



# **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.
- The government have also recently announced the **Winter Economy Plan** which announced the Job Support Scheme which will succeed the CJRS and similarly an extension to the SEISS. Analysis and further details on this can also be found on our **COVID-19 labour market analysis page**.
- The present analysis follows on from our **previous briefings**, and it is based on a new HMRC data release that includes CJRS in respect of different periods.
- This data release provides updated statistics and new data regarding the flexible furlough. Therefore, it provides 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 and how the country recovers from the crisis.
- **As a consequence of the closure of the scheme to additional employees and the minimum three-week furlough period that applied until the end of June, the final date that an employer could have furloughed an employee for the first time was 10 June 2020. Employers had until 31 July 2020 to make any claims in respect of the period to 30 June 2020. A small number of claims have been made since this date. These claims relate to exceptions as set out in the CJRS guidance (for example, for employees being furloughed who have been absent from work and who had been paid Statutory Maternity Pay).**

# 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> August.
- 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
  - geography (region, country)
  - age
  - sex (by region)
  - time series (also by sector)
- 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, providing some additional information and the latest information on recovery.
- *It should be noted that the level of granularity provided in the recent data release, particularly on a geographical level, has been reduced as the number of claims falls significantly. There are no longer regional sector breakdowns or local authority/parliamentary constituency breakdowns.*
- 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, 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 circa 10% for regional breakdown and 9% for age. The sectoral 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/SEISS 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.

# CJRS data releases and reporting periods

- To date, there have been four HMRC data releases on the CJRS.
- It is worth noting that each of these releases are reported slightly differently, capturing to different reference periods and is either statistically reported as a cumulative figure or snapshot. In addition to this, claims can be submitted retrospectively in relation to a prior period.
- A **cumulative** figure captures the total number of claims made up until a particular date, regardless of when the employee was placed on furlough or regardless of if they are currently on furlough. This does not consider the flows and changes in level of furloughed employments over time, but gives an indication of many have used the scheme as of the respective date.
- A **snapshot** however, captures the number of claims at a specific point of time and does take in account changes in furlough levels over time. This gives a indication of how many are using the scheme at a particular point.
- Here we clarify each data release, the respective reference period and how it is reported statistically:
  - **June release (cumulative):** the total cumulative claims as at 31 May
  - **July release (cumulative):** the total cumulative claims as at 30 June
  - **August release (cumulative):** the total cumulative claims as at 30 June, with revisions including additional claims submitted retrospectively up until 31 July
  - **September release (snapshot):** a snapshot of number of claims as at 31<sup>st</sup> July, including claims submitted retrospectively up until 31 August.
- In the latest release, the data has switched from cumulative to a snapshot, in order to capture recovery. For simplicity, in this briefing, we therefore refer to actual reference periods as opposed to the reporting points where additional claims may be included in respect of a prior period.

# SEISS data releases and reporting periods

- To date, there have also been four HMRC data releases on the SEISS.
- The nature of the SEISS is slightly different to the CJRS in that it is a one off grant paid to those who are eligible and have been affected in terms of their trading profits. Thus, those on the SEISS can't be considered as 'currently furloughed' at any point given that it is a one off grant. For this reason, there isn't a specific snapshot of SEISS claims.
- Instead there are two rounds of grants:
  - **1<sup>st</sup> Round:** allows an eligible individual to claim a taxable grant worth 80% of their average monthly trading profits, paid out in a single instalment covering 3 months' worth of profits, and capped at £7,500 in total. This first SEISS grant closed for claims on 13 July 2020 for those who experienced disruption from March.
  - **2<sup>nd</sup> Round:** On the 17 August 2020 applications for the second grant of SEISS opened. This is a grant worth 70% of their average monthly trading profits, paid out in a single instalment covering 3 months' worth of profits, and capped at £6,570 in total for those who experienced disruption from 14<sup>th</sup> July. The 2<sup>nd</sup> round will close on 19<sup>th</sup> October

Note that all SEISS release are cumulative numbers for their respective round.

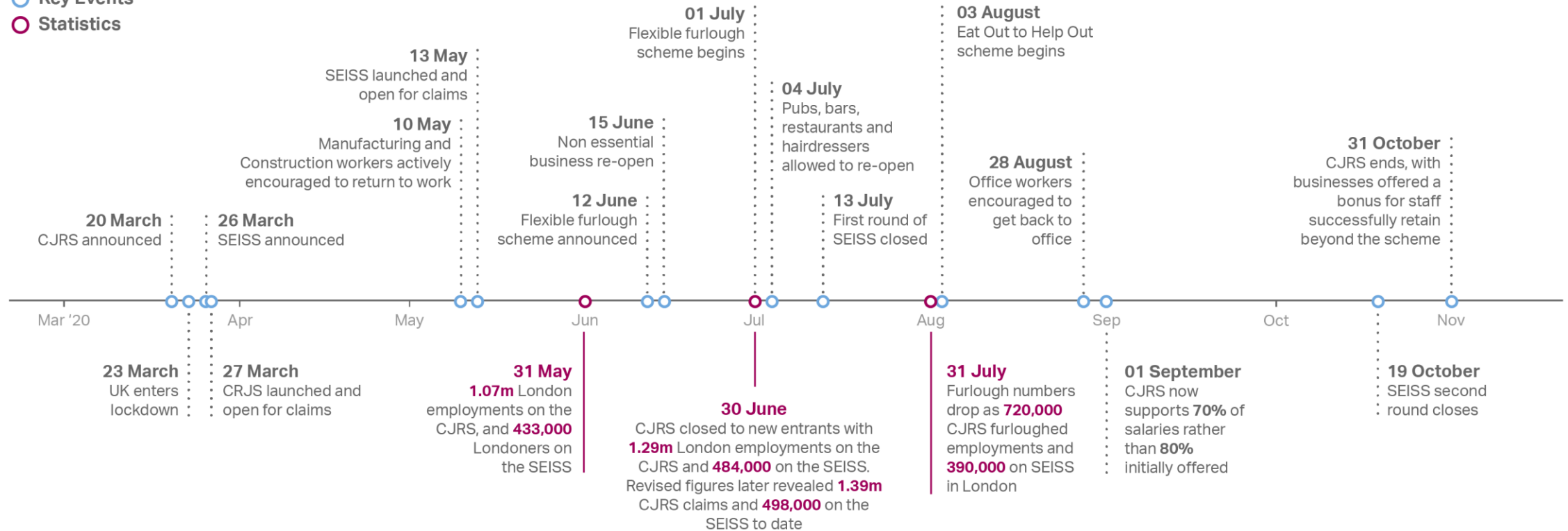
- Here we clarify each data release, the respective reference period and how it is reported statistically:
  - **June release (cumulative):** the total cumulative claims as at 31 May for 1<sup>st</sup> round
  - **July release (cumulative):** the total cumulative claims as at 30 June for 1<sup>st</sup> round
  - **August release (cumulative):** the total cumulative claims as at 31<sup>st</sup> July for 1<sup>st</sup> round
  - **September release (cumulative):** the total cumulative claims as at 31<sup>st</sup> August for 2<sup>nd</sup> round.
- In the latest release, the data has switched from SEISS round 1 to SEISS round 2 as round 1 is now closed, so note that the latest figures refer to those who have experienced disruptions to trading profits since the 14<sup>th</sup> July and have claimed for the second grant.

# Timeline of key events and statistics

## CJRS and SEISS Timeline

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

- Key Events
- Statistics





# Changes to CJRS from 1st July

- There have been a number of changes to the operation the CJRS, which are likely to affect take up and use of the scheme:
  - From 1 July 2020, employers have the flexibility to bring furloughed employees back to work part time.
  - Additionally, 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.
  - From 1 September 2020, the scheme has supported 70% of salaries for the hours for hours not worked. When claiming the CJRS grant for furloughed hours, employers will need to report and claim for a minimum period of a week.

# The number of furloughed employments in the capital roughly halves to approximately 720,000

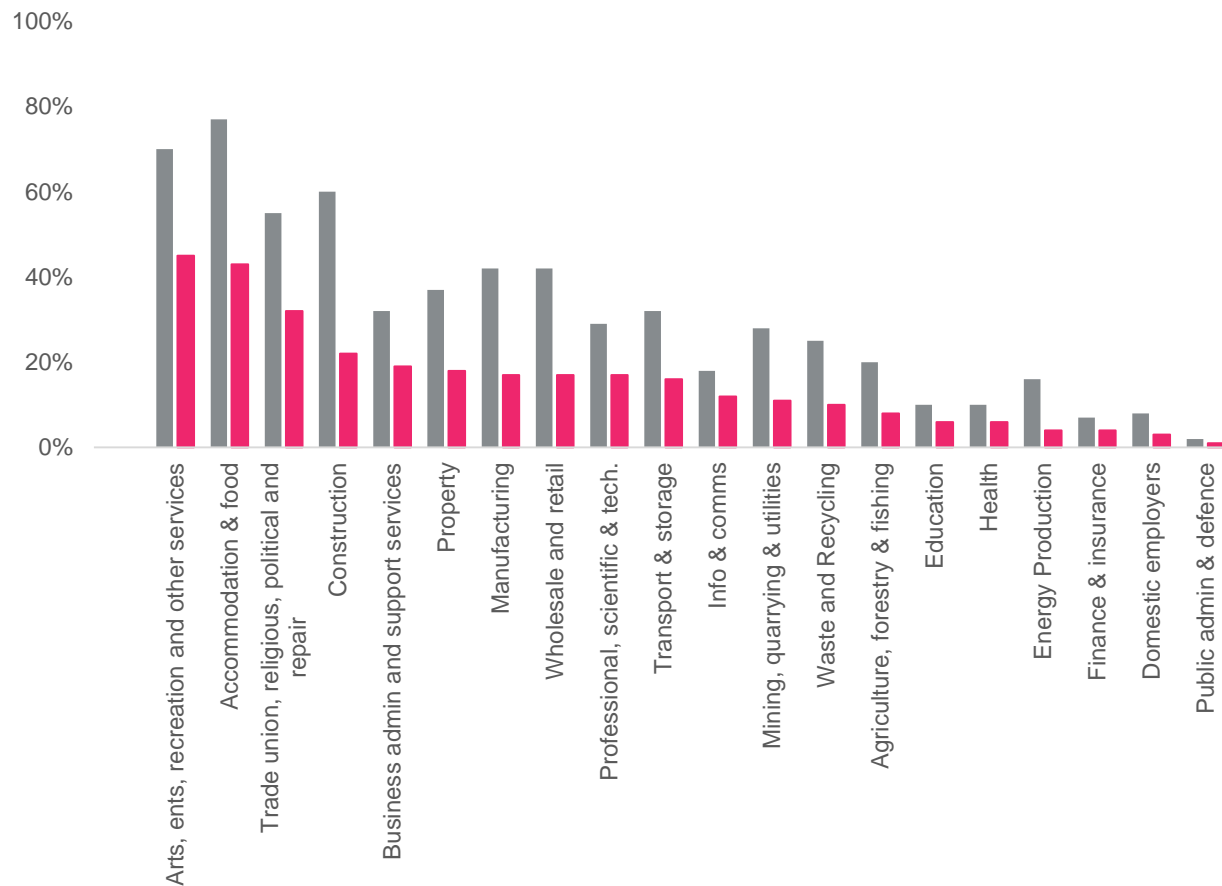
- As at 31 July, there were a total of 0.7 million furloughed employments in **London** and 4.8 million across the **UK**.
- **London** has a total of 4.33 million furloughed employments potentially eligible with a take up rate of 17% dropping from the 32% at the end of July. The **UK** take up rate is 16% as London has the highest take up rate amongst the regions.
- The number of claims in the **capital**, dropped by 48% (just under 0.7 million fewer furloughed employments) over the course of July.
- This represents a change in the direction from the rises in CJRS claims figures shown in previous data releases.
- *Employers had until 31 July 2020 to make any claims in respect of the period to 30 June 2020. A small number of claims have been made since this date.*
- *Changes should be interpreted with caution as the proportion of claims where the region is unknown have increased from the previous reporting period from 1% to 10% as the number of claims fall.*

**Absolute (000s, LHS) and percentage (% , RHS) falls in CJRS claims on previous reporting period (up until 30 June)**



# Latest data indicates falling take up rates across every sector

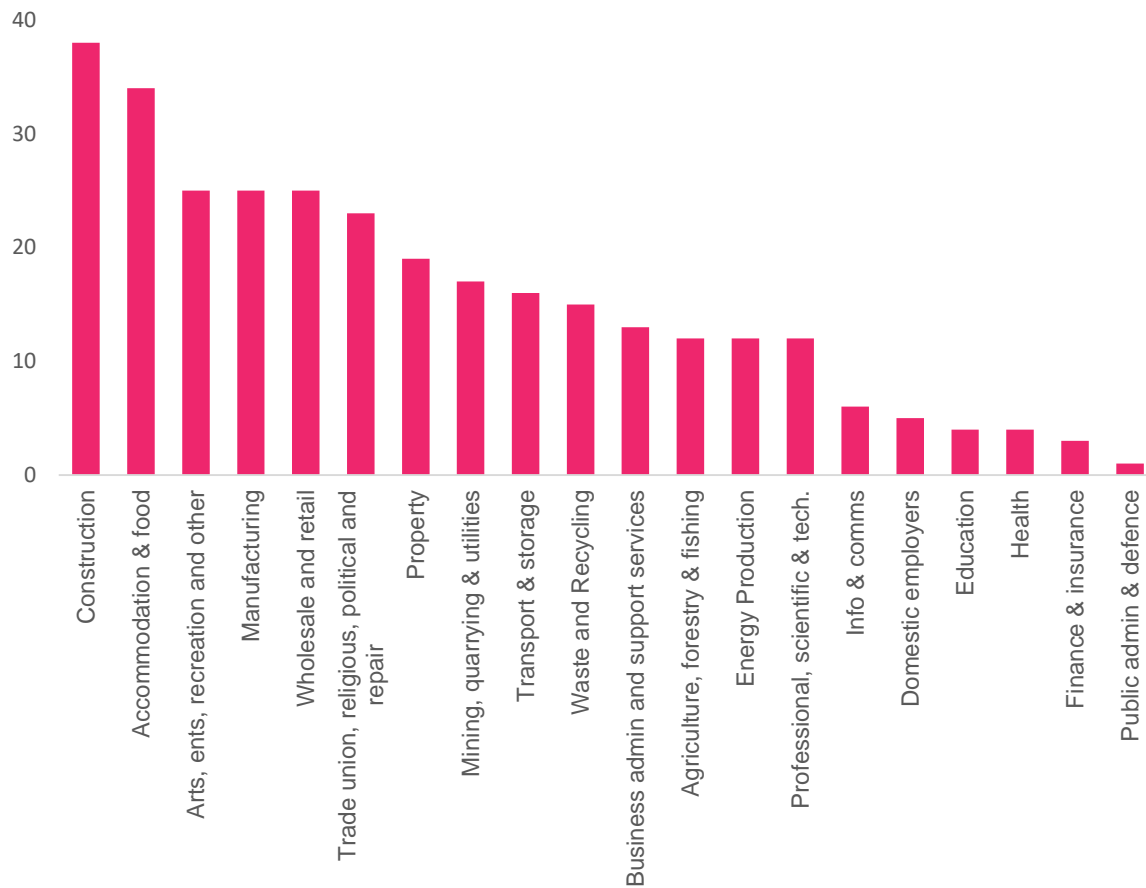
UK CJRS take up rates by sector for June and July



- For the **UK**, all sectors saw a decline in take up rates over the course of August.
- Arts, entertainment, recreation and other services has the highest take up rate of 45%.
- This is followed by Accommodation and food (43%) and Trade union, religious, political and repair (23%)
- *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.*

# The most affected sectors saw the largest declines in take up rates over July

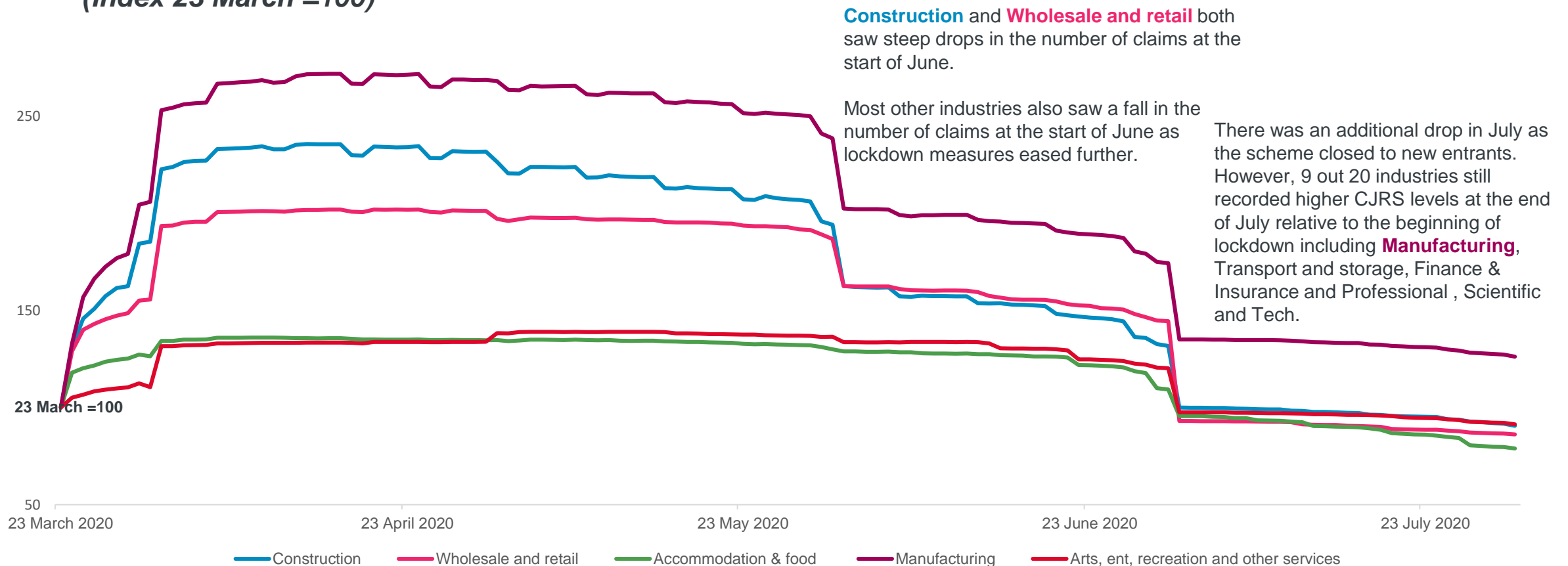
Decline in take up rates by sector (percentage points) for the UK between June and July.



- For the **UK**, Construction (38 percentage points) and Accommodation & food saw the largest decline in take up rate (34 percentage points) coinciding with the "eat out to help out" scheme, as well as further easing of restrictions.
- This was followed by Arts, entertainment, recreation and other services, Manufacturing and Wholesale and retail all of which saw considerable declines of around 25 percentage points.

# Latest time series data shows additional drops in CJRS claims in July

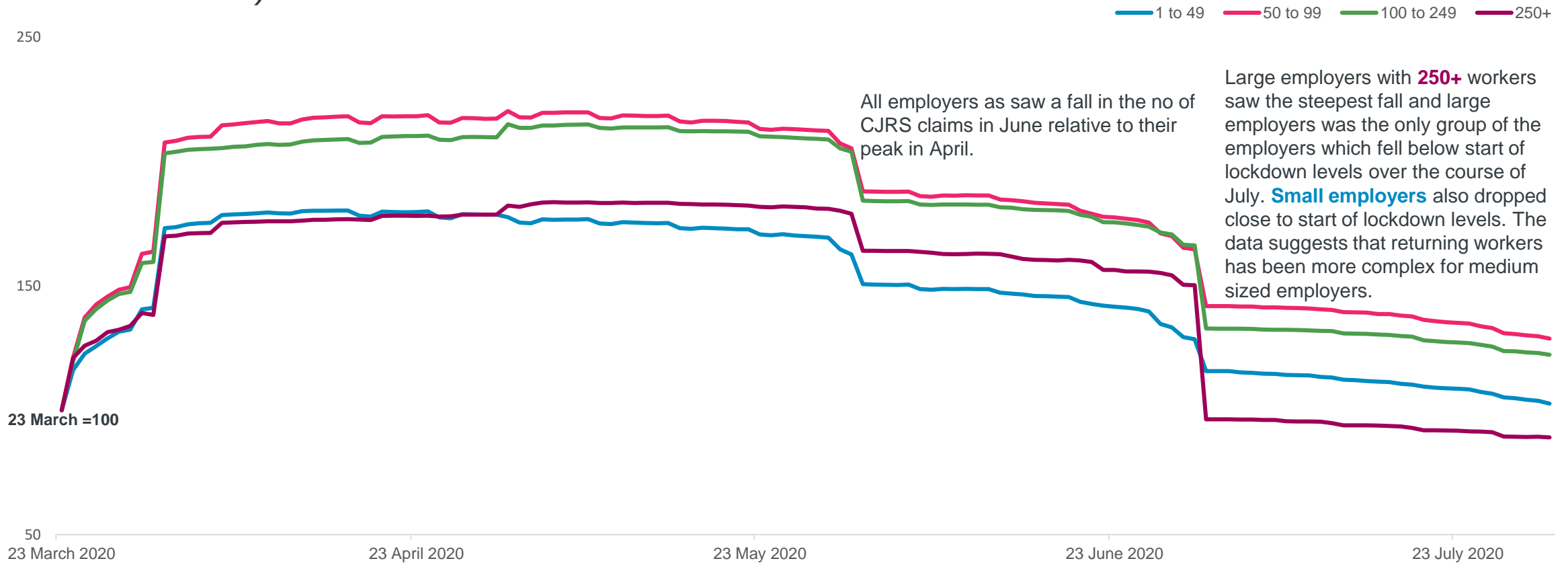
CJRS trend in the number of claims for selected industries since beginning of lockdown for the UK  
(Index 23 March =100)



*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*

# New time series data also indicates small and large employers have recovered quicker than medium sized employers

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*

# Latest data also reveals both females and males in London had a take up rate of 17%, the highest across the UK

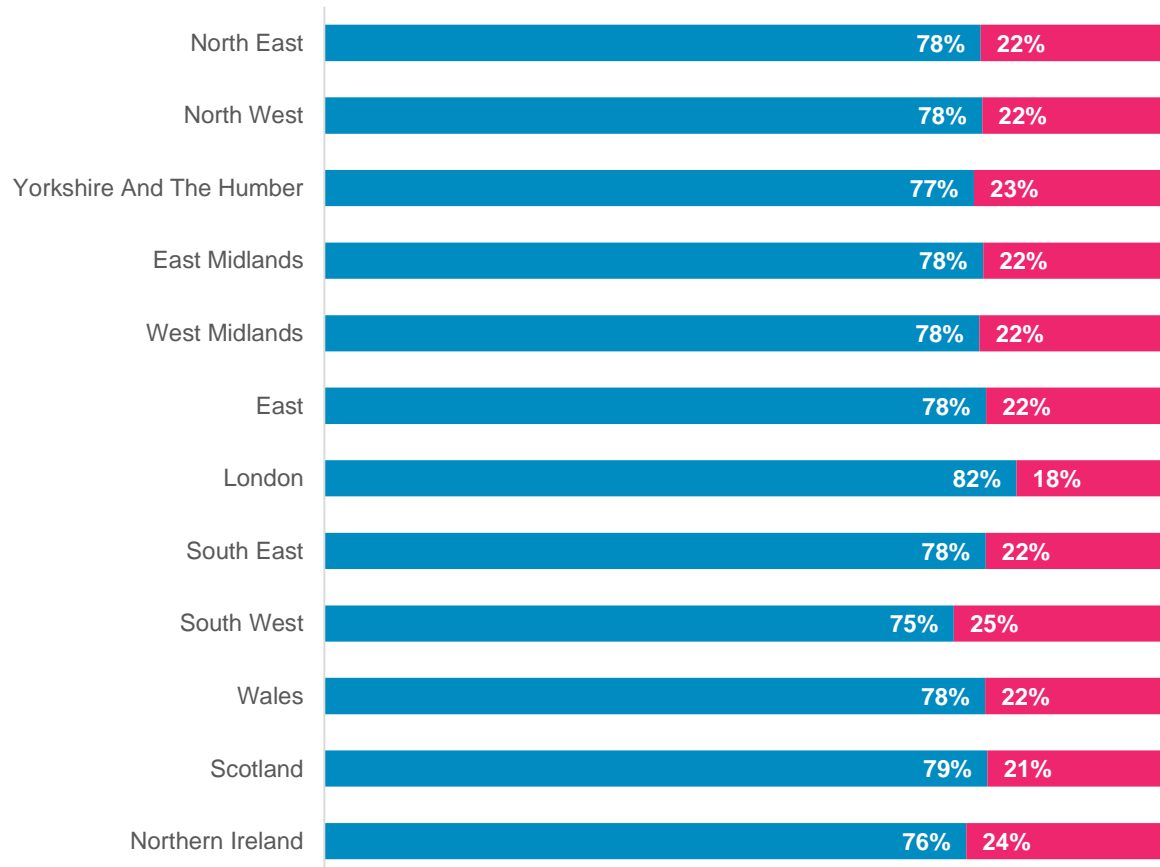
CJRS eligible employments and respective take up rate (RHS, %) for females and males by region



- **London** had a total of 364,000 females on furlough and 356,000 males furloughed.
- **London** had more CJRS claims than any other region, both for females and males with a take up rate of 17% for both sexes.

# In London, only 1 in 6 furloughed are on flexible furlough as the capital has the lowest share on flexible furlough

CJRS fully furloughed and partially furloughed shares by region

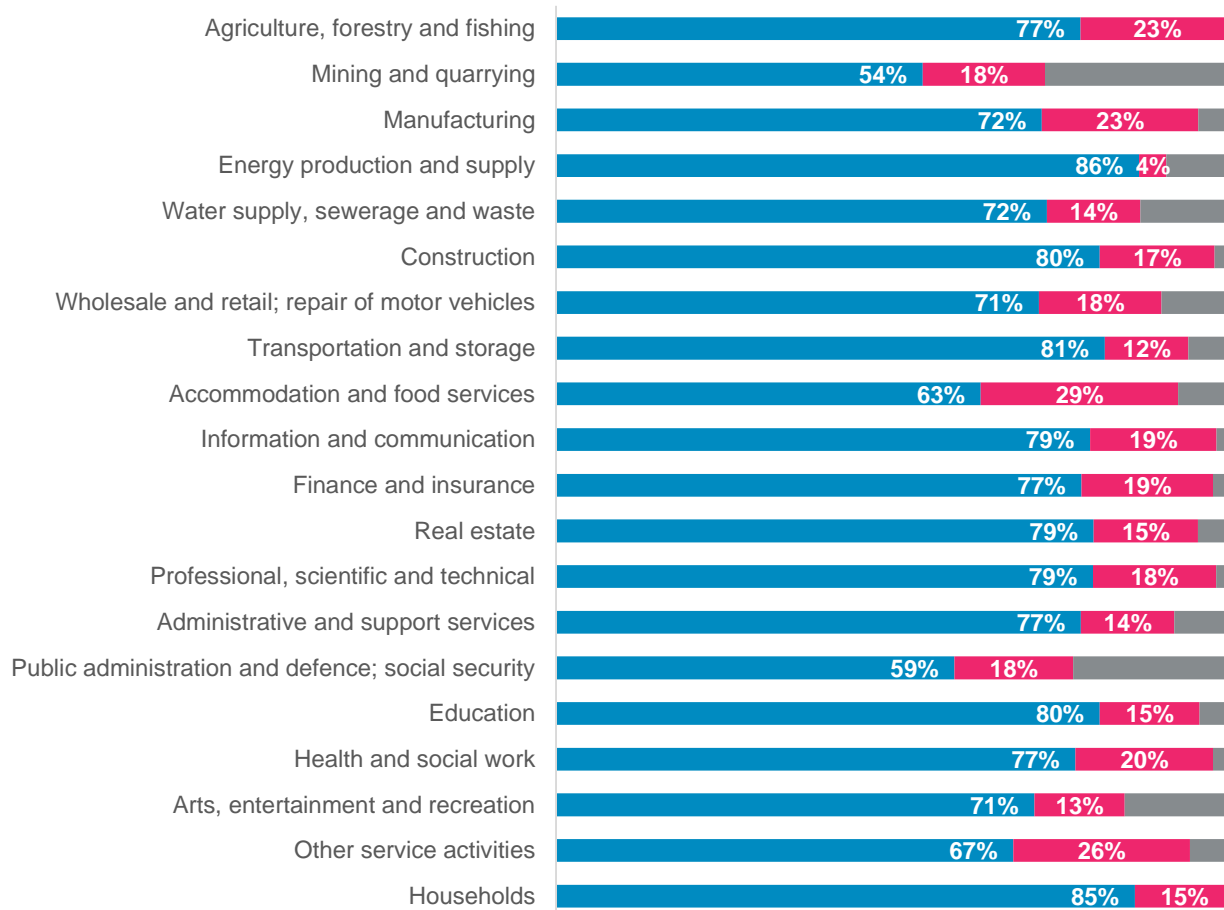


- 1 in 6 (18%) in the **capital** are partially furloughed following the introduction of the flexible furlough (see chart). This is slightly lower than corresponding figure for the **UK** of 20% and lowest amongst the regions.
- South West is the region with highest share of furloughed employments that are partially furloughed (25%). This followed by Northern Ireland (24%) and Yorkshire and the Humber (23%).
- This could suggest that employers do not face the demand or have the capacity to bring back a large share of workers even on part time basis.
- *Note that at the UK Level there are 7% of furloughed employments which don't have any information on flexible furlough which could affect the UK shares on partial or full furlough. Although this is not the case at the regional level.*



# As only certain sectors took advantage of the new flexibility introduced

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

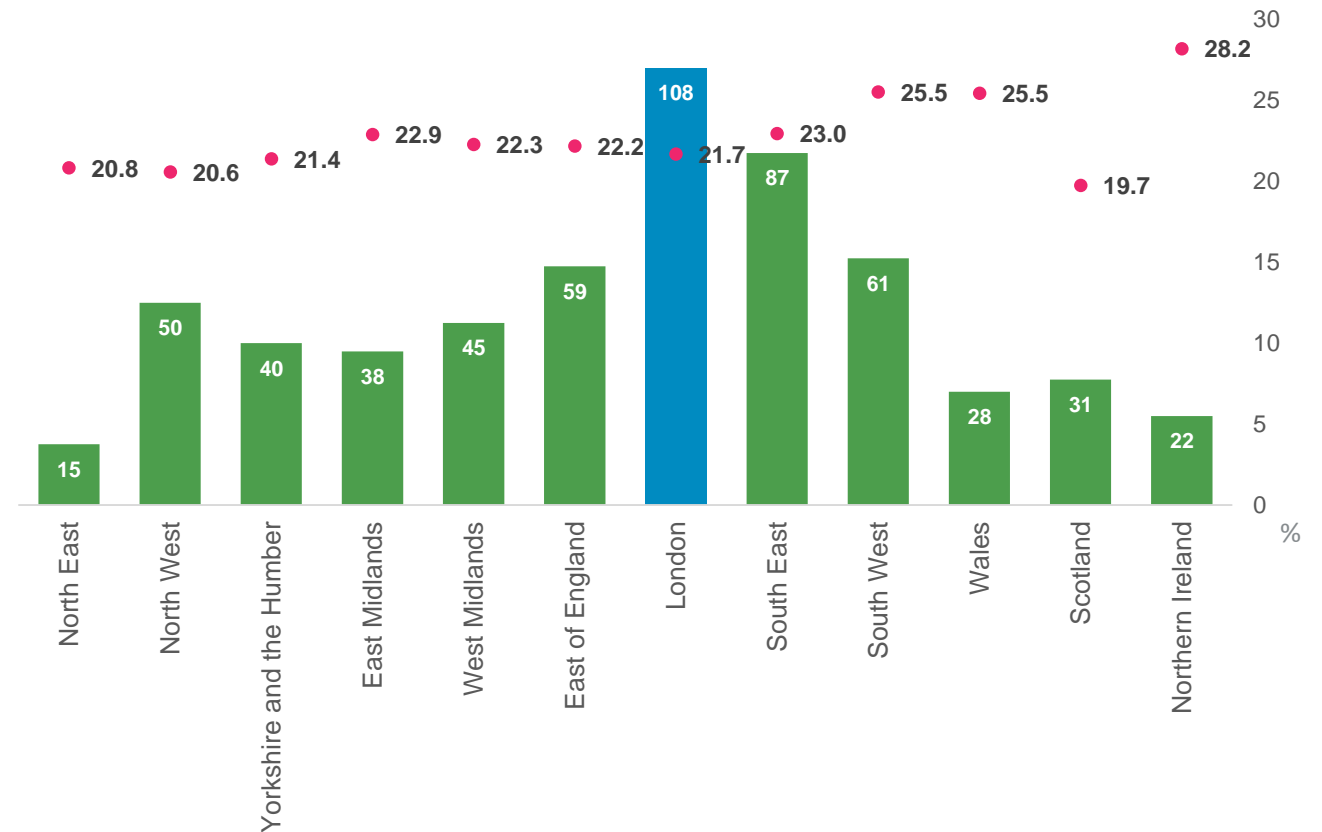


- The Accommodation and food sector made the most use of the flexible furlough scheme with 29% of furloughed employments being furloughed partially as the Eat Out to Help Out scheme was in effect.
- This was followed by Other service activities (26%) and Manufacturing (23%) who also had relatively higher shares on partial furlough.
- Energy production (4%), Arts, entertainment, recreation and other services (13%) and Transport and Storage made the least use of the flexible furlough scheme
- *Note that there are small proportions of claims which vary by sector whereby info on flexible furlough is not known.*

# The total number of Londoners on the SEISS scheme drops by 22% (to 390,000)

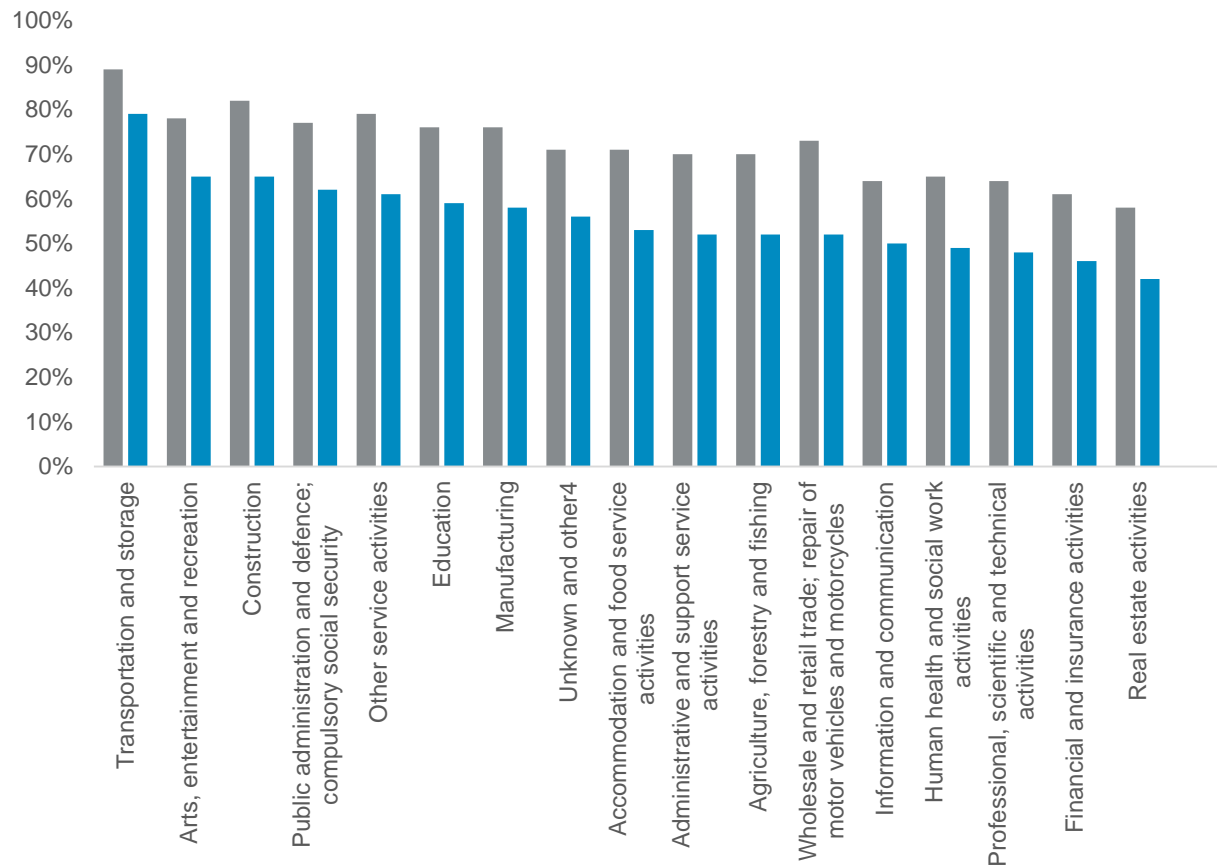
- The number of SEISS fell by 21.7% (108,000 claims) over the course of July. This represents a shift in trend from the rises seen in previous reporting periods in the **capital**.
- **London's** take up rate declined to 61%, from 77% reported as at 31 July. The **UK** has a similar take up rate of around 60%.
- As of 31 July, there were 390,000 **Londoners** on the SEISS and 2.02 million across the **UK** as a whole.
- **London** experienced a relatively modest decline in percentage terms compared to most other regions.

Absolute (000s, LHS) and percentage (% , RHS) falls in SEISS claims on previous reporting period (up until 30<sup>th</sup> June 20)



# Similar to the CJRS, take up rates for SEISS fell across every sector

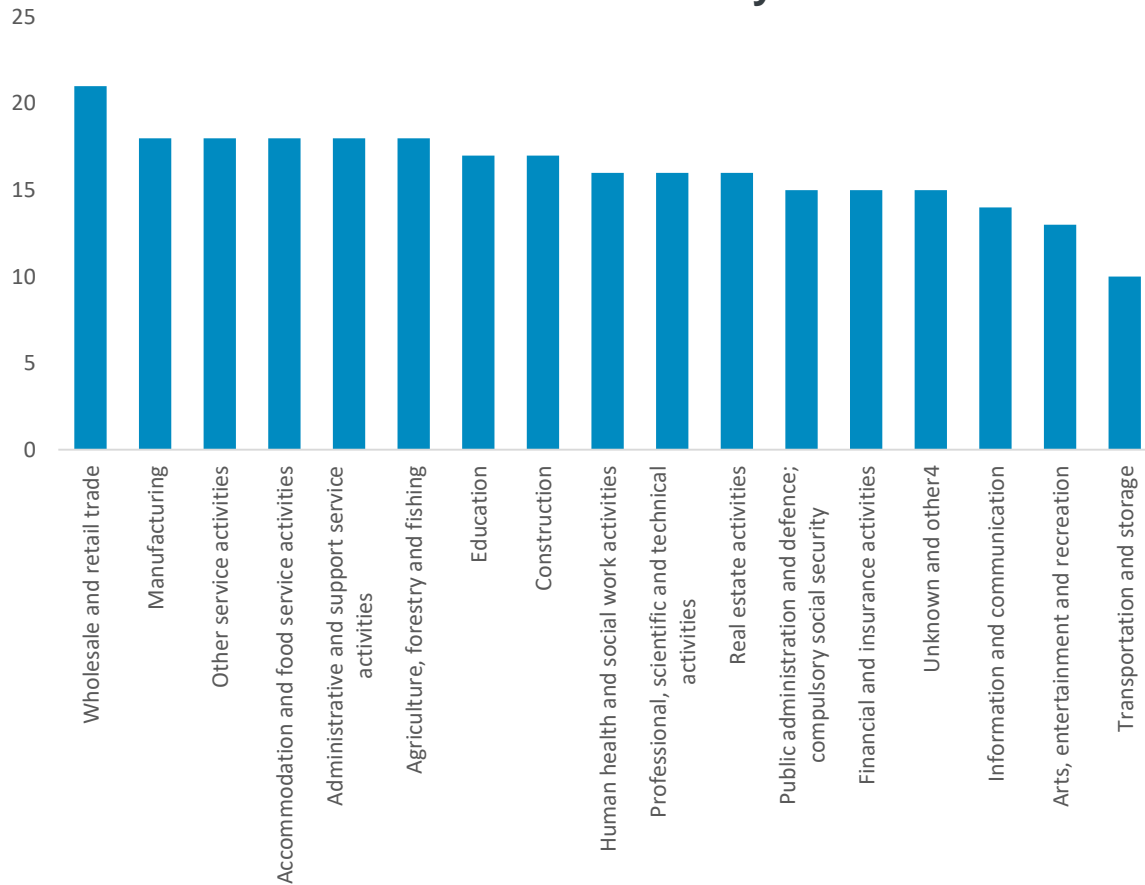
London SEISS take up rates by sector for June and July



- All sectors in London saw a relative drop in the number of SEISS claims
- For **London**, Transport and storage has the highest take up rate (79%)
- This was followed by Arts, entertainment, recreation and other services and Construction which both have a take up rate of 65%.

# Wholesale and retail saw the largest decline in take up rates as take up falls considerably across various sectors.

Decline in take up rates by sector (percentage points) for the **London** between June and July.

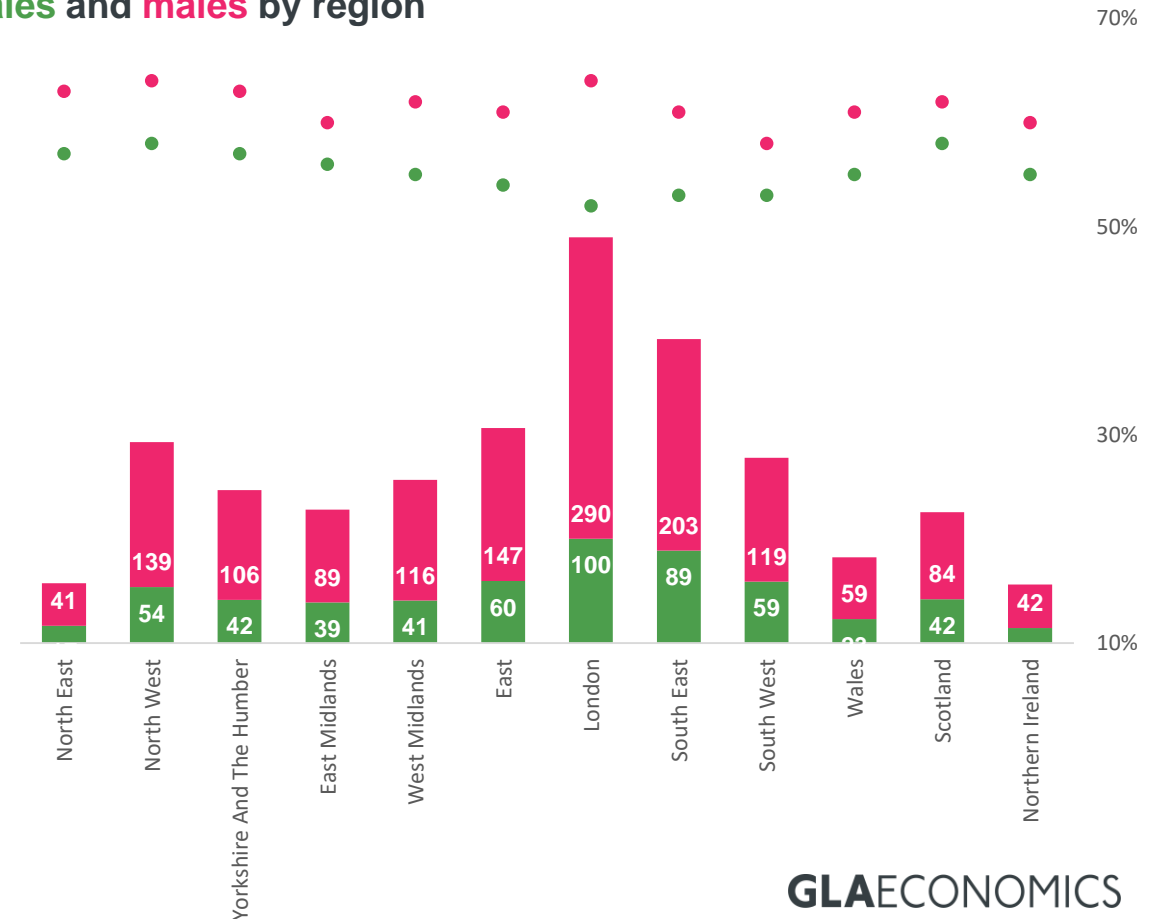


- Wholesale and retail saw the largest decline in take up rates of 21 percentage points.
- This was followed by a range of sectors including Manufacturing, other services, accommodation and food etc, all indicating considerable declines of around 18 percentage points.
- All sectors saw a decline by at least 10 percentage points.

# London had the highest take rate up for males but the lowest take up rate for females

- **London** had a total of 100,000 female SEISS claims and 290,000 male SEISS claims.
- The take up rate for females was lowest in London with 52% taking up the scheme, whereas almost two thirds (62%) of men eligible for the SEISS took up the scheme. This is ten percentage points higher than the female take up rate.
- Across all regions, there was relatively higher take up rate for males.
- *Note that time series data is currently unavailable for SEISS*

SEISS claims (LHS,000s) and respective take up rate (RHS, %) for females and males by region



# The youngest age groups saw the smallest decline as take up rates fall across all age groups

- 16-24 and 25-34 saw a 11 and 14 percentage point decline in take up rates.
- This is compared to a 19 percentage point for 55-64 year olds which saw the highest decline amongst the age groups. Followed by 44-54 who saw a 18 percentage point decline.

**SEISS take up rate by age for London in June and July**

