



2,000 jobs at risk as Whistl suspends postal deliveries



Whistl, a privately owned postal delivery firm formerly known as TNT, suspended its door to door delivery service on Monday sending home staff.

The Buckinghamshire based company is looking to cut 2,000 of its 4,500 staff. The move follows the decision last month by potential investment partner LDC not to fund its expansion plans who stated their decision was based on "ongoing changes in UK postal market dynamics and the complexity of the regulatory landscape".

The company had been rolling out its 'last mile' service called E2E in London, Liverpool and Manchester. A direct rival to Royal Mail, it had delivered 1 in every 4 letters in the Liverpool and Manchester areas and had a depot in Formby.

In a statement, Whistl said: "Following the announcement from LDC that it would not proceed with the proposed investment to fund further rollout of E2E, we have now commenced an extensive review of the viability and potential for the rollout of an E2E postal delivery service in the UK.

"To stem the losses from the operations we have taken the difficult decision to suspend the current E2E service during the review process and all mail will now be delivered through our long-standing downstream access service until we have concluded the review.

Whistl stated that they would hold back from expansion but will continue to provide a service reverting back to using Royal Mail for the 'final mile'.

With regard to staff redundancies Whistle stated, "As part of this extensive review, we will begin consultations with the relevant employees who are affected by the suspension of the E2E service, and with their union representatives, with a view to identifying and exploring viable proposals to secure the continuation of this service."

The Manchester Evening News has carried what it says is a copy of the letter to employees which states that most of the staff were employed on zero hours contracts and would not be paid during the consultation process.

Community, the recognised trade union at Whistl, says its members are "extremely worried for their futures".

Les Bayliss, national officer at Community, said they would work with the company to try to safeguard jobs: "We will be doing all we can to identify a viable way forward for the business that safeguards our members' jobs.

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The Latest UK Personal Debt Statistics

- Every 6 minutes and 13 seconds someone is declared insolvent or bankrupt
- 73 months is the length of time the Bank of England base rate has been held at its record low of 0.5%
- The average total debt per household including mortgages was £55,197 in March
- Total credit card debt in March 2015 was £61.2bn, that's an average of £2,295 per household
- 1,163 people a day reported they had become redundant between December and February
- Net lending to individuals in the UK increased by £100m a day
- 58 properties are repossessed every day, or one every 25 min 2 seconds
- 4.32% is the proportion of average salary someone in the UK can expect to spend on interest

Stats from The Money Charity

"We should be clear that this is a suspension of the business, not a termination of it, so we will be looking for the company to work with us to identify sustainable options to continue operations as soon as practically possible."

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New Business Roles Assigned in Cabinet

A multitude of new faces have been assigned to business and economic positions in David Cameron's new all Tory cabinet.

Former culture secretary Sajid Javid joined the cabinet as secretary of state for business innovation and skills replacing Vince Cable who lost his Twickenham seat in the election.

He has previously worked at Chase Manhattan Bank and Deutsche Bank becoming a politician in 2009. He was financial secretary to the Treasury from 2013 to 14.

The newly created small business minister in the Department for Business, Innovation and Skills was handed to Anna Soubry. First elected in 2010 she has previously held under-secretary roles in public health and defence. She was most recently minister of state for defence personnel, welfare and veterans.

Soubry is one of ten women being brought into the cabinet along with Ross Altmann who was handed the post of pension minister, Amber Rudd who is now energy and climate change secretary, economic secretary to the Treasury Harriet Baldwin and Priti Patel handed the role of minister of state for employment.

Pay increases to slow over the next 12 months



According to recent research by the Chartered Institute of Personnel and Development (CIPD) wage rises, excluding bonuses, which have stood at 2% during the last three months, are to slow to 1.8% during the next 12 months.

The CIPD stated, "The modest falls are consistent with other survey indicators (XpertHR, EEF). When we compare the current average pay forecasts with the LMO pre-recession average, we see that the average pay increase remains well below the pre-recession levels. In spring 2008, the average pay increase forecast was 3.6%."

Forty five percent of employers expect basic pay to rise within their organisations, compared to 9% who plan to freeze pay.

Contact Focus Insolvency Group

If any of your clients need advice, please feel free to contact us on 01257 257030 or email a.fisher@focusinsolvencygroup.co.uk

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