

UK Fashion & Textile Association

RESPONSE TO INDUSTRIAL STRATEGY GREEN PAPER

17th April 2017

INTRODUCTION

The UK Fashion & Textile Association is an industry organisation that furthers the interests of the British fashion and textile industry, including designer businesses, brands, wholesalers and importers as well UK garment and textile manufacturers. UKFT is the umbrella organisation set up by the industry for the industry and we bring together the collective knowledge, experience and resources of the sector through our Federated Membership which includes 14 other trade organisation and industry bodies with a combined membership of some 2,500 companies.

The fashion and textile industry is a significant contributor to the British economy with retail sales of almost £70 billion and employment of 880,000 jobs, including over 105,000 in manufacturing. UK fashion and textiles firms have a total production value of £9.1 billion.

The industry as a whole contributes £28.1bn to the UK, with its GVA contribution at 4.7% in 2015 compared to the economy's 2.2%.

The sector has seen significant growth in the period following the recession. This growth is driven equally by domestic and export demand. New employment opportunities have already been created in some of the areas of high public sector spend, including entry level jobs, as well as high value jobs. Economic modelling by the Alliance Project shows that the manufacturing sector alone can add a further 10,000 new jobs, and contribute £500m more to the UK economy each year, by 2020.

There are many examples of initiatives such as the Textiles Growth Programme, that have demonstrated the growth potential of the fashion and textile industry. An industry that continues to make major investments for the industry.

The industry is working together to bring forward a sector deal that will create stronger relationships between manufacturing, retail/end markets (such as aerospace, automotive and the health sector) and academia.

The fashion and textile sector is keen to present a coordinated approach which will enable the various partners to build on current strengths and develop new approaches to be led by the needs of the industry. This will provide a strong platform for a Sector Deal with the Government which will see the UKFT bringing forward detailed proposals for:

- a national advanced fashion and textiles innovation strategy
- a national export strategy
- a national skills strategy

These three strategies will identify the ambition and investment resources of the partners and the need for, and value of, public sector support.

The UK Fashion and Textile industry is one of a few sectors in the unique position of creating good quality, skilled jobs, within areas of need for employment. It is ideally placed to address the twin challenges for the UK economy, improving productivity and rebalancing the economy.

RESPONSE TO CONSULTATION QUESTIONS

Summary

1. Does this document identify the right areas of focus?

The Green paper does identify the right areas of focus, although some are more relevant to certain industries than others. The development of a modern Industrial Strategy for the UK is very welcome. The recognition that the Industrial Strategy needs to go beyond its predecessors – driving growth across the whole country to bring together sectors and place – creates new opportunities for a more effective approach.

This is important as the UK's fashion and textiles sector has both strong global and local dimensions. For example, world leading fashion, design and production in London, global expertise and trade in weaving and technical textiles in West Yorkshire, and rapid growth in technical textiles and material sciences in Greater Manchester and a significant apparel cluster in Leicestershire - to name but a few.

2. Are the 10 pillars suggested the right ones?

The 10 pillars within the report focus on key areas required for industrial development, however we would ask that Government recognise within those the nuances that are required across different industries, sectors and regions, to ensure that policies are as efficient and effective as possible. We therefore very much welcome Government's recognition of the importance of sectors and working closer to industry to create economic advantage and change.

3. Are the right central Government and local institutions in place to deliver an effective industrial strategy?

Rather than create new organisations, we strongly believe that Government should be more industry-led and focused, and devolve wherever possible more of the decision making to industry. Government should deliver policy and projects, but not attempt to become industry experts. Partnership with industry will be key in delivering maximum impact.

We believe that there is particular scope with regards to bringing industry investment and input into the Government's strategy in the areas of exports and inward investment, skills and innovation. As an example, the delivery and funding for exports should be devolved to industry as it is best placed to work with businesses to deliver the specialist support required, thereby creating increased growth and improving efficiency.

4. Are there important lessons we can learn from the industrial policies of other countries which are not reflected in these ten pillars?

Investing in science, research and innovation

5. What should be the priority areas for science, research and innovation investment?

Innovation in the fashion and textile sector has a major impact on growth and economic success. Textile innovation in the UK is ranked number 3 in the world and number 1 in Europe in terms of patent generation between 2000 and 2015. A recent survey by the Alliance Project shows that spending on R&D in the industry stands at some 5% of turnover – above the average for all manufacturing industries.

There are major growth opportunities for UK textile companies in medical textiles, advanced materials and composites and smart textiles. The UK also has massive potential market advantages

in creating new, sustainable and environmentally-friendly production technologies that will become more important in increasingly ethical-sensitive markets. These include:

- The creation and development of new business models/ecosystems to facilitate the circular economy for the fashion and textiles sector
- New approaches to recycling in textiles & garment disposal
- Reductions in water consumption & energy use
- New sustainable chemistries, including the reduction of chemical use
- The development of 'Smart textiles' & new ways of production
- Eco-creativity, the use of natural fibres with short value chains
- The use of new materials with new applications

6. Which challenge areas should the Industrial Strategy Challenge Fund focus on to drive maximum economic impact?

The introduction of a sector-specific Innovation Fund to support activity in areas where the UK has a natural advantage. The UK are global leaders in the deployment of e-commerce, particularly in the fashion sector. The use of on-line retail is predicted to grow significantly and the market for the sale of UK produced products is global. Support should not be focussed exclusively on universities and research centres, but on giving companies access to, and purchasing power with those centres. Additionally, support in areas of environmentally-friendly production will generate additional market share for UK businesses.

7. What else can the UK do to create an environment that supports the commercialisation of ideas?

The vast majority of companies in the fashion and textile sector are micro and small enterprises. The innovation offer must be accessible and relevant to those organisations. Simple programmes, including 'innovation vouchers' have proved to be most effective as they place the purchasing power in the hands of the companies.

A key Government priority should be to maintain the strength of the UK's Intellectual Property protection framework, which is world leading, but which is currently based on EU law.

- The EU legal regime for protection of intellectual property rights provides a highly effective and efficient framework for registration, exploitation and enforcement of IP rights. In particular, unitary rights exist to protect trade marks and designs across the EU, allowing for cost-effective protection and enforcement for designer businesses in the UK.
- The UK Unregistered Design is not a mirror right of the UCD and its scope is significantly narrower (limited to aspects of 3D shape and configuration). This limits the value of UK Unregistered Design to fashion and textile designers, at least compared to UCD, therefore we ask that government increases the scope of the UK Unregistered Design to include surface patterns.

8. How can we best support the next generation of research leaders and entrepreneurs?

Maintaining access to key EU Research & Development programmes including the 'Horizon 2020' programme and its successor will be centrally important. As those programmes focus increasingly on commercial and sustainable solutions they become increasingly relevant. UK companies need access to the combined knowledge of the leading EU institutions and partners via collaborative R&D activities.

9. How can we best support research and innovation strengths in local areas?

The creation of R&D clusters will be vitally important to support UK fashion and textiles companies as they work with specific industries on a local/regional basis. The sector offers a broad range of specialisms where textiles play an important role in process and product innovation in key sectors including the medical sector (everything from wound dressings to sterile garments, tissue scaffolds, and composite-infused textile structures), automotive (from seat covers to moulded components and 3D metallic preforms), aerospace (for new weight-saving composite components), construction (with weight-saving architectural and geotextile structures), the Services including the Fire Service (with major innovations in Personal Protective Equipment) and environmental industries (with filtration and anti-bacterial applications). The sector needs to have improved access to the network of support provided through universities and 'catapult' centres which is still perceived to focus almost exclusively on large, multi-national companies.

Similarly, the UK fashion and textile industry works with many creative sectors including TV and film media, photography and events, where specialist clusters exist in key regions.

Companies in the sector need much closer, clearer, linkage with their local universities to invest and collaborate in the fashion and textile innovation ecosystem that will stimulate future growth.

Developing Skills

10. What more can we do to improve basic skills? How can we make a success of the new transition year? Should we change the way that those resitting basic qualifications study, to focus more on basic excellence?

The sector supports the need to improve basic skills levels of both young people and those looking to gain entry to the sector through Work Based Learning or Further Education. It is crucial that a good level of both literacy and numeracy is achieved to improve life prospects for young people, all school leavers should be given the basic tools to enter the jobs market. On-going opportunities for those already in work are just as important. Additionally, digital skills are vital to ensure the workforce is equipped to take advantage of the growing introduction of new technologies associated with 'Industry 4.0'.

Historically, there has been a complaint from employers that they were '*having to put right the wrongs of the education system*' when it came to the issue of basic skills. Employers would rather learners were focused on receiving technical training. However, the introduction of Functional Skills into the Apprenticeship offer has at times been a barrier for Fashion & Textiles Apprenticeship entry in England. This is because Functional Skills are a separate classroom based exam that has no resemblance to the job or functions being undertaken within the sector and ESOL training for overseas workers needs extensive support to reach the levels required for the exams which attracts no additional funding.

The GCSE resit policy can reinforce failure and demotivate otherwise able learners. It is not achieving its objectives and can prove to be a barrier to other areas of learning delivery. Equivalences to GCSEs such as contextualised Functional Skills should be acceptable as an alternative by both government and employers. There are existing models that perform the function of a transition year without the need to develop something new. The Strategy should ensure efficiency in the development of existing streams of learning rather than encouraging the development of new ones. The constant change in the vocational education system is confusing and off-putting for employers. The Traineeship programme is increasingly being viewed as a

'social' rather than an educational programme. The funding of this transitional strand must be reviewed if it is to grow and develop into a viable new pathway from education to employment.

Skills education in terms of craft and making has gone from the education system. The re-introduction of basic craft skills in the curriculum would assist careers pathways into skilled employment and is a key part of addressing building the skills shortage that the fashion and textile industry is facing.

11. Do you agree with the different elements of the vision for the new technical education system set out here?

We welcome the focus on technical education if becomes a step towards creating parity of esteem between vocational/technical and academic education. However, the introduction of 15 occupational pathways could restrict choice for learners at too early an age. It will be important for the UK's technical education system to provide the flexibility and freedom of movement between vocational and academic routes and between subjects. Employers generally look for people who can demonstrate the ability to learn and who can adapt to changing business disciplines. A generalised education can be valuable if it provides those broad areas of knowledge that help employees to adapt to new business technologies and environments, whereas specialisation too early could restrict people's ability to develop.

The poor comparison of UK education systems with many of those in the East and parts of Europe results from learners who have been badly served by the education system before they leave school. Companies need access to frameworks they can use to develop the social and technical abilities of their teams but the constant change in qualifications, funding models and government institutions serves to complicate the delivery of skills to a point where many companies feel unable to decipher the bureaucracy and engage with the system.

Our sector, like many others is now facing a serious skills shortage and businesses fear that the situation is likely to get much worse as a consequence of the decision to leave the EU. The current and future limitations on access to skilled workers is perceived as the main threat to successful business growth. It is essential for our future prosperity that we have a simple, accessible and straightforward system of support for the delivery of technical skills.

12. How can we make the application process for further education colleges and apprenticeships clearer and simpler, drawing lessons from the higher education sector?

In developing any new application process it must be borne in mind that the majority of apprenticeship training (over 70%) is not delivered by FE Colleges but by private training providers. Statements from government and their agencies often suggest that that FE Colleges are the only providers of apprenticeships, and systems need to bear in mind the fact that many private training providers do not enjoy the financial support provided to Colleges that allow them to carry a team of administrators to handle apprenticeship applications.

The process must also recognise that apprentices are employees, and the needs of companies, predominantly SMEs in our sector, for simplicity in application processes must be central to the design of any process. Any standardised application process must be able to accommodate the needs of individual employers. Process improvements can be learned from the HE system where the 'clearing' system saves applicants from re-writing applications and where information only has to be entered once.

The whole of the application process would improve if effective careers information, advice and guidance was available to young people, their parents and teachers.

13. What skills shortages do we have or expect to have, in particular sectors or local areas, and how can we link the skills needs of industry to skills provision by educational institutions in local areas?

The skill shortages in the fashion & textiles sector are well documented. The average age of the workforce is higher than other areas of UK manufacturing and the industry suffers from an outdated reputation among young people which is influenced by the legacy of 'off-shoring' that affected many of their parents. Sector Skills Assessments have identified shortages at all levels of management, supervisors, technicians and technologists, cutters, graders, weavers and particularly sewers. While the national need is considerable, the industry is often located in relatively small geographic areas where the number of particular technicians required, while crucial to the industry, might not be sufficiently large for training providers to develop a viable cohort, and in some cases for Awarding Bodies to bother to maintain a qualification.

The situation is likely to become much worse as a result of Brexit, and could pose a major threat to the continuation of many businesses. It is essential that any EU deal on the mobility of labour enables what might be seen as 'lower-skilled' workers to continue to have freedom of access to the UK labour market, be that determined on a regional, national or sector basis.

LEPs will play a key role in planning and matching skills needs to provision, but the uneven spread of local authority cohesion that triggers devolution of resources at such different levels makes for a very patchy picture where the effectiveness and capacity of LEPs to play a key role is unhelpful to local businesses.

14. How can we enable and encourage people to retrain and upskill throughout their working lives, particularly in places where industries are changing or declining? Are there particular sectors where this could be appropriate?

The introduction of the Apprenticeship Levy will no doubt play a central role in helping to achieve the government's target of 3 million apprentices by 2020. However, we are already witnessing the move by organisations to utilise their levy payment as a replacement for their traditional 'in-house' training budgets. The effects of this could be significant. The majority of apprenticeship training is likely to be spent on customer service, supervisory and management training, which, while helpful, will have less of an impact of the creation of the technical skills that the economy requires to close the skills gap. It is also likely to raise the average apprenticeship age considerably – potentially changing the focus of apprenticeships as the primary route between school and employment for young people. It remains to be seen how many of these older learners achieve 'timely completion' of all the elements of their apprenticeship programmes – many are likely to be less motivated to do that – and the consequences for training providers when it comes to Ofsted assessments.

The enablement of flexible and responsive regional intervention will be important to respond to changes in the employment market. There is a variable capacity across the UK for this type of regional support, and the importance of the funding stream that has been available through the European Social Fund should not be underestimated. Many businesses have become used to receiving training grants and continued uncertainty over future support may lead to short-term issues where companies wait to see what happens before investing in skills development.

The potential of digital technologies and on-line have yet to be fully realised. While technologies are increasingly becoming embedded in mainstream learning, the same is not true of vocational learning. We need a more flexible and responsive system to keep up with the pace of change. This could help to address the situation in the fashion and textiles sector where training is required but the size of the cohort is insufficient to attract accreditation and funding support.

Upgrading infrastructure

- 15. Are there further actions we could take to support private investment in infrastructure?**
- 16. How can local infrastructure needs be incorporated within national infrastructure policy most effectively?**

Ensuring the UK has access to the right transport and digital infrastructure remains critical for the industry. Equally, access to the right commercial property, be that studio space or access to high quality modern factory premises is fundamental in allowing the sector to reach its growth potential.

- 17. What further actions can we take to improve the performance of infrastructure towards international benchmarks? How can Government work with industry to ensure we have the skills and supply chain needed to deliver strategic infrastructure in the UK?**

Supporting businesses to start and grow

- 18. What are the most important causes of lower rates of fixed capital investment in the UK companies to other countries, and how they can be addressed?**
- 19. What are the most important causes factors which constrain quoted companies and fund managers from making longer term investment decisions, and how can we best address these factors?**
- 20. Given public sector investment already accounts for a large share of equity deals in some regions, how can we best catalyse uptake of equity capital outside the South East**
- 21. How can we drive the adoption of new funding opportunities like crowdfunding across the country?**
- 22. What are the barriers faced by those businesses that have the potential to scale-up and achieve greater growth and how can we address these barriers? Where are the outstanding examples of businesses networks for fast growing firms which we could learn from or spread?**

Payment terms are creating difficulties in the fashion and textile supply chain and are driving chronic short-termism. This is a particular issue for micro-businesses and SME's and if addressed would create a much stronger incentive and ability for firms to invest and grow.

The fashion and textile industry is dominated by micro SME's (over 80%), which find it very difficult to secure investment needed to grow their businesses. The return on investment for fashion and textiles is longer than other sectors, which results in decreasing investment opportunities. Tax incentives on product development, manufacturing, innovation investments, could be used to

increase the pool of investment and business support available. Such incentives can facilitate manufacturing to be brought into the UK and jobs creation as SME's will have an inclination to keep things local.

The funding provided via the National Textile Growth Programme has been significant and has seen the textile industry able to invest in new capital equipment as well as create or secure thousands of jobs. A new Growth Programme is needed with funding available to all regions of the UK.

Any financial support made available must be accessible for micro businesses and SMEs. As an example UK Export Finance provides a fantastic service but its services are not aimed at, or available to, small businesses.

Improving procurement

- 23. Are there further steps that the Government can take to support innovation through public procurement?**
- 24. What further steps can be taken to use public procurement to drive the industrial strategy in areas where Government is the main client, such as healthcare and defence? Do we have the right institutions and policies in place in these sectors to exploit Government's purchasing power to drive economic growth?**

Public procurement can help drive growth across many sectors including the military, the NHS and transport infrastructure. But with an industry dominated micro SMEs and SMEs, public procurement contracts must be accessible by SME's either individually or as consortia.

In the USA all military equipment must be provided by US companies. In the UK a tiny fraction of the Ministry of Defence budget is spent with UK manufacturers. As an example of what can be achieved by central government coordinating an industry sector In the US recently the Department for Defence together with 89 universities and manufacturers have come together under the Advanced Functional Fabrics of America Alliance. It brings together partners from Federal, and State Government, industry and academia under one Institute. This Institute aims to accelerate technology transfer to enable revolutionary commercial and defence applications. The US Federal Government has put in \$75 million dollars with industry and academia putting in another \$250 million. This is a fantastic example of how government can work with industry and academia to help raise the R&D in an industry which would lead to increased commercialisation of ideas, productivity and jobs.

Encouraging trade and inward investment

- 25. What can the Government do to improve our support for firms wanting to start exporting? What can the Government do to improve support for firms in increasing their exports?**

UK exports of apparel and textiles were worth £9.1bn in 2016, rising from 8.5bn in 2015. 2016's figures are up 28% from £7.1bn in the five years since 2012. Apparel exports alone have risen 41% to £6.2bn in this five year period, up £1.8bn. The European Union was the UK's biggest export market for textiles and apparel in 2016 - accounting for 74% of UK exports. UK apparel and textile exports to the EU rose from £4.9bn in 2012 to £6.7bn in 2016. Within the space of five years, this represents an increase of £1.8 billion or 36%.

Key markets for fashion exports are: Europe (Italy and France, then Germany and Spain), USA & Canada, China, Hong Kong, Japan and South Korea.

Government export support is currently fragmented and difficult to navigate, and lacks a strategic focus on specific priority markets for the fashion and textile sector.

The UK Fashion & Textiles Association, the British Fashion Council and the British Footwear Association ask that Government considers a complete restructure of how support for exports is delivered. We ask that Government and industry form a partnership in order to deliver significant export growth, ensuring that more efficient use is made of existing DIT resources in the UK and overseas. The Department for International Trade should agree, long term, sector specific export strategies with industry. The Export Strategy should be owned HMG and Industry but delivered by industry bodies.

Government should agree with industry on a long-term and substantially improved Tradeshow Access Programme (TAP) to encourage new exporters and existing exporters to look at new markets. On average TAP export support generates a return of £40 for every £1 of government support, in the fashion and textile sector that figure is closer to £70 for every £1 of support.

In addition to TAP grants for groups, UKFT also believes it should be given the flexibility to encourage individuals and smaller groups of companies to attend niche events with relevance to their products. A good example of this would be markets like Japan where there is the potential for UK manufacturing brands to attend shows like Jumble or Clutch whilst swimwear companies should be incentivised to look at Miami Swim week. The current budgets and structures currently make this impossible.

Industry believes that selected sector-specific trade missions to key markets are an essential complement for companies entering exports and also, equally importantly, for those existing companies who need support to expand into new markets with high value opportunities.

UKFT believes that it should be given the opportunity to work much more closely with Government and overseas Posts on exports with the industry tasked with, and given the tools to, encourage and support new exporters (as it is already doing) and Posts to be supporting companies in market.

Opportunities currently being gathered by Posts for industry are not reaching their intended targets as most companies in this sector have not registered for the Government's online informational portals. UKFT has demonstrated that we have a much better take-up and success rate with those Posts which send us this information which we can then send to suitable companies in a timely manner.

UKFT believes that Posts are one of the most important areas where the UK needs to invest to ensure that our Embassies and Consulates have the right level of staffing to generate new and existing leads in market.

Over recent years, the focus has been on downscaling some of these points of contact and building up DIT's UK services, often in competition with similar services which operate commercially or through industry trade associations. We believe that it is time to reverse this policy, to increase our overseas contacts and put them in direct contact with industry.

In order to bring industry and Government closer and speed up communications and response times, we suggest that some parts of the current DIT apparatus are surplus to requirements and actually get in the way of promoting business. This is not unique to the fashion and textile industry. A substantially slimmed down DIT with resources freed up to give to companies by industry intermediaries would offer a much better deal for the taxpayer.

Government target markets should be agreed with industry. There is no point in selecting markets purely based on the say-so of selected Posts who feel they can persuade key operators to sign off on “export wins” where there is no real evidence that the business has benefitted from Government intervention. Similarly, there is no point agreeing to target markets like Saudi Arabia when the industry is telling government loud and clear that one of our major Brexit-proofing markets is Japan.

Our EU competitors have been much better than the UK at getting the balance right between promoting exports and encouraging FDI. In general terms, they have not seen this as an “either/or” case and they have not reallocated resources away from encouraging exports as they recognise that this is a vital lifeline for their industries. We believe that most FDI in the country would come to the country in any case so we urge the government to reprioritise resources back towards promoting exports.

Whilst the UK has concentrated solely on encouraging retailers and manufacturing into the UK, our EU competitors have concentrated on making their tradeshows and retail markets more varied and appealing to an international audience. France, Germany and Italy have established city and country wide partnerships to promote their trade shows as the international go-to shows for industry. This promotes their domestic industries at the same as securing valuable tourism revenue (accommodation, food and drink etc.) and helps to promote those cities as being at the heart of the industry. The UK has the potential to do the same.

The UK has a number of exciting fashion and textile events which have the potential to attract international buyers, most noticeably: London Fashion Week and London Fashion Week Men. The British Fashion Council should be given greater control over inward investment decisions that would encourage more overseas buyers to visit and more and international brands to show, thus reinforcing the UK’s role as a fashion and textile hub and driving revenue to the UK.

- 26. What can we learn from other countries to improve our support for inward investment and how we measure its success? Should we put more emphasis on measuring the impact of Foreign Direct Investment on growth?**

Delivering affordable energy and clean growth

- 27. What are the most important steps the Government should take to limit energy costs over the long –term**
- 28. How can we move towards a position in which energy is supplied by competitive markets without the requirement for on-going subsidy?**
- 29. How can the Government, business and researchers work together to develop the competitive opportunities from innovation in energy and our existing industrial strengths?**
- 30. How can the Government support businesses in realising cost savings through greater resource and energy efficiency?**

The Government should reintroduce the Manufacturing Advisory Service (MAS), with a meaningful budget. MAS achieved significant results in helping companies move to lower energy use both through changing behaviour and in providing financial incentives to move to lower energy use technologies.

The Government should extend the equipment and technologies on the Enhanced Capital Allowances register to incentivise companies to adopt the newest, most efficient equipment.

The Government should extend the Climate Change Agreement scheme beyond 2020. The scheme has been very successful in reducing CO2 emissions as it provides companies with a very clear 'carrot and stick' approach to energy efficiency.

Cultivating world-leading sectors

- 31. How can the Government and industry help sectors come together to identify the opportunities for a "sector deal" to address – especially where industries are fragmented or not well defined?**
- 32. How can the Government ensure that "sector deals" promote competition and incorporate the interests of new entrants**

The Strategy must recognise the importance supporting growth in industries which are, by their nature and value chains, both diverse and in some parts of the industry fragmented. Nine-out-of-ten firms in the sector have under 20 employees, many under 5 - many of whom are supplying larger manufacturers and high street retailers, as well as scaling up to become successful exporters.

Government must support and engage with national sector representative bodies to ensure support is designed by and for industry. This support must work 'cross-sectorally' to ensure that different sizes of firms, and sub-sectors within the industry, are heard, and act with one voice.

- 33. How can the Government and industry collaborate to enable growth in new sectors of the future that emerge around new technologies and new business models**

The textiles sector is diverse, comprising many sub-sectors and the value chains of many other industries. It will be important for the Industrial Strategy to recognise both this, and the cross-sector synergies which exist when supporting new technologies. While the difficulty of 'joining-up' the initiatives and the agendas of the various funding organisations should not be underestimated, the Industrial Strategy should recognise the opportunity to create a new strategic platform for bringing together the fashion and textiles industry.

Driving growth across the whole country

- 34. Do you agree the principles set out above are the right ones? If not what is missing**

To realise the growth opportunity in the UK there is a need to continue to map the supply chain, building on the back of the work of the UKFT, the BFC and the N Brown Textile Growth Programme.

A national database, as used in other industries, facilitating international and domestic buyers to source production in the UK will address the sectoral information exchange failures within the industry. Powerful market failures - including a lack of knowledge at retail level and an asymmetry between global retailers and a micro SME supply base, and an outdated view of the UK manufacturing sector – inhibit firms from using UK suppliers. A national database would also support a growth in exports and inward investment.

Creating the right institutions to bring together sectors and places

- 35. Recognising the need for local initiative and leadership, how should we best work with local areas to create and strengthen key local institutions?**

There are several examples of local government helping establish regional fashion and textile networks which in turn have taken responsibility for delivering growth for the sector including the East London Fashion Cluster, the Leeds Fashion Initiative and the Textile Manufacturers Association of Leicester. All these initiatives have been industry led, have come together to meet an industry need – in Leeds there was a desire to establish a fashion network to help more fashion graduates remain in Leeds when setting up their business, in East London it was the need to link growth of fashion academia with the rest of the fashion infrastructure in London.

LEPs, Local Councils and other regional bodies should work with the existing regional clusters to help develop their growth. This should be on a spoke and hub model to ensure co-ordination of activity and equal access to opportunities.

New Institutions must have sector specialisms embedded within them, e.g. Institutes of Technology in Leicestershire or West Yorkshire must work closely with the significant textile sectors in those regions.

The Fashion and textile sector has certain clusters but there is activity across the nation. Areas such as the North East and the South West should be encouraged to develop regional fashion and textile networks to ensure the local dissemination and delivery of business skills, links between brands and local manufactures, export opportunities and skills development.

The Government should support the development of a UK equivalent of the Advanced Functional Fabrics of America Alliance to help commercialise the growth opportunities in the technical textiles sector.

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