



Northamptonshire businesses continue to prosper in uncertain market, says new report

Northamptonshire businesses have enjoyed another overall strong year of growth with increases in turnover, profitability and employment, despite uncertainty in the wider market, according to a new report published today.

The annual Northamptonshire Limited study, conducted by financial and business advisers Grant Thornton, analyses the performance of the 100 largest, privately owned companies in the county to provide a recognised benchmark of the overall health of the local economy.





Headline results

The 2018 report findings, unveiled to more than 100 local businesses at a special breakfast event hosted by Grant Thornton, revealed that combined turnover of the top 100 companies increased by a healthy 5.6%, up from £5.6bn last year to £5.9bn.

Profits in total rose by an impressive 17.3% from £352 million to £414 million, although there was a greater spread in performance than in previous years with some companies performing exceptionally well, whilst others found trading more challenging.

Employment in the county is also on the up with the top 100 businesses growing their combined workforce by 9.7% to 34,026 people. However, following last year's rise, average salaries fell slightly, down 1.6% to £28,710.

Mike Hughes of Grant Thornton's Northampton office who presented the findings said: "It's been an interesting 12 months since our 2017 report. Whilst Brexit uncertainties remain, overall, the UK economy has performed fairly well with GDP rising and unemployment continuing to fall.

"In addition to Brexit, local businesses have had to deal with a raft of new challenges including the introduction of the 'sugar tax', a spate of high profile retail failures and the new GDPR rules around data protection.

"Against this backdrop, it's not surprising that the performance is a little more mixed than we've seen previously with

39 of the 100 companies actually reducing profit. However, there have been some real standout performances and overall we should celebrate the tremendous achievement of Northamptonshire companies in delivering another excellent set of results.

"These firms continue to show great skill, resource and commitment to delivering growth in an uncertain market and the ongoing high levels of investment we have seen also demonstrate a real confidence for the future."

Large vs small businesses

The 2018 study also revealed that growth was consistent across companies of different sizes with the county's largest businesses (turnover greater than £50m) achieving exactly the same 5.6% rise in turnover as SMEs.

Whilst the profit increase amongst larger businesses was more than three times greater than that of SMEs (25.6% vs 7.1%), when the top three performing firms are removed from the analysis, growth is much more consistent.

Sector performance

The Northamptonshire Limited report also analyses the performance of the top 100 companies by sector.

Impressively, all eight sectors reported an increase in profits, highlighting a strong and consistent picture across the board.

The standout sector was Business Support Services which saw the biggest profit rise of 47%. New technology from artificial intelligence to 'big data' is radically changing the skills a modern workforce needs to thrive, requiring industry to adapt to survive.

The Automotive and Motor Retail sector saw the smallest profit growth of 2.8% which can partly be attributed to weak consumer confidence and a rapidly evolving market with the shift away from diesel cars and trucks to electric vehicles continuing at a pace.

Mike Hughes concluded: "With all sectors turning in a positive set of results alongside some real standout performances, this year's report demonstrates the overall robustness of the Northamptonshire economy.

"Whilst a number of challenges lie ahead, particularly in relation to the final arrangements over the customs union and ongoing skills shortages, businesses have shown they are able to adapt, identify and seize new opportunities for growth."

The findings were presented at Northampton Saints Rugby Club and this year's event included a panel discussion with Kieron Salter from KW Special Projects, Chris McDermott from Cambridge Weight Plan and Hilary Chipping, Acting CEO of SEMLEP.

* For a full copy of the Northamptonshire Limited report, please contact lucy.c.evans@uk.gt.com.

