



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.

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:

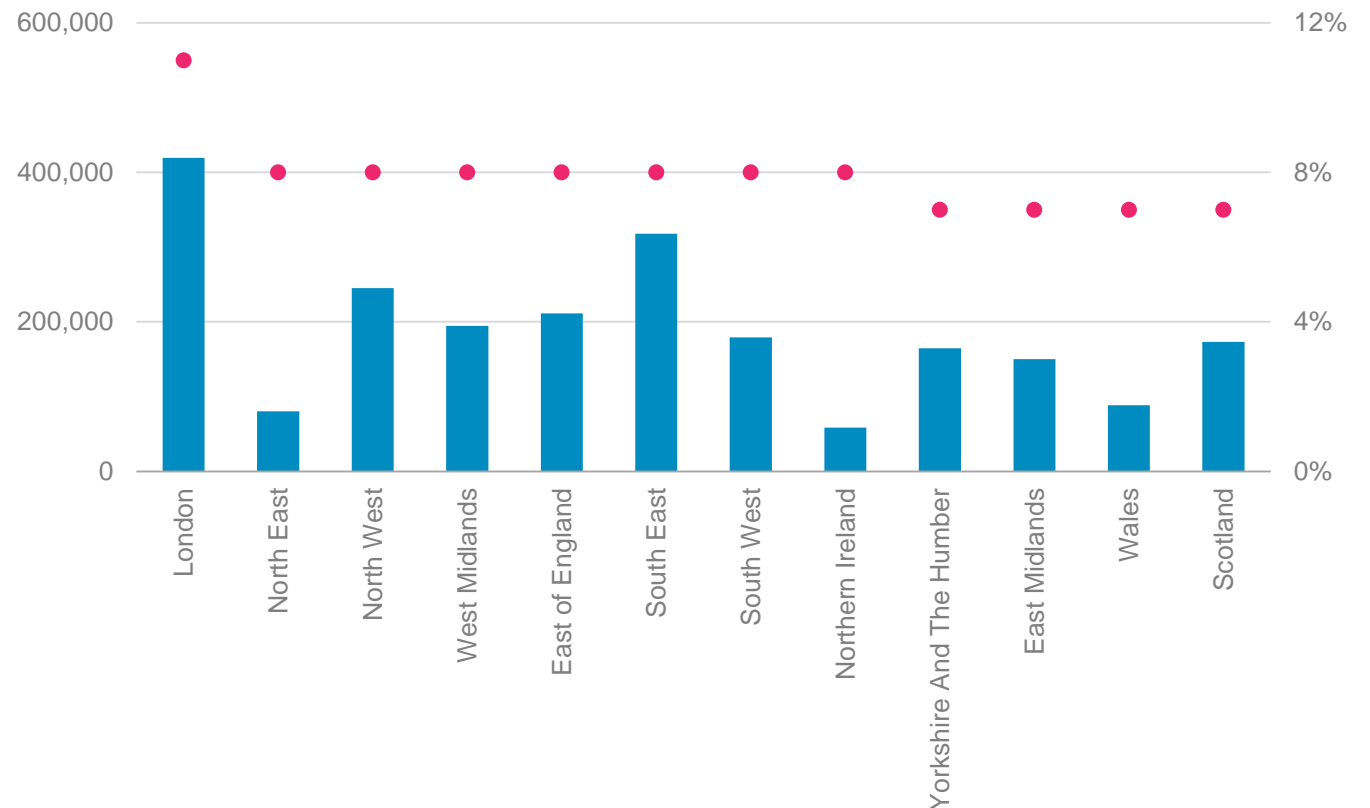
- The CJRS will continue to cover 80% of an employee's wages until 30 June 2021.
- From 1 July the grant will cover 70% of wages and employers will be required to top up an additional 10%.
- From 1 August the grant will cover 60% of wages and employers will be required to top up 20%.

Just under 420,000 Londoners were on furlough at the end of May, although take up remains higher than in the rest of the UK

At 31 May 2021:

- Provisional data indicates there were around 419,300 furloughed employments in London and 2.4 million across the UK as a whole.
- At 11% of eligible employments, London continued to record a higher take up rate than in any other UK region or country (all 7-8%). The UK as whole had a take up rate of 8%.
- Take up rates in London were particularly high for male employments – with a total of 226,300 male staff (12% take up) and 193,000 female staff (10% take up) on furlough at the end of May.

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



The number of employments on furlough in London fell for the fourth consecutive month in May, broadly in-line with the national picture

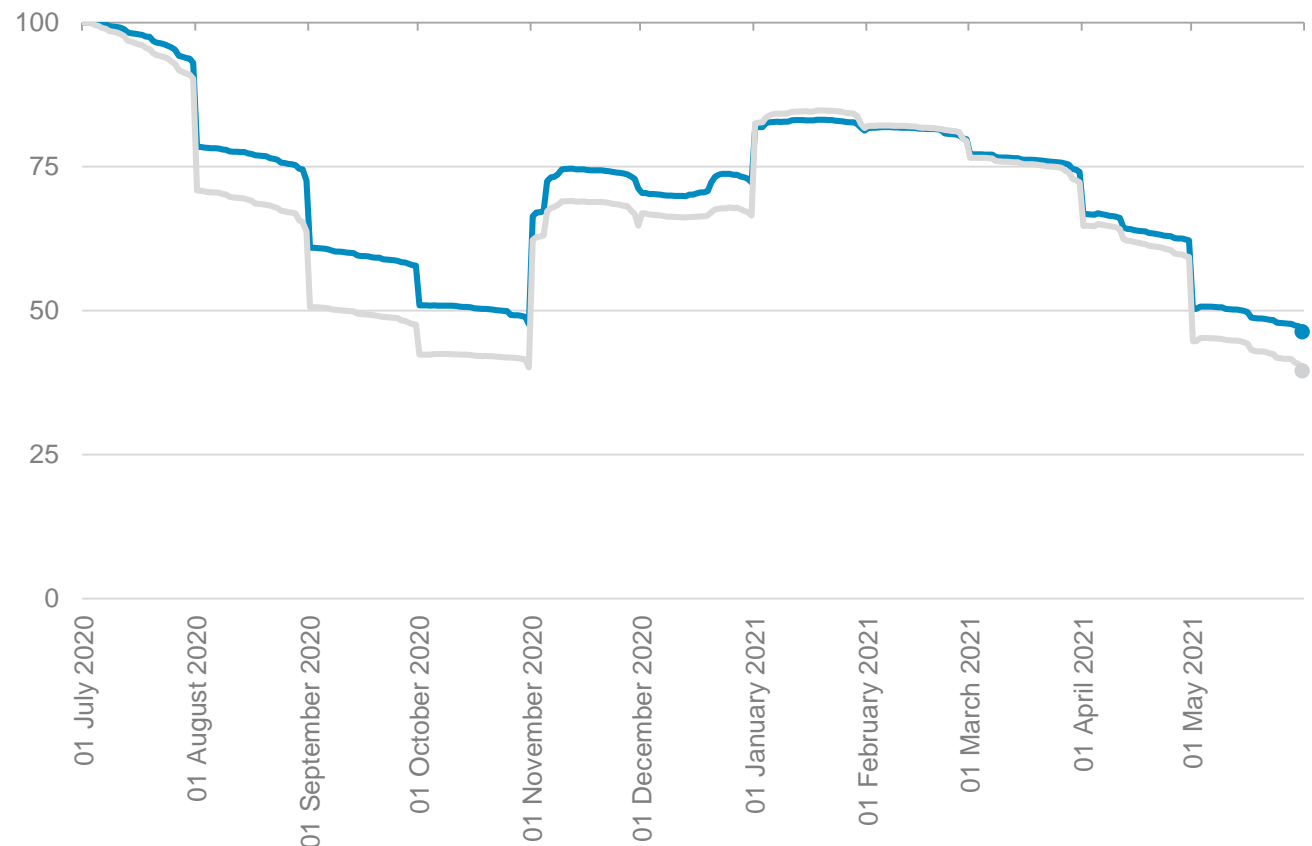
Across all regions and countries, the number of furloughed employments has declined over recent months. This reflects the easing of restrictions on business activity seen throughout the UK.

While London's recovery has been slightly slower than the UK average, the overall trend in CJRS claims since 1 July 2020 has been broadly similar.

- The total number on employments on furlough rose to around 752,000 in the middle of January 2021 and has generally fallen since.
- Between 31 January 2021 and 31 May 2021, the number of furloughed employments in London declined by 316,300 or 43%, while the UK furlough level declined by 2.52 million or 52%
- Focusing on the last month alone – between 30 April 2021 and 31 May 2021 – the number of furloughed employments in the capital declined by 26% compared to a 33% fall across the UK.

Trend in furloughed employments for London and UK

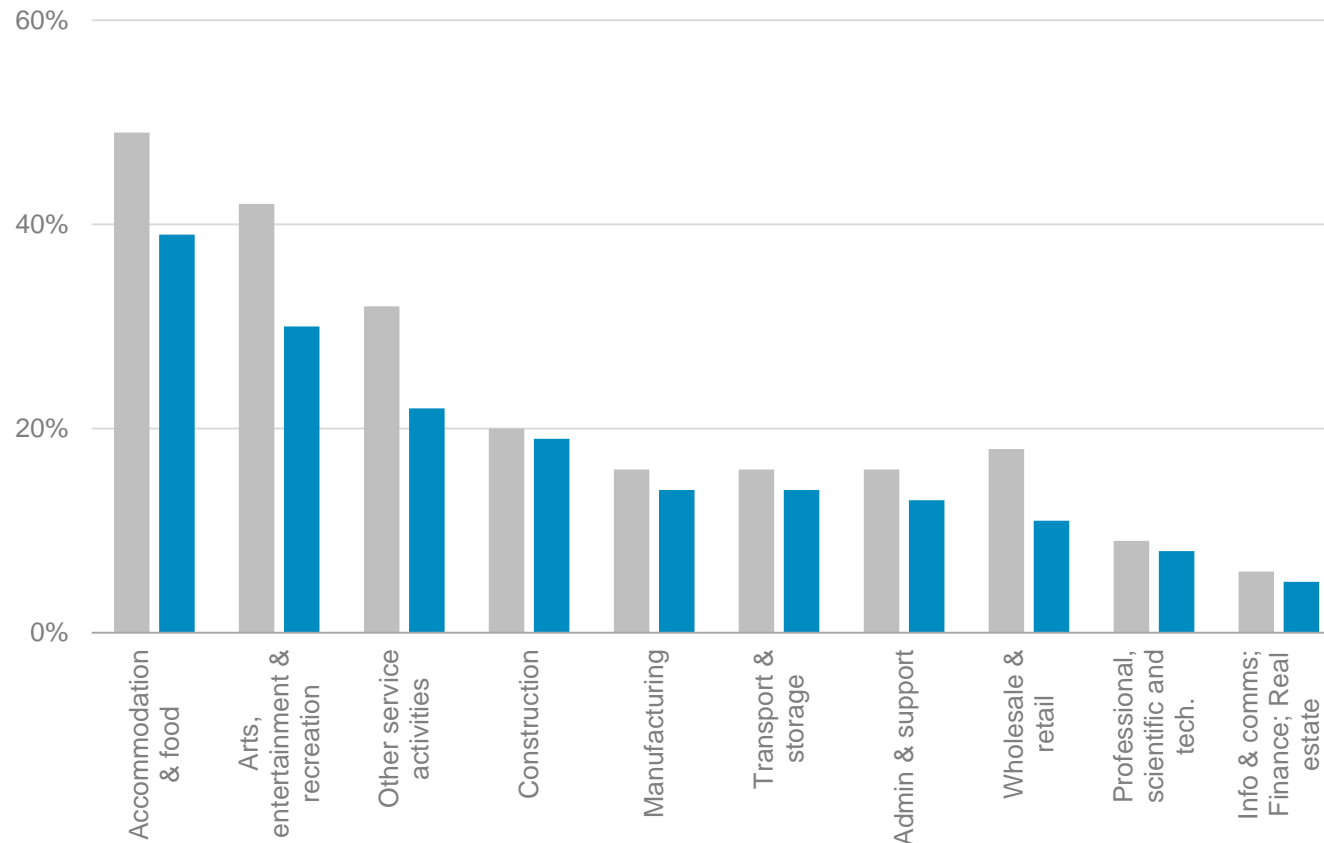
Index, 100 = 1 July 2020, May 2021 data is provisional



Sectors with relatively high take up rates continued to see sharp declines in take up during May

Furlough take up rates by selected sectors for London

April 2021 and May 2021 (May 2021 data is provisional)



At 31 May 2021:

- At 39% of eligible employments, accommodation & food services had the highest take up rate by sector.
- This was followed by arts & entertainment with a 30% take up rate and other services with a take up rate of 22%.

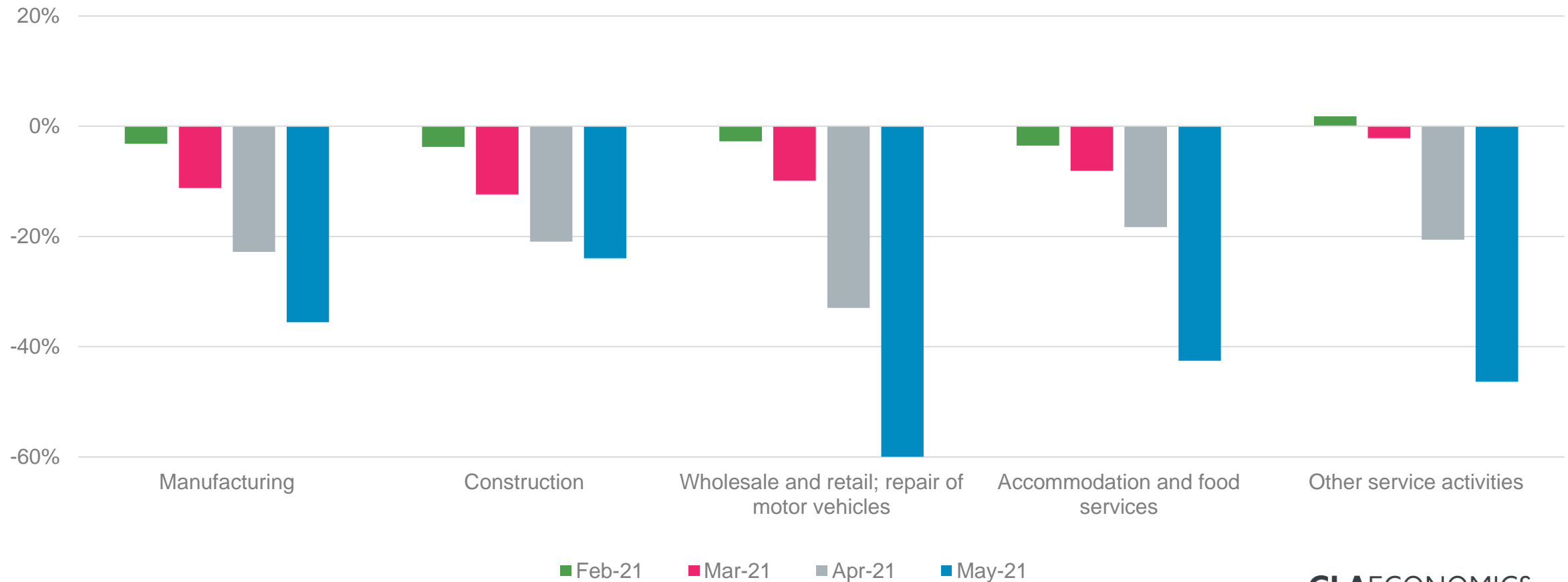
Between 30 April and 31 May 2021:

- Arts & entertainment saw the biggest decline in take up – down by 12 percentage points.
- This was followed by other services and accommodation & food services (both down by 10 percentage points).

Recent trends point to an accelerating recovery in sectors with high levels of furlough, with furlough levels in Wholesale and retail now being less than half where they were in early 2021

Percentage change (%) in furlough level since January 2021 by selected sectors

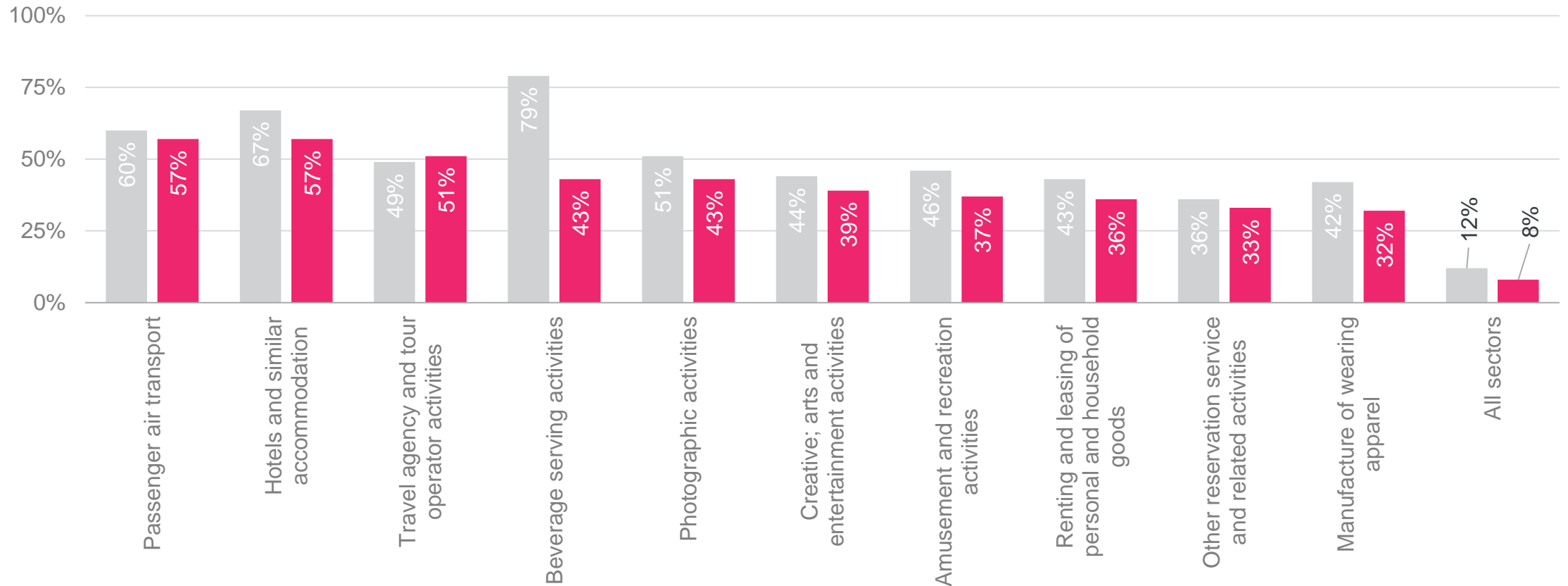
London, May 2021 data is provisional



Looking at UK data and 3-digit subsectors, air transport is now the sub-sector with the highest furlough rate after take up in beverage serving activities dropped sharply

Top 10 furlough rates by 3-digit sub-sectors for UK

April 2021 and May 2021 (May 2021 data is provisional)

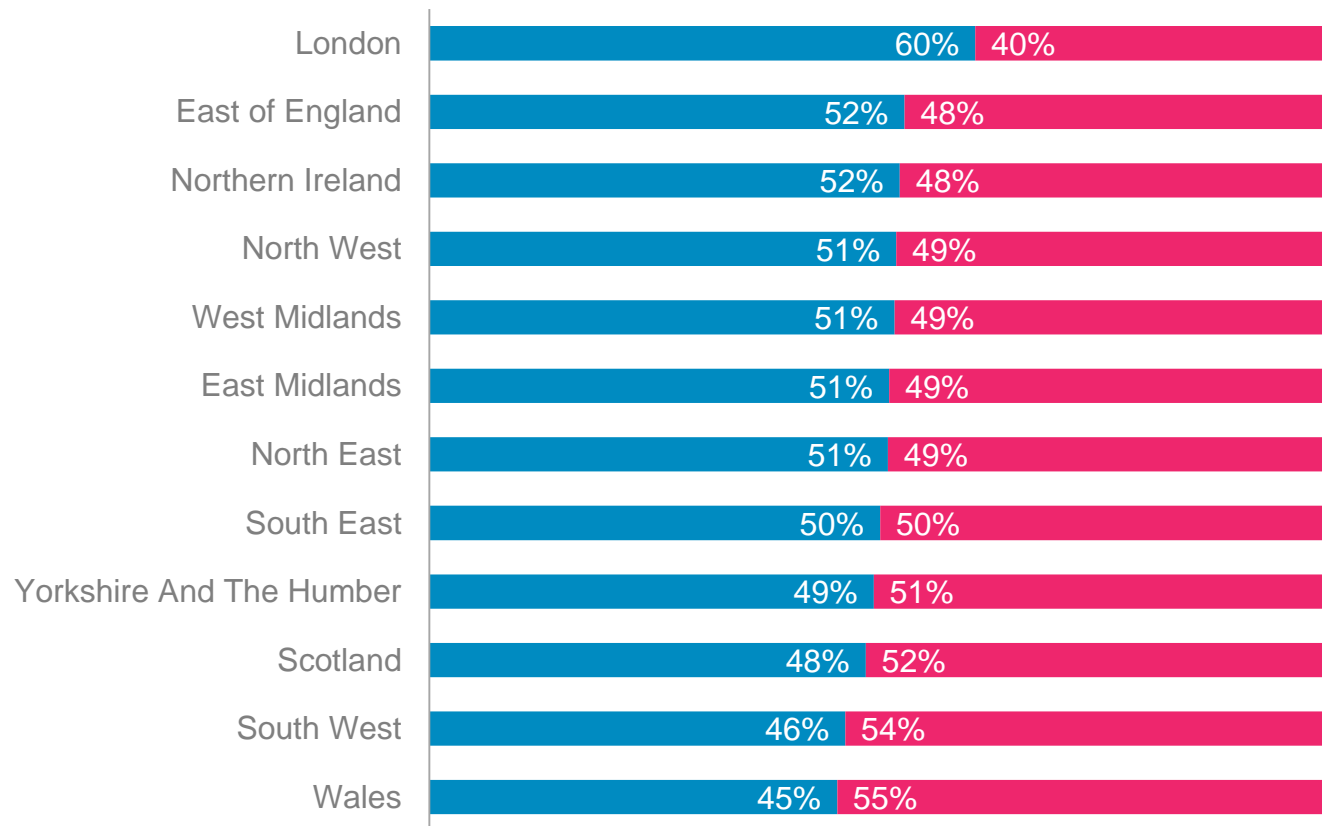


Note: 3-digit sub-sectors breakdowns are not available at a London level

Some 60% of furloughed Londoners remain fully furloughed – this is notably higher than the UK average

Full and partial furlough share by UK region/country

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



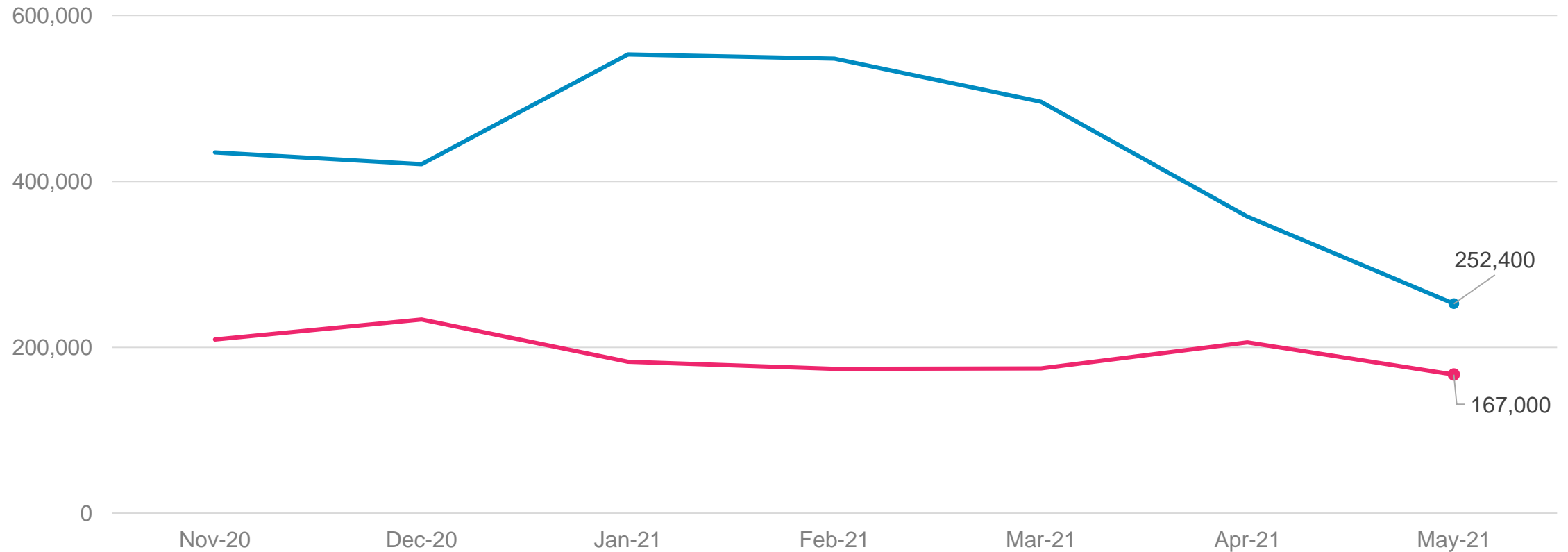
At 31 May 2021:

- The proportion of employments on partial furlough increased to 40% (up from 37% at the end of April). This means that staff were working at least some of their usual hours.
- Still, at 60%, the capital continued to record the highest proportion of staff on full furlough of any UK region/country. This was 8 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.

London's partial furlough share is at its highest level in recent months, as the number of employments on full furlough has declined sharply

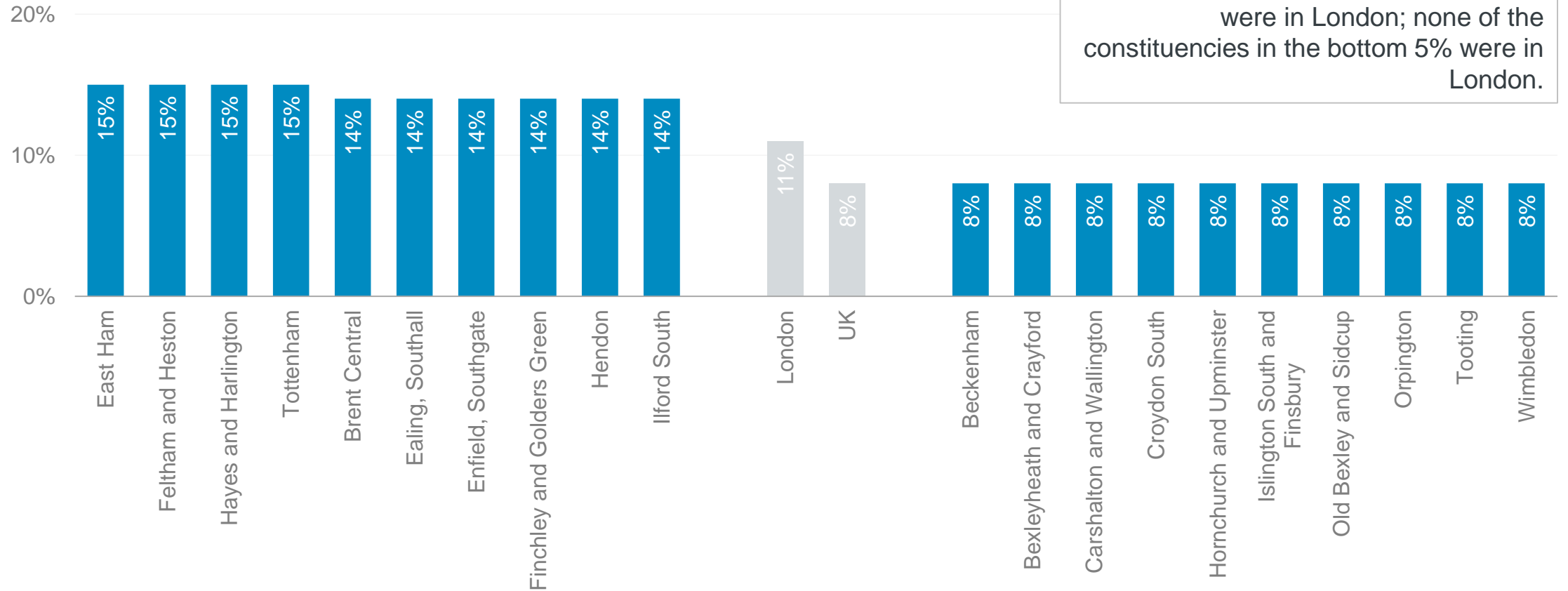
Full and partial furlough levels since November 2020

London, May 2021 data is provisional



Nine of the ten UK parliamentary constituencies with the highest furlough rates are in London

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



Note: one other parliamentary constituency in London (West ham) had take up rate of 14% and one other area (Battersea) also had take up rates of 11%.



Notes on the data

This briefing provides analysis of official statistics published by HMRC based on administrative data from CRJS claims. This is the thirteenth release of Official Statistics on the CJRS. This release provides analysis of claims for periods up to 31 May 2021. The data used includes claims submitted to HMRC by 14 June 2021.

The data for May 2021 is not yet fully complete as while claims relating to May 2021 should have been filed by 14 June 2021, employers could file claims later with the agreement of HMRC if they had a reasonable excuse. Claims for April 2021 could also be amended until 28 June 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.