



Briefing on the latest HMRC Official Statistics on the furlough support scheme

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Background

In response to the coronavirus (COVID-19) pandemic, the Government introduced two significant employment support schemes aimed at preventing large rises in unemployment and longer-term labour market scarring:

- [Coronavirus Job Retention Scheme](#) – for employees (PAYE)
- [Self-Employment Income Support Scheme](#) – for the self-employed

This briefing provides statistics and analysis of the latest Coronavirus Job Retention Scheme (CJRS) data for London based on the HM Revenue & Customs statistics.

Previous briefings and other labour market analysis can be found on our [COVID-19 labour market analysis page](#).



Overview of the Coronavirus Job Retention Scheme (CJRS)

The CRJS provides grants to employers to 'furlough' eligible employees. This is to ensure that employers can retain and continue to pay staff, despite the effects of the pandemic.

Furlough levels largely rise and fall with changes in lockdown restrictions and with changes to the scheme.

Since it was first introduced, in March 2020, there have been a number of extensions and adjustments to the CRJS. A summary of previous announcements can be found [here](#).

Budget 2021

On 3 March the government announced that the CJRS would be extended from 1 May to 30 September 2021:

- The CJRS continued to cover 80% of an employee's wages until 30 June 2021.
- From 1 July the grant covers 70% of wages and employers will be required to top up an additional 10%.
- From 1 August the grant covers 60% of wages and employers will be required to top up 20%.

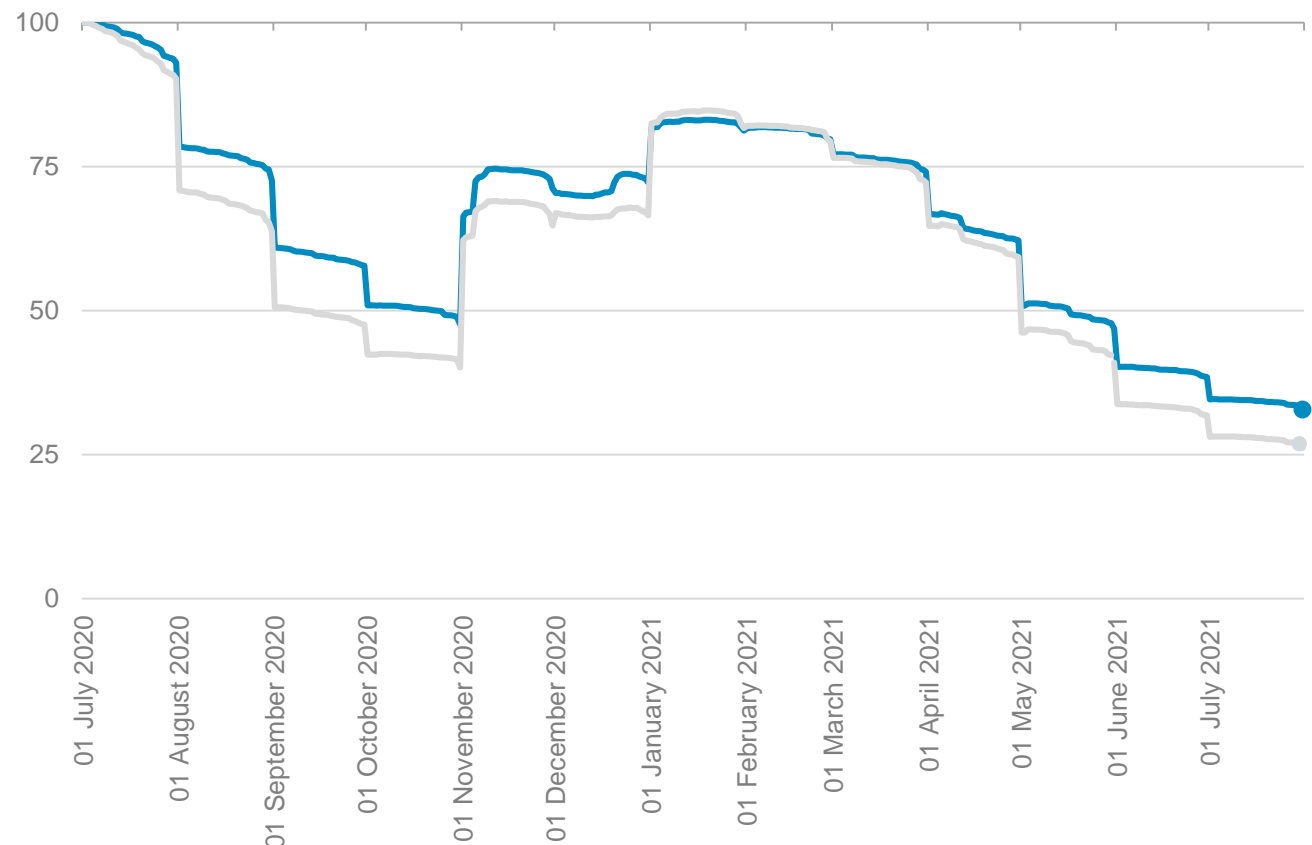
Furlough rates in London and the UK maintained a steady decline in July despite employer contributions rising for the first time since October 2020

The furlough scheme is to close on 30 September with employers contributing 10% of pay in July, rising to 20% in August and September. This is in addition to the National Insurance and auto-enrolled pension contributions they already made.

- From June 30 to July 31, the number of furloughed employments in London declined by 51,300, a fall of 15%.
- The decline in London during July continued to lag behind the UK, where furloughed employments declined by 18%.
- It was also a slower pace of decline in London than during June, when furloughed employments declined by 18% (22% in the UK as a whole).

Trend in furloughed employments for London and UK

Index, 100 = 1 July 2020, July 2021 data is provisional

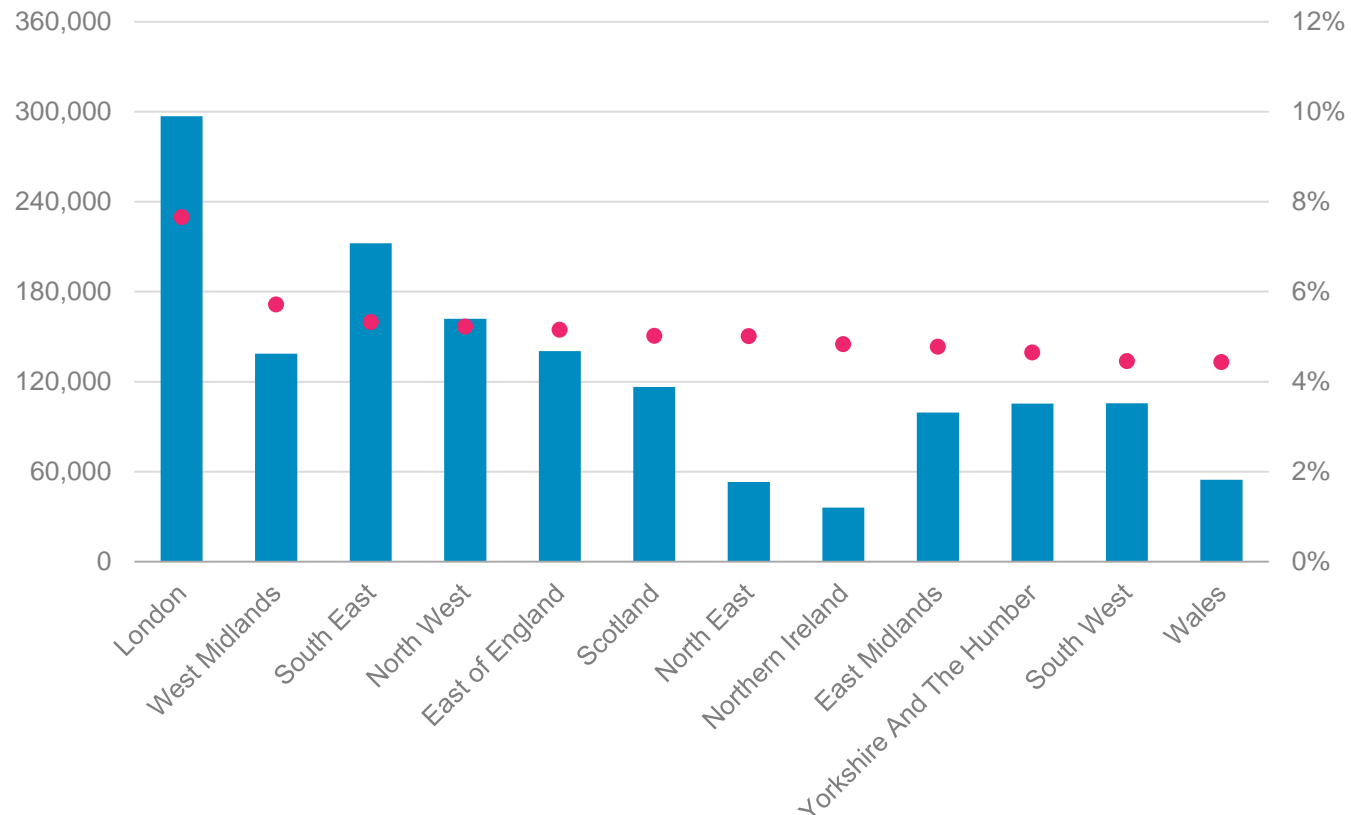


London furlough take-up rate remained the highest in the UK

At 31 July 2021:

- Provisional data indicates there were around 297,000 employments on furlough in London, and 1.56 million across the UK as a whole.
- London continued to have a higher take-up rate (at 8%) than any other UK region or country, where rates ranged from 4% in Wales to 6% in West Midlands.
- Take up in the UK as a whole was 5%.

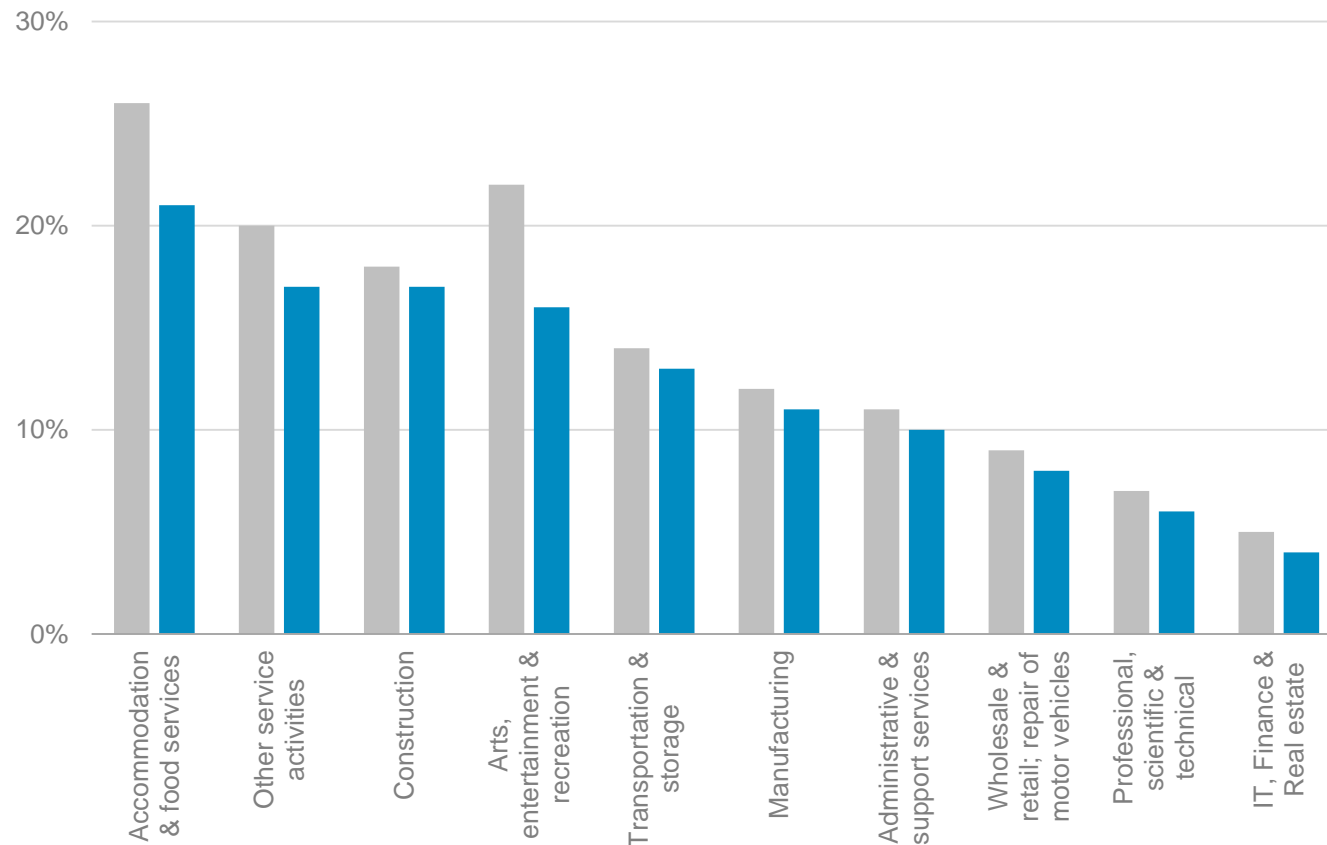
Furloughed employments (LHS) and take-up rates (% , RHS)
by UK region/country, at 31 July 2021 (provisional)



Arts & entertainment saw the biggest fall in take-up rate in July, while Accommodation & food services is now the only sector with more than one-in-five eligible employments on furlough

Furlough take-up rates by selected sectors for London

June 2021 and July 2021 (July 2021 data is provisional)



At 31 July 2021:

- Accommodation & food services continued to have the highest take up rate by sector (21%) although that fell 5 percentage points in the month.
- Arts & entertainment had the second-highest take-up rate in June but by the end of July was fourth-highest after a 6 percentage point fall reduced the rate to 16%.

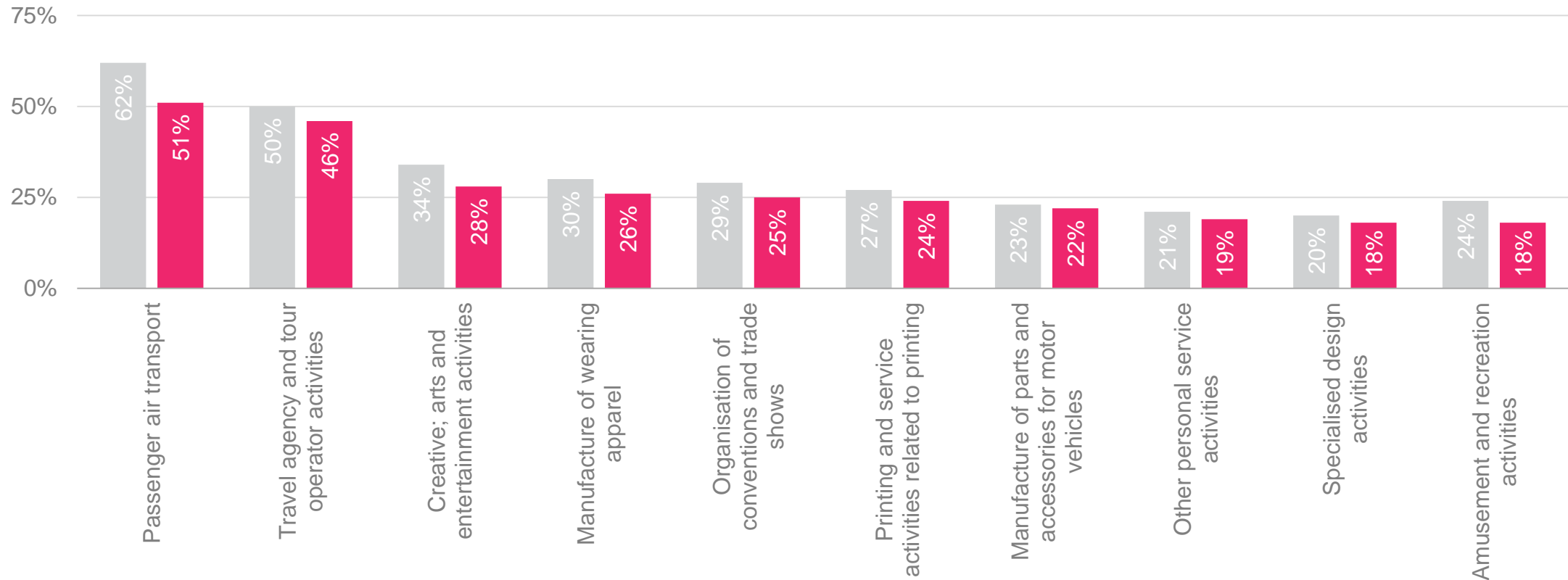
Between 30 June and 31 July 2021:

- Construction is now the third-highest sector in terms of take up, reflecting a small percentage decline in July (less than 1 percentage point)

Looking at UK data and 3-digit subsectors, Passenger air transport saw a notable decline in take up, as did Creative, arts & entertainment

Top 10 furlough rates by 3-digit sub-sectors for UK (excludes sub-sectors with less than 4,000 furloughed employments)

June 2021 and July 2021 (July 2021 data is provisional)

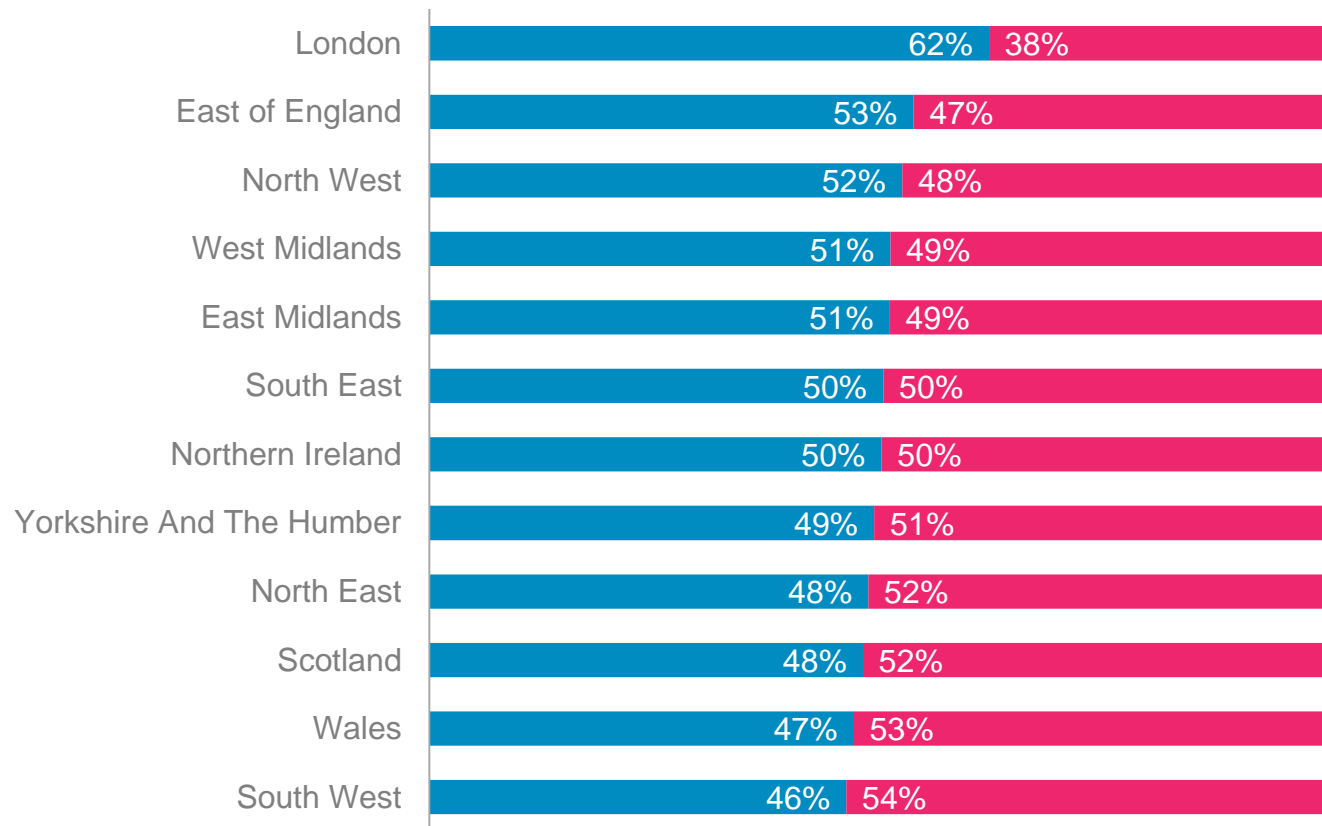


Note: 3-digit sub-sectors breakdowns are not available at a London level

The rate of employments on full furlough remained high in London compared to other regions/countries

Full and partial furlough share by UK region/country

% of total furloughed employments, at 31 July 2021 (provisional)



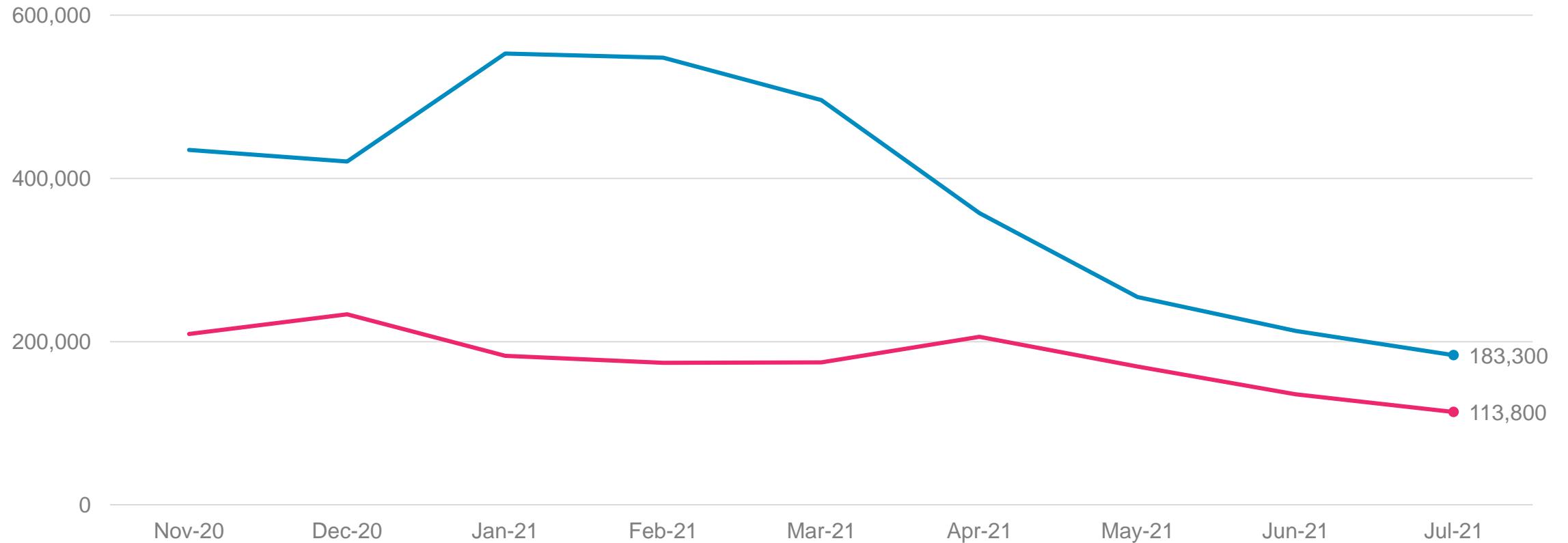
At 31 July 2021:

- The proportion of employments on full furlough in London increased by 1 percentage point.
- At 62%, the capital continued to record the highest proportion of staff on full furlough of any UK region/country. That is 10 percentage points higher than the UK average of 52%.
- The following slide shows the trend in partial and full furlough since the end of November.

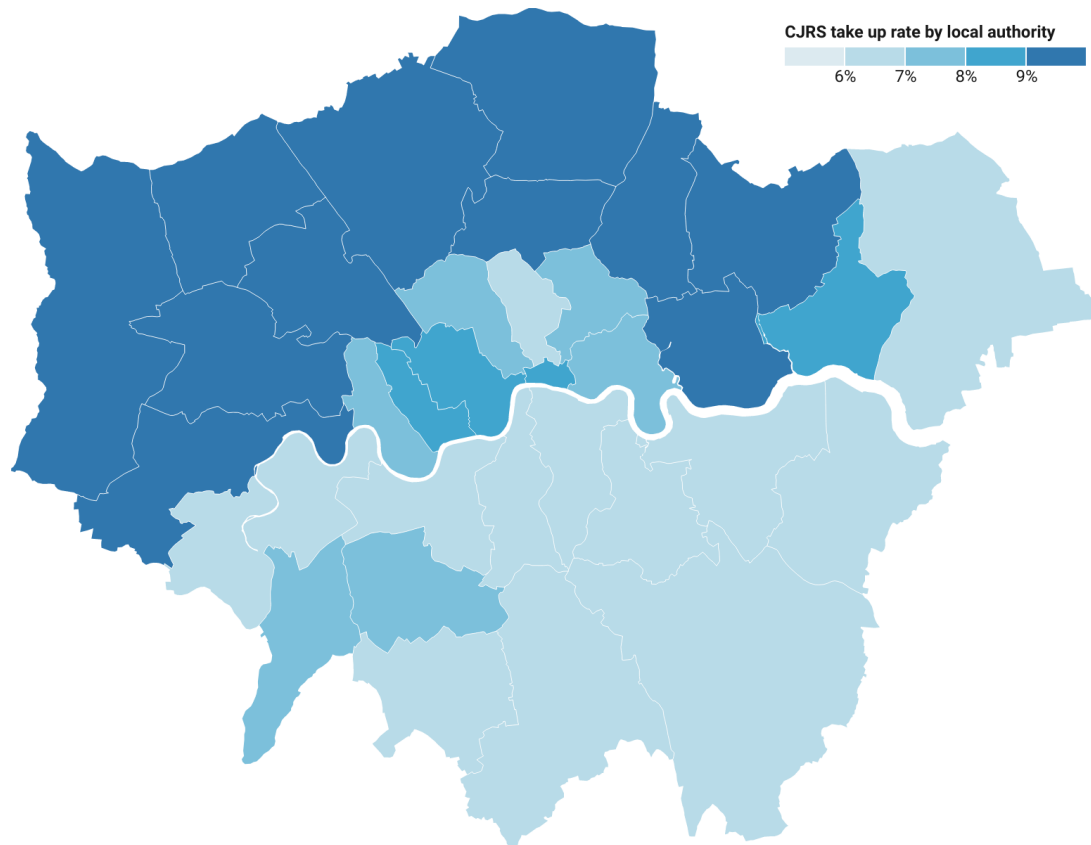
Full and partial furlough levels declined at a similar rates during July

Full and partial furlough levels since November 2020

London, July 2021 data is provisional



North and North West Outer London had the highest furlough take-up rates



Map data: © Crown copyright and database right 2018 • Created with Datawrapper

Note: City of London and Westminster rates not separated in HMRC data

At July 31:

- Barnet, Brent, Hounslow, Newham and Redbridge recorded the highest take-up rates in London – all at around 10%.
- Wandsworth recorded the lowest take-up rate in London with 6% of eligible employees on furlough.
- Barnet recorded the highest number of employments on furlough of any London borough with 15,700.

Between June 30 and July 31:

- Take-up rates declined in every borough, with Haringey recording the steepest fall of 2 percentage points.

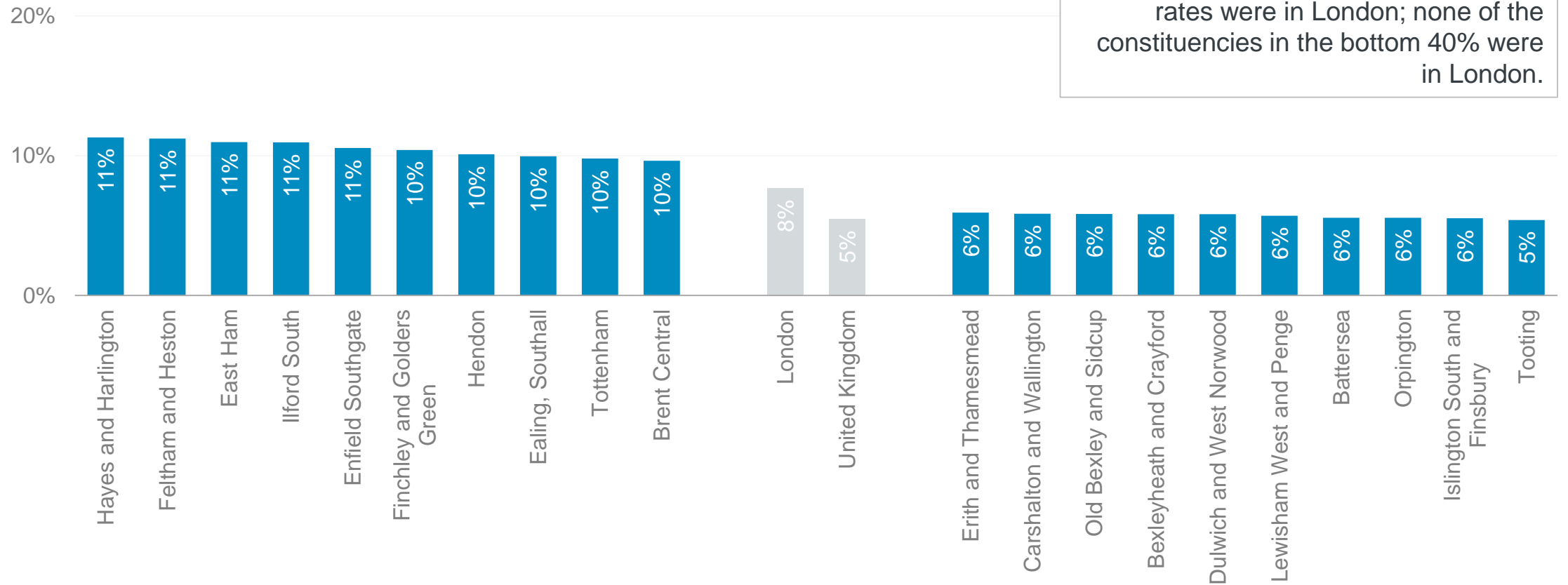
In terms of total furloughed to date (cumulative total):

- Newham remains the highest with 81,00 furloughed.

London continued to dominate the highest furloughed areas with nine of the ten UK constituencies with the highest furlough rates in the capital

Top and bottom 10 London furlough take-up rates by parliamentary constituency
at 31 July 2021 (provisional)

Over 70% of UK parliamentary constituencies in the top 5% for take up rates were in London; none of the constituencies in the bottom 40% were in London.





Notes on the data

This briefing provides analysis of official statistics published by HMRC based on administrative data from CRJS claims. This is the fourteenth release of Official Statistics on the CJRS. This release provides analysis of claims for periods up to 31 July 2021. The data used includes claims submitted to HMRC by 16 August 2021.

The data for July 2021 is not yet fully complete as while claims relating to July 2021 should have been filed by 16 August 2021, employers could file claims later with the agreement of HMRC if they had a reasonable excuse. Claims for July 2021 could also be amended until 30 August 2021. Together these factors are likely to have a small effect on the statistics.

HMRC provide a geographical breakdown of CJRS claims based on the residential address information that HMRC holds for employees. It should be noted that:

- This does not directly translate to the employee's usual place of work or their 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 the individuals on furlough. It reflects the main operation of the employers' rather than the workers' activities.



Key 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).
3. **Take up rates** are calculated as a proportion of all those who are eligible based on their PAYE tax returns information.

Note – if an employee has a job 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.