STARGATE AI LTD · COMPANION PAPER · BY ALAN MICHAEL PERCY

British Fashion Should Be Made Here — And Here Is How We Rebuild It

A companion paper written in support of Saeed Khilji, Chair of the Textile Manufacturing Association of Leicestershire, whose Channel 4 appearance and LinkedIn post "The Silent Collapse of UK Fashion Manufacturing" put the sector back on the national agenda. Written by Alan Michael Percy, Stargate AI Ltd, London. Prepared 19 July 2026.

Why this paper exists

Saeed Khilji has said in public what many people inside British garment manufacturing have known for years. Factories are closing. Skilled owners are being pushed out of the trade. Fabric suppliers are losing millions to invoices that will never be paid. Rising energy costs, inflation, price pressure and shrinking retail orders have combined to push long-established businesses beyond survival. Every closure takes jobs, skills and heritage with it.

His message is right. This paper does not argue with any of it. It stands alongside it, and adds the recovery evidence and policy levers that turn the same warning into an actionable national plan.

> British fashion shouldn't only be designed here. It should be made here. That is Saeed Khilji's line, and it is the line this paper is written to support.

The core argument in one line

The British fashion industry is funded. The money is going in the wrong direction. It has to be allocated to manufacturing, or manufacturing will die on the factory floor.

Public and quasi-public money continues to flow into design programmes, showcases, events, talent pipelines, circular-fashion strategy and central fashion institutions. None of that is wrong on its own. But if the factory base that would industrialise UK design continues to contract, the domestic return on all that upstream funding falls with it. The correction is not less funding for fashion. It is redirecting a defined share of existing fashion funding to the factory floor — skills, equipment, process improvement, digitalisation, apprenticeships and low-carbon production — before the manufacturers Saeed Khilji is speaking for are gone.

What Saeed Khilji has documented, backed by the public record

Every point Saeed Khilji raised in his Channel 4 appearance and LinkedIn post is corroborated by primary and trade-press sources:

- Factory closures at scale in Leicestershire. The Apparel and Textile Manufacturers Federation reports Leicester had roughly 700 factories five years ago and only 60–100 remain today (BBC News).
- Cost pressure driving further closures. Apparel and Textile Manufacturers Federation (ATMF) founder and chair Sajjad Khan warned in January 2025 that further closures were inevitable unless brands and government absorbed National Insurance and minimum-wage

cost increases (Business & Human Rights Resource Centre).

- Retail orders draining away. Boohoo closed and sold its only UK site — Thurmaston Lane, Leicester — in 2024 (BBC News).
- Domestic production at historic lows. Less than 3% of clothes worn in the UK in 2023 were manufactured domestically (Vogue Business).
- Skills and heritage loss. Former ASOS director of responsible sourcing Simon Platts has stated on the record that "the weavers, the spinners, the dyers — they don't exist [in the UK] anymore" (Vogue Business).

This is not exaggeration. It is the accurate baseline of the sector Saeed Khilji is speaking for.

The wider pressure the sector is absorbing right now

Alongside the local cost squeeze, three larger structural pressures are hitting UK garment manufacturers in 2026, and any national response has to acknowledge them:

Retailer sourcing shifts after 2020.

Following the Leicester exposés and pandemic-linked outbreaks in the city (BBC News, 2020), significant retailer sourcing moved to Morocco, Turkey and Tunisia. This is the single largest volume shock UK factories absorbed.

Ultra-low-cost imports under the de minimis threshold.

Low-value shipments from Shein, Temu and similar platforms enter the UK duty-free under the customs de minimis threshold. Leicester manufacturers have publicly identified this as a major competitive distortion (Sky News).

The UK-India Comprehensive Economic and Trade Agreement (CETA), effective 15 July 2026.

Four days before this paper was written, the UK-India Comprehensive Economic and Trade Agreement entered into force. UK import duties of up to 12% on Indian textiles and apparel fell to zero from day one, and Britain removed duties on 96.8% of tariff lines by trade value (GOV.UK — treaty page; GOV.UK — entry into force; Reuters; FashionUnited). This is the biggest external tariff shock British garment manufacturing has faced in a generation, and it arrived in the same month Saeed Khilji spoke to Channel 4.

Recognising these pressures is not a defence of them. It is the starting point for a credible plan.

Signs the recovery is starting — and where it needs help

Saeed Khilji is right that meaningful action is overdue. But in the last twelve to eighteen months, a set of concrete, verifiable moves has started to assemble the first credible recovery pathway British garment manufacturing has had in decades. Each of these needs backing, scaling and government follow-through — not celebration on its own.

Heritage manufacturers are reinvesting.

In April 2024, Derbyshire knitwear firm John Smedley announced a £4.5 million investment to reopen its factory for third-party manufacturing for the first time in 40 years — more than £3 million on Shima Seiki machinery and a further £1.5 million in site renovations. British brand Daks signed up for the first 12-piece collaborative knitwear collection (FashionNetwork.com).

The industry has published a national roadmap.

The UK Fashion and Textile Association (UKFT)'s "Reshoring for Real: The future of domestic UK apparel manufacturing" (May 2025) sets out that Brexit, geopolitical tension, shipping delays and higher transport costs have raised the appeal of nearshoring, and that brands would like to expand UK sourcing in knitwear, jersey, Cut-Make-and-Trim, and printing. It names the reforms needed — capacity planning, purchasing discipline, transparent practices and strategic partnerships — to convert appetite into strategic volume (UKFT).

Public procurement rules have changed in the sector's favour.

The Procurement Act 2023 came into effect in February 2025, enabling public bodies to give greater weight to ethical sourcing and local manufacturing in procurement decisions — the first structural change to public procurement rules in decades that a domestic supplier can actually use (FashionCapital).

The economic prize has been quantified.

UKFT modelling cited by Fashion-Enter Ltd finds that procurement policy reforms supporting domestic production could unlock £3.1 billion in additional Gross Domestic Product (GDP), 64,000 new jobs, and £1.2 billion in tax receipts (FashionCapital, citing UKFT).

A national commercial showcase has launched.

The Leicester Made trade show launched in May 2025, spotlighting ethical garment factories, digital micro factories and circular-economy operators in the UK, and drew interest from major brands looking for lower-carbon, transparent, flexible supply (FashionCapital).

A working operational model is already at scale.

Fashion-Enter Ltd, led by CEO Jenny Holloway, operates a SMETA- and Fast Forward-audited ethical garment factory in Haringey, additional units in London and Newtown (Wales), the Fashion Technology Academy delivering accredited Level 1–5 qualifications with apprenticeship employers including Next, Marks & Spencer, Mountain Warehouse, Lyle & Scott, Hobbs, Savile Row tailors and ASOS.com, a Tailoring Academy backed by the Mayor of London's Good Growth Fund, and a prison-training programme feeding skilled machinists back into the sector (Fashion-Enter — LinkedIn; UAL Awarding Body; FashionCapital; Sky News). This is the exact factory-plus-training-plus-apprenticeship model the sector needs replicated regionally.

What the sector needs next — a shared programme

The positions below are drawn from the Stargate AI Ltd / Alan Percy white paper on UK garment manufacturing funding accountability, written by Alan Michael Percy alone, and are offered in full alignment with Saeed Khilji's call for meaningful action.

A design-to-factory funding pathway.

> “Ring-fence a defined proportion of public design, green-skills and innovation funding so viable UK fashion and textile factories receive a first, direct route to support for skills, process improvement, digitalisation and low-carbon production.”

This is not an argument against design funding. It is an argument for correct allocation, sequencing and economic coherence so that public investment in design and green skills lands where it can be industrialised — on the factory floor Saeed Khilji is speaking for.

Total-cost sourcing, not headline unit price.

UK factories will not win commodity basics on lowest FOB against overseas competition. The commercial case must be built on total economic cost — ex-factory price, freight, duty, quality-control cost, and delay or markdown exposure — not unit price alone.

> “We'll never be the cheapest FOB, but we can often be the cheapest route to a full-price sale.”

Compete where the UK actually wins.

UK factories should target the three segments where proximity, speed, control and lower error cost protect margin:

- Speed and agility — drops, capsules, test orders, top-ups, rapid repeats and seasonal risk management where brands need 4–6 week response, not 4–6 months.
- Complexity and quality — tailored, technical, multi-component or premium product where errors are expensive and communication matters.
- Risk-sensitive categories — uniforms, workwear, protective clothing, healthcare textiles and any category where traceability, compliance and speed-of-fix matter more than the lowest quote.

Use the Procurement Act 2023 — the largest lever the state controls.

Uniforms, workwear, NHS textiles, prison-service garments, MoD kit and civil-service clothing should be routed to compliant UK factories under the Procurement Act 2023’s new local-and-ethical procurement powers. Every public buyer should score not just unit price but social value, traceability, resilience, lead time and UK economic impact. Without that scoring change, published procurement rules do not translate into UK orders on the factory floor.

Publish the funding split — manufacturing-outcomes accountability.

The core ask from the Stargate AI Ltd / Alan Percy UK garment manufacturing funding paper is straightforward: every central fashion-sector funder should publish annual reporting that separates designer, event, showcase and research spending from support that measurably reaches UK garment manufacturers. That includes the British Fashion Council (BFC), UK Research and Innovation (UKRI), the Department for Culture, Media and Sport (DCMS), the Department for Business and Trade (DBT), the Greater London Authority (GLA), the UK Shared Prosperity Fund and comparable public and quasi-public bodies. The reported outcomes should be named factories, jobs safeguarded, regional clusters supported, capital upgrades delivered and orders enabled, not headline spend or event attendance.

Central retained reserves at fashion-sector institutions should be reported in the same way — against the amount deployed into production businesses each year — so the public can see the ratio between funds retained centrally and funds reaching the factory floor. Reserves and retained funds should be verified against filed accounts before use in formal correspondence.

Funding conditionality for future grants.

Future fashion-sector grants of scale should carry manufacturing-specific conditions, published targets, and annual reporting that separates designer, event and research support from support for actual manufacturers. This is the simplest structural change government and central institutions can make to convert public investment in upstream design into domestic value, because if the factory base needed to commercialise UK design continues to contract, upstream design funding loses its domestic return.

A Source Fashion cross-subsidy route.

Source Fashion, which draws a large international exhibitor base to the UK, is in a natural position to cross-subsidise first-time British manufacturers using revenue or margin from its overseas exhibitor income. Practical mechanisms include a British New Exhibitor Fund, stepped-year support for first-, second- and third-year British exhibitors, marketing and PR help, buyer introductions, and reserved British Pavilion capacity for domestic manufacturers who would otherwise be priced out of the show floor. This is the kind of intervention that lets UK factories meet the buyers already coming to Britain to source, without needing new public money.

British Fashion Council (BFC) 2030 — growth has to reach the factory floor.

Any British Fashion Council 2030-style growth plan should be assessed on whether it delivers factory-floor investment, production infrastructure, equipment funding, training and compliant UK manufacturing capacity. Growth headlines that do not translate into named UK factories and named UK jobs are not a growth plan for the sector Saeed Khilji is speaking for.

Replicate the Fashion-Enter model as national infrastructure.

The factory-plus-academy-plus-apprenticeship model built and scaled by Jenny Holloway at Fashion-Enter Ltd — a live audited factory operating alongside accredited training, apprenticeships with major UK retailers, and prison-to-industry routes — should be resourced as national infrastructure and replicated regionally in Leicester, Manchester, Yorkshire and the North West. This is where Saeed Khilji's call for "action before it is too late" becomes a concrete national programme.

The three front-page metrics for any UK sourcing pitch

Every investor deck, ministerial brief and brand sourcing strategy referencing UK manufacturing should carry these three metrics on page one:

- Lead time — speed of response from order to delivery.
- Repeatable production capacity — scalable, planned volume, not just samples.
- Traceable compliance — auditable ethical, environmental and labour standards.

Closing

Saeed Khilji's message is right and it is timely. Factories are closing. Skills are being lost. The people who built those businesses are being pushed out of the trade. The heritage cannot be replaced once it is gone, and it is being lost right now.

The purpose of this companion paper is not to argue with any of that. It is to say: there is a recovery pathway forming, and it deserves to be backed. John Smedley is putting £4.5m back into UK knitwear. UKFT has published a national roadmap. The Procurement Act 2023 has been live since February 2025. Leicester Made ran in May 2025. Fashion-Enter Ltd, under Jenny Holloway, has built and is scaling the exact factory-plus-training model the sector needs replicated. The economic prize — £3.1 billion in GDP, 64,000 jobs, £1.2 billion in tax — has been quantified by UKFT.

What is missing is the disciplined execution of the levers that already exist. That is what politicians, retailers, central institutions and public buyers can deliver now, in support of the trade bodies, factories and operators still fighting to keep the sector alive.

Back the factory floor. Route public orders through the Procurement Act 2023. Publish the funding split — British Fashion Council (BFC), UK Research and Innovation (UKRI), Department for Culture, Media and Sport (DCMS), Department for Business and Trade (DBT), Greater London Authority (GLA) and UK Shared Prosperity Fund (UKSPF). Attach manufacturing conditions to future grants. Use Source Fashion to cross-subsidise British first-time exhibitors. Replicate the Fashion-Enter model. Stand with the industry voices — including Saeed Khilji — who have kept this conversation on the national agenda.

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How this paper relates to the wider Stargate AI Ltd work

This companion paper is one part of a wider body of Stargate AI Ltd / Alan Michael Percy work on British fashion and textile manufacturing. Read together, the documents form a three-layer stack:

1. The UK garment manufacturing funding paper is the primary policy document. It carries the full evidence base on where central and quasi-public fashion-sector money goes, the manufacturing-outcomes accountability ask against the British Fashion Council (BFC), UK Research and Innovation (UKRI), Department for Culture, Media and Sport (DCMS), Department for Business and Trade (DBT), the Greater London Authority (GLA) and the UK Shared Prosperity Fund, the funding-conditionality recommendation, the Source Fashion cross-subsidy route, the design-to-factory pathway, the total-cost sourcing model, and the competitive-battlefield analysis. It is intended for policymakers, funders, industry bodies and formal correspondence.

2. This companion paper is the public-facing form of the same argument, timed to Saeed Khilji's Channel 4 appearance and LinkedIn post "The Silent Collapse of UK Fashion Manufacturing". It

compresses the case to a single line — that the British fashion industry is funded, that the money is going in the wrong direction, and that it has to be allocated to manufacturing before the factory base is gone — and stands publicly alongside the trade-body voice that put the sector back on the national agenda.

3. Adjacent Stargate AI Ltd work supports the same case from the ecosystem side. This includes the UK manufacturing asset-holding paper on protecting factory assets, tooling and Intellectual Property (IP), and ongoing hands-on design work — a portfolio of over 200 garment designs developed to date, with tech packs and manufacturer research currently being prepared for UK-only production. That practical work is built from the outset around UK manufacturing, accredited training, accurate tech packs and traceable compliance — the same operating standards this paper is asking public and central institutions to back at national scale.

The relevance is straightforward. This paper is not written from outside the sector. It is written by a British national building inside it, in support of trade-body leaders including Saeed Khilji.

As a founder I am not a bystander. I have designed over 200 garments to date and I am now actively looking for the right UK manufacturer to bring the first of them into production here. I have not manufactured yet — that is precisely the point. This is the moment where a British designer either commits to UK manufacturing or, by default, is pushed overseas. My position is that garments should be designed, sampled and fabricated in the UK by British manufacturers, not sent abroad, because the ability to walk into a local factory and resolve a fit, quality or tech-pack issue face-to-face on the day is worth more than a lower headline unit price and a four-to-six-week correction cycle across the world.

But I need to know — and every founder like me needs to know — that the recovery pathway this paper describes is real, funded and sustainable. If the factory base continues to contract, if capacity, skills and lead times cannot be relied on, if procurement money does not reach the factory floor, if central funding continues to flow past manufacturers into design programmes and events, then even founders who want to stay in the UK will be pushed to source abroad by default. That is the outcome this paper exists to prevent. I want to manufacture in Britain and promote British manufacturing. I need the recovery pathway to be strong enough that I can commit — and so can every other independent British brand facing the same decision right now.

The recovery pathway described in this paper is the pathway new British brands need in place to be viable.

Put plainly: if the British government continues to fund fashion without putting money into manufacturing, founders like me and every other independent designer trying to make in Britain will be pushed out of UK manufacturing by default — and the sector will fall flat on its face. Design funding without factory funding is not a strategy. It is a slow handover of British manufacturing to overseas suppliers, paid for with British public money. Every founder who wants to make here is watching to see whether the money finally turns towards the factory floor.

There is a second problem that sits alongside the funding one: the public message itself. Successive TV debates and national newspaper features have painted UK garment manufacturing almost exclusively as scandal, sweatshop and decline. Every one of those stories may be individually accurate. Taken together, they leave a would-be designer with the impression that British manufacturing is finished, unreliable, or reputationally toxic. It is unsurprising then that promising new British designers seriously consider going overseas before they have even tried a UK factory.

The counter-story is not being told at anything like the same volume. There are audited factories, working academies, apprenticeships with major UK retailers, heritage manufacturers reinvesting millions, a national reshoring roadmap, a procurement law now in force, and a quantified economic prize of £3.1 billion in Gross Domestic Product (GDP), 64,000 jobs and £1.2 billion in tax if we get this right. That is a story worth telling. The national conversation should be actively promoting British manufacturing, not just cataloguing its failures. Trade bodies, industry leaders, funders, ministers and broadcasters all have a role in getting that balance right — because the reputational message is now as decisive as the funding one in whether the next generation of British designers chooses to make here or not.

A personal note on openness

I want to end this paper with a personal acknowledgement. This paper is not a joint work with anyone in the industry — every position, argument and drafting choice in it is my own. But I want to acknowledge my friend Jenny Holloway, CEO of Fashion-Enter Ltd, as a personal reference point. She has been an advocate for British manufacturing for her entire working life. For as long as I have known her she has shared her knowledge, her factory floor, her training model and her contacts openly — for the greater good of the sector, not just her own business. That is unusual. Too much of this industry is built on keeping know-how private and treating other British operators as competitors to be starved of information. Jenny does the opposite, and the sector is stronger for it.

I want to be honest about something, because it matters. If I had not personally known Jenny Holloway, given all the media coverage and the hype about the state of British manufacturing, I would seriously have considered manufacturing abroad — even though everything in me wants to make in England. That is the reality of what the current public narrative does to a British designer at the point of decision. Knowing one credible, open, working UK operator was the difference between staying in the UK and defaulting overseas. Most designers do not have a Jenny Holloway in their contacts book. That is why promoting British manufacturing with the facts — the working factories, the reshoring investments, the academies, the £3.1 billion opportunity — is not a nice-to-have. It is what keeps British designers in Britain.

I intend to follow her example. Any pattern, tech pack, factory-floor learning, cost-model insight or training pathway that I develop in the course of building my own UK-made womenswear projects will be shared openly with other British designers and manufacturers who need it — because British manufacturing recovers faster when knowledge moves freely between the people who are actually trying to make things here. If we want a national conversation that promotes British manufacturing rather than undermines it, the industry has to start behaving like a coalition, not a scattered set of protected small operators. Jenny Holloway has been showing how to do that for years. It is time more of us joined her.

Final recommendation: a UK-First campaign for British designers

This paper's final ask is concrete. The UK needs a coordinated national campaign to re-educate British designers to consider UK manufacturing first — before they default to overseas sourcing on the basis of media coverage alone. Design education, trade bodies, funders and government all have a role, but the message has to be single and factual: the UK still has a working manufacturing base, and it is in the country's economic interest for the next generation of British designers to choose it.

There is a further structural reason the UK-First argument is stronger now than it has been for a generation: UK factories have moved decisively toward short-run production. Fashion-Enter’s Fashion Studio publicly quotes a Minimum Order Quantity (MOQ) of 1 unit to 300 units and stitches haute-couture, tailoring and wedding-dress work at that scale (Fashion Studio). Atelier House UK positions itself around “sustainable low MOQ’s” (UKFT). Phosphenes of London, The London Pattern Cutter and EVE Couture Atelier all describe themselves as small-quantity, sample-to-micro-run producers. The overseas offer is still large minimums, long lead times, wasted materials and forced over-ordering. The UK offer has quietly re-set around small runs, less waste, faster response and design iteration on the day. That is the model independent British designers actually need. The country has to help designers see it, before the campaign is credible.

A credible UK-First campaign would carry five components:

1. An audited, public directory of UK garment manufacturers — searchable by category (bridal, eveningwear, corsetry, knit, denim, tailoring), Minimum Order Quantity (MOQ), location and lead time. Independent designers currently rebuild this list one WhatsApp introduction at a time. UKFT's directory is a strong start and should be publicly funded to reach national scale.

2. A ‘Made in Britain First’ module inside every UK fashion design course — embedded in the London College of Fashion (LCF), Central Saint Martins (CSM), Kingston School of Art, the Royal College of Art (RCA), De Montfort University, Ravensbourne University London and the wider network. Students should graduate knowing which UK factories exist, what they can make, and how to write a tech pack a UK factory can price and produce.

3. A national counter-narrative campaign — short-form video, press features and trade coverage that shows real UK factories, real reshoring investments, real academy apprenticeships and real designer-to-factory success stories. Balance the sweatshop stories with the working ones. Both are true; only one is being told.

4. A first-order sampling grant for UK-only production — a small, targeted grant covering pattern, toile and first-sample costs for independent British designers committing to UK manufacture for their first collection. This is the single most effective intervention at the exact moment a designer is choosing UK or overseas.

5. Named designer-manufacturer matchmaking — a formal introductions programme, run by the UK Fashion and Textile Association (UKFT) or the British Fashion Council (BFC), that matches new designers with vetted UK manufacturers by capability, quantity and location. So that no future British designer has to depend on personally knowing a Jenny Holloway to end up making in Britain.

That is the campaign this paper is ultimately arguing for. Funding directed to the factory floor, and a public message that actively promotes British manufacturing on the facts — so that the next generation of British designers chooses to make here not by accident of personal contacts, but because the country has decided that is the path to protect.

Note on sourcing

Every figure and named event in this companion paper is drawn from a linked primary or trade-press source. This paper expresses opinion and fair comment on matters of public interest in UK industrial and procurement policy, based on the sourced facts cited herein.

Written and prepared by Alan Michael Percy, Stargate AI Ltd, London. Written in support of Saeed Khilji, Chair of the Textile Manufacturing Association of Leicestershire, and with acknowledgement of Jenny Holloway, CEO, Fashion-Enter Ltd / FashionCapital, for sustained, evidence-based work on UK garment manufacturing, accredited training, apprenticeships and prison-to-industry rehabilitation.