



# **Briefing on the latest HMRC's Official Statistics on the furlough and self-employment support schemes**

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**Background and Methodology**

**Coronavirus Job Retention Scheme (CJRS)**

**Self-Employed Income Support Scheme (SEISS)**



# Background and context

- In response to Covid-19 the Government introduced two significant employment support schemes:
  1. **Coronavirus Job Retention Scheme (CJRS)** - for employees (PAYE)
  2. **Self-Employment Income Support Scheme (SEISS)** - for the self-employed
- These schemes are aimed at preventing large rises in unemployment and longer term labour market scarring.
- This follows on from our **previous briefings** on 12<sup>th</sup> June (covering claims up until 31 May) and 16 July (covering claims up until 30 June). HMRC have released a further update covering the period up until 31 July.
- This data release provides an update of data in the previous release with new data on furloughed employment per day also by sector and employer size. This will provide useful information for the recovery.
- With the additional month of data covering July we also look at the monthly change in claims across the two schemes.
- **Note that whilst the CJRS scheme was closed to new entrants from 30 June 2020, employers had until 31 July 2020 to make any claims in respect of the period prior to 30 June 2020.**



# Methodology and limitations (1/2)

- These official statistics published by HMRC are directly and primarily based on the data from CRJS and SEISS claims and refer to all claims up until 31<sup>th</sup> July.
- It also combines these sources with other HMRC data such as **HMRC's Pay As You Earn (PAYE)** Real Time Information (RTI) system or **Self assessment data** where possible to provide further detail and breakdowns on:
  - employer size
  - sector of the economy (also by region)
  - geography (region, country)
  - age
  - time series
- Given that these statistics draw on administrative data from the scheme itself, this data gives a more comprehensive picture of the CJRS than other existing forms of data (i.e. surveys) on furloughing. It follows earlier publications in June and July, providing some additional granularity and the latest information
- 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.
- Take up rates are calculated as a proportion of all those who are eligible based on their PAYE and Self employment tax returns information.



## Methodology and limitations (2/2)

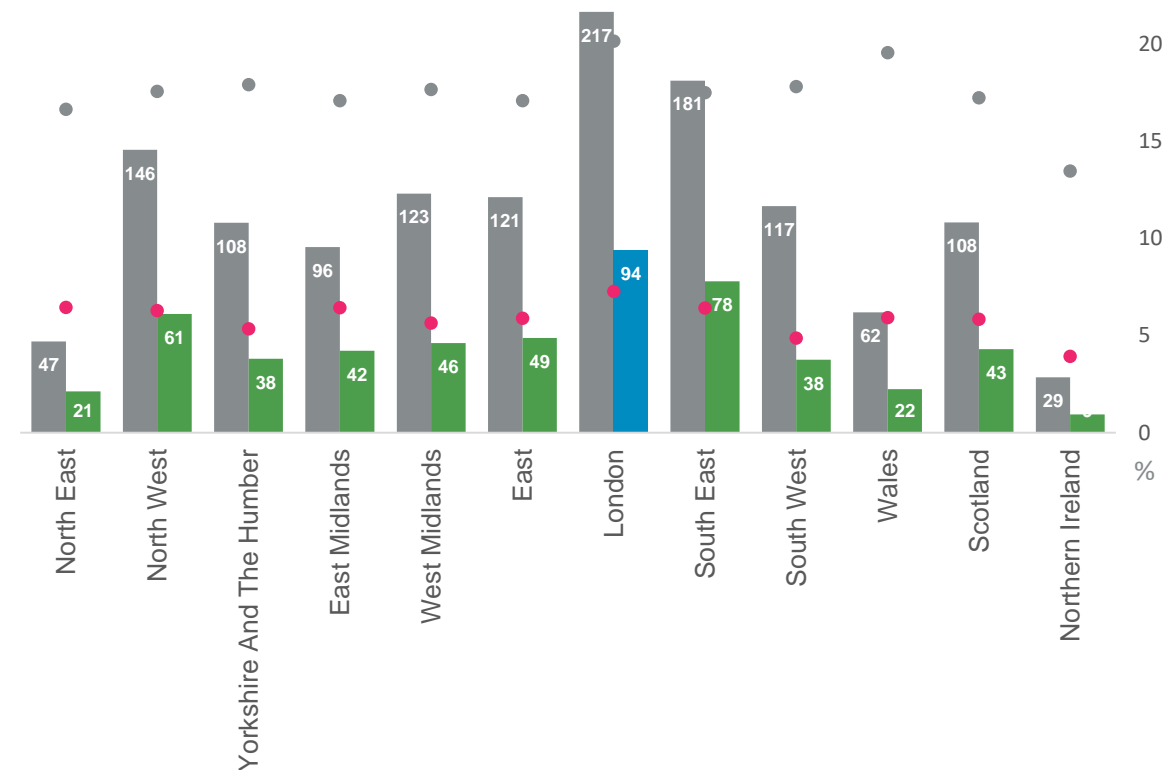
There are a few key caveats to be aware of:

1. An **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, to be clear these findings solely report on employees and the CJRS is to be considered separate from the Self-Employment Income Support Scheme (SEISS).
3. 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.
4. There are small, but not insignificant, proportions of 'unknowns' within the breakdowns, though this is less of an issue for the SEISS data. For the CJRS, the proportion of unknown claims is around 4% across all breakdowns. For the SEISS, this proportion is less than 1% in most cases, except the UK industrial breakdown whereby 13% of claims are unknown. Differences in the proportion of unknown observations are due to the matching of CJRS claims to other HMRC data sources.
5. 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.

# London now has a total of 1.39 million furlough employments according to the latest data

- There is now a total of 1.39 million furloughed employments in **London** and 9.6 million across the UK.
- **London** has a total of 4.33 million furloughed employments potentially eligible with a take up rate of 32%. This is the same take up rate for the UK overall.
- The number of claims in the **capital**, rose by 7% (94,000 furloughed employments) over the course of July.
- This is smaller than the rise of 20% seen in last reporting period (claims up until 30 June).
- *Despite the furlough being closed to new entrants on the 30<sup>th</sup> June, employers could still claim for those who were placed on furlough before the 30<sup>th</sup> June. . After this date, employers have only been able to furlough employees they furloughed for a full three-week period prior to 30 June 2020.*
- *Changes should be interpreted with caution as the proportion of claims unknown have significantly dropped by 75% in the latest data, so some of the change will reflect the increased number of known claims by region.*

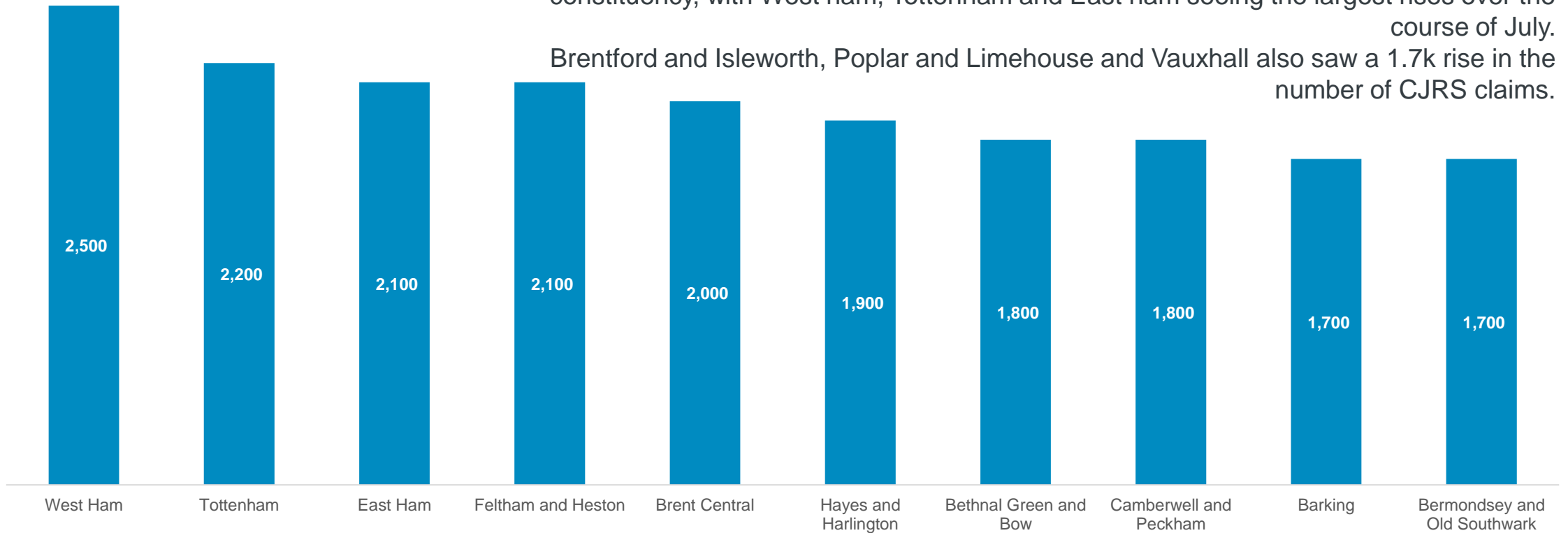
**Absolute (000s, LHS) and percentage (% , RHS) change in CJRS claims on previous reporting period (up until 30 June 20) by region compared with previous change on prior reporting period (up until 31 May)**



# Top 10 parliamentary constituencies in **London** with the largest rises in CRJS claims over July

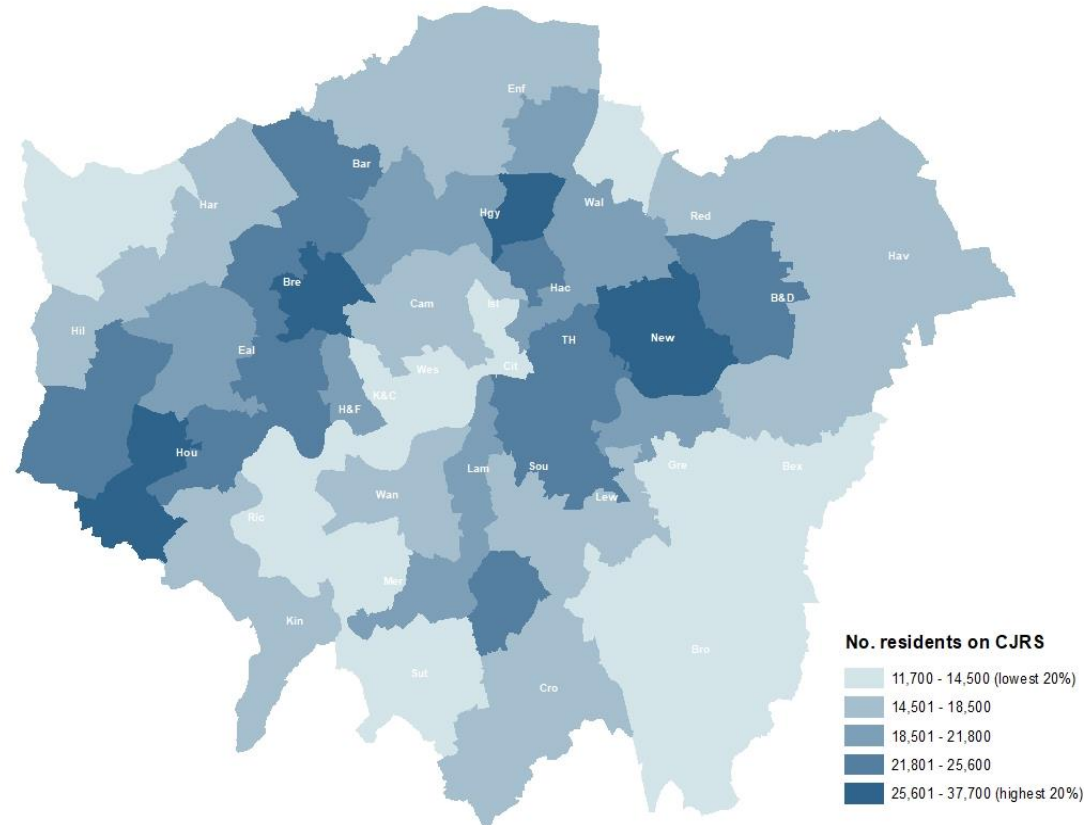
Change in the no. of CJRS claims by parliamentary constituency (as of 31 July from 30 June)

The same areas continue to lead the largest rises in CJRS claims by parliamentary constituency, with West ham, Tottenham and East ham seeing the largest rises over the course of July. Brentford and Isleworth, Poplar and Limehouse and Vauxhall also saw a 1.7k rise in the number of CJRS claims.



# Geographical patterns in furlough levels across London persist

Map of CJRS claims by parliamentary constituency



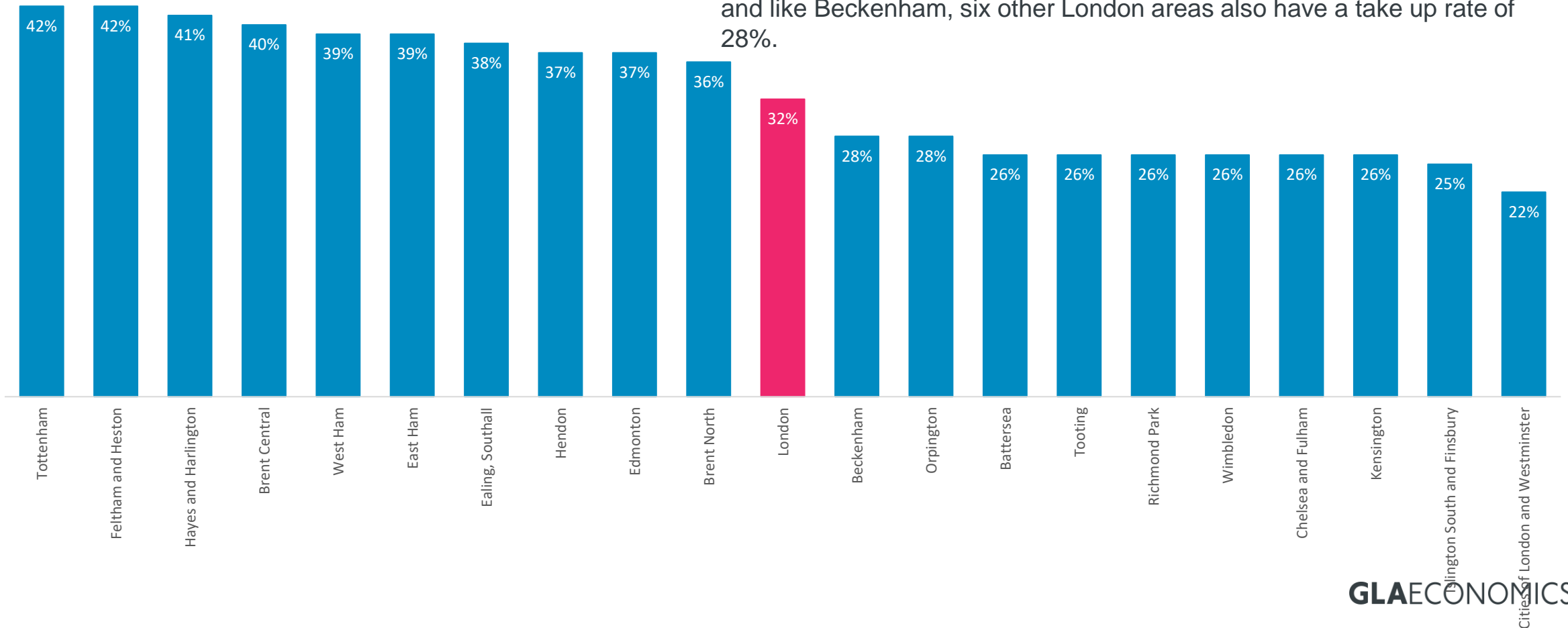
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- West Ham was the parliamentary constituency with the highest number of furloughed employments (37,700) across **London**.
- This is followed by Tottenham (32,500) and Feltham and Heston (31,000)
- At the other end of the spectrum, Orpington (11,700), Beckenham (12,000) and Kensington (12,100) had the fewest furloughed employments across the **capital**.



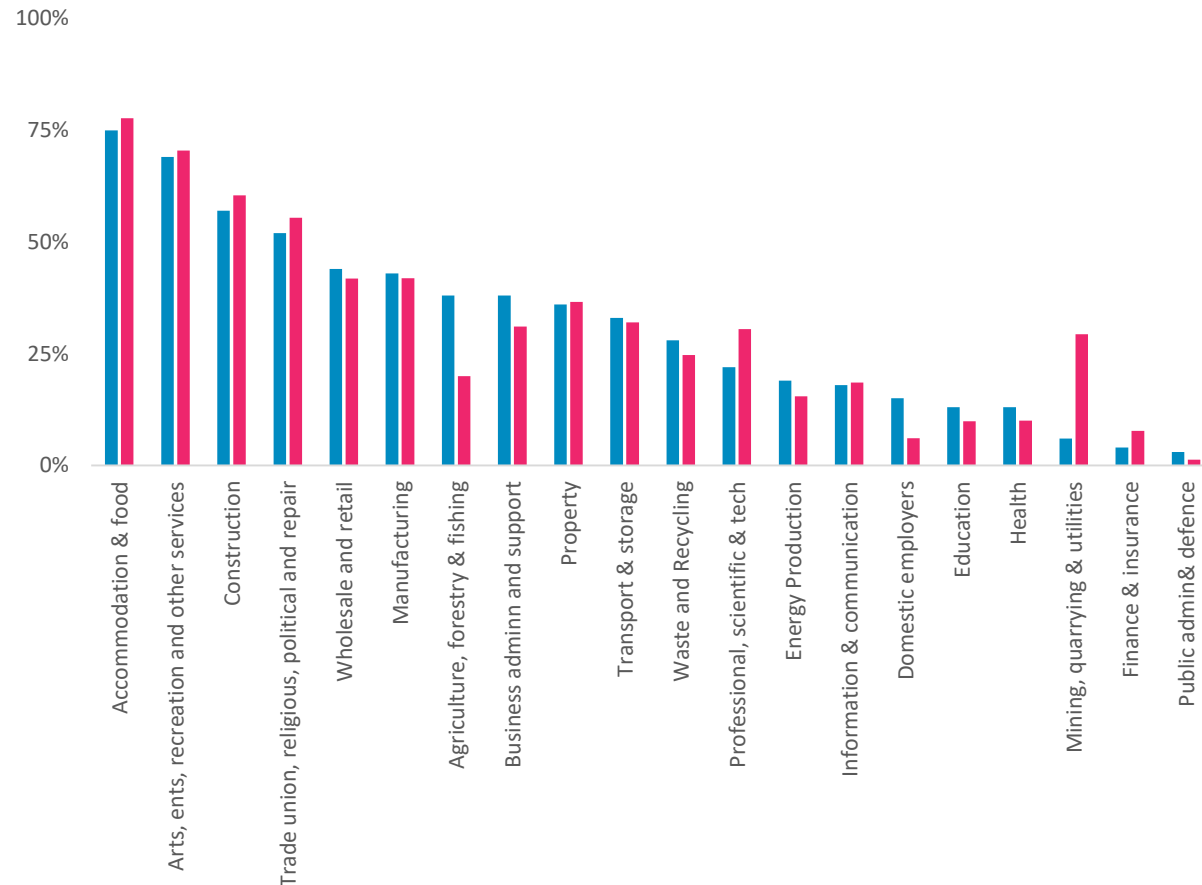
# Top and bottom 10 parliamentary constituencies in London based on CJRS take up rate

London accounts for 9 of the top 5% (top 33) of constituencies in the country and 8 of the bottom 5% of constituencies in terms of take up rate. Similar to Brent North, Leyton and Wanstead, also has a take up rate 36% and like Beckenham, six other London areas also have a take up rate of 28%.



# CJRS industrial patterns remain the same, with Accommodation and food maintaining the highest furlough take up rates

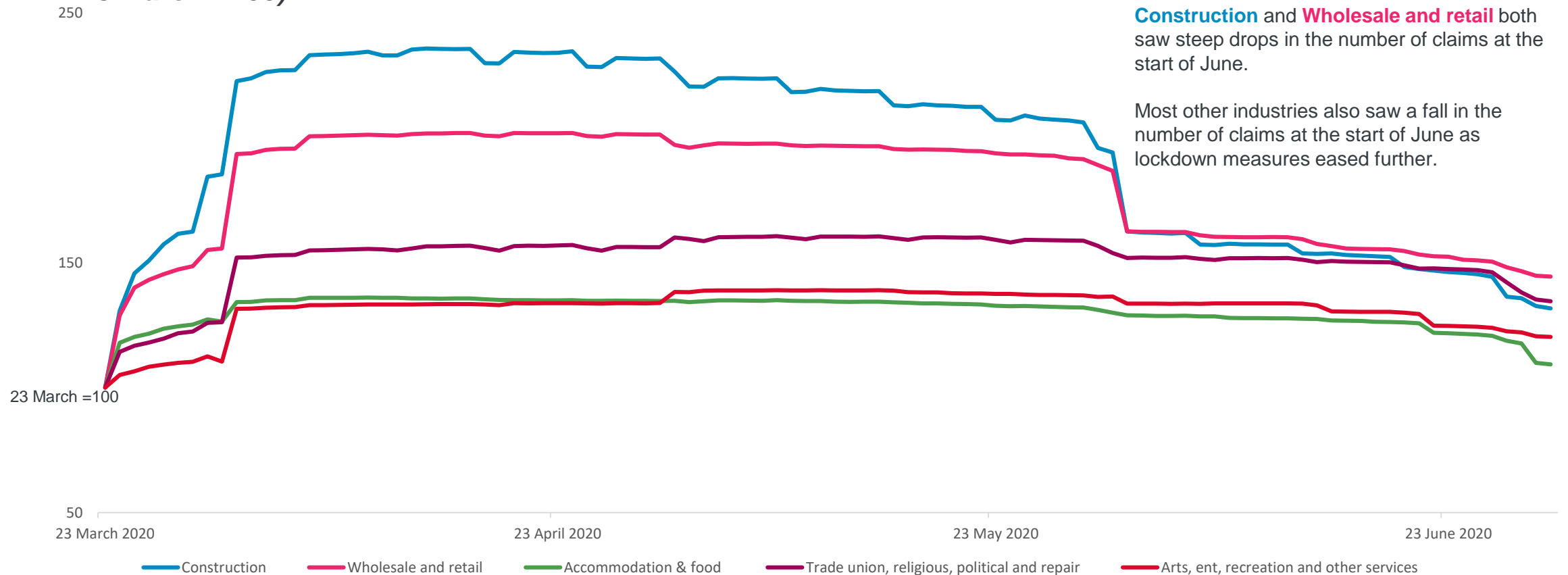
CJRS take up rates by sector for **London** and **rest of UK**



- For **London**, accommodation and food has the highest take up rate (75%), followed by Arts and entertainment (69%) and Construction (57%).
- This largely follows the rest of the UK, where the same industries also have the highest take up rate.
- Public admin and Finance & insurance had the lowest take up rates 4% and 3% respectively.
- *Note that these industry breakdowns reflect the operations of the business rather than the operations of individual workers.*

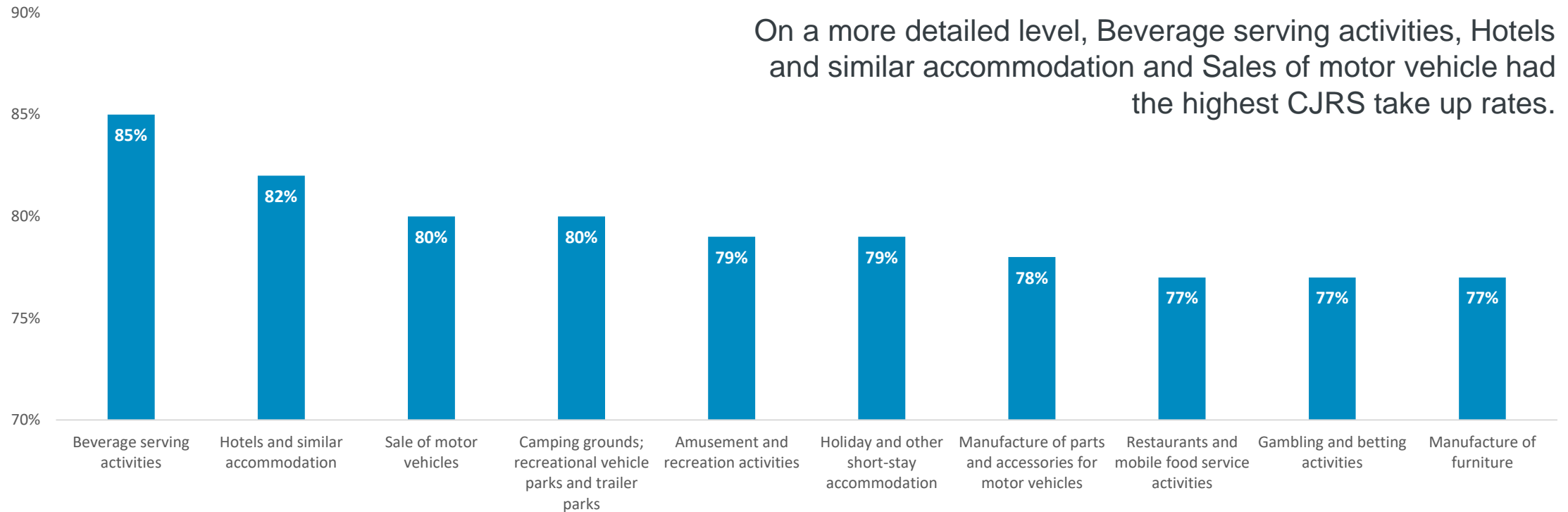
# New time series CJRS data reveals a drop in the number of claims from the end of May

CJRS trend in the number of claims for top 5 industries since beginning of lockdown for the UK (*Index 23 March =100*)



# The latest data also provides further detail on the nature of industries with the highest take up rates

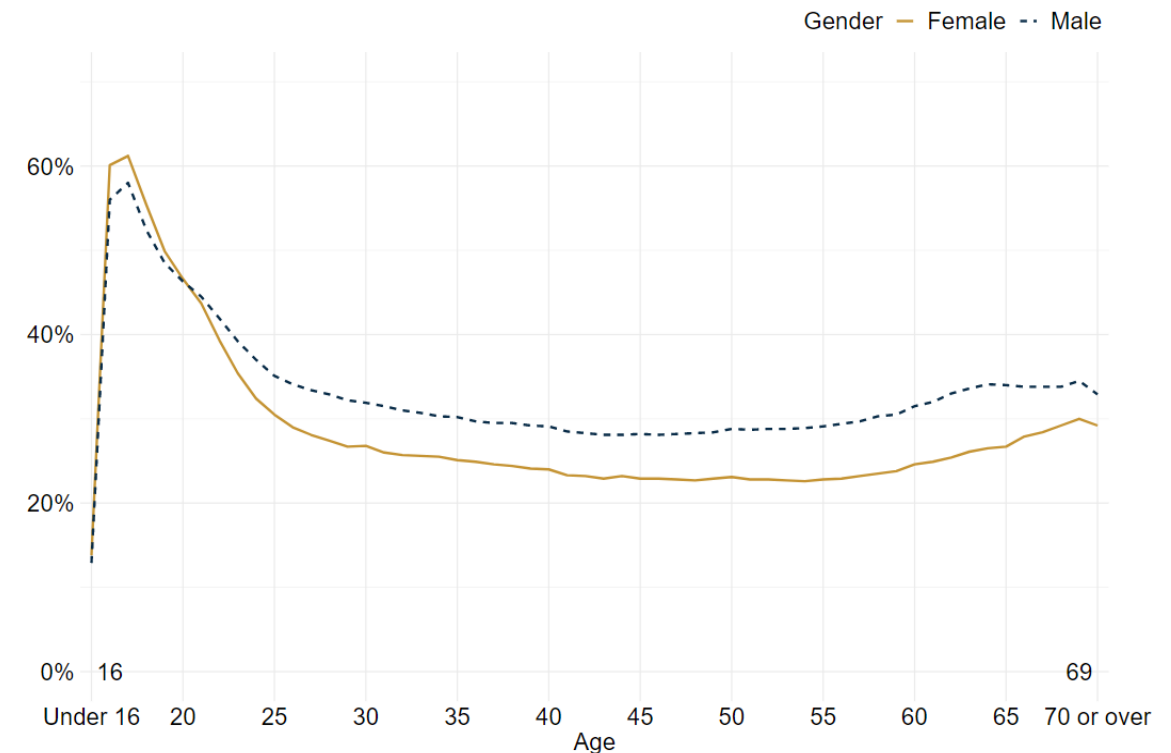
Top 10 industries at 3 digit SIC level in terms of CJRS take up rate for UK



# CJRS data also shows males and younger people have a higher take up rates

- Employees aged 17 were most likely to be furloughed. 65% of employments with a female employee aged 17 were furloughed, the equivalent figure for males was 62%
- Across the age bands and by gender, employments with male employees aged 41 to 54 were least likely to be furloughed (30%), while for females, employments where the employees were aged 43 to 56 were the least likely to be furloughed (24%)
- employees aged in their 60s and above were more likely to be furloughed than those in their 40s and 50s, but not those in their 20s.
- Generally, males have a higher take up rate than females in all age brackets except the 16-20 age group. Overall, males have a take up rate of 34% compared to 29% for females.

CJRS take up by age and sex for the UK

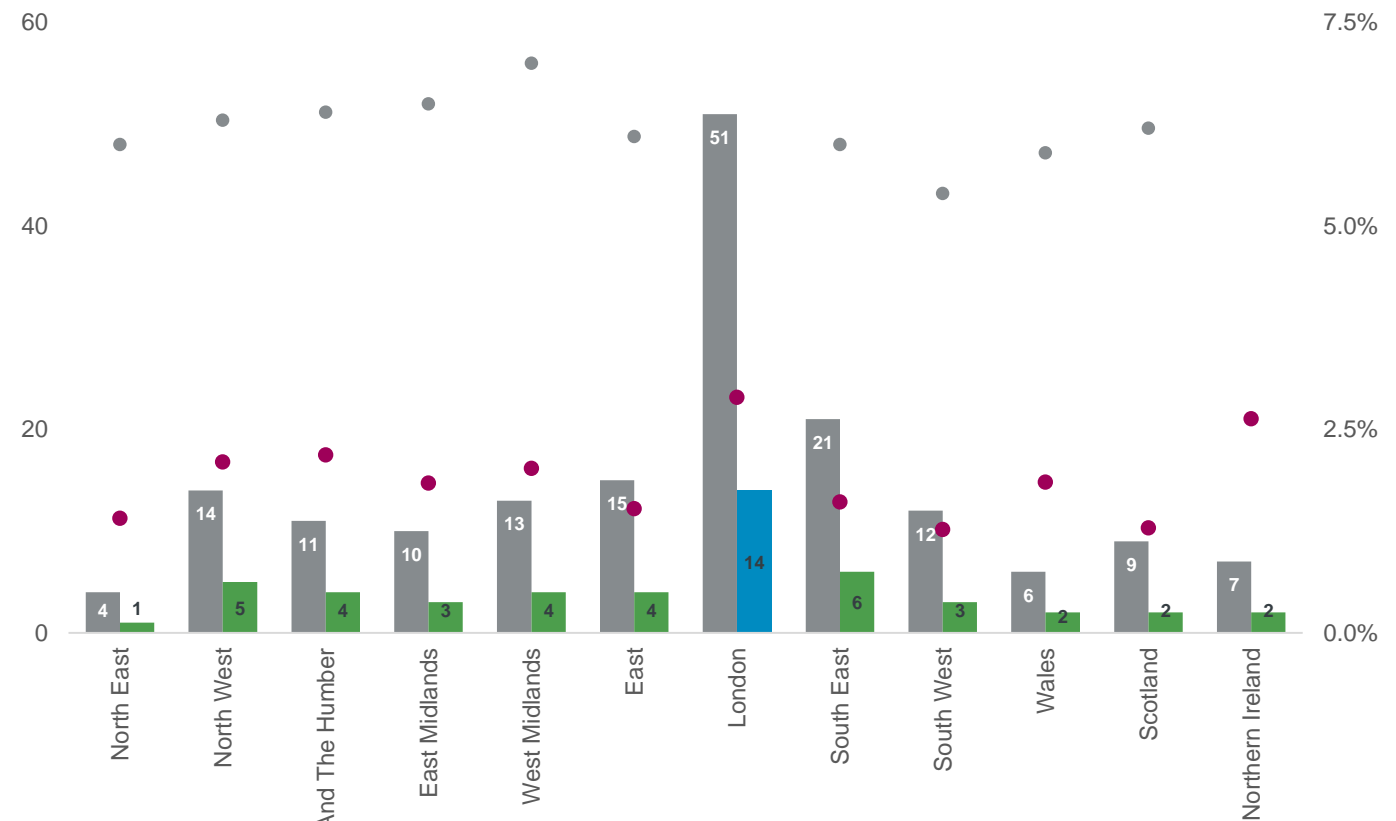


Source: HMRC CJRS and PAYE Real Time Information

# London now has a total of 498,000 claims on the SEISS scheme

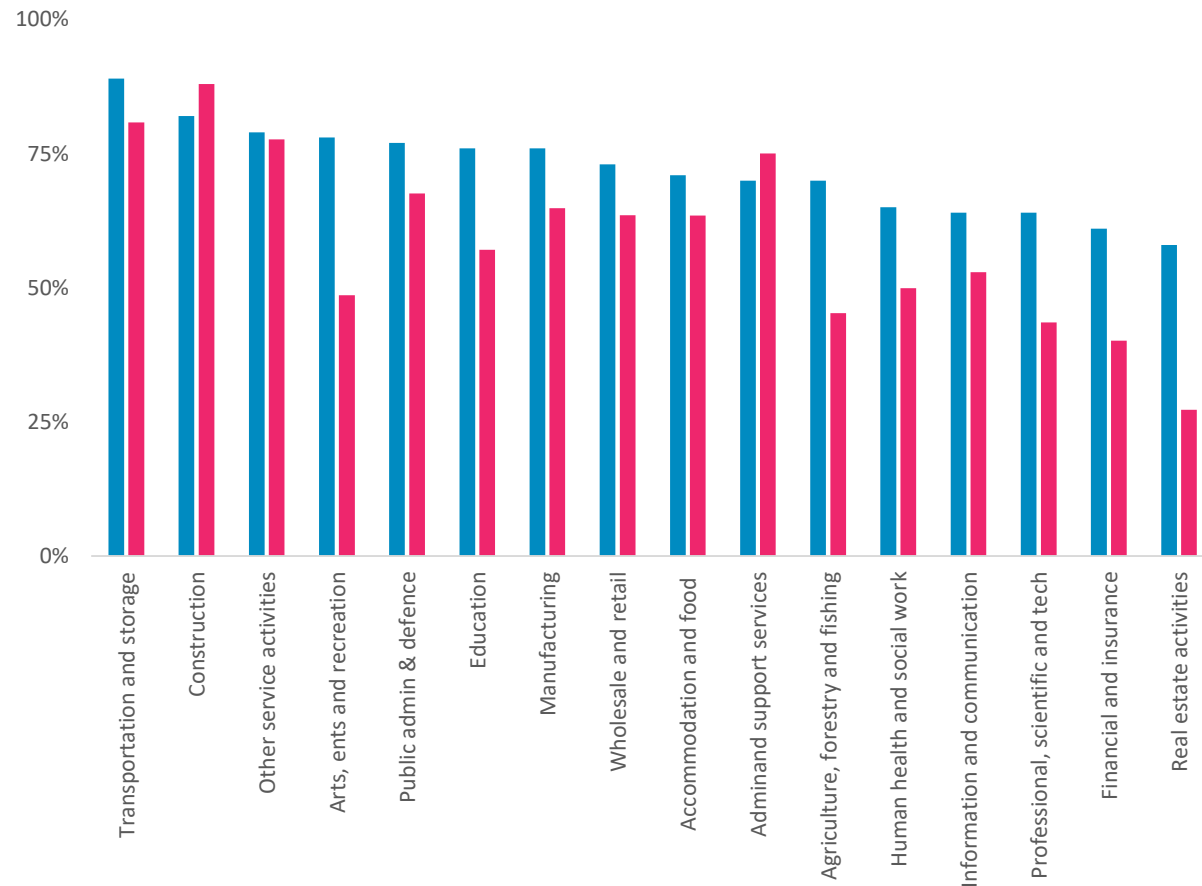
- The number of SEISS claims in **London** rose by 14,000 in July. This represents a 3% rise in SEISS claims in the **capital** in July compared to a 12% rise in June.
- **London's** take up rate increased by 2 percentage points to 77%, which is the same as the UK take up rate.
- There are now a total of 498,000 SEISS claims in **London** and 2.6 million across the UK as a whole.

**Absolute (000s, LHS) and percentage (% , RHS) change in SEISS claims on previous reporting period (up until 30 June 20) by region compared with previous change on prior reporting period (up until 31 May)**



# Like the CJRS the industrial SEISS profile remains similar to the UK with 89% in Transport and Storage taking up the Scheme.

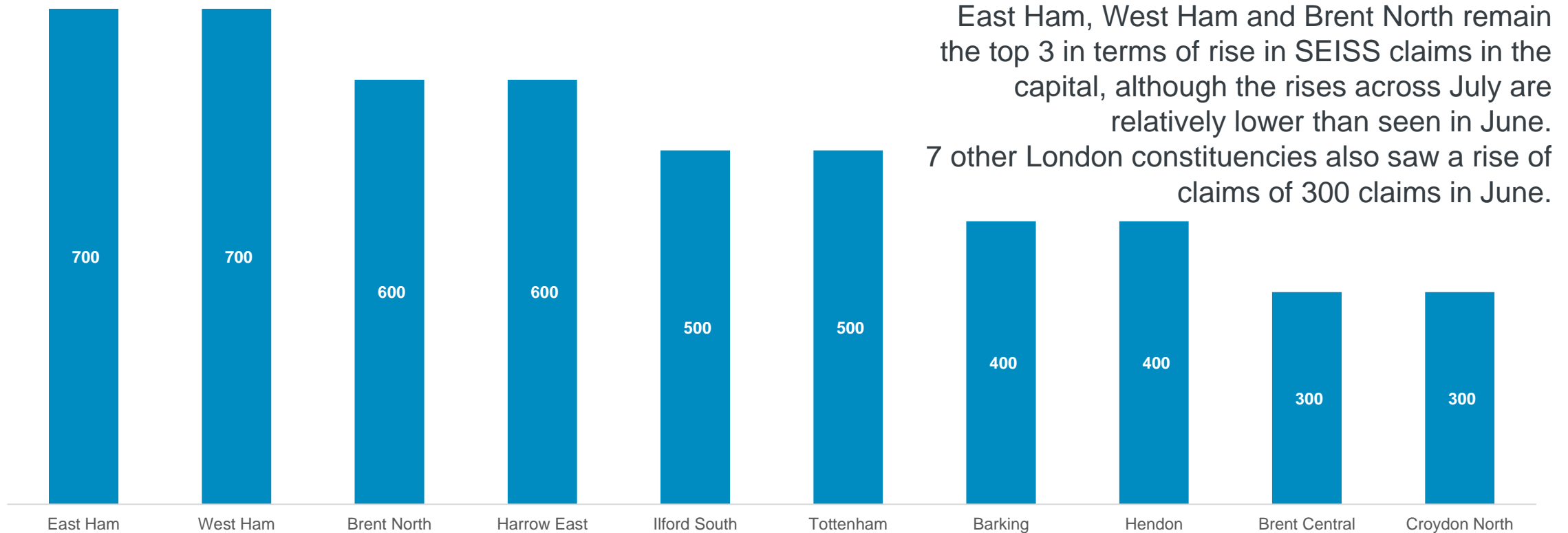
## SEISS take up rates by sector for London and rest of UK



- **London's** industrial SEISS profile remains similar to the **UK**. The SEISS scheme has a notably higher take up rate than the CJRS.
- Transportation and storage has the highest SEISS take-up rate in **London**, with 89% of the eligible population taking up the scheme.. This is followed by Construction (82%) and Other service activities (79%).
- Real estate activities remains the lowest SEISS take-up rate in **London**, with 58%.
- There is less variance across industries for SEISS claims than CJRS claims in **London**. All sectors have a SEISS take-up rate between 58% and 89%, whereas CJRS take-up rates range from less than 10% up to 75%.
- *Note that these industry breakdowns reflect the operations of the business rather than the operations of the workers.*

# Top 10 parliamentary constituencies in **London** with the largest rises in SEISS claims over July

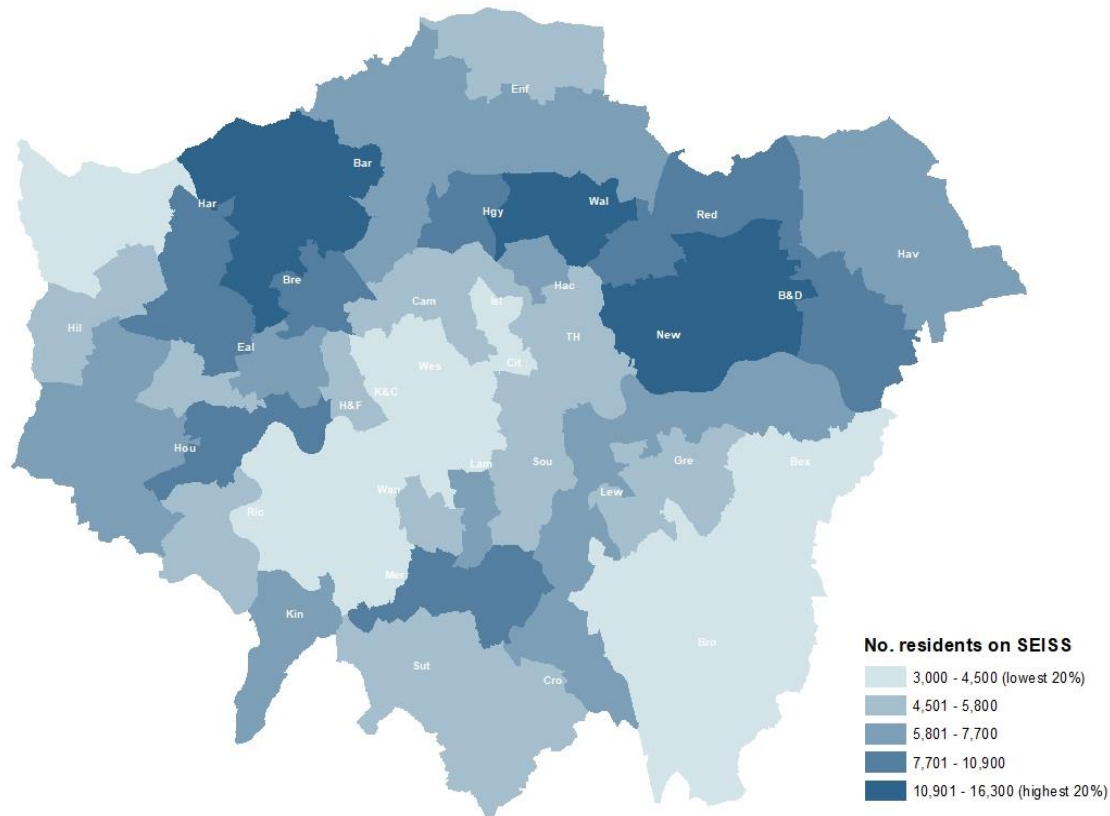
Change in the no. of SEISS claims by parliamentary constituency (as of 31 July from 30 June)





# SEISS levels also indicate a geographical pattern by parliamentary constituency

Map of SEISS claims by parliamentary constituency

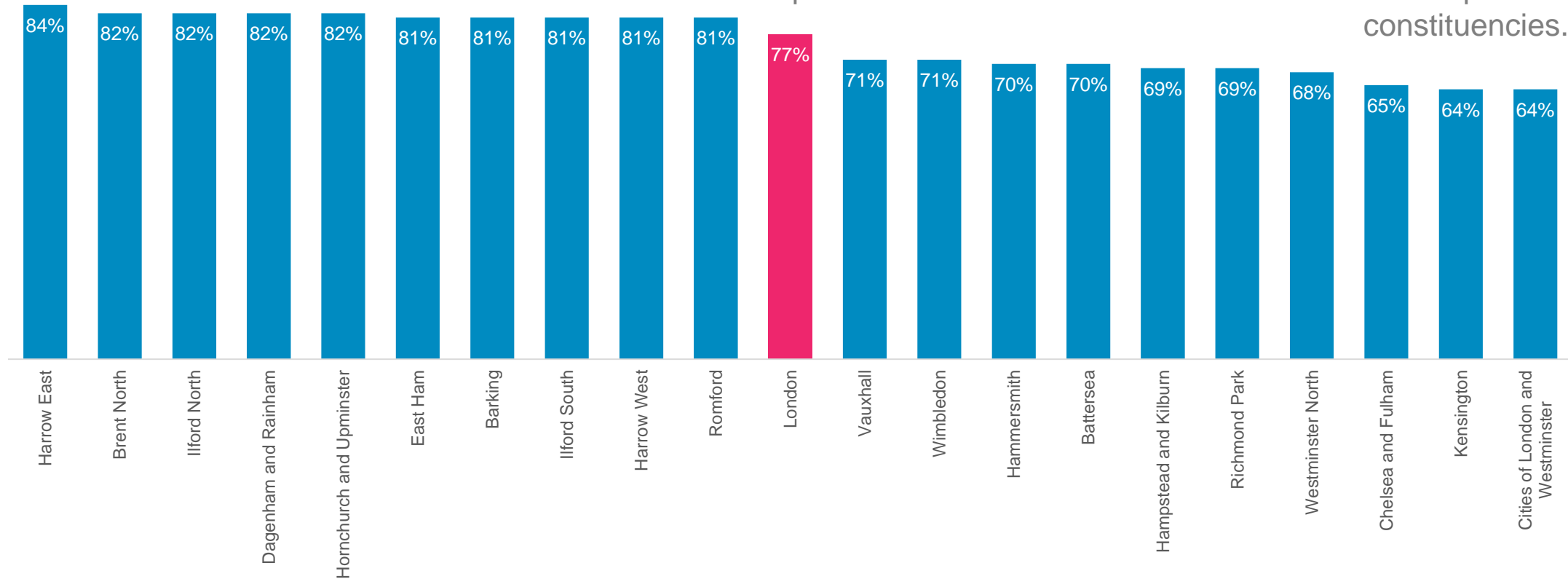


- West Ham had the highest number of SEISS claims (16,300)
- This is followed by East Ham (15,500) and Brent North (14,100).
- On the other hand, Cities of London and Westminster had the lowest number of SEISS claims (3,000), followed by Chelsea and Fulham (3,100) and Kensington (3,300).
- *Number of claims by constituency can depend on the type of area as some areas are more like to have higher numbers of people in work who are eligible. The following slide looks at take up rates as a proportion of the eligible population by constituency.*

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# Top and bottom 10 parliamentary constituencies in London based on SEISS take up rate

Harrow East had the second highest take up rate in the country as 5 London constituencies were in the top 5% of constituencies in terms of CJRS take up rates. Whereas 11 London areas were in the top 5% of constituencies.



# In London, the male take up rate was 11 percentage points higher than for females

- The take up rate in **London** for Males was 80% compared to 69% for females. This is 11 percentage points higher for males than for females. The corresponding gap between males and females is on 8% percentage points for the UK.
- Take up rates **for London** are similar across ages; all age groups between 25 and 64 have a ranging between 77% and 79%.
- The 45-54 age group remained the highest in terms of SEISS take up rate at 79%.
- Over 65 and 16-24 had the lowest take up rates 64% and 72% respectively.
- The UK has a similar pattern by age group, however, the 16-24 and over 65 age groups have lower take up rates at the UK level 68% and 60% respectively.

**SEISS claims number (LHS) and respective take up rates (RHS,%) for London**

