



# **Briefing on the latest HMRC's Official Statistics on the furlough support scheme.**

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**Background and Methodology**



**Coronavirus Job Retention Scheme (CJRS)**

# Background and context

In response to Covid-19 the Government introduced two significant employment support schemes aimed at preventing large rises in unemployment and longer-term labour market scarring:

1. [Coronavirus Job Retention Scheme \(CJRS\)](#) - for employees (PAYE)
2. [Self-Employment Income Support Scheme \(SEISS\)](#) - for the self-employed

GLAE has analysis on previous releases and other labour market analysis on our [COVID-19 labour market analysis page](#).

## CJRS policy changes

There have been a number of changes to the operation the CJRS, which can impact uptake of the scheme (see [slide six](#) for full timeline:

- From 1 July 2020, employers had the flexibility to bring furloughed employees back to work part time.
- Employers have the flexibility to decide the hours and shift patterns of their employees – with the government continuing to pay 80% of salaries for the hours they do not work (until 1 September).
- From 1 September 2020, the government supported 70% of salaries for the hours for hours not worked, with Employers contributing 10%.
- The government announced a further extension of CJRS from 1 November to 31 March, returning to the earlier scheme settings paying 80% of usual wages with no employer contribution required.



# Notes on the data

These official statistics published by HMRC are directly and primarily based on administrative data from CRJS claims. This is the sixth release and the data in this release refers to **claims made for period up to 30 September based on claims that had been submitted to HMRC by 31 October.**

- The data for July onwards is incomplete as claims relating to these months may still be filed. The figures for July onwards should therefore be considered preliminary results and will be revised in the next release.
- Because these statistics draw on administrative data, they provide a more comprehensive picture of the CJRS than other existing forms of data (i.e. surveys) on furloughing.
- HMRC provide a geographical breakdown of CJRS claims based on the residential address information that HMRC holds for employees. This does not directly translate to the employee's usual place of work, or employer's centre of operations which may be in a different region.
- There are small, but not insignificant, proportions of 'unknowns' within the breakdowns. Differences in the proportion of unknown observations are due to the matching of CJRS claims to other HMRC data sources.
- Industrial breakdowns may not reflect the true operational activities of those on furlough as it reflects the operation of the business rather than the workers activities. This may slightly distort the full picture of the types of workers on furlough.
- **Earlier releases had provided cumulative totals for regions. All data reported here is of a snapshot at a given point in time.**



# Definitions

1. **Employer** is statistically defined as those on a Pay As You Earn (PAYE) Scheme. In some circumstances this does not map directly to what is commonly understood to be an employer. For example, some organisations operate multiple payrolls and in other situations, a group of companies may pool their payrolls together under one PAYE scheme. However, HMRC take the view that PAYE schemes provides a reasonable proxy for employers for the purposes of this release.
2. **Employment** is defined as a count of anyone who meets the scheme criteria set out within the published guidance and has claimed for CRJS. HMRC have applied this definition in order to simplify the complexities in separating out Office Holders (such as directors) from what are generally considered employees. However, these findings solely report on employees and the CJRS is to be considered separate from the Self-Employment Income Support Scheme (SEISS).
  - If an employee has jobs with more than one employer and has also been furloughed by more than one employer, they will be counted in these statistics once for each employment that has been furloughed.
3. **Take up rates** are calculated as a proportion of all those who are eligible based on their PAYE tax returns information

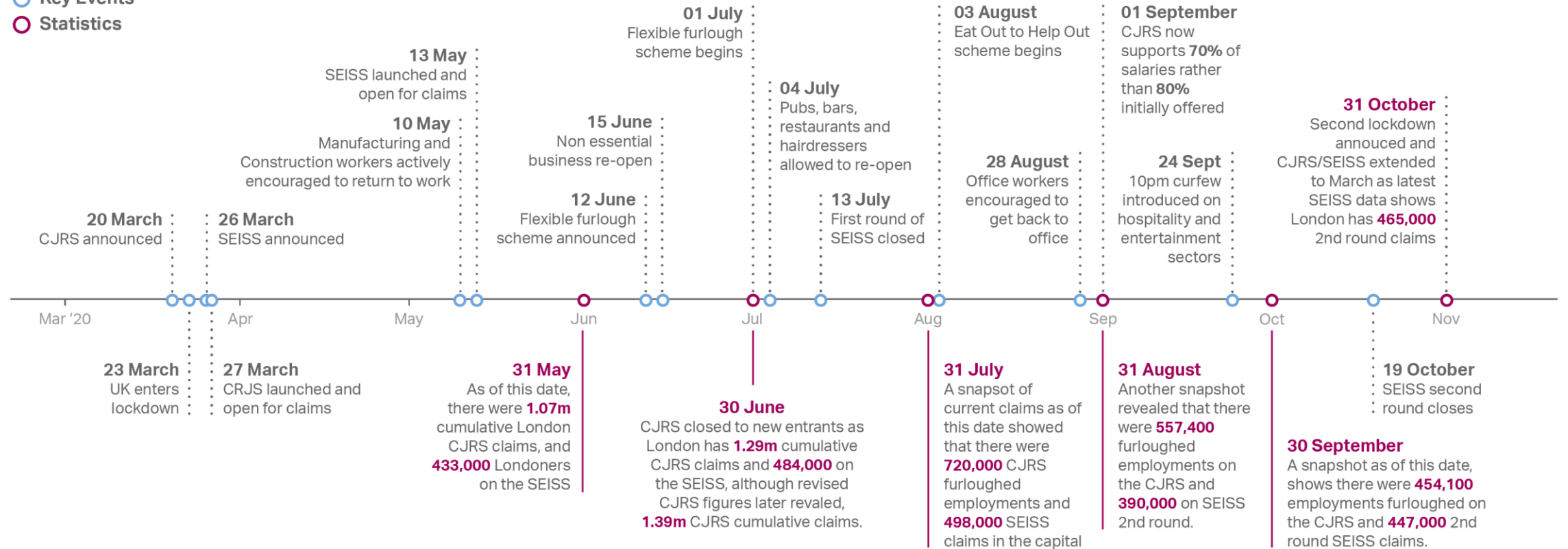
# Timeline of key events and statistics

## CJRS and SEISS Timeline

### Key Events & Statistics for London - March to November 2020

○ Key Events

○ Statistics

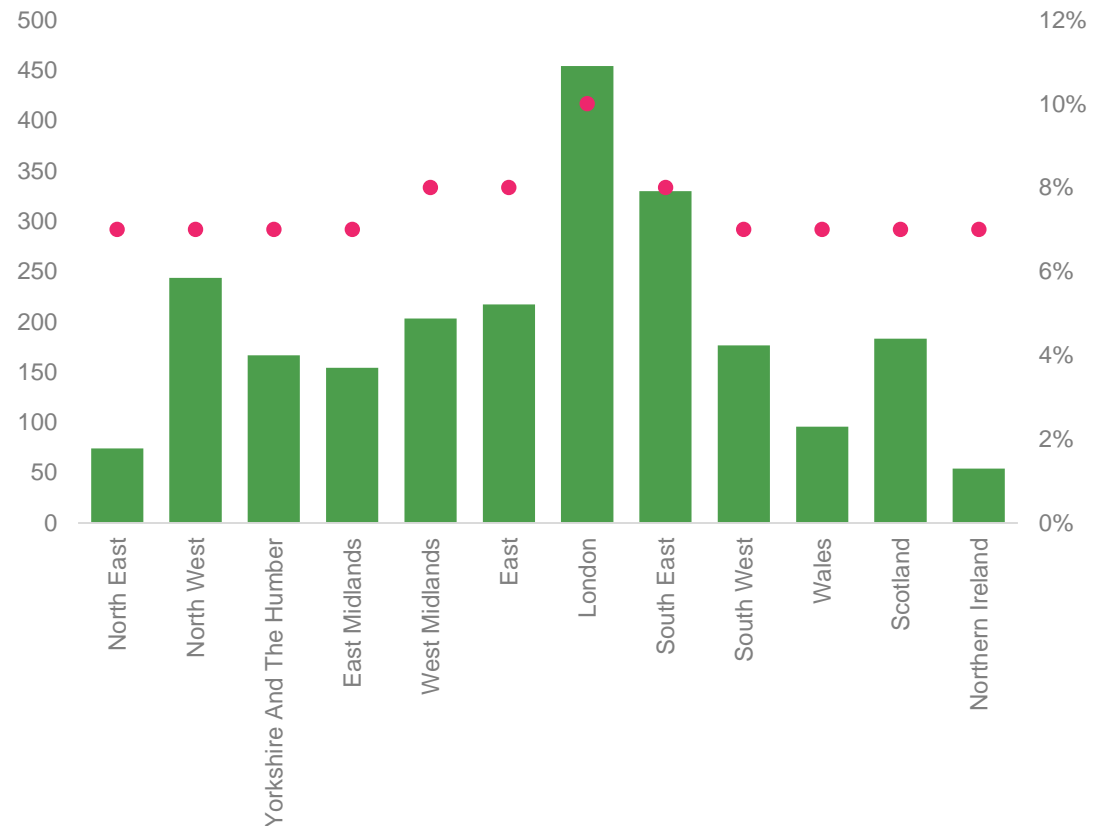


# On 30<sup>th</sup> September there were 454,000 furloughed employments in London – equivalent to 1 in 10 of all eligible

- As at 30 September, there were 454,000 furloughed employments in **London** and 2.44 million across the **UK**.
- **London** has a total of 4.33 million furloughed employments potentially eligible with a take up rate of 10% - the highest amongst the regions. The **UK** take up rate was 8%.
- **London** had 225,000 females and 229,000 males on furlough – with take-up rates of 10.3% and 10.7% respectively. Across all regions take-up rates between females and males are within 1pp difference.

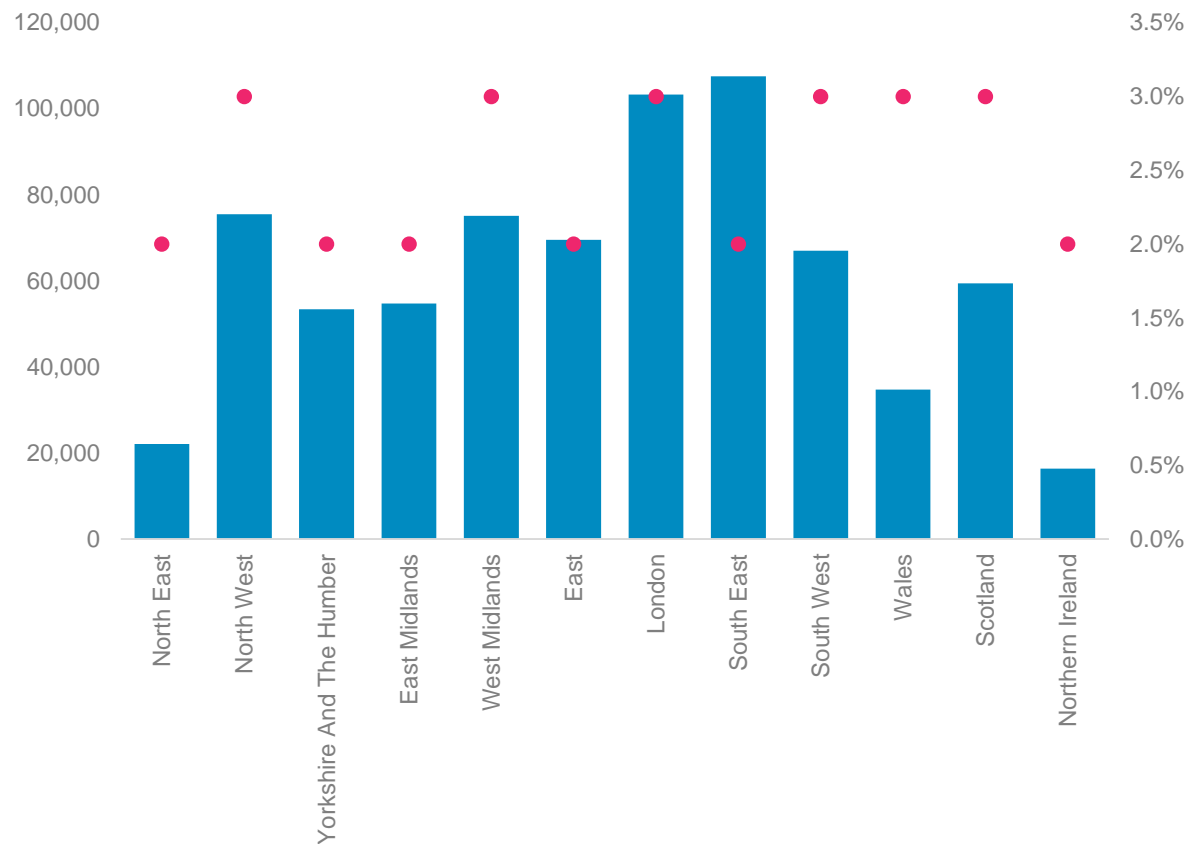
*Note – earlier releases reported cumulative totals whereas this briefing reports numbers on furlough at a point in time and makes comparisons between 30 September and 31 August. As at 31 July, the cumulative total of employments who had been on furlough in London at some stage was 1.39 Million.*

**Absolute CJRS claims (000s, LHS) and take up rates (% , RHS)**



# London had a large absolute fall but still has the highest take up rate

Absolute fall in CJRS furlough and fall in take-up rate in pp (RHS)

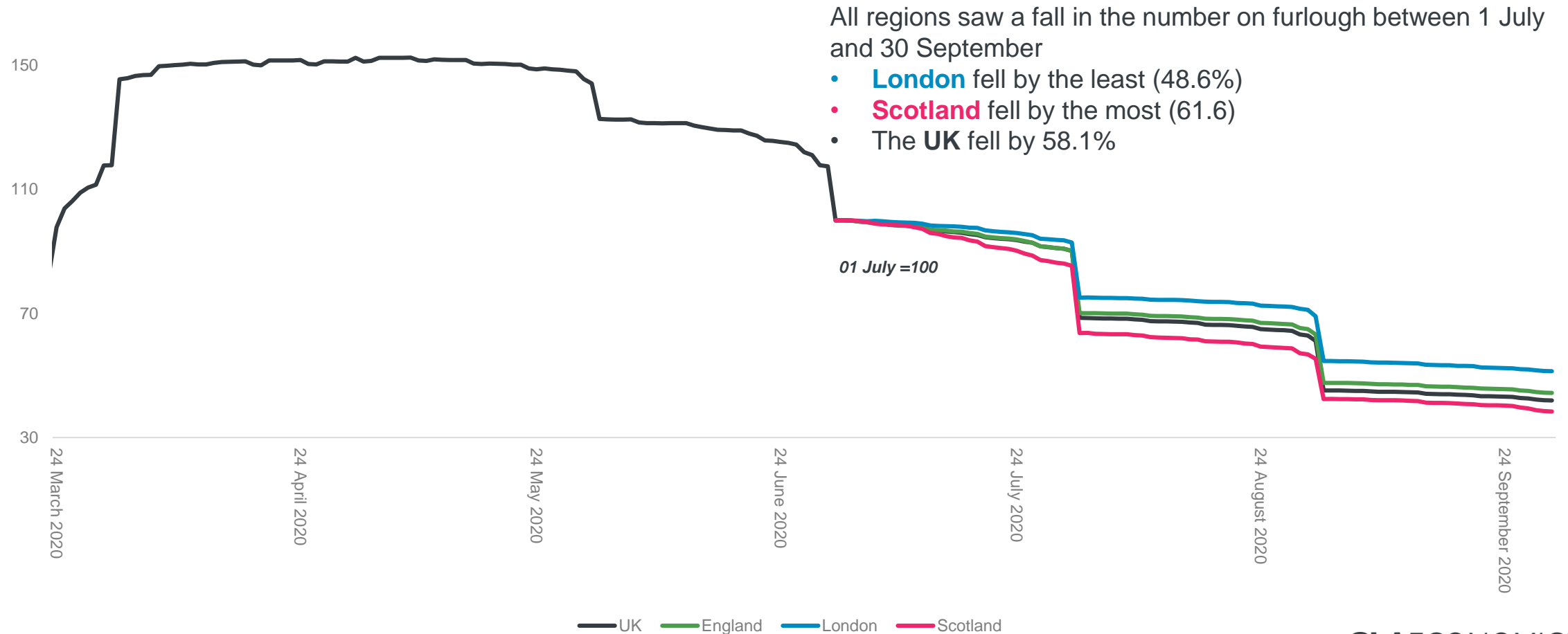


- **London** saw one of the largest falls in absolute numbers, down 103,300 from 31 August to 30 September – only the South East fell by slightly more. However, London has been falling by less proportionately (see slide 9 for time series since 1 July).
- Over the month, the **London** take up rate fell 3pp to 10% (from 13%). The **UK** take up rate also fell by 3pp, from 11% to 8%.
- From a peak in May, the number on furlough in the UK has fallen from 8.9 million to 2.4 million – down 72%.



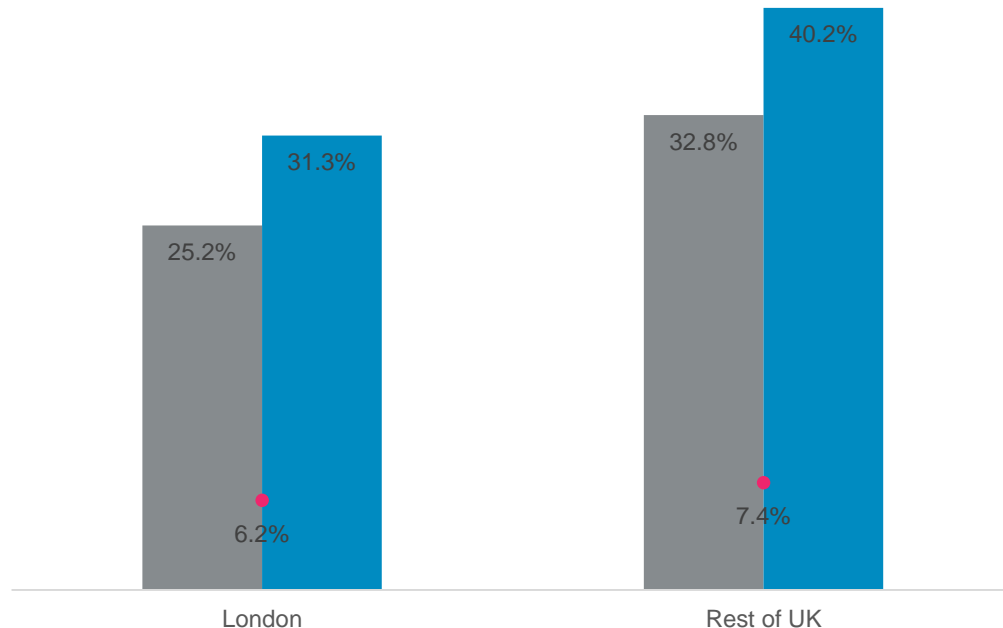
# The number on furlough declined at a slower rate for London

CJRS trend in number of claims by region (Index 01 July = 100)



# London still has the lowest proportion partially furloughed, despite a 6 percentage point increase

CJRS partially furlough shares (LHS) August and September and respective increase

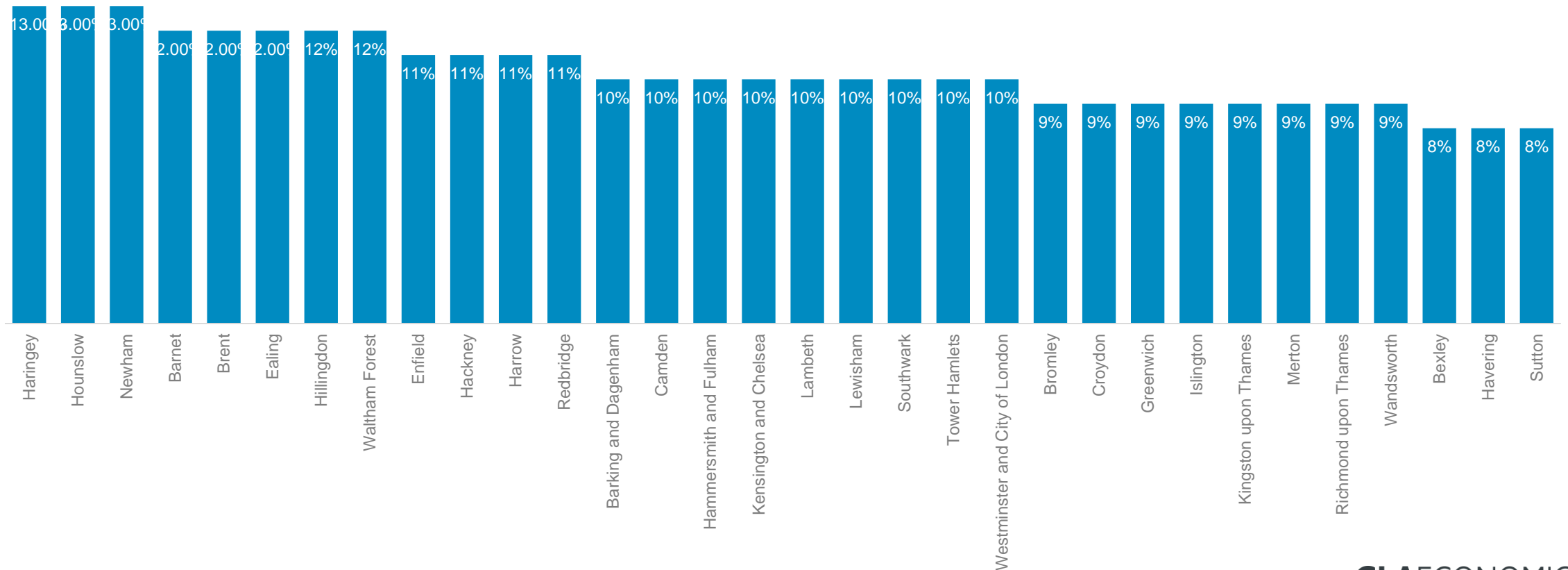


- The share of **London's** partially furloughed grew 6.2pp from 31<sup>st</sup> August to reach 31.3% at 30 September.
- The share of partially furloughed for the **rest of the UK** (excluding **London**) rose 7.4pp to 40.2%
- Although firms are beginning to make greater use of partial furlough, a positive sign for labour demand, this is occurring at a slower pace in **London**.
- **London** already had the lowest share of partially furloughed and this gap widened with the rest of the UK to 9pp (31.3% compared to 40.2%). Those on partial furlough are likely to be more 'connected' to their employer and therefore may be at lower risk of future job loss.
- *Note that 3.5% of furloughed employments across the UK do not have flexibility status related to a particular region.*

# Haringey, Hounslow and Newham have the highest take up rates in the capital by local authority in the latest data

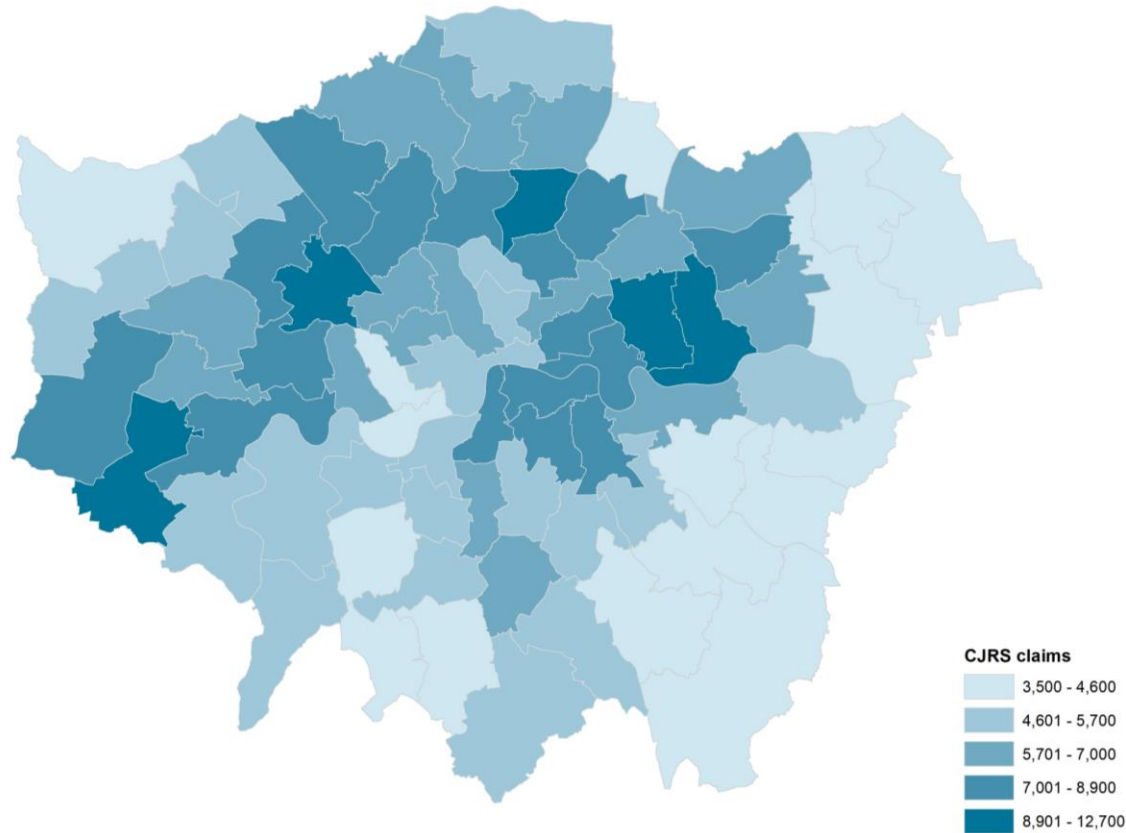
## CJRS take up rates by local authority

12 local authorities had take up rates higher than the overall **London** take up rate of 10%, with Haringey, Hounslow, and Newham joint highest, at 13%.



# West Ham, Feltham and Heston and Tottenham have the highest furlough levels in terms of constituency

## CJRS claims by parliamentary constituency



West Ham remains the parliamentary consistency with the highest *number* of CJRS claims with 12,700 claims (13% take up rate)

This is now followed by Feltham and Heston with 10,600 and Tottenham with 10,500, both of which also had a take up rate of 14%. These were also the top 3 constituencies in the UK by numbers furloughed.

Orpington (3,500), Old Bexley (3,600) and Sidcup and Bexleyheath & Crayford (3,600) had the fewest number of claims with 8% to 9% take up rates.

# 91% of the top 5% of constituencies in terms of take up rate are in London

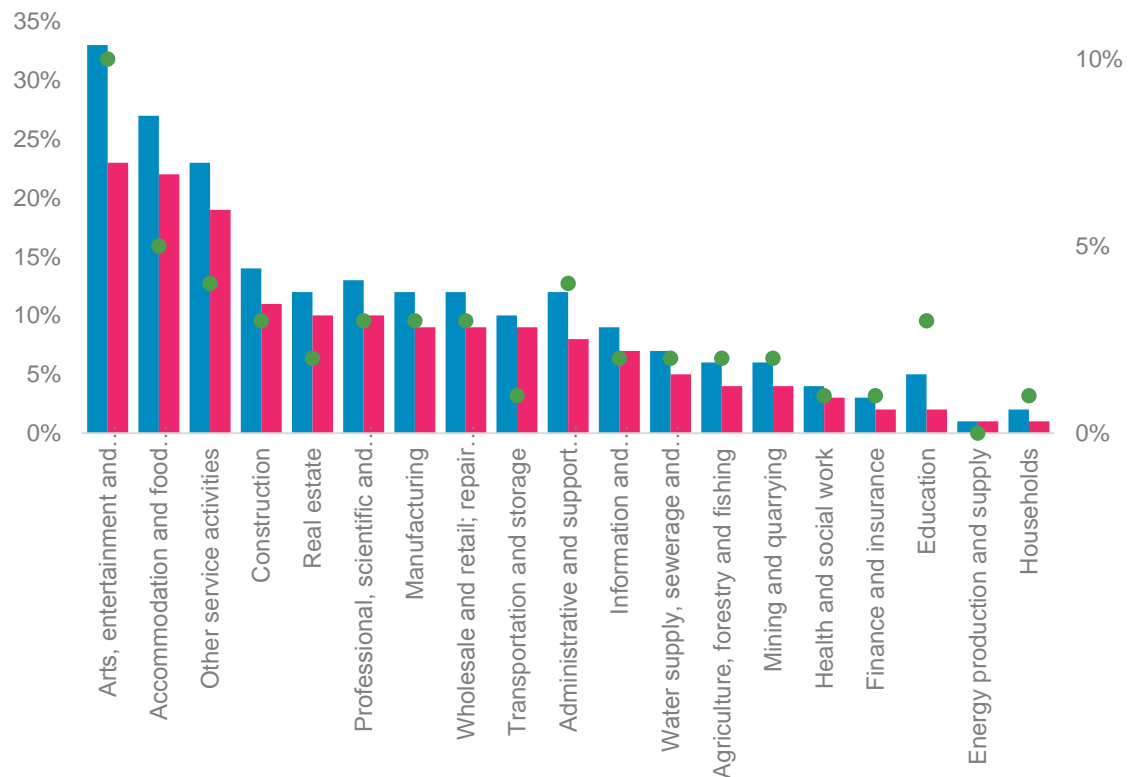
Top and bottom 10 London take up rates by parliamentary constituency



A substantial majority (91%), 30 out of the 33 top constituencies (top 5%) in terms of take up are in **London**, yet none of the constituencies in the bottom 5% were in **London**.

# All sectors across the UK saw a decline in take-up rates

UK CJRS take up rates by sector (LHS) for August and September and decrease (RHS, pp)

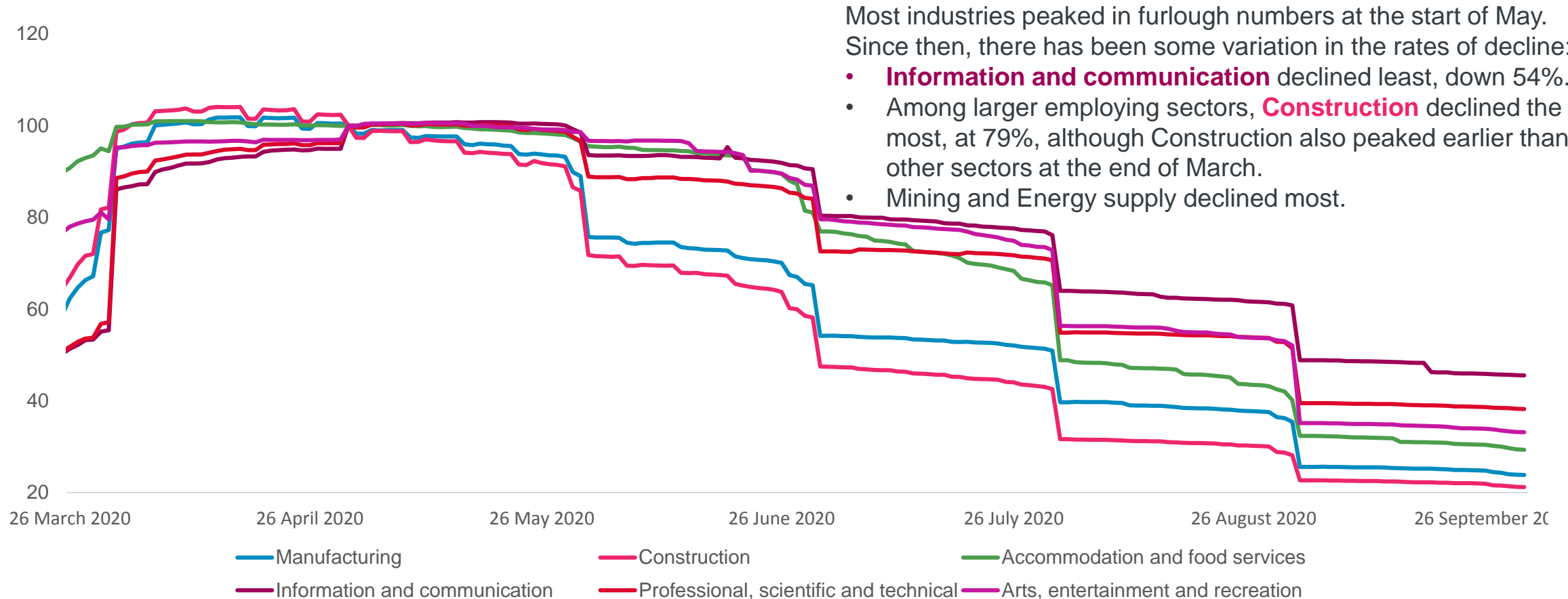


- For the **UK**, all sectors saw a decline in take up rates over the course of September, continuing the trend from August
- The largest falls were in the two sectors with the highest take up rates:
  - Arts, entertainment, and recreation (down 10pp).
  - Accommodation and food services (down 5pp)

*Note that these industry breakdowns reflect the operations of the business rather than the operations of individual workers. Regional sectoral breakdowns are no longer available.*

# CJRS claims across the UK have fallen significantly below peak levels across every sector

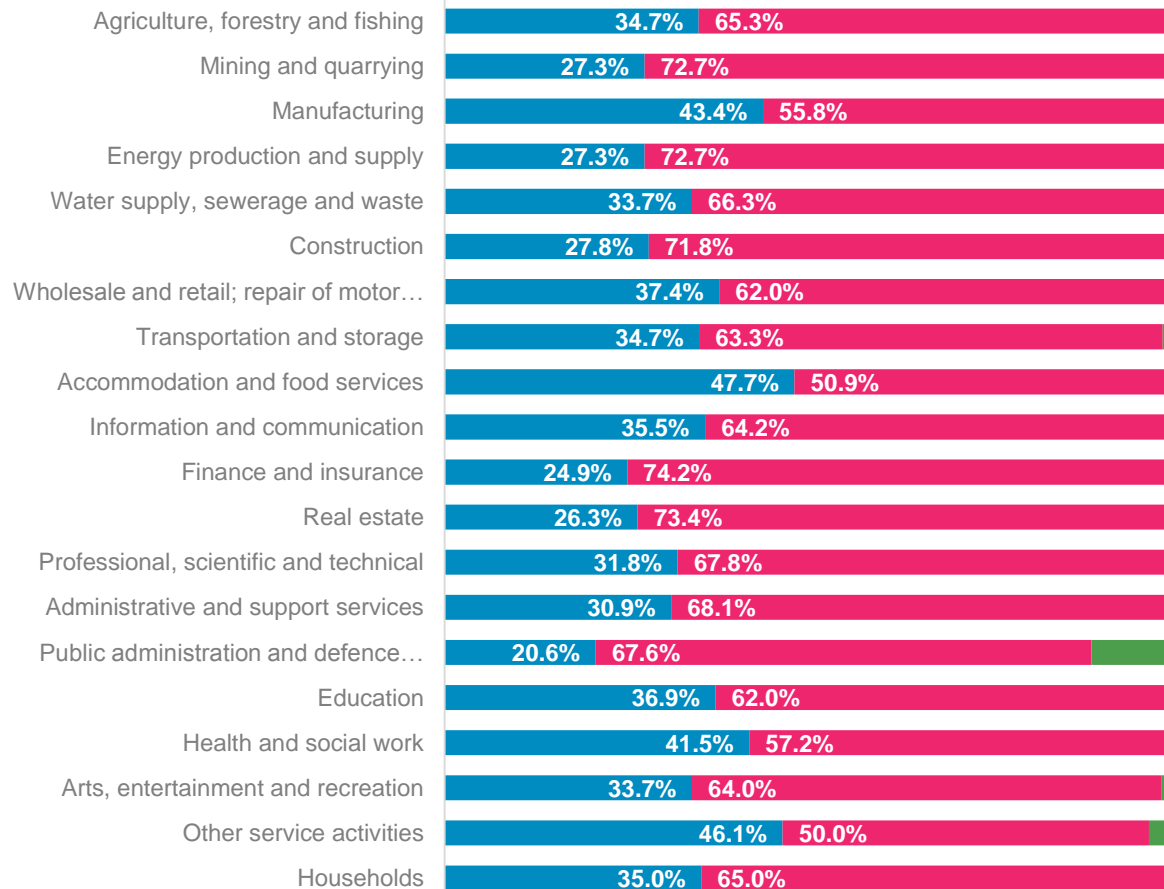
CJRS trend in the number of claims for selected industries for the UK (Index 01 May =100)



*Note that the index captures the overall trend of a sector relative to the start of lockdown and does not depict level of CJRS claims, in addition to this a drop in claims could also be due to redundancies rather than return to work*

# Partial furlough is now used widely across all sectors in the UK

## CJRS fully furloughed, partially furloughed or unknown shares for the UK at 30 September

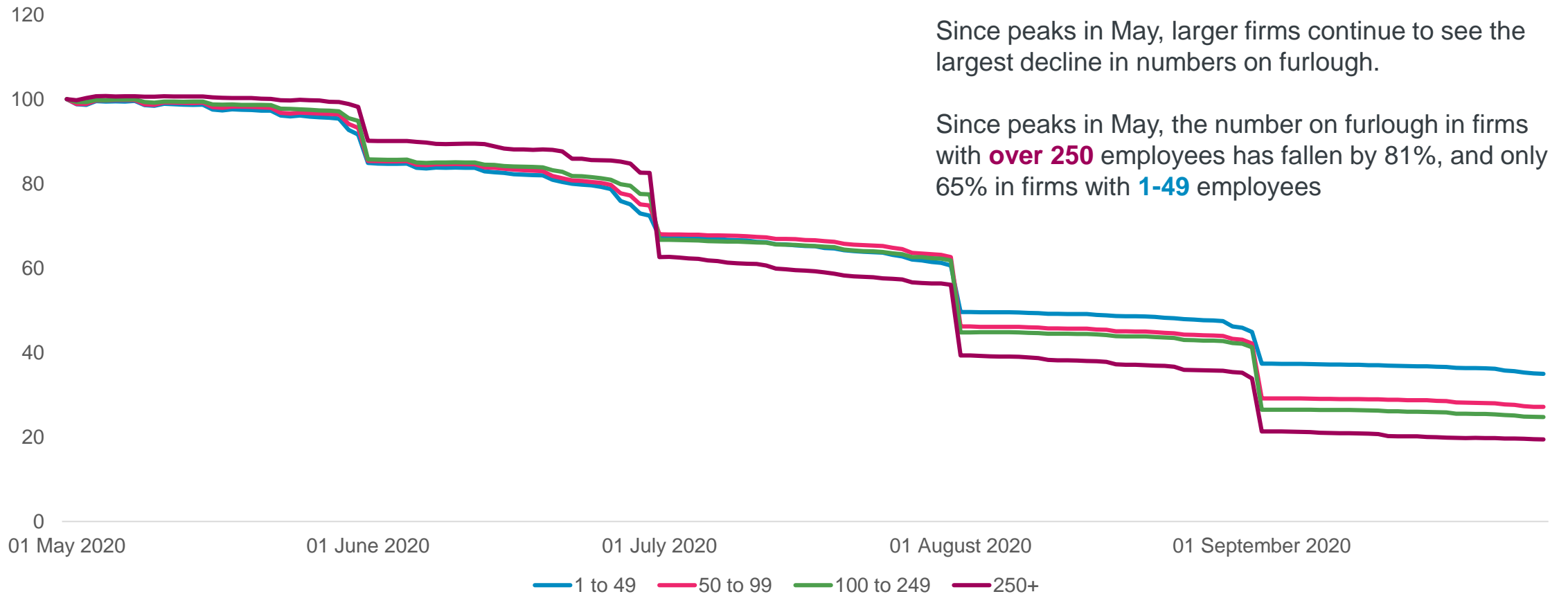


- All industries, except public administration, increased the proportion on partial furlough between 31 August and 30 September.
- The largest increases were in Education (17pp), Households (13pp), and Transportation & storage (13pp)
- Accommodation & food services has the highest shares of furlough on partial furlough, at 47.7% (up 10pp). This is a positive sign for the sector, given it has the second highest take-up rate, at 22%.
- *Note that there are small proportions of claims which vary by sector whereby info on flexible furlough is not known.*



# Large employers continue to see the biggest falls in CJRS claims over September

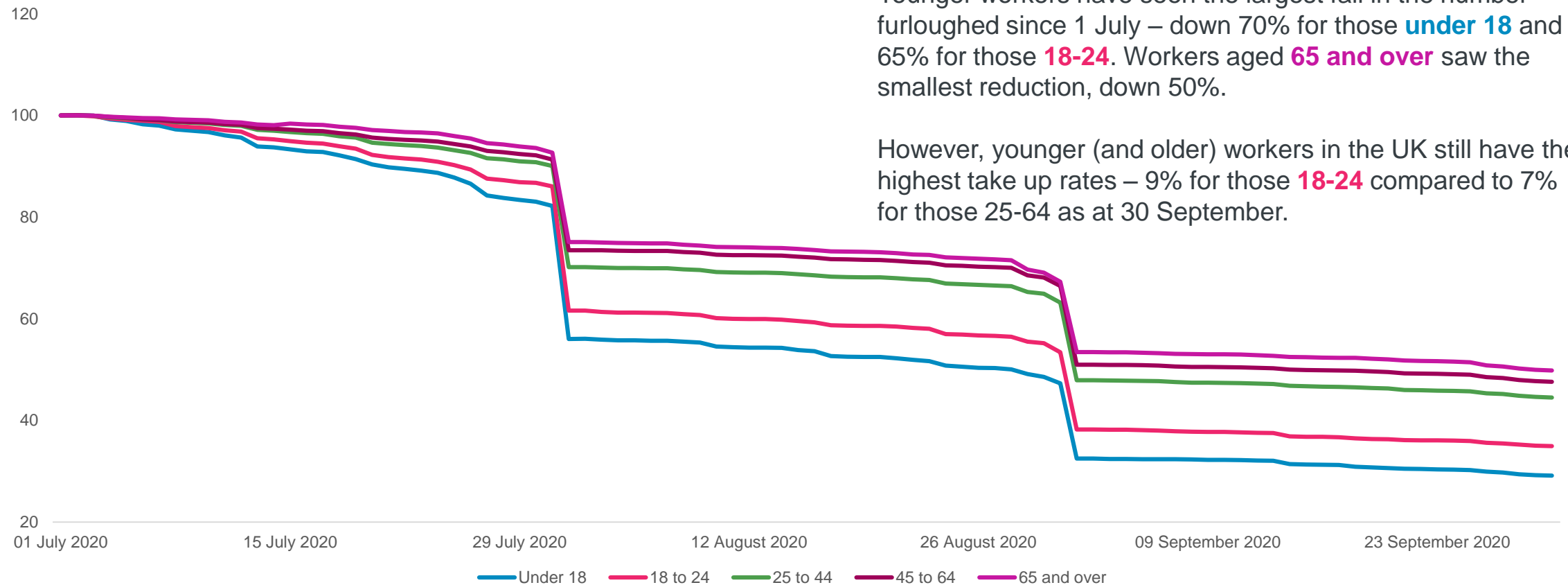
CJRS trend in the number of claims by size of employer since beginning of lockdown for the UK (Index 1 May=100)



*Note that the index captures the overall trend by employer size relative to the start of lockdown and does not depict level of CJRS claims, in addition to this a drop in claims could also be due to redundancies rather than return to work*

# Younger workers are seeing a slightly quicker decline in the number of employments furloughed

CJRS trend in furlough by age bracket for the UK (Index 1 July = 100)



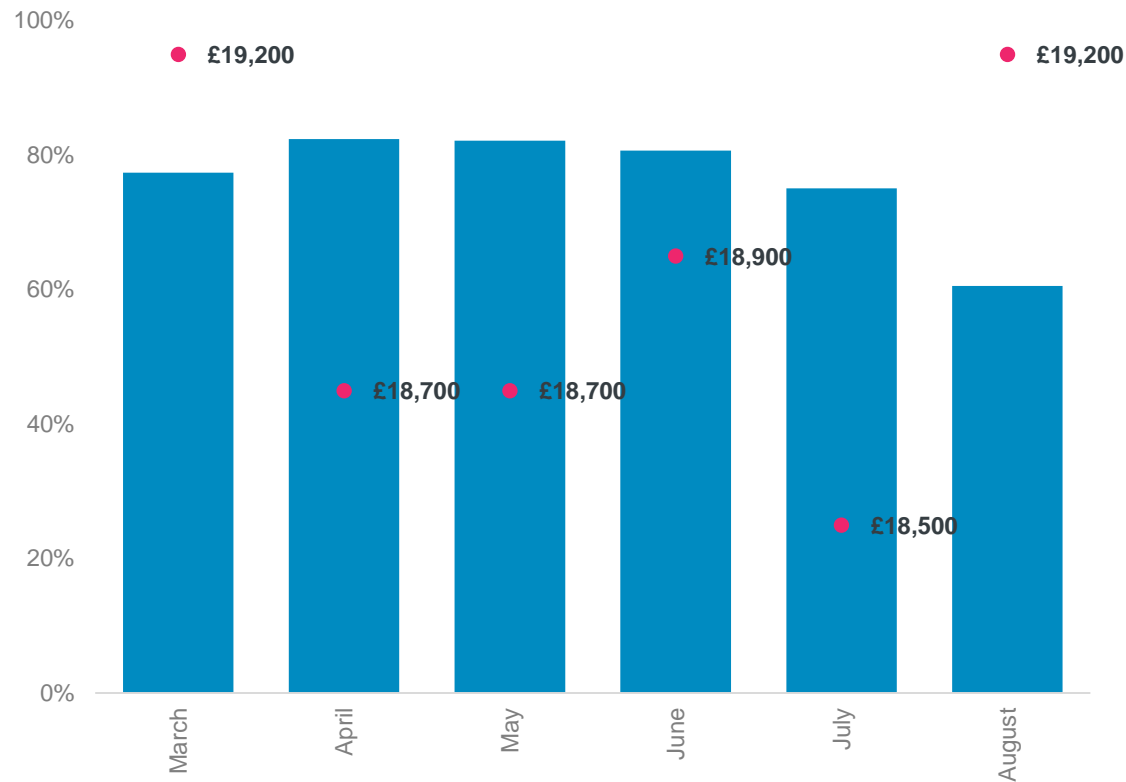
Younger workers have seen the largest fall in the number furloughed since 1 July – down 70% for those **under 18** and 65% for those **18-24**. Workers aged **65 and over** saw the smallest reduction, down 50%.

However, younger (and older) workers in the UK still have the highest take up rates – 9% for those **18-24** compared to 7% for those 25-64 as at 30 September.

*Note: falls in numbers furloughed for younger workers can indicate either a transition back to work or a transition out of work, losing attachment to their previous employer. [Resolution Foundation](#) shows that in September compared to February, a larger share of younger workers are no longer in work relative to other age groups.*

# Most businesses claiming Eat Out to Help Out also claimed CJRS

Share of UK EOHO businesses who also claimed CJRS and average discount claimed per business (£, RHS)



- Across the UK, 38,600 businesses claimed for Eat Out to Help Out (EOHO).
- The majority of those EOHO businesses also claimed for furlough at some point between March and August.
- Consistent with numbers on furlough falling from May, the share of EOHO businesses who also claimed furlough was lower in August (61%) than in May (82%).
- 6,600 (17%) of those 38,600 EOHO businesses never made a furlough claim.
- EOHO businesses also claiming furlough in August and March claimed the highest average EOHO discount, of £19,200.