



High-growth firms surge at best rate since turn of the century

Article

Graphic: bigger, faster



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The number of fast-growing businesses in the UK is at its highest in more than a decade.

There are now more of these high-growth companies, which are responsible for a significant proportion of job creation, than at any other time since the turn of the century, according to the Enterprise Research Centre.

Despite accounting for only about 7.5 per cent of all companies with more than ten staff, they created about a third of the increase in private sector employment between 2012 and 2015.

There are 11,855 high-growth organisations across the UK, the ERC said, defining them as companies with more than ten staff recording annual average employment growth of 20 per cent or more over three years.

The study revealed that, between 2009 and 2015, the number of high-growth firms increased by 36 per cent outside London, which itself experienced a 15 per cent increase. However, London still has a higher proportion of high-growth companies than any other area, followed by Liverpool.

Anna Soubry, the business minister, claimed the research suggested that the Northern Powerhouse policy was bearing fruit. "This is already on show with cities such as Liverpool, Sheffield and Birmingham seeing sharp increases in high-growth firms since the [economic] crash," she said.

ChargePoint Technology, a Liverpool-based maker of valves for drugs manufacturers, is one of the businesses experiencing rapid growth, expanding employment from 12 people in 2009 to 63 and increasing sales from £4.7 million in 2013 to £8.3 million in the past financial year. Chris Eccles, the company's managing director, said that the turning point for his organisation was a decision to bring manufacturing capabilities in-house in 2010.

"The decision to keep our business in the UK is mainly about cost and control. British entrepreneurs always find ways of doing things more

Anna Soubry says the Northern Powerhouse policy is producing results
Richard Pohle/The Times

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efficiently,” Mr Eccles said.

The ERC, which is based at Warwick Business School and Aston Business School, analysed data from the Office for National Statistics as well as the number of high-growth businesses in 39 local enterprise partnerships (LEPs) in England and Wales.

LEPs representing the Solent, Norfolk and Suffolk, the Bristol region and Sheffield enjoyed the greatest increase in the number of fast-growing firms, although some of these areas were starting from a low base.

Mark Hart, deputy director of the ERC, said: “Some LEP areas appear to be creating the right environment for the emergence of more high-growth firms. We need to learn the lessons of what’s working to support fast-growing businesses in these areas so we can replicate it more widely.”

- The number of high-growth firms in Scotland has risen sharply but is still lagging behind many regions of England (*Greig Cameron writes*).

Scotland has 722 companies defined as displaying high growth. The latest figure, which covers the 2012 to 2015 period, is up 35 per cent from the 534 recorded between 2009 and 2012.

The proportion of high-growth firms in Scotland as a share of all businesses with ten or more staff was 6.5 per cent.