

**A better recovery
for the North East
and Cumbria**

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 won't 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 North East's employment is in at risk occupations, rising to 26 per cent for workers age 25 and under.¹

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

As well as calling on the chancellor to provide support for the region as part of a national recovery plan, this report sets out a recovery plan for the region that the North of Tyne Combined Authority, Tees Valley Combined Authority, North East Combined Authority, the Cumbria Combined Authority and the regions LEPs can start putting into action right away.

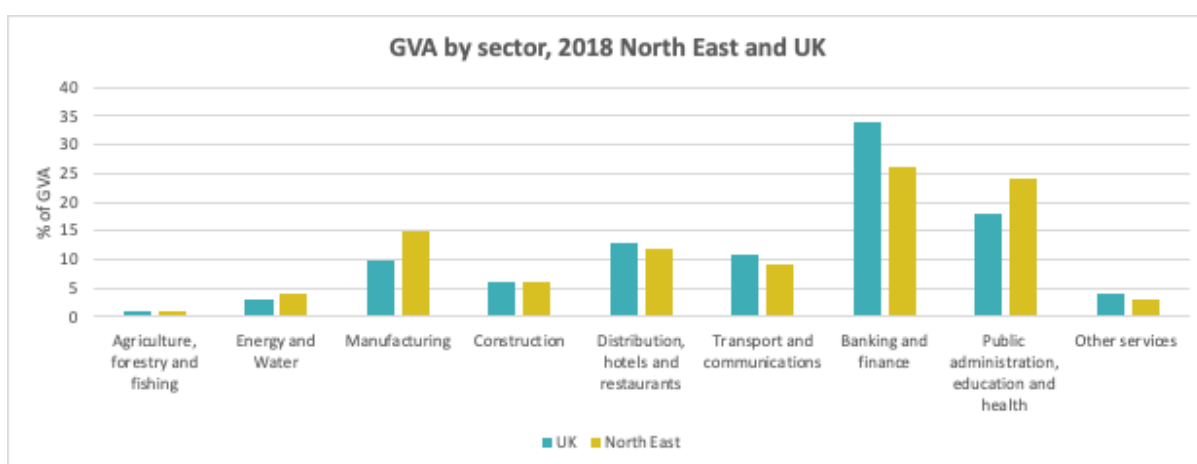
¹ TUC analysis of Labour Force Survey Q1 2020

2. North East and Cumbria economic snapshot

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 North East were lower than the rest of the UK, at 0.9 per cent compared to 1.3 per cent.² Since 2015, the North East has experienced seven quarters where there was no or negative growth.

Economic activity in the North East is more concentrated in manufacturing and public administration than the rest of the UK, with 15 per cent of economic activity in manufacturing, compared to 10 per cent across the rest of the UK.



Source: ONS 2019

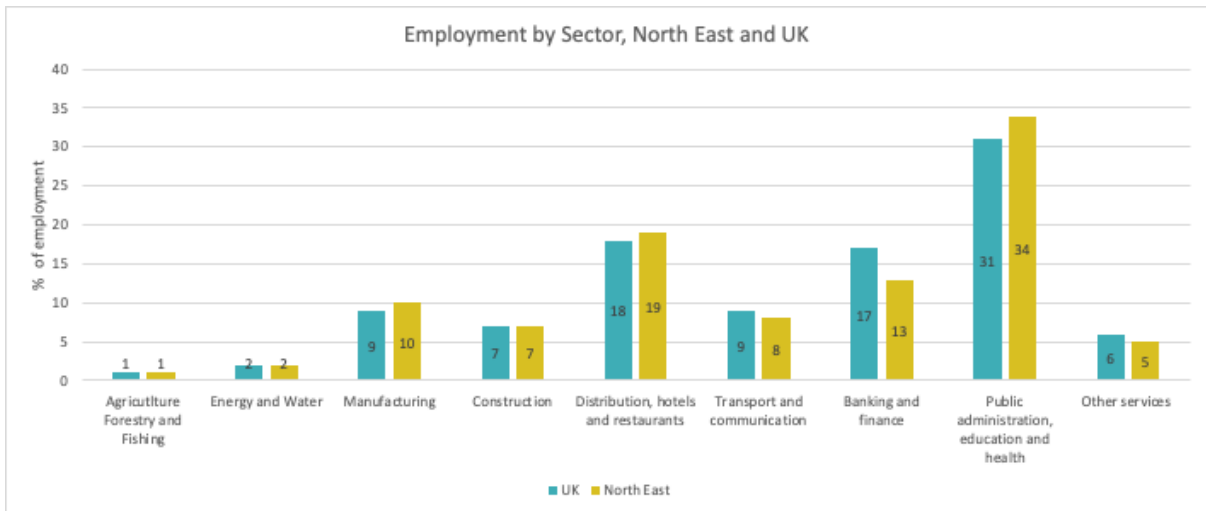
2.2 Where do people work and what is their job quality like?

The latest statistics, covering the period February–April 2020, before the economic impacts of the coronavirus pandemic had been fully felt, show that 73.9 per cent of the working age population were employed in the North East, lower than the UK average of 76.4 per cent, with an unemployment rate of 5.2 per cent (compared to 3.9 per cent across the UK).³

People in the North East are slightly more likely to work in the public sector, in manufacturing and in hotels, distribution and restaurants than in the rest of the UK.

² ONS, December 2019. [Regional gross value added \(balanced\) per head and income components](#)

³ ONS, June 2020. [Labour market in the regions of the UK: June 2020](#)



Source: TUC analysis of Labour Force Survey, Q4 2019

Across the UK, one in nine people are in insecure work. In the North West 11.3 per cent of people are in insecure work, according to TUC analysis.⁴ 47,000 people or 3.9 per cent of those in employment were on a zero-hours contract.⁵ 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.⁶

Median gross weekly pay in the North East is considerably below the UK average, at £437 a week compared with £479.⁷

Union membership in the North East is higher than the rest of the UK, at 29 per cent compared to 23 per cent of employees.⁸

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.⁹

⁴ TUC, 2019. [Insecure work: why the PM must put decent work at the top of his to-do list.](#)

⁵ ONS, February 2020. [EMP17: People in employment on a zero hours contracts](#)

⁶ TUC, June 2020. [Rebuilding after recession: a plan for jobs](#)

⁷ ONS, 2019. [Earnings and hours worked, UK region by industry by two-digit SIC: ASHE Table 5](#)

⁸ BEIS, 2020. [Trade Union Statistics, table 4.1](#)

⁹ TUC, 2020. [A £10 minimum wage would benefit millions of key workers](#)

The structural discrimination faced by these groups helps explain their low pay and the undervaluing of these key roles. There are 204,550 key workers across the North East of who 47 per cent are paid less than £10 an hour.¹⁰

2.3.2 Workers relying on the Job Retention Scheme and Self-employment Income Support Scheme

Across the North East TUC analysis estimates that around 350,000 workers, or 29 per cent of those in employment,¹¹ are reliant on government schemes to support incomes during the pandemic, with many facing an uncertain future.

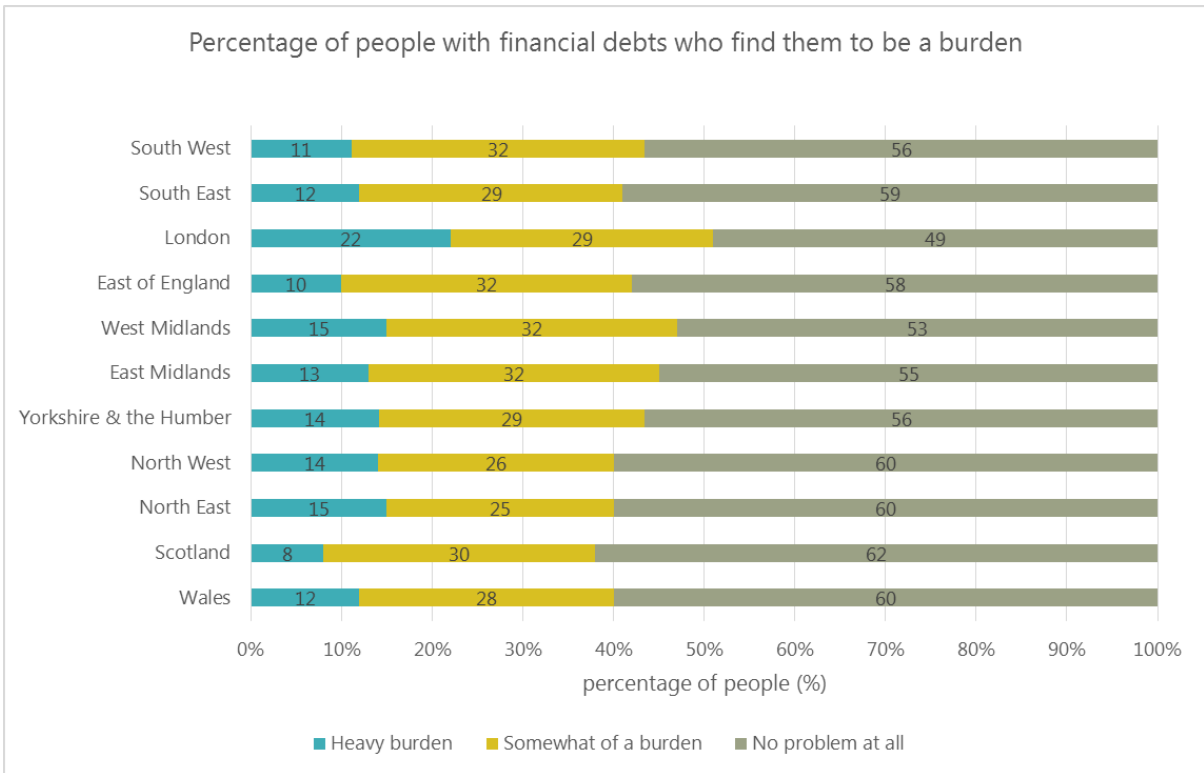
	Claimed SEISS	JRS	Total JRS and SEISS	% of in employment on a scheme
North East	67,000	282,500	349,500	29
County Durham UA	13,800	55,800	69,600	29
Darlington UA	2,800	11,600	14,400	30
Hartlepool UA	2,200	9,100	11,300	29
Middlesbrough UA	3,600	13,000	16,600	29
Northumberland UA	10,000	33,800	43,800	31
Redcar and Cleveland UA	3,300	13,100	16,400	29
Stockton-on-Tees UA	4,600	20,600	25,200	28
Tyne and Wear Metropolitan County	27,100	125,500	152,600	29
Gateshead	4,700	24,200	28,900	30
Newcastle upon Tyne	7,100	30,300	37,400	27
North Tyneside	5,200	22,200	27,400	27
South Tyneside	3,400	16,300	19,700	31

¹⁰ Ibid.

¹¹ 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.

Sunderland	6,700	32,400	39,100	32
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With many people in the North East 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 are 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 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.

But investment alone won't guarantee good jobs are accessible to the people who need them. The North of Tyne Combined Authority will play a crucial role in the coming years in developing regional infrastructure.

Following the 2020 budget there is a strong stated desire from central government to see the seven North East local authorities combine once more to unlock essential investment in the region's transport infrastructure.

The outcome of these discussions will play a crucial role in shaping how infrastructure is delivered to maximise good job creation.

The North East and Cumbria's combined authorities and local councils should:

- work with other local actors to articulate the need for greater government investment in infrastructure in the region and define what works best for those areas
- 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
- 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.

3.2 Leveraging public procurement to support local economies

Public sector organisations, such as local authorities, the regions universities and clinical commissioning groups (CCG's) have significant spending power. To give an indication, total public sector spending in the North East in 2018–19 was £36bn.¹² This spending can be used as a powerful economic lever to stimulate and restructure the region's economy.

Combined authorities, CCGs and local authorities in the region should:

- work with anchor institutions in the region like the North East Procurement Organisation (NEPO) who represent the procurement leads of the 12 North East local authorities to coordinate strategic procurement spending in support of the local economy
- aim 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 region

¹² ONS, 2019. [Country and regional public sector finance expenditure](#), Table 4

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.

3.3 Local industrial strategies for the North East, Tees Valley and Cumbria

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 through consultation with unions towards a net-zero economy that delivers a just transition for workers
- 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 North East and Cumbria, for example, digital, energy, advanced manufacturing, and life sciences which political leaders in the region can seize and build on.

To build on these opportunities and develop strong local recovery strategies, the region's three combined authorities and LEPs should:

- develop new sectoral boards, bringing together the relevant institutions with 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.

Local industrial strategies for the North East, Cumbria and the Tees Valley must also include an approach to driving up productivity, pay and conditions, especially in parts of the local economy that play a key role in the community.

Also, there should be a focus on driving up pay, terms and conditions in sectors that employ large numbers of people in low-paid jobs with poor employment standards.

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.

3.4 Moving to a net-zero economy

For the North East and Cumbria, the opportunities to deliver a net-zero economy have resonance and we are well equipped to be a standard-bearer for the future of industry and innovation.

Even if there were no climate or nature crisis, and no pandemic to recover from, we should want to make the most of our considerable assets:

- First, the North East and Cumbria has an abundance of geographic, geological and historic resources that will be critical to a net-zero transition both for the local economy and the country as a whole.
- The [Teesside Collective](#) is leading the country in developing industrial carbon capture and storage for the energy-intensive industrial cluster in the region. The industries themselves are exploring the potential for hydrogen to be used in industrial processes and domestic heating in collaboration with Leeds as part of the [H21](#) project. This is an exciting opportunity as salt caverns in Teesside provide a natural resource for hydrogen storage.
- In County Durham too, there is substantial potential to redefine the legacy of abandoned and flooded coal mines and repurpose them for home heating, [using the mine water](#) that still flows through them. In Sunderland, we have one of the largest electric vehicle manufacturing bases in the country.
- Finally, the Northumberland and Tyneside coastlines are already home to a substantial offshore wind cluster bringing with it training, innovation and business, and Dogger Bank will continue to be [a major bidding area](#) for new projects in future.

3.5 Research and development

The North East world-leading in its industrial expertise and academic institutions. Key bases for the innovation centre, the Offshore Renewable Energy Catapult, are situated in Blyth and Northumberland.

At the region's five universities, we have world experts in technologies that will be key to a net-zero economy such as:

- battery technologies
- sustainable transport

- offshore wind
- geo-thermal energy.

On a per working-age person basis, the North East is one of the [highest exporting regions](#) in England. This means that the development of cutting-edge industries could be hugely beneficial to the region's trade potential in new international markets.

Harnessing this significant potential will require serious commitment from government to meeting its net-zero targets and to its levelling-up agenda.

This will involve investing in projects themselves but also, crucially, in the capacity within local government to coordinate and deliver them.

Local industrial strategies should aim for 50 per cent of energy to come from renewables by 2030 and should map the potential for new technologies and areas of growth, and coordinate support for workers and investment around a long-term plan for a just transition to a low-carbon economy.

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 of 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 North East and Cumbria. With a stated aim that every job should have decent pay and more security, underpinned by sectoral collective bargaining.

Nationally, the TUC is calling for:

- an increase to the national minimum wage 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 union access to workplaces
- new business models to deliver a workforce voice in corporate governance and the reform of corporate purpose
- workers to have a voice at the heart of local decision-making bodies through regional and sectoral level councils, that bring together workers and employers
- government support for business, taking the form of equity stakes and being conditional on business putting in place fair pay and decent employment standards.

4.1 Job quality

Elected Leaders, officials and wider civil society in the North East and Cumbria are already implementing strategies to improve job quality. Such as:

The North of Tyne Combined Authority

- The North of Tyne Combined Authority has been working with the TUC and key stakeholders to understand what 'good work' looks like and have developed a Good Work Pledge, which enables employers to understand the key elements of 'good work,' what they can do to achieve this for their employees and what support is available to help them get there.
- The North of Tyne Good Work Pledge is not a formal accreditation or award, but it instead represents a set of five pledges that business can work towards, support and receive recognition for.

The pledge covers the following areas:

- valuing and rewarding your workforce

- promoting health and wellbeing
- effective communications and representation
- developing a balanced workforce
- social responsibility.

The North East Local Enterprise Partnership

- The North East LEP strategic economic plan aims to achieve 100,000 more and better jobs by 2024 in four key strategic industries digital, energy, advanced manufacturing and health and life sciences. The North East LEP define better jobs as managers, directors, and senior officials; professional occupations (such as civil engineers and doctors); and associate and professional and technical occupations (such as laboratory technicians and graphic engineers).

4.3 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 region, the region’s three combined authorities 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.

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.

4.4 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 North East and Cumbria's three combined authorities 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

Employee and trade union engagement should include 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. Combined authorities in the region should work with LEPs to jointly promote this as a core objective of the recovery strategy.

Combined authorities and LEPs should also 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.

4.5 Skills

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 and 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 in particular the North of Tyne and the Tees Valley Combined Authorities have an opportunity to drive change in skills provision in the north of the region where the majority of private sector job creation occurs. 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
- 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
- sign the TUC Apprenticeship Charter and work with LEPs to engage employers to ensure every apprenticeship has purpose, is paid fairly, with high-quality learning and training elements and access to trade unions.

4.6 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 black and ethnic minority people, with regular updates 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 individuals 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
 - the implications of the increase in home working for disabled workers, ensuring access is the focus
 - the necessary steps to take to close the disability employment and pay gaps
 - 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 region's local authorities working together.

Newcastle upon Tyne City Council has been a flag ship authority within the region with regard to equality, having been listed as the number one LGBT+ friendly employer by Stonewall in 2020.

The North of Tyne Combined Authority and Tees Valley Combined Authority should use their 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 to combined authorities 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 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.

- The combined authorities should work with employers 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.
- The combined authorities should work with employers to ensure their equality policies are inclusive of lesbian, gay, bisexual and trans (LGBT) workers.
- Employers should be consulted 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.
- The combined authorities should work with employers to help them better understand their Equality Act 2010 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. 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 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 North East and Cumbria and voluntary agreements and charters, promoted by trade unions and others, used to promote high quality service delivery and decent employment standards.

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