



2020 Edition

The Economic Value of the  
**Textile Services Sector**  
to the UK Economy





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# Executive Summary

## PURPOSE OF THE REPORT

i. The textile services sector encompasses the supply, rental, laundering and maintenance of textiles, including:

- bedding and towel sets to hospitals and hotels and table linen to restaurants
- protective garments and branded workwear to industry and services
- surgical textiles, pharmaceutical and highcare food workwear
- mats, roller towels and washroom services to a vast range of sectors.

ii. This report considers the ways in which the textile services sector contributes to the UK economy. We consider the main areas of economic value to be generated through:

- the sector's direct economic footprint measured by its employment, Gross Value Added and contributions to the exchequer
- the economic value that is generated indirectly through the sector's supply chain spend and the expenditure of workers employed by the sector
- the economic activity that is enabled by textile services across important sectors in the UK economy

iii. We also consider the future outlook for the sector and most of the major operators' views on future challenges.

## KEY FINDINGS

### The sector's economic footprint

iv. The key messages from the research are as follows:

1. The sector directly employs 23,000 people and makes a direct contribution to national GDP of £800m in Gross Value Added.
2. The sector directly contributes £100m to the exchequer through payment of business rates, corporation tax, national insurance and income tax.

3. The sector indirectly supports 1,900 FTE jobs and £160m in GVA in the UK through its expenditure on bought in goods and services. A further 4,100 FTEs and £340m GVA is supported through employee expenditure effects.

4. These supply chain and induced effects generate a further £90m in income and corporation tax revenues for the exchequer.

**Bringing all of these elements together, we estimate that the sector contributes a total of £1.3bn in GVA, supporting 28,000 FTE jobs and £190m in Exchequer contributions in the UK.**

### Textile services as a key economic enabler

5. Every sector of the UK economy is a potential end market for textile services. Many of the sectors served by textile services are of strategic economic importance to the UK economy and contribute significant GVA to the UK.

6. On a weekly basis, over 53 million textile items such as bed sheets, duvet covers, work wear, are processed by textile services to end users in the UK. We have examined three of the endmarket sectors in detail and found that:

- The hospitality industry, worth £53.2bn in GVA in the UK, is heavily dependent on textile services. Just one hotel with 100 rooms will get through approximately 750 pieces of linen each day. The provision of clean, fresh linen is fundamental to them being able to open their doors to guests. Large hotels would have to close within three days of no new linen arriving
- The manufacturing sector generates £189.3bn of GVA for the UK. Of the 137,000 manufacturing businesses, the majority will have a requirement for protective garments of some sort. Textile services ensures that either workers or products are protected.

- Production lines would come to a standstill after three days of not receiving any new workwear
  - A functioning healthcare sector is vitally important. Hygiene and infection control is paramount across the sector and health and social care services cannot safely function without bed linens, surgical gowns and patient wear washed to very high specifications. No new patients can be admitted after two days of no clean linen arriving. Only urgent care can be provided
7. If the sector temporarily ceased to operate, the UK economy would forego significant output as businesses and industries would grind to a halt.

**The textile services sector sits behind practically every sector of the UK's economy. The service it provides is core to the operations of many businesses in vital and important sectors of the UK economy.**

### Members' views

8. The future outlook for the sector is unclear. Its reach across the whole economy provides opportunities for organic growth aligned to national growth trends. Some of the key end user sectors such as hospitality are forecast to grow faster than the whole economy, which will increase demand for textile services. Additionally, the ageing demographic and greater patient throughput in hospitals and care homes is driving growth for textiles in the healthcare sector.
9. There are also several factors that are constraining businesses' ability to grow and it is clear that challenges must be overcome if businesses are to be able to capitalise on growth opportunities. The workforce is made up of 40% of non-UK EU Nationals and many of the operative roles in the sector are filled by low skilled workers. Brexit and National Living Wage are therefore issues concerning members. Other issues include:
- Recruitment difficulties
  - Downward pressure on prices
  - Rising costs of production

**Long term sustainability of this important sector will require a concerted effort to overcome the clear challenges that stand in its way. This will require action from business leaders, the Textile Services Association and partnership working with government in the following areas:**

- **increased understanding of the sector and its role within the economy**
- **support for the delivery of the sector's trailblazer apprenticeship**
- **support for investment in innovation**
- **fewer delivery restrictions in major towns and cities**
- **support for managing cost increases due to significant increases in National Living Wage**



