

Redundancies in NI Special Focus – March to August 2020

Theme: Labour Market
October 2020

Background

Under the Employment Rights (Northern Ireland) Order 1996 (Amended 8 October 2006) companies are legally required to notify the Department of impending redundancies of 20 or more employees. Companies who propose less than 20 redundancies are not required to notify the Department, therefore the figures provided are likely to be an underestimate of total job losses, however, it is not possible to quantify the extent of the shortfall. Further information can be found in the [Redundancies Background Quality Report](#).

This short paper focuses on the redundancies that have been proposed and confirmed since the start of the COVID-19 pandemic, compared with typical trends prior to that. More information on redundancies can be found on the [NISRA website](#) and in the monthly [Labour Market Report](#).

Key Points

- From 1 September 2019 to 31 August 2020, 9,160 redundancies were proposed, the highest annual number of proposed collective redundancies on record
- At almost 2,500, the number of collective redundancies proposed in June 2020 was the highest monthly total on record.
- 820 redundancies were confirmed in August 2020, the second highest monthly total in the past five years

Special Focus - Redundancies March to August 2020

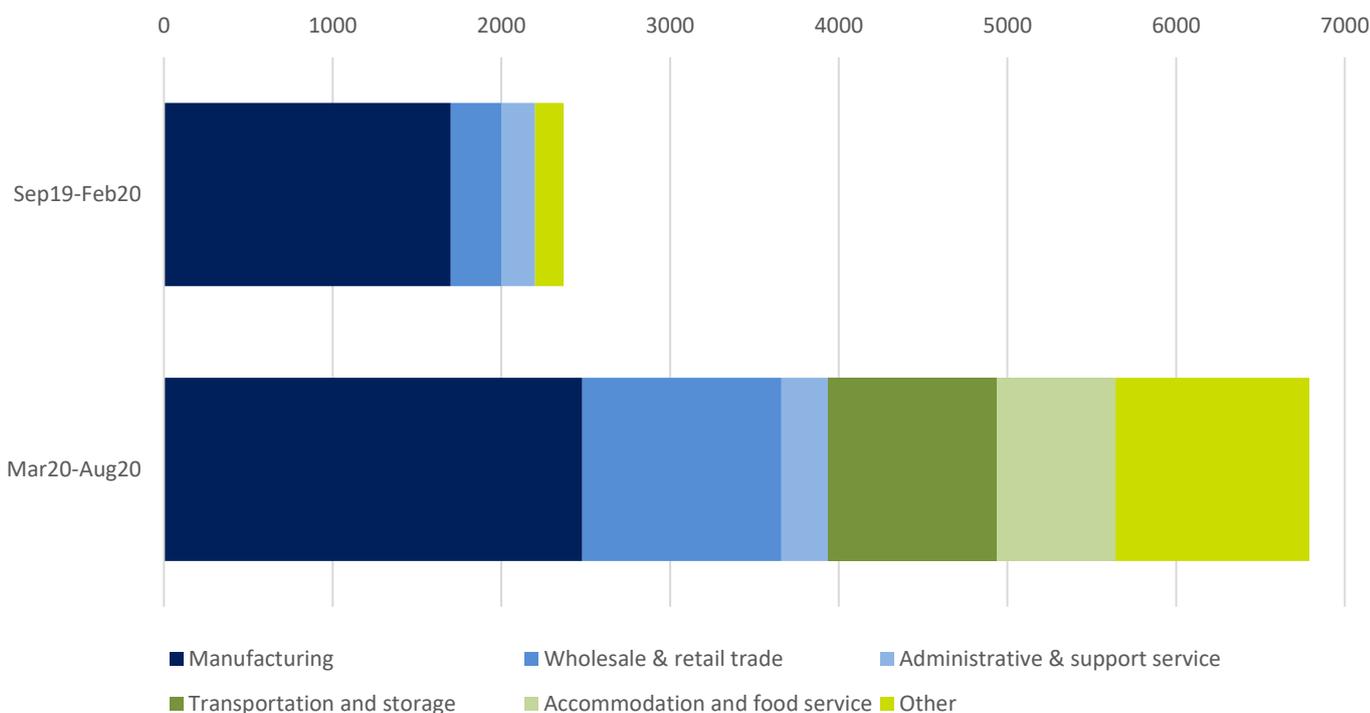
At 6,800, the number of proposed redundancies recorded in the six months since March was higher than the number of proposed redundancies in any calendar year since 2001 and almost three times higher than the total for the previous 6 months (2,370). Within the most recent six month period the number of proposed redundancies reached record highs in June and July, accounting for over 4,400 proposed redundancies. The August total of 700 was approximately a third of the number proposed in July, but was still more than double the average number seen each month over the last decade.

Since March, the breadth of proposed redundancies has increased, with a larger number of sectors proposing collective redundancies; in the most recent six months redundancy notifications were received from 15 of the 21 industry sectors and around 90 different employers, compared to 6 sectors in the previous six months and around 20 employers. In the 6 months up to March 2020, the majority of collective redundancy notifications related to 3 main sectors – manufacturing, wholesale and retail trade, and Administrative and support service activities, accounted for over 90% of proposed redundancies.

Notably, while the number of proposed redundancies remained highest in the manufacturing sector, having increased from 1,700 in the first six months of the year to 2,480 in the six months since March, the share of redundancies in this sector has approximately halved (72% to 37%). The Wholesale and retail trade; repair of motor vehicles and motorcycles, and Transportation and storage industries have each proposed more than 1,000 redundancies since March, with a further 700 proposed in Accommodation and food services.

Similar to the industry make up of proposed redundancies, over the last six months redundancies were confirmed in 13 industries with the highest proportion confirmed in manufacturing (33%), followed by wholesale and retail trade (21%).

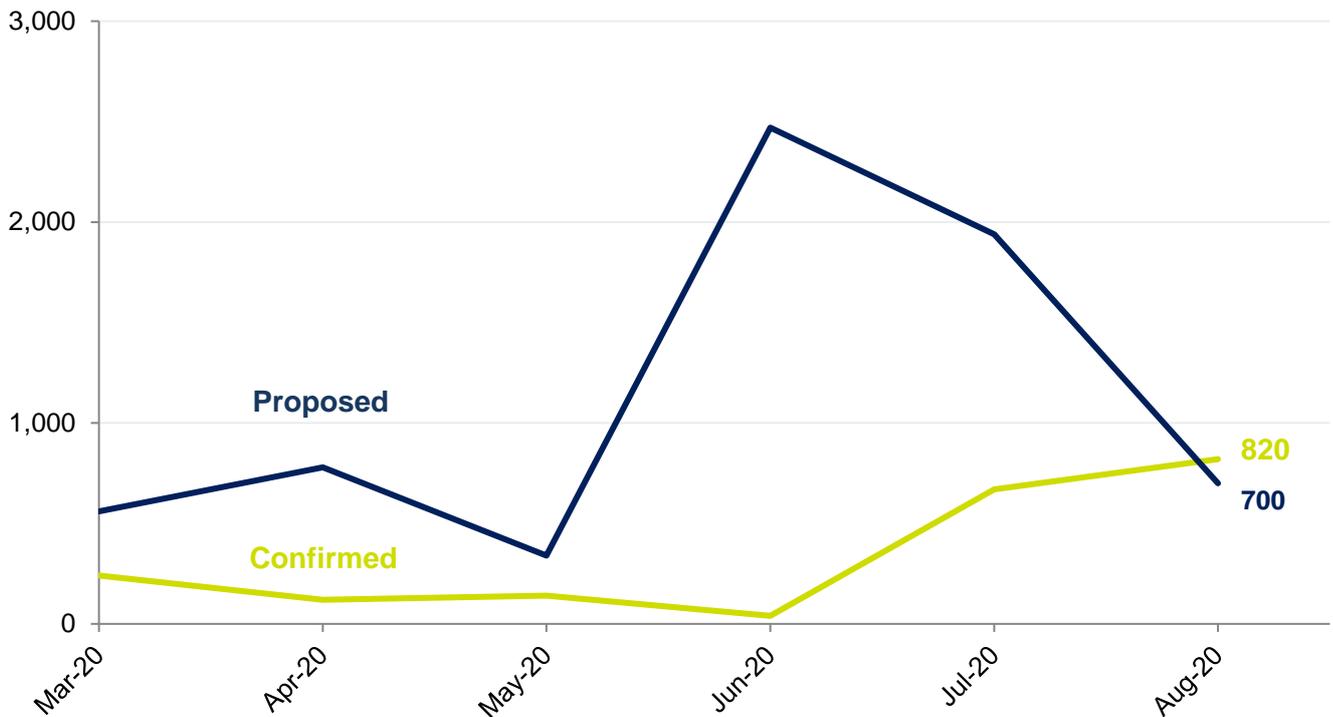
Figure 1: Industry breakdown of proposed redundancies – Sep-Feb 20 and Mar-Aug 20



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The geographical spread of proposed redundancies has also changed since March. In the six months to March Mid and East Antrim, and Belfast accounted for almost 80% of proposed redundancies in NI. In the most recent 6 months 2,330 redundancies have been proposed in Belfast (a third of the total) followed by 1,440 in Antrim and Newtownabbey (a fifth of the total). Notable increases in the number of proposed redundancies occurred in Armagh City, Banbridge and Craigavon, Lisburn and Castlereagh and Newry, Mourne and Down, where the number of proposed redundancies in the most recent six months is approximately 20 times the number in the first 6 months.

Figure 2: Confirmed and proposed redundancies – Monthly totals, March to August 2020



The graph above charts monthly proposed and confirmed redundancies over the last six months. The graph shows the lag between proposed redundancies and the confirmation of the redundancies. Of note are the proposed redundancies in June and July, which was the highest consecutive monthly total of proposed redundancies on record at over 4,400. This has translated into confirmed redundancies which have started to increase following a period of relatively low numbers between March and June. At 820, the number of confirmed redundancies in August is the second highest monthly total in the last five years.

Further information

If you require further information about the figures contained in this publication or the accompanying tables, please use the contact details below:

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