Sector Skills Assessment

for the Fashion and Textiles Sector in England

January 2011

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Skillset is the Sector Skills Council representing the Creative Media Industries and as of 1st April 2010 the Fashion and Textiles sector. Skillset works with both the industry and government to identify and tackle the skills and productivity needs of fashion and textiles employers throughout the UK to make sure they have access to the right people, with the right skills, in the right place, at the right time. We do this by influencing and leading; developing skills, learning and development and education policy; and through opening up the industries to the UK's pool of diverse talent. Skillset is responsible for the production of Strategic Skills Assessments (SSA) for the UK and each of the UK's four constituent nations. This is the executive summary for the SSA for the fashion and textiles industry in England.

The Fashion and Textiles Industry in England

The fashion and textiles sector in England accounts for just over 70,000 firms and is characterised by well established businesses and high levels of self employment. London, followed by the South East and the North West are home to the greatest numbers of fashion and textiles businesses.

The fashion and textiles sector in England accounts for almost 300,000 jobs. Owing to the large manufacturing base that still exists within England's fashion and textiles sector, process plant and machine operative occupations and elementary occupations make up over two-fifths of the workforce. The North West, followed by London, the East Midlands, and Yorkshire and Humber (35,910) have the greatest proportions of employees in the sector.

Gross value added (GVA) for the sector in England is estimated at over £6.9 billion, with GVA per head measured at an average of £40,140.

Drivers of Skill Demand

Through our consultations with employers and industry, a number of key drivers of skills demand have been identified within the fashion and textiles sector. The table below sets out the key factors behind these and the skills implications these bring.

Driver	Key factors	Skills implications
Economic environment	The economic downturn and associated unemployment, plus falls in production within manufacturing.	Impact on the number of people applying for jobs in the sector.
A redefined sector	Sector decline and new strategies, particularly within the manufacturing sub-sector.	A reduced network of infrastructure and increased demand for multi-skilled workers.
The role of globalisation	A liberalisation of trade policy and the continued sophistication of communication and supply chain technology have led to structural changes and an emphasis on higher value added activities.	Competitive labour costs; a demand for better qualified and skilled workforce with technical skills; and increasing demand for individuals that have out-sourcing knowledge and supply chain management skills.
Diversification and the rise of technical textiles	Diversification of operations and a move towards higher value-added products, such as technical textiles.	Ongoing need for individuals capable of developing and commercialising new, innovative products and processes and a demand for high-level technical and scientific skills.
Fast fashion and responding to consumer demands	Increasing pressures on companies to supply their retail markets and a need to ensure that products are suited to the latest fashions and styles.	A need for individuals that understand sourcing, production lead times and consumers, which will be facilitated by good customer facing skills. The sector also needs creative design skills and flexible and efficient production practices.
The impact of legislation and the sustainability agenda	Environmental concerns, legislation, the sustainability agenda and ethical standards.	A requirement for individuals to understand how legislation, sustainability and ethical sourcing impacts upon businesses, plus innovative and creative individuals that can help businesses to effectively respond to these demands.
Responding to technological advances	A need to harness continually emerging technologies, alongside an ongoing demand for traditional production techniques. Plus, online retailing and selling direct from source.	Ongoing challenge for businesses and training providers to keep abreast with technological advances in order to ensure that the workforce is appropriately skilled and able to produce and sell competitive products, in terms of both cost and quality.
Sector image and an ageing workforce	An 'invisible' sector and lack of awareness of range of jobs and careers; poor perception of parts of the sector; and an ageing workforce.	A loss of skills when people retire, particularly traditional and technical skills, and a lack of young people entering the sector means that some of these skills will not be replaced. A lack of awareness of key roles in the sector.
Product marketing and the British style	Distinctive 'British Style' and strong brands that are highly valued. However, increasing competition from overseas firms that attempt to imitate the British style.	A need to understand how to design and manufacture products that meet consumer demands, plus an ability to effectively market and sell these products in a way that builds upon the British brand.

Skills Needs

Vacancies and recruitment

A slightly lower proportion of employers in the fashion and textiles industry in England have vacancies, compared to the average for all England employers. A low number of applicants with the required skills and qualifications are the main challenges facing employers looking to fill vacancies.

Vacancies as a proportion of the workforce in the fashion and textiles sector are particularly prevalent in the sales and customer services occupations and associate professionals.

The main impacts of having hard-to fill vacancies are increased workload for staff, loss of business or orders to competitors, delays in developing new products and services and difficulties in meeting quality standards.

The main barriers to recruitment are as follows:

- Poor perceptions of the sector.
- Low entry level wages
- A lack of awareness of the career opportunities within the sector
- Poor industry links with education
- Attractiveness of other sectors
- Poor recruitment mechanisms for the sector
- Lack of suitable education and training opportunities

Skills Shortages

Skills shortages are defined as those vacancies that are proving hard-to-fill because of a shortage of candidates with the required skills, qualifications or experience in the labour market. 57% of businesses in the fashion and textiles sector perceived they would face skills shortages when looking to recruit. Skills shortages are particularly prevalent in the East of England and the South West.

The skills shortages identified during the consultations are as follows:

- Supervisors, particularly those that have technical skills alongside good leadership skills.

- Technicians and fabric technologists.
- Pattern cutters and graders, knitwear linkers and weavers.
- Technical individuals to provide the interface between the design and production of shoes.
- Engineers for dry cleaning and laundry machine maintenance and operation.
- Supply chain managers
- Dyers and screen printers.

Skills Gaps

Skills gaps are skills deficiencies identified by employers within their existing workforce. 16% of establishments and 6% of employees in the fashion and textiles sector suffer from skills gaps. Skills gaps are particularly prevalent in the South West and the South East but far less prevalent in Greater London.

Generic skills gaps evident in the fashion and textiles sector are as follows:

- Management skills
- Technical and practical skills
- Customer handling skills
- Oral and written communication skills
- Problem solving skills
- Numeracy and literacy skills

Sector specific skills gaps evident in the fashion and textiles sector are as follows:

- Fabric technology skills.
- Footwear manufacturing, leather goods manufacture and shoe repair skills.
- Traditional skills, such as pattern cutting, sampling and tailoring.
- Laundry and dry cleaning engineering skills.
- Stain removal and garment finishing skills.
- IT, programming and technological skills.
- Production management skills and a lack of understanding between designers and manufacturers.

Addressing Skills Needs

Over a fifth of businesses stated that they were doing nothing to overcome hard to fill vacancies.

There is significant concern that as individuals retire from the workforce, certain skills will be lost. However, on the whole, the level of succession planning is insufficient and many businesses do not have plans in place to address their future skills needs.

Skills Supply

Businesses believe that the main causes of a lack of proficiency among employees in the fashion and textiles sector are a lack of experience of those being recently recruited, followed by a failure to train and develop staff.

Consultations highlighted a number of factors that influence the effectiveness of training provision:

- Availability
- Content
- Delivery mechanisms

The key barriers to accessing or providing training were identified as follows:

- Cost
- Time
- Availability of suitable training provision
- Awareness of training

Anticipating What Lies Ahead

Opportunities and Threats

The following table summarises the cross-cutting opportunities and threats facing the fashion and textiles sector.

Cross-cutting opportunities facing the fashion and textiles sector	Cross-cutting threats facing the fashion and textiles sector
Niche, high quality markets. Understanding customers and service quality. Collaborations. Overseas markets and export sales. Outsourcing. Currency fluctuations. E-commerce opportunities. Marketing and brand awareness, including labelling and the 'British brand'. Sustainability agenda, including environmentally friendly and ethical production. Technological advances.	Ageing workforce and associated skills gaps and shortages. Availability of suitable training provision. Image of the sector. Decline of manufacturing sector and associated loss of skills and infrastructure. Rapidly changing consumer preferences. Sustainability and environmental concerns and legislations. Regulatory burdens and costs, e.g. employment law, health and safety. Overseas competition, including cheap labour and imitations of the 'British style'. Cost and accessibility of raw materials. Rising overheads and downward pressure on retail prices, resulting in pressures on margins. Currency fluctuations. Economic downturn, resulting in lower consumer spending and difficulties accessing finance.. Public funding pressures, for example a rise in VAT.

Future Skills Needs

New products or services and new technologies and equipment were the most common reasons why employers expect their employees to acquire new skills or knowledge in the next 12 months.

Consultations identified the following generic skills as being particularly important for the fashion and textiles sector in the future:

- Supply chain management skills.
- Foreign language skills
- IT skills
- Electronic / technological skills
- Marketing skills
- Commercial and financial skills
- Management and leadership skills

Consultations also highlighted the following sector specific skills that are going to become more important for the fashion and textiles sector in the future:

- New processes are leading to a demand for a host of associated skills.
- Traditional craft skills
- Fabric technology skills
- Quality control skills
- Design and customisation skills

Scenario Planning

Working Futures III forecasts the numbers working within the fashion and textiles sector in England will have begun to stabilise by 2017. This follows the large employment falls in recent times as the erosion of the fashion and textiles manufacturing base has seen large losses of employment at operative level. Despite this, the fashion and textiles sector is forecast to experience modest positive net employment requirements. This is due to the large proportion of people forecast to leave the sector through retirements and the need to fill these emerging vacancies. One occupational grouping forecast to make up a larger part of the workforce and with it requiring a larger total requirement taking into account replacement demand needs is managerial positions.

On a European level[1], three scenarios for the fashion and textiles manufacturing base have been put forward, each of which will impact skills needs differently. These are "Globalisation Limited", "Asian Dominance-European Excellence" and "Advanced New Member States." Each of these scenarios is based on how the three major sector drivers of globalisation, environmental concerns and the restructuring of trade and economic policies will play within the fashion and textiles sector.

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[1] Vogler-Ludwig and Valente, 2008, Skills scenarios for the textiles, weaving, apparel and leather products sector in the EU

1.0   Introduction

1.1 Introduction

Skillset is the Sector Skills Council representing the Creative Media Industries and as of 1st April 2010 the Fashion and Textiles sector. Skillset works with both the industry and government to identify and tackle the skills and productivity needs of fashion and textiles employers throughout the UK to make sure they have access to the right people, with the right skills, in the right place, at the right time. We do this by influencing and leading; developing skills, learning and development and education policy; and through opening up the industries to the UK's pool of diverse talent. Skillset is responsible for the production of Strategic Skills Assessments (SSA) for the UK and each of the UK's four constituent nations. This document sets out the SSA for the fashion and textiles industry in England.

1.2 Background

The over-arching aim of the SSA is to play a key role in influencing policy and informing industry investment regarding skills issues across the fashion and textiles industries. The SSA considers the five sub-sectors of the fashion and textiles sector: design[2]; textiles and technical textiles[3]; apparel and sewn products; footwear, leather and leather goods; and laundry and dry-cleaning. In line with the UKCES Common LMI Framework, it assesses the following:

- **Drivers of skills demand:** What issues are driving skills demands within the fashion and textiles sector and what are the skills implications of these?
- **Current skills needs:** What are the current skills needs that exist within the sector?
- **Future skills needs:** What is anticipated to lie ahead for the sector and how can the sector ensure adequate planning for the future skills needs of the sector?
- **Geographical variations**: How do skills needs vary by geography?

1.3 Research Methodology

In order to compile this SSA, Skillset with research support from Ecorys has:

- Reviewed recent and relevant official data sources related to the fashion and textiles sector. These sources include the:

[2] The prominent part of this function is within apparel and sewn products which constitutes fashion design.
[3] Technical textiles and textiles are two separate constituents. However,

- National Employer Skills Survey 2009 (NESS 2009) surveying 1,850 employers in England and was published in 2010,
- The Fashion and Textiles Survey of Employers 2008 that surveyed 1,658 employers in England.
- Reviewed recent and relevant literature related to the fashion and textiles sector. This includes a review of information that has allowed us to benchmark the performance of the sector on an international basis along with research conducted by a variety of Universities, Academics and Research Institutes.
- Conducted 19 in depth telephone consultations with key representative organisations within the fashion and textiles sector in England across all sub-sectors and industries.
- Observed and documented the findings of a design forum, which was attended by 23 designers and 12 representative bodies with the research findings used to inform the SSA development.
- Shared the key findings from the tasks outlined above with a sample of representatives from the fashion and textiles sector to provide further verification and input from individuals within the sector.

1.4 Report Structure

The remainder of the report is structured as follows:

- **Chapter Two:** The Fashion and Textiles Sector – Sets out the key characteristics and contribution of the fashion and textiles industry in England.
- **Chapter Three:** Drivers of Skills Demand - Highlights the key drivers of skills demand, plus the subsequent skills implications.
- **Chapter Four:** Skills Needs – Reviews sector recruitment and skills shortages, followed by skills gaps and identifies the extent to which businesses are adopting succession plans to address the skills issues they face.
- **Chapter Five:** Skills Supply - Provides a brief assessment of how businesses identify their training needs, the extent to which training provision meets the needs of businesses in the sector and the barriers businesses face in accessing or providing training.
- **Chapter Six:** Anticipating What Lies Ahead - Looks at the future of the fashion and textiles sector in England by assessing the growth potential for the sector and the future skills needs, plus actions required by the sector.

2.0   The Fashion and Textiles Sector in England

This chapter provides an overview of the profile and contribution of the fashion and textiles sector in England.

2.1 The business base

2.1.1   Number of businesses

The fashion and textiles sector in England accounts for just over 70,000 firms.[4] The following table highlights that textiles manufacture, wash / dry clean and clothes manufacture have the greatest share of firms. In comparison, data from the Annual Business Inquiry (ABI) estimates that there are just over 20,000 firms[5]. As the ABI data excludes the self-employed workforce, it can be deduced from these figures that a high number of micro-businesses exist in the fashion and textiles sector.

Table 2.1 Number of businesses in the fashion and textiles industry in England

UKSIC	SIC description	Total number of businesses
15113	Fellmongery	10
17	Textile manufacture	15,850
18	Clothes manufacture	10,990
19	Leather manufacture	800
2124*	Wallpaper manufacture	0
24422*	Non-medicaments manufacture	0
247	Manmade fibre manufacture	410
3310*	Medical equipment manufacture	40
4543*	Floor/wall covering	5,750
5111*	Agents raw materials	910

[4] tbr, 2008
[5] ABI, 2008

UKSIC	SIC description	Total number of businesses
5116	Agents textiles/clothing/leather	2,470
5124	Wholesale hides/leather	200
5141	Wholesale textiles	3,420
5142	Wholesale clothing/footwear	7,050
51479*	Wholesale other household goods	980
5156*	Wholesale intermediate products	60
5271	Repair shoes/leather	1,990
5274*	Other repair	5,040
71409*	Rent personal/house hold goods	560
74872*	Speciality design	1,840
9301	Wash/dry clean	11,240
	Total	**69,670**
TechT	Technical textiles	430

Source: tbr, 2008

Note: Figures in the table are rounded to the nearest 10 so may not sum. *SICs for which tbr have been able to extract the relevant fashion and textiles activity.

2.1.2 Size of businesses

Latest figures from the ABI show that 97% of all fashion and textile workplaces employ less than 50 people and are responsible for 59% of employment within the sector. Analysis of these figures by function within the sector shows that employment tends to be concentrated in bigger sized firms within manufacturing and laundry and dry-cleaning.[6] Smaller workplaces are more apparent within shoe repair (where 92% of the workforce are employed in a workplace with under 50 people) and wholesale operations.

England's fashion and textiles sector is characterised by higher levels of self-employment than the England average across all sectors; respectively, 20% of the workforce are self-employed

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[6] Whilst national statistics are unable to distinguish, our consultations with employers and knowledge of the sector suggest laundry activities are of a larger nature than dry-cleaning that tends to be smaller due to their activities.

compared to 13%.[7] Consultations with industry supported this data noting that the sector is characterised by a high proportion of micro-businesses[8].

2.1.3 Age of businesses

The fashion and textiles sector in England is well established. Using UK figures as a proxy, over two-fifths of businesses having been established for 10 years or more. In comparison, less than a fifth of businesses in other sectors (based on the UK average) have been established for two years or less. Of the sectors highlighted in the table below, business start ups are highest among businesses in the manufacture of leather and related products but lowest in the repair of footwear and leather goods.

Table 2.2 Age of businesses in the UK fashion and textiles industry

SIC 2007	SIC description	Less than two years	2-3 years	4 - 9 years	10 or more years
13	Manufacture of textiles	13%	11%	24%	52%
14	Manufacture of wearing apparel	15%	13%	26%	47%
15	Manufacture of leather and related products	19%	11%	18%	51%
4616, 4641 & 4642	Fashion and textiles related wholesaling	16%	13%	27%	45%
9523	Repair of footwear and leather goods	10%	10%	28%	52%
9601	Washing and dry-cleaning of textile and fur products	12%	14%	28%	47%
	All Fashion and Textiles	14%	13%	26%	47%
	All sectors	16%	15%	27%	42%

Source: Inter-departmental database, 2008, ONS

[7] Annual Population Survey 2009
[8] tbr data for the UK shows a large number of micro-businesses exist. On a UK level 72% of firms (57,000 firms) and 20% of employment (67,000 people) take place within these.

2.1.4 Geography of businesses

Data shows that London (13,710 businesses), followed by the South East (10,730 businesses), the North West (9,420 businesses) are home to the greatest numbers of fashion and textiles businesses[9]. In comparison, the North East (2,140 businesses) has the smallest number of businesses operating in the sector[10]. This is expanded on in detail in 2.2.3.

2.2 The Workforce Base

2.2.1 Number of employees

The fashion and textiles sector in England accounts for almost 300,000 jobs. The following table highlights that textiles manufacture and clothes manufacture have the greatest share of employment. In comparison, data from the Annual Business Inquiry (ABI) estimates that there are just over 170,000 employees[11]. As the ABI data excludes the self-employed workforce, it can be deduced from these figures that a high proportion of individuals in the fashion and textiles sector work within these areas as evidenced by the tbr data for the UK and also evidence gathered from our consultations with industry.

Table 2.3 Employment in the fashion and textiles industry

UKSIC	SIC description	Total employment
15113	Fellmongery	780
17	Textile manufacture	80,660
18	Clothes manufacture	45,680
19	Leather manufacture	13,940
2124*	Wallpaper manufacture	10

[9] tbr, 2008
[10] tbr, 2008
[11] ABI, 2008.

UKSIC	SIC description	Total employment
24422*	Non-medicaments manufacture	220
247	Manmade fibre manufacture	2,740
3310*	Medical equipment manufacture	1,410
4543*	Floor/wall covering	6,560
5111*	Agents raw materials	3,640
5116	Agents textiles/clothing/leather	14,190
5124	Wholesale hides/leather	980
5141	Wholesale textiles	14,830
5142	Wholesale clothing/footwear	44,480
51479*	Wholesale other household goods	4,020
5156*	Wholesale intermediate products	400
5271	Repair shoes/leather	3,540
5274*	Other repair	8,740
71409*	Rent personal/house hold goods	2,200
74872*	Speciality design	3,480
9301	Wash/dry clean	41,560
	Total	**294,290**
TechT	Technical textiles	**4,410**

Source: tbr, 2008.

Note: Figures in the table are rounded to the nearest 10 so may not sum.

2.2.2 Occupations

Owing to the large manufacturing base that still exists within England's fashion and textiles sector, process plant and machine operative occupations and elementary occupations make up over two-fifths of the workforce.[12] In the main this is due to the large numbers of sewing machinists, textile process operatives and launderers and dry-cleaners that are employed within

[12] Further details on the types of occupations covered by these headings within the fashion and textiles sector are set out in Annex One.

the fashion and textiles sector.[13] Compared to the English average across all sectors, the fashion and textiles sector has a higher proportion of managers and senior officials, but a lower proportion of professional occupations and associate professional and technical occupations.

Consultations highlighted that this may, in part, be explained by the fact that much of the fashion and textiles sector is made up of micro-businesses, with managers and senior officials taking on a range of roles.

Figure 2.1 Occupational breakdown

Source: APS 2009 Based on SIC 2007: 13, 14, 15, 2060, 4616, 4624, 4641, 4642, 9523, 9601

2.2.3 Geography of the workforce

The North West (54,760 employees), followed by London (46,430 employees) the East Midlands (46,380) and Yorkshire and Humber (35,910) have the greatest proportions of employees in the sector. In comparison, the North East has a much smaller fashion and textiles employment base (10,920 employees).

Further exploration of the data reveals that the North West and Yorkshire and Humber remain the most significant regions for textile manufacturing with London and the East Midlands proportionally employing most people within the clothing manufacturing industries. The East Midlands is also the region that employs the largest number in leather manufacturing with

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[13] Please see table 4.3 for Skillset estimates for the number of workers within the fashion and textiles sector by specific occupation in England

almost a third of this workforce located there. This includes much of the England's shoe manufacturing.

London proportionally employs the greatest number of people within wholesaling, washing and dry-cleaning (a quarter of all employment) and speciality design agencies (a half of the total). London's credentials as a leading global city within designer fashion is also emphasised in that half of all specialist fashion design employment is based within the capital.

A full data table and commentary on employment in the sector is available in Annex One.

2.3 The Value of the Fashion and Textiles Sector in England

ABI data shows that gross value added (GVA) for the sector in England is estimated at over £6.9 billion, with GVA per head measured at an average of £40,140. It is important to note, however, that these figures do not include self-employed individuals, which are strongly represented within the fashion and textiles sector (as we are able to represent within the UK profile using tbr estimates and also excludes specialist design).   In light of this, these figures should be interpreted with caution and considered as a substantial under-estimation of the total value.[14]

The figures, though, allow us to understand a number of key patterns and the nature of business activity. The wholesale of clothing / footwear is responsible for the greatest contribution to GVA and GVA per head. This is indicative of the large amount of both domestic and import and export trading activity within the sector that requires this intermediary facilitation and the lower ration of employees required to facilitate it.

The data also allows us to see that of the manufacturing base, the manufacture of leather and leather products is the highest value per head activity, although textile manufacture has the largest number of employees, turnover and GVA. Whilst labour intensive, lower value activities within the service end of the sector such as shoe repair and washing and dry-cleaning activities bring in lower GVA per head.

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[14] Using the information we have obtained from tbr, the UK Fashion and Textiles sector is valued at £11.5bn which also including parts of footprint outside of core footprint tbr were able to represent. 2008 ABI data for core fashion and textiles activities in the UK places the value at just under £7.7bn.

Table 2.4 Value to the England economy, sector GVA estimates

Description	Total number of employees	Total turnover (£k)	GVA at basic prices (£k)	GVA per head (£)
Manufacture of textiles	47,876	4,523,415	1,639,215	34,239
Manufacture of wearing apparel	26,371	2,192,693	797,432	30,239
Manufacture of leather and related products	7,950	752,404	310,580	39,066
Agents involved in the sale of textiles clothing fur footwear and leather goods	6,873	1,672,509	353,110	51,377
Wholesale of hides skins and leather	970	248,146	45,285	46,689
Wholesale of textiles	14,074	4,020,022	690,626	49,072
Wholesale of clothing and footwear	36,604	10,985,325	2,151,609	58,781
Repair of footwear and leather goods	1,215	69,995	28,846	23,742
Washing and (dry-)cleaning of textile and fur products	30,457	1,619,664	902,963	29,648
All Fashion & Textiles	**172,389**	**26,084,174**	**6,919,667**	**40,140**

Source: ABI, 2008

3.0   Drivers of Skills Demand

3.1 Introduction

This chapter highlights the key drivers of skills demand and the subsequent skills implications of these drivers. These have been identified through consultations with industry, plus a review of relevant literature.

3.2 The Economic Environment

3.2.1   Drivers

In line with the rest of the economy in England, the economic downturn has impacted upon the fashion and textiles sector with consumer spending on some goods and services, productivity and employment all affected. Various economic indicators show the following patterns:

Consumer spending

Whilst information is not available for England, ONS consumer trends data for the UK suggests that there has been little apparent effect on fashion and textiles related retail spending in the wake of the global recession. Total household expenditure on key fashion and textiles goods steadily increased from £48,780m in 2005 to £53,439m in 2009 with only a slight decrease on 2008. This is in comparison to wider economic spending that retreated from £892bn to £872bn in the same period.

Broken down by specific fashion and textiles goods and services, patterns in consumer spending:

- footwear (£6,432m in 2009) and household textiles (£5,830m) saw slight decreases.
- sales of clothing materials (£622m), clothing and clothing accessories (£2,182m), clothing (£37,278m) all recorded increases.
- service spending such as footwear repair and hire (£82m) and dry-cleaning and clothing hire (£1,004m) all saw increased expenditure on 2008 sales.[15]

This is significant for two reasons. Firstly it highlights fashion and textiles spending has remained steady during the downturn. Secondly, it shows a rise in a "make do and mend"

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[15] Further information is available in the UK SSA 2010.

approach entering consumer psyche.   Repair, cleaning and hire functions enjoyed rising sales after years of decline as it became popular to service existing goods.

Productivity of UK fashion and textiles manufacturers

Data shows that the production within UK fashion and textiles manufacturing has stabilised during 2010 after the dramatic falls of 2009. The latest figures for the UK in August 2010 shows manufacturers had recovered to 96.4 on the index (2006 being 100). This is after the depths of 2009 that had culminated in January 2010's index figure being 14% down on 2006 levels. In comparison, the wider manufacturing sector was at 91.2 this August showing that whilst fashion and textiles fell further during 2009, the recovery of the sector during 2010 has been stronger. However, consultees highlighted that the availability of finance has been particularly problematic, in particular among customers, whilst on the supply side, rising cost prices of raw materials such as cotton which has doubled in the past 6 months are also key considerations.

Employment

Skills survey data indicates over a quarter of businesses in the fashion and textiles sector decreased the number of people employed in their establishment as a result of the recession in England. However, 6% had increased headcount. (Further data is provided in Annex one)[16]. Whilst there has been a recovery in productivity, it remains to be seen whether there will be a comparable upturn in employment to match this. Data for the UK shows that whilst textile employment has been stable during 2009 and 2010, there has been a large fall in clothing manufacturing employment.

Using Annual Business Inquiry data as a guide to employment levels up to 2008, a number of patterns emerge. Amongst the key messages are:

- Overall the fashion and textiles sector saw a large reduction in people employed between 2007 and 2008. This is most likely attributed to the initial stages of the recession as the falls in employment up to 2007, particularly in the manufacturing sub-sectors had began to stabilise.
- That manufacturing functions within fashion and textiles remain under pressure with all sub-sectors seeing continued falls in employment. During this period however, the manufacture of luggage et al has seen positive employment increases, whilst the finishing of textiles and footwear manufacture have experienced moderate falls in employment

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[16] NESS, 2009

levels, These figures indicate the higher value production strategies being pursued by employers. (Indeed footwear saw rises in employment between 2007 and 2008 as English manufactured footwear becomes more popular in export markets.)

- Overall wholesaling employment has been unaffected during this period given the fact that wholesale is necessary for import, export and general distribution functions, although the wholesale of hides and leather has seen reduced employment.

- To 2008, service functions such as the repair of boots, shoes and other articles of leather has seen substantial falls in employment. This represents the continued fall in footwear prices due to cheap imports making repair unattractive. Laundry and dry-cleaning activities have also seen a reduction in employment due to continued consolidation in the sector and companies improving their economies of scale. However, evidence from employers suggests the upturn in consumer spending on these services during 2009 are having positive implications for employment within these sectors, with buoyant recruitment activity reported.

Table 3.1 Historical employment figures for key fashion and textiles functions

	2004	2005	2006	2007	2008	% +/- 2004-2008
Preparation and spinning of textile fibres	5,100	4,800	4,200	3,700	3,100	-39%
Textile weaving	8,300	7,200	5,900	5,800	5,100	-38%
Finishing of textiles	6,700	6,200	5,000	5,400	5,700	-16%
Manufacture of made-up textile articles, except apparel	24,600	23,400	21,100	20,800	19,300	-21%
Manufacture of other textiles inc man-made fibres	20,900	18,300	16,800	15,500	14,600	-30%
Manufacture of knitted and crocheted fabrics	2,100	1,800	1,400	1,300	1,600	-27%
Manufacture of knitted and crocheted articles	6,700	4,800	4,300	4,200	3,500	-47%
Manufacture of clothing and wearing apparel	36,900	31,000	26,800	25,900	22,900	-38%
Tanning and dressing of leather	1,300	1,100	1,100	900	900	-30%

Manufacture of luggage, handbags and the like, saddlery and harness	3,500	3,500	5,700	2,900	3,700	7%
Manufacture of footwear	5,500	4,500	5,100	4,100	4,800	-12%
Agents involved in the sale of textiles, clothing, footwear and leather goods	6,100	4,900	5,100	9,700	6,900	12%
Wholesale of hides, skins and leather	1,300	900	900	900	1,000	-27%
Wholesale of textiles	14,900	13,600	13,000	13,500	14,100	-6%
Wholesale of clothing and footwear	37,400	36,300	35,700	36,400	36,600	-2%
Repair of boots, shoes and other articles of leather	3,300	2,500	2,600	2,100	1,200	-63%
Washing and dry cleaning of textile and fur products	37,400	36,400	38,100	34,400	30,500	-19%
Total across the fashion and textiles sector	**222,000**	**201,100**	**193,000**	**187,800**	**175,400**	**-24%**

Source: ABI (excludes self-employed and micro-businesses. Rounded to the nearest 100) Please note, data from 2006 and 2008 collected by the ONS uses slightly different methodologies. This table is included for indicative purposes

Claimant count

Analysis of claimant count information across key fashion and textiles occupations across England shows claimant numbers in September 2010 are down substantially from their peak in the spring of 2009 although still above where they were in October 2008; just as the economic downturn began to impact the economy. The latest figures show how employment levels are continuing to remain sluggish within the sector. In particular, claimant levels for occupational groups such as sewing machinists and launderers, dry cleaners and pressers have remained high throughout the duration of this period.

Figure 3.1 Claimants by key fashion and textiles occupation
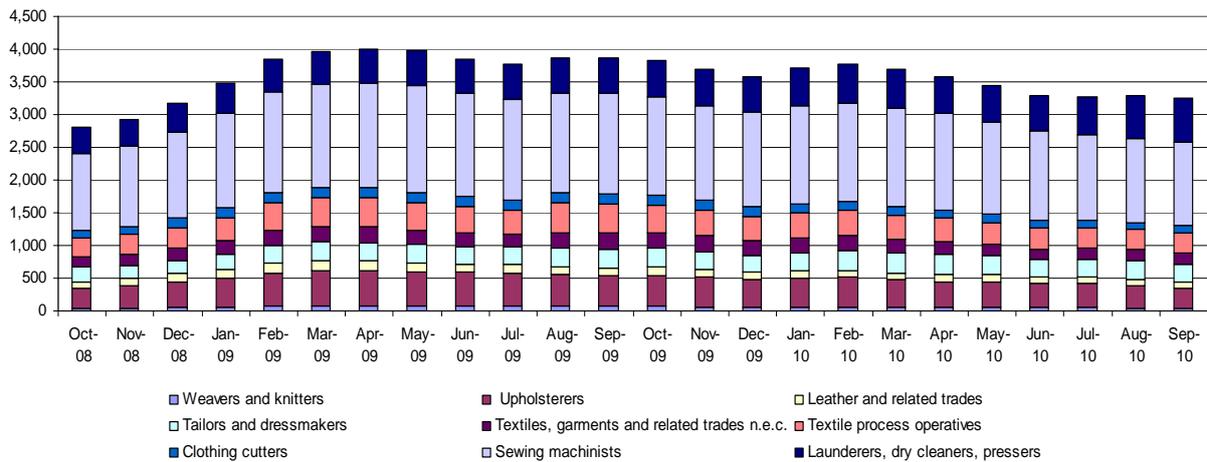
Source: Department for Work and Pensions (accessed via NOMIS)

3.2.2   Skills implications

The economic environment has led to high levels of unemployment in England. As a result, some parts of the fashion and textiles sector have seen an increase in the number of individuals applying for job vacancies. However, this has not been consistent across the sector. Some consultees feel that, unlike other countries, the economy has a wide range of other sectors where individuals can seek employment. As a result, in some instances there has been a decline in individuals seeking employment in the fashion and textiles sector despite the potential for employers to benefit from better qualified staff.

3.3 A Redefined Sector

3.3.1   Drivers

The fashion and textiles sector, and in particular the manufacturing sub-sector, has experienced decline over the past 15 years as evidenced in part by the employment and GVA figures. This is further demonstrated in the following graph which shows a steady decline of manufacturing enterprises since 2001. Much of this has been as a result of retailers and wholesalers increasingly sourcing goods from emerging markets, which have competitive advantages as a result of relatively low labour costs. However, the table indicates how 2006 and 2007 saw a slight increase in the number of firms registering for VAT within the sector with de-registrations falling that indicates firms are beginning to re-enter the sector. Unfortunately the impact of the recession on start-ups and business closures will not be known fully until the 2008 and 2009 data is published.

Figure 3.2 Sector manufacturing enterprises registering and de-registering for VAT
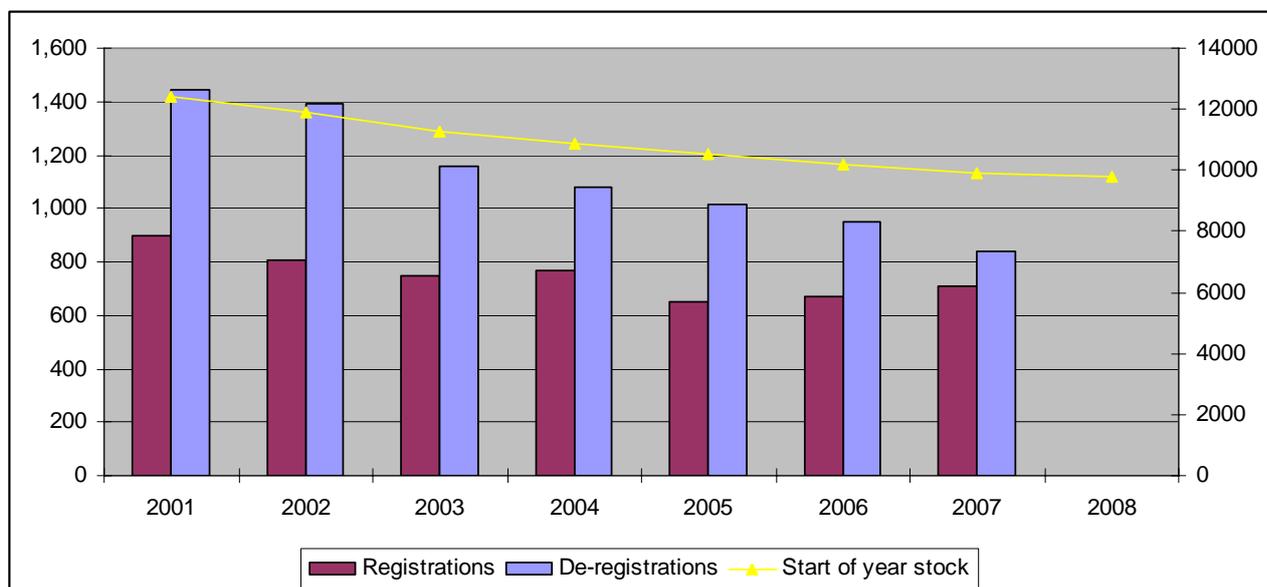
Source: BERR (now BIS).

Note: based on SIC's 17-19, 24.7 only

This change in enterprise numbers is indicated by the GVA performance of fashion and textiles manufacturing. Figure 3.3 shows that GVA levels for the English fashion and textiles manufacturing base declined between 1997 and 2005 as many of the productive functions were outsourced, but in the years leading towards the recession had seen the GVA stabilise and even increase slightly as the manufacturing sector had successfully positioned itself. This demonstrates that whilst the outsourcing of low-cost labour intensive manufacturing overseas remains an attractive option for manufacturers, opportunities remain for employers to concentrate on developing higher value added manufacturing. Indeed, as the opportunities section of this report notes, a number of key markets and factors have been identified that may aid fashion and textiles manufacturing within England.

Figure 3.3 GVA for English fashion and textiles manufacturing 1998-2007
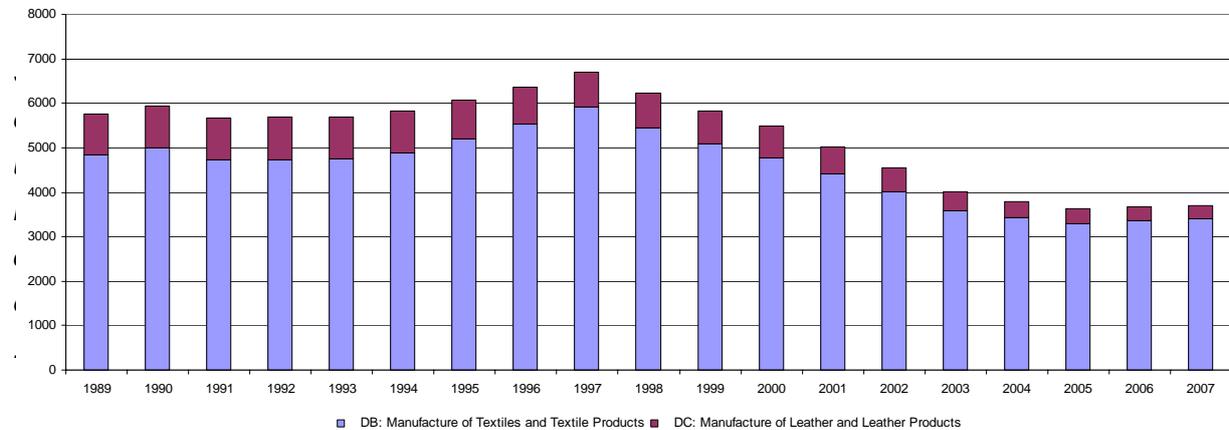
NS GVA regional accounts

3.3.2 Skills implications

Consultations highlighted that the decline of the sector has resulted in a reduced network of infrastructure, for example a reduced pool of skills and a decline in training provision due to lower demand and fewer geographical clusters of businesses. In light of a reduction in the average workforce size, it has also increased the demand for multi-skilled workers who can carry out a number of tasks within a workplace.

3.4 The Role of Globalisation

3.4.1 Drivers

Globalisation of the supply chain in the fashion and textiles industry has been facilitated by a combination of the liberalisation of trade policy such as the abolition of the Agreement on Textiles and Clothing (ATC) in 2005, the continued sophistication of communication and supply chain technology. In turn, this has driven structural changes within the sector, with resulting impacts upon margins and profitability: it has led to reduced profitability for the sector's manufacturing firms, whilst creating opportunities for companies to reduce their manufacturing

cost base through outsourcing and higher value functions[17]. Figure 3.4 illustrates how the majority of fashion and textile manufacturers in England place themselves within the premium quality end of the market illustrating this emphasis on high quality, higher value added activities.

Figure 3.4 Where fashion and textiles manufacturers place themselves on quality of products

■ 1 - Standard or basic ■ 2 □ 3 □ 4 ■ 5 - Premium quality
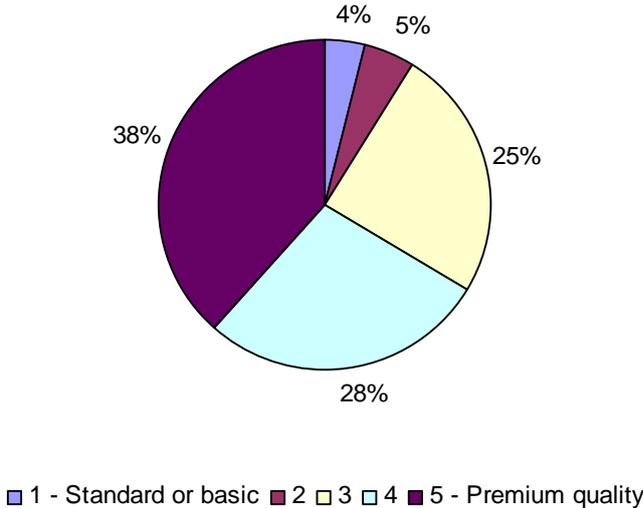
Source: NESS 2009: Based on SIC 2007 13-15

The British Fashion Council notes that globalisation and the recent depreciation of sterling, presents new opportunities for the sector, particularly in respect of export growth that builds on the UK's, and specifically London's, international reputation within the fashion industry[18] whilst our consultations indicate this is a message that is transferable across the fashion and textiles sub-sectors.

Demonstrating this, Figure 3.5 shows that fashion and textiles manufacturers are still primarily selling goods and services on a national basis but over a fifth of sales are now to international markets. In particular, England's biggest export markets for a selection of key products in terms

[17] Surviving at the Margins, Evans and Smith, 2005. Their study of London clothing manufacturers identified five strategies adopted, namely, moving into wholesaling; short-run, high value, quick response CMT production; sub-contracting production to firms abroad, developing high-value design led production; and spreading risk around a range of activities. DTI, 2007, found textile manufacturers moving into higher value activities and production.
[18] The Value of the UK Fashion Industry, 2010, British Fashion Council

of value, are the Irish Republic, Germany, France and Italy[19] whilst sales to emerging markets, such as Russia, the United Arab Emirates and China are all increasingly important.

Figure 3.5 Geographical area in which fashion and textiles manufacturers goods / services are primarily sold
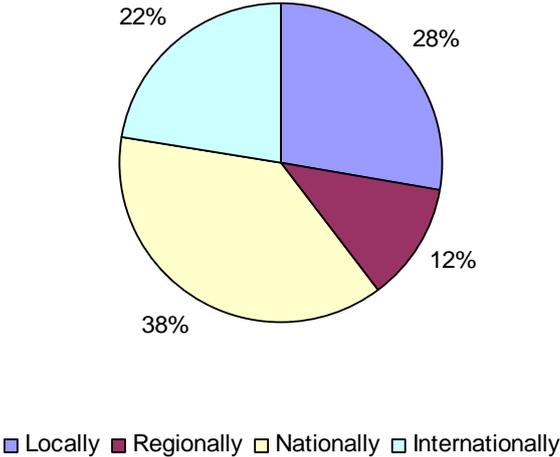
Source: NESS 2009: Based on SIC 2007 13-15

3.4.2 Skills implications

Globalisation has placed increasing pressure on England's fashion and textiles sector in terms of competitive labour costs. As a result, a significant proportion of manufacturing employment, and associated skills, have been lost abroad. Clothing and apparel employers have and are continuing to place greater consideration on 'balanced sourcing', where a certain proportion of the manufacturing process remains in the UK, whilst some is sourced overseas. For textiles firms, this has meant both similar strategies but also an increasing emphasis in moving into higher value technical markets. This has direct implications on the types of skills required, namely higher value-added skills. This is supported by data from BERR (now BIS), which found that between 2001 and 2008 business stock in the fashion and textiles manufacturing sub-sector declined by 21%, however business stock in the finishing of textiles increased by 7% during the same period[20].

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[19] Source HMRC trade data accessed from tradeinfo.com please see Annex One
[20] BERR, 2009 (based on SIC codes 17-19 and 24.7 only)

What is more, research into the role of employers in sectoral skills development highlighted the need for the UK to develop a better qualified and skilled workforce in order to maintain growth and innovation[21]. There is also an increasing demand for individuals that have out-sourcing knowledge, in terms of the production environment, together with knowledge of materials, and supply chain management skills.

3.5 Diversification and the Rise of Technical Textiles

3.5.1 Drivers

In response to globalisation and the erosion of England's traditional textiles base, businesses in the sector have sought to diversify their operations and move towards the production of a wider variety of products, with higher value-added.[22] Mapping carried out by Skillset summarising many applications and end users that use technical textiles and the sector commonly includes:

Table 3.2 Technical textile end-user markets

Technical textile grouping	Application
Aerospace Textiles	3D woven structures, which are used in aircraft manufacture
Agricultural Textiles	Materials which can protect crops from weather and insect damage.
Automotive Textiles	The structure of a tyre which is made from textile fibres including cotton, nylon and polyester.
Clothing Textiles	Performance garments that can be waterproof, windproof and highly breathable.
Construction Textiles	Textiles that can be used as scaffold nets and roofing felts.
Defence Textiles	Materials used by the armed forces and emergency services that are flame retardant and heat-resistant.
Medical Textiles	The development of artificial arteries, sterile packaging and dressings.

[21] The role of employers in sectoral skills development, 2006, Centre for Labour Market Studies, University of Leicester
[22] Multi-sector skills study: Technical textiles, 2007, DTI, found textile firms were branching into this technical textiles as a strategy to maintain competitiveness as lower value textile activities were outsourced.

In this vein, a key emerging market for the sector has been the rise of technical textiles, which are created specifically for their performance rather than their aesthetic appearance. For example, in 2007 the DTI estimated that technical textiles contribute £1.5 billion to the UK economy[24]. Supporting this, European Community data gathered by the Technitex[25] showed that in 2007, the UK was ranked in fourth place for technical textiles sales (€1.32b), following Germany (€3.98b), Italy (€3.18b) and France (€2.51b) but just ahead of Spain (€1.08b). In England, the North West, in particular, is advancing its technical textiles business base and expertise. However, further afield, England faces competition from Asia and Russia, who are experiencing high growth rates in technical textiles. For example, India, with Government support, is investing heavily in technical textiles.

3.5.2   Skills implications

If the technical textiles sub-sector is to grow effectively, there is an ongoing need for individuals capable of developing and commercialising new, innovative products and processes. The sector needs high-level technical and scientific skills, supported by ongoing research and development. This includes the attraction of STEM graduates into the sector.

3.6 Fast Fashion and Responding to Consumer Demands

3.6.1   Drivers

The rise of fast fashion to satisfy changing consumer tastes has placed increasing pressures on companies to supply their retail markets. There have been two components to a fast fashion system identified: namely short production and distribution lead times, which enable close matching of supply with uncertain/changing consumer demand whilst secondly ensuring highly fashionable product design is met[26]. Indeed, evidence points to major retailers beginning now to manufacture closer to market at the expense of cheaper Asian production to ensure swift delivery of products to market. In many cases, designs are developed for production for each of

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[23] Please see further http://ec.europa.eu/enterprise/sectors/textiles/research-innovation/technical-textiles/

[24] Multi-sector skills study: Technical textiles, 2007, DTI

[25] The current position of technical textiles in the UK, Byrne (Data is based on PRODCOM data, 2007)

[26] The Value of Fast Fashion: Quick Response, Enhanced Design and Strategic Consumer Behavior, 2010, Cachon, G and Swinney, R

the four seasons with lead production times of as little as 15 days from concept to stock in retail stores.[27] This has greatly impacted on the role of the design function to ensure that products are suited to the fashions developed that season and meet consumer demand for the latest styles.

3.6.2 Skills implications

In order to respond to the rise of fast fashion, firms have had to think carefully about how best and most quickly they can satisfy the changing needs of the end user and therefore an understanding of sourcing and production lead times. The sector needs to have a comprehensive understanding of its consumers, which will be facilitated by good commercial awareness and customer facing skills. In addition, the sector needs to have creative design skills, supported by flexible and efficient production practices[28].

3.7 The Impact of Legislation and the Sustainability Agenda

3.7.1 Drivers

It is widely acknowledged that environmental concerns are a key challenge that the fashion and textiles sector must rise to meet. As examples there is the Climate Change Levy in the UK plus EU legislation such as the Regulation, Evaluation, Authorisation and Restriction of Chemicals (REACH) and the Integrated Pollution Prevention and Control (IPPC). Meeting environmental challenges will impact firms in a variety of ways, such as the availability of raw materials, transportation costs, energy use, water use and waste. For the laundry and dry cleaning sector, there is pressure to use different solvents that are more environmentally friendly. What is more, it has been noted that the environmental pressures on this sub-sector tend to lead to an increase in processing costs and as there is also a continuous pressure on prices, there is a need for larger scale operations[29]. Similarly, the leather industry faces a major challenge in addressing environmental concerns; typically only 20% of a raw hide provides actual leather, which consequently has significant environmental implications in terms of waste disposal. There is also heavy use of chemicals in the tanning process. In articles published by the European Commission, it is estimated that environmental protection costs the leather industry

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[27] Zara Case: Fast Fashion from Savvy Systems, 2008, John M. Gallaugher
[28] Please see the Alliance Manufacturing Toolkit for further information
[29] Together professionals can make a difference, 2009, (www.laundryanddrycleaningnews.com)

5% of all operational costs. In light of this, there is evidence to suggest that tanners are adjusting their production towards higher quality output and high fashion content leathers[30].

Research conducted by Skillfast-UK in 2009 highlighted that as well as legal regulations and the need to reduce costs, the sustainability agenda was also being used by employers to help differentiate their products from that of competitors and was seen as an important marketing tool.[31]

Alongside environmental pressures, there is also increasing emphasis being placed on ethical standards, for example through industry affiliation with ethical standards bodies and labelling initiatives. Given that 90% of UK clothing is imported, many of the significant impacts are occurring overseas as well as in the UK[32]. What is more, the sustainability agenda is fuelled by a consumer pressure, which is, in part, stimulated by greater access to information on corporate activities, and increasing awareness of the environmental impact of firms.

3.7.2   Skills implications

As consumers increasingly take into consideration the environmental impact of the products that they buy, as well as social and ethical matters such as working conditions, businesses in the fashion and textiles sector will increasingly need to ensure that their products and processes are meeting this demand. The sector, therefore, requires individuals that understand how legislation, sustainability and ethical sourcing impacts upon businesses. The sector also requires innovative and creative individuals that can help businesses to effectively respond to these demands, thus maximising the opportunities presented by these changes.

3.8 Responding to Technological Advances

3.8.1   Drivers

The competitiveness of the fashion and textiles sector partly relies on the ability of companies to harness continually emerging technologies in a whole host of areas, including computer-aided design, materials technologies, processing technologies, lifecycle management and 'green technologies'. The importance of this movement within the sector is emphasised in a report into technology and innovation futures published by the government Office for Science in 2010, which stated that "there are strong opportunities for growth in the UK economy if businesses

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[30] Several EU regulations contribute to a more environment-friendly tanning industry, European Commission Enterprise and Industry

[31] *Material Impact - a study into sustainability skills for fashion and textile, 2009, Skillfast-UK*

[32] Sustainable clothing action plan, 2010, DEFRA

can harness scientific and industrial capabilities to take advantage of technology-enabled transformations in manufacturing, infrastructure and the internet"[33].

A comparative study of British and Italian woollen and worsted fabric manufacture, noted that British mills could offer quicker and more reliable delivery than their Italian counterparts. However, unit cost price was higher for British mills due to the exploitation in Italy of scales of production, vertical production control, working closely with machinery suppliers and excellent production engineering. The report also identified that the Italians appeared more innovative in all aspects of the business, for example equipment that was designed for one type of fabric had been adapted for another. The best Italian mills gain advantages in production by engaging in machinery design and adapting machinery to their own needs, in a way that is less evident in British mills[34]. Responding to technological advances will be key to all aspects of the fashion and textiles sector, but consultees in the technical textiles sub-sector, plus dry-cleaning and laundry sub-sectors particularly highlighted the impact of technology on their operations.

It is important to note, however, that alongside these technological advances, there is still a demand for traditional production techniques, for example in respect of weaving and hand-tailoring.

Consultees also emphasised the impact of online retailing and selling direct from source. This has universally been identified as a key area for growth within the sector as well as responding to consumer demand to buy products online. For example, on a UK level, the latest figures from the Office for National Statistics show that in 2010, 52% of adults made clothing and sports goods purchases online, up from 37% in 2006[35]. This opens up the sector to new possibilities in commercial terms and increases firms' abilities to simulate their own demand through the easier management of production and supply chains. However, the internet can also facilitate a rise in competition as products become more accessible to consumers across the world. In recognition of the potential of online retailing, Spanish clothing retailer Zara announced in 2010 that it was opening a new online store in the UK, plus France, Spain and Portugal[36].

3.8.2 Skills implications

The application of the latest technologies has major implications for the skills required by businesses in the sector. It presents an ongoing challenge for businesses and training

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[33] Technology and Innovation Future: UK Growth Opportunities for the 2020s, 2010, Government Office for Science

[34] A comparative study of the British and Italian textile and clothing industries, 2003, DTI

[35] Annual abstract of statistics, 2010, ONS

[36] Online clothes shopping lures people from the high street, www.bbc.co.uk/news/business

providers to keep abreast with technological advances in order to ensure that the workforce is appropriately skilled and able to produce and sell competitive products, in terms of both cost and quality.

3.9 Sector Image, an Ageing workforce and Associated Demographics

3.9.1 Drivers

When asked about the image of the sector, consultees often commented that fashion and textiles was an 'invisible' sector. Further expanding on this, consultees stated that many people do not appreciate the extent to which fashion and textiles manufacturing still exists in the UK. Consultees noted that young people are not aware of the range of jobs and careers available within the sector, an observation which was also cited in a recent report by the British Fashion Council and the Textile Institute[37], nor are they aware of the extent to which the industry offers progression routes to higher value, technical roles. The exception to this is the design sector, which consultees felt had a much higher profile. This was supported by research conducted by the Textile Institute, which noted that students applying for fashion and textiles courses are often only aware of the more glamorous design related aspect of the industry, which is reflected in the popularity of design-based courses[38].

In addition, despite the industry investing heavily in upgrading facilities and practices, working to shed its traditional image, consultees noted there remained poor perceptions of certain parts of the fashion and textiles sector. For example, the manufacturing and dry-cleaning sub-sectors are often seen as being unattractive and old-fashioned working environments.[39]

[37] The Value of the UK Fashion Industry, 2010, British Fashion Council and Fashioning out future: Education in fashion and textiles in the UK, Textile Institute
[38] Fashioning out future: Education in fashion and textiles in the UK, Textile Institute
[39] Together professionals can make a difference, 2009, (www.laundryanddrycleaningnews.com)

Young people's perceptions of the fashion and textiles industry

Interviews were conducted with 750 young people aged 14-19 years old to explore their perceptions of the fashion and textiles industry. Key findings were as follows:

- Fashion and textiles was ranked ninth out of a selection of ten industry sectors in terms of its attractiveness as a career option.
- Young people are most knowledgeable about the role of a fashion designer and least knowledgeable about the role of a garment technologist.
- The job roles that young people know least about are the roles that employers are keen to recruit for and some will be areas of growth for textiles in the future.
- Upon hearing the job descriptions (without identifying the job roles), over 70% of young people thought fashion and textiles jobs sounded interesting.

The research concluded by stating that once young people are exposed to more in-depth information about what jobs in the fashion and textiles industry involve they are much more likely to consider a role within the sector[40].

Further compounding this issue, the fashion and textiles industry is characterised by an ageing workforce and therefore recruiting young people into the sector is becoming ever more important. 46% of the English fashion and textiles workforce is aged 45 years and over, which is higher than the average across all sectors in England. In line with this, when compared to all sectors across England, the fashion and textiles industry in England also has a lower proportion of employees aged 24 years and under. Consultees highlighted that an ageing workforce is particularly prevalent within the manufacturing sub-sector. Notwithstanding this, it is important to note that the ageing workforce in the manufacturing sub-sector will have direct implications on those working in the design or fashion sub-sector.

- Another key demographic note is that 50% of the English fashion and textiles sector workforce is female. This is in line with the UK fashion and textiles sector but slightly higher when compared to all sectors in England. Respondents from the laundry and dry-cleaning sub-sector also felt that their industry was particularly dominated by female workers. However, there is a large amount of gender differentiation within the sector with only 32% of managers and senior officials being female, whereas a higher proportion of

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[40] Generation F, 2009, Skillfast-UK

females are evident among the sales and customer service, operative and administrative roles[41].

Women in Work scheme

Within England, over 2,000 female learners from fashion and textile businesses have been trained through the Women in Work scheme. A recent evaluation of the Phase 3 initiative has shown a large increase in confidence at work along with increased job motivation. 91% of learners were positive about recommending the programme, 40% felt more confident about training again in the future and 21% felt more likely to aim for more senior positions in the future.

From an employer perspective, 79% felt the training had allowed them to achieve at least one hard outcome and 97% would pro-actively recommend or be positive if asked by other employers about the scheme

Source: Evaluation of Women and Work Sector Pathways Initiative – Phase 3, UKCES 2010

- At 18%, the England fashion and textiles industry has double the proportion of employees from a BAME background when compared to all sectors in England with employment most prevalent in London (46%), the East Midlands (23%) and the West Midlands (21%).[42] The sector also reports a high level of BAME ownership of firms with NESS 2009 data indicating 14% of all fashion and textiles firms are owned by someone from a BAME background. As with wider demographics, BAME ownership is most prevalent in London (27%), the West Midlands (16%) and the North West (13%)

The sector image also contributes to the level of skills within the sector, with 37% of the workforce qualified at below NVQ L2 standard. This compares with 20% for the wider England workforce.[43] For this reason literacy and numeracy have also been identified as key priority areas across all sub-sectors.[44]

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[41] Annual Population Survey 2009. Please refer to Annex One for the full run down of key statistics and regional variations.
[42] Annual Population Survey 2009 Please see Annex One.
[43] Please see Annex One
[44] This is explained in detail in the Current Skills Needs Section

3.9.2 Skills implications

The ageing workforce has major implications for the sector and there is significant concern that as people retire from the workforce, certain skills will be lost and will be unable to be replaced. This is particularly the case for the more traditional and technical skills, such as weavers. What is more, key occupations that are expected to contribute to the continued success of the sector suffer from a lack of awareness as to the role carried out. Consultees have concerns that those that do enter the sector do not have the full set of skills required to fill the roles, which is emphasised by the perception of a long-term decline in apprenticeship up-take.

3.10 Product Marketing and the British Style

3.10.1 Drivers

There is a distinctive 'British Style', which is often synonymous with quality. What is more, English fabrics are traditionally noted for their construction, durability and other functional attributes[45]. These characteristics are recognised in world markets and add to the attraction of products. The British Fashion Council[46] highlights that products with strong brands are more highly valued by consumers and investors and research conducted in 2010 estimated that the brand equity of the UK fashion industry is worth some £202m per annum. Promoting the British brand represents a particularly important opportunity for domestic firms in the fashion and textiles industry, plus a significant pull factor for foreign investors. As an example, consultees highlighted that the tradition and heritage associated with saddler businesses in England is key to their continuing success. However, these businesses are increasingly facing competition from overseas firms that attempt to imitate the British style. Similarly, research noted that the 'British Look' is imitated by Italian designers, using Yorkshire fabrics, or fabrics that look like them[47].

London, as the leading fashion centre and home to important events such as London Fashion Week, also faces a challenge associated with the rise of other cities as fashion hubs[48]. The British brand represents a key mechanism for UK businesses to differentiate themselves from competitors. Lending further evidence to this is research conducted by the DCMS on British Designer Fashion that has shown steady increases over recent years in business numbers,

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[45] A comparative study of the British and Italian textile and clothing industries, 2003, DTI
[46] The Value of the UK Fashion Industry, 2010, British Fashion Council
[47] A comparative study of the British and Italian textile and clothing industries, 2003, DTI
[48] The Value of the UK Fashion Industry, 2010, British Fashion Council

employment and economic contribution[49] whilst Her Majesty's Revenues and Customs figures show that within export markets, this British style is popular amongst many global markets spanning all continents, with traditional European markets and emerging international markets all keen for British produced fashion and textiles goods.[50]

3.10.2 Skills implications

Maximising the benefits and impact of the 'British brand' within the fashion and textiles sector requires specialist skills, for example an understanding of how to design and manufacture products that meet consumer demands, plus an ability to effectively market and sell these products, both domestically and to traditional and emerging overseas markets in a way that builds upon the British brand.

[49] Creative Industries Statistics Bulletin Feb 2010, DCMS
[50] See Annex One:

4.0   Skills Needs

4.1 Introduction

This chapter identifies the skills needs of the fashion and textiles sector. In particular, it looks at the three areas of recruitment, skills shortages and skills gaps. It also identifies the extent to which businesses are adopting succession plans to address the skills issues they face.

4.2 Identifying Skills Needs

Data suggests that only 58% of employers have formal job descriptions in place for all of their employees and less than half of employers have an annual performance review for all of their staff.[51] Without these mechanisms in place, it can be difficult for employers to formally and accurately identify the skills needs affecting their business. An area of research that has been subject to a recent review by the UKCES[52] has looked at high performance work practices. These are practices identified in which improvements in working practices can improve organisational performance, in terms of both productivity and employee well-being. It aims to create a culture where skills are more efficiently used. One that has been adopted by the UKCES is Skills Utilisation and the 4A model emphasising access, ability, attitude and application.[53] (please see Annex One for further information)

4.3 Recruitment

On the whole, the fashion and textiles sector faces challenges in respect to recruiting individuals. The extent to which the sector has hard-to-fill vacancies and the challenges businesses face in respect of recruitment are highlighted in the following sections.

4.3.1 Vacancies

Defining hard-to-fill and skill shortage vacancies

[51] NESS, 2009
[52] High performance working: A synthesis of key literature: evidence report 4, UKCES, 2009
[53] High performance working: A policy review: evidence report 18, UKCES, 2010

Hard-to-fill vacancies: Those vacancies classified by respondents as hard-to-fill.

Skills shortage vacancies: A subset of hard-to-fill vacancies where the reason given for the difficulty filling the position is a low number of applicants with the required skills, work experience or qualifications.

The following graph shows that a slightly lower proportion of employers in the fashion and textiles industry in England have vacancies, compared to the average for all England employers. 3% of employers in the fashion and textiles industry have hard to fill vacancies (or 35% of all vacancies) and 3% of employers have skills shortage vacancies, which are both on a par with the England averages. However, the magnitude of these is higher than the all sector average for England. Using the employee base 27% of all reported vacancies are hard to fill (compared to 20% nationally) and 20% are skills shortage vacancies (compared to 16% nationally).

Since 2007, employers in the fashion and textiles sector appear to have experienced a decline in vacancies which is consistent with the messages from the recession. In 2007, 13% of employers in the fashion and textiles industry in England had vacancies, 5% had hard-to-fill vacancies, and 4% had skill shortage vacancies[54]. The economic recession, which has led to greater competition for vacancies, is likely to have played a key role in influencing these differences. However, another key message is that recruitment of under 24s has suffered during this period with NESS 2009 highlighting 15% of employers had decreased their recruitment. (although 3% did increase recruitment of this age group.)

Figure 4.1

Vacancies

Fashion and Textiles England
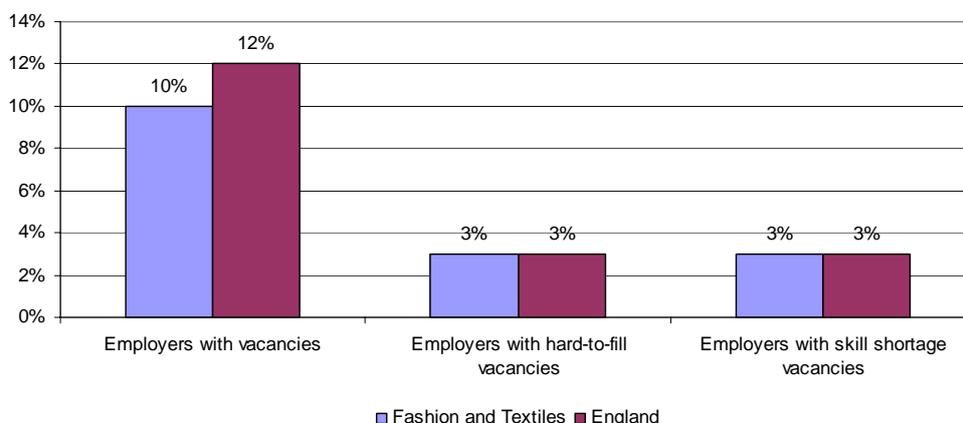
Source: NESS, 2009

The main reasons for having hard to fill vacancies are highlighted in the following table and these findings can be seen to link back to messages both concerning sectors image and the availability of skills to the employer. It can be seen that a low number of applicants with the required skills (34%) and qualifications (21%) are problems for employers. What is of major concern is that a fifth of employer's state personal skills are a major factor when looking to recruit whilst 17% say there are not enough people interested in doing the job.

Table 4.1 Main reasons for having a hard to fill vacancy

Reason	Percentage of employers
Low number of applicants with the required skills	34%
Lack of qualifications the company demands	21%
Low number of applicants with the required attitude, motivation or personality	20%
Lack of work experience the company demands	19%
Not enough people interested in doing this type of job	17%

Source: NESS, 2009

4.3.2 Vacancies by geography

NESS 2009 data shows that the West Midlands has a higher proportion of employers with vacancies than the average for England's fashion and textiles sector but this region has a lower proportion of hard to fill vacancies (as a percentage of all vacancies) than the England average for the sector. In comparison, over half of the vacancies in London have been identified as being hard to fill, and over two fifths of vacancies in the East of England and South West are hard to fill.[55]

4.3.3 Vacancies by occupation

The following graph shows that vacancies as a proportion of the workforce in the fashion and textiles sector are particularly prevalent in the sales and customer services occupations (3.0%) and associate professionals (3.0%). What is more, these vacancies these occupations are much higher than the average for all sectors in England (1.5%).[56]

Figure 4.2 Vacancies as a proportion of the workforce by occupation
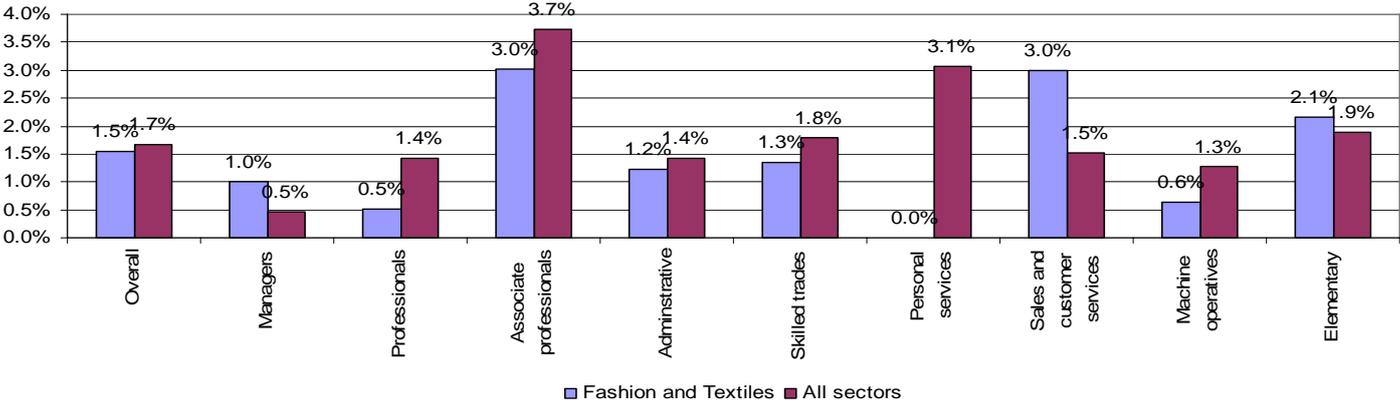
Source: NESS 2009

On the whole, the impact of having hard-to-fill vacancies is far greater in the fashion and textiles industry than is being reported at an all sector level in England. The main impacts cited by employers are increased workload for staff (69%), loss of business or orders to competitors (52%), delays in developing new products and services (48%) and difficulties in meeting quality standards (46%). All of these issues will have a significant impact on the productivity and the competitiveness of firms in the fashion and textiles sector and further illustrates the relevance of

[55] Please refer to Annex One for further information on regional variations NESS 2009
[56] Please refer to Annex One for how these 9 broad employment categories relate to Fashion and Textiles occupations

the demand drivers placed on fashion and textiles organisations and the need to attract capable staff compared to the rest of employers in England.

Figure 4.3 Impact of hard-to-fill vacancies
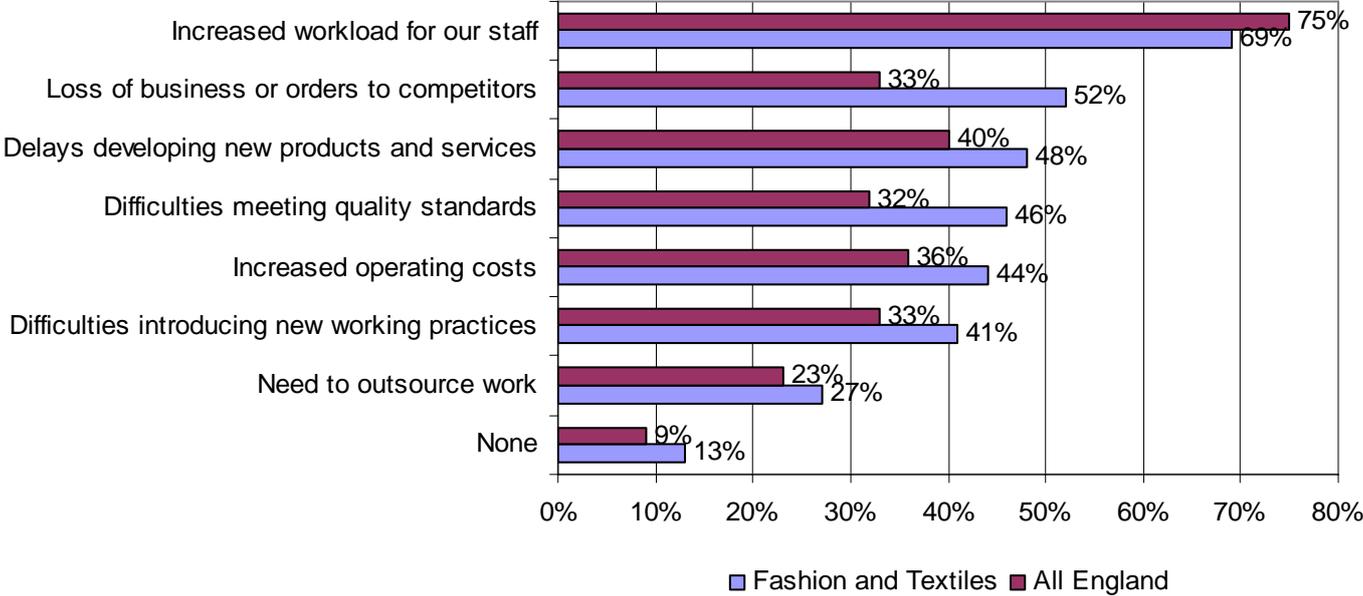
Source: NESS 2009

4.3.4 Barriers to Recruitment

On the whole, the fashion and textiles sector struggles to recruit people as highlighted by the reasons companies in the sector have hard-to-fill vacancies. Difficulties appear to be more prevalent for the roles within the sector that require technical skills, evidenced by the high proportion of skills shortages within these industries within the 2008 Fashion and Textiles employer survey. In comparison, consultees suggested that there are a wealth of designers coming out of further and higher education; the issue here is whether the designers have the full spectrum of technical and business skills that employers in the sector require and whether individuals choose to enter the fashion and textiles sector. Consultees suggested that recruitment difficulties also vary geographically and are largely dependent on the status of the local economy.

To summarise, the main challenges facing businesses that are seeking to recruit are highlighted below:

- **Poor perceptions:** Poor perceptions exist in some of the sub-sectors of the fashion and textiles sector, for example, the manufacturing and dry-cleaning sub-sectors are often perceived as unattractive career options.

Attitudes to science and technology

ROSE is a research project that explores how young learners relate to science and technology. Given that the fashion and textiles sector is increasingly moving towards higher-value added and technical roles, there will be a requirement for young people with an interest in science and technology to enter the sector. However, the research found that young people in the richest countries are more ambivalent and sceptical towards science and technology. What is more, there is a growing gender difference, with girls, in particular in the richest countries, being more negative than boys and there is a generation shift, where young people, more than the adults, see the problematic sides of science and technology[57].

- **Low entry level wages:** The sector is also characterised by low entry level wages, which detract people from entering the sector. Latest figures from the Office for National Statistics show the median wage for an employee within the manufacture of textiles is £17,000 compared to £25,000 for UK manufacturing generally.[58]

- **A lack of awareness of the career opportunities within the sector:** Consultees noted that young people are not aware of the range of jobs and careers available within the sector, nor are they aware of the extent to which the industry offers higher value, technical roles. There are also often perceptions that there are limited opportunities for career progression. Although consultees felt that the design sector has a high profile, it was identified that there is still scope to encourage a better understanding of the different types of designers and educate students about what the role of designer actually entails. This is highlighted by the Skillfast-UK study that showed school leavers had little understanding of jobs and career options within the sector, despite many of them offering opportunities they would welcome.[59]

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[57] The ROSE Project: An overview and key findings, 2010, Sjoberg and Schreiner
[58] ONS Annual Survey of Hours and Earnings
[59] Generation F, Skillfast-UK 2009

- **Poor industry links with education:** In part, the lack of awareness and poor perceptions of the industry stem from poor links between industry and schools. This is further exemplified by a lack of awareness or apprenticeships and a decline in apprenticeship opportunities. For example research has identified that many schools fail to inform many students about apprenticeships[60].

- **Attractiveness of other sectors:** Recruitment in England is also considered to be more difficult because of the opportunities available within other sectors of the economy.

- **Poor recruitment mechanisms:** Consultees often commented that there is no dedicated recruitment channel for the sector. What is more, the matching service that recruitment agencies often use to identify suitable individuals for vacancies does not appear to be appropriately tailored to the sector. As a result, businesses often rely on more informal mechanisms for recruitment, such as word of mouth.

- **Lack of suitable education and training opportunities:** Finally, for most sub-sectors of the fashion and textiles industry, consultees felt that the education and training provision was not fully meeting the skills needs of the businesses within the sector. As a result, businesses are finding it very difficult to recruit staff that meet all of their skills requirements (this issue is discussed further later in this chapter and in the following chapter).

4.4 Skills Shortages

Skills shortages are defined as those vacancies that are proving hard-to-fill because of a shortage of candidates with the required skills, qualifications or experience in the labour market. Whilst NESS states 20% of vacancies are skills shortage vacancies, the Fashion and Textiles Survey of Employers 2008 highlights that 57% of businesses perceived they would face skills shortages when looking to recruit[61].

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[60] Apprenticeship: a key route to skill, 2007, Authority of the Lords
[61] NESS, 2009

4.4.1 Skills shortages by geography

Skills shortages identified by employers are particularly prevalent in the East of England, the South West and the North East, whereas businesses in London are less likely to identify skills shortages.

Figure 4.4 Skills shortages by geography
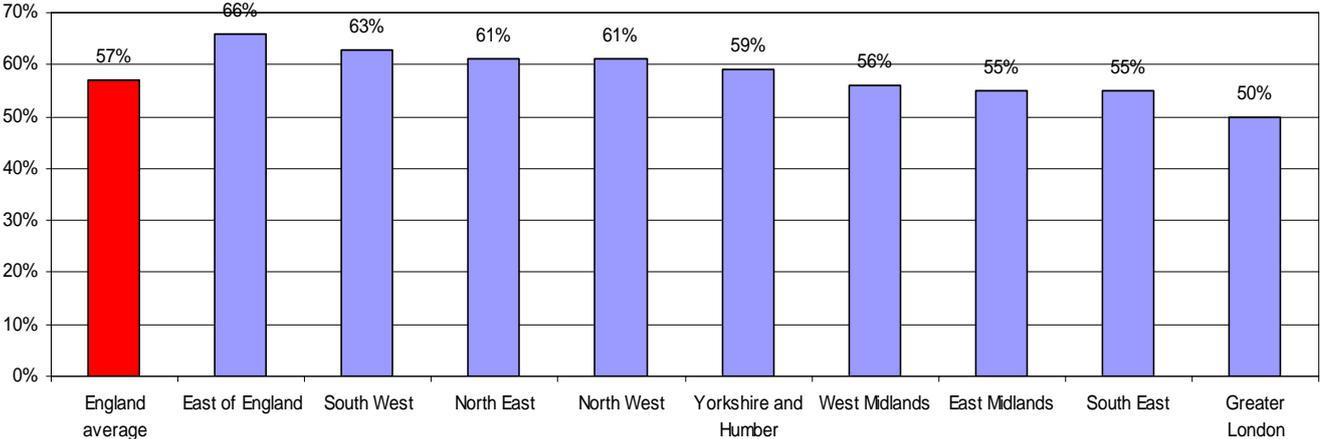
Source: Fashion and Textiles Survey of Employers, 2008

4.4.2 Skills shortages by sub-sector

The following graph shows that the employers in the footwear and leather sub-sector are most likely to have skills shortages, whereas the textiles sub-sector is the least likely to have skills shortages.

Figure 4.5. Skills shortages by sub-sector
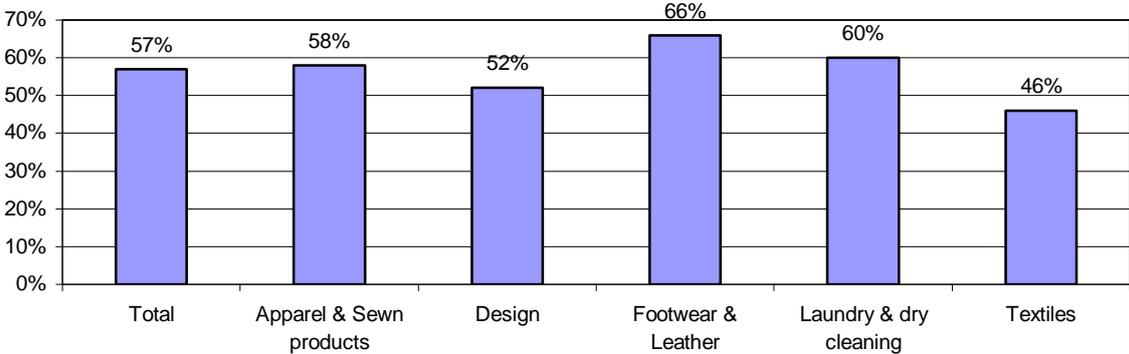
Source: Fashion and Textiles employer survey, 2008

4.4.3   Skills shortages by occupation

The Fashion and Textiles Survey of Employers 2008 identified shortages at associate professional level as well as for skilled trades and operative level jobs. The following table highlights the main issues in absolute terms reported by employers.

Table 4.2 Skills shortages by occupation levels

Level of skills	Occupation
Operative level skills	Sewn products operations
	Textile process operations
	Laundry and dry cleaning operation
Skilled trades occupations	Garment alteration and repair
	Pattern cutting and grading
	Hand craft garment making
Higher level technical skills	Designers
	Textiles technologists

Source: Fashion and Textiles employer survey, 2008

Each of these areas has a significant level of employment coupled with significant incidences of reported shortages. However, there are also niche areas where companies employ relatively few people but still experience a high level of skills shortages; the footwear and leather sub-sector, in particular, characterises this situation.

The following table, which is based on information gathered through the 2008 Fashion and Textiles Employers survey, shows that the various specific occupations within the footwear and leather sub-sector ranked highest across the whole fashion and textiles sector in terms of the incidence of technical shortages. In particular, the data points towards a high level of skills

shortages in leather processing, footwear manufacture, leather technology roles, leather goods manufacture, footwear technology, and shoe repair.

Table 4.3 Skills shortages by job role in England

Role	Sector Coverage	Estimated number of businesses employing people in this role	Estimated number of people employed in role	% who said there is a shortage of skilled candidates (base includes "don't knows")
Leather process***	Footwear & leather	81	850	88%
Footwear manufacturing***	Footwear & leather	173	954	87%
Leather technology roles***	Footwear & leather	375	1,468	80%
Leather goods*** manufacture	Footwear & leather	242	1,769	79%
Footwear technology***	Footwear & leather	314	960	78%
Shoe repair	Footwear & leather	1,398	2,908	70%
Tailoring/ Handcraft garment making	Apparel & SP, Design	2,213	4,996	67%
Pattern cutting	Apparel & SP, Design	2,824	6,178	63%
Garment alterations	Apparel & SP, laundry & dry-cleaning	5,261	8,453	61%
Sewn products	Apparel & SP, Design	6,831	35,877	58%
Garment technology	Apparel & SP, Design	1,405	3,601	57%
Sampling role	Apparel & SP, Design	2,081	5,312	55%
Laundry/dry cleaning	Laundry & dry-cleaning	820	1,765	54%

Role	Sector Coverage	Estimated number of businesses employing people in this role	Estimated number of people employed in role	% who said there is a shortage of skilled candidates (base includes "don't knows")
maintenance				
Dry cleaning operations	Laundry & dry-cleaning	4,032	10,951	54%
Textile and Fabric tech	Apparel & SP, Design, Textiles	2,197	22,853	53%
Textile process	Textiles	722	14,665	50%
Production management	All sub-sectors	5,131	11,029	47%
Design	Textiles, Apparel & SP, Footwear & leather, Design	7,009	16,888	45%
Laundry operations	Laundry & dry-cleaning	3,331	15,395	32%
Supply chain management	All sub-sectors	4,669	14,093	28%
Any skill shortage				**57%**

Source: Fashion and Textiles Survey of Employers 2008

Note: individuals may have been allocated to more than one category as part of the survey process, reflecting multi-skilling of some roles. ***denotes small sample numbers so figures are for indicative purposes

Consultations also emphasised a range of skills shortages, many of which support the findings of the employer survey. Examples of the skills shortages identified during the consultations are set out below:

- A shortage of supervisors, particularly those that have comprehensive technical skills alongside good leadership skills.

- A shortage of **technicians and fabric technologists** was identified. These skills were identified as being important to all aspects of the sector but particularly the technical textiles and leather sub-sectors.
- In the apparel and sewn products sub-sector, there was a shortage of **pattern cutters and graders, knitwear linkers and weavers.**
- Within the footwear sub-sector, consultees emphasised a shortage in technical individuals capable of providing the interface between the creative design and production of shoes. **In particular, there was concern that skills for traditional shoe production were being lost.**
- **Engineers,** for machine maintenance and operation, are also in short supply within the laundry and dry-cleaning sub-sector.
- Cutting across the whole sector, **supply chain managers, dyers and screen printers** were also reported to be in short supply.

The overriding message from the survey data and consultations is that employers are currently unable to attract candidates of a required calibre with the skills required to undertake specific job roles. With an ageing workforce and an increasing demand for replacement staff forecasted, the need for employers within the sector to find new staff with the appropriate skills will become an increasingly acute problem.

4.5 Skills Gaps

Skills gaps are skills deficiencies identified by employers within their existing workforce. Data highlights that 16% of establishments and 6% of employees in the fashion and textiles sector suffer from skills gaps. This is compared to 19% and 7% respectively across all sectors in England. However, historic data from NESS 2009 identifies that these skills gaps have increased since 2007, despite the economic climate that has seen staff numbers reduce and shows that these problems are likely to become worse as more and more of the workforce reach retirement age.[62].

4.5.1 Skills gaps by geography

Analysing the skills gaps in the fashion and textiles industry by region shows that gaps are particularly prevalent in the South West (21%) and the South East (19%) but again far less prevalent in Greater London (12%).

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[62] NESS, 2009

Figure 4.6 Skills gaps by geography

Bar chart showing skills gaps by geography:
- England average: 16%
- South West: 21%
- South East: 19%
- North East: 18%
- West Midlands: 17%
- East Midlands: 15%
- North West: 15%
- East of England: 13%
- Yorkshire and Humber: 13%
- Greater London: 12%
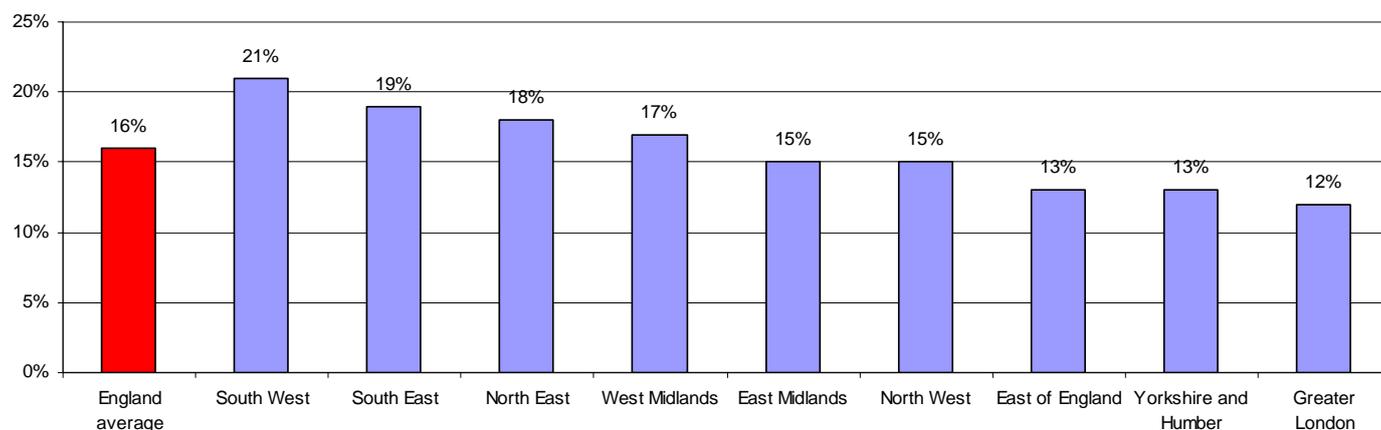
Source: Fashion and Textiles Survey of Employers 2008

4.5.2   Skills gaps by sub-sector

The following graph shows that the employers in the design sub-sector are most likely to have skills gaps, whereas the footwear and leather sub-sector is the least likely to have skills gaps. This pattern was also reflected through the findings of the consultations.

Figure 4.7 Skills gaps by sub-sector

Bar chart showing skills gaps by sub-sector:
- Total: 16%
- Apparel & Sewn products: 16%
- Design: 20%
- Footwear & Leather: 11%
- Laundry & dry cleaning: 14%
- Textiles: 18%
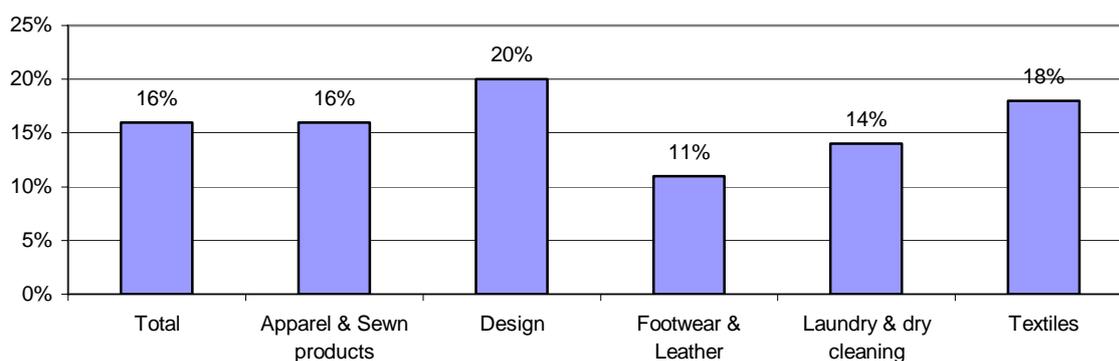
Source: Fashion and Textiles employer survey 2008

4.5.3 Skills gaps as a proportion of employees by occupation

Data suggests that skills gaps are most evident within the associate professional occupations in the fashion and textiles sector, followed by sales and customer services occupations. In comparison, skills gaps in the skilled trade occupations are much lower in the fashion and textiles sector, when compared to all sectors in England which owes in great part to these trade skills being held by an experienced workforce. The consultations tended to suggest that skills gaps were in fact present at all levels.

Figure 4.8 Skills gaps as a proportion of employees by occupational grouping
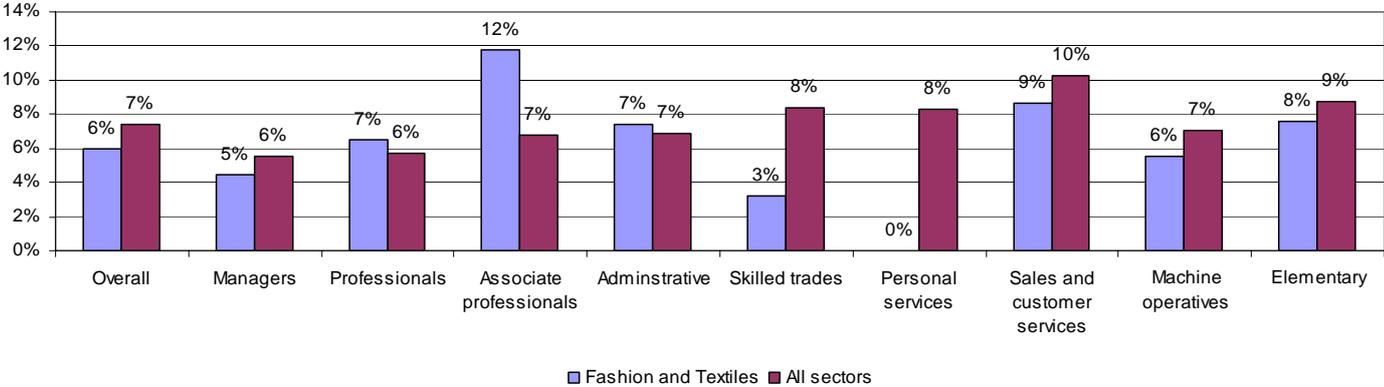
Source: NESS 2009

4.5.4 Generic skills gaps

Management and leadership skills gaps

Although a range of generic skills gaps were highlighted through secondary literature, quantitative data and stakeholder consultations, management and leadership skills were considered to be key to the successful future of the sector. Data from NESS 2009 highlighted that over a quarter of businesses experience gaps in management skills. What is more, nearly half of businesses in the fashion and textiles sector identified improving management leadership and supervisory skills as a key priority[63].

The consultations highlighted a mixed picture in terms of skills gaps in management and leadership. It was noted that many managers have excellent textiles knowledge but lack

[63] Fashion and Textiles Survey of Employers 2008

business acumen; this was particularly evident among designers. On the other hand, some managers have good business acumen but lack textiles knowledge, for example, this was observed among consultees in the laundry and dry-cleaning sub-sector. In addition, consultees recognised that there are also examples of businesses with effective, all round management.

The consultations and secondary research[64] highlight a number of reasons why there may be gaps in management and leadership skills. Consultees often noted that many businesses were "stuck in their ways". This collaborates with the research conducted by the Work Foundation that highlighted that firms who are more likely to have undertaken skills utilisation measures are more likely to be younger firms open to new management techniques[65]. They also emphasised that it is common for individuals in the sector to progress from a textiles production background into management without any formal management training to support this transition. In addition, fashion businesses can start up and move very quickly without time to develop sufficient business skills.

Research conducted in 2010 also found that firms that are family-owned and therefore passed down through generations, plus those that less intensively use human capital, as measured by fewer educated workers, tend to have poorer management practices. Both of these characteristics are evident in the fashion and textiles sector. However, some consultees held the view that businesses which have survived the recent challenges that have faced the sector "must be doing something right". In addition, research stated that firms that experience intense product market competition and those that export tend to have better management practices.

Measuring management practices

Research[66] conducted in 2007 developed a mechanism for measuring and scoring management practices across manufacturing industries with data also available for Fashion and Textiles in the UK. The research found that the United States had the highest management practice scores on average, followed by Germany, Japan, Sweden, and Canada and then followed by a block of mid-European countries—France, Italy, Ireland, the United Kingdom, and Poland. At the bottom were countries in southern Europe like Greece and

[64] Why do management practices differ across firms and countries?, 2010, Nicholas Bloom and John Van Reenen (in Journal of Economic Perspectives, volume 24) and The Value of the UK Fashion Industry, 2010, British Fashion Council
[65] People and the Bottom Line, 2008, P Tamkin, M Cowling, W Hunt
[66] Management practice and productivity: Why they matter, 2007, Centre for Economic Performance and McKinsey & Company

Portugal, along with developing countries like Brazil, China, and India.

However, although US firms scored particularly highly for people management, Germany, Japan and Sweden, closely followed by the UK, Italy and France do better in shop floor operations. A range of key manufacturing practices were identified and of these, on average, the UK's strongest area of management was in performance tracking. However it still came below France, the US, Italy and Germany on this measure. In comparison, 'instilling a talent mindset' and 'building a high performance culture' were the aspects that the UK performed most poorly on, which was also the case for Italy.

The research also found that the overall performance of most countries was determined not by the performance of its leading companies, but by the size of its 'tail' of poorer performers; a statement that was also supported by a number of consultees.

For a full introduction to the 18 measures, please refer to Annex One

What is clear, however, is that changes in management practices lead to significant improvements in performance in terms of productivity, profitability, growth rates, survival rates and market value, and the reason firms most frequently suggested for not introducing these practices was simply a "lack of awareness" of them[67].

Other generic skills gaps

Data from NESS 2009, supported by consultations, also highlighted the following skills gaps:

- Over half of employers in the fashion and textiles industry in England identified technical and practical skills gaps. This is slightly lower than the all sector figure. Findings from the consultations also supported this, with many consultees stating that individuals coming out of education or training lacked practical knowledge of the sector. In addition, there was concern that an increasing number of young people did not have the technical skills required to understand the performance of different fabrics.
- Over half of employers in the fashion and textiles industry noted gaps in customer handling skills, which is slightly higher than the all sector average for England.
- Skills gaps in oral and written communication in the fashion and textiles industry are recognised by over a third of businesses, which is on a par with the all sector average for

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[67] Why do management practices differ across firms and countries?, 2010, Nicholas Bloom and John Van Reenen (in Journal of Economic Perspectives, volume 24)

England. Such competencies were considered to be essential for individuals working across all elements of the sector.

- Over a third of businesses identified gaps in problem solving skills. Consultations highlighted that this was particularly evident among designers, for example, in terms of being able to design an innovative product and overcome the problems associated with developing new production techniques.

- Numeracy and literacy gaps were also highlighted by over a fifth of businesses.

Figure 4.9 Skills gaps
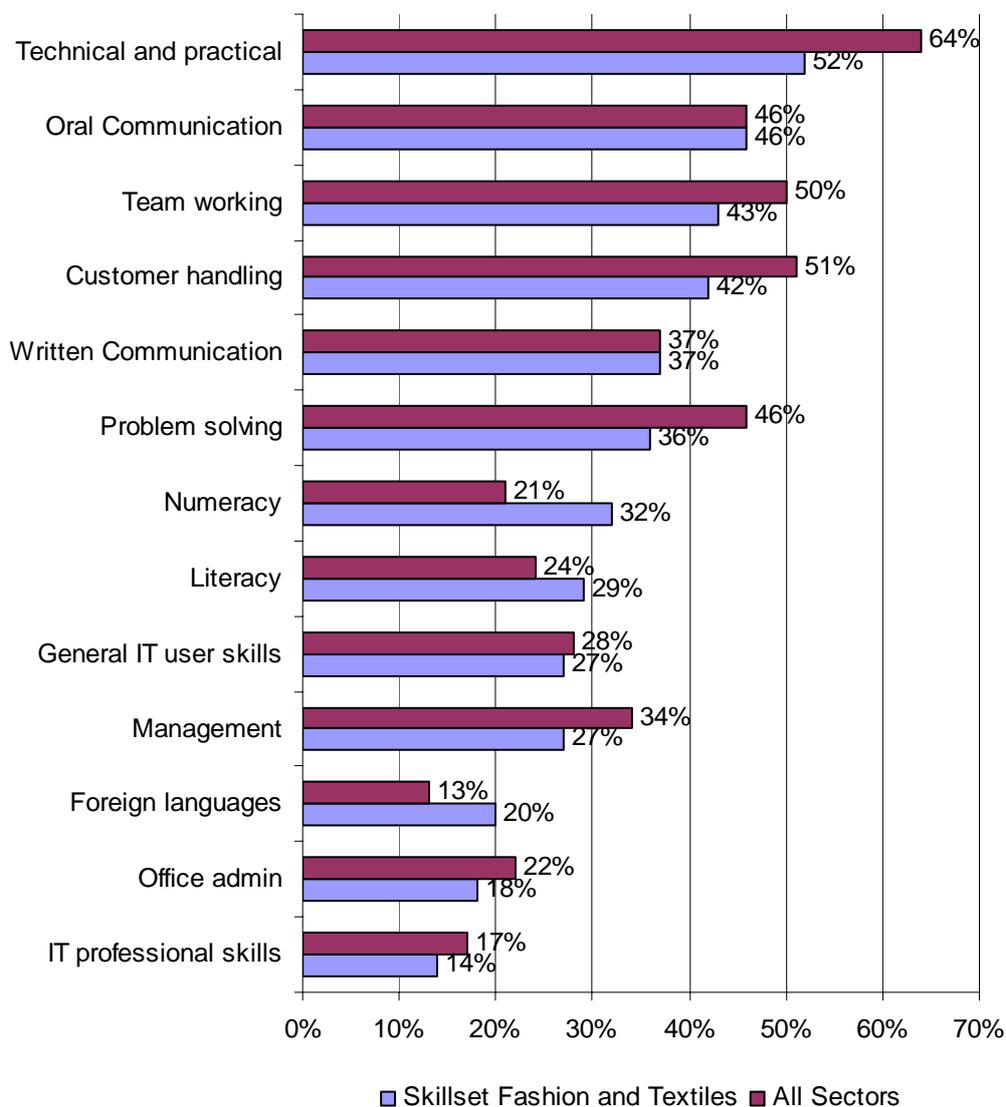
Source: NESS 2009

4.5.5 Sector specific skills gaps

Consultations highlighted that there is an increasing need for individuals in the sector to understand the different elements of the industry and to be able to multi-skill. With this in mind, gaps in fabric technology skills were identified across most sub-sectors. In the footwear and leather sector, the fashion and textiles employer survey identified gaps in footwear manufacturing, leather goods manufacture and shoe repair. In the apparel and sewn products sub-sector, the survey identified gaps in pattern cutting, sampling and tailoring skills. These gaps were also identified through the consultations. Consultees in the laundry and dry-cleaning sector also noted gaps in engineering skills, plus stain removal and garment finishing.

Research suggests that the UK is renowned as the birthplace of some of the worlds most creative and innovative fashion design labels[68], which was also recognised by consultees. However the design forum highlighted that there were also a number of sector-specific skills gaps evident among designers. These can be summarised as follows:

- There is a concern that the traditional craft skills, such as pattern cutting, are being lost as technology plays a greater role in designers' work. This is particularly evident within the high-end, luxury markets.
- In a similar vein, there is also a view that many designers lack sufficient understanding of fabric properties and the raw materials, which is partly the result of technological advances. Notwithstanding this, consultees also felt that the IT, programming and technological skills among designers could be improved.
- There is also concern that there are insufficient production management skills and a lack of understanding between designers and manufacturers. This is supported by findings from the design forum and research into the UK Designer Fashion Economy, which noted that designers and manufacturers have mismatched expectations and don't understand each others' business operations. In particular, it identified tensions in respect of on-time delivery, quality, costs, lack of specialist skills and lack of investment in technology[69].

[68] The UK designer fashion economy, 2008, Centre for Fashion Enterprise and NESTA
[69] The UK designer fashion economy, 2008, Centre for Fashion Enterprise and NESTA

Table 4.4 Skills gaps by job role in England

Role	Sector Coverage	Estimated number of businesses employing people in this role	Estimated number of people employed in role	% who said existing staff need to improve / broaden skills (base includes "don't knows")
Leather goods manufacture***	Footwear & leather	242	954	31%
Textile process	Textiles	722	14,665	28%
Leather technology roles***	Footwear & leather	375	1,468	24%
Footwear manufacturing***	Footwear & leather	173	954	19%
Design	Textiles, Apparel & SP, Footwear & leather, Design	7009	16,888	15%
Garment technology	Apparel & SP, Design	1405	3,601	15%
Pattern cutting	Apparel & SP, Design	2824	6,178	15%
Textile and Fabric tech	Apparel & SP, Design, Textiles	2197	22,853	15%
Supply chain management	All sub-sectors	4669	14,093	14%
Sampling role	Apparel & SP, Design	2081	5,312	14%
Laundry/dry cleaning maintenance	Laundry & dry-cleaning	820	1,765	14%
Tailoring/ Handcraft garment making	Apparel & SP, Design	2213	4,996	13%

Role	Sector Coverage	Estimated number of businesses employing people in this role	Estimated number of people employed in role	% who said existing staff need to improve / broaden skills (base includes "don't knows")
Dry cleaning operations	Laundry & dry-cleaning	4032	10,951	13%
Production management	All sub-sectors	5131	11,029	12%
Leather process***	Footwear & leather	81	850	12%
Footwear technology***	Footwear & leather	314	960	11%
Sewn products	Apparel & SP, Design	6831	35,877	9%
Laundry operations	Laundry & dry-cleaning	3331	15,395	8%
Garment alterations	Apparel & SP, laundry & dry-cleaning	5261	8,453	6%
Shoe repair	Footwear & leather	1398	2,908	5%
Any skills gap				**16%**

Source: Source: Fashion and Textiles Survey of Employers 2008

Note: individuals may have been allocated to more than one category as part of the survey process, reflecting multi-skilling of some roles. ***denotes small sample numbers so figures are for indicative purposes

4.6 Addressing Skills Needs

NESS 2009 data identifies a number of ways that businesses are trying to overcome hard to fill vacancies. Most commonly, they are using new recruitment methods or channels (31% of businesses), followed by increasing advertising and recruitment spend (28%). However, over a fifth of businesses stated that they were doing nothing to overcome hard to fill vacancies.

Going forward, one of the key drivers of skills needs is the ageing workforce that characterises the fashion and textiles sector. There is significant concern that as individuals retire from the workforce, certain skills will be lost. Consultations highlighted that businesses are very aware of

this issue and nearly half of businesses recognised that recruiting and retaining young people to replace workers who are nearing retirement is a key skills priority[70]. However, on the whole, the level of succession planning is insufficient and many businesses do not have plans in place to address their future skills needs. It was suggested that one of the main reasons for this is that many businesses have much shorter term strategies that focus on survival. Notwithstanding this, some businesses are offering in-house training to multi-skill existing staff, which will go some way to addressing future skills gaps and shortages.

Consultees also stated that businesses are still using migrant workers to address skills needs. This is supported by data from the Annual Population survey 2009, which shows that 15% of the fashion and textiles workforce in England are non-UK nationals, and higher than the average across all sectors in England that stands at 10%. Whilst some consultees feel that the number of migrant workers in England's fashion and textiles sector remains high, others feel that the availability of migrant workers has declined as many have returned to or stayed in their home nations. This is evidenced form the latest data from the ONS that has shown a continued decline in migrant workforce numbers since the economic conditions began to decline.[71] Consultees felt this is considered to be partly due to the economic recession and partly due to increasing opportunities and quality of life within their home nations.

[70] Fashion and Textiles Employer Survey 2008
[71] LFS data for 2009 shows a reduction of non-UK national workforce from 12% to 8%

5.0   Skills Supply

5.1 Introduction

This section provides a brief assessment of the training provision for the fashion and textiles industry in England. In particular, it looks at how businesses identify their training needs, the extent to which training provision meets the needs of businesses in the sector and the barriers businesses face in accessing or providing training.

Given the structure of the fashion and textiles sector, there are three strands to training in England that need to be accounted for within the analysis. These are namely:

- The NVQ route and the 14-19 year old agenda
- The provision of short courses/professional development route
- Engagement with Higher Education

5.2 Identifying Training Needs

The following graph highlights that when compared to all sectors in England, a lower proportion of businesses in the fashion and textiles sector in England have mechanisms in place to identify training needs. For example, less than half of businesses in the sector have a business plan that specifies the objectives of the coming year or formally assess whether individual employees have gaps in their skills[72]. Consultees supported this finding. However, some suggested that given the high proportion of micro-businesses in the sector, more informal mechanisms are just as appropriate in certain cases. Consultees also noted that many businesses in the sector seek training to respond to a specific problem or skills gap, rather than as part of a long term strategy. In addition, less than one fifth of businesses in the fashion and textiles sector, compared to over a third of businesses across all sectors in England, have a budget for training expenditure.

[72] NESS, 2009

Figure 5.1 Assessing training needs

Whether establishment has business plan that specifies the objectives for the coming year: All Sectors 58%, Fashion and Textiles 48%

Whether establishment has training plan that specifies in advance the level and type of training employees will need in the coming year: All Sectors 43%, Fashion and Textiles 28%

Whether establishment has a budget for training expenditure: All Sectors 36%, Fashion and Textiles 18%

Whether establishment has a business plan, a training plan or a budget for training expenditure: All Sectors 68%, Fashion and Textiles 55%

Whether establishment has a business plan, a training plan and a budget for training expenditure: All Sectors 25%, Fashion and Textiles 13%

Whether establishment formally assesses whether individual employees have gaps in their skills: All Sectors 57%, Fashion and Textiles 44%

☐ Fashion and Textiles ☐ All Sectors

Source: NESS, 2009

5.3 Skills Priorities

These findings from the NESS are re-enforced by the findings of the Fashion and Textiles employer survey. The survey found that employers' priorities in England included recruiting and retaining young people to replace workers who were nearing retirement, and improving sales and marketing, including the skills needed for international trading.

This information is also presented in the annex of this report indicates how skills needs vary by sub-sector for fashion and textiles employers. For instance, for employers within the textiles sub-sector; that is a need for new recruitment into technical occupations. The increasingly customer facing style of this sector also puts greater emphasis on improving sales and marketing skills. Improving management and leadership and recruiting and retaining able young people including STEM graduates were also central considerations. In contrast, domestic services such as laundry and dry-cleaning emphasise improving numeracy and literacy and the quality of in-house training are of greatest concern.

Figure 5.2 Skills priorities from the education and training system for fashion and textile employers
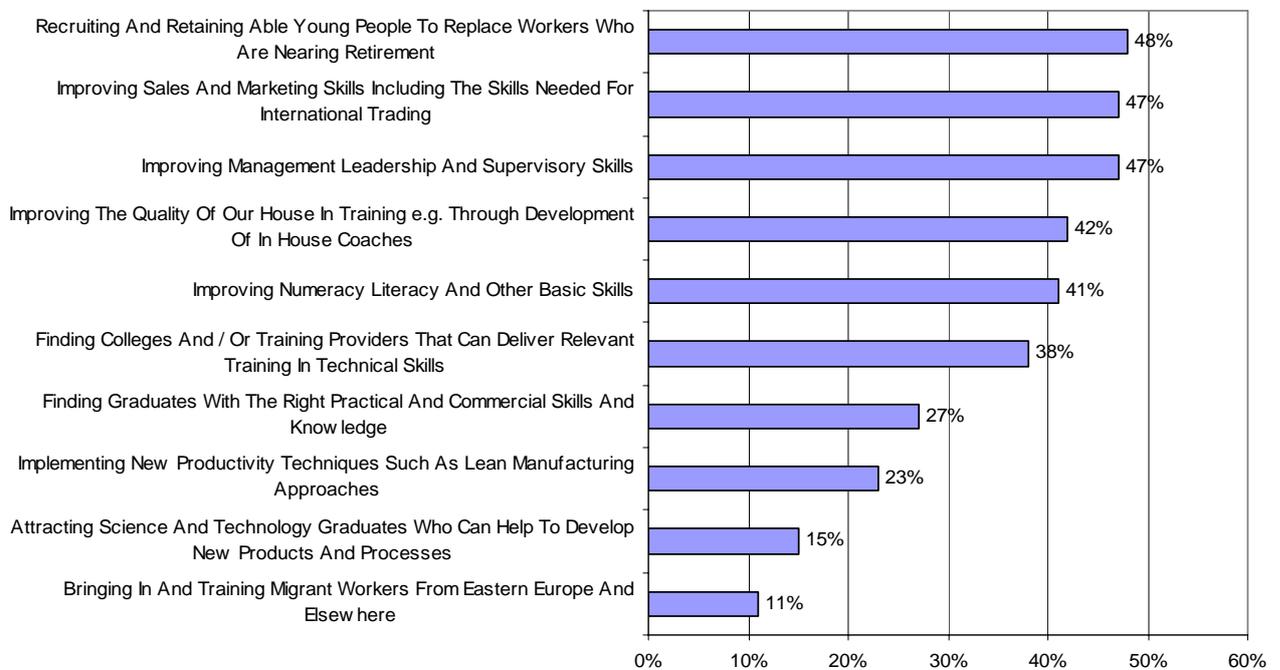
Source: Fashion and Textiles employer survey 2008 (Employers stating very important or important.)

5.4 Training Provision

NESS data for 2009 highlights that businesses believe that the main causes of a lack of proficiency among employees in the fashion and textiles sector are a lack of experience of those being recently recruited (72%), followed by a failure to train and develop staff (25%). Supporting this, the following graph highlights that, when compared to all sectors in England, businesses in the fashion and textiles sector are less likely to have funded or arranged any off-the-job or on-the-job training for staff over the past 12 months. In particular, employers within the West Midlands and London were the least likely to have funded or arranged any training.

Further analysis of NESS also reveals that managers and senior officials (52%) and sales and customer care workers (31%) were the staff most likely to receive training. Least likely to receive training were professional (2%) and associate professional occupations (6%).

Figure 5.3 Training provision for staff
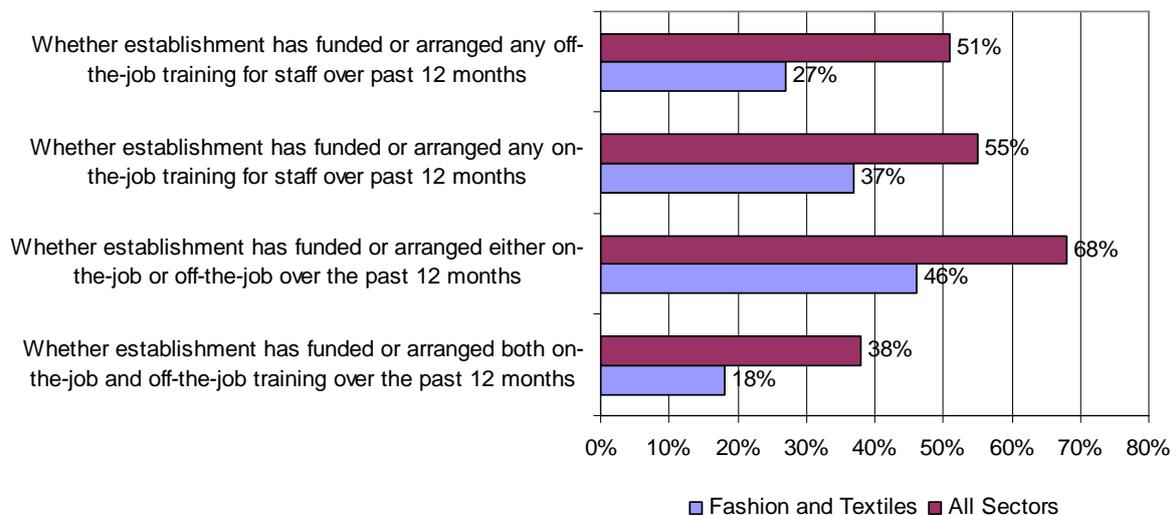
Consultations highlighted a number of factors that influence the effectiveness of training provision. Mixed views were expressed in relation to these factors, which are discussed below.

5.4.1 Availability

Clusters of fashion and textiles businesses enable economies of scale to be exploited in terms of training. There are still a number of clusters in England, for example data shows that London and the North West are home to large numbers of fashion and textiles businesses and also

have the greatest proportions of employees in the sector. In comparison, the North East has a much smaller fashion and textiles base[73]. Consultees also supported this data, highlighting, for example, that there are clusters of technical textiles companies in the North West and London remains an important fashion centre. In addition, consultees identified that there is a cluster of saddler businesses in Walsall.

Notwithstanding this, in general, consultees feel that the decline of the fashion and textiles industry has led to a dilution of fashion and textiles clusters in England and as a result, they frequently highlighted that the fashion and textiles training sector suffers from a virtuous circle of insufficient demand for courses and insufficient courses being delivered.

However, the one area of difference is design, where the education system where a large number of design orientated courses, and offers world-class support in nurturing the creativity of would-be designers. In addition, respondents from the leather sub-sector were confident that there was sufficient training provision for businesses operating in their field. However, with the exception of these, consultees held the view that the provision of education and training for the fashion and textiles sector is insufficient.

The recently published Browne review[74], if enacted, will also have an impact on Higher Education demand and training provision within the sector with recommendations of removing the current tuition fees cap, increasing availability, reforming careers advice and making access to part-time study easier.

5.4.2 Content

There is an ongoing need for accredited courses and wherever possible, some form of consistency across the fashion and textiles sector in terms of standards. However, there are still gaps in the content of fashion and textiles courses. 36% of fashion and textile firms in England employ a designer, stretching across all sub-sectors. However, 59% of these employers reported recent graduates lacked the technical skills whilst 65% lacked commercial acumen. Consultees often highlighted that people coming out of fashion and textiles education and training do not have the full set of skills required by businesses. Most commonly individuals felt that fashion and textiles courses had a lack of entrepreneurial training. This is also emphasised by a view that the number of visiting lecturers, who would typically provide industry

[73] tbr, 2008
[74] Securing a sustainable future for higher education, 2010

knowledge, has declined. Designers that attended the design forum also felt that students lacked business knowledge, with strong feelings that as a result of not sufficiently building commercial knowledge and understanding into education and training, students were often not fully prepared for industry. This is supported by research commissioned by the Crafts Council, which explored the early careers of more than 600 graduates in crafts subjects[75]. It found that only half felt prepared for the world of work on leaving their courses and that work experience established at university was an essential career facilitator.

There was also concern that many fashion and textile programmes focussed heavily on the design components at the expense of textiles knowledge and technical expertise. However, despite a demand for technologically based skills among businesses in the sector, the number of textile technology programmes and the number of enrolments onto these courses is in decline, whereas there is an over abundance of design degree programmes[76]. This was also supported by the fashion and textiles employer survey 2008 which noted one of the key skills priorities identified by over a third of employers was to find colleges or training providers that can deliver relevant training in technical skills.

Research into education in the fashion and textiles industry supported these findings. It noted that there is still a demand for well-qualified employees in the industry but there is a mismatch between the needs of the sector and the skills of some of the graduates. It recognised that design is a valuable element of the fashion and textiles industry but that not every graduate is going to be the next Galliano and therefore education and training providers should ensure that students have the appropriate portfolio of skills including a sound understanding of information technology, textile technology and technical processes. However, design graduates often do not possess the skills or the industry-specific vocabulary to be able to engage in this important aspect of activity. In response to this issue, Skillset and many trade representative bodies are working with industry and training providers to develop courses to address this shortage in business and technical skills.

Consultees also highlighted that as technology and skills become more sophisticated, education and training providers are often unable to invest in the expensive technology and equipment required to teach students the latest techniques.

As a result of the gaps in education and training provision identified above, employers are frequently having to invest in on-the-job and in-house training in order to ensure that individuals

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[75] Crafting Futures: A study of the early careers of crafts graduates from UK higher education, 2010, Crafts Council
[76] Fashioning our future: Education in fashion and textiles in the UK, Textile Institute

are better prepared to undertake their role. Similarly consultees suggest that there is an increased need for individuals to attend short courses and undertake continuing professional development. This was also emphasised through the NESS data, which showed that only 37% of businesses had arranged or funded on-the-job training for staff in the previous 12 months. However, the Fashion and textiles employer survey data found that over two fifths of employers in the fashion and textiles sector identified that improving the quality of their in-house training was a key priority.

When considering how England's training provision compared to other countries, anecdotal evidence suggests that training and education courses for the fashion industry in India have a better balance between fashion, design and textiles elements. In addition, another consultee suggested that students in China learn from practice, whether through masters of trade or through techniques applied by other countries, including the UK. As a result, they have built up a professional design sector very quickly. In comparison, the sector in England encourages students to develop their own, new and innovative processes and products. Arguably, there is a need to strike a balance between these two approaches to learning.

5.4.3 Delivery mechanisms

The delivery mechanisms adopted for training in the fashion and textiles sector is a key factor influencing the effectiveness of provision. In some cases, individuals felt that the training was there but that there was a need to package it better to improve access. The strengths and weaknesses of on-site, off-site and online training were often discussed, resulting in mixed views. Consultations highlighted that delivering on-site training can be beneficial to businesses as employees do not need to spend long periods of time away from the business, however, individuals often find that they are not able to dedicate their time entirely to training and instead try to engage in the day-to-day issues of the business at the same time.

On the other-hand, off-site training will ensure that individuals are focussed on the training but it can have a detrimental impact on individuals' ability to complete work to meet deadlines. In light of these issues, many consultees suggested that bite-size chunks of training were often more appropriate than full day training courses. Online training is also becoming more common; the advantage of this is the flexibility it affords, however, self-teaching does have its limitations.

In particular, consultees frequently cited the importance of practical experience and as a result were very supportive of apprenticeship schemes. However, there is a perception that uptake of these has declined. What is more, there is little financial support or incentives for businesses

wishing to take on an apprentice and increased workforce mobility can make these schemes less attractive to businesses. On the other-hand, Italy and Germany, as examples, have very vocational training systems.

Apprenticeships in England and Germany

Employer numbers offering apprenticeships are low by international standards (8%). A lack of information about apprenticeships keeps demand for places relatively low; just under a quarter of 17 year olds talked to someone about apprenticeships after Year 11. Nevertheless, the supply of young people still exceeds demand from employers for apprentices. Although completion rates have improved, progression to higher qualification levels is poor. In addition, the administration of government funding for apprenticeship training lacks transparency, which can deter employers and financial incentives available in most other countries are not normally available in England.

Specific to the fashion and textiles sector, NESS data suggests that only 3% of businesses offer apprenticeships and only 2% of businesses currently have staff undertaking an apprenticeship scheme. What is more, nearly half of businesses in the sector have no awareness of the schemes.

In comparison, apprenticeship in Germany is the route to work and further career development for nearly two-thirds of all young people. Information and guidance on choosing apprenticeship is well-established in schools and in careers advice centres and since 1990 and a proportion of apprenticeship places have been supported by federal and regional funding. Completion rates are good and additional courses provide access from apprenticeship to university. In addition, employer commitment and involvement is high[77].

A representative from the dry-cleaning and laundry sector praised the NVQ model for training individuals in the fashion and textiles sector. The key benefits of this approach were its practical nature and flexibility. However, other consultees felt that the level of paperwork to evidence skills was too onerous, particularly for individuals that have been working in the sector for sometime.

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[77] The State of Apprenticeship in 2010: International Comparisons, Centre for Economic Performance

5.4.4 Barriers

The main barriers to accessing or providing training that were cited during the consultations were as follows:

- **Cost:** As highlighted earlier in this chapter, businesses in the fashion and textiles sector are less likely to have funded training for staff. The cost of training, particularly in light of government funding cuts, is a key barrier for many businesses. NESS 2009 data shows that over half of businesses (52%) cited that a barrier preventing them from providing more training for staff was a lack of funding / training is expensive. Increasingly, pressures on funding for adult learning and continuing professional development programmes, will undoubtedly lead to requests for greater investment from industry and employers. In addition, the costs associated with allowing staff to spend time away from their day-to-day role often prevent businesses from undertaking more training. This has been heightened as businesses reduce the size of their workforces.
- **Time:** Finding the time for individuals to spend time away from their day-to-day activities is often a barrier for businesses wishing to invest in training.   This is supported by NESS data, which found that sparing staff time was a barrier to training provision for nearly half of businesses (49%) in the fashion and textiles sector. It is important to note that these barriers can be present for trainees and trainers alike, for example, if a business' member of staff is required to deliver the training. In addition, one tenth of businesses stated that finding the time to organise training was a key barrier.
- **Availability of suitable training provision:** As covered in the section above, a lack of suitable training provision creates a significant barrier to businesses seeking to access training. What is more, this is likely to be accentuated by insufficient government funding to support training and education in the sector and business support mechanisms to inform employers of the availability of existing provision.
- **Awareness of training:** Consultees highlighted that some employees, particularly the older workforce, did not appreciate the need for training. In addition, some companies within the fashion and textiles industry do not recognise the importance of and need for accredited training.   As an example, representatives from the laundry and dry-cleaning sub-sector believe that there is still someway to go to encourage businesses to acknowledge the importance of training.

6.0 Anticipating What Lies Ahead

6.1 Introduction

This chapter looks at the future of the fashion and textiles sector in England.   It starts by assessing the growth potential for the sector, followed by consideration of future skills needs. It also identifies possible actions required by the sector.

6.2 Growth Potential

6.2.1 Opportunities

The following tables summarise the opportunities facing the fashion and textiles sector, across all of the sub-sectors in the future. The specific opportunities facing the different sub-sectors of the fashion and textiles industry are then set out on the next page.

Table 6.1 Cross-cutting opportunities facing the fashion and textiles sector

Cross-cutting opportunities facing the fashion and textiles sector
Niche, high quality markets.
Understanding customers and service quality.
Collaborations.
Overseas markets and export sales.
Outsourcing.
Currency fluctuations.
E-commerce opportunities.
Marketing and brand awareness, including labelling and the 'British brand'.
Sustainability agenda, including environmentally friendly and ethical production.
Technological advances.

Source: Consultations and literature

Table 6.2 Opportunities facing the fashion and textiles sub-sectors in England

Opportunity	Design	Textiles and technical textiles	Apparel and sewn products	Footwear and leather	Laundry and dry-cleaning
Product markets	Diversify ranges.	HT filament weaving; glass, carbon weaving; and nonwovens. New growth markets in transport textiles, medical textiles, performance clothing and geo-textiles[78]. Develop new fabric designs, utilise specialist, high quality fabrics and yarns.	Diversify product and market areas, for example work-wear.	Enter new product markets, such as leathers for the transport sector. Use additional materials, such as elk and deer, for high fashion market.	Diversify into new market segments such as linen rental, suede/leather, restoration work, business to business/contract work, collection/delivery, laundry service, shirts service. Growth in healthcare laundering.
Geographical	Tap into new overseas markets, e.g. former	Increase presence in export markets,	Exploit export opportunities,	Grow export sales, including to non-	

[78] The current position of technical textiles in the UK, Byrne (Innovation and Materials KTN)

Opportunity	Design	Textiles and technical textiles	Apparel and sewn products	Footwear and leather	Laundry and dry-cleaning
markets	Soviet Union.	including developing countries such as China and India but also Europe.	including the opening up of markets in developing world.	traditional markets such as China, Korea, Russia and Australia.	
Processes	Develop more efficient supply chain management and collaboration. Source from overseas (e.g. China) for increased margins. Tap into opportunities for external consultancy.	Exploit technological advances such as 3D weaving, plasma, digital and nano to develop new products and increase efficiency. Source from overseas. Develop partnerships with other companies in the supply chain e.g. joint product development.	Improve linkages between companies and the designer skills base. Exploit potential of whole garment technology. Improve distribution capability / flexibility. Introduction of team-working to enhance flexibility and	Improve margins through offshore sourcing. Exploit new leather processing technology, including increased mechanical handling.	Exploit economies of scale, i.e. larger companies. Invest in new machinery and maximise productive potential of existing equipment. Use alternatives to solvent based products in the dry-cleaning process to counter EU directives

Opportunity	Design	Textiles and technical textiles	Apparel and sewn products	Footwear and leather	Laundry and dry-cleaning
		Establish closer links with academic establishments to access technical R&D expertise.	productivity.		
Differentiation and added value	Develop retail presence, including self-owned retail.	Develop highly specialised niche markets, for example by working with fashion houses. Capitalise on quick response opportunities and service performance.	Offer a full package service, e.g. in corporate-wear market.	Focus on high quality markets. Develop links with niche retailers. Develop short runs of premium leathers in a wide variety of colours, innovative products.	Focus on quality of service and provide added value services such as collection/delivery.

Source: Consultations and literature

6.2.2 Threats

The following tables summarise the threats facing the fashion and textiles sector, as a whole, in the future. The specific threats facing the different sub-sectors of the fashion and textiles industry are then set out on the next page.

Table 6.3 Cross-cutting hreats facing the fashion and textiles sector

Cross-cutting threats facing the fashion and textiles sector
Ageing workforce and associated skills gaps and shortages.
Availability of suitable training provision.
Image of the sector.
Decline of manufacturing sector and associated loss of skills and infrastructure.
Rapidly changing consumer preferences.
Sustainability and environmental concerns and legislations.
Regulatory burdens and costs, e.g. employment law, health and safety.
Overseas competition, including cheap labour and imitations of the 'British style'.
Cost and accessibility of raw materials.
Rising overheads and downward pressure on retail prices, resulting in pressures on margins.
Currency fluctuations.
Economic downturn, resulting in lower consumer spending and difficulties accessing finance..
Public funding pressures, for example a rise in VAT.

Source: Consultations and literature

Table 6.4 Threats facing the fashion and textiles sub-sectors

Threat	Design	Textiles and technical textiles	Apparel and sewn products	Footwear and leather	Laundry and dry-cleaning
Globalisation, including outsourcing markets and overseas competition	Difficulty of accessing agents, retailers and distributors in UK and overseas. Difficulty of accessing overseas production particularly for small orders.	Competition from low cost imports at commodity end of market. Relocation of customers overseas. Threats to intellectual property from overseas competitors. Cheaper imported fabrics, especially from China, India. Trade barriers in developing countries.	Continuing increase in levels of offshore sourcing across all apparel segments. Removal of all quotas and reduction of tariff barriers. Changing sourcing strategies of major buyers in retail garments and work-wear, resulting in fewer suppliers and more imports.	Cheap imports from overseas continuing downward pressure on UK manufacturers' margins. Limited access to raw materials, such as chemicals and hides, compared with competitors such as China	
Supply chain and support	Lack of business support for companies	Break down of supply chain, for example the		Demise of the supply chain and associated	

Threat	Design	Textiles and technical textiles	Apparel and sewn products	Footwear and leather	Laundry and dry-cleaning
network	in intermediate stage of development. Lack of understanding of fashion sector among venture capital community. Demise of UK manufacturing in specialist areas, which affects capacity to support product development, plus a lack of reliability and quality of production for intricate products.	disappearance of suppliers. Loss of UK higher education / research base.		difficulties in sourcing quality leather in the UK. Major retail customers increasingly sourcing direct.	
Markets			Consumer preference for cheap, fashionable supermarket products.		Trend toward cheap, 'disposable' garments, with no requirement for

Threat	Design	Textiles and technical textiles	Apparel and sewn products	Footwear and leather	Laundry and dry-cleaning
			Dominance of supermarkets and large multiples and a decline of independents, which has led to more direct sourcing.		dry cleaning. Poor quality of many dry-clean garments, irrespective of price. Trend towards 'smart casual wear' in business environments. Emergence of home laundry technology and easy-care garments. Fluctuations in demand, for example a drop in consumers' disposable income or downturn in business of client sectors (e.g.

Threat	Design	Textiles and technical textiles	Apparel and sewn products	Footwear and leather	Laundry and dry-cleaning
					hotels).
Legislation		Costs of complying with regulations, e.g. chemical emissions.		Environmental constraints and regulations for leather processing industry.	Environmental compliance, particularly in respect of solvent use.
Other		Failure to keep abreast of new technologies.			Poor labelling of garments.

Source: Consultations and literature

6.3 Future Skills Needs

In light of the opportunities and threats identified, the following table sets out the reasons why employers expect their employees to acquire new skills or knowledge in the next 12 months. New products or services and new technologies and equipment were the most common reasons.

Table 6.5 Reasons why employees need new skills or knowledge in the next 12 months

Reasons	Proportion of fashion and textiles businesses
Any need identified	53%
New products or services	31%
New technologies or equipment	30%
Increased competitive pressure	29%
New working practices	28%
New legislation / regulatory requirements	27%

Source: NESS, 2009

6.3.1 Generic skills

In the short-term, employers in England have recognised a number of skills that will require updating within the next 12 months.

As well as the emphasis on technical, practical or job specific skills, a cluster of more generic skills have been identified by employers. These include customer handling (42%), general IT user skills (41%), problem solving (40%) and team working and management (both 38%) as crucial skills for fashion and textiles businesses moving forward in the next 12 months.

Skills that will require updating into the next 12 months (across the sectors)

Type of skill required	% of Fashion and Textiles businesses
Technical, practical or job-specific skills	54%
Customer handling skills	42%
General IT user skills	41%
Problem solving skills	40%
Team working skills	38%
Management skills	38%
Communication skills	34%
Oral communication skills	29%
Office admin skills	27%
IT professional skills	25%
Written communication skills	22%
Numeracy skills	17%
Foreign language skills	16%
Literacy skills	15%
Don't know	7%

Source: National Employer Skills Survey 2009

Consultations also identified the following generic skills as being particularly important for the fashion and textiles sector in the future:

- **Supply chain management skills** are becoming more important as the fashion and textiles sector becomes a much more global industry.
- **Foreign language skills** were seen to be increasingly important for businesses if they are to successfully operate in a global market-place and communicate directly with their supply chain, plus customers.

- **IT skills** will be vital to maximising the use of the internet as a mechanism for e-commerce and associated marketing. IT skills can also help individuals in the fashion and textiles sector work quicker and more efficiently.
- **Electronic / technological skills** will be essential as technology advances in terms of management, design and production systems. These skills will also be important if the sector is to invest in 'green technology'.
- **Marketing skills** will enable businesses to more effectively build on the strength of the British brand and use ethical and sustainable trading as a key strength of their business. This applies also to craft manufacturers looking for further commercial opportunities.
- **Commercial and financial skills** will ensure that businesses are able to capitalise on the latest process and product innovations and respond to rapidly changing consumer demands in a financially sustainable way.
- **Management and leadership skills** need to improve in the sector and will become more important as competition in the fashion and textiles sector increases.

6.3.2 Sector specific skills

Over half (54%) of fashion and textiles businesses identified that technical, practical or job-specific skills will require updating in the future. Consultations also highlighted a range of sector specific skills that are going to become more important for the fashion and textiles sector in the future.

- **New processes** are leading to a demand for a host of associated skills. Examples include digital printing in the design sector, wet-cleaning in the laundry sub-sector and plasma treating in the technical textiles sub-sector.
- **Traditional craft skills** are going to continue to be important. Although technology is advancing, there is still a need for individuals to have a basic understanding and practical experience of traditional craft skills. This will help to ensure that technology is appropriately applied. As manufacturing is increasingly outsourced, these skills will also make sure that individuals are able to communicate effectively with manufacturers and understand the opportunities and limitations of the manufacturing process.
- **Fabric technology skills** are increasingly in demand across the whole of the fashion and textiles sector but particularly within the technical textiles sub-sector.
- **Quality control skills** are becoming more important as businesses are increasingly sourcing materials from overseas and out-sourcing elements of the production chain.

- **Design and customisation skills** are becoming more important as England's fashion and textiles sector is moving towards the production of higher value, niche products. In order to effectively meet consumer demands, there is increasingly a need for creative and innovative design skills and the ability for businesses to produce customised products.

6.4 Scenario Planning

6.4.1 Scenario Planning for England

Warwick Institute for Employment Research and Cambridge Econometrics has developed Working Futures III, which is a forecasting scenario series. The research uses existing survey work on employment trends across the sectors to give a view of employment estimates. It is important to note, however, that this research was undertaken prior to the economic downturn and therefore needs to be interpreted with some care. It should be viewed in parallel to the opportunities, threats and future skills needs that have been identified through consultations conducted in 2010.

Working Futures III forecasts the numbers working within the fashion and textiles sector in England will have begun to stabilise by 2017. This follows the large employment falls in recent times as the erosion of the fashion and textiles manufacturing base has seen large losses of employment at operative level. Indeed, the UKCES Strategic Skills Audit has identified large losses of, sewing machinists and textiles and garment trades workers as two of the twenty fastest declining occupations between 2001 and 2009.[79]

Despite the continued modest decline in the gross number employed, the fashion and textiles sector is forecast to experience modest positive net employment requirements. This is due to the large proportion of people forecast to leave the sector through retirements and the need to fill these emerging vacancies. In all, over a third of the present workforce will require replacement by 2017.

Compared to the sector at a UK level, the English fashion and textiles sector is forecast to see a slightly lower reduction in net workforce numbers. This indicates the English fashion and textile sector has been more successful as it finds its optimum employment levels and is a picture borne out by the relatively smaller decline in GVA and employment in England than the other home nations.

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[79] Skills for Jobs, Today and Tomorrow, Vol.2 The Evidence Review, UKCES 2010

In contrast to the pattern forecast to be exhibited in the fashion and textiles sector, England at an all sector level is expected to increase its gross employment needs to 2017 by 7%. Whilst overall employment in England will continue to rise, there will be little additional domestic demand for fashion and textiles sector's products stemming from the extra working population. This trend demonstrates the continued reliance on export markets to drive the English fashion and textiles sector manufacturing base.

The following table highlights Working Futures III predictions on sectoral changes by occupation up to 2017, which has profound implications for the English fashion and textiles sector.

Table 6.6 England employment forecasts[80]

Employment levels (,000,s)	2007	2012	2017	Net change	Replacement demand	Total requirement
Managers and Senior Officials	43	43	44	2	15	17
Professional Occupations	14	15	15	0	5	5
Associate Professional and Technical Occupations	29	29	29	0	9	9
Administrative, Clerical and Secretarial Occupations	17	13	10	-7	7	0
Skilled Trades Occupations	27	24	21	-6	9	3
Personal Service Occupations	14	12	12	-2	5	3
Sales and Customer Service Occupations	23	22	21	-2	8	6
Transport and Machine Operatives	43	33	27	-16	15	-1
Elementary Occupations	26	23	20	-6	9	3
Total	**235**	**214**	**199**	**-36**	**81**	**46**

Source: Working Futures III

Data for England suggests the largest fall in both real and proportional terms will occur at an operative level with a 16,000 or 16% decline in the number of people required at this level. Likewise elementary, clerical and secretarial and skilled trade's occupations are all forecast for net employment losses. However, replacement demands to replace the retiring workforce

[80] Working Futures III was conducted before the recession. Therefore the longer term 2017 figure offers a more accurate indicator than the 2012 projection.

means that there will be a positive total requirement of 9,000 extra people to fill these vacancies.

The sum of these changes suggests a continued movement of manufacturing and process based to operators overseas through off-shoring and outsourcing is set to continue, albeit at a much slower rate than has been seen previously. However, this movement can be seen in that the overall sector perspective will have begun to stabilise by 2017.

One occupational grouping forecast to make up a larger part of the workforce and with it requiring a larger total requirement taking into account replacement demand needs is managerial positions. Professional and associate professional, technical and sales and customer service occupations, whilst remaining broadly flat in terms of net demand, will all require a large replacement demand requirements.

As companies spend a greater amount of time managing processes such as the supply chain and customer relations, the level of technical expertise, both in terms of processes employed and ICT needs will require extra recruitment to these roles.

The reduction in operative level recruitment opportunities and the need for management level skills illustrates the point that the sector will require far less employees with lower level skills (below NVQ level 2) and more with higher level skills (level 3 and above) to enable the sector in England to compete.

Reflecting the continued niche and micro level that the sector operates at, and is continuing to work to, self-employment will be a key feature of the sector compared to all sectors in England, rising slightly to over a fifth of the workforce by 2017.

Conversely, part-time working in the fashion and textiles sector in England, will continue to decline. This is in contrast to the high proportions the all-sector in England figure currently enjoys and is predicted to remain stable.

Looking at gender, the share of female employment is forecast to continue to decline with the proportion reducing from 42% of the workforce to less than a third of total employment. This again reflects the high level of structural change that is occurring within the sector as operative and elementary occupations that are traditionally the domain of females, (especially within clothing and textiles manufacture) are lost. This again is in contrast to the England all sector figures that will see stable employment figures for females.

6.4.2 Scenario planning for Europe

Vogler-Ludwig and Valente[81] propose three potential scenarios to the year 2020 of the future direction for the European fashion and textiles sector and its implications for current high value manufacturers such as the UK and England. The reported scenarios in each of these instances impact differently on the European fashion and textile sector that likewise will have ramifications for the fashion and textiles skills base in the UK and England.

The three scenarios put forward in this paper are "Globalisation Limited", "Asian Dominance-European Excellence" and "Advanced New Member States." Each of these scenarios are based on how the three major sector drivers of globalisation, environmental concerns and the restructuring of trade and economic policies will play within the fashion and textiles sector.

Figure 6.1 Three potential scenarios to the year 2020
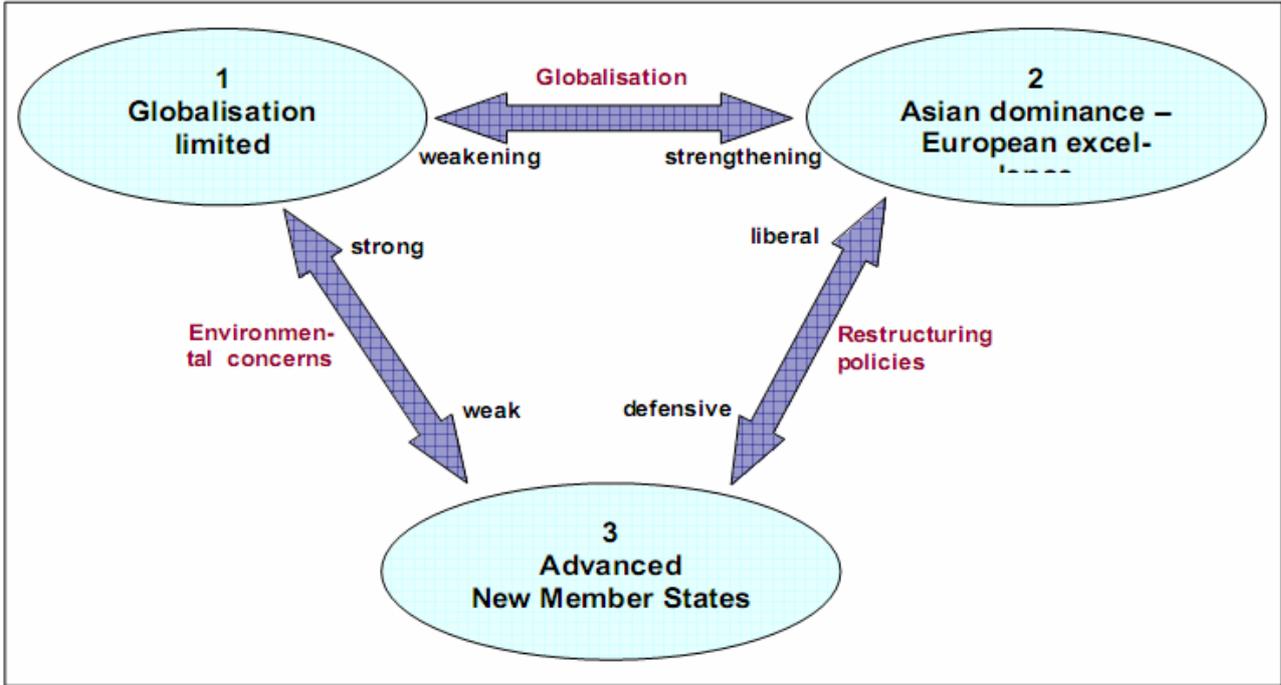
Source: Skills scenarios for the textiles, weaving, apparel and leather product sectors in the EU, 2008

The three scenarios can therefore be summarised as such:

Scenario 1: Globalisation Limited

Drivers: Globalisation Limited sees the effects of climate change and the environmental agenda change the way in which consumers, the Government and producers all currently make

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[81] Skills scenarios for the textiles, weaving, apparel and leather product sectors in the EU, 2008, Volger-Ludwig and Valente

their decisions. This in turn sees production return to a European base as manufacturing production is desirable to be carried out closer to the home market.

Employment implications: Whilst this pattern reduces the level of outsourcing and off-shoring that has been seen in the recent past, the employment implications for Europe as a whole are still negative with a 20-25% cut forecast from current levels.

Skills implications: The implication of this scenario will be that the domestic demand for UK and English produced goods driven by the sustainability agenda (and to an extent increasingly less advantage of wage drivers to off-shore and outsource) will continue to find a market. Assuming specialisation on existing operations occurs, there will be a large increased demand for trade workers within the apparel sector. At the same time this change will also see moderate returns for managers, computing professions (in relation to increasing technological changes in both production and management of supply chains functions) and engineers to enable this process to happen.

Scenario 2: Asian Dominance – European Excellence

Drivers: Asian Dominance sees the recent trends of strengthening globalisation and liberalisation of trade policies continue. Placed in these terms, the fashion and textiles sector will continue as it has been with industrial manufacturing continuing to be outsourced and off-shored to lower wage countries as the developing world is able to improve the quality of the products offered. EU countries will strengthen their technological lead and dominance of the high value, high technology market.

Employment implications: This scenario will see the greatest falls in employment terms for the European economy with a halving of current employment forecast. However, this scenario will have positive impacts for future employment within skilled and technical occupations as European producers continue to innovate and command a market lead in high value production.

Skills implications: The trend that has occurred over the past ten years will continue to impact on the UK. Textiles and clothing firms continue to move production away from the UK as the duel impact of increasing sophistication of overseas competitors able to replicate current high value goods produced in the nation. Whilst this has large negative effects on the industry, it does create opportunities at managerial, computing, engineering and business professional levels as design functions and management of supply chain activities become an even more prominent function and vital to the on-going success of UK businesses to manage global supply chains closer to home

Scenario 3: Advanced New Member States

Drivers: This scenario sees the lower cost EU Accession countries will continue to offer a production facility for the EU to continue manufacturing. As globalisation continues to negatively impact manufacturing employment, policy will be targeted at ensuring an integrated role for Europe. This will produce strong demand for production related skills in lower waged European countries and professionals in high-cost countries in an attempt to prevent the erosion of the manufacturing capability from within the European Union.

Employment implications: Again, as with Globalisation Limited, it is forecast this scenario will see a 20-25% cut in European employment levels to 2020. However, the configuration of jobs will be different with a great loss of trade workers with far greater emphasis on administration and the management of supply chains within a European context than at present.

Skills implications: The UK will experience continuing structural changes as supply chains reconfigure themselves once more. Production slowly creeps to new EU member states driven by increasing consumer demands for fast fashion and the sustainability agenda. The ability of UK producers to compete lies in their ability to cultivate customer relations and manage production from design through to branding and marketing activities.

Each of the key drivers at play and how that will influence each scenario is highlighted in the following table.

Table 6.7 Key drivers of change for the scenarios for fashion and textiles manufacturing

	Scenario 1 Globalisation limited	Scenario 2 Asian dominance- European excellence	Scenario 3 Advanced New Member states
Environmental costs	Rising significantly; Climate risks are strongly visible; Environmental policies with limited efficiency.	Rising; Environmental policies are effective; Climate risks remain manageable.	Rising; Environmental policies are effective; Climate risks remain manageable.
Markets	Consumers strongly concerned about climate risks; Global	Consumers appreciate environmental politics; Global market for top	Consumers prefer job creation and remain price-sensitive;

	Scenario 1 Globalisation limited	**Scenario 2** Asian dominance- European excellence	**Scenario 3** Advanced New Member states
	economy disintegrates due to environmental conflicts; Slow macro growth.	qualities; Global labour division is further developed; Strong macro-growth.	Medium macro-growth.
Knowledge base	Innovation concentrated on ecological technologies; Revival of traditional crafts; switch from foreign productivity to energy productivity.	Strong product innovation for speciality textiles; Design marketing and sales very important; Management of the value chain.	Mainly process innovation provided by machinery and organisational changes; Strong increase of labour productivity.
Competitiveness	Declining competitiveness of emerging countries due to high environmental costs; Ecological and social criteria have strong impact on competitiveness.	Strong position of emerging countries on low and medium quality segments; Strong position of European production of high value markets and speciality textiles.	Strong position of low-cost areas in Europe on medium quality segments; Strong position of high-cost areas on high value markets and speciality textiles.
Branch structures	Locally concentrated value chains due to high transport cost; small sized production networks; Rising share of craft business.	Closure of mass production; small sized innovation companies; Global networks of producers; Highly specialised crafts businesses.	Mass production remains in European low-cost areas; Switch from subcontractors to independent suppliers; Top qualities and international brands in high-cost areas.
Foreign trade	Low growth of world	Strong growth of world	Medium growth of

	Scenario 1 Globalisation limited	Scenario 2 Asian dominance- European excellence	Scenario 3 Advanced New Member states
	trade.	trade.	world trade.
Employment Change 2006-2020	-25%	-50%	-20%
Skills needs	Revival of production related trades; More managers and professionals in low-cost areas; Specialists for traditional crafts; General need for ecological competences.	Strong decrease of production related trades; Limited demand for highly specialised craftsmen; Strong increase for technical and commercial specialists; Computer professionals.	Strong demand for managers and commercial professionals in low-cost areas; Limited demand for technical specialists in high-cost areas; Decrease of production-related trades and craftsmen.

Source: Skills scenarios for the textiles, weaving, apparel and leather product sectors in the EU, 2008

6.5 Potential Future Actions

This report has reviewed a range of literature and data on the fashion and textiles sector in England. This has been supplemented by findings from a series of consultations that have been held with key representatives in the fashion and textiles sector. A review of this information points towards a number of key potential actions that are required to support the fashion and textiles industry in the future.

6.5.1 Supporting the sector to achieve its growth potential

Encouraging greater sector collaboration

There is scope for the fashion and textiles sector to work together far more effectively, be it across different elements of the supply chain, across different components of education and training provision, or between education and industry. There are opportunities for individual businesses to work together more effectively and for the sector as a whole to collaborate better.

In particular, communication and collaboration between designers and manufacturers in England should be improved. In comparison, consultees in the saddlery sector in England highlighted that the different elements of their sub-sector do share knowledge and work well together. As a further example, the Dutch dry-cleaners' association Netex established a project to set up a Fashion Care and Corporate Image Forum, which involves co-operation across the whole supply chain, including drycleaners, retailers, manufacturers and their respective trade associations in order to improve the industry's quality and professional image[82].

Leading the sustainability agenda

Sustainability is growing area of focus for the fashion and textiles sector and consultees highlighted that the UK industry could lead the way in responding to this challenge. There are already a range of initiatives underway, such as DEFRA's Sustainability Clothing Action Plan and the Carbon Trusts' carbon reduction label and standard, plus various initiatives being led by businesses such as Marks and Spencer. Overseas, NICE (the Nordic Initiative Clean and Ethical), which is being led by the Nordic Fashion industry, aims to take a lead on social and environmental issues. Businesses need to be encouraged and supported in order to effectively respond to the sustainability agenda and ethical requirements.

Building capacity and encouraging the growth of clusters

There is emerging evidence from other countries concerning the efficacy of supporting local fashion and textiles clusters or hubs in key cities and local areas. This enables a critical mass of colleges, designers, manufacturers and retailers to work in close proximity to one another. The proposed Local Enterprise Partnerships (LEPs) may be a way to encourage the development of clusters in the sector[83].

Effectively utilising technology

Technology is a key mechanism for enhancing the fashion and textiles sector in England. However, businesses face a range of barriers in adopting new technology, including cost, negative perceptions, insufficient knowledge and a lack of skills. Notwithstanding these issues, businesses and training providers need to endeavour to integrate new technologies into the sector in order to add value to products and improve the efficiency and effectiveness of processes. However, there also needs to be careful balance between adopting new technology

[82] Together professionals can make a difference, 2009 (www.laundryanddrycleaningnews.com)

[83] The Value of the UK Fashion Industry, 2010, British Fashion Council

and maintaining traditional craft skills, as consultees commonly cited that one cannot operate without the other.

6.5.2   Ensuring the sector meets its future skills needs

Investing in labour market intelligence

Continual investment in labour market intelligence ensures that there is an up-to-date evidence base to inform and support the evolution of the sector. This assessment provides a valuable source of information but it needs to be updated and refreshed on an ongoing basis.

Developing leadership and business management skills

A recurring theme across all sub-sectors in the fashion and textiles sector is the need to improve leadership and management skills. Consultations stated that the management skills gaps should be tackled by increasing the business content in fashion and textiles courses. Within the design sector, particularly, there is also scope to raise awareness of the opportunities afforded through business partnerships.

Marketing and raising awareness of opportunities within the sector

The fashion and textiles sector needs to promote the opportunities that exist within the sector. Skillset is already going someway to addressing this by developing 67 job descriptions, which will help to raise awareness of the opportunities available within the sector. In particular, this could raise awareness of the diversity of employment opportunities and address the current mismatch that leads to a surplus of those wishing to follow a career as a designer.

Supporting practical training opportunities

Consultees frequently expressed a need for individuals entering the sector to have practical experience and technical knowledge of the sector and this has been further evidenced by the skills survey data from NESS 2009. In particular, there is a need for individuals to have a much better understanding of the different elements of the fashion and textiles sector. Apprenticeships are considered to be an effective mechanism to support this, but the profile of these schemes needs to be improved and greater support is required to make these schemes more accessible to businesses.

Enhancing industry and education collaboration

There needs to be much greater collaboration between the industry and education in the fashion and textiles sector. At secondary school level, the industry needs to help raise awareness of the career opportunities available within the sector and the training routes available to potential students in order to help overcome the sector's poor image and to address the skills shortages emerging as a result of an ageing workforce. At further and higher education level, the industry needs to work more closely with training providers to identify training needs and expectations, thus ensuring that students have the necessary skills to work when they enter the industry. And finally, the industry needs to work closely with research institutes to develop and commercialise innovative products and processes that will help ensure the ongoing competitiveness of the sector.

Encouraging and supporting succession planning

Businesses in the fashion and textiles sector recognise the importance of succession planning to respond to the challenges presented by an ageing workforce. However, many businesses do not have plans in place. The sector needs to be encouraged and supported to think about options for up-skilling the existing workforce or encouraging the recruitment of individuals to address emerging skills shortages. However, there needs to be careful consideration to ensure that this support is delivered in a way that is appropriate for businesses and has due consideration for the every-day and more immediate pressures that businesses face.

Annex One: Supporting Data

Annex One: Supporting Data

Key occupational groupings translated into fashion and textiles occupations

Occupational group	Occupation	Example fashion and textiles occupations
Managers & senior officials	1121 Production, works & maintenance managers	Production manager, technical manager
Professional occupations	2122 Mechanical engineers	Engineer
Associate professional and technical	3111 Laboratory technicians	Textile technologist, dyeing technician
	3422 Product clothing & related designers	Textile/clothing designer, garment technologist
	3542 Sales representatives	Technical sales, sales executive
	3543 Marketing associate professionals	Marketing executive
Skilled trades occupations	5223 Metal working production and maintenance fitters	Tufting engineer, loom technician, sewing machine mechanic
	5411 Weavers and knitters	Weaver, knitter
	5413 Leather and related trades	Shoe maker, saddler, clicker, shoe repairer
	5414 Tailors and dressmakers	Tailor, kilt-maker
Process, plant and machines operatives	8113 Textile process operatives	Scourer, spinner, tufter, twister, warper
	8114 Chemical and related process operatives	Leather worker, dye-house operative
	8136 Clothing cutters	Pattern cutter
	8137 Sewing machinists	Body linker, collar linker, mender, repair hand, sewing machinist, seamer
	8139 Assemblers and routine operatives nec.	Machinist – footwear/leather-goods
Elementary occupations	9234 Launderers, dry cleaners, pressers	Dry cleaner, garment finisher, laundry operative, presser

Source: Skillfast-UK 2005

Geography of the English Fashion and Textiles Workforce

UKSIC	Description	North East	North West	Yorkshire & Humber	East Midlands	West Midlands	East of England	London	South East	South West	England
15113	Fellmongery	0	50	380	30	10	160	20	20	110	780
17	Textile manufacture	2,710	19,020	17,060	15,180	5,870	4,880	4,280	5,800	5,860	80,660
18	Clothes manufacture	1,630	6,810	3,990	9,550	5,020	3,300	9,880	2,900	2,600	45,680
19	Leather manufacture	370	1,800	590	4,110	1,390	800	810	710	3,360	13,940
2124	Wallpaper manufacture	0	0	0	*	10	*	*	0	0	10
24422	Non-medicaments manufacture	0	50	*	20	130	0	0	20	0	220
247	Manmade fibre manufacture	80	1,180	290	90	470	110	70	80	370	2,740
3310	Medical equipment manufacture	50	170	110	180	30	*	*	180	690	1,410
4543	Floor/wall covering	290	760	700	510	680	890	480	1,410	840	6,560
5111	Agents raw materials	40	1,530	660	330	150	210	510	110	100	3,640
5116	Agents textiles/clothing/leather	1,200	2,820	1,300	1,000	550	620	1,550	510	4,640	14,190
5124	Wholesale hides/leather	20	220	160	150	60	60	220	60	30	980
5141	Wholesale textiles	130	3,690	2,150	2,210	990	480	3,290	1,340	550	14,830
5142	Wholesale clothing/footwear	1,790	8,140	2,870	7,380	3,320	2,470	10,380	2,790	5,340	44,480
51479	Wholesale other household goods	230	580	630	240	370	430	930	410	200	4,020
5156	Wholesale intermediate products	0	20	340	10	0	0	20	0	10	400
5271	Repair shoes/leather	150	580	300	310	310	370	710	520	290	3,540
5274	Other repair	490	1,440	800	710	880	990	1,010	1,520	900	8,740
71409	Rent personal/household goods	60	150	150	180	210	280	160	570	440	2,200
74872	Speciality design	80	340	130	270	300	90	1,740	260	270	3,480
9301	Wash/dry clean	1,360	4,540	3,080	3,210	3,100	5,840	10,150	6,820	3,460	41,560
											0
	Total	10,710	53,890	35,910	45,570	23,850	22,030	46,230	26,050	30,050	294,290
											0
	Technical Textiles	210	870	340	810	340	550	200	740	350	4,410

Source: tbr 2008

The data at a regional level indicates the highest employing regions for fashion and textiles in England are the North West, London and the East Midlands followed by Yorkshire and Humber.

The figures in the table above point to a number of trends and specialism's within the English fashion and textiles sector. For instance, it can be seen that textile manufacture is most prevalent within the North West, Yorkshire and Humber and the East Midlands, whereas clothing manufacture is most predominant within London and the East Midlands.

Leather and leather goods manufacture, that includes the manufacture of shoes and Saddlery, is mostly located within the East Midlands and the South West.

Wholesaling activities are centred around London, the North West, the East Midlands and the South West reflecting both accessibility to markets and the servicing of production centres.

Service activities on the whole reflect the urban conurbations they represent. In this respect, London has the largest number of repair of shoes/leather and washing and dry-cleaning employment followed by the South East.

Emphasising London's pre-eminence as a major world fashion and design hub, over half of all speciality design employment is centred within the capital.

UK fashion and textile manufacturing within a European context
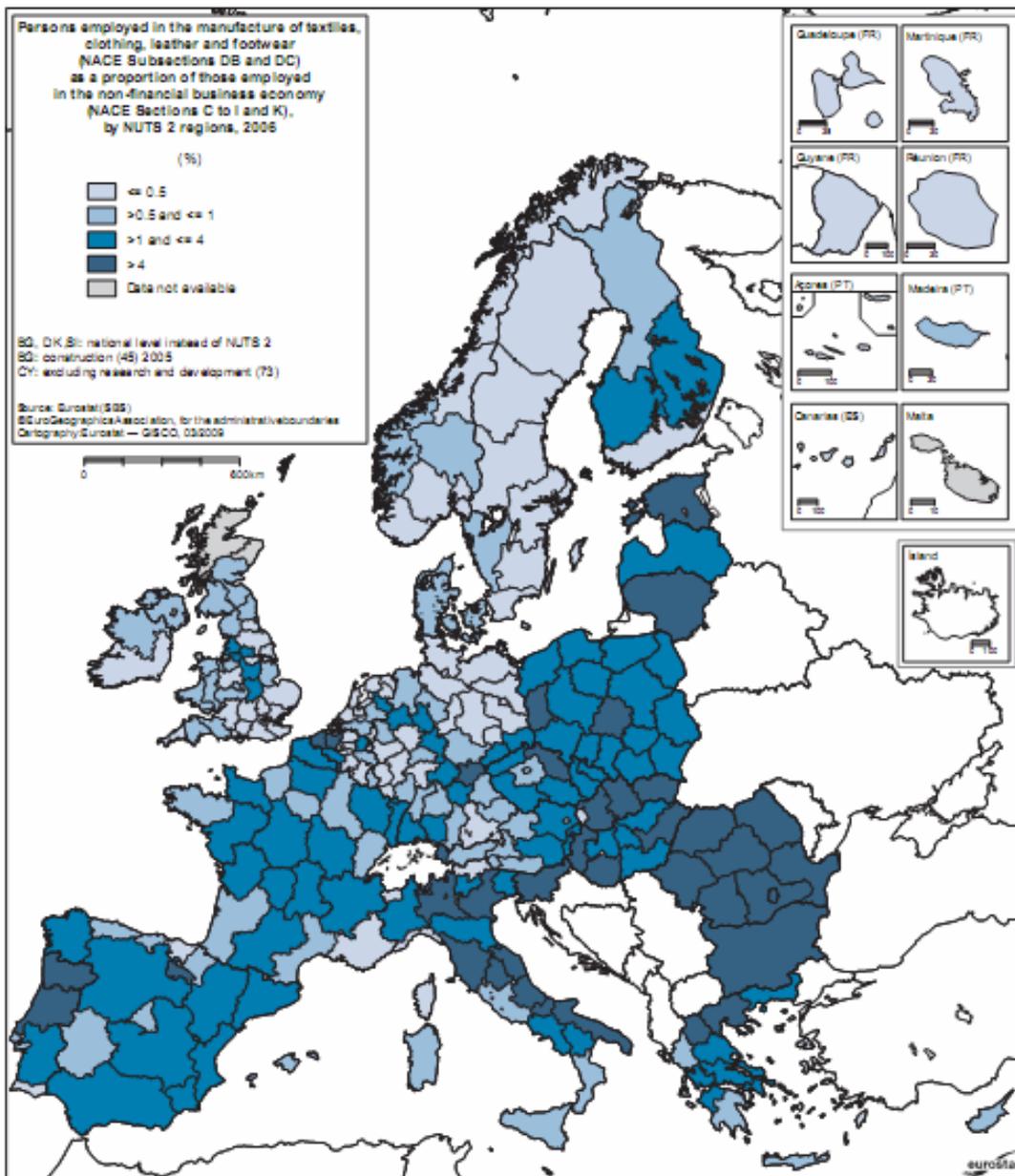
Source: Eurostat Business Review 2009

Exports of selected fashion and textiles goods from England by nation (£000's)

Leather and leather products		Textile Yarn, Fabrics and made-up articles		Articles of apparel and clothing accessories		Footwear	
Italy	14,626	Germany	196,945	Irish Republic	668,294	Irish Republic	156,549
Hong Kong	13,376	Netherlands	155,716	Germany	442,027	Germany	103,522
USA	7,912	France	141,756	France	300,665	France	62,700
China	5,937	Irish Republic	127,393	Italy	206,928	Netherlands	54,733
Thailand	5,219	USA	104,424	Spain	115,823	Italy	52,478
Germany	5,216	Italy	92,668	UAE	111,835	Spain	37,955
Other Asia & Oceania	4,932	Romania	91,317	USA	96,671	Belgium	21,574
India	3,454	Belgium	72,110	Netherlands	89,258	Sweden	15,702
France	3,024	Spain	71,756	Greece	81,742	UAE	12,426
Netherlands	2,734	Poland	57,493	Russia	68,524	Greece	12,341
Irish Republic	2,404	Czech Republic	38,992	Belgium	66,337	Denmark	11,375
Greece	1,767	Turkey	34,427	Turkey	57,689	USA	10,862
Philippines	1,694	Portugal	33,516	Czech Republic	54,873	Japan	10,072
Russia	1,693	Sweden	33,151	Denmark	43,753	Poland	9,215
Japan	1,664	Morocco	32,746	Sweden	41,887	Russia	8,408
UAE	1,561	Luxembourg	29,899	Hong Kong	39,666	Austria	8,311
Other	17,176	Other	581,997	Other	544,896	Other	81,407
Total	**94,389**	**Total**	**1,896,306**	**Total**	**3,030,868**	**Total**	**669,630**

Source: HMRC (Excludes unknown export market information)

Demographics of the English Fashion and Textiles sector

	England Fashion and Textiles	England All in Employment	UK Fashion and Textiles
Female	50%	46%	50%
Aged 24 and under	11%	13%	11%
Aged 45 and over	46%	40%	47%
BAME background	18%	9%	16%
Self-employed	20%	13%	21%
Part-time	25%	26%	25%
In job over 5 years	51%	51%	52%
Non-UK National	15%	10%	15%
NVQ L4 and above	19%	35%	19%
Below NVQ L2	37%	20%	37%

Source: Annual Population Survey 2009

## Fashion and Textiles employer key skills priorities by sub-sector

	Total	Apparel and Sewn products	Design	Footwear and Leather	Laundry and Dry Cleaning	Textiles
Recruiting and retaining able young people to replace workers who are nearing retirement	**48%**	43%	42%	49%	53%	57%
Improving sales and marketing skills, including the skills needed for international trading	**47%**	50%	56%	38%	40%	67%
Improving management leadership and supervisory skills	**47%**	43%	55%	41%	52%	62%
Improving the quality of in-house training, e.g. through development of in-house coaches	**41%**	37%	45%	42%	51%	47%
Improving numeracy literacy and other basic skills	**40%**	36%	45%	41%	45%	46%
Finding colleges and or training providers that can deliver relevant training in technical skills	**38%**	36%	52%	41%	33%	50%
Finding graduates with the right practical and commercial skills and knowledge	**27%**	29%	53%	25%	15%	35%
Implementing new productivity techniques such as lean manufacturing approaches	**23%**	24%	28%	14%	19%	37%
Attracting science and technology graduates who can help to develop new products and processes	**15%**	14%	25%	9%	14%	23%
Bringing in and training migrant workers from Eastern Europe and elsewhere	**11%**	9%	10%	9%	16%	11%

Source: Fashion and Textiles Employer Survey 2008

Skills Utilisation

An area of literature that is achieving prominence within the skills debate is that of high performance working practices (HPWP) and skills utilisation. A large body of recent research is looking at how firms holistically use their given resources, moving away from looking at the skills debate by focussing purely on qualification attainment in isolation.[84]

One model that has been developed and researched into is the 4A model that gives a number of key measures around the 4A's of ability, attitude, application and access.[85]

individual capability

ability
eg, skills,
training,
education

attitude
eg,
engagement,
involvement

development

deployment

access
eg,
resourcing,
recruitment

application
eg,
strategy,
structure

organisational action
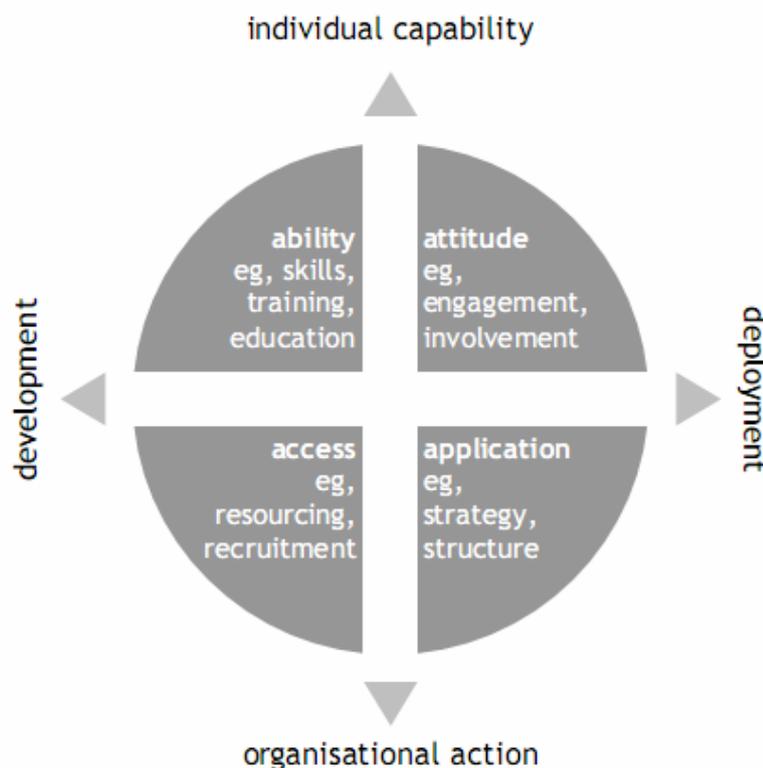
Source: Tamkin, P, Giles, L, Campbell, M and Hillage, J (2004) Skills Pay: The Contribution of Skills to Business

Using this model, research based on 2,905 companies employing at least 25 people across the UK found that a 10 per cent increase in business investment in Human Resource Management, training and management practices equated on average to:

[84] Please see UKCES 2009. High Performance Skills practices: A literature review and Scottish government 2008, High Performance working practices: A literature review.
[85] People and the Bottom Line, 2008, P Tamkin, M Cowling, W Hunt

- An increase in gross profits per employee of between £1,139 and £1,284.
- An increase in profit margins per employee of between 1.19 per cent and
   3.66 per cent (i.e. the ratio of profit over sales).
- A 0.09 per cent increase in sales growth per employee.
- A 3.1 per cent increase in the probability of achieving sales from new technology.

The research originally took 76 measures of HR practices and after analysis distilled them into 12 key human resource activities that were seen to have the greatest level of impact on business performance within the 4A model. These are:

Access

1. Proportion of new appointees tested on recruitment
2. Proportion of new appointments for which there was a person specification
3. Proportion of employees covered by a succession plan

Ability

4. Proportion of workforce that have a current personal development plan
5. Proportion of the workforce that have a career development plan
6. Proportion of employees qualified to degree level

Attitudes

7. Proportion of managers that left voluntarily over the last twelve months
8. Proportion of staff that receive profit related pay
9. Proportion of staff that have a regular appraisal
10. The frequency with which staff have one-to-ones

Application

11. Who decides on the pace of work (1 = exclusively managers; 5 = exclusively workers)
12. Who decides on task allocation (1 = exclusively managers; 5 = exclusively workers)

Given the minimum size of company was 25 employees and therefore intended for firms with a degree of employment (research conducted by the UKCES has shown small firms whilst not formally adhering to these "good practice" measures may well be using informal methods as

proxies on this to mixed results and expectations from the employee)[86], whereas the fashion and textiles sector is dominated by smaller micro companies, these measures provide a key tracking mechanism for which employers are able to track and baseline their performance against the set criteria.

In addition, there are three items from the survey which have not been suggested as a measure as they do not test degree of adoption, rather they capture whether a process exists or not. As the presence or absence of the process is indicated as important in the regression analysis, they are included and it is suggested that organisations ensure that these three processes are in place:

Ability

1. The organisation evaluates development in a systematic way
2. The organisation focuses on the long term development of its managers

Application

3. The organisation encourages and captures the suggestions of the workforce

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[86] Skills and the small firm, 2010, UKCES

Skills and demographic information across the English regions

	East of England	East Midlands	London	North East	North West	South East	South West	West Midlands	Yorkshire and Humber	England
Whether have any vacancies	10%	10%	10%	6%	10%	10%	7%	14%	9%	10%
Whether have any hard to fill vacancies	4%	2%	5%	1%	3%	2%	3%	3%	3%	3%
Whether have any skills shortage vacancies	3%	2%	5%	1%	2%	1%	2%	2%	3%	3%
H2F vacancies as % of vacancies	**31%**	**16%**	**35%**	**15%**	**21%**	**21%**	**18%**	**22%**	**41%**	**27%**
Skills shortage vacancies as a % of vacancies	**19%**	**14%**	**29%**	**7%**	**11%**	**17%**	**13%**	**18%**	**24%**	**20%**
Provide both off-the-job and on-the-job training	24%	17%	14%	16%	18%	22%	25%	15%	18%	18%
Provide off-the-job training only	5%	12%	8%	9%	10%	8%	12%	7%	12%	9%
Provide on-the-job training only	22%	20%	17%	18%	15%	24%	20%	15%	19%	19%
Provide neither off-the-job nor on-the-job training	49%	50%	62%	57%	57%	46%	43%	63%	51%	54%

Source: NESS 2009 (Bold type = employee base has been used to demonstrate the proportion of employment rather than employers)

Introduction to the 2008 Global Manufacturing Management Survey

The 2008 Global Manufacturing survey interviewed firms and subsequently scored them on 18 separate measures identified as being areas that lead to general business improvement. These responses were then scored on a one-to-five basis, with an award of five being viewed as an example of best practice. Forty-four fashion and textiles firms from the UK took part in this study and were found to perform below both Fashion and Textiles manufacturers in other countries but also compared to UK manufacturing. The 18 separate measures of best practice identified by the survey and offer valuable lessons to fashion and textiles employers were as follows:

1) Introduction of modern manufacturing techniques; What aspects of manufacturing have been formally introduced, including just-in-time delivery from suppliers, automation, flexible manpower, support systems, attitudes, and behaviour?

2) Rationale for introduction of modern manufacturing techniques; Were modern manufacturing techniques adopted just because others were using them, or are they linked to meeting business objectives like reducing costs and improving quality?

3) Process problem documentation; Are process improvements made only when problems arise, or are they actively sought out for continuous improvement as part of a normal business process?

4) Performance tracking; Is tracking ad hoc and incomplete, or is performance continually tracked and communicated to all staff?

5) Performance review; Is performance reviewed infrequently and only on a success/failure scale, or is performance reviewed continually with an expectation of continuous improvement?

6) Performance dialogue; In review/performance conversations, to what extent is the purpose, data, agenda, and follow-up steps (like coaching) clear to all parties

7) Consequence management; To what extent does failure to achieve agreed objectives carry consequences, which can include retraining or reassignment to other jobs?

8) Target balance; Are the goals exclusively financial, or is there a balance of financial and non-financial targets?

9) Target interconnection; Are goals based on accounting value, or are they based on shareholder value in a way that works through business units and ultimately is connected to individual performance expectations?

10) Target time horizon; Does top management focus mainly on the short term, or does it visualize short-term targets as a "staircase" toward the main focus on long-term goals?

11) Targets are stretching; Are goals too easy to achieve, especially for some "sacred cows"

areas of the firm, or are goals demanding but attainable for all parts of the firm?

12) Performance clarity; Are performance measures ill-defined, poorly understood, and private, or are they well-defined, clearly communicated, and made public?

13) Managing human capital; To what extent are senior managers evaluated and held accountable for attracting, retaining, and developing talent throughout the organization?

14) Rewarding high performance; To what extent are people in the firm rewarded equally irrespective of performance level, or are rewards related to performance and effort?

15) Removing poor performers; Are poor performers rarely removed, or are they retrained and/or moved into different roles or out of the company as soon as the weakness is identified?

16) Promoting high performers; Are people promoted mainly on the basis of tenure, or does the firm actively identify, develop, and promote its top performers?

17) Attracting human capital; Do competitors offer stronger reasons for talented people to join their companies, or does a firm provide a wide range of reasons to encourage talented people to join?

18) Retaining human capital; Does the firm do relatively little to retain top talent or do whatever it takes to retain top talent when they look likely to leave?

Source: Global Manufacturers Management Survey, 2009, McKinsey/LSE