

The Cobalt logo consists of a blue, brush-stroke-like shape on the left and the word "Cobalt" in a white, sans-serif font on the right.

Cobalt

www.cobaltpark.co.uk

Location Review – Cobalt Business Park

2010



east west locations

Executive Summary

Introduction

The following Location Review provides a thorough independent assessment of the demographic profile, local labour market and extent of recruitment potential applicable to Cobalt Business Park in Tyneside.

The recruitment catchment, or Journey To Work Area, serving Cobalt has been drawn up from existing employee postcode information. Around 8,000 employee journey to work patterns form the background to the analysis in the report and provide a unique opportunity to set out the characteristics of the recruitment area already serving employers at Cobalt as opposed to data based on a simple and arbitrary administrative area alone.

The report is further supported by a detailed Location Matrix in Annex A which contains a comprehensive set of demographic, workforce, training, skills and labour market cost data for the area.

Key Observations

Cobalt Business Park sits on the A19 less than a 15 minute drive outside of Newcastle city centre. A strong public transport infrastructure makes for easy commuting to the site from all surrounding areas. Indeed, many of those working in the city centre already pass Cobalt on their journey to work. As a result, Cobalt offers a large recruitment catchment of over 1.1 million residents.

Close to two thirds of the population are of working age with both the overall and working age populations experiencing growth since 2001 exceeding that of the wider region. The area is home to a young population profile compared to both the North East and England, particularly among those in their twenties.

Executive Summary

Key Observations

The catchment has a total labour pool of over half a million people in employment or seeking work. An additional group of 52,000 individuals are currently classed as economically inactive but have expressed a preference to work given suitable employment opportunities.

The largest group of employers in the catchment are private service sector companies with financial services and business operations contributing above regional average levels of employment, particularly when considering legal and accountancy, core banking operations and computer and data activities.

There are high rates of clerical staff living in the catchment when compared to the North East and England averages and a notably high level of sales and customer service staff against national average. Part time working is particularly high among young employees.

Catchment residents possess modern work-related skills. A large proportion of employees are involved in work related training with a particularly high incidence of training activity reported amongst those in the service sector when compared nationally.

Close to 89,000 students can be found in four Universities in the area serving Cobalt with around 26,000 students graduating annually. There is a large volume of overseas students compared to the national profile and a high rate of those studying Law and Modern Languages.

The Cobalt recruitment catchment offers an extremely cost competitive location for employers. Staff costs at Cobalt are extremely competitive across a broad range of clerical positions. Typical savings of between 5% and 11% against national average rates are achievable. Clerical staff in business and financial services in particular can be recruited at 10% below national average levels. Semi-qualified professionals are in abundance in the area, partly due to the high University graduate numbers, and as a consequence current salaries are 10% below national average levels.

The Location

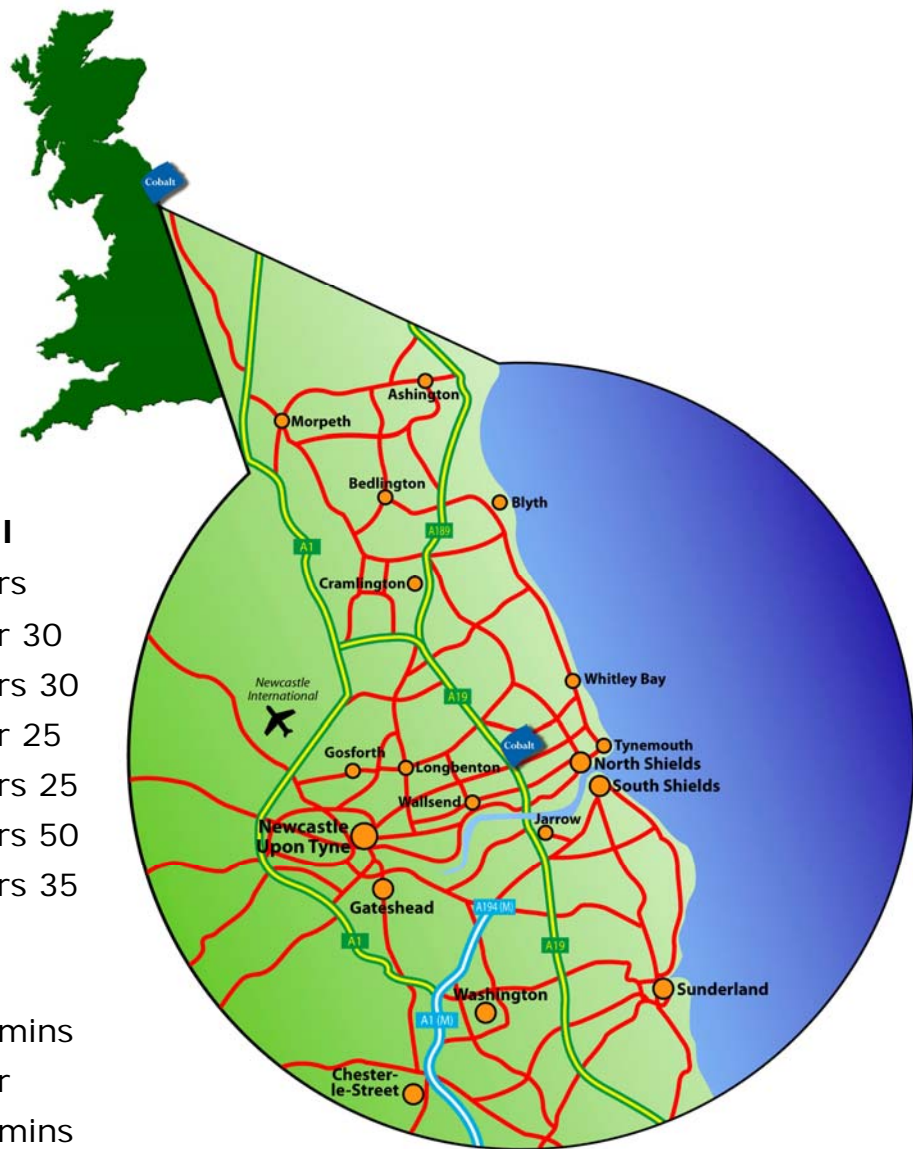
Broad Sub-Regional Location:

North East

- Newcastle/Tyneside
- A19

Average (Off Peak) Travel Times:

	Road	Rail
■ Birmingham	3 hrs 45	3 hrs
■ Edinburgh	2 hrs 35	1 hr 30
■ Glasgow	3 hrs	2 hrs 30
■ Leeds	2 hrs	1 hr 25
■ Liverpool	3 hrs 15	3 hrs 25
■ Central London	4 hrs 55	2 hrs 50
■ Manchester	2 hrs 50	2 hrs 35
■ Newcastle City Centre	15 mins	-
■ Newcastle International Airport	25 mins	30 mins
■ Middlesbrough	55 mins	1 hr
■ Sunderland	35 mins	20 mins



Train times are from Newcastle Central Station, less than a 15 minute drive from Cobalt Business Park. Newcastle Central Station offers direct links to major UK cities along the East Coast Mainline including London with a journey time of less than 3 hours. The Metro Station located within Central Station provides a direct public transport link to Cobalt via the dedicated 309 Cobalt Clipper bus service.

Local Public Transport Provision

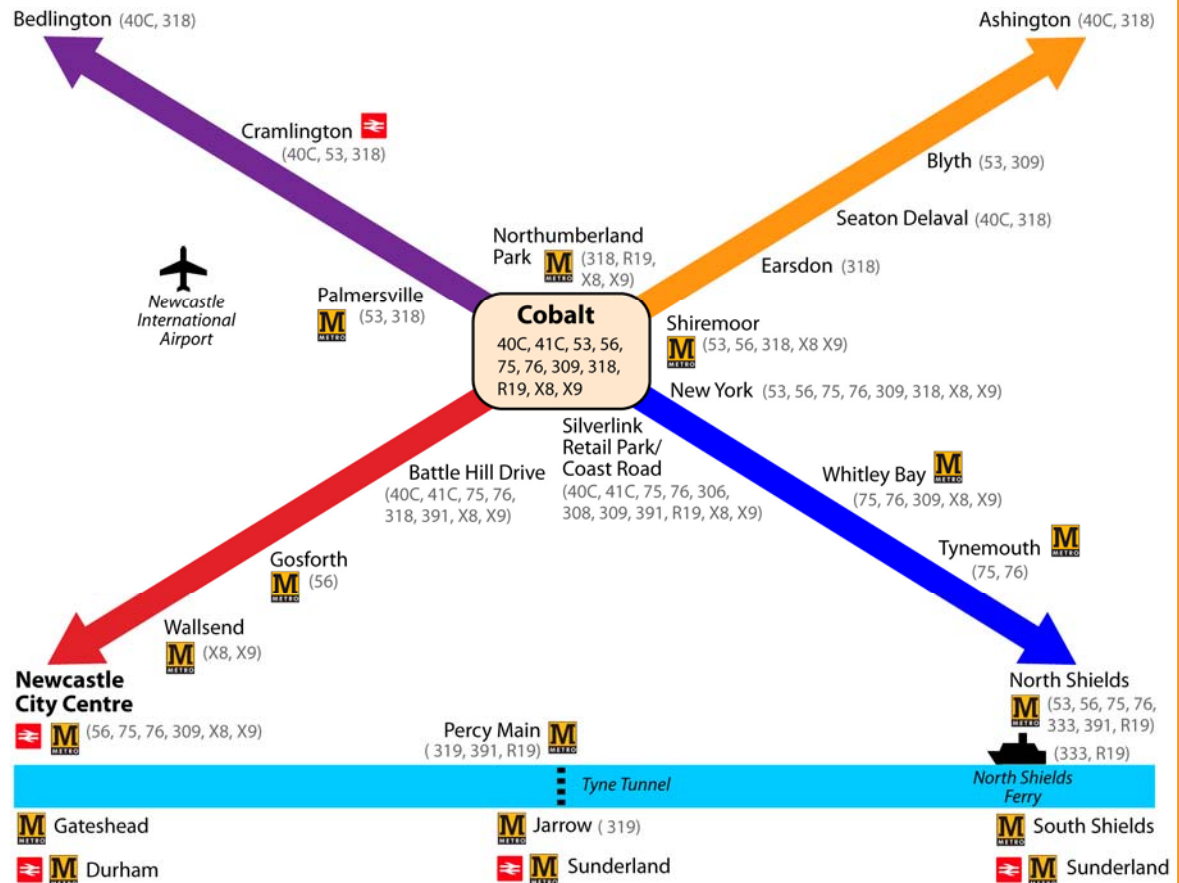
Cobalt Business Park is serviced by several bus routes throughout the day including weekends and evenings. Most stop directly on site and others are within a 10 minute walk.

Newcastle City Centre is a 25 minute journey on the 309 Cobalt Clipper service which travels between Newcastle and Blyth, 35 minutes from Cobalt. The Newcastle Interchange opens up further public transport access to Gateshead and beyond.

Northumberland Park to the north of Cobalt benefits from a park and ride facility and is also a main bus and metro interchange station.

The R19 service provides buses every 15 minutes throughout the day with additional services at peak commuter times taking an average journey time of 5 minutes to Cobalt from Northumberland Park. This route also travels to Percy Main Interchange (10 minute journey) where the Tyne Tunnel can be accessed and on to North Shields Ferry Terminal (20 minute journey). Both stops provide transport links to important commuter routes from south of the River Tyne.

A dedicated Cobalt Business Park website provides employees with additional travel information including access to a Car Share Scheme.



The Recruitment Catchment

The current Journey To Work Area for employees of Cobalt Business Park



Demographic Profile

Overall Demographics

Catchment Population (mid - 2009)	1,118,860
male	546,980
female	571,880
Working Age Population (16 - 64)	733,690
male	364,290
female	369,400
Population Change, 2001 - 2009	+3.7%
(North East +2.7%, England +5.4%)	

Working Age Change, 2001 - 2009 +6.3%
(North East +4.8%, England +7.0%)

Forecast Population (16 - 64)

Net Change (to 2019) -8,700
Growth, % of Current Population -1.2%
(North East -2.6%, England -0.6%)

Summary

- Over 1.1 million people live within the current mapped Journey To Work Area (JTWA) of Cobalt Business Park. This large scale catchment compares well against other edge of city locations such as the 40 minute JTWA of Satellite Park, east of Manchester City Centre (1,041,000 people).
- The catchment's working age population of over 733,000 residents is equivalent to 65.6% of total, standing above 65% reported in the North East and the national average of 64.9%.
- The Cobalt catchment has grown since 2001, the 3.7% growth rate exceeding North East regional average by 1%.
- More importantly for recruitment purposes, the catchment's working age group has increased by 6.3% since 2001, significantly above the regional growth in working age of just 4.8% and close to the national profile of 7%.
- A small decrease of 8,700 people in the working age group is forecast over the next ten years. Slightly fewer 5 to 14 year olds will replace those retiring from the working age group resulting in a decline of -1.2% in the current working age population to 2019.
- This forecast is less than half the -2.6% decline in working age expected across the region over the same period.

Demographic Profile (2)

16 to 19 Year Olds

Total Residents, 16 to 19	58,940
males	30,000
females	28,940

20 to 29 Year Olds

Total Residents, 20 to 29	166,140
males	84,510
females	81,630

30 to 39 Year Olds

Total Residents, 30 to 39	138,740
males	67,970
females	70,770

20 to 39 yrs, % of Working Age 41.6%

Those Approaching Retirement

55 to 64 Year Olds	132,730
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Summary

- The catchment serving Cobalt reports a generally young demographic profile. 30.6% of the working age group are under 30 years of age compared to just 29.5% in the North East and 28.8% in England. Males form a slight majority of 50.9% in this age group.
- Residents aged between 16 and 19 account for 8% of the working age group, slightly above the national incidence of 7.8%.
- Significantly, those in their twenties make up 22.6% of working age in the catchment, standing well above the North East average of 21.5% and 21% reported nationally.
- Close to one in eight people in the working age group are aged between 20 and 24. At 12.1% of working age, this is considerably above 11.5% in the North East and 10.6% nationally.
- This feature of the catchment is driven by the high proportion of students attending the Universities inside the catchment area.
- Residents in their thirties make up 18.9% of working age, above the regional average of 18.1%. Women start to form a majority among the working age population from 30 years onwards.
- Those in the last ten years of working age make up 18.1% of the group, below 19.3% regionally but matching 18.1% in England.

Workforce Profile

Employment Data (2009)

Overall Employees	484,450	Young Employed, 16 to 24 yr olds	72,560
males	250,200	males	35,270
females	234,250	females	37,290
Employees of Working Age	468,900	Employed, 25 to 34 yr olds	99,820
males	243,600	males	53,990
females	225,300	females	45,830
		'New Grey' Employees	15,550
		% of Employees	3.2%
		(North East 1.9%, England 2.6%)	

Summary

- Over 484,000 people living in the Cobalt catchment were employed in 2009. A majority of 51.6% of employees were male.
- Close to 469,000 employees were of working age with a slightly higher proportion of 51.9% of these being male.
- The young demographic profile is reflected in the catchment's workforce. Young employees between the ages of 16 and 24 represented 15% of total compared to a regional average of 14.5% and a national average of 13.3%.
- Females accounted for a larger quantity of 51.4% of employees within this group, contrasting the overall workforce profile.
- Employees aged between 25 and 34 years made up 20.6% of all those in employment, above 20% in the North East.
- Over 15,500 employed residents were working beyond the official retirement age, equivalent to 3.2% of total.
- This outcome is considerably above the 1.9% 'New Grey' labour market in the region and the national position of 2.6%. Unusually, only 54.6% of this group were working on a part time basis compared to an average of 71.3% in the North East and 68.9% in England.

Employment Activity

Employment by Sector

Service Sector Employees (Private)	218,540	Financial and Business Services	63,500
males	113,440	<i>of which</i>	
females	105,100	Banking	9,700
Public Sector Employment	165,030	Insurance	400
males	51,340	Other Financial Services	4,600
females	113,690	Property Related Services	5,700
Education	44,700	Accountancy & Legal Activities	7,700
		Computer & Research Activities	8,100
		Other Business Services	27,300

Summary

- Private Service Sector companies are by far the largest employers of catchment residents, accounting for 45.1% of all employment and standing above the regional average of 44.1%.
- Over a third of the workforce are employed in Public Sector positions. At 34.1% this is significantly above 29.3% in England and currently above the 32.6% regional public sector employment rate.
- The significance of public sector employers is likely to decline in the near term with employment in private service sector organisations increasing as a result.
- Financial and Business Services provide 13.1% of resident’s jobs against 12.3% regionally, a large group of 63,500 people in total. Many of these will currently be travelling into Newcastle city centre from residential areas closer to Cobalt Business Park.
- A further breakdown shows proportionately more people than regional and national averages suggest working in core banking activities (15.3% against 14.9% and 12.8% respectively), legal and accountancy activities (12.1% against 10% and 10.8% respectively) and software supply and consultancy activities (12.8% against 11.7% and 12.2% correspondingly).

Employee Occupations

Employment by Occupation

Senior Managers & Officials	63,020
Professional Staff	59,600
Part-Qualified Professionals	64,650
Sales & Customer Service Jobs	46,680
Admin & Secretarial Jobs	59,840

Part Time Employees

Total Employed Part Time	24.6%
(North East 22.7%, England 24.7%)	
Part Time, 16 – 19 yrs old	13,000
Part Time, 20 – 24 yrs old	16,590

Summary

- By occupation, 13% of employed residents hold Senior Management positions, some 63,000 people in total.
- A further 60,000 people living in the recruitment catchment are fully qualified Professionals, accounting for 12.3% of all employed residents against 12% in the region.
- Those in part-qualified Professional occupations represent 13.3% of the workforce, mirroring the regional average of 13.2%.
- Sales and Customer Service positions are particularly prevalent among the catchment’s employed residents, accounting for close to one in ten jobs. This profile stands above 9.1% for the region and significantly above the national incidence of 7.6%.
- Dedicated customer service occupations make up two thirds of these jobs, 31,000 people being equivalent to 6% of the workforce against a national average of 3.5%.
- Clerical jobs represent 12.3% of total compared to just 11.8% in the North East and 11.2% in England.
- Close to 120,000 employees work on a part time basis. At 24.6%, this is above the North East’s part time employment rate of 22.7% but matches the national average. The large number of retail and leisure jobs in Newcastle city centre are likely to drive this result.
- Close to a quarter of part time employees are under 25 years of age. At 24.8%, this stands markedly above the incidence of 22.7% reported regionally and the national average rate of 20%.

Jobseekers and Other Labour Pools

Unemployment Data

Unemployed (Average 2009)	34,230
males	25,580
females	8,650
Claimant Count Rate (North East 5.4%, England 4.1%)	4.9%
Unemployed 20 to 29	11,840
males	9,140
females	2,700

Unemployed 30 to 39	7,040
males	5,520
females	1,520

The Hidden Labour Market

Economically Inactive Population	190,370
females	113,040
16 to 24 year olds	55,110
25 to 34 year olds	26,400
% Who State They Want Work	27.2%

Summary

- Around 34,000 residents per month were registered as actively seeking employment during 2009. Three quarters were male.
- The catchment's average unemployment rate was 4.9% during the year, below the North East's 5.4% and only slightly above national average. Localised rates in the catchment varied from a low of 1% to a high of 11.4%.
- The jobseekers market is relatively young. 43.9% of jobseekers were under 30 years old.
- Some 4,500 (13.2%) jobseekers were unemployed for more than 12 months, less than 14.9% regionally and 15.1% in England.
- In addition to those employed or seeking work, a large group of individuals can be identified as economically inactive. This group represents 25.9% of the working age population with a large proportion of 28.9% under 25 years old.
- 27.2% of the economically inactive have stated a preference to work given suitable employment opportunities, a larger pro-active group than regionally (25.6%) or nationally (23.7%).
- This equates to a significant group of 51,800 people who are available for immediate recruitment targeting.

Workforce Training & Skills

Workforce and Resident Training		Qualifications	
% of population in training	17.9%	Population with NVQ Level 3+	330,360
males in training	59,620	Employees with NVQ Level 3+	227,360
females in training	71,960	Population with NVQ Level 4+	180,480
Employees in training	25.8%	Employees with NVQ Level 4+	149,740
Service Sector emp's in training	29.3%		

Summary

- Close to 132,000 residents are involved in work related training in the catchment area, equivalent to 17.9% of the working age population. Women account for 54.7% of this group, above 53.7% reported regionally and the national incidence of 52.6%.
- Over 125,000 of those in training are in work. At 25.8% this training participation rate stands noticeably above the national of 23.6% and indicates a local population more likely to have useable modern skillsets for employers.
- When considering only service sector employees taking part in training the participation rate is higher still with 29.3% of employees undertaking training. Once again, this is above 27.8% in England whilst slightly below the high North East rate of 30.5%.
- Close to a third of a million people living in the catchment serving Cobalt Business Park hold an NVQ at Level 3 or above. This equates to 45% of the entire working age population.
- Furthermore, over 180,000 residents hold the higher NVQ Level 4, broadly equivalent to a degree qualification. At 24.6% of working age this is higher than the North East average of 23.9%.
- Importantly for recruitment purposes, a significant group of 103,000 people holding Level 3 NVQs or above are not currently in work with 30,000 holding a Level 4 NVQ. This indicates an important group of skilled individuals as potential targets for possible recruitment.

Education Factors

School Leaving Data

Proportion of pupils gaining..	
5 or more GCSEs (A* - G grades)	92.6%
(North East 92.9%, England 93.7%)	
5 or more GCSEs (A* - C grades)	74.9%
(North East 72.8%, England 70.0%)	
Average GCSE points score	320.7
(North East 318.7, England 319.0)	
Average A Level score	697.6
(North East 707.2, England 721.1)	

University Labour Pools (2009)

University Undergraduates	68,030
overseas, % of total	12.1%
University Postgraduates	20,710
overseas, % of total	41.8%
% First and Other Degree Students by Subject of Study:	
Modern Languages	6.1%
IT (Computer Sciences)	3.6%
Business Studies	11.3%
Law	5.2%

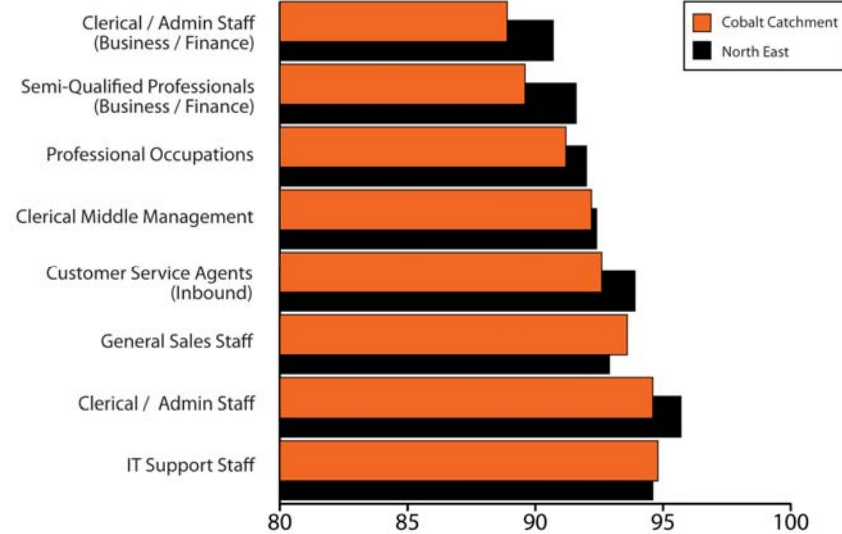
Summary

- School leaving data in the catchment report results that outperform regional and national average in respect of pupils gaining 5 or more GCSEs graded A* to C.
- As a consequence, average GCSE points scores outperform both the North East and England.
- Four Universities serve the Cobalt catchment and provide prospective employers with a large pool of 88,740 students. 23.3% of these study at Postgraduate level.
- 19,500 students graduated from Universities in the area in 2009 with first and other degrees. 5,500 obtained a postgraduate degree.
- There is a strong representation of overseas students in the area's Universities. 12.1% of undergraduates are from overseas against a national average of only 8.5%. 41.8% of the total postgraduate enrolment were from overseas.
- These features provide potential employers with a diverse range of languages and skills.
- Strengths are notable in Law, where 5.2% of students enrolled in this subject against an average of just 3.9% in England, and Modern Languages where the area's 6.1% enrolment rate stands above 5.5% nationally.

Labour Market Costs

JTWA Cost Index (England=100)

All Sectors Professionals	91.2
Semi-Qualified Professionals (Business)	89.6
Middle Management Staff	92.2
General Clerical / Admin Staff	94.6
Business and Finance Admin Staff	88.9
IT Support Staff	94.8
General Sales Staff	93.6
Customer Service Agents (Inbound)	92.6



Summary

- Indexed salaries and pay rates for a selection of clerical, administrative and service sector occupations are shown against regional average above (national average rate = 100).
- Salary rates throughout the catchment are cost competitive across a broad range of occupations when compared to national rates and in most cases, regional rates.
- Typical savings of around 10% to 11% can be achieved in salary costs of clerical staff and semi-qualified Professionals in business and finance against national rates.
- Average costs in both these occupation groups fall 2% below North East average rates.
- Similarly, Professional staff and middle management positions can be filled with salary costs around 9% lower than average national rates.
- Customer Service Agents and non-manufacturing sales posts are filled at around 7% below national average, and general clerical and IT support staff can be recruited at 5% below the respective national salary levels.

Annex A

Cobalt Business Park Employee Journey To Work Area

data omitted from web download version
please contact east west locations for details

Sources:

East West Locations Ltd, 'JTWA Model', 2000 - 2010; Office for National Statistics/Census 2001, Crown copyright;
ONS, mid-year Population Estimates, 2009, NOMIS Crown copyright;
Labour Force Survey 2004/05 / Annual Population Survey 2008/09; Annual Business Inquiry 2008, NOMIS Crown copyright;
Official Claimant Count Series, Jobcentre Plus/NOMIS, 2009, 2010; Crown copyright.
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Further information available from

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