Briefing on the latest HMRC Official Statistics on the self-employment support scheme

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Background and context

In response to the coronavirus (COVID-19) pandemic the Government introduced two significant employment and income support schemes:

- Coronavirus Job Retention Scheme (CJRS) for employees (PAYE)
- 2. <u>Self-Employment Income Support Scheme (SEISS)</u> for the self-employed

This release covers the latest SEISS data. Previous releases and other labour market analysis can be found on our <u>COVID-19 labour market analysis page</u>.

The SEISS is a one-off grant paid directly to those who are eligible. This differs from the CJRS, paid weekly depending on an employee's furlough status.

There have been three rounds of SEISS grants so far:

Grant 1: Taxable grant worth 80% of average monthly trading profits, paid out in a single instalment covering 3 months' worth of profits, and capped at £7,500 in total. Grant 1 closed for applications on 13 July 2020.

Grant 2: Opened on 17 August. Taxable grant worth 70% of average monthly trading profits, paid out in a single instalment covering 3 months' worth of profits, and capped at £6,570 total. Covers those disrupted from 14 July (including those who had received Grant 1). Grant 2 closed on 19 October.

Grant 3: Opened on 30 November 2020. Taxable grant worth 80% of their average monthly trading profits, paid out in two instalments covering 3 months' worth of profits, and capped at £7,500 in total. Grant 3 closed on 29 January 2021.

The scheme has also recently been extended to September 2021 (next slide). More background information can be found here.

Latest budget announcements

On 3 March 2021 the government confirmed details of a fourth and announced a fifth round of the Self-Employment Income Support Scheme (SEISS).

- The fourth SEISS grant will cover February to April 2021. It will be worth 80% of three months' average trading profits, paid in a single instalment and capped at £7,500.
- The fifth SEISS grant will cover May to September 2021. The value of the grant will be vary depending on a turnover test and will be worth:
 - 80% of 3 months' average trading profits, capped at £7,500, for those with a turnover reduction of 30% or more
 - 30% of 3 months' average trading profits, capped at £2,850, for those with a turnover reduction of less than 30%
- The eligibility for the next rounds of SEISS grants will also be extended to include self-employed people who submitted returns during the tax year 2019 to 2020. It is estimated that over 600,000 individuals may be newly eligible for support.

Data notes

The release covers the number of individuals claimant the third SEISS grant up to 31 January 2021.

- It is based on Experimental statistics produced from HM Revenue & Customs' (HMRC) system for administering the scheme.
- This is combined with additional data from HMRC's Self Assessment system and other HMRC administrative systems.
- Because these statistics draw on administrative data, they provide a more comprehensive picture of the SEISS than other existing forms of data (i.e. surveys).
- Take up rates are calculated as a proportion of all those who are eligible based on their PAYE and Self-employment tax returns information.

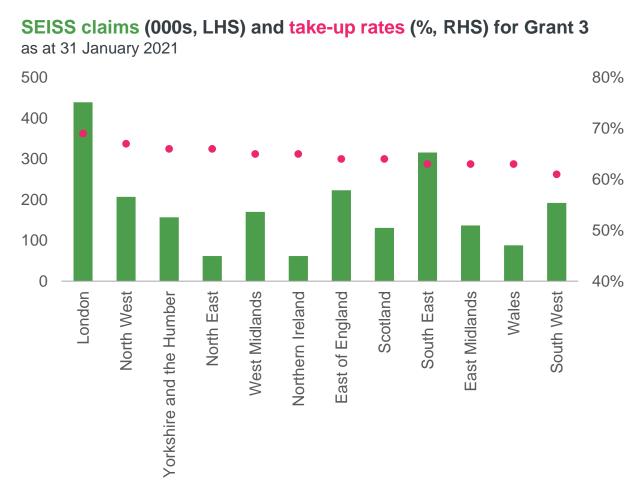
There have been 439,000 SEISS claims in London for Grant 3

By 31 January 2021:

- There had been total of 439,000 claims for SEISS Grant 3 in London, more than in any other UK region or country.
- At 69% of the eligible population, London also recorded the highest tale up rate in the UK.
- By comparison, there had been a total of 2.2 million claims across the UK as a whole – with an average take up rate of 65%.

In London:

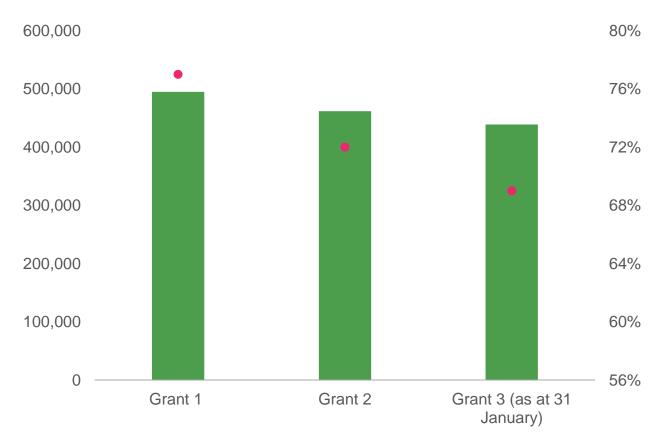
- Around three quarters of claimants for SEISS 3 were male (326,000) and only a quarter were female (114,000).
- At 74%, the take up rate among male Londoners was also higher than among women (60%).



London's take-up rate for Grant 3 remains slightly lower than for previous rounds

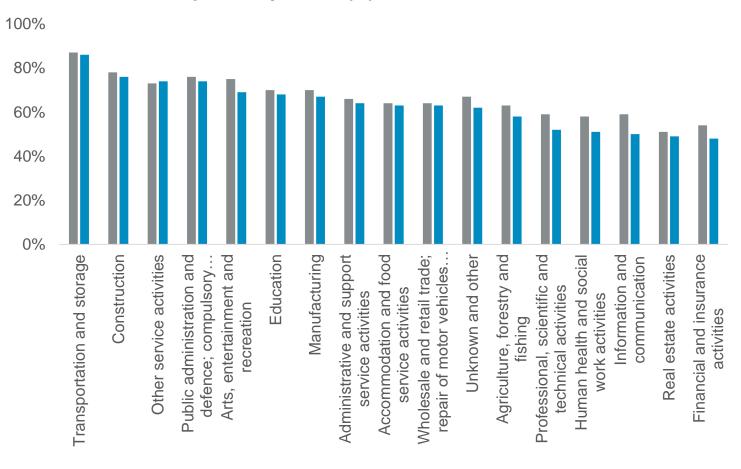
- At 69%, London's take-up rate for the third SEISS grant is 3 percentage points lower than for Grant 2 and 8 percentage points lower than for Grant 1.
- The total value of claims made for Grant 3 in London is £1.26 million – this is also 8% lower than for Grant 2 and 13% lower than for Grant 1.
- This is consistent with trends in other parts of the country: the UK take up rate for Grant 3 (65%) is also lower than for previous rounds.

SEISS claims (LHS) and take-up rates (RHS) for London (Grants 1-3)



The transport sector had the highest take-up rate in London for the third round of SEISS grants

London SEISS take up rates by sector (%) for Grant 2 and Grant 3



For Grant 3 in London:

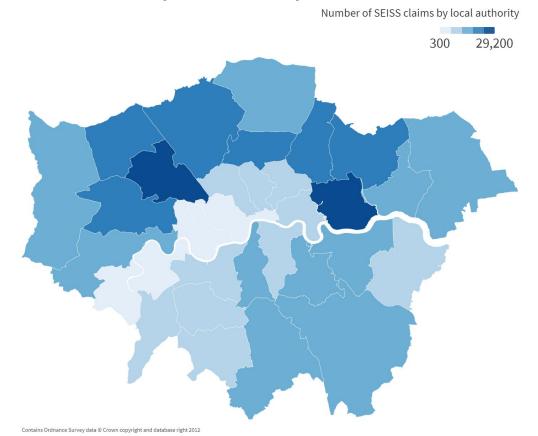
Transport & storage had the highest take up rate (86%), followed by Construction (76%) and Other services activities (74%).

By the end of January, all sectors saw a fall in take up rates between the second and third round of SEISS grants:

- Information & communication saw the largest decline (9 percentage points).
- This was followed by Professional services and Health & social work (both down by 7 percentage points).

Similar to the 'furlough' scheme, Newham also recorded the highest number of SEISS claims in the third round

SEISS Grant 3 claims by local authority



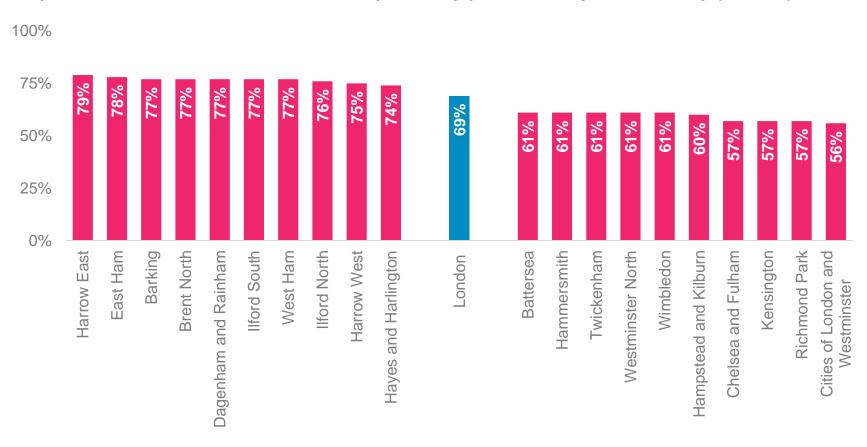
Newham had the highest number of SEISS claims again for Grant 3 with 29,200 claims (77% take up).

This is followed by Brent with 24,400 claims and Waltham Forest with 23,200 (both 74% take up) .

Kensington and Chelsea had the lowest number of SEISS claims with 3,700 (57% take up). This was followed by Westminster with 5,400 (59%) and Hammersmith and Fulham 5,900 (60%).

By parliamentary constituency, 8 of top 10 areas with the highest SEISS take up rates are in London

Top and bottom 10 London SEISS take up rates by parliamentary constituency (Grant 3)



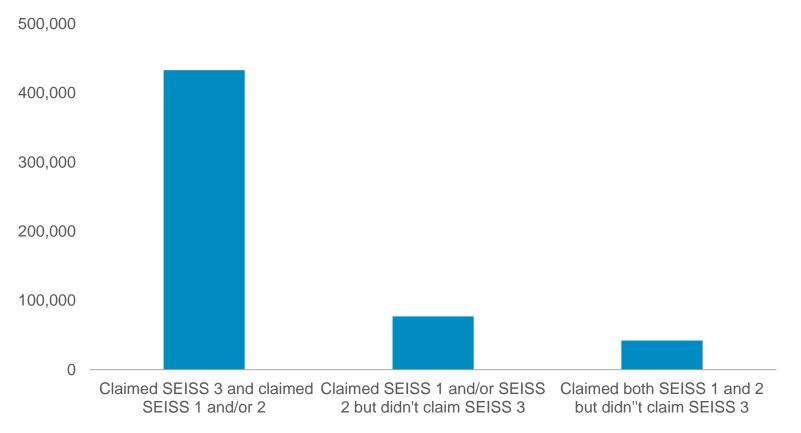
Across the UK, 12 out of the top 33 parliamentary constituencies (top 5%) in terms of take up were in London for SEISS Grant 3, including eight out of the top ten areas.

Eight London areas were in the bottom 5% in terms of take up rate.



In London to date, there were 77,000 individuals from previous rounds who didn't claim Grant 3

Individual claims across SEISS Grant 1 to 3



In London:

- 433,000 self-employees claimed Grant 3 after claiming either Grant 1 or 2
- 77,000 self-employees didn't claim this time round after claiming in either Grant 1 and 2.
- 42,000 who did claim both Grant 1 and 2 didn't claim this round.