

Hull construction firm Hobson and Porter weathers rampant inflation to deliver further growth

Hull construction firm Hobson and Porter saw revenues increase slightly in a turbulent year for the sector as raging inflation saw projects delayed and redefined.

Turnover was up five per cent from £45.8 million to £48.1 million, with profit falling back 13 per cent from £286,942 to £247,588 in the year to March 31. Pressures on pricing had seen some builds stalled with clients, but it has led to a stronger order book for the present year as work now progresses.

The Malmo Road operation serves contracts ranging from £1,000 to £10 million, and has widened its footprint beyond the Humber. The results also marked a return to growth after pre-Covid double digit expansion was tempered in 2021/22.

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Michael Gibbin, financial director, told how revenues were in line with expectations, with the company now commencing the “next chapter of its strategic plan” as it seeks to increase profitability.

Highlighting flagship projects including the reinstatement of [Hull’s Golden Time Ball](#) at the Guildhall and the extensive redevelopment, refurbishment and extension of the city’s [Albert Avenue Baths](#), Mr Gibbin said: “The business delivered a diverse mix of projects across the region, ranging from Sleaford in the south to Northallerton in the north;

reflective of the geographic growth the business has strived to achieve in recent years.

“The industry was not without its challenges during the financial year. Inflation has remained evident with both materials and resources although signs are that this has started to improve in the most recent months. The time lag from the recent window of rampant inflation in the previous 18 to 24 months is, however, still impacting upon project affordability and feasibility. “The business has experienced a significant number of its prospects going through a prolonged period of post-tender value engineering and optioneering to bring projects in line

with client expectations and affordability. In turn, this has delayed project commencement dates by up to 12 months in some cases.



Prominent project: Jonathan Stubbs, development director at Wykeland, left, with Cllr Paul Drake-Davis, portfolio holder for regeneration at Hull City Council, centre, and Joe Booth, business development director at Hobson & Porter, outside the former Burton building in Hull city centre.

(Image: R&R Studios)

“This not only impacts revenue and cashflow at short notice, but it also inflates overhead expenditure whilst human resources are pending or redistributed to other projects.

“This commonplace challenge has eroded some of the profit potential for the year although it has pushed revenues into financial year 2023/24 and given the business a strong forward order book of more than £42 million.”

Staffing levels were retained, with 129 employed, and investment continues in the company’s Foundations careers initiative, which received regional and national recognition in the period.

Since year-end Hobson and Porter has completed [HETA’s £5.5 million training facility at Stallingborough](#), opened this month, and started a major expansion of [RWE’s offshore wind base in Grimsby](#). In Hull city centre the 52-year-old firm is the main contractor on the [prominent regeneration of the Burton building](#).

Looking ahead, Mr Gibbin added: “The company remains committed to a loyal client base and valued supply chain. The secured work bank is targeted, validated and profitable. The pipeline for both negotiated and competitively tendered future projects remains healthy and has been identified via a proven selection criteria set by the board of directors. They believe that the company’s strong balance sheet and ongoing future work will see a positive outlook.”