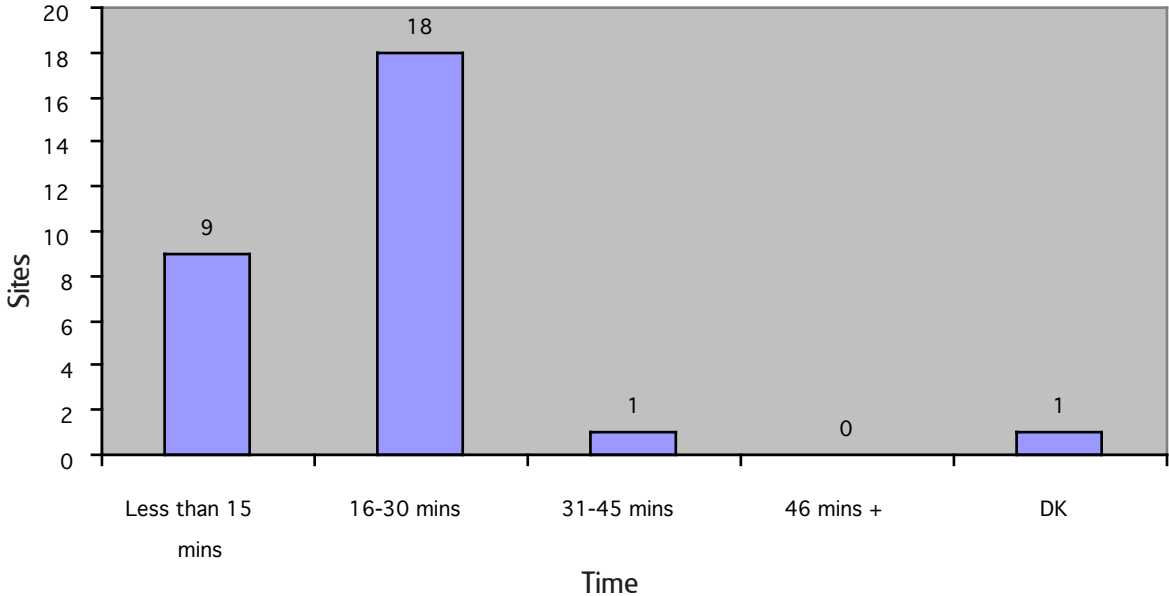
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Large Catchment Area & Short Commuting Times

- Staff commutes to work are almost exclusively under 30 minutes.
- A third said it was less than 15 minutes.
- Transport infrastructure in the Tees Valley was highly regarded.

Average Journey To Work Time



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Training & Up-skilling

- **There is a very strong commitment towards staff training and development, with every respondent offering training beyond induction**
- **Every company had trained its employees at least once in the past year, above the national industry average of 91% (Source: NESS, 2005)**
- **Many sites offer a combination of on site, off site, formal, informal, on the job or classroom based training**
- **Half of respondents said they were taking up the drive to upskill their workforce by ensuring employees attained NVQ Level 2**

Current & Future Operations

- **The Tees Valley manufacturing industry works a huge variety of different hours and shift patterns**
- **Over a third of sites work 24 hours a day, 7 days a week**
- **There is clear potential for increased production among most sites**
- **Over a third of sites are expecting to increase their staffing levels over the next two years**
- **Almost half of respondents expect to expand on their current premises in Tees Valley**

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Why the Tees Valley...

- **The main reasons for locating in the Tees Valley were:**
 - ▶ The proximity to other manufacturers in the supply chain
 - ▶ Financial incentives and packages for relocation
 - ▶ Excellent infrastructure (particularly the deep water port)
 - ▶ Long standing reputation/facilities for manufacturing
 - ▶ Skilled workforce

- **Many respondents mentioned the close-knit manufacturing market in Tees Valley, where help and support was readily available**

- **Respondents believed that the Tees Valley should be promoted to those outside the region as an attractive place to live and work**

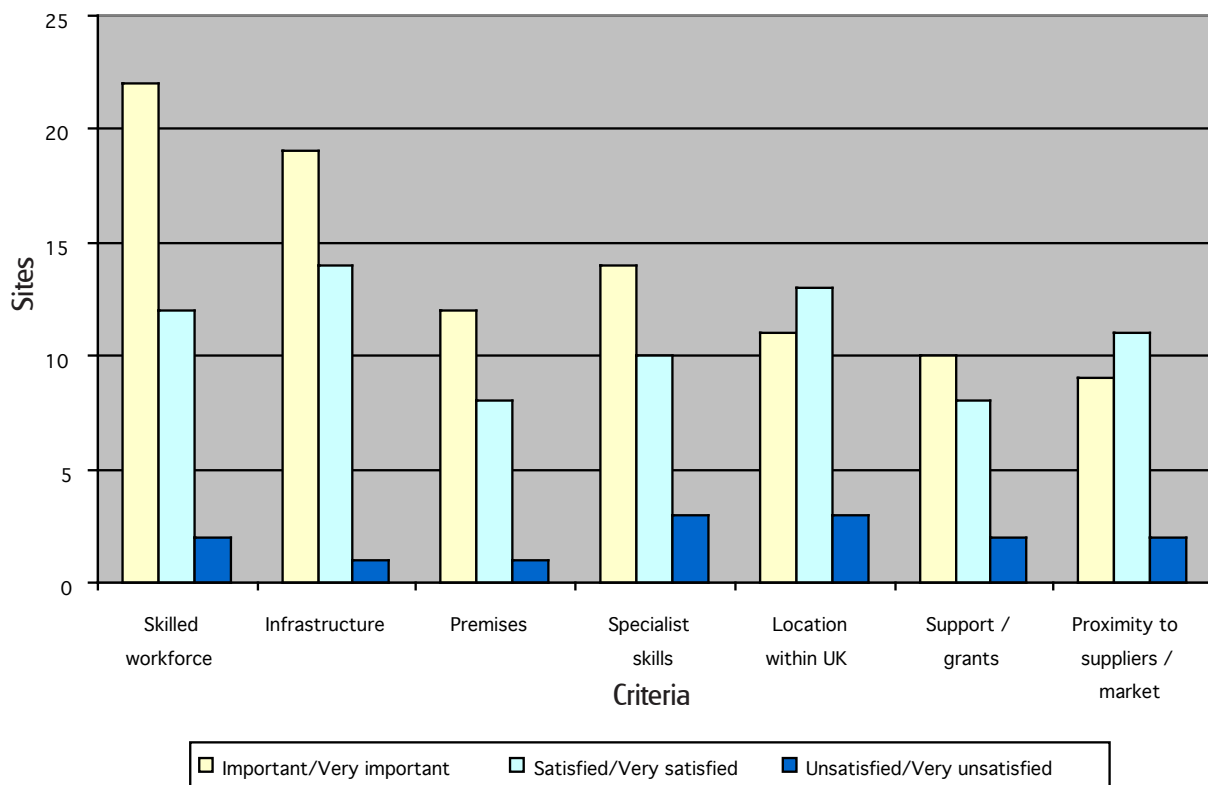
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Tees Valley Features

- The table shows what respondents rated as their most important location criteria and how satisfied they were with the Tees Valley on these issues.
- For every attribute, at least half of those who thought it was important/ very important were also satisfied/ very satisfied.
- In most cases, at least two-thirds were satisfied/very satisfied.

Importance vs Satisfaction



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Don't take our word for it...
What manufacturing companies say
about the Tees Valley...

- **Company A: "Great place to live, great place to work, great people"**
- **Company B: "It is very convenient, and has a very flexible workforce"**
- **Company C: "It is a very good area, there is a lot of opportunity"**
- **Biofuels Corporation: "It has a high quality workforce, with good regional facilities"**
- **TMD Friction Ltd: "I think the area is a little bit shy of showing the rest of the UK what it is capable of"**
- **Lucite International: "It's a good location. It's a nice place to live...there are lots of options for people to do business here"**
- **Johnson Matthey: "If people knew what it was really like to live here, they would come here"**

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Benefits of locating your business in Tees Valley

- **Flexible, hard-working employees who offer excellent value for money**
- **Low turnover and staff absenteeism rates**
- **Joining some of the world's biggest companies, such as SABIC, AMEC, Aker Kvaerner, Tata and SembCorp.**
- **Being part of a fast-growing, dynamic and diversifying economy**
- **2 world-class, growing universities and first-class further education**
- **The fastest road traffic speeds in the UK and excellent rail, air and port links**
- **House prices which are more affordable than any other area of the UK**
- **An area described by Lonely Planet as the "most exciting, beautiful and friendly region in the whole of England".**



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the facts

to find out more

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