



**A better recovery
for the South West**

1. Introduction

The South West needs urgent action to rebuild a better and fairer recovery. It will require national, regional and local level intervention not seen since the end of the Second World War.

The lockdown of the economy has already caused a sharp rise in numbers claiming work-related benefits, including unemployment benefit. While the official unemployment rates for the UK and indeed the South West have barely moved since restrictions were enforced, almost a quarter of all workers in the South West have been furloughed. These jobs will become vulnerable as the Job Retention Scheme ends in October. And as other temporary support measures are also wound down, a major economic stimulus for the region will be needed if we are to avoid mass unemployment and a deep decline in the South West economy.

It is important to recognise that the coronavirus pandemic alone did not cause the looming economic crisis. Following a decade of persistent dis-investment in regions, cuts to essential public services and communities held back from realising their potential, the route to recovery for the South West will undoubtedly be tough. This is in addition to the pressures businesses and working people will face as national government continues to seek post-Brexit trade deals in a considerably shorter time frame than anticipated.

Choosing the wrong approach to recovery creates a very real risk of a deeper recession with higher levels of job losses and long-term unemployment for the next generation.

An effective route to recovery should at its very core aim to support more and better employment and job opportunities that are accessible, sustainable and fair. Regions and local leaders should be able to take the lead to create the jobs needed to build a better future for their communities, with investment and greater policy-making powers available to ensure no community is left behind.

The scale of action needed is also an opportunity to address long-running problems in the British economy, including the long-term 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 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, and 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.

In order to build back better, we need to see regional recovery panels, mirroring the National Recovery Council for the UK, that involves 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 combined authority level.

These regional and devolved 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 simply does not work. Instead, we need to turn headline objectives into tailored strategies for each region, led by the very people who understand the region.

Furthermore, we know different parts of the country will be hit in different ways. The UK economy is already highly regionally imbalanced and the uneven impact of lockdown on different sectors, combined with their uneven spread across the English regions, means there is a danger of compounding regional inequalities. **8 per cent** of the South West's employment is found in 'at risk' occupations – rising to nearly one quarter (**23 per cent**) for workers aged 25 and under.¹

We hope the government takes real action to tackle these issues in the chancellor's summer fiscal event, but there is already much that the South West can do within existing structures.

As well as calling on the chancellor to provide support for the South West as part of a national recovery plan, this report sets out a South West regional recovery plan that the West of England Combined Authority (WECA), South West Local Enterprise Partnerships (LEPs), and local authority leaders in collaboration with trade unions, businesses and civic society, can start putting into action right away.

¹ [TUC analysis of Labour Force Survey Q1 2020](#)

2. South West economic snapshot

The South West is typically viewed as a relatively rich part of the UK compared with its northern brothers and sisters. It benefits from being the largest regional aerospace powerhouse in Europe, with several global advanced engineering businesses that support tens of thousands of jobs every year, and many more through its supply chain. It benefits from a city (Bristol) that before the pandemic was the only UK core city outside of London to make a positive net contribution to the exchequer, and is home to several university towns and cities that bring good quality jobs, training and research that boost the region's economy. It also has a thriving agri-food sector, the second highest regional employment in the creative industries after London and the South East, and contributes to the British tourism trade by more than 20 per cent every year.

However, much of these advantages hide deep-rooted regional inequalities, particularly in rural and coastal communities rife with seasonal, low paid and insecure jobs.

Average weekly earnings in many of these held-back communities have ranked, for years, alongside the lowest paid areas in the UK. Indeed, more than a fifth of jobs in the South West pay below the real living wage.² This situation is further underlined by a weak economic base in the region, with average real wages in the South West down £19 a week compared with 2010,³ and unsecured debt per household up to £14,540 in the third quarter of 2019.⁴ For a decade, child poverty has been rising rapidly. The TUC found that the number of children in working households in the South West has increased by 20 per cent since 2010.⁵ There is also a distinct lack of connectivity in terms of public transport, road and rail networks, and broadband, which further hinders economic progress.

As the impact of the coronavirus takes effect, the South West region is therefore – perhaps unsurprisingly – emerging as one of the regions likely to be worst hit. Already, one third (32 per cent) of people in work have their jobs protected by either the job retention scheme (JRS) or the self-employment support scheme (SEISS) (Table 1). Many of these jobs are dependent on businesses in sectors that have been unable to operate during the lockdown restrictions.

Table 1

	In employment (16+)	No. claiming SEISS	No. claiming JRS	Total JRS and SEISS	% of in employment on a scheme	% of in employment on JRS	% of in employment on SEISS
South West	2,783,641	224,000	654,800	878,800	32	24	8

Source: HMRC, June 2020.

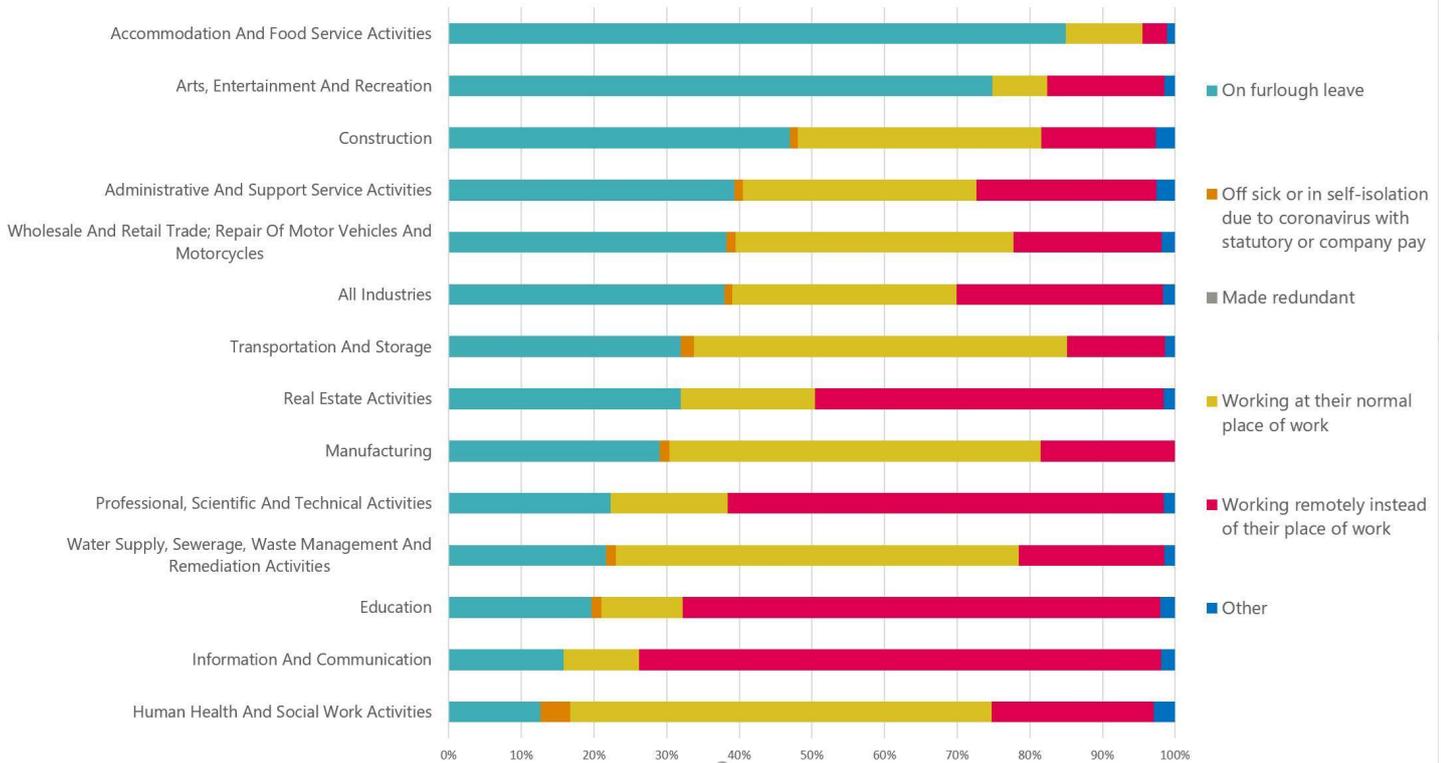
² ONS, 2019. Annual survey of hours and earnings, Table 7

³ TUC (Nov 2019) [South West workers still earn less than they did before the financial crash](#)

⁴ TUC analysis of ONS data and UK Economic Accounts, 2020. [Unsecured debt hits new peak of £14,540 per household.](#)

⁵ TUC, November 2019. [215,000 children live in poverty in the South West](#)

Figure 1: Impact of Covid-19 on businesses by industry



Source: Business Impact on Covid-19 Survey: Wave 6 (2020)

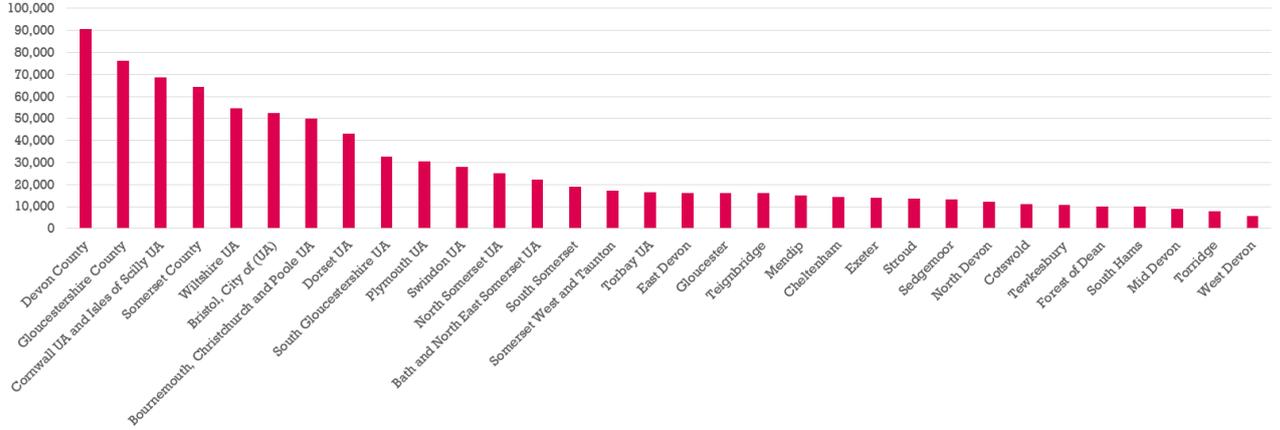
More worryingly, with the effective closure of commercial airspace around the world, the civil aviation and aerospace sector has already seen several previously 'financially strong' regional businesses make job loss announcements. The hospitality and tourism sector has taken a nose-dive in revenue as people stayed home and restaurants, bars, cafes, museums, theatres, hotels and more all closed before their most lucrative season could begin.

All these sectors on which the South West economy heavily depends means the region is heading for a serious downturn.

The true impact of unemployment, as already mentioned, is yet to be fully realised. But already think-tanks like the RSA are predicting the South West, in particular, rural and coastal communities like Cornwall and Devon, will be among the hardest hit regions in the UK.

Looking at the figures above, we can see the areas of the South West region that have relied more heavily on the job-saving employment schemes are those with a higher dependence on accommodation, hospitality and tourism industries, as well as parts of the region where zero-hour contracts or temporary and seasonal employment are particularly prevalent. Indeed, before the job retention scheme was opened, and greater clarity given as to who could qualify, experimental claimant count figures from the ONS saw a sharp rise in people seeking unemployment welfare support in places like Cornwall, Torbay, Devon, and rural Somerset, known to have disproportionate levels of insecure and low-paid work.

Figure 2: Number of people furloughed by South West local authority



Source: ONS June 2020

Table 2: Number of claimant count per area (March–May 2020)

	On 12 March 2020		As of 14 May 2020		Change	
	Total claiming	% of population	Total claiming	% of population	Increase in number	% increase
UK	1,275,575	3.1	2,675,250	6.4	1,399,675	110%
South West	76,125	2.3	184,250	5.4	108,125	142%
West of England LEP	15,815	2.1	39,045	5.3	23,230	147%
Bath and North East Somerset	2,160	1.7	5,260	4.2	3,100	144%
Bournemouth, Christchurch and Poole	6,505	2.7	16,020	6.6	9,515	146%
Bristol, City of	8,520	2.7	20,285	6.4	11,765	138%
Cheltenham	1,655	2.2	3,805	5.1	2,150	130%
Cornwall	8,870	2.7	21,760	6.6	12,890	145%
Cotswold	710	1.4	2,240	4.3	1,530	215%
Devon	8,615	1.9	23,330	5.0	14,715	171%
Dorset	3,775	1.8	9,955	4.8	6,180	164%
East Devon	1,385	1.8	3,715	4.8	2,330	168%
Exeter	1,560	1.7	3,810	4.3	2,250	144%

Forest of Dean	1,155	2.3	2,520	4.9	1,365	118%
Gloucester	2,330	2.9	4,855	5.9	2,525	108%
Gloucestershire	7,890	2.1	18,785	4.9	10,895	138%
Isles of Scilly	10	0.7	90	6.6	80	800%
Mendip	1,610	2.4	3,755	5.6	2,145	133%
Mid Devon	820	1.7	2,180	4.6	1,360	166%
North Devon	1,220	2.2	3,330	6.0	2,110	173%
North Somerset	2,610	2.1	6,240	5.0	3,630	139%
Plymouth	5,800	3.5	10,970	6.5	5,170	89%
Sedgemoor	2,035	2.8	4,020	5.6	1,985	98%
Somerset	7,445	2.3	16,590	5.1	9,145	123%
Somerset West and Taunton	1,930	2.2	4,315	4.9	2,385	124%
South Gloucestershire	2,525	1.4	7,260	4.1	4,735	188%
South Hams	755	1.6	2,540	5.2	1,785	236%
South Somerset	1,875	2.0	4,495	4.7	2,620	140%
Stroud	1,060	1.5	2,930	4.1	1,870	176%
Swindon	3,500	2.5	8,585	6.1	5,085	145%
Teignbridge	1,480	1.9	4,115	5.4	2,635	178%
Tewkesbury	980	1.8	2,440	4.4	1,460	149%
Torbay	2,690	3.5	6,215	8.1	3,525	131%
Torrige	905	2.4	2,265	5.9	1,360	150%
West Devon	490	1.6	1,375	4.4	885	181%
Wiltshire	5,215	1.8	12,915	4.3	7,700	148%

Source: ONS Experimental Claimant Count⁶

⁶ ONS (June 2020) The experimental Claimant Count consists Jobseekers Allowance (JSA) claimants and some Universal Credit (UC) Claimants. The UC claimants that are included are 1) those that were recorded as not in employment and those claimants of Universal Credit who are required to search for work, i.e. within the Searching for Work conditionality regime as defined by the Department for Work & Pensions (from April 2015 onwards).

3. Investing in jobs

With economists warning that unemployment is expected to reach levels not seen in decades, protecting and creating decent jobs must be one of the biggest priorities for a South West recovery. The OECD estimates that [unemployment could hit 11 per cent this year](#). But this is not inevitable, and action taken now can prevent the despair of mass unemployment.

Unemployment – especially long-term unemployment – does 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 that the younger generation, many of whom have already been affected by the recent 2008 economic crisis, do not face another catastrophic hit to their futures.

The most effective way the government can protect workers and the economy from the worst impacts of a recession this significant is through major economic intervention to stimulate the economy, with a job creation scheme at the very heart of it. Lessons from the UK’s economic history show that investing in job-creating, quality infrastructure is the most effective way to deliver growth and restore public finances. We failed to learn this lesson in 2010, with devastating results.

This time must be different.

As the voice of working people in the UK, 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 decent and sustainable jobs in every part of the country, especially the South West, so as to address the threats of mass unemployment, labour market and regional inequalities and the climate crisis together.

These jobs should:

- be a minimum six-month job with accredited training, paid at least 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 younger workers as well as those facing unemployment of six months or more
- be additional to the labour market, 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 a regional and local level through relevant recovery panels which ensures an equal voice in decision-making

between local and city leaders, trade unions, businesses, Jobcentre Plus and relevant civic partners.

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

Many regional and city leaders are already showing leadership by facing the coronavirus crisis head-on in their communities. Local and devolved authorities must continue to be a key driving force in tackling the already emerging economic impact of the coronavirus and spearheading the recovery.

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 will not guarantee good jobs are accessible to the people who need them. The South West's only combined authority in the West of England (WECA), with devolved powers and responsibilities in transport, housing, adult skills and regional industrial strategy, as well as regional LEPs and local and city authority leaders, all have crucial roles to play in shaping how infrastructure is delivered to maximise good job creation.

These local leaders should:

- work with other local actors and trade unions to articulate the need for greater government investment in infrastructure in their regions and localities and define what works best for their respective areas
- work with community and workforce representatives to ensure that infrastructure and regeneration is delivered in a way that meets genuine local 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 maximises community benefits; consultation and collaboration 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: all infrastructure projects, including house building and local building projects 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 and promote great jobs

Public sector organisations, such as universities, further education colleges or hospitals in the region can have significant spending power. To give an indication, total public sector

spending in the South West in 2018-19 was £69bn.⁷ This spending can be used as a powerful economic lever to stimulate and restructure the region's economy.

Our city leaders, LEPs and local authorities should:

- work with anchor institutions 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 South West.

These objectives should be a key measurable outcome and a 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.

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

To maximise the potential of procurement to drive up job quality across the South West, city leaders, WECA, LEPs, and local authorities 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 may involve the use of voluntary agreements and charters, including good employment charters, to promote high quality service delivery, decent employment standards and to protect against exploitation of the outsourced workforce and supply chain.

In the South West, we have already seen anchor institutions use their procurement, commissioning and political leverage to establish better work standards and create decent jobs in the South West.

Towards the end of 2017, the University of Bristol – the second largest employer in the city – and Bristol city council became accredited living wage employers, making the council the first unitary authority in the South West to do so. Accreditation meant all directly and indirectly employed staff in both organisations are guaranteed to earn at least a living wage and gave hundreds of workers an immediate pay rise. The city council used this decent work standard to set into motion an aspiration to make Bristol the first living wage city in England which has since been embedded into their economic strategy for the city developed by businesses, other anchor institutions, trade unions and civic society.

Other local authorities, such as Cornwall council have also become accredited living wage employers, which helped set in motion other local businesses to follow suit in this good work standard.

Raising the standards of employment in this way particularly benefits the low paid, frequently under-valued workforce such as cleaners, care workers, security staff and admin and tech support who, since the pandemic, have proven even more vital to society. In

⁷ ONS, 2019. [Country and regional public sector finance expenditure](#), Table 4

organisations that already pay a good wage to their directly employed workforce it helps to level up the pay of the outsourced workforce.

When effective, charters and accreditation schemes adopted by anchor institutions also help broaden discussions for city projects planned or owned by anchor institutions, including developing 'living wage zones' in new university campuses, and embedding good employment standards from the first day the shovel hits the ground in large infrastructure projects.

4. A South West industrial strategy

The economic shock caused by Covid-19 will come on top of longer running industrial challenges that the UK and the South West face. These include the steady erosion 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.

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

The TUC believes a good recovery:

- charts a path towards a net-zero economy that delivers a just transition for workers across the economy
- rebuilds and ramps up the UK's and the region'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.

Regional industrial strategies will therefore be key to levelling up and delivering real change on the ground.

Building back a better South West means local government and devolved authorities in partnership with unions and business must work together to achieve the region's full potential and transition towards a better, greener and fairer future. The scale of a low-carbon, more digital economy remains challenging, but the coronavirus crisis has already shown us that a new way of working and living is achievable. Millions of workers have already had to boost their digital skills as they worked from home and pollutions levels in cities around the world fell dramatically. City and local leaders stepped up to support communities, engaging with local stakeholders, businesses, and the workforce representatives to establish recovery and safety committees and social partnerships in a bid to tackle the economic downturn head on. At the same time, in just a few weeks, big manufacturers and supply chains in the South West switched production lines into making PPE and life-saving respirators. And emergency hospitals, beds and machinery were erected within a matter of days to support Covid-19 patient treatment.

Without a doubt, there are enormous strengths and opportunities in the South West.

The South West region, for example, has a wealth of expertise in advanced engineering and scientific technologies which political leaders in the region can seize and divert towards greener projects and new and improved infrastructure. Indeed, the £7bn advanced aerospace cluster in the South West supports some 98,000 jobs alone.⁸ Many of these jobs are at risk due to the direct impact the pandemic has had on the aviation and automotive industries. These highly skilled jobs and minds should be protected or re-directed towards building the next generation of greener fuels, air and road transport and green technology required to boost the green agenda for the South West.

⁸ South West Aerospace, 2020. [An introduction to the South West Cluster](#).

Universities are economic driving forces in places like Plymouth, Bournemouth, and Cornwall, drawing in thousands of students, jobs and educated workers. With over 30 colleges and universities in the South West alone, the South West has considerable capacity to boost the local skills base of the region's existing and future workforce by responding to local labour market needs, quality infrastructure projects and supporting jobs with good quality training opportunities.

The higher education sector will not come out unscathed from the coronavirus. With universities like Bristol preparing to run all its courses online, the number of student applications has fallen as students seek to defer until universities reopen. Many of these institutions also greatly benefit from income brought by international students that have more or less disappeared. We must therefore take full advantage of our higher and further education bodies to match the skills needs with regional job creation schemes and investment in new greener infrastructures and projects.

Our creative and cultural sectors have also borne the brunt of the pandemic lockdown. Cornwall alone receives a third of its annual income from the tourism industries so it is unsurprising that the region experienced a drop of 34 per cent to its GVA in the second quarter, with an estimated 72,800 jobs believed to be at risk.⁹ Financial and labour gaps in health and social care have also been exposed.

As well as promoting and protecting high-tech jobs, the South West must equally focus on supporting and boosting the core jobs and industries that proved so vital to tackling the coronavirus. Social care is notoriously undervalued and underpaid with limited training opportunities and routes to progression. Levelling up skills and work opportunities in these sectors will prove crucial to securing a stronger, faster recovery for the South West, and building a strong, resilient workforce.

To build back a better South West, our city and council leaders, LEPs and WECA should:

- develop new regional sectoral boards, bringing together key employers and employer-bodies such as Business West, the Federation of Small Businesses, the TUC South West and partner unions, and other community stakeholders to support productivity improvements and more 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, training, pay and conditions, and career progression
- develop more high-skilled, high productivity jobs by expanding the South West's role in low-carbon technologies – the region's geography already makes the South West a prime candidate to become the greenest economy in England. Devon, Cornwall and

⁹ Cornwall and Isles of Scilly LEP, May 2020. [Impact of Covid-19 on Cornwall](#).

South Somerset have already expressed plans to become the “carbon-basket” of the UK as they seek to advance in greener energy, carbon capture, agriculture and food production, and marine technologies

- produce a local industrial strategy that aims for 50 per cent of energy to come from renewables by 2030 and 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.

This industrial strategy must also include an approach to driving up productivity through decent pay and work 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 characterized by low pay and poor employment standards, including social care, retail and hospitality and tourism. The TUC believes that sectoral approaches will be essential here, with new bodies that bring business, unions and LEPs, and other local political leaders together to forge collaborative joint working on improving training, progression and productivity.

5. 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 simply 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 South West 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.

We need to see the development of new business models based on fair employment practices and relationships. This requires rebalancing the UK's corporate governance regime away from shareholder primacy, that supports a long-term, sustainable approach, a fairer share for workers of the wealth they create, and a renewal of collective bargaining across the region and key sectors.

To ensure a better recovery and future for the South West, 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.

Local leaders in Bristol, Cornwall and Plymouth are already improving job quality locally. Whether through a 'one city plan' approach that lays out fair work standards and goals to implementing better work charters such as the Living Wage Foundation's accreditation scheme or UNISON's Ethical Care Charter.

The West of England combined authority should leverage its political, commissioning and procurement powers to improve employment standards in its region.

5.1 Worker voice

The crisis has shown the 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.

Some local leaders have already set the pace for creatively implementing emergency and short-term plans in response to the coronavirus crisis. They have also begun to determine how to tackle the emerging economic, social and wellbeing long-term challenges their communities will face once the recession bites.

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, WECA, LEPs and local 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. WECA and South West local authorities should work with LEPs to jointly promote trade union engagement as a core objective of the recovery strategy.

WECA, LEPs and local authorities should also build on the experience of Greater Manchester, Liverpool City Region and other areas, in developing structures and mechanisms for engaging with trade unions and other stakeholders in the heart of regional decision-making and economic strategy.

5.2. Equality at work

The impact of Covid-19 has had a clear disproportionate impact on certain groups. Black and minority ethnic communities have been hit more severely by the virus than other ethnic group, 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, with more women dropping out of the workforce. This is 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.

The TUC is calling on 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 in the South West. The West of England combined authority 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 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 authority 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 authority 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 authority 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.

Equally, as we've already demonstrated in this report, local authority and city leaders have shown that as anchor institutions they, too, hold much sway in their local communities when setting good employment standards both in their supply chain and through council partnerships and commissioning.

6. Boosting adult skills

Good quality skills provision is essential to improving the quality of jobs. As we determine the best route to a long-term, prosperous recovery and future for the South West, an effective adult skills programme boosted by a new regional jobs guarantee scheme, and dedicated retraining fund must support workers at risk and in need of retraining to get into good, green jobs.

For years, funding and provision for adult skills and in-work training schemes have fallen dramatically. Between 2009-10 and 2018-19, government spending on adult education and skills fell by 45 per cent. Alongside this, the number of adult learners in further education or apprenticeships fell by a third (29 per cent) since 2010–11, from 3.2 million to 2.2 million.¹⁰

An audit by the OECD¹¹ into the UK's adult skills offer found a distinct lack of flexibility in training opportunities, including limited digital and distance-learning offers. This has contributed to people in so-called 'low-skill' jobs and those in long-term unemployment having significantly lower rates of participation in adult training.¹²

Between them, trade unions and businesses are best placed to know where the gaps in our knowledge, skills and recruitment bases are. City regions, LEPs and local authorities should take advantage of this knowledge and convene truly collaborative, social partnership panels to advise on skills priorities for the region, including how best to deliver for our new green industries, support inward investment, and respond to redundancy announcements.

With the expected scale of redundancies, the South West economy must develop creative routes for the workforce to take up training and re-skilling opportunities in new and greener jobs.

Trade unions, the TUC and unionlearn can play a crucial role in supporting the workforce and thus the local economy, by establishing an early warning system for redundancies to local and city leaders, whilst delivering information about the redundancy support programmes available directly to the workforce.

Regional and local responsibility for skills provision means that the West of England combined authority will be key to driving change, especially for people affected by the coronavirus crisis. WECA should use their devolved adult skills powers and flexibility to support new vocational training programmes geared towards green investment, and jobs that can be done in all our communities. South West LEPs too must take full advantage of their powers and funding options to expand and broaden the reach of skills training for their respective areas.

Taking inspiration from the ReAct Wales redundancy programme that supports industrial transition to better, greener jobs, an early intervention re-training and skills programme for the South West would be a welcome boost to the region's skills agenda. Such a programme would be set up to manage the threat of redundancies and mass job losses as

¹⁰ Social Mobility Commission, 2019. The adult skills gap: is falling investment in UK adults stalling social mobility?

¹¹ OECD, Feb 2019. [How future ready is the United Kingdom's adult learning system?](#)

¹² Ibid.

they emerge, reducing the risk of deskilling and long term unemployment, while providing a clear, supported pathway to new skills and career options in the local economy.

Above all, city regions should be proactive, intervening before redundancies are finalised or workplaces shutdown. Taking best practices from the former ProAct scheme in Wales, regional training schemes should work alongside employers to offer wage subsidies for local businesses to train staff during quieter business periods. This scheme could be adapted to allow employers to retrain existing staff or hire new staff to train in new green jobs.

Regional bodies and local authorities should also:

- 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 and unionlearn 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 and up-skill
- ensure local skills strategies are aligned with green infrastructure and investment decisions
- secure a regional Future Skills Fund to support retraining by coordinating skills investment between LEPs and unions
- 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
- work with city leaders, LEPs and local authorities to engage employers to ensure every apprenticeship has purpose, progression, is paid fairly, with high-quality learning and training elements, and access to trade unions.

National government also plays a vital role in boosting the adult skills offer in the South West. The TUC has called on government to introduce new rights to retrain and more flexibility for apprenticeships to better serve the needs of employers and employees, including:

- a job guarantee scheme that includes a flexible training element, such as good quality apprenticeships
- a new right to retrain for everybody, particularly for those at risk or experiencing job losses due to the coronavirus, 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.

7. 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 equally 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 crisis weakened by ten years of cuts to services and pay restraints, that 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 presenting issues, it will also increase jobs, get more money into workers' pockets and respond to growing demand in 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.

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 weak 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, including 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, with outsourced 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 South West, with voluntary agreements and charters, promoted by trade unions and others, used to promote high quality service delivery and decent employment standards as mentioned above.

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