



# **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:

- 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.



# Notes on the data

These official statistics published by HMRC are directly and primarily based on administrative data from CRJS claims and refer to all claims up until 30 September.

- The figures for July and August should not be considered preliminary results because claims for these periods can still be filed and will be revised in future releases.
- 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 provided cumulative totals. All data reported here covering the September and October releases is of a snapshot at a given point in time.



# Definitions

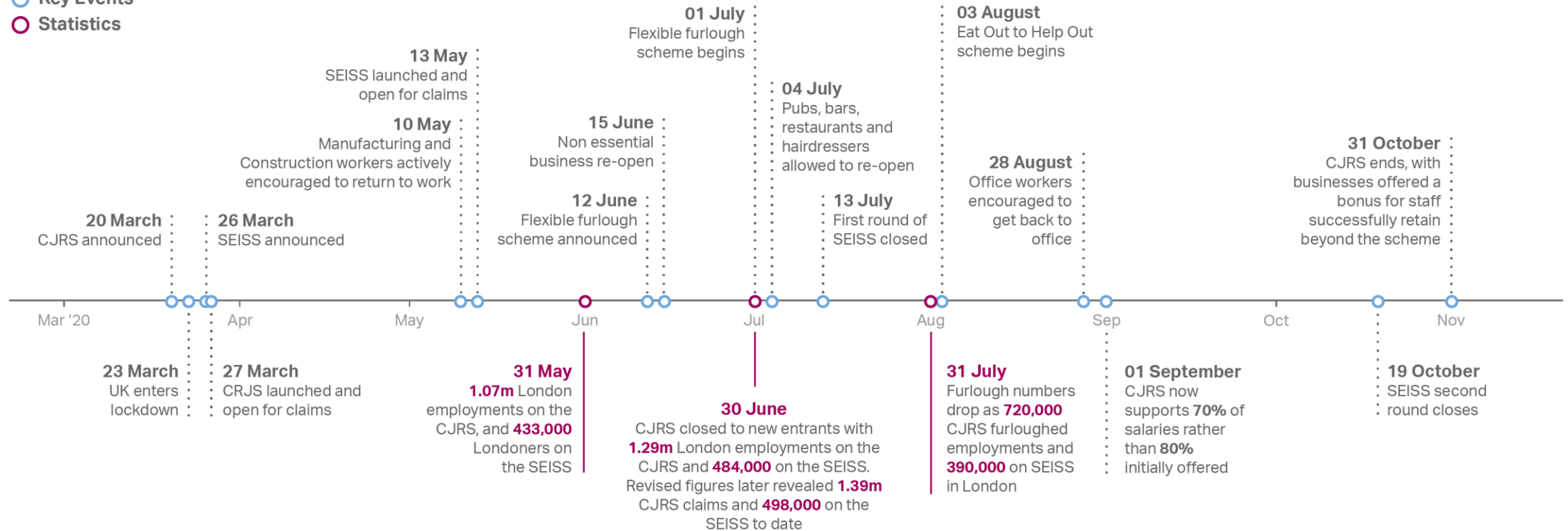
1. **Employer** is statistically defined as those on a Pay As You Earn (PAYE) Scheme. In some circumstances this does not map directly to what is commonly understood to be an employer. For example, some organisations operate multiple payrolls and in other situations, a group of companies may pool their 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

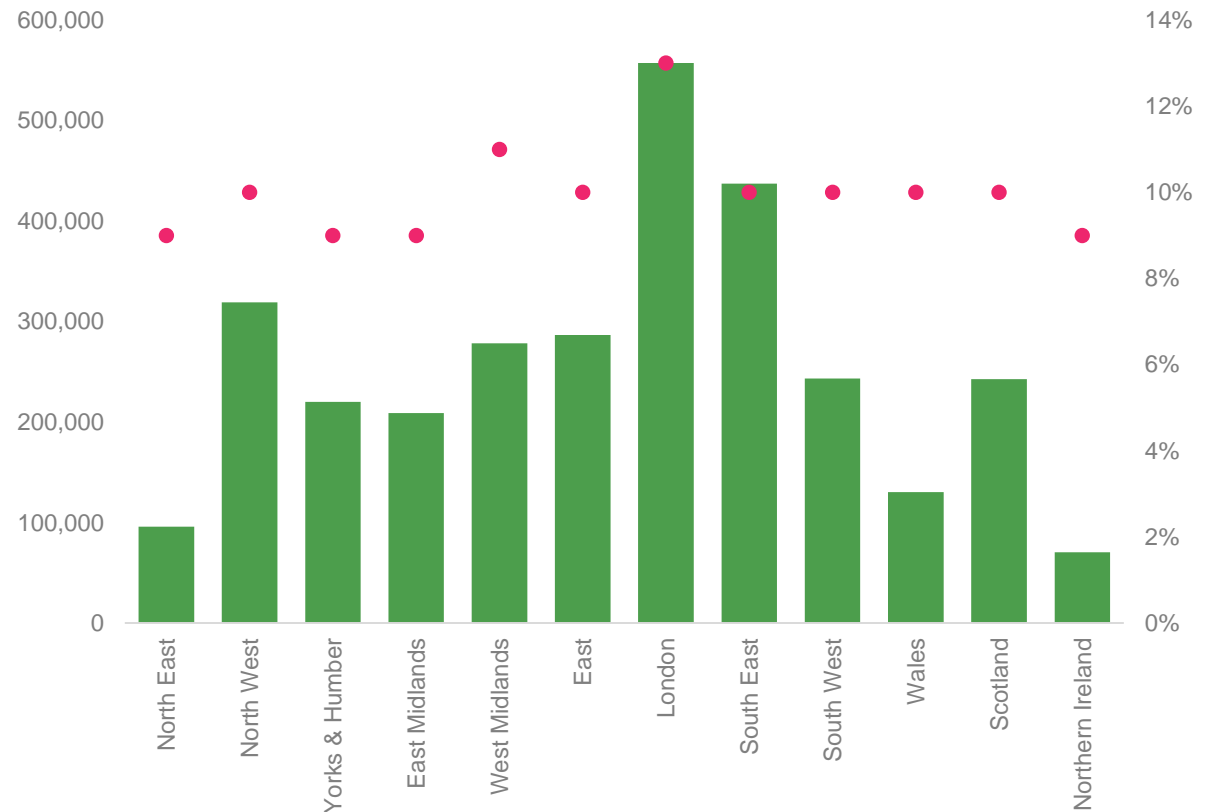
- Key Events
- Statistics



# On 31<sup>st</sup> August there were 557,000 furloughed employments in London – equivalent to 1 in 8 of all eligible

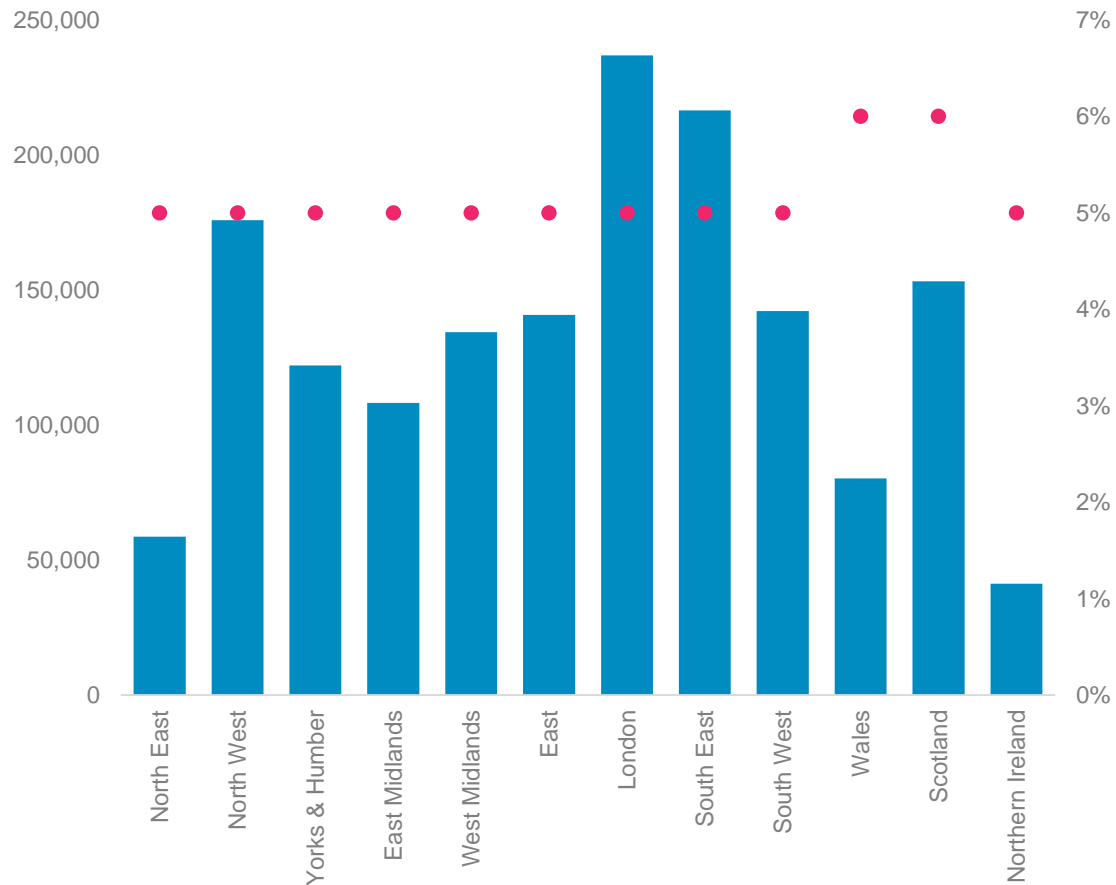
- As at 31 August, there were 557,000 furloughed employments in **London** and 3.27 million across the **UK**.
- **London** has a total of 4.33 million furloughed employments potentially eligible with a take up rate of 13%.
- The **UK** take up rate was 11% and London has the highest take up rate amongst the regions.
- **London** had 284,000 females and 273,000 males – both with a take-up rate of 13%. The take-up rate for the rest of the UK (excluding London) is also the same for each sex (10%).

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



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

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

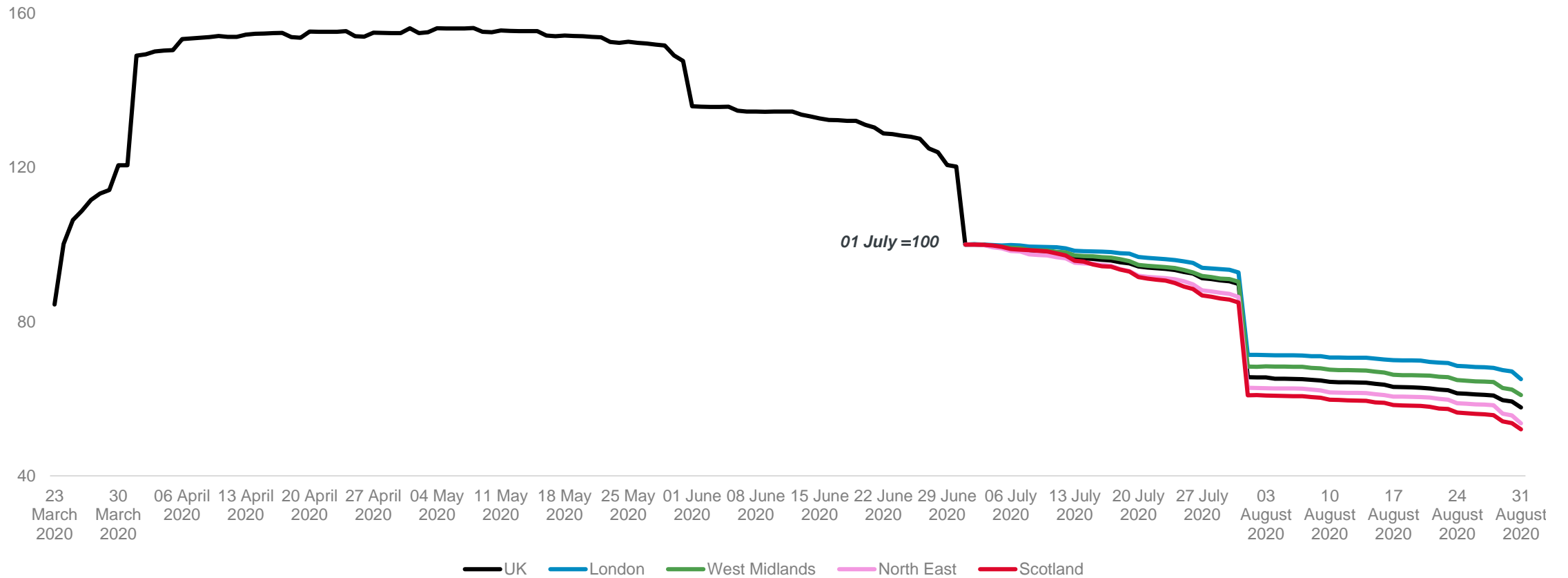


- **London** saw the largest fall in absolute numbers on furlough since 31 July – down 237,000, but fell by less proportionally relative to other regions (see slide 9).
- The **London** take up rate fell 5pp to 13% (from 18%). The **UK** take up rate also fell by 5pp to 10%.
- From a peak in May, the number on furlough in the UK has fallen from 8.9 million to 3.3 million – down 63%.



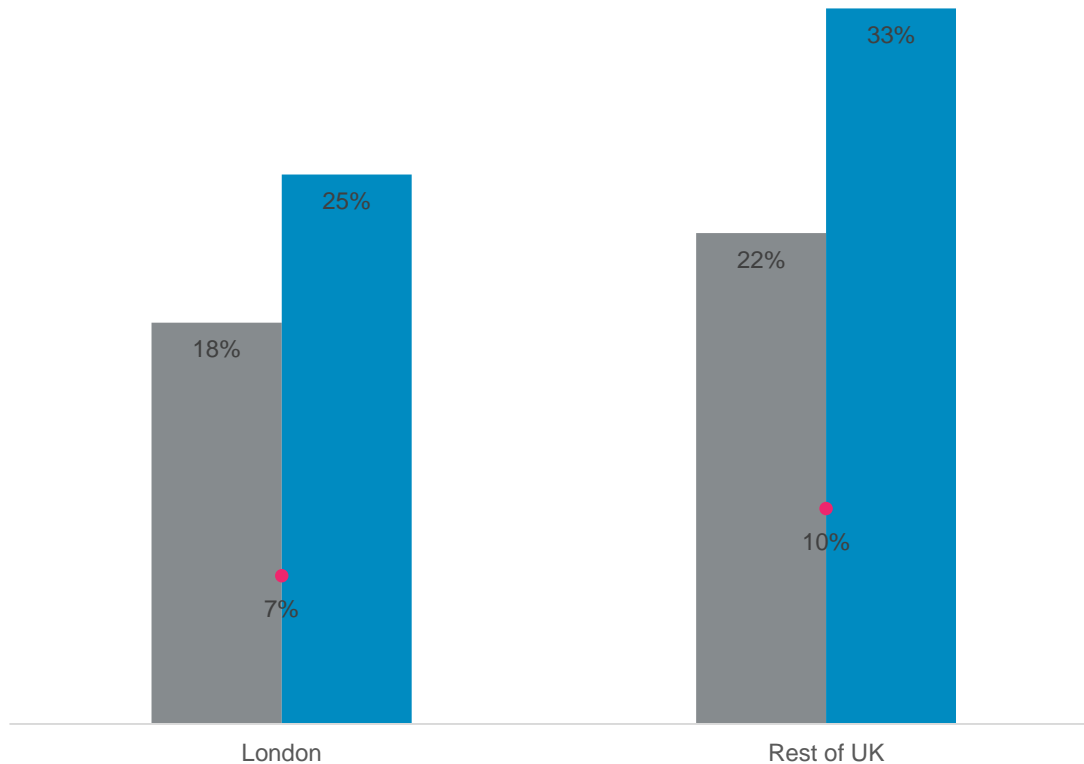
# The number on furlough declined at a slower rate for London

CJRS claims (Index 01 July = 100)



# London still has the lowest proportion partially furloughed

CJRS partially furlough shares (LHS) July and August and respective change

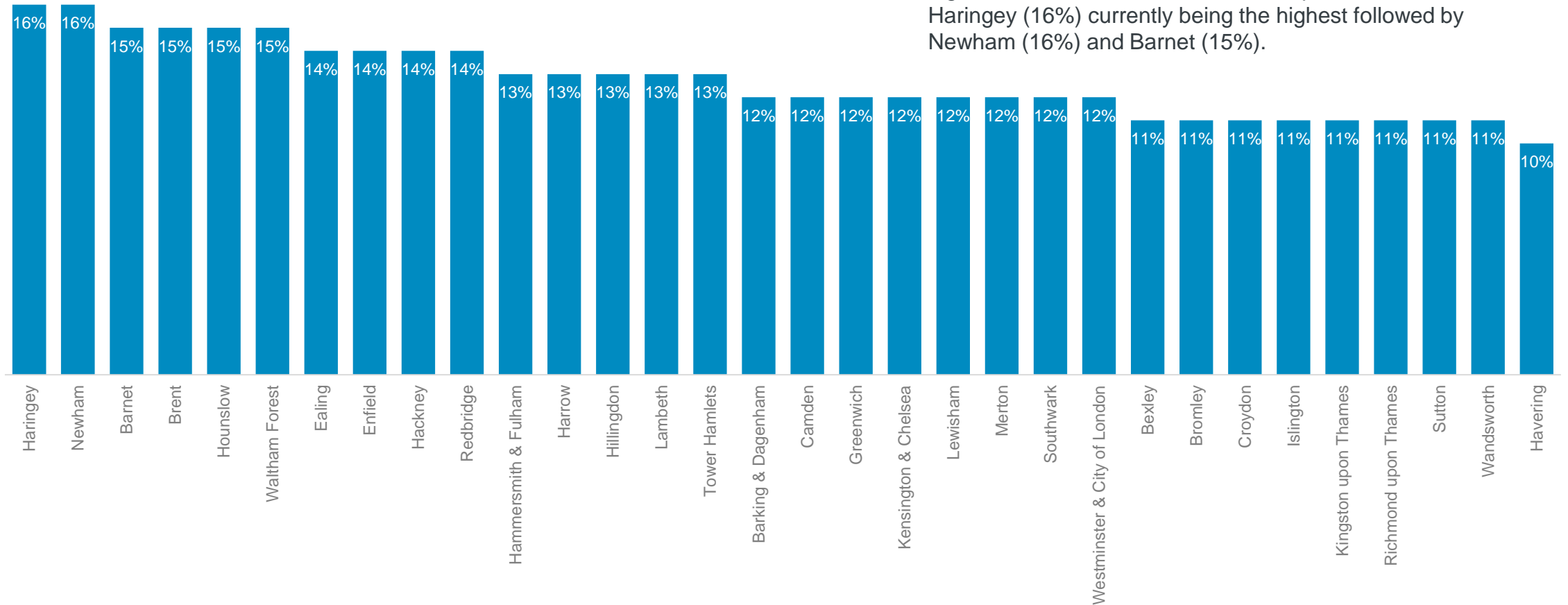


- The share of **London's** partially furloughed grew 7pp from 31<sup>st</sup> July to reach 25% at 31 August.
- The share of partially furloughed for the **rest of the UK** (excluding **London**) rose 10pp to 33%
- Although firms are beginning to make greater use of partial furlough, a positive sign 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 8pp (25% compared to 33%). 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 at the UK level 3.6% of furloughed employments do not have any information on flexible furlough.*

# Haringey, Newham and Barnet now have the highest take up rates in the capital by local authority

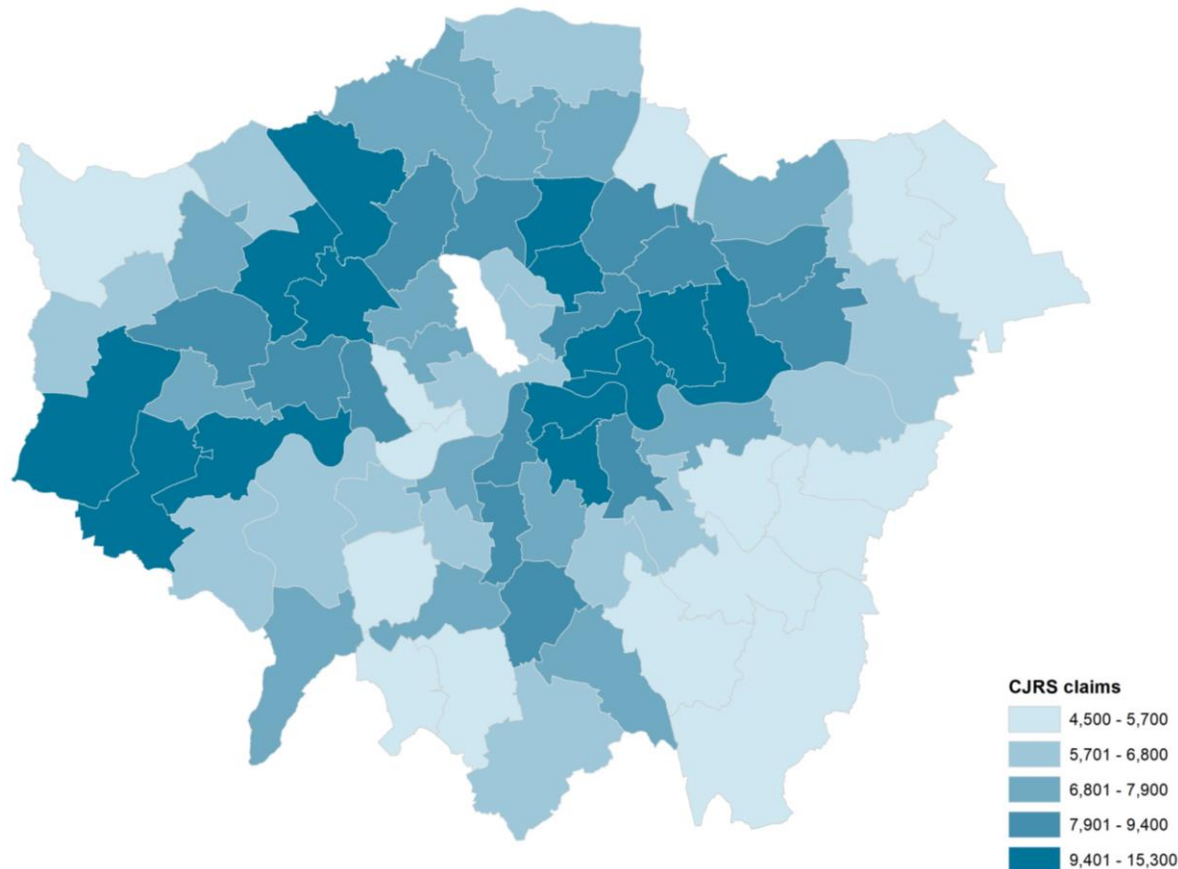
## CJRS take up rates by local authority

10 local authorities had a CJRS take up rate relatively higher than the overall London take up rate, with Haringey (16%) currently being the highest followed by Newham (16%) and Barnet (15%).



# West Ham, Tottenham and East ham have the highest furlough levels in terms of constituency

CJRS claims by parliamentary constituency



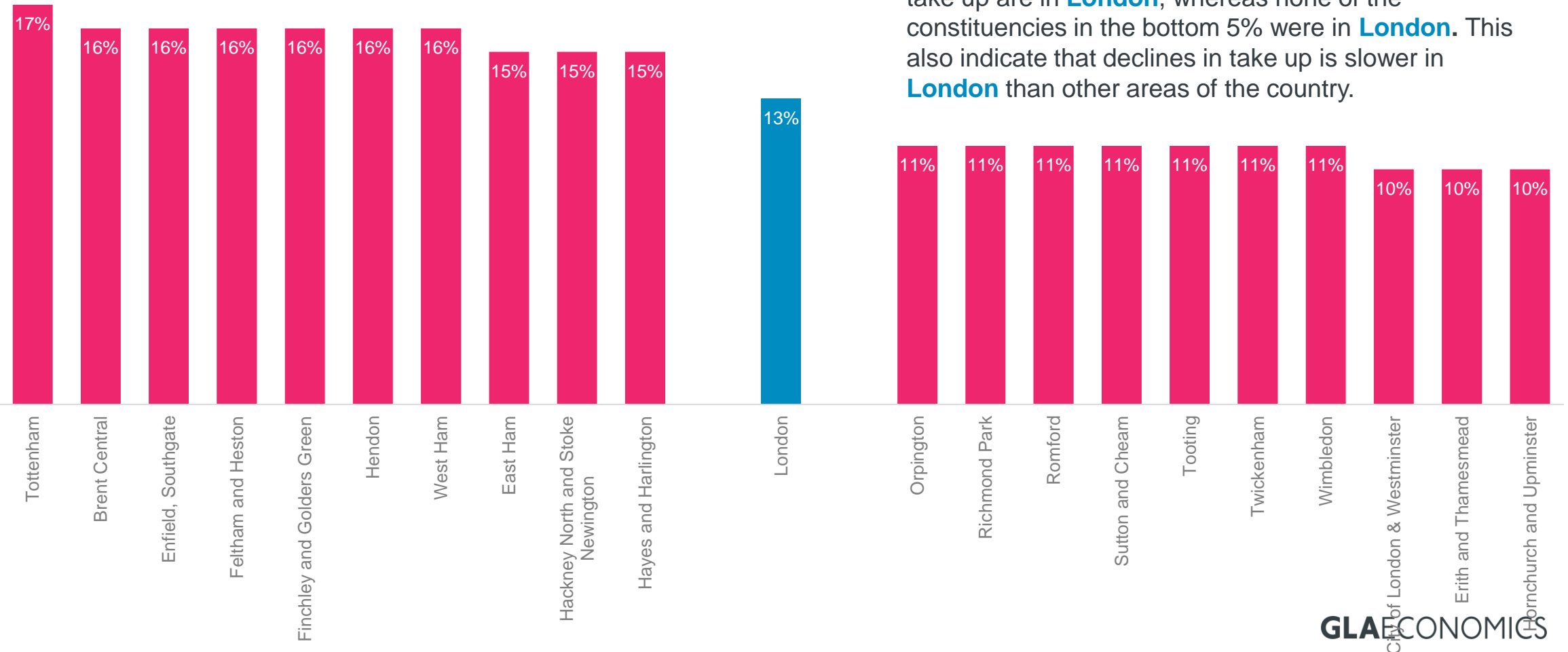
West Ham continues to be at the forefront of furlough statistics with 15,300 furloughed employed (16% take up).

This is followed by Tottenham with 13,200 and East ham with 12,100, both of which also had a take up rate of 16%. These were also the top 3 constituencies in the UK by numbers furloughed.

Orpington (4,500), Old Bexley (4,600) and Sidcup and Bexleyheath & Crayford (4,600) had the fewest number of claims with 11% to 12% take up rates.

# 73% of the top 5% of constituencies in terms of take up rate are in London

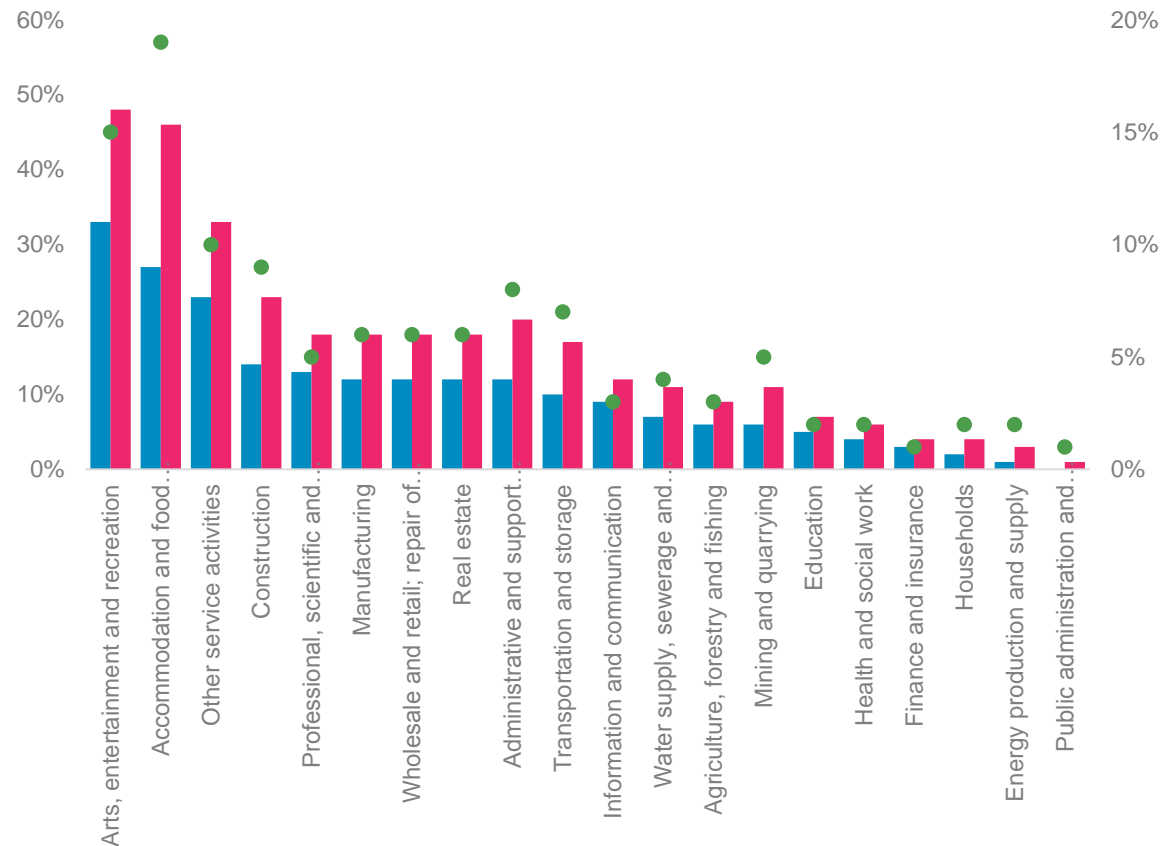
Top and bottom 10 London take up rates by parliamentary constituency



24 out of the 33 top constituencies (top 5%) in terms of take up are in **London**, whereas none of the constituencies in the bottom 5% were in **London**. This also indicates that declines in take up are slower in **London** than other areas of the country.

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

UK CJRS take up rates by sector (LHS) for July and August and respective change (RHS)



- For the **UK**, all sectors saw a decline in take up rates over the course of August.
- The largest falls were in the two sectors with the highest take up rates in August:
  - Accommodation and food services (down 19%), and
  - Arts & entertainment (down 15%).

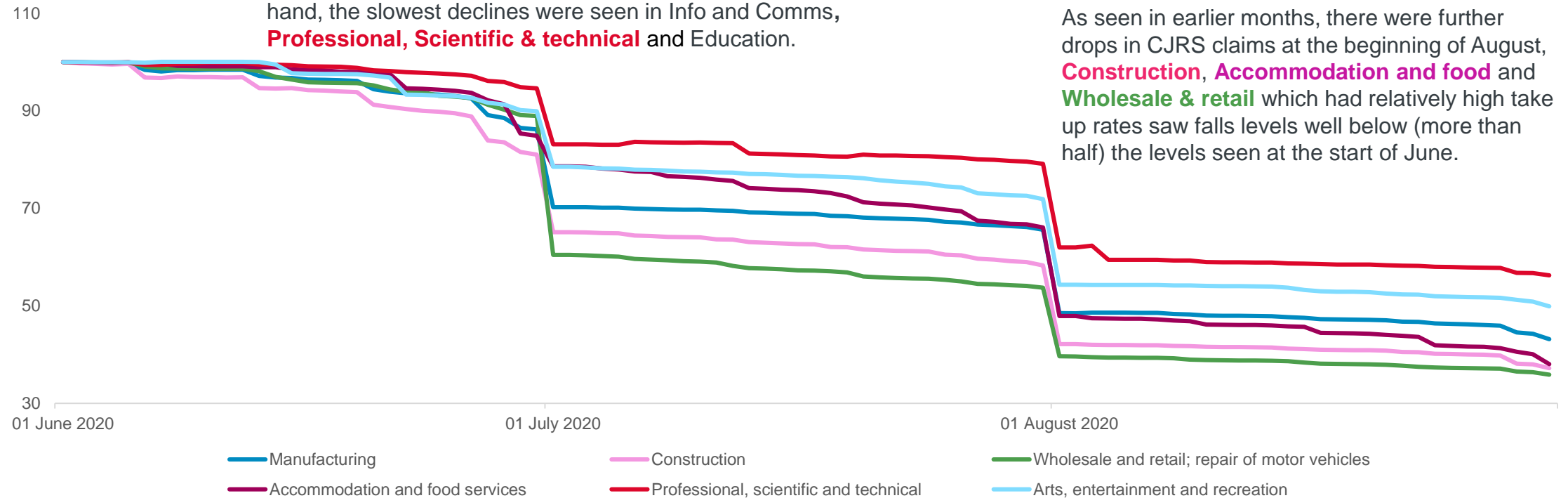
*Note that these industry breakdowns reflect the operations of the business rather than the operations of individual workers. Regional sectoral breakdowns are no longer available.*

# CJRS claims have fallen significantly below peak levels since June across every sector

## CJRS trend in the number of claims for selected industries since beginning of June for the UK (Index 01 June =100)

The industries with the biggest falls in claims in the latest period relative to the start of June were Mining and Quarrying, Energy production and supply and **Wholesale and retail**. On the other hand, the slowest declines were seen in Info and Comms, **Professional, Scientific & technical** and Education.

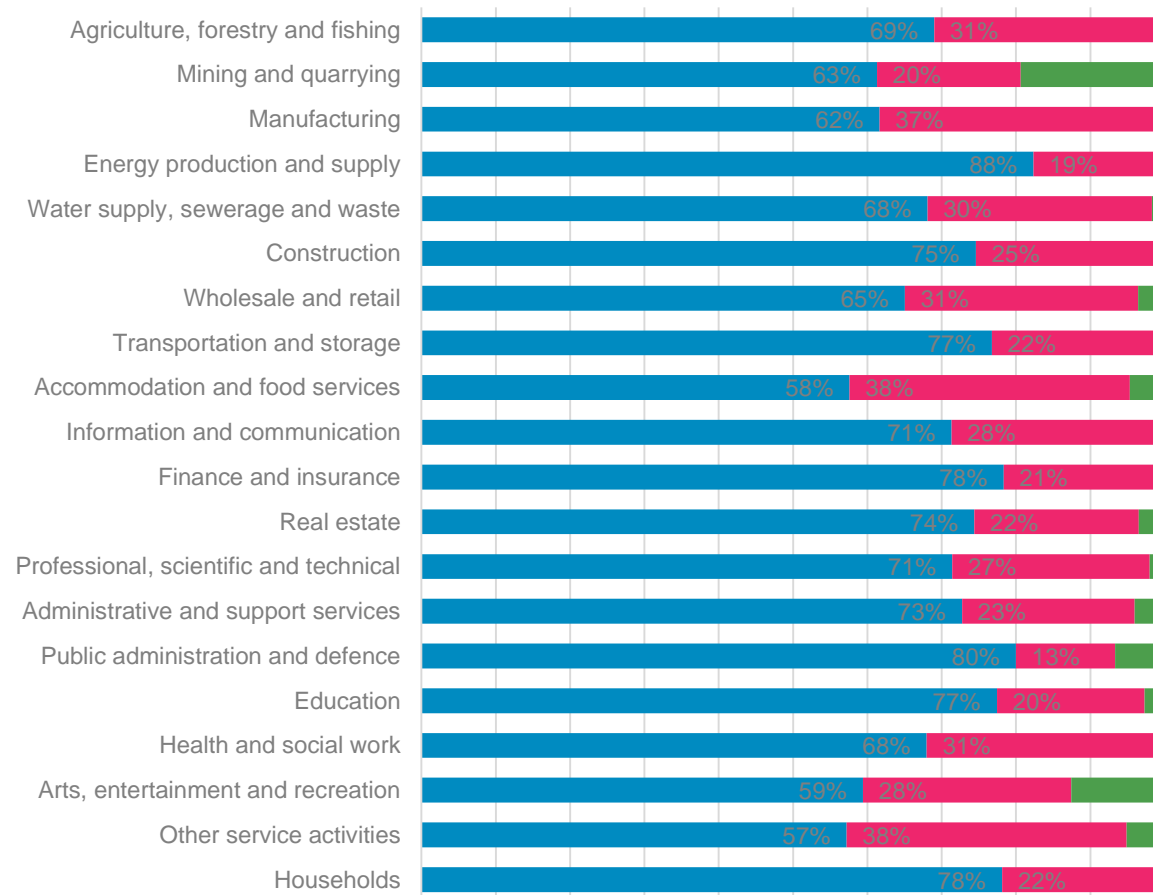
As seen in earlier months, there were further drops in CJRS claims at the beginning of August, **Construction, Accommodation and food** and **Wholesale & retail** which had relatively high take up rates saw falls levels well below (more than half) the levels seen at the start of June.



*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*

# All sectors now taking advantage of partial furlough

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

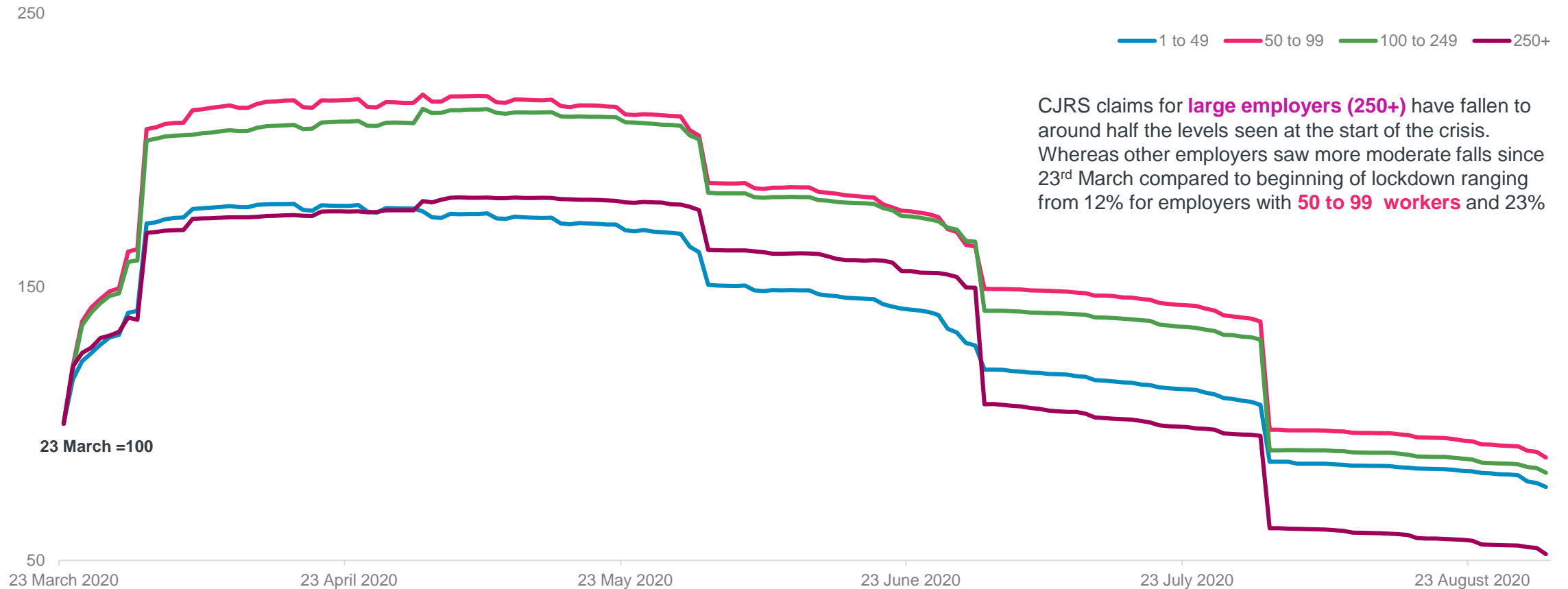


- All industries except public administration increased the proportion on partial furlough between 31 July and 31 August.
- The largest increase was in energy (16% and waste (14%).
- Manufacturing, accommodation & food services, and other services all have over a third of all furloughed on partial furlough.
- *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 in August

CJRS trend in the number of claims by size of employer since beginning of lockdown for the UK (Index 23 March =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)

