



Manufacturer Peter Reed makes the Queen's bed sheets and other luxury linens, right; and, left, the company's 'Made in Britain' products are booming

The return of King Cotton looms large

UK textile industry is worth £9bn and, thanks to rising demand and automation, has brought one Lancashire mill clattering back to life, writes *Ashley Armstrong*

Sean Clayton rubs his tired eyes and squints at the darkening Lancashire sky, trying to figure out which time zone he is in. The boss of luxury linen business Peter Reed has just returned home after taking eight flights in seven days, as part of a whistle-stop tour around the Gulf. Middle Eastern appetite for his company's "Made in Britain" produce is booming.

"For them it's all about heritage and quality," Clayton says. The 156-year-old company, which has a royal warrant and makes the Queen's bed linens, will soon be able to add "100pc Made in England" to its labels in a move that should boost its credentials

with anglophiles overseas even further. Clayton's upbringing has made him a passionate advocate of Britain's burgeoning textile manufacturing revival. The Yorkshireman was born into the trade with both his father and grandfather owning their own weaving factories. But he entered the industry just as factories were toppling like dominoes, as production shifted from the UK to the Far East where labour costs were significantly cheaper.

While Peter Reed used to weave its own cotton, it currently imports cotton from Italy before hand-finishing and embroidering crisp bed linens that range from 200 thread count to the ultra-luxurious 1400

thread count sateen sheets that are snapped up in Harrods by wealthy tourists for £1,000 a time. Despite competition from overseas, the UK's textile manufacturing industry is still worth £9bn to the economy and is experiencing both domestic and export growth. The weaker pound has made it more attractive to overseas spenders, while the pace of online shopping has meant that home-grown companies are searching for quicker turnaround times. High street bellwether Marks & Spencer and online fashion retailer Asos are both exploring ways to increase UK textile production in further signs of a manufacturing revival. Peter Reed's brochure makes



the most of its heritage, featuring sewing machines and looms that are actually housed in museums. Walking into its factory is a rude awakening to modern day manufacturing. The traditional art of embroidery evokes nostalgic memories of rows of women sitting in front of spools and bobbins, but at Peter Reed's factory humans are hard to find. The company, which makes annual sales of around £1m, employs just 20 workers who make 30,000 linens a year. The rest is done by expensive clattering embroidery machines, which set the company back £60,000 each. Clayton is enthusiastic about their potential: they can produce 880 stitches a minute, meaning that an intricately

embroidered pillowcase, which requires 130,000 stitches, can be finished in hours, rather than the weeks it took before. "If anything the quality is better than when it was hand embroidered," says Clayton. "But sometimes it can be almost too perfect, so we have to programme mistakes into the machine when recreating some of our older designs." Despite the reliance on machines,

Clayton insists that the company retains its bespoke credentials, with items only being produced when ordered. "If you're spending a thousand pounds then you don't want something that's been on a production line. We're not ever going to be mass market but we'll not be going back to the old sewing rooms with 400 machinists in a room either."

Within the next few months Peter Reed will be embroidering cotton bed sheets that have been spun just an hour's drive away. It is a symbolic turning point for Britain's textile manufacturing revival.

The cotton will come from English Fine Cottons in Dukinfield, just outside Manchester, the UK's only

commercial cotton mill. Two hundred years ago Manchester was known as "Cottonopolis" – 800 mills dotted around the region that spun 80pc of the world's cotton. Just 30 years ago almost one million people were employed in textiles manufacturing in the UK. The last commercial mill shut in 1989 as a wave of companies shifted production to India and China. Today, the number of people employed is around just 105,000, according to the UK Fashion and Textile Association (UKFTA). Experts have downplayed the likelihood of a return to mass-scale and volume manufacturing. However, companies like English Fine Cotton show that the demand for "made in England" luxury products is strong.

Number of British textile and apparel manufacturers

| Year | Number of manufacturers |
|------|-------------------------|
| 2010 | 7,580 |
| 2011 | 7,445 |
| 2012 | 7,315 |
| 2013 | 7,190 |
| 2014 | 7,300 |
| 2015 | 7,860 |
| 2016 | 8,075 |

Exports of British textiles and apparel

| Year | Exports (£bn) |
|------|---------------|
| 2012 | 7.1 |
| 2013 | 7.9 |
| 2014 | 8.3 |
| 2015 | 8.5 |
| 2016 | 9.1 |

"English Fine Cottons is unlikely to become a commodity product," says Clayton. "The UK can't compete with India and China for the mass market, but for the luxury consumer, which is less price sensitive, there is a place for English manufacturing."

It's only a year since English Fine Cottons opened its doors. The company, which already counts Marks & Spencer and upmarket underwear brand Sunspel as customers, produced 100 tons of cotton in its first 12 months but expects this to increase to between 400 and 450 tons next year.

General manager Andy Ogden had been manufacturing technical fabric, such as Kevlar and carbon fibre, at a nearby mill after inheriting old spinning machinery. Ogden says his team at Culimeta Saveguard started looking for extra capacity and their eyes would often cast over the old red-brick mill tower that stood next door. The mill, which dates back to 1875, was until recently on the "at risk" register. Flush with the success of their spinning venture and encouraged by the local community, Ogden and his team applied for funding. They secured a £1m grant and pumped a further £5.8m into the development, backed with local government loans. "We knew that we would remain commercially insignificant. But we realised the importance of Manchester's cotton heritage. Everything from the canals, to the cotton merchants, to Liverpool's cotton exchange was made to support this area's mills," says Ogden.

It still remained an uphill battle to return the listed mill back to a functioning factory that complied with health and safety standards. There was also an unpleasant £40,000 bill to remove the splinters of pigeon excrement. The Dukinfield mill has now been returned to its original purpose. But apart from the cotton dust that lingers in the air, there are few similarities with mills of old. Instead the factory gleams with technology. Over four floors, machines comb cotton and check for impurities, while robotic spindles spin the cotton.

"Automation is crucial," Ogden says. "Modern day British manufacturing won't include shuttle looms, or watermill-driven weaving machines. We have to be on the same playing field as the rest." The spinning floor has 1,200 spindles, which would have previously needed to be manned by 30 to 40 workers. Now the floor is staffed with just two employees who check the machines for faults.

Adrian Noskwith, who is behind efforts to revive one of Britain's textile manufacturing trailblazers, also believes that automation is the way forward. He is trying to restart production at hosiery factory Adria, in Northern Ireland, which shut down over a decade ago. Despite its proposed use of robots, the site will still boost the local Strabane community through jobs for engineers, support staff, transport and logistics workers, Noskwith says. "There are huge opportunities for UK manufacturing to grow significantly, but it relies on skills



Inside Britain's first cotton mill to open for more than 50 years, the Dukinfield mill run by English Fine Cottons, above

and an investment in industry," says Adam Mansell of UKFT. "We are not going back to the Fifties with factories employing thousands of workers, but we could have factories producing thousands of items, which could boost the economy," he adds.

Recruitment remains one of the biggest challenges to a manufacturing revival. Luxury handbag designer Mulberry received a grant for its second factory in Bridgewater, Somerset, on the premise that it would recruit so-called "disadvantaged" workers from the local area. The move created 300 new jobs for single parents, unemployed and over-50s.

However, Kate Hills of "Make It British", which keeps a database of British manufacturers, claims there remains a perception issue about manufacturing. "When politicians talk about manufacturing they want to talk about aeroplanes and cars, and to them textiles sounds a bit fluffy, but it is still worth £9bn to the economy."

Many still hold on to the image of Lancashire's "dark satanic" mills as depicted by LS Lowry.

"Manufacturing is also a very local business and young people may have grown up in families where their parents or grandparents were laid off when production moved offshore, and have therefore not been encouraged to enter the industry," adds Mansell.

For Ogden at English Fine Cottons, the mill's rebirth is essential to the future of the country's manufacturing revival. "The biggest asset we have is our staff. We have some of the last people who have the skill set to produce cotton. If we closed down, then that is gone."

'Automation is crucial. Modern day British production won't include shuttle looms, or watermill-driven weaving machines'

Bright nuclear future

Familiar concerns about costs dog the positive funding news for the sector, says *Jillian Ambrose*

The bright new dawn for Britain's nuclear industry took only days to cloud over with familiar concerns over cost. In the space of a week, a lifeline investment of around £15bn into Europe's largest nuclear plant in Cumbria emerged together with a promise for £450m of investment into the embattled industry from Government, Innovate UK and the Research Councils.

The news that South Korea's Kepco was close to finalising plans to snap up the troubled NUGeneration consortium behind the Moorside nuclear plant broke narrowly ahead of a new flurry of government funding plans. Ministers set aside £85m to develop nuclear fusion technology and £56m to research and develop the next generation nuclear reactors.

Further funds will fast-track regulation for new projects and smooth plans for the decommissioning of the old, in a full-cycle boost for nuclear Britain.

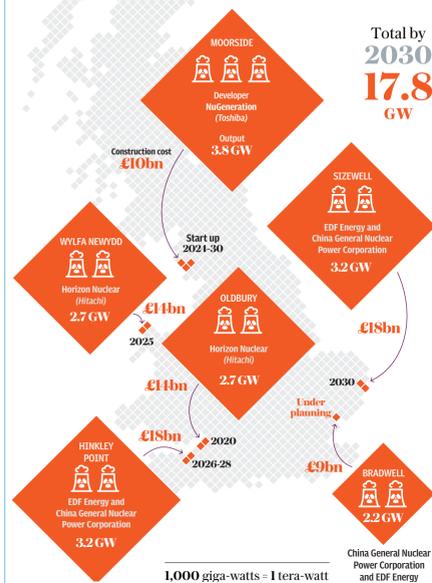
Energy minister Richard Harrington says it is only by innovating across the nuclear supply chain that Britain will be able to maintain its competitiveness into the future.

Britain's nuclear renaissance seemed bright in 2015, with a £250m Government pledge to invest in new nuclear technologies on the table. Since then support for small modular nuclear reactors – known as mini nukes – has been dogged by delays and criticism that the promise of cheaper nuclear power was too good to be true.

Meanwhile, negotiators over the cost of Hinkley Point C dragged on, criticism mounted, and financial gloom descended over reactor builders Areva and Westinghouse in a worrying threat to British projects they were planning to help build.

With large-scale projects now on firmer footing, government is turning its attention to developers who believe they can do the job at a small scale with a price tag to match. Not everyone is supportive of the move. This is not so much a rebirth as the

Current plans for new nuclear power stations



zombie twitch of an industry with no future, one critic quipped.

But then, it wouldn't be the first time the industry has survived predictions of a looming nuclear meltdown to see another new dawn.

Fueled by the ongoing criticism of nuclear power is an assessment of mini-nuke technology that casts a cloud of doubt over the costs of these new reactors. The Government's own findings, completed in the summer of 2016 but only released alongside the fresh funding, suggest that even the most economically viable options are likely to cost £101 per megawatt-hour, and could reach as high as £124/MWh. The figures are both well above the £92.50 a megawatt-hour agreed to fund Hinkley Point, and almost double the £57.50/MWh deal secured by offshore wind farms in the most recent funding auction.

"While this is great news for our clean growth agenda, it puts a spotlight on nuclear," says Harrington. "The advanced development of technologies such as battery storage will only increase the pressure on nuclear.

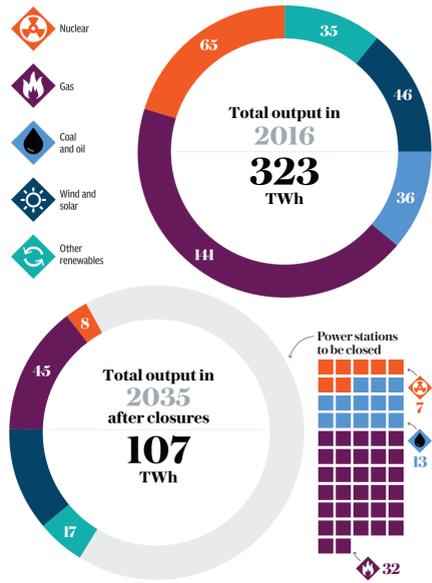
"Nuclear has an important role to play," he told delegates at an industry

conference last week. This is not least because the looming supply gap facing the UK in the coming years will require one of the most ambitious periods of investment that the energy industry has ever seen.

The UK relies on nuclear power for almost a fifth of its electricity, but most of its reactors are due to close in the coming years. At the same time many of the UK's existing gas and coal plants are due to steadily shut down over the coming decades, with a hard 2025 cut-off in place for coal plants. That this radical investment is needed at the same time that global ambition to tackle climate change is becoming bolder is a fact not lost on nuclear power proponents. They claim that

or another false dawn?

The UK's looming energy gap 2017-2035



the economies of scale that can be achieved by building multiple small modules allows for a rate of cost reduction, which isn't possible with nuclear plant behemoths that are far less repeatable.

"We didn't start with a big nuclear reactor and make it smaller," he says. One NuScale project can contain as many as 12 standardised, integrated modules, which could fall in price with each module roll-out. Several other US projects are in their line of sight, meaning further steady cost cuts to come.

Mundy says the NuScale design can be built within three years, requires a fraction of the refuelling downtime needed by major nuclear plants, and can flex its power output up and down to meet the wax and wane of demand within minutes. "We have lots of people who are interested, but don't want to be one of the first," he says.

This is the dilemma for the UK: weighing up the first-mover advantage of developing a new breed of nuclear

£101

The cost per megawatt-hour of mini-nuke power. This compares with £92.50/MWh for Hinkley and £57.50/MWh for wind

reactor with the high cost that comes with innovation.

The nuclear industry believes it's a fair price to pay to be at the forefront of a £450bn global industry as the UK emerges from the EU as an independent player on the world stage. But patience is wearing thin. Rolls-Royce, which is leading a consortium hoping to roll out small modular reactors, says action is needed to claim a stake of the growing international market.

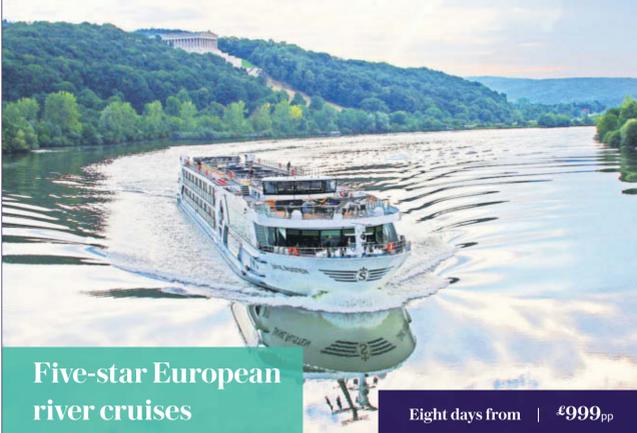
"As a commercial enterprise we do need to see further detailed commitments as soon as possible, including full clarity over a speedy process for selection," the company said following the Government's raft of announcements.

"We are in a competitive global situation, with vendors keen to address the need for low-carbon electricity production. UK industry needs to be enabled to address these markets with pace to ensure we can export before the opportunity is lost to industry from other nations," the company added.

The race is on to prove that this is not another nuclear false dawn.

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