

A photograph of three models walking in profile from left to right. The model on the left has long, flowing blonde hair and is wearing a dark floral dress with a red turtleneck. The two models on the right are Black women with short hair, wearing similar dark floral dresses with red turtlenecks. They are walking past a stone building with large windows. The image is overlaid with a semi-transparent dark grey filter.

GROWING #FASHIONSFUTURE

5 PRIORITIES FOR AN INCOMING GOVERNMENT

5th JULY 2024

BRITISH
FASHION
COUNCIL



INTRODUCTION

The 2024 general election came at a crucial time for the fashion industry. Government engagement is much needed for our future success. As we celebrate 40 years of London Fashion Week it is a great moment to celebrate the diversity and impact of British fashion, whilst being realistic about the challenges that face the sector.

Globally, but particularly in the UK, market conditions remain tough for fashion businesses. Here, we are feeling the challenges of our new trading relationships with suppliers and customers in Europe, and we are rebuilding our businesses after the shock of the pandemic. While promoting responsible growth, we are striving to promote British independent businesses in a global market which is experiencing a great deal of uncertainty.

We encourage public investment across all the creative industries and broader business sectors; however, we believe the UK fashion industry is underestimated and underfunded by government. For example, the Theatre Sector recently reported a GVA of £2.4bn¹ (equivalent to 8% of Fashion and Fashion Retail's GVA) whilst receiving approximately £167m of state aid from central government (through Theatre Tax Relief² and Arts Council England Grants³.) This represents approximately 83.5 times the investment the fashion sector receives from the UK Government (approximately £2m per year.)

The British Fashion Council looks forward to refreshing our partnership with government, whose support we need to design and deliver **#FashionsFuture**. We are world leaders culturally and creatively and can be stronger commercially.

Caroline Rush CBE
CEO – British Fashion Council





ABOUT THE UK FASHION SECTOR

Economic Impact & Employment

The British Fashion and Fashion Retail Sectors remain crucial economic and social drivers within the UK's world-leading creative industries, directly generating £28.9bn in GVA and employing 819,000 people (supporting a total of £67.5bn in GVA and over 1.4mi jobs through broader supply chain and consumer impacts) in the UK economy⁴

Compared to other leading sectors, fashion's direct contribution to the UK economy is greater than that of the aerospace, defence, and space sectors combined (£27.7bn) and employs over double their combined sector headcount of 304,000⁵.

Cultural & Creative Impact

The UK is recognised as a crucial incubator of global fashion talent, known for its eclectic and avant-garde style and iconic designers who have disrupted and challenged fashion conventions. Through the decades, Vivienne Westwood, Paul Smith, John Galiano, and Alexander McQueen have all shown radical and exciting collections at London Fashion Week, drawing inspiration from the creative ecology around them.

Alongside radical designers reinventing fashion such as JW Anderson, Simone Rocha, Priya Ahluwalia and Paulo Carzana, the UK is a centre of expert craftsmanship exhibited by heritage brands such as Burberry and Mulberry, as well as the new establishment typified by such brands as Erdem, Roksanda and Emilia Wickstead, which continue to produce instantly recognisable products.

British fashion is also at the forefront of sustainable and ethical fashion movements. Designers like Stella McCartney and Christopher Raeburn have championed environmentally friendly practices and materials, setting new industry standards.

The sector's creative impact is evident in its ability to continuously reinvent itself, blending traditional craftsmanship with cutting-edge innovation and forward-looking business practices centred on sustainability.



5 PRIORITIES TO GROW #FASHIONSFUTURE

The British Fashion Council has identified five priorities for a new government to enhance economic and social growth, employment and opportunity in the fashion sector:

#1 RESTORE THE VAT RETAIL EXPORT SCHEME (ALSO KNOWN AS “TAX-FREE SHOPPING”) AND REFORM BUSINESS RATES TO BOOST GROWTH IN THE FASHION RETAIL SECTOR

#2 GREATER TRADE AND EXPORT INVESTMENT FOR UK FASHION DESIGNERS

#3 SUPPORT OUR WORLD-LEADING FASHION EDUCATION SECTOR WITH A COMMITMENT TO STEAM, NOT STEM

#4 DEVELOP A NEW GENERATION OF BUSINESSES AND SKILLED WORKERS IN THE FASHION SECTOR

#5 INTRODUCE LEGISLATION TO ACTIVATE SUSTAINABLE BUSINESS PRACTICES TO MEET DECARBONISATION AND NET-ZERO TARGETS



RESTORE THE VAT RETAIL EXPORT SCHEME (ALSO KNOWN AS “TAX-FREE SHOPPING”) AND REFORM BUSINESS RATES TO BOOST GROWTH IN THE FASHION RETAIL SECTOR

THE CHALLENGE

Tax-Free Shopping

In Q4 of 2023, retail spending in London’s West End was down 15%, despite international visitor numbers being level with the same period in 2019. Comparatively, in France and Spain, international visitor spending has nearly tripled amongst certain nationalities since 2019⁶.

The UK is now the only major economy in Europe that does not offer tax-free shopping to overseas visitors⁷. This places UK fashion designers, retailers and manufacturers at a significant competitive disadvantage compared to other markets.

Business Rates & Taxation

Currently, physical and omni-channel fashion retailers face significant competitive challenges against online-only retail.

THE OPPORTUNITY

Tax-Free Shopping

The British Fashion Council has joined over 400 other businesses in the retail, hospitality, tourism, travel, and other sectors in calling for the scheme to be restored to ensure competitive parity with neighbouring nations.

Business Rates & Taxation

An incoming government should develop a long-term, dynamic business rate and business taxation strategy that incentivises growth and employment in brick-and-mortar retail, drives activity on the high street and deepens business engagement with local communities.

THE RETURN ON INVESTMENT

Whilst HM Treasury is unwilling to look beyond their own projections on the impact of reinstating the VAT RES scheme, the most recent independent research suggests that reintroducing the scheme would, in fact, deliver additional revenue of £2.3bn and 2 million more tourists a year⁸, rather than represent a loss to UK Plc.

“

The re-introduction of a tax-free shopping scheme after a three year hiatus would have a massive impact on the country, boosting the economy, jobs, the retail and hospitality sector and cultural institutions up and down the country. The benefits would be far reaching. Selfridges urgently calls on all parties to make this part of their election manifesto and to follow through. Creating attractive high streets and environments for UK tourism for the long term must be a priority for the next Government.

Andrew Keith
CEO – Selfridges

”



GREATER TRADE AND EXPORT INVESTMENT FOR UK FASHION DESIGNERS

THE CHALLENGE

The UK Fashion sector is predominantly made up of entrepreneurs, micro-businesses and SMEs. The British Fashion Council work to promote these businesses into a global marketplace dominated by European Conglomerates with significant market share. Not only do our European competitors have significant advantages in scale, but they also benefit from far greater support from their governments to promote their businesses.

For example, while London Fashion Week receives approximately £700k a year from public funders, Berlin Fashion Week receives approximately €4.5m from the State of Berlin alone⁹.

Since the Withdrawal of the UK Tradeshow Programme, there has been no direct DBT support for businesses to access international tradeshows.

THE OPPORTUNITY

To address this concern, the British Fashion Council is calling for targeted programmes delivering greater investment in the London Fashion Week international buyers and press programme, financial support for designers to access international market weeks and trade shows, growing UK fashion business and exports.

We would also encourage the government to pursue more targeted trade missions and a strategic approach to reducing trade barriers with the European market post-Brexit.

THE RETURN ON INVESTMENT

We are asking the government to commit to allocating funds and resources to support our trade activity for the length of the parliament. We estimate that with the investment of £2m a year (£1.4m to promote activity overseas at 8 leading global fashion shows and £600k to support Foreign Direct Investment at London Fashion Week), the British Fashion Council will be able to leverage significant returns on investment through sales by British Businesses¹⁰. At London Fashion Week February 2024, every £1 invested into the guest programme by DBT led to a return of at least £295 in sales to buyers participating in the programme. (DBT investment = £60,000, total guest programme budget = £126,000, sales generated to date = £17,724,500)

“

There is now an opportunity to engage with a new government to create a new environment for the fashion industry. It is an opportunity to encourage a new vision that is prepared to look beneath fashion's cliché veneer and acknowledge it as a diverse multi-cultural force that deserves serious recognition for its employment capabilities and its thriving creative businesses.

Jenny Packham
British Fashion Designer

”



#FASHIONSUTURE

#3

SUPPORT OUR WORLD-LEADING FASHION EDUCATION SECTOR WITH A COMMITMENT TO STEAM, NOT STEM

THE CHALLENGE

A global study by the Business of Fashion in 2019 showed that 6 of the top 37 undergraduate fashion design courses and 3 of the top 16 graduate fashion design courses are in the UK¹¹.

However, recent rhetoric from the UK Government and politicians has consistently devalued arts and creative higher education compared to science, technology, engineering and maths courses.

THE OPPORTUNITY

To do this, we must ensure that the UK remains the world leader in creative education by supporting creativity in our schools and maintaining funding for arts, design, and craft subjects in higher education. In practice, this means more significant investment in Arts subjects alongside Science, Technology, Engineering and Maths.

THE RETURN ON INVESTMENT

With the right support, the cultural and creative industries could create an additional 1 million jobs by 2030¹² and drive thriving creative and dynamic economic growth.

“

British Fashion education is at the vanguard of change in our industry. There is an urgent need to ensure equitable access to transformational opportunities in schools and colleges. To support and fund Higher Education to innovate through research and continue to provide the pipeline of creatives, entrepreneurs and changemakers that the fashion industry needs to retain its economic impact and address the global challenges of our time.

Dr Jo Jenkinson
Manchester Fashion Institute at Manchester Metropolitan University

”



DEVELOP A NEW GENERATION OF BUSINESSES AND SKILLED WORKERS IN THE FASHION SECTOR

THE CHALLENGE

The UK fashion industry spans design, manufacturing, retail and creative services. It is recognised as a crucial incubator of global fashion talent, with a network of world-leading creative academic institutions and the British Fashion Council's NEWGEN initiative developing new creative businesses.

However, the fashion market is truly global, both in terms of production and retail demand. To remain competitive, the UK fashion market will require continued engagement and investment from the UK government with our growth and scale schemes.

THE OPPORTUNITY

The British Fashion Council's NEWGEN scheme has acted as a business incubator for 30 years, supporting new designers with business support and growth, as well as providing them with a low-cost show space at London Fashion Week to market their products.

We are asking for support to continue our world-leading development schemes and a commitment to work with us to develop a diverse, skilled workforce to future-proof the industry from product design to consumer engagement.

We are asking the government to continue to fund this crucial activity and allocate £1.5m a year in each year of the parliament to support and promote the growth of new British fashion talent¹³.

THE RETURN ON INVESTMENT

The British Fashion Council believes this investment will lead to significant economic growth and employment within the fashion sector, supporting emerging brands to scale.

“

For decades, the UK has been a crucible for design talent that forms much of the creative backbone of the international industry. British designers are found throughout the industry internationally, both holding senior positions within houses as well as those running their own businesses. The support offered by the British Fashion Council through their NEWGEN scheme is fundamental to growing not only my business and creative practice, but to the preservation of London's status as an international fashion capital within the industry. The mentoring and business development, as well as access to a low-cost venue to show my collections, means that I'm able to focus on developing my brand whilst the British Fashion Council supports me in commercialising and marketing my product, whilst providing an essential lifeline to the nurturing of emerging talent coming out of London and the country at large. Without the support of NEWGEN, the challenges to scaling my business would be much greater, and, beyond my own experience, it is probable that many leading British figures in the industry would not be where they are today.

Luke Derrick
Menswear Designer & NEWGEN 2024/25 Recipient

”



INTRODUCE LEGISLATION TO ACTIVATE SUSTAINABLE BUSINESS PRACTICES TO MEET DECARBONISATION AND NET-ZERO TARGETS

THE CHALLENGE

With the global apparel market frequently identified as the 3rd largest polluter in the world¹⁴¹⁵, the UK fashion sector is acutely aware of its impact on the environment and societies worldwide.

THE OPPORTUNITY

The British Fashion Council and its Institute of Positive Fashion stand ready to work with the government to develop a practicable regulatory framework, which will meet industry and climate needs. With this approach, it can activate better business practices addressing sustainability concerns, harmonised with international standards and regulations in other global markets, particularly the EU. This approach will accelerate industrial transformation to ensure a just and prosperous UK fashion industry.

THE RETURN ON INVESTMENT

The British fashion sector has always been seen as a creative leader in the sustainability space. With the right investment and infrastructure support from the UK Government, we can become commercial leaders too, ensuring that the fashion sector plays its part in ensuring that the UK meets its ambitious net zero and sustainability targets whilst promoting the UK as a leader on the climate agenda throughout the global fashion economy.

“

For over 25 years our business has championed sustainability and design in the UK and globally. To date we have been at the forefront of reducing single-use plastic consumption (30 billion+ units) and helped lead a more reusable agenda for consumers and businesses. This has only happened when government, national institutions (such as the British Fashion Council, WRAP etc.) come together with private business to support a wider, healthier, and more sustainable economy. It would be imperative for a new government, in 2024 and beyond, to work hard to focus on a more circular economy to support our planetary needs, and boundaries. Our involvement in global supply chain requires better international harmonisation on stock and materials movement to support a more circular agenda (from upcycling to better textile reuse).

”

Dr R. Sri Ram

Founder – Bags of Ethics/Supreme Creations





ABOUT THE BRITISH FASHION COUNCIL

The British Fashion Council is a world-leading organisation in the global fashion industry. We represent and empower over 250 British fashion designers and retailers as leaders in responsible, creative business and engage all within the British fashion industry to contribute to positive growth.

We do this by pioneering world-class programmes that unlock and elevate British talent, delivering world-leading support and events to fashion entrepreneurs and businesses and championing British fashion as a creative force on the world stage.

The British Fashion Council curates London Fashion Week (this year celebrating its 40th anniversary), hosts the annual Fashion Awards at the Royal Albert Hall, manages the Institute of Positive Fashion, and delivers over £1m worth of support annually through the British Fashion Council Foundation, including to our world-leading NEWGEN programme, which fosters the next generation of creative talent.



The IPF celebrates industry best practice and encourages future business decisions to create positive change in the fashion industry through focus on three pillars: environment, people and community & craftsmanship.



These 5 priorities to grow the UK's **#FashionsFuture** are targeted, proportional actions to support economic and social growth, employment and opportunity in the fashion sector.

The British Fashion Council can provide detailed policy costs and projected Return on Investment across our priorities, showing a clear economic and creative return for investment in growing the UK Fashion Sector.

By supporting UK fashion businesses, a new government will show that it is serious about growth, employment, and opportunity in the creative industries and wider economy. It will also project British creativity on a global stage through the promotion of our world-leading brands and businesses.



SOURCES

1. <https://solt.co.uk/economics-of-theatre/>
2. <https://www.gov.uk/government/statistics/creative-industries-statistics-august-2023/creative-industries-statistics-commentary-august-2023>
3. <https://www.artspromotional.co.uk/news/npo-decisions-enlarged-portfolio-shifts-funding-away-london#:~:text=In%20terms%20of%20disciplines%2C%20the,will%20receive%20%C2%A334.7m.>
4. <https://www.britishfashioncouncil.co.uk/uploads/files/1/Oxford%20Economics%20report.pdf>
5. <https://www.adsgroup.org.uk/knowledge/facts-figures/>
6. <https://www.cityam.com/one-clear-trend-from-london-fashion-week-the-tourist-tax-is-failing-retail/>
7. <https://www.wevat.com/blog-articles-en/tax-free-shopping-in-the-eu-ultimate-guide-to-vat-refund-for-tourists-travelling-in-europe>
8. <https://cebr.com/reports/removal-of-tax-free-shopping-costing-10-7bn-in-lost-gdp-and-deterring-two-million-tourists-a-year-report-concludes/>
9. <https://fashionunited.com/news/fashion/how-has-berlin-fashion-week-evolved-in-the-hands-of-the-fashion-council-germany/2024022958642>
10. A detailed costing is available on request at government@britishfashioncouncil.com
11. <https://www.businessoffashion.com/education/best-schools>
12. <https://www.gov.uk/government/publications/creative-industries-sector-vision/creative-industries-sector-vision-a-joint-plan-to-drive-growth-build-talent-and-develop-skills#chapter-2-workforce:~:text=from%202022%2D2025.,Chapter,-2.%20Workforce>
13. A detailed costing is available on request at government@britishfashioncouncil.com
14. <https://www.weforum.org/agenda/2021/09/fashion-sustainability-revolution-sdis21/>
15. <https://www.worldbank.org/en/news/feature/2019/09/23/costo-moda-medio-ambiente#:~:text=Every%20year%20the%20fashion%20industry,needs%20of%20five%20million%20people.&text=The%20fashion%20industry%20is%20responsible,flights%20and%20maritime%20shipping%20combined>

A photograph of two women laughing and interacting with their hands. The woman on the left has reddish-brown hair and is wearing a blue denim-style dress with a large necklace of round wooden beads. The woman on the right is Black and wearing a purple top and dark pants. They are both smiling broadly and looking at each other's hands, which are held up in a playful gesture. The background is a plain, light-colored wall.

CONTACT

For further information, including detailed costs for current and proposed programmes, and projected returns on investment, please contact government@britishfashioncouncil.com