Birchwood Investment Management Ltd

Newsletter for the outplacement industry

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Redundancy fears for Jobcentre employees

More than 750 jobs are at risk at jobcentres across the UK, following claims that up to one in ten locations are being earmarked for closure.

The Department for Work and Pensions has so far not revealed exactly how many of its 714 offices will close, with Minister for Employment, Damian Hinds, arguing that the cutbacks are necessary to better reflect today's welfare state as people increasingly claim benefits online.

Despite confirming that 750 jobs are in jeopardy, DWP has pledged to help its staff either relocate or take on other roles.

Damian Hinds said: "The way the world works has changed rapidly in the last 20 years and the welfare state needs to keep pace.

"As more people access their benefits through the internet, many of our buildings are underused. We are concentrating our resources on what we know best helps people into work."

The DWP has already confirmed that 78 small Jobcentre Plus offices will merge with larger nearby locations. A further 50 job centres could be "co-located" within local authorities. 27 back-office administration centres will also close to make way for fewer, large processing sites.

Frank Field, chair of the Commons Work and Pensions Select Committee and Labour MP for Birkenhead, said: "The DWP is cutting off its nose to spite its face, it seems to me.

"It's true that unemployment has been falling, but jobcentres have been given new tasks under Universal Credit to help people find work.

"The centres are supposed to have worker coaches who can find people a job and advisers to help them get higher pay. It means that staff will need to understand the jobs market over a wider area, jeopardising their ability to achieve their targets."

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Robot efficiency could lead to unemployment for public sector workers

Around a quarter of a million public sector employees could find themselves out of work over the next 15 years, amidst claims that machines could do their work more efficiently, saving billions of pounds.

The think-tank, 'Reform' predicts that artificial intelligence 'chat bots' and websites could replace up to 90 per cent of the work carried out by civil servants.

Even front line employees in the NHS could be replaced according to the report, which claims that machines are not only better placed to collate information but could diagnose and even perform routine operations more effectively than a human clinician.

The think-tank has estimated that cost savings to the country could be as much as £4 billion per year.

One of the recommendations made in the report includes a complete overhaul of public services HR, with suggestions that a flexible gig economy – where workers support themselves by taking on a number of flexible jobs picked up through online platforms – may be the way forward.

Reform suggests that very few roles will be able to escape the threat of automation. "Twenty percent of public-sector workers hold strategic, 'cognitive' roles," it says. "They will use data analytics to identify patterns – improving decision-making and allocating workers most efficiently.

"The NHS, for example, can focus on the highest risk patients, reducing unnecessary hospital admissions. UK police and other emergency services are already using data to predict areas of greatest risk from burglary and fire."

Alexander Hitchcock, the report's co-author, said: "Such a rapid advance in the use of technology may seem controversial, and any job losses must be handled sensitively. But the result would be public services that are better, safer, smarter and more affordable."

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List reveals who went bust in retailing

It is not a list that any company would ever choose to see their name associated with, but sadly a number of well-known retailers have found themselves included on the 2016 "Who's Gone Bust?" list.

Compiled annually by the Centre for Retail Research, the list reveals the names of medium and large retail businesses – many of them household names – which have gone into administration.

The List's name is something of a misnomer, given that the researchers themselves admit that for many companies, calling in the administrators is a temporary blip, brought about as a result of a company voluntary arrangement (CVA) rather than a complete cessation of trading.

Nevertheless, the figures up to the end of October 2016, calculate that the number of stores and employees affected increased significantly last year.

The Centre's analysis reveals that during 2015 there were 25 main retailers who were 'failing', with 728 stores and 6,845 employees affected.

This compares with 22 'failing' companies in the first 10 months of 2016, involving 1,250 stores and 24,488 – an increase which is largely due to the collapse of **BHS**, with the loss of 164 stores and 11,000 staff.

A number of other High Street and retail household names have made it onto the 2016 list including:

- **Banana Republic**, a subsidiary of Gap, has announced it plans to close most of its UK stores by the end of December 2016.
- **Store Twenty One**, as part of a CVA, the clothing and homewares chain has announced it is closing 77 of its 220 stores, and is obtaining rent reductions of up to 25 per cent on a number of others) Its property subsidiaries, Be-Wise and QS Plc, are also in administration.
- **Netto Stores**, a discount supermarket joint enterprise between Dansk Supermarket Group and Sainsburys, is to close its 16 stores with the loss of 400 staff.
- **My Local**, (formerly Morrisons' M Local) 120 stores and 2,000 employees affected after the chain went into administration in June.
- **Austin Reed**, which had 155 stores and 1,000 staff, appointed administrators in April. Some stores and brand names were sold to Boundary Mills/Edinburgh Woollen Mill, but all other stores – which also included Viyella and CC (formerly Country Casuals) closed their doors for the last time at the end of May.
- **Ben Sherman**, the menswear retailer, was sold via pre-pack administration to BMB Clothing in January 2016. Three of its ten UK stores have closed whilst its concessions in both the UK and Europe will be managed by a German licensee.
- **Brantano**, retail shoe chain went into administration in January. The company, which has 140 stand-alone stores, 60 concessions and employs 2,000 staff, continues to trade whilst a buyer is attempted to be found.
- **Blue Inc**, which trades in 230 stores as Blue Inc and The Officers Club, is to appoint administrators for A Levy & Son, which holds its store leases.

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