



## Number of planned redundancies in the UK doubles in a month to 18,040

Raoul Parekh

*11th April 2022*

[LinkedIn](#)

[Twitter](#)

[Email](#)

[Print](#)

The number of planned redundancies in the UK has jumped 103% in just one month, from 8,869 in January 2022 to 18,043 in February 2022, says GQ|Littler, the specialist employment law firm.

The number of redundancies planned by businesses has increased sharply as interest rates continue to rise. In February the Bank of England made the second of three increases in interest rates – pushing up the cost of borrowing for businesses.

Raoul Parekh, Partner at GQ|Littler says: “An extreme shortage of staff and hopes of a post COVID recovery had persuaded businesses to hold off on redundancy programmes, with numbers in December 2021 and January 2022 at their lowest levels since April 2019. It looks like that period of stability might be behind us.”

“It’s clear that the Bank of England intends to slow the economy in order to keep inflation under control.”

“Spiralling energy costs and other impacts from the war in Ukraine are also likely to dampen optimism amongst businesses and lead to cost cutting.”

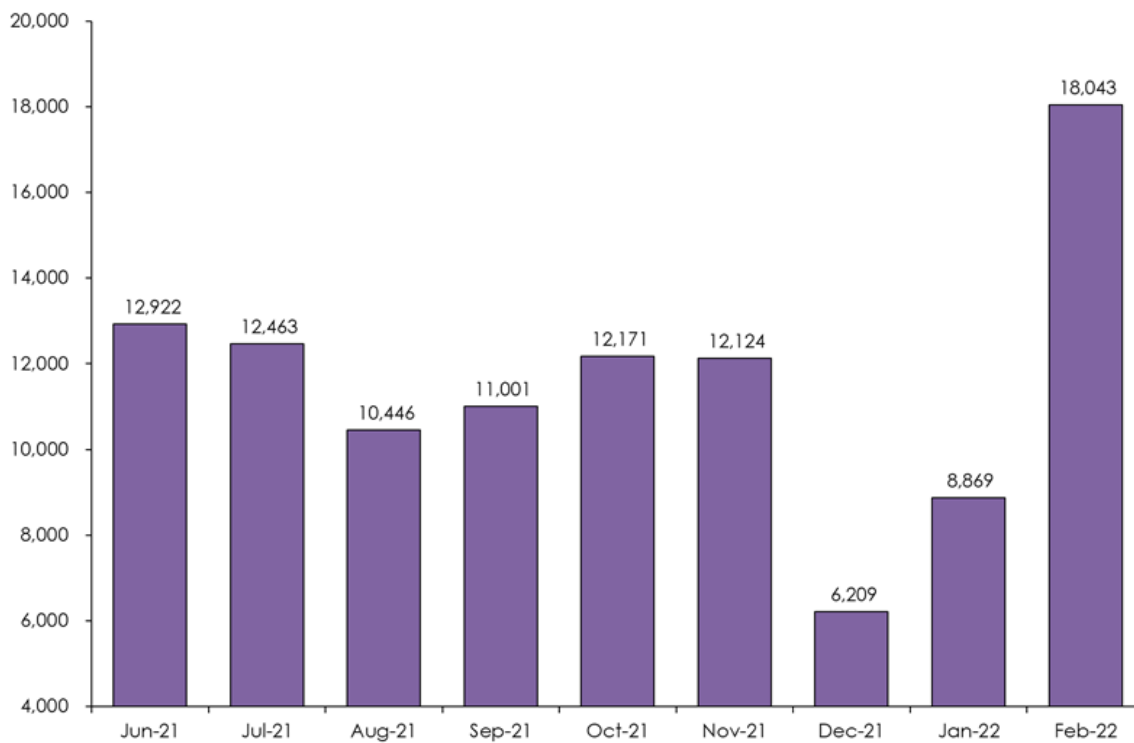
It is likely that some businesses are making redundancies in anticipation that consumer spending will drop off in some sectors due to the cost-of-living crisis which is expected to be exacerbated by the rise in National Insurance rates in April.

This climb in the number of planned redundancies comes after months of low redundancy rates.

Raoul Parekh, Partner at GQ|Littler says: “It is not yet clear whether these higher numbers of dismissals will result in higher unemployment, or whether the current labour shortages instead create a higher sectoral churn.”

“Given the attention paid to P&O’s mishandled redundancy programme employers will want to ensure that any similar measures are undertaken with extreme care and as sympathetically as possible.”

### UK planned redundancies double in a month



#### About GQ|Littler

GQ|Littler is a leading specialist employment law firm and the London office of **Littler**, the largest global employment and labour law practice devoted exclusively to representing management. With more than 1,600 lawyers in over 100 offices worldwide, Littler provides workplace solutions that are local, everywhere. Offering risk-based contentious and non-contentious advice, our legal expertise includes employment, immigration, data privacy and employee tax and incentives. Our client base spans a wide range of sectors including financial services, technology, healthcare, professional services and luxury goods, in the UK and internationally.

GQ|Littler is recognised as a leader in its field by both Chambers & Partners and Legal 500. The firm is noted for “carving out a

reputation in the employment sphere” and offering the “experience, technical expertise and quality of advice of a magic circle law firm, but with the personal touch and client-focus of a boutique firm”.

To better understand the myriad forces transforming the European workplace and the actions employers are taking in response, see [Littler's 2021 European Employer Survey Report](#). Littler surveyed more than 530 human resources executives, in-house attorneys and business leaders based mainly across Western and Southern Europe.