



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 briefing** on 12 June which covered claims up until 31 May, HMRC have released further statistics covering until 30 June.
- This data release has provided take up rates and number of eligible employments for CRJS similar to that shown for the SEISS stats in the previous briefing. GLA Economics had done a proxy estimate of this in the previous briefing.
- The latest release also includes data for sectors at a regional level.
- With data to the end of May and data to the end of June, we can now also look at the changes in claims over the course of June.



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 30th June.
- 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
 - age
- 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 an earlier publication in June, providing some additional granularity.
- HMRC provide a geographic 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)

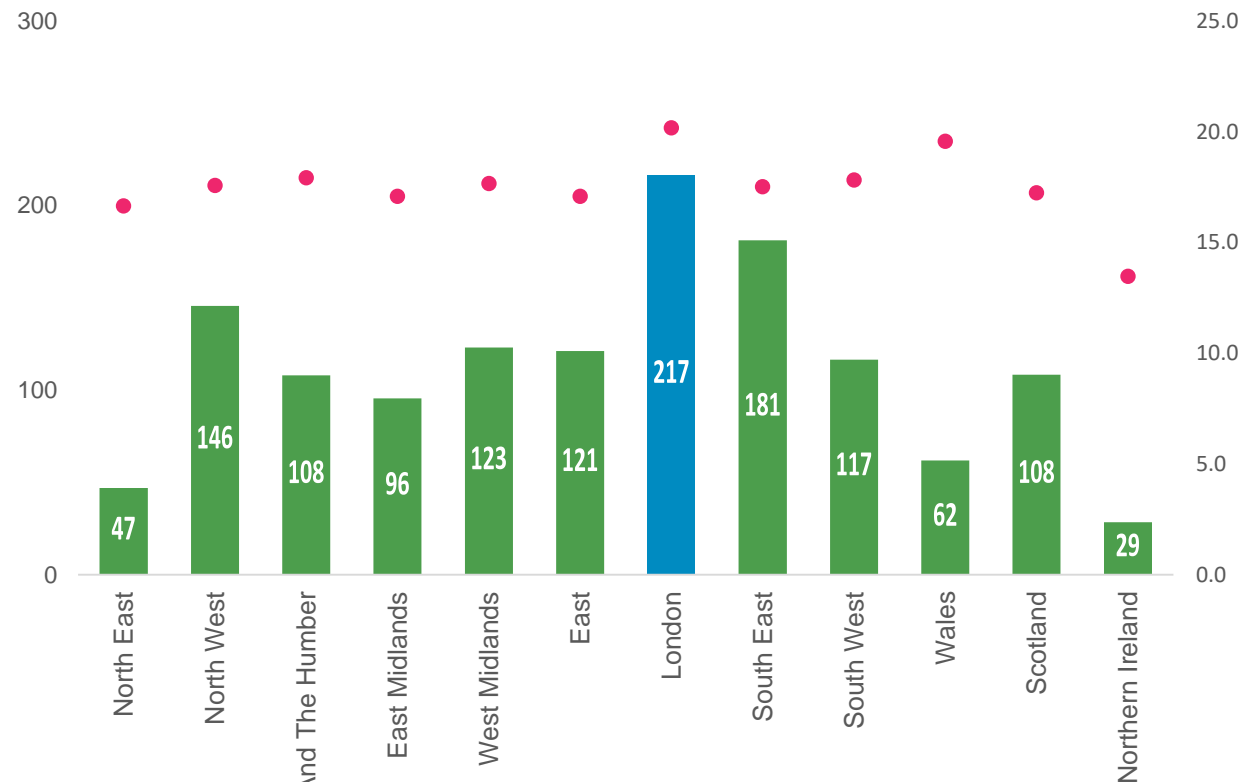
There are a few key caveats to be aware of:

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 had a total of 1.29 million furlough employments

- There is now a total of 1.29 million furloughed employments in **London**, and 9.37 million across the UK.
- London has a total of 4.33 million employments (highest amongst all regions) who were potentially eligible for furlough, with a 30% take up rate. This compares against a 31% take up rate across the UK.
- The number of CJRS claims in **London** rose by 216,700 in June. This represents a 20% rise in the no. of claims in the **capital** (see chart).
- *Changes should be interpreted with caution as the proportion of claims unknown have dropped in the latest data, so some of the change will reflect the increased number of known claims by region.*

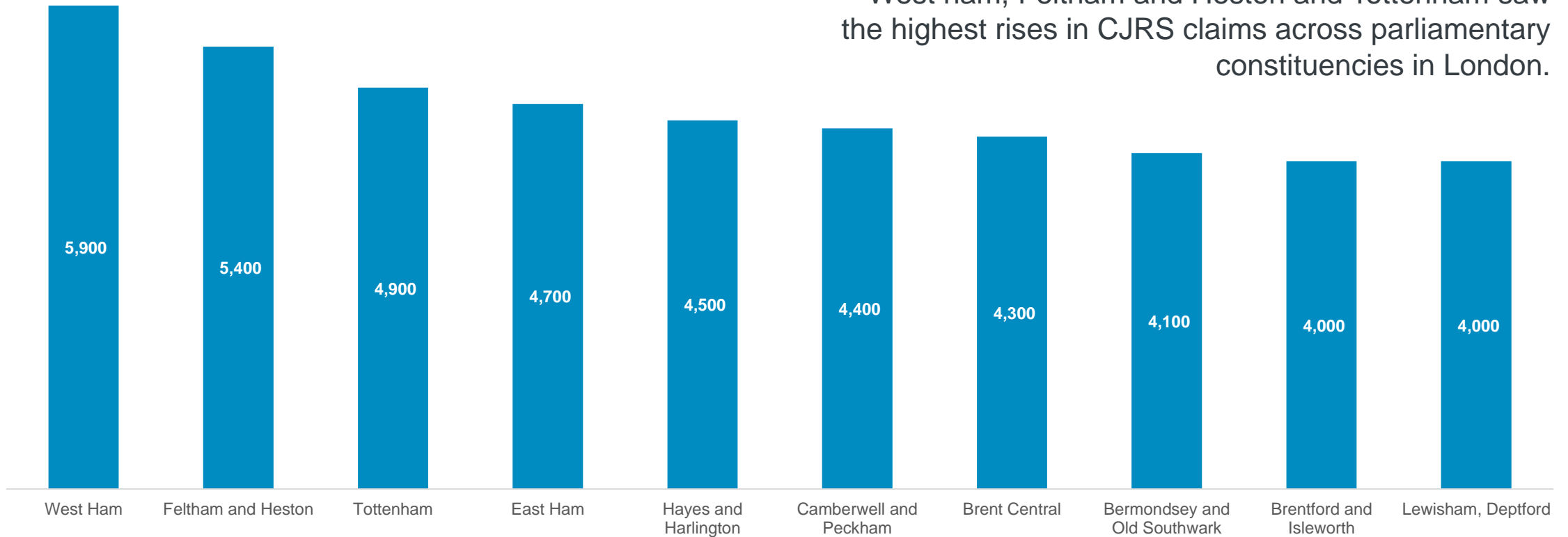
Absolute (000s, LHS) and percentage (% , RHS) change in CJRS claims by region



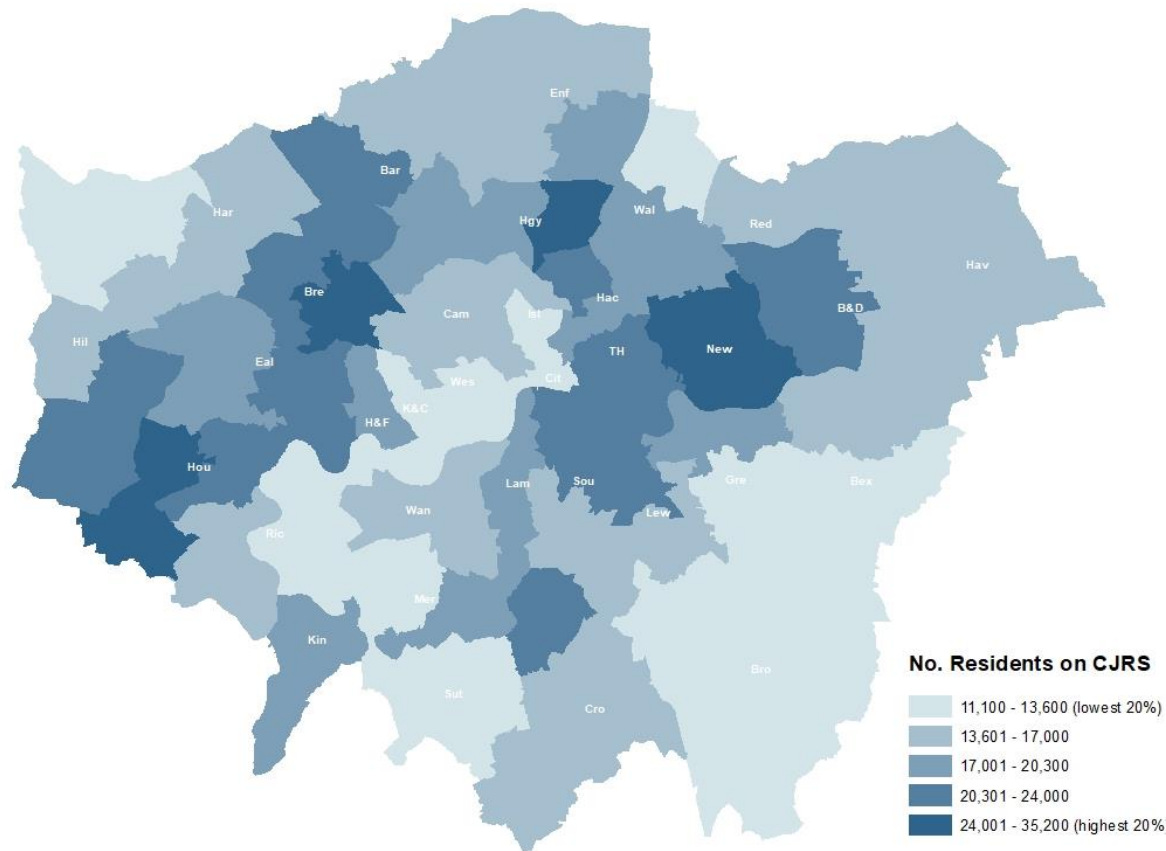
Top 10 parliamentary constituencies in **London** with the largest rises in CRJS claims over June

Change in the no. of CJRS claims by parliamentary constituency (*since 31 May*)

West ham, Feltham and Heston and Tottenham saw the highest rises in CJRS claims across parliamentary constituencies in London.



There are stark differences in furlough levels by parliamentary constituency

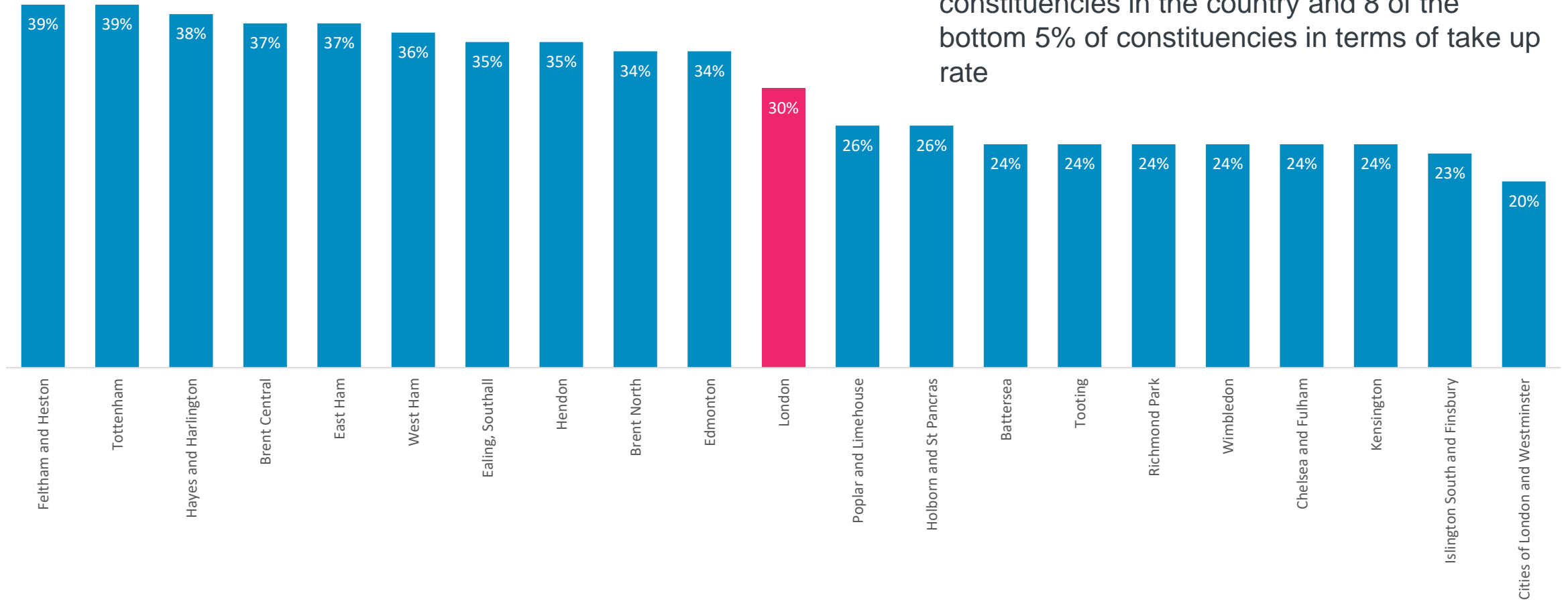


- West ham was the parliamentary constituency with the highest number of furloughed employments (35,200) across **London**.
- This is followed by Tottenham (30,300) and Feltham and Heston (28,900).
- Orpington (11,100), Kensington (11,200) and Beckenham (11,300) had the fewest furloughed employments across the **capital**.

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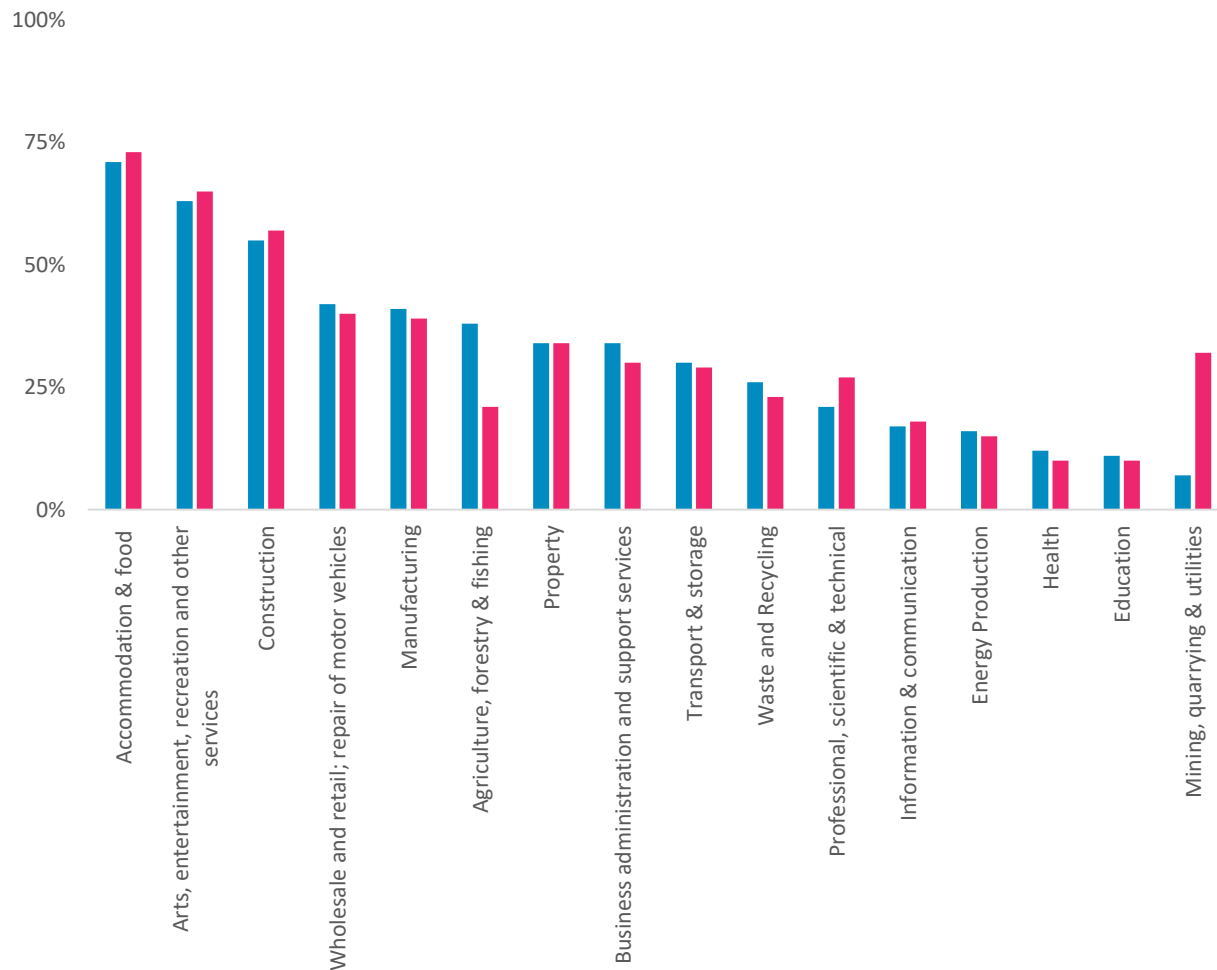
Top and bottom 10 parliamentary constituencies in London based on CJRS take up rate

London accounts for 7 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



London has a similar industrial furlough profile to the rest of the UK, with Accommodation and Food having the highest take up rate

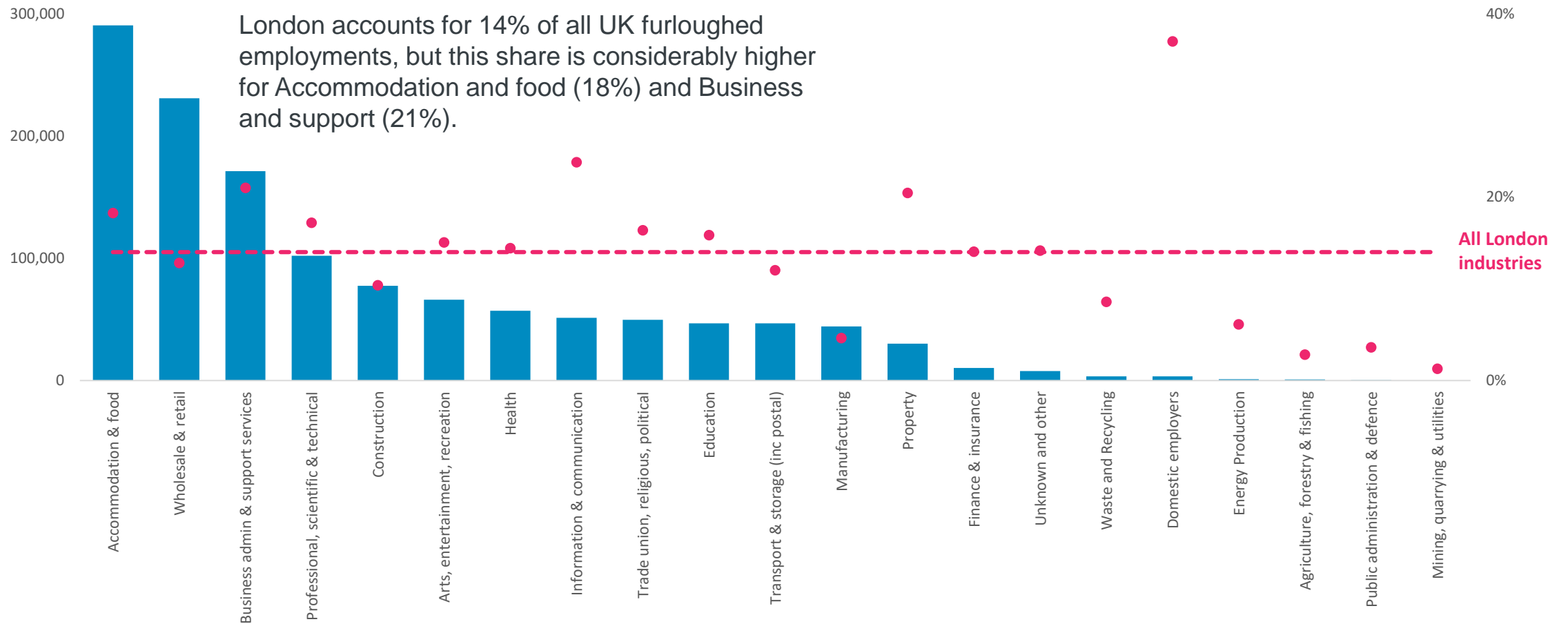
CJRS take up rates by sector for **London** and **rest of UK**



- For **London**, accommodation and food has the highest take up rate (71%), followed by Arts and entertainment (63%) and Construction (55%).
- This largely follows the rest of the UK, where the same industries also have the highest take up rate.
- Public admin, which was predominantly exempt from the furlough scheme, as well as Finance and Insurance and Mining and Quarrying had the lowest take up amongst the industries.
- *Note that these industry breakdowns reflect the operations of the business rather than the operations of the workers.*

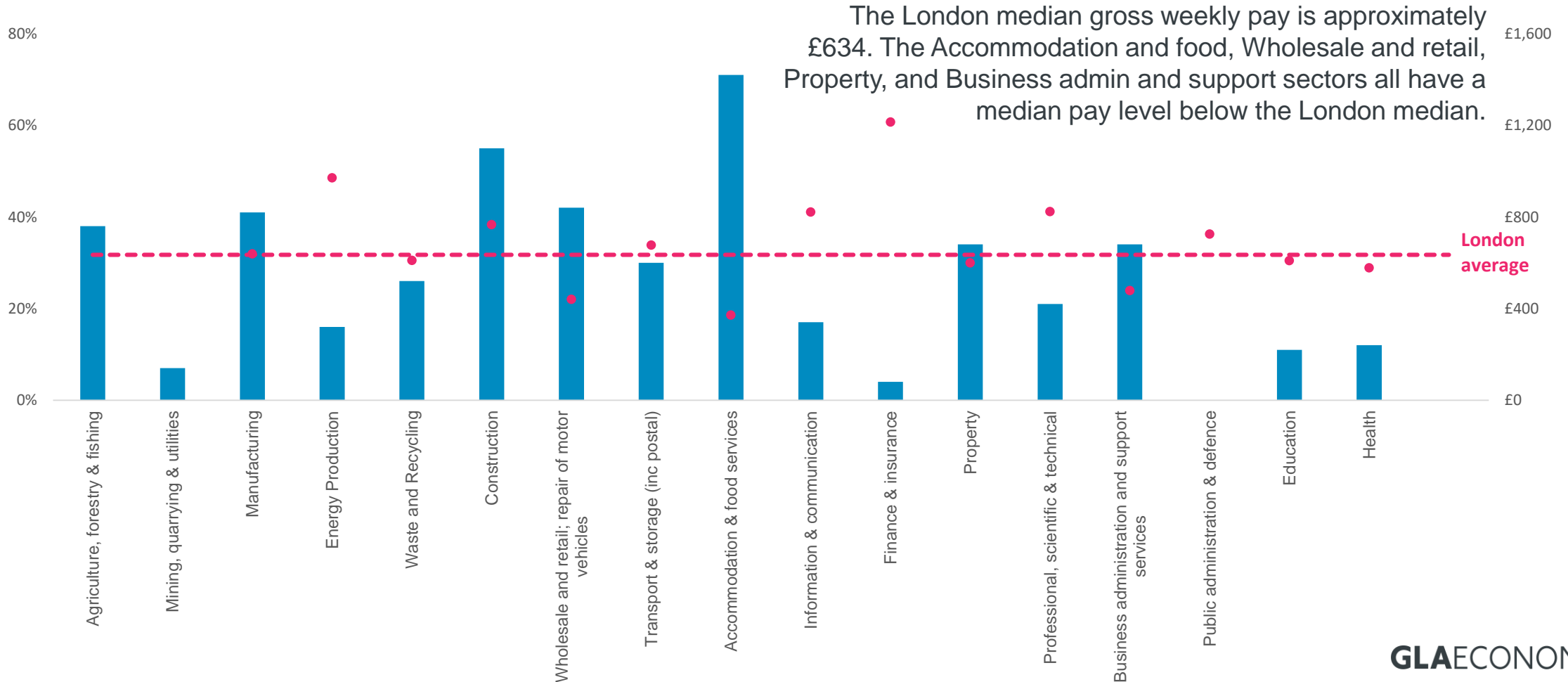
London contributes a relatively higher than average industrial share in the most prominent furlough sectors

CJRS furloughed employments (LHS) and respective London share of total industry (RHS, %)



4 out of the top 5 sectors in terms of CJRS take-up rates for London have a relatively low median pay

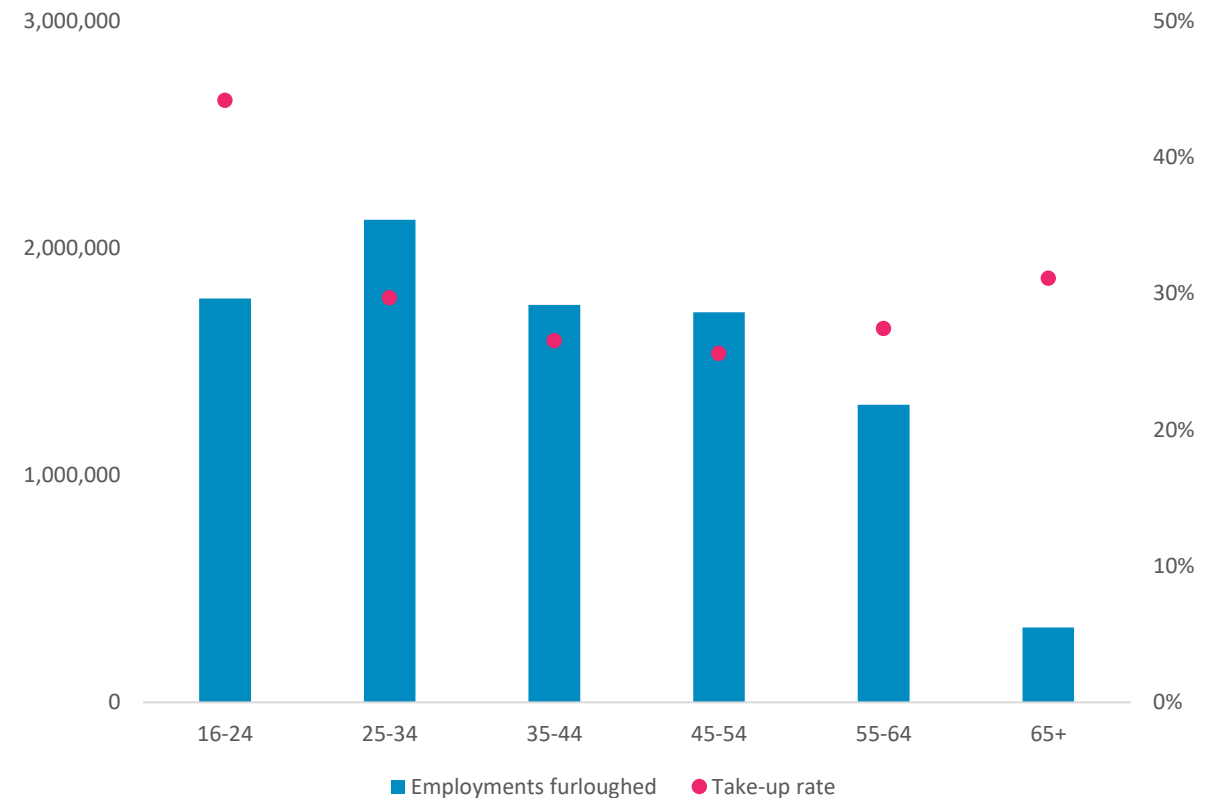
CJRS take up rates and respective median pay by sector for London



Younger workers are most likely to be furloughed

- Take up rates **for the UK** are similar across most ages except for younger workers. All age brackets over 25 have take up rates between 26% and 31%. The take up rate for those aged 16-24 is 44%.
- Males have a higher take up rate than females in all age brackets. Overall, males have a take up rate of 32% compared to 27% for females.
- By 31 June HMRC had received 4.19 million claims from females, and 4.82 million claims from males.

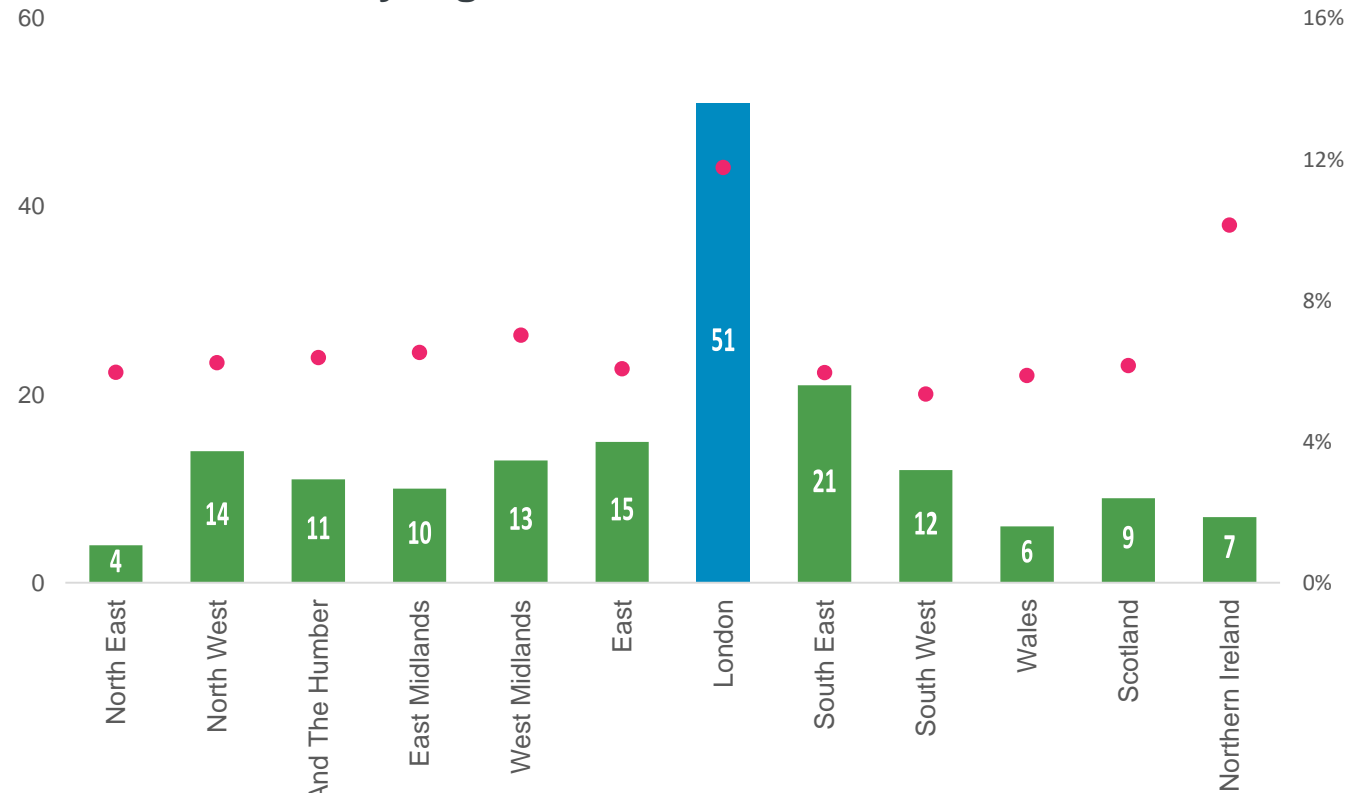
CJRS claims by age and respective take up rates (RHS,%) for UK



London also saw the highest rise in SEISS claims over June

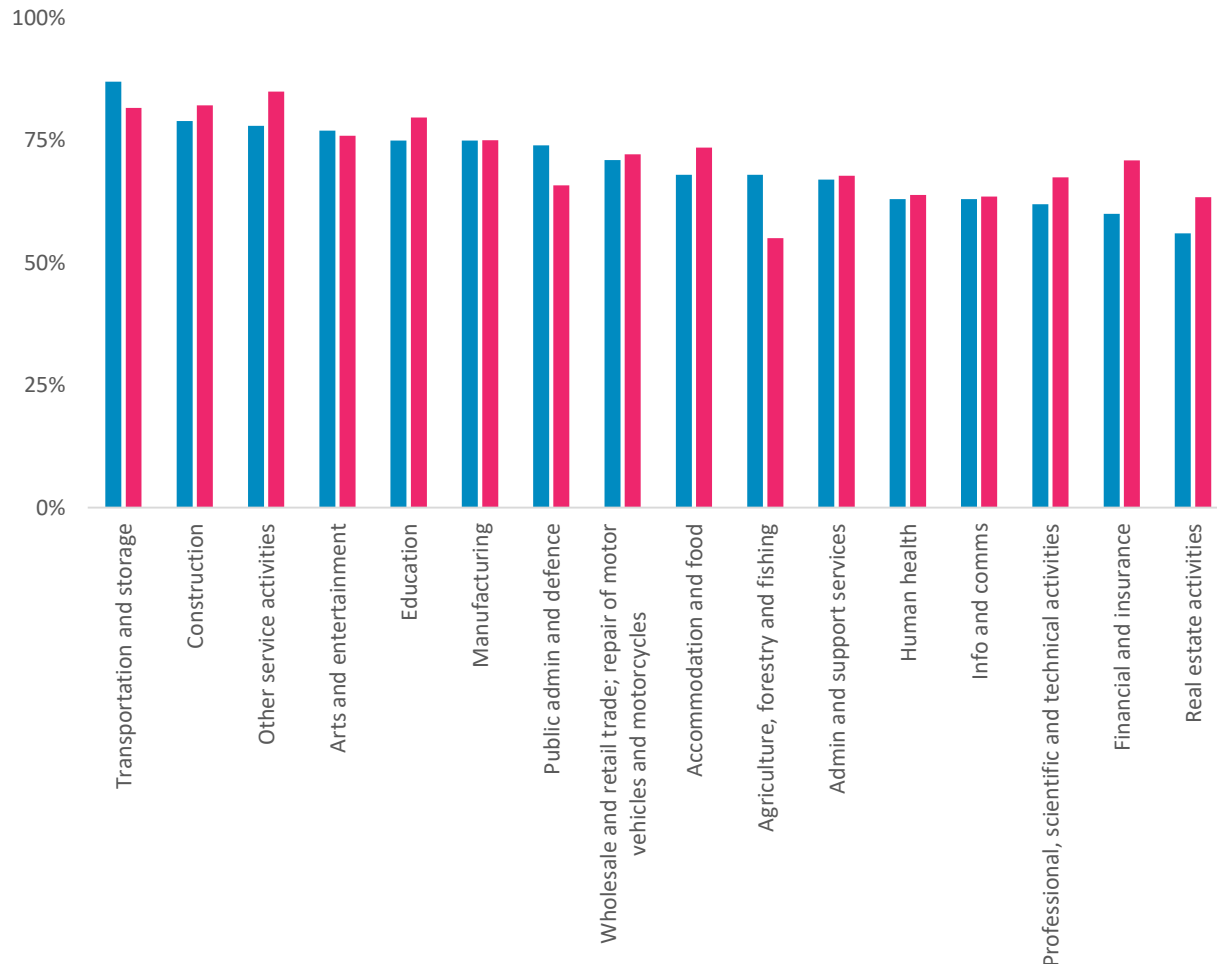
- The number of SEISS claims in **London** rose by 51,000 in June. This represents a 12% rise in SEISS claims in the **capital** in June.
- London's take up rate is now similar to other regions after being the lowest at the end of May. London's take up rate increased from 67% to 75% - although all other regions also saw increases.
- There are now a total of 484,000 SEISS claims in **London** and 2.5 million across the UK as a whole.

Absolute (000s, LHS) and percentage (% , RHS) change in SEISS claims by region



London has a similar industrial SEISS profile to the rest of the UK – as with the furlough profile

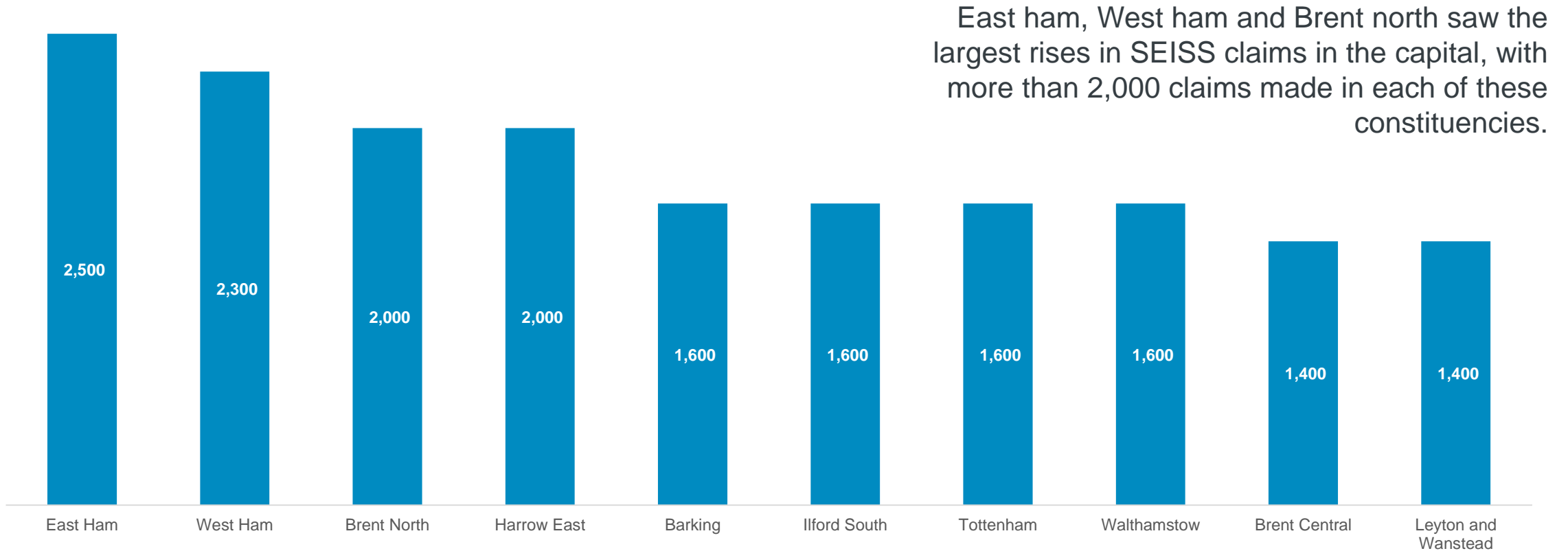
SEISS take up rates by sector for **London** and **rest of UK**



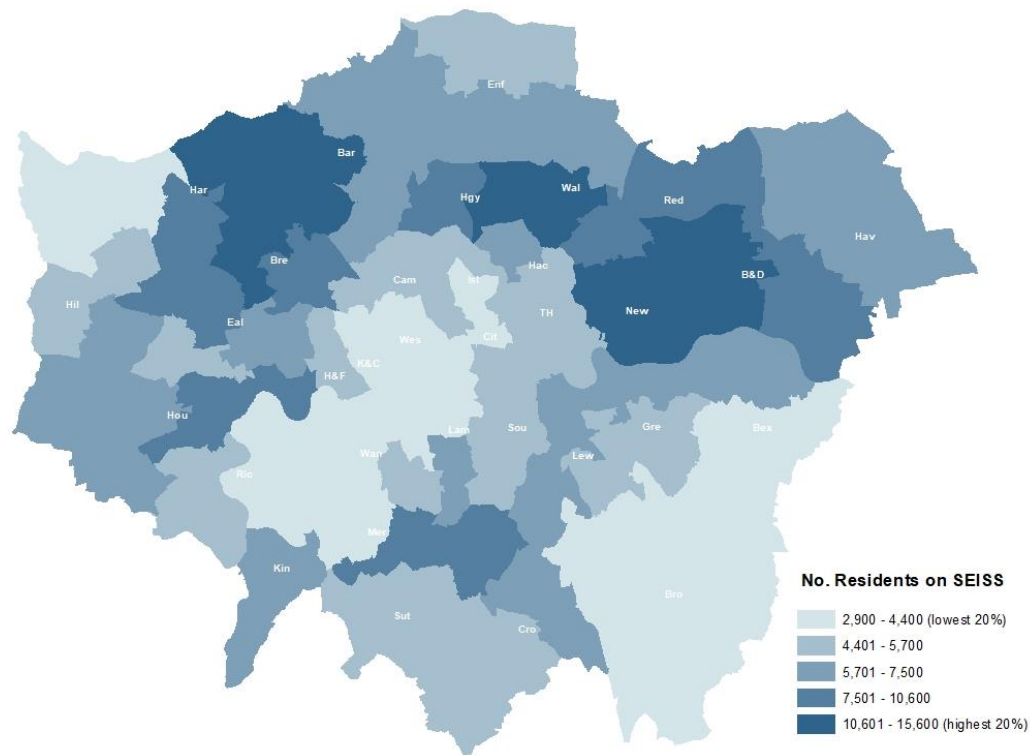
- **London** has a similar industrial SEISS profile to the rest of the **UK**. All industries have a difference of less than 10 per cent except financial, and insurance activities and agriculture, forestry, and fishing.
- Transportation and storage has the highest SEISS take-up rate in **London**, with 87%.
- Real estate activities has the lowest SEISS take-up rate in **London**, with 56%.
- There is less variance across industries for SEISS claims than CJRS claims in **London**. All sectors have a SEISS take-up rate between 50% and 90%, but CJRS take-up rates range from less than 10% to over 70%.
- *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 June

Change in the no. of SEISS claims by parliamentary constituency (*since 31 May*)



SEISS levels also indicate a geographical pattern by parliamentary constituency

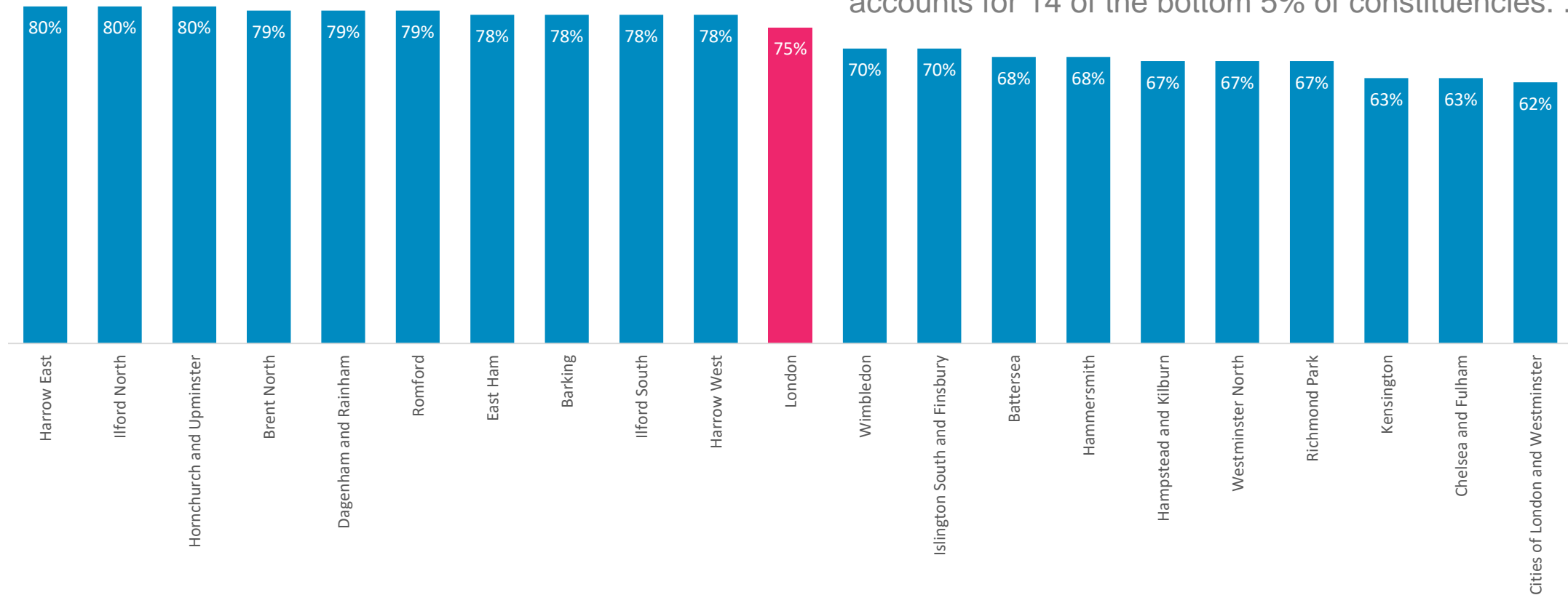


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- Beckenham was the parliamentary constituency with the highest number of SEISS claims (15,600) across **London**.
- This is followed by Finchley and Golders Green (14,800) and Poplar and Limehouse (13,500).
- On the other hand, Barking (2,900), Bermondsey and Old Southwark (3,000) and Islington North (3,200) had the fewest SEISS claims across the **capital**.

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

London only accounts for 3 for the top 5% (top 33) of constituencies with the highest SEISS take up rates but accounts for 14 of the bottom 5% of constituencies. .



Londoners aged 35-44 have made the most claims but those aged 45-54 have the highest take-up rate

- Take up rates **for London** are similar across ages, with age brackets between 25 and 64 ranging between 75% and 77%. The take-up rate for those over 65 is slightly lower, at 62%.
- Males have a higher take-up rate than females (78% compared to 67%).
- By 31 June HMRC had received 353,500 SEISS claims from men at a total value of £1.12bn, 103,500 claims from women for £302m.
- Males also had a higher average claim value - £3,200 vs £2,300.
- The highest average claim value was from males aged 65+ (£3,400) and the lowest from females aged 16-24 (£1,600).

SEISS claims by age (LHS) and respective take up rates (RHS,%) for London

