

RECRUITERS DEFY DOUBTERS

Despite a high level of uncertainty, privately-owned recruitment agencies have reported robust growth

Constituents of this year's 2019 FAST 50 grew by an average compound annual growth rate of 34%, marginally down from the 35% seen in 2018. The results are based on financial years ending between February 2017 and May 2018, and reflect the first full-year impact since the referendum on leaving the EU.

It has been widely reported that Brexit has hampered UK hiring activity and led to companies pausing investment, while also exacerbating skill shortages, with sharp falls in the number of non-UK workers in employment. However, despite the more challenging macro-economic picture, agile and innovative privately-owned recruitment agencies have once again demonstrated the ability to report strong growth. Companies with a broad international geographic footprint have, in particular, prospered and feature heavily in this year's FAST 50.

The UK recruitment market is not only the largest in Europe, but it is also the most fragmented. Data from Companies House indicates that there are now around 39,000 recruitment agencies in the UK and this number grew by around 9,000 through 2017. It is therefore no surprise that each year features a new breed of recruiter placing for the first time, dislodging more established agencies who are unable to maintain such high levels of percentage growth. In this year's ranking, 31 of the companies placed for the first time, compared to last year's 24.

In a similar fashion to 2018, it is the niche sector specialists that have triumphed. This has been led by IT/technology agencies, followed by construction, industrials and healthcare. Multi-sector agencies, who typically focus on higher volume, blue-collar temps, also have a strong representation with nine companies. A special mention should go to multi-sector recruiter The Staffing Group – the largest recruitment agency to place with a turnover of £317m.

IMAGE | ISTOCK / SARAH AULD



MARK MAUNSELL, director at corporate finance house and international M&A specialist Clearwater International compiles the *Recruiter* FAST 50



Privately-owned recruitment agencies have once again reported strong growth in *Recruiter's* FAST 50 2019

Rank	2018 ranking	Company	Sectors	Revenue (£000s)	Compound annual growth rate (%)	Key shareholders	Website	Headquarters	Financial year-end
1		Russell Taylor Holdings	Construction, engineering, industrial	91,376	146.5	Ben Russell	www.russell-taylor.co.uk	Bromborough	Dec 17
2		Winner Recruitment	Logistics, industrial, healthcare	16,558	57.0	Vishal Jain, Leander Jain	www.winnerrecruitment.co.uk	Birmingham	Mar 17
3		Green Park	Executive Search	63,285	56.3	Raj Tulsiani, Steve Baggi	www.green-park.co.uk	London	Jan 18
4	△ 8	Marlin Green	IT/technology	22,775	55.3	Toby Dixon, Lee Nania	www.marlingreen.com	London	May 18
5	△ 17	ERSG	Energy	61,075	54.2	Peter Flaherty, Jim Ryan, Lucien Sillivan	www.ersg.co.uk	Bromley	Sep 17
6		Allied Site Services	Construction	12,212	53.9	Raymond Dean	www.allied.uk.com	London	Feb 17
7	△ 15	La Fosse Associates	IT/technology	85,183	44.1	Simon La Fosse, Linda La Fosse	www.lafosse.com	London	Dec 17
8	△ 49	Logical Personnel Solutions	Construction, logistics	45,681	42.5	Stephen Durant, Ben Lerner	www.logicalps.com	Leeds	Nov 17
9		LHI GROUP	Technology, life sciences, energy, construction	35,720	41.7	Thomas Glanfield	www.wearlhi.com	London	Dec 17
10		MPA Recruitment Ltd	Multi-sector	15,318	40.7	Patrick Anderson, Mary Pat Okane, Paul McQue	www.mparecruitment.co.uk	Derry/Londonderry	Feb 18
11	△ 12	Frank Recruitment Group	IT/technology	180,350	37.8	TPG Capital, Nigel O'Donoghue, Sean Wadsworth	www.frankgroup.com	Newcastle	Nov 17
12		Campion Willcocks	Finance, public sector	48,438	36.5	David Champion	www.campionwillcocks.co.uk	Amersham	Oct 17
13	▽ 6	Ethero	Multi-sector	14,001	35.2	Gareth Hughes	www.ethero.co.uk	Telford	Apr 18
14	▽ 7	X4 Group	IT, Engineering, Pharma	25,979	35.0	Glenn Norris, Mike Norris, Peter Rabey	www.x4group.co.uk	London	Sep 17
15		3D Personnel	Construction	38,913	33.1	Damian Doherty, Michael Byrne	www.3dpersonnel.com	Southampton	Dec 17
16		BIE Executive	Multi-sector	33,716	32.6%	Ben Hawkins, Gordon Whyte, Simon Moore, Emma Moreton, Robert Walker	www.bie-executive.com	London	Mar 18
17		People Solutions Group	Industrial, commercial	81,745	31.4	Matthew Reddy	www.peoplesolutions.co.uk	Walsall	Dec 17
18	△ 37	Salt Digital Recruitment	IT /technology, marketing	39,006	31.0	Marco Schiavo, Paul Gardiner	www.welovesalt.com	London	Dec 17
19	△ 34	Pro-Force Recruitment	Industrial	28,196	30.1	Matt Jarrett	www.pro-force.co.uk	Canterbury	Mar 17
20	▽ 10	Venquis	IT/technology	23,620	29.8	Barnaby Parker, Nicola Parker, Stephen Garner	www.venquis.com	London	Dec 17
21	▽ 5	Prospero Teaching	Education	28,385	29.8	Robert Grays, Lesley Grays	www.prosperteaching.com	London	Jun 17
22		Now Education	Education	11,061	29.5	Gary Redman	www.noweducation.co.uk	Birmingham	Mar 18
23		Amoria Bond	IT/technology	51,223	29.1	Daniel Daw, Gareth Lloyd, Nick Barrow	www.amoriabond.com	Manchester	Nov 17
24		Quest Employment	Industrial, commercial, technical	38,463	29.1	David Parker, Mark Russell	www.questemployment.co.uk	Northampton	Dec 17
25	▽ 13	Venturi Group	IT/technology	19,428	27.8	Brad Lamb	www.venturi-group.com	London	Mar 18
26		Capital Outsourcing Group	Multi-sector	18,025	27.8	Richard Sobol	www.coguk.com	Birmingham	Feb 18
27		Premier People Recruitment	Technical	26,828	27.4	Aleksei Kern, Chris Roberts, Sergei Ermack	www.ppronline.co.uk	Uxbridge	Dec 17
28		The Staffing Group	Multi-sector	317,312	27.1	Stephen Price, Carole Price	www.thestaffinggroup.co.uk	Walsall	Nov 17
29		Driver Require	Logistics	10,117	27.0	Kieran Smith	www.driverrequire.co.uk	Stevenage	Dec 17
30		i-Pharm Consulting	Life sciences	9,597	26.5	Stephen McAnaney, Issam Altarafi, Steven Went	www.i-pharmconsulting.com	London	Dec 17
31	▽ 16	Falcon Green	Construction	30,278	26.2	Jack O'Connell, Joseph Sweeney, Kieran Nestor	www.falcongrecruitment.co.uk	London	Mar 18
32		The Curve Group	RPO	16,443	25.7	Della Wolde, Jeanette Ramsden, Lyndsey Simpson	www.thecurvegroup.co.uk	Hinton-in-the-Hedges	Oct 17
33		CCS Recruitment	Multi-sector	28,461	25.3	William Gleeson	www.csspeople.co.uk	Braintree	Mar 17
34		Newcross Healthcare Solutions	Healthcare	105,738	25.1	Stephen Patrick, Michelle Gorringe	www.newcrosshealthcare.com	Totnes	Apr-17
35		Major Players	IT/technology, marketing	19,816	25.0	Jack Gratton	www.majorplayers.co.uk	London	Dec 17
36	▽ 1	Day Webster Group	Healthcare	99,443	24.9	Hugh Woods Ballard, Daniel Wise	www.daywebster.com	Loughton	Mar 17
37		Tempest Resourcing	Healthcare, education	34,475	24.7	Paul Bromwich, Peter Archard	www.tempestresourcing.co.uk	London	Dec 17
38		BMSL Group	Construction, engineering	93,143	24.5	Bernard Goodchild	www.bmsgroupltd.co.uk	Billingham	May 18
39	▽ 29	FPR Group	Multi-sector	16,382	24.2	Mark Foster, Paul Simpson	www.fprgroup.com	Brighton	May 17
40		Cobalt Recruitment	Construction, engineering, property, finance	24,795	24.1	Tim Rowe, Adam Walker	www.cobaltrecruitment.com	London	Dec 17
41		Energi People	Technical	8,346	23.7	Alex Christie, Nick Rothery	www.energi.uk.com	Farnborough	Mar 18
42		Central Employment	Multi-sector	13,877	23.6	Paul Ponton, Mark Trett	www.centralemployment.co.uk	Newcastle	Sep 17
43	▽ 33	First Call Contract Services	Industrial	71,174	23.1	David Mankelov, Kevin Gray	www.firstcallcontractservices.co.uk	Romford	Dec 17
44	▽ 27	Eton Bridge Partners	Executive Search	38,294	23.0	Ashton Ward	www.etonbridgepartners.com	Windsor	Dec 17
45		Siamo Group	Industrial	88,363	22.0	Key Capital Partners*, Anthony Bucciero	www.siamogroup.com	Birmingham	Dec 17
46		Staff Select	Multi-sector	12,902	21.9	Stephen Bucknall	www.staffselectltd.co.uk	Willenhall	Jul 17
47		Stott and May	Technology, finance	48,109	21.7	Stephen Stott, Laurence Rosen	www.stottandmay.com	London	Dec 17
48	△ 50	Whitehall Resources	IT/technology	55,299	21.4	Tremayne Hall	www.whitehallresources.co.uk	Colchester	May 18
49	▽ 31	Direct Medics	Healthcare	40,975	21.2	Paul Mulvenna, Anne-Marie Flannery	www.directmedics.com	Belfast	Jan 18
50		Parallel Consulting	IT/technology	32,027	21.0	Issam Altarafi, Steven Went	www.parallelconsulting.com	London	Dec 17

* KCP sold its interest in Siamo to the management team on 3 January 2019

The IT/technology category is once again the most highly represented and this year accounted for 26% of constituents, up from 20% in 2018. It is a sector that is being redefined, whose remit now stretches across every aspect of corporate activity, from enabling speed-to-market for new product development through to driving back office efficiencies. Data produced by the Recruitment & Employment Confederation recently stated that IT & computing is the most in-demand skill set, with software engineers and programmers particularly sought after.

The construction recruiters have featured heavily in the last couple of years and 2019's FAST 50 is no different. Seven companies placed, including specialists Allied Site Services and 3D Personnel. The companies have demonstrated a proven ability to source high quality talent, despite the backdrop of acute talent shortages – a situation likely to worsen once the UK leaves the EU and the government implements a new immigration regime.

It has been three years since NHS Improvement implemented price caps and over this period it is reported the regulator has reduced agency spend by £1.2bn. This has undoubtedly created a more challenging backdrop for public sector-focused healthcare recruiters who, in addition to the caps, have had to wrestle with a significant push towards the use of 'staff banks' over agencies. The impact is reflected in the data, with the number of healthcare recruiters falling from 14 before the caps to now only five in 2019. It is therefore no small feat for Newcross Healthcare to join the ranking, reflecting the success of the group's branch rollout strategy.

Although the recruitment sector is one of the most active in terms of M&A, constituents of the FAST 50 primarily opt to develop organic growth strategies. This often comes in the form of international expansion, as was the case for La Fosse Associates, which recently launched a business in the US, while others have focused on targeting

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adjacent markets. An alternative growth strategy is to leverage strong balance sheets and deploy capital through engaging in M&A activity. This year's winner Russell Taylor Holdings is a good example, having increased turnover by £69m largely through the purchase of industrial and driving sector recruiter Transline Group.

Private equity funds have consistently tracked the FAST 50 to identify fast-growing, profitable and often single sector-focused recruiters.

While none of this year's constituents completed a private equity backed buyout in the last 12 months, both Frank Recruitment Group and Siamo Group have been owned by investors for over half a decade.

Looking forward, the next 12 months is certainly set to be an interesting period for the recruitment industry. While the sector has proven to be agile and dynamic, it is also one that closely tracks the performance of the economy, which in turn is heavily linked to the still unknown future trading relationship the UK will have with the EU. In terms of sectors, it is difficult to see IT/technology not continuing to dominate the standings, as companies look to leverage technology to drive efficiencies and build competitive advantage. It is also a sector inextricably linked with broader innovation, namely autonomous vehicles and automation. ●



METHODOLOGY

The *Recruiter* FAST 50 prepared by Clearwater International lists the fastest-growing, privately-owned recruitment companies in the UK, according to a revenue compound annual growth rate over the three most recent annual reporting periods.



CRITERIA FOR INCLUSION:

To qualify, companies must be unquoted, registered in the UK and not subsidiaries, although their ultimate holding companies may be based offshore. Companies which are backed by private equity or other financial investors, either minority or majority equity stake, are also considered for inclusion. All companies considered for inclusion must achieve minimum annual sales of £5m in each of their last three financial years.



EXCLUSIONS:

Companies that have filed abbreviated accounts at Companies House without disclosing audited sales are excluded from the FAST 50. Companies whose latest available filed accounts are 2016 or before are excluded. Companies that are not 'pure play' recruitment companies are also not considered. Recruiters that are co-owned by foreign trade recruitment companies or where a listed recruitment firm holds a minority stake are also discounted.



DATA COLLECTION METHODS:

Qualifying companies are identified through independent research, which utilises a number of financial databases, Companies House information, press coverage and other research sources. Entry submissions are therefore not required, although any firm which believes that it may not be automatically assessed in the 2020 FAST 50 may contact Clearwater International to discuss. Please email mark.maunsell@cwicf.com