

**TUC**

Changing the world  
of work for good

**A better recovery  
for the West  
Midlands**

## 1. Introduction

Urgent action is needed to rebuild our economy after coronavirus.

The lockdown of the economy has already caused a sharp rise in numbers claiming work-related benefits, including unemployment benefit. While the official unemployment rate has so far held steady, over a quarter of all workers have been furloughed. These jobs will become vulnerable as the Job Retention Scheme ends in October. As temporary support measures are wound down, a major economic stimulus will be needed if we are to avoid mass unemployment.

The scale of action needed is also an opportunity to address long-running problems in the British economy, including the long-run decline of our industrial base, which has contributed to regional inequalities and the growth of insecure and low paid jobs, while stepping up action to decarbonise our economy and better preparing our public services to deal with future challenges.

The [TUC has set out](#) the measures needed nationally to rebuild our economy:

- **Decent work and a new way of doing business**, including a £10 an hour minimum wage, a ban on zero-hours contracts, boosting collective bargaining, giving workers a voice at the heart of government by establishing a National Recovery Council.
- **Building a sustainable industrial base and a green economy**, including establishing a recovery programme to deliver over a million new jobs and an ambitious job guarantee scheme to decarbonise the economy, funding a right to retrain, requirements for government investment programmes to rebuild UK manufacturing supply chains, and ensuring every government investment project comes with a plan for decent jobs.
- **Equality at work**, including a day one right to flexible working for all, greater protections for pregnant women and new mums, better resourcing of Access to Work, compliance with the public sector equality duty.
- **Rebuilding public services**, including a pay rise for all public sector workers, sustainable funding and a proper workforce strategy for social care, a funding settlement for the NHS, local government, education and other public services, and an end to outsourcing.
- **A real safety net**, including reforming universal credit so it better supports working people, removing benefits conditionality, increasing the rate of statutory sick pay and maintaining the state pension triple lock.

We want to see regional and devolved nation recovery panels, mirroring a National Recovery Council for the UK, representing unions, employers, Jobcentre Plus, relevant civic partners and local and regional governments, to feed into the planning and delivery of recovery strategies at local and devolved nation level.

These regional and devolved nation structures are essential because there are wide variations across the country in terms of both the nature and scale of the challenges faced and the institutional arrangements and capacities for addressing these challenges. In these

circumstances, a one size fits all solution will not work. Instead, we need to turn headline objectives into tailored strategies for each region.

Furthermore, different parts of the country will not be equally hit. The economy is already highly regionally imbalanced and uneven impact of lockdown on different sectors, combined with their uneven regional spread, means there is a danger of compounding regional inequalities. 9 per cent of the West Midlands' employment is in at risk occupations, rising to 25 per cent for workers age 25 and under.<sup>1</sup> Indeed, KPMG have reported that the West Midlands is likely to be the most affected region with economic activity anticipated to slump by 10.1 per cent given the hundreds of factories connected to the automotive sector.<sup>2</sup>

We hope to see action on these measures in the chancellor's summer fiscal event, but there is much that the West Midlands can do within existing structures.

As well as calling on the chancellor to provide support for the West Midlands as part of a national recovery plan, this report sets out a recovery plan for the region that the West Midlands Combined Authority (WMCA) and LEPs can start putting into action right away.

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<sup>1</sup> TUC analysis of Labour Force Survey Q1 2020

<sup>2</sup> KPMG, April 2020. [Chief Economists note: levelling up and COVID-19.](#)

## 2. West Midlands Combined Authority economic snapshot

The West Midlands has huge economic strengths. Its central location, nine universities and leading role in advanced manufacturing in the automotive and aerospace sectors puts the region in a strong position to secure growth and good jobs.

However, we need to be mindful of history and learn lessons of how we have been both successful and fallen short in building our economic resilience.

In 2015, TUC research identified Birmingham Northfield as the country's living wage hotspot, with a greater percentage of workers paid below the living wage than any other constituency in the UK. This was hugely telling as Northfield was the home of the Rover car plant with good jobs, pay and security. When Rover closed in 2005, these skills and jobs were all lost driving Northfield into an economy based on low-wage, insecure work. We must not allow this to happen.

The good thing is that we know we can avoid these mistakes. After the great financial crash of 2008, JLR was in huge economic strife, but through genuine joint working with Unite the plant was saved, and we see the success of JLR today, bringing well paid, secure jobs to thousands of workers both directly and through the supply chain.

We must use these lessons from history to ensure that we put in a place an industrial strategy for the West Midlands that both supports our existing industrial strength and also positions our region to be at the forefront of a green industrial revolution.

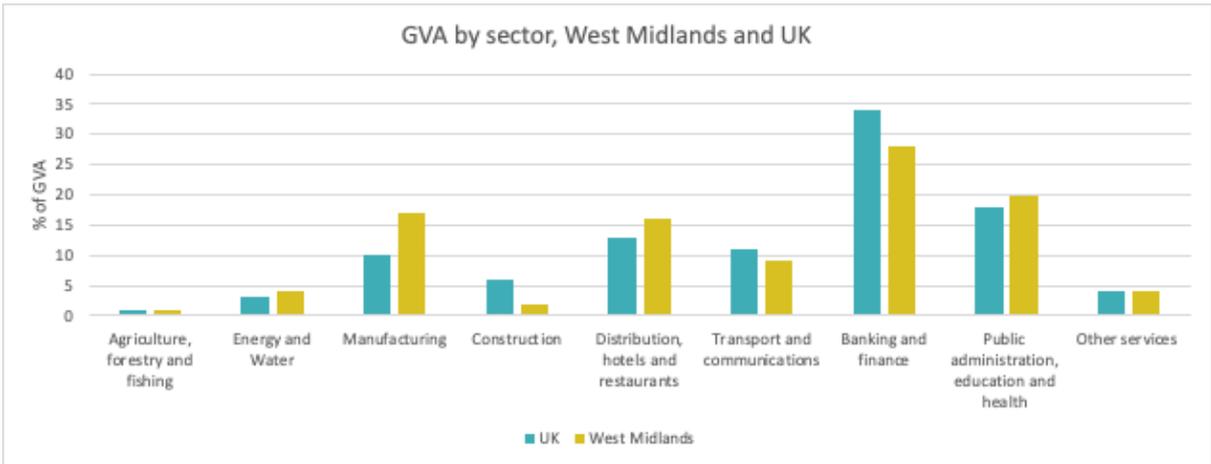
### 2.1 The regional economy

The latest full year of regional growth data we have, for 2018, shows that the growth value added (GVA) figures for the West Midlands were significantly higher than the rest of the UK, at 2.1 per cent compared to 1.3 per cent.<sup>3</sup>

Economic activity in the West Midlands is more concentrated in manufacturing than the rest of the UK, with 15 per cent of activity here, compared to 10 per cent across the country.

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<sup>3</sup> ONS, December 2019. [Regional gross value added \(balanced\) per head and income components](#)

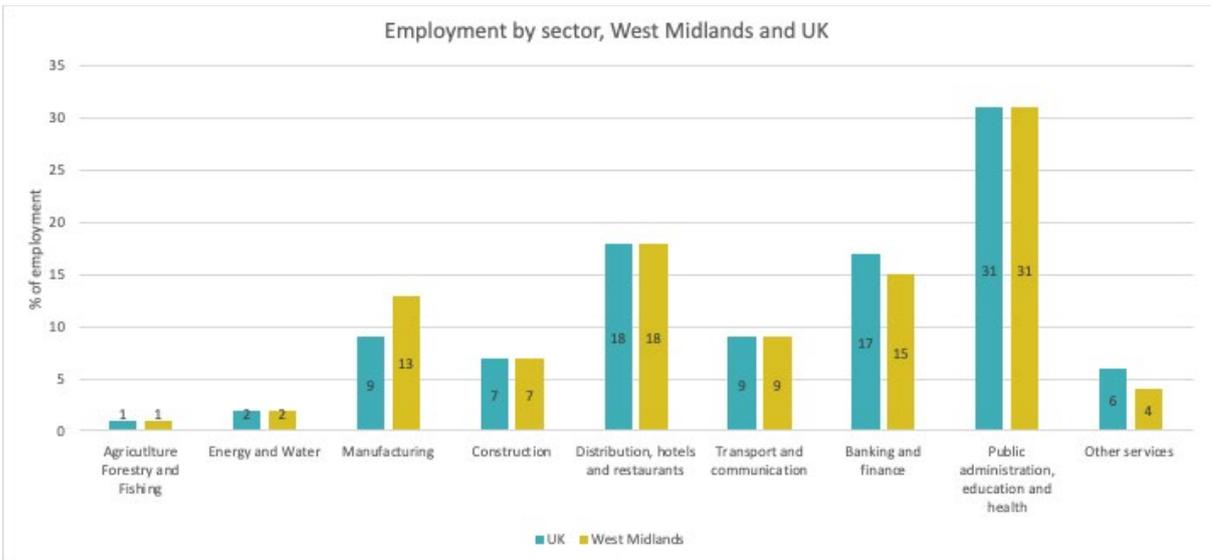


Source: ONS 2019

## 2.2 Where do people work and what is their job quality like?

The latest statistics, covering the period February–April 2020, before the economic impacts of the coronavirus pandemic had been fully felt, show that 74.5 per cent of the working age population were employed in the West Midlands, slightly lower than the UK average of 76.4 per cent, with an unemployment rate of 4.8 per cent (compared to 3.9 per cent across the UK).<sup>4</sup>

People in the West Midlands are significantly more likely to be employed in manufacturing than in the rest of the UK.



Source: TUC analysis of Labour Force Survey, Q4 2019

<sup>4</sup> ONS, June 2020. [Labour market in the regions of the UK](#); June 2020

Across the UK, one in nine people are in insecure work. In the West Midlands, 11.9 per cent of people are in insecure work, according to TUC analysis.<sup>5</sup> 67,000 people or 2.4 per cent of those in employment were on a zero-hours contract.<sup>6</sup> National figures show that insecure work has a disproportionate impact on those already facing structural discrimination in the labour market, including women and BME groups.<sup>7</sup>

Median gross weekly pay in the West Midlands is below the UK average, at £458 a week compared to £479.<sup>8</sup>

Union membership in the West Midlands is slightly higher than the rest of the UK, at nearly 24 per cent compared to 23 per cent of employees.<sup>9</sup>

## **2.3 The impact of the pandemic**

### **2.3.1 Key workers**

The pandemic has highlighted the vital role that key workers play, and the poor pay and conditions that too many still face. Nationally, women are almost twice as likely as men to be employed in a key worker occupation (45 per cent, compared to 26 per cent). Black and minority ethnic (BME) employees are also more likely than white employees to be key workers, with 40 per cent of BME employees being a key worker, compared to 35 per cent of white key workers.<sup>10</sup>

The structural discrimination faced by these groups helps explain their low pay and the undervaluing of these key roles. There are 507,380 key workers across the West Midlands, of who 42 per cent are paid less than £10 an hour.<sup>11</sup>

### **2.3.2 Workers relying on the Job Retention Scheme and Self-Employment Income Support Scheme**

Across the West Midlands TUC analysis estimates that around 882,100 workers, or 32 per cent of those in employment<sup>12</sup>, are reliant on government schemes to support incomes during the pandemic, with many facing an uncertain future.

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<sup>5</sup> TUC, 2019. [Insecure work: why the PM must put decent work at the top of his to-do list.](#)

<sup>6</sup> ONS, February 2020. [EMP17: People in employment on a zero hours contracts](#)

<sup>7</sup> TUC, June 2020. [Rebuilding after recession: a plan for jobs](#)

<sup>8</sup> ONS, 2019. [Earnings and hours worked, UK region by industry by two-digit SIC: ASHE Table 5](#)

<sup>9</sup> BEIS, 2020. [Trade Union Statistics](#), table 4.1

<sup>10</sup> TUC, 2020. [A £10 minimum wage would benefit millions of key workers](#)

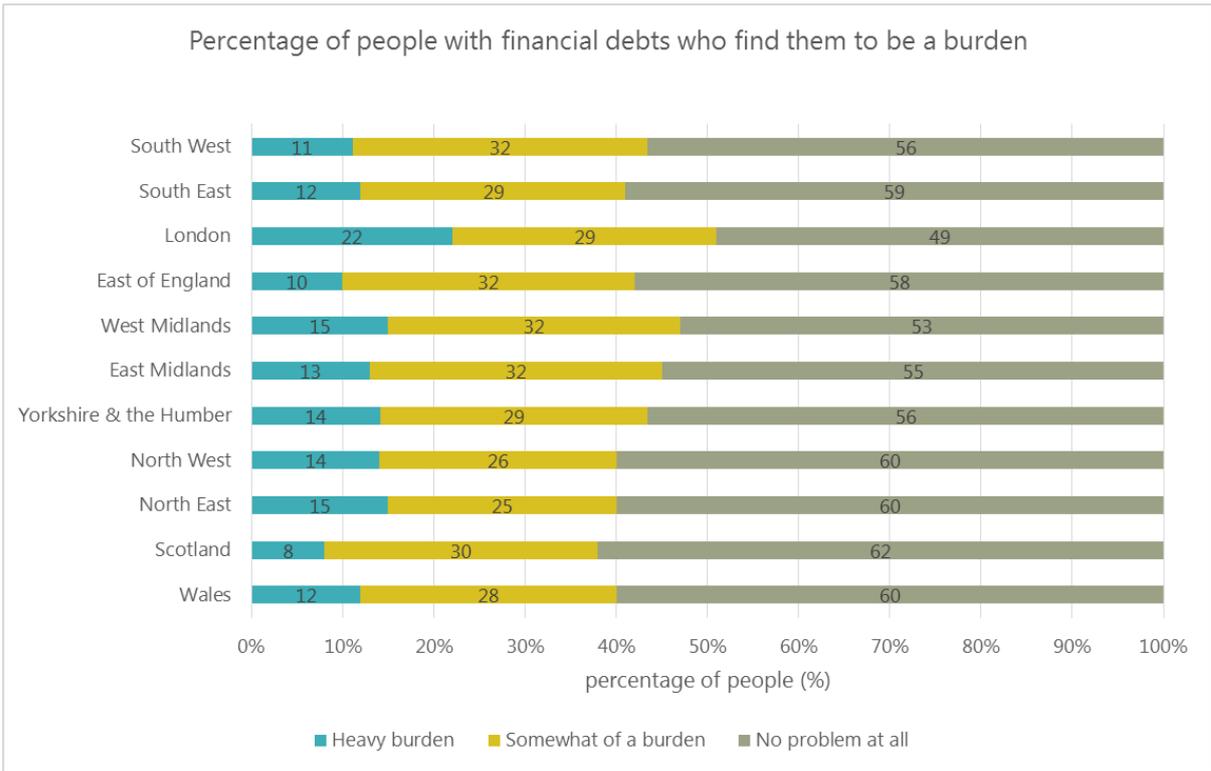
<sup>11</sup> Ibid.

<sup>12</sup> This is based on [statistics published by HMRC](#). The figure is the number of employments using the job retention scheme (JRS) plus the number of people using Self-Employment Income Support as a percentage of those in employment in the local authority. Across the UK, there are 1 million JRS employments where the location is 'unknown'. This means that the local authority JRS stats (and therefore the overall figure) may be an underestimate.

	Claimed SEISS	JRS	Total JRS and SEISS	% of in employment on a scheme
West Midlands	185,000	697,100	882,100	32
Herefordshire, County of (UA)	8,400	20,700	29,100	30
Shropshire UA	13,100	35,000	48,100	31
Stoke-on-Trent UA	7,600	31,100	38,700	33
Telford and Wrekin UA	5,200	21,200	26,400	30
Staffordshire County	28,600	111,400	140,000	32
Cannock Chase	3,900	14,800	18,700	36
East Staffordshire	3,700	16,100	19,800	33
Lichfield	3,500	13,700	17,200	34
Newcastle-under-Lyme	3,800	14,400	18,200	30
South Staffordshire	3,900	13,800	17,700	31
Stafford	3,900	14,700	18,600	29
Staffordshire Moorlands	3,800	12,100	15,900	31
Tamworth	2,200	11,900	14,100	36
Warwickshire County	17,800	71,600	89,400	31
North Warwickshire	2,300	8,700	11,000	35
Nuneaton and Bedworth	3,500	16,400	19,900	32
Rugby	2,900	12,500	15,400	27
Stratford-on-Avon	5,200	17,100	22,300	33
Warwick	3,800	16,900	20,700	28
West Midlands Metropolitan County	82,600	330,400	413,000	32
Birmingham	32,500	122,800	155,300	32

Coventry	9,100	37,800	46,900	25
Dudley	10,600	39,800	50,400	35
Sandwell	9,100	40,100	49,200	33
Solihull	5,700	26,900	32,600	32
Walsall	8,800	33,600	42,400	34
Wolverhampton	6,800	29,300	36,100	32
Worcestershire County	21,400	75,700	97,100	34
Bromsgrove	3,400	12,000	15,400	33
Malvern Hills	3,200	8,500	11,700	32
Redditch	2,900	12,400	15,300	35
Worcester	3,200	13,500	16,700	30
Wychavon	5,000	16,000	21,000	34
Wyre Forest	3,700	13,400	17,100	38

With many people in the West Midlands already facing significant levels of debt, they cannot afford the hit to their incomes that unemployment would involve.



Source: ONS Wealth and Assets Survey 2016-2018, table 7.9-7.11

### 3. Investing in jobs

With economists warning that unemployment is expected to reach levels unseen in decades, protecting and creating jobs must be one of the biggest priorities for the recovery. Unemployment - especially long-term unemployment – can do huge damage, both to individuals, and to the economy. While unemployment negatively impacts on individuals at any age, the long-term impacts of unemployment can “scar” young people’s prospects and earning potential more profoundly than those experiencing unemployment later on in life. It is therefore vital this group do not face another catastrophic hit to their employment prospects.

The most effective way government can protect workers and the economy from the worst impacts of a recession this significant is through a major economic intervention to stimulate the economy, with a job creation scheme at its heart. The lesson of the UK’s economic history is that investment is the most effective way to deliver growth following a recession, and to restore the public finances. We failed to learn this lesson in 2010 with devastating results. This time must be different.

Nationally, the TUC is calling on government to fund a nationwide job guarantee scheme, to mitigate against the worst effects of the pandemic on unemployment. The scheme should be ambitious, encouraging the creation of sustainable jobs in every part of the country, addressing the threats of unemployment, labour market inequalities and the climate crisis together.

These jobs should:

- be a minimum six-month job with accredited training, paid at least at the real living wage, or the union negotiated rate for the job, whichever is greater
- be offered to as many people as possible who face long term unemployment, prioritising young workers and those facing unemployment of six months or more
- be additional, so existing workers are not displaced
- provide a community, public benefit and/or help to decarbonise the economy, ensuring new jobs contribute to building a fairer, more sustainable economy
- meet local labour market needs
- promote and protect equality.

The scheme should be funded by national government, but delivered at regional, devolved nation and local level, through the relevant recovery panels, ensuring an equal voice in decision-making between leaders, trade unions, businesses, Jobcentre Plus and relevant civic partners.

However, regions do not have to sit back and wait for government to act.

#### 3.1 A West Midlands industrial strategy

The economic shock caused by Covid-19 will come on top of longer-running industrial challenges that the UK faces. These include the loss of the UK’s manufacturing base, the

structural changes needed to meet the government's target of net-zero carbon emissions by 2050, and vast regional inequalities.

While the pandemic has added to these challenges, it also presents a unique opportunity to shape a recovery that not only gets us out of recession, but does so in a way that tackles these long-running structural problems.

Nationally, the TUC are calling for a recovery that:

- charts a path towards a net-zero economy that delivers a just transition for workers across the economy
- rebuilds the UK's industrial capacity that will be necessary to deliver this transition, including by investing in the skills of the workforce
- uses this programme to tackle the UK's regional inequalities that rest on the failed de-industrialisation policies of the past.

However, regional level industrial strategies will be key to levelling up and delivering change on the ground. There are enormous strengths and opportunities in the West Midlands, manufacturing and higher education for example, which political leaders in the region can seize and build on.

To build on these opportunities and develop strong local recovery strategies, the WMCA and LEPs should:

- develop new sectoral boards, bringing together employers, unions and other stakeholders to support productivity improvements and better jobs across key industries.

These sectoral boards would provide strategic guidance for each sector, looking at and planning for:

- opportunities for growth
- resilience of the sector and the key employers within it
- local labour supply
- development of robust supply chains in the local economy
- education and training that enables local people to access the skills required for key sectors
- provision of workforce development and training, pay and conditions and career progression.

There is clear potential to support the development of more high-skill, high-productivity jobs by expanding the West Midlands's role in low-carbon technologies. The West Midlands' strong advanced manufacturing sector and strong academic links place the region in a strong position to lead in this field.

The West Midlands' industrial strategy should aim for 50 per cent of energy to come from renewables by 2030 and should map the potential for new technologies, areas of growth

and coordinate support for workers and investment around a long-term plan for a just transition to a low-carbon economy.

The West Midlands' industrial strategy must also include an approach to driving up productivity, pay and conditions in those parts of the local economy that play a key role in the community and employ large numbers of local people but are often characterised by low pay and poor employment standards, including social care, retail and hospitality. The TUC believes that sectoral approaches will be essential here, with new bodies that bring business, unions and Mayoral combined authorities and other local political leaders together to forge joint working on improving training, progression and productivity.

### 3.2 Delivering good jobs through infrastructure investment

At his [Spring budget](#), the chancellor pledged £640bn of infrastructure investment and we will be hoping to see further details and commitments unveiled this summer.

It's clear that infrastructure investment in the West Midlands should focus on delivering a green revolution. Therefore, support should be prioritised to employers and programmes leading the way in the march to a low-carbon regional economy.

A green revolution in the West Midlands should focus on:

- **House building.** The WMCA's existing £350m Housing Deal aims to deliver 215,000 new homes by 2031. In order to provide a much-needed significant economic stimulus, additional funding should be sought to either increase the number of homes to be delivered by 2031 or speed up the delivery of the 215,000 homes.

The housing programme should look to provide a good mix of affordable and social housing to provide opportunity for existing residents. Crucially, the programme should lead the way in terms of green construction and become an exemplar that can act as a beacon for the rest of the UK's house building sector.

Such an approach would demonstrate how radical green construction can work in practice and help move the industry away from the poor standards that too often plagues the house building sector. It would also equip thousands of workers with the skills and experience needed to acquire roles in the green house building of the future.

The imaginative implementation of the programme could also support many of the smaller house builders in the region who, too often, are crowded out by the large house building companies.

- **Retrofitting.** In addition to the house building programme a mass programme of retrofitting should be undertaken, with priority given to social housing in the first instance.

All local authorities across the region should come together and look at how their planning policies can be updated to entrench principles that incentivise green construction and low-carbon housing.

- **Transport.** Geographically located at the heart of the UK, the West Midlands holds a strategic advantage. Yet too often the region suffers from congestion that stifles our

economic potential. We must realise the potential of increased connectivity that HS2 provides and ensure rail, tram and bus provision is ramped up.

In so doing, the WMCA and local authorities should look at bus regulation in particular, and a more joined up transport network in general, to deliver greater coordination, flexibility and opportunities for residents.

It is a damning statistic that Westminster has more electric car charging points than the whole of the West Midlands region. A programme of investment to deliver a new suite of electric buses, battery factories and electric charging points should be undertaken, generating the quality green jobs as well as providing the fundamental infrastructure needed for the transport system of the future.

Efforts need to be made to support Birmingham airport as the key international airport in the midlands. The airport's connectivity with the rest of the UK will be improved further with HS2 and the potential for the airport to support economic growth across the region is key.

- **Broadband:** Covid-19 has shone a spotlight on the importance of high-speed broadband as a modern key infrastructure requirement and a programme of investment should be undertaken.
- **Clean energy:** We need to see the development of green energy supplies across the region and should be supported through grants and progressive planning policies. The strong manufacturing base in the region, allied to the research potential of our universities, means there is no reason why the West Midlands could not become home to a cluster of green energy companies in the future.

However, investment alone won't guarantee that good jobs are accessible to the people who need them. The WMCA and LEPs have a crucial role to play in shaping how infrastructure is delivered to maximise good job creation and create a virtuous circle of green growth and good jobs.

The WMCA and LEPs should work with community and workforce representatives to ensure that infrastructure and regeneration is delivered in a way that meets genuine need and enhances wellbeing in those communities – not just in terms of identifying the infrastructure that meets that need but in shaping the way it is constructed and delivered in a way that maximising community benefits; consultation must be an on-going process that provides a feedback loop from communities and the workforce to the relevant delivery partners, to relevant local authorities and LEPs.

The WMCA and LEPs should also work with trade unions to ensure that every investment programme comes with an Olympics-style plan for decent jobs attached. All infrastructure projects, including house building, should include framework agreements that maximise employment and training opportunities for local people and deliver great jobs, employment standards and positive industrial relations. HS2 has been a good example of how framework agreements and social dialogue can work. The WMCA, local authorities and LEPs should learn these lessons and embed them into all future infrastructure projects such as tram extensions and significant house building programmes that are desperately needed.

### 3.3 Leveraging public procurement to support local economies

Public sector organisations, such as the nine universities in the West Midlands, have significant spending power. To give an indication, total public sector spending in West Midlands in 2018–19 was £74bn.<sup>13</sup> This spending can be used as a powerful economic lever to stimulate and restructure the region’s economy.

The WMCA and LEPs should work with anchor institutions in the region to coordinate strategic procurement spending in support of the local economy, aiming to make the creation of great jobs and the promotion of high quality employment standards central to spending by public bodies and anchor institutions in the West Midlands.

These objectives should be a key measurable outcome and condition of the financial support co-ordinated by combined authorities, local authorities and LEPs through City Deals, the Local Growth Fund and the forthcoming Shared Prosperity Fund.

For example, the ceramics industry in Stoke-on-Trent is under severe pressure and there is a great danger that this industry may be lost forever. Such a loss would be economically damaging for the local economy and also a severe blow to civic pride for a region known as the potteries. There is much that can be done to support this important domestic industry. For example, at present, the NHS sources its prosthetics from abroad, but instead could source from Stoke. Regional institutions could look at their procurement strategies in a very practical way that supports the ceramics industry and thereby supporting a skilled, valuable industry.

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<sup>13</sup> ONS, 2019. [Country and regional public sector finance expenditure](#), Table 4

## 4. Decent work and a new way of doing business

The coronavirus has highlighted just how much we rely on key workers. It is the shop workers, cleaners, security guards, refuse collectors, postal delivery workers and bus drivers who have kept our country going during the crisis, yet these same workers are often among the worst paid and least secure.

Recovery from the crisis cannot just consist in creating new jobs to replace those that have been lost. It must also be about improving the quality of jobs that already exist in the West Midlands so that all jobs are good jobs, with decent pay, more security and a strong voice for workers, and tackling discrimination and disadvantage at work.

Nationally, the TUC is calling for:

- the national minimum wage to be lifted to £10 an hour
- a ban on zero-hours contracts and bogus self-employment
- all workers to be automatically put into an occupational pension scheme with sufficient contributions for a decent standard of living in retirement
- proposals to boost collective bargaining, including ensuring good access to workplaces for unions to meet staff and to organise effectively
- new business models to deliver workforce voice in corporate governance and reform of corporate purpose
- workers to be given a voice at the heart of government through a National Recovery Council, bringing together workers and employers, mirrored at regional and sectoral level
- government support for business, taking the form of equity stakes, and being conditional on business putting in place fair pay and employment plans.

Unions have had a role to play in the WMCA since its inception in terms of promoting good quality jobs and has led to the adoption of the apprenticeship charter and the Dying to Work Charter at the WMCA. The West Midlands recovery strategy should build on these steps and seek to embed social partnership into all areas of work and use its civic leadership role to encourage the wider adoption of collaboration across all sectors of the economy.

### 4.1 Promoting great jobs through public procurement

Just as public procurement can be a valuable lever for creating jobs in the region, so it can also be used to drive up job quality.

To maximise the potential of procurement to drive up job quality across the West Midlands, the WMCA and LEPs should:

- work with commissioners and decision makers across the public sector – including the health service and local government – to promote, implement and monitor a more dynamic approach to social value procurement in support of great jobs and inclusive growth, including best practice from devolved governments in Wales and Scotland; as

outlined above this could support the development of the green revolution, the ceramics industry and the extension of progressive employment standards across our region as examples

This will involve the use of voluntary agreements and charters, including employment charters, to promote high quality service delivery, decent employment standards and to protect against exploitation of the outsourced workforce and supply chain.

## 4.2 Worker voice

The crisis has shown value of working with unions to deliver rapid change on the ground. From expanding NHS capacity to developing safe working practices and adapting to changes in workload and output, engagement with workers and the trade unions has been essential to the crisis response.

Worker voice must be embedded in any recovery plan, whether through the promotion of collective bargaining at a workplace level, sectoral agreements or using a social partnership model to ensure equal voice between government, workers and employers.

Collective bargaining delivers at a workplace level. [Workers in unionised workplaces](#) have better pay, more training, better work-life balance policies, better pensions, and are less likely to leave their job.

But more and more evidence shows that collective bargaining also delivers for workers across the economy too – particularly when workers can bargain with employers to set standards across a whole industry or sector. The OECD has [published evidence](#) showing that collective bargaining can help tackle inequality, boost business productivity, and help groups who are discriminated against in the labour market get and keep jobs. It also says collective bargaining is at the heart of how governments can deliver better work.

To embed this kind of good practice and increase workers' voice in the long term, the WMCA and LEPs should:

- set a headline aim to increase employee and trade union engagement, explaining the benefits that this can bring for productivity, and use commissioning, procurement and the allocation of specific funding streams to require evidence of effective workforce engagement
- build employee, worker and trade union engagement by promoting the value of social partnership through collective bargaining and workforce voice in strategic decision-making; this could take the form of establishing greater information and consultation mechanisms with recognised trade unions or through other forms of employee engagement in non-unionised workplaces; the WMCA and local authorities should work with LEPs to jointly promote this as a core objective of the recovery strategy
- build on the experience of Greater Manchester, Liverpool City Region and other areas, in developing structures and mechanisms for engaging trade unions and other stakeholders in the heart of regional decision-making and economic strategy.

### 4.3 Equality at work

The impact of Covid-19 has had a clear disproportionate impact on certain groups. BME communities have been hit more severely by the virus than other groups, in part because they are [more likely to work in frontline jobs](#) that expose them to the virus. There are also [reports](#) that the economic impact of the virus has so far been worse for women, with paid hours of work falling more for women than men and more women dropping out of the workforce, something likely related to women bearing a greater share of caring responsibilities.

Immediate steps must be taken to address the adverse impact on people with protected characteristics and to tackle discrimination and disadvantage in the longer term. This is crucial to making sure that inequalities are not increased and entrenched by the expected economic downturn.

Nationally, the TUC is calling for the government to:

- develop a cross-departmental action plan in government, with clear targets and a timetable for delivery, setting out steps to tackle the entrenched disadvantage and discrimination faced by BME people, with regular updates given to parliament
- strengthen the role of the Race Disparity Unit to properly equip it to support delivery of the action plan
- review and where necessary redraft the Gender Equality Roadmap and include a clear timetable for delivery
- engage with disabled people's organisations and disabled people to ensure that the voice and experience of disabled people are central to the following:
  - reviewing the Access to Work grants and ensuring better resourcing and process
  - understanding the implications of the increase in home working for disabled workers, and responding, building access to quality employment opportunities
  - taking the necessary steps to close the disability employment gap and the disability pay gap
  - producing a strategy and timetable to address the systemic inequality that disabled people experience in the labour market
- ensure compliance with the public sector equality duty throughout its response to Covid-19.

There is also much that can and should be done by the WMCA, LEPs and local authorities. The WMCA should use its procurement and leadership powers and policy levers such as employment charters and the public sector equality duty to enact the following recommendations and encourage employers to adopt them:

- Employers with 50 employees or more should be encouraged to report on their gender, disability and BME pay gaps, and develop an action plan to reduce them; employers with 250 or more employees, who are legally required to report their gender pay gap

figures, should be encouraged to develop time bound and target driven action plans informed by detailed monitoring.

- All employers in the area should be encouraged to carry out regular pay audits for a better understanding of how to address the root causes of pay inequalities in their organisation.
- There should be adequate funding for specialist domestic violence services and centres where government cuts have significantly reduced provision and access in the area.
- The partial devolution of some skills funding should be used to ensure apprenticeships and routes into jobs and training are designed and delivered in a way that is truly accessible to the most underrepresented groups (e.g. women, BME workers, disabled workers).
- Mechanisms should be built in that ensure wider consultation of stakeholders who bring in underrepresented group such as women, BME people, disabled people and LGBT+ people in a local area to ensure diversity of views and accountability, so local policy isn't decided behind closed doors.
- Employers must be encouraged to promote and adopt a zero-tolerance approach to sexual harassment and other forms of discrimination, including developing clear disciplinary procedures, in partnership with trade unions.
- Employers should ensure their equality policies are inclusive of lesbian, gay, bisexual and trans (LGBT) workers.
- Employers should consult with their disabled staff and their trade unions on the best way to remove barriers and address the disability employment and pay gaps. Employers should also consult and work closely with recognised trade unions.
- Employers should be helped to better understand their Equality Act obligations, and to put in place reasonable adjustments for disabled workers. This should include adopting the [TUC's model Reasonable Adjustments Disability Passport](#) to ensure their disabled workers adjustments are maintained through times of change.

## 5. Meeting the skills challenge

Good quality skills provision is essential to improve the quality of jobs and enable people to access them.

On a national level, the TUC is calling for:

- a job guarantee scheme that includes a flexible training element and the option for starting an apprenticeship
- a new right to retrain for everybody, backed up by funding and personal lifelong learning accounts, bringing forward the £600m promised investment in a national skills fund, and accelerating the work of the national retraining partnership, to ensure there is a gateway to new skills for everyone
- an “education and training guarantee” for all school leavers and other young people aged 25 and under who wish to take this up; this guarantee would include an apprenticeship, a place at college or university, and other education and training options – the apprenticeship levy should be flexed to support this where appropriate
- a fully funded entitlement for all adults to achieve a Level 3 qualification level
- increased financial support for adult further education and higher education students through maintenance grants and bursaries
- investment in the further education estate and workforce
- a new right to paid time off for education and training for workers
- a new entitlement to a mid-life skills or career review, and the development of an all-age careers guidance service in England.

Regional and local responsibility for skills provision means that the WMCA and LEPs have an opportunity to drive change in skills provision in the region. They should:

- use procurement and advocacy and soft powers to ensure that the recovery strategy has a core aim of driving up employer engagement in training, with a view to increasing:
  - the number of employers providing workplace training
  - engagement with unions on the learning and skills agenda, including the use of workplace learning agreements negotiated with relevant trade unions
  - the number of employees provided with time off to train
- ensure local skills strategies are aligned with infrastructure and investment decisions – the WMCA, local authorities and LEPs should develop retraining opportunities for all workers as well as expanding quality apprenticeships across the region whilst exploring how to guarantee access to apprenticeships to workers both from economically vulnerable and underrepresented groups.
- develop a local job guarantee scheme to prevent a generation of workers being scarred by long term unemployment. The local job scheme should offer:

- secure contracts of at least six months
- pay at least the real living wage
- provide training opportunities to help people move into longer-term work
- guarantee access to trade union representation
- contribute to wider community benefits
- be additional jobs that would not otherwise be created by employers.

To ensure these conditions are met a working group involving businesses, unions, HE, FE and third sector social partners from should be created to oversee the implementation of the programme.

The WMCA and LEPs should also:

- secure employment and training opportunities for local communities through intelligent procurement and framework agreements such as those used for the London Olympics and HS2, including making sure that apprenticeships and other training opportunities are established across supply chains.

The WMCA has signed the TUC Apprenticeship Charter and should now work with LEPs, business groups and other stakeholders in taking this further by engaging employers to ensure every apprenticeship has purpose, is paid fairly, with high-quality learning and training elements and access to trade unions.

Too often the agencies involved in the skills agenda are disparate and it is confusing for working people to navigate meaning many people don't access the support presently available. The WMCA should look again at skills provision and ensure access is easy to understand for working people. This should also be supported through additional investment to ensure that professionals in this field are able to provide individual, tailored and ongoing support as opposed to generic 'off the shelf' advice.

Colleges across the West Midlands support over 250,000 students from across the region's constituencies, including 74,000 young people, 145,000 adults and 27,000 apprentices, and support the productivity of over 12,000 employers, many in the region's priority sectors.<sup>14</sup> As such, the WMCA, LEPs and local authorities can play an important role in ensuring that further education (FE) colleges are at the centre of serving the needs of the regional economy.

Colleges West Midlands (CWM) is the formal partnership of all 21 further education colleges situated in, and adjacent to, the West Midlands Combined Authority area and are ideally placed to work strategically with the WMCA to meet the skills challenge. CWM has calculated that investment of some £636m is required over the next five years to provide the infrastructure needed to deliver against the existing regional skills plan and national education priorities. £471m is needed to ensure the FE estate is of a good or better

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<sup>14</sup> Colleges West Midlands, 2020. [A prospectus for capital investment in further education colleges in the West Midlands.](#)

standard, £89m would fund development of new facilities and resources for advanced and higher skills and £75m would secure essential digital capacity and capability.<sup>15</sup>

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<sup>15</sup> Ibid.

## 6. Rebuilding public services

Properly funded, well run public services must be at the heart of a strong economy. In normal times they educate us, look after our sick, vulnerable and elderly, keep our streets clean and safe and enable us to travel affordably. They were even more important during the pandemic, with public sector workers making huge sacrifices on the frontline in the fight against the virus. The wider economic recovery will also crucially depend on public services, from public transport to schools and nurseries, being properly funded and able to operate safely.

Yet public services went into the crises weakened by ten years of cuts and pay restraint, which had created major shortages and capacity issues in key areas such as social care and local government. Investment in public services is not only needed to address these issues, it will also increase jobs, get more money into workers' pockets and add demand to the economy.

After months of [publicly celebrating](#) public sector workers, the government should reward their sacrifices with a pay rise and proper funding to repair the damage caused by austerity and build public service quality and resilience in the future.

Nationally, the TUC is calling for:

- government to reward public sector workers for the huge sacrifices they have made with fair pay rises that restore what they have lost through ten years of cuts and slow growth
- a new funding settlement for the NHS, local government, education and across public services to address the chronic under-funding of our public services, with funding for councils in deprived areas a priority
- a new settlement for social care that establishes integration and genuine parity of esteem with the NHS, includes proper funding and a care sector workforce strategy that supports standards, productivity and workforce development and is able to enforce sector-wide standards for both service users and workers.
- an end to the outsourcing of public services and services to be brought back in-house over a reasonable timeframe, except where there is a strong public interest case against doing so
- all providers of public services to be subject to the Freedom of Information Act and be required to make full details of contracts, supply chains and company information public, to ensure that public procurement practices deliver greater accountability and transparency in our public services
- the creation of a clearing house of all significant contracts across the public sector in order to evaluate their performance: this could be a public services commission, an enhanced National Audit Office or a new regulator.

While issues such as pay and funding will require action by national government, regional and local authorities can take important steps to improve the resilience and quality of public services by:

- adopting a policy of all service provision being publicly managed 'in-house' by default in all public sector organisations, only outsourcing where there is a strong public interest for doing so
- reviewing existing contracts with a view to renegotiating and/or terminating such contracts where this is demonstrably in the public interest
- basing all commissioning decisions on a public interest test, with clear, measurable "make or buy" criteria to ensure the delivery mechanism chosen best promotes:
  - a public service ethos
  - accountability to service users and elected representatives
  - value for money in the round
  - quality service standards
  - long-term sustainability of the service
  - high-quality employment conditions, pay and pensions
  - integration of services.

Where there is a public interest case for going to the market, a social value procurement strategy should be put in place across all public sector bodies in the West Midlands and voluntary agreements and charters, promoted by trade unions and others, used to promote high quality service delivery and decent employment standards.

## 7. Levelling up

Recent TUC [research](#) reveals that fast tracking spending on projects nationally such as broadband, green technology, transport and housing could deliver a 1.24 million jobs boost by 2022.

The report also states that the cost of this economic stimulus would pay for itself by boosting growth and tax receipts.

Given that the West Midlands is forecast to be the most affected region as a result of the pandemic, it's clear that such an injection is crucial. Quite simply, the government needs to deliver real finance for the West Midlands to enable the investment needed for a better recovery. Stakeholders in the region must come together to urge government to provide this stimulus.

Unfortunately, the present crisis comes after 10 years of dramatic reductions in the spending power of local authorities. In addition to the huge cuts in central government grants that have affected all public services, the model used to determine grants have disproportionately hit our region hard.

A fairer funding settlement would, at a stroke, realise additional billions in public spending that can be used to support this ambitious agenda.

In addition, the Shared Prosperity Fund should be tailored in such a way to support the aims and objectives outlined in this report, thereby ensuring all funding is targeted efficiently in delivering a better recovery.

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