



## Post-furlough redundancies fail to materialise

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### The end of furlough support

It has now been over a month since the Coronavirus Job Retention Scheme (also known as the “furlough scheme”) finally ended on 30 September 2021. The furlough scheme represented one of the most significant state interventions in the UK labour market in modern times, and it was feared that closing the scheme that supported a cumulative total of 11.7 million jobs over a 19-month period would result in redundancies across the labour market. However, [data released by the Office for National Statistics](#) (“ONS”) on 4 November 2021 suggests that the anticipated mass redundancies have been avoided. In fact, the number of employees on payroll is rising and the UK is experiencing a shortage of staff in certain sectors.

### What the data shows

The data published by the ONS from its Business Insights and Conditions Survey revealed that 65% of employees working for employers who were still using the furlough scheme in September 2021 returned to their jobs on the same number of hours as they



had been working before being placed on furlough. A further 6% of employees returned to work on increased hours. The remaining employees either returned to work on reduced hours, voluntarily left their role and/or their role had been made redundant, or were put in a category of "other". Whilst the New Economics Foundation had [previously estimated](#) that over 650,000 jobs were likely to be lost as a result of the end of the furlough scheme, the latest statistics from the ONS show that UK employers were largely in a position by the end of September to return to business as usual.

It should be borne in mind that those employers who were still using the furlough scheme when it ended had already been contributing towards their employees' salaries since July 2021 (initially 10% but rising to 20% from August 2021), and plenty of employers made redundancies throughout the pandemic. Therefore, the employers that 'made it' through to the end of the scheme may have been those that felt more confident that business would return to pre-pandemic levels, as opposed to businesses that had already folded before the scheme closed or made early decisions to let employees go.

Nevertheless, [more recent data released by the ONS](#) states that the number of employees on payroll actually increased by 160,000 in October 2021 compared with September. Employers in the UK in sectors such as logistics and hospitality are currently experiencing staff shortages, resulting in many employers looking to offer enhanced pay and benefits to attract staff. This situation poses a different set of challenges for employers than had perhaps been anticipated when the winding down of the furlough scheme was first announced.

## Considerations for employers

Where employers have employees returning to work after long periods on furlough, there are some important things to consider:

- **Reintegration** - focus on ensuring a smooth transition back to work, considering points such as team structures and roles and responsibilities.
- **Employee wellbeing** - employers should be aware of their duty of care towards employees' health, safety and wellbeing. The shift from being on furlough to returning to full-time work, and the experience of having been furloughed in the first instance, will have impacted different employees in different ways.
- **Training/refreshers courses** - some policies may have changed and other knowledge gaps may have emerged over the course of the pandemic.

ACAS has also produced [this guidance](#) for employers regarding the end of furlough.