

# Briefing on HMRC's Official Statistics on the furlough and self-employment support schemes

Adama Lewis, Melisa Wickham, GLA Economics  
12<sup>th</sup> June 2020

*This quick analysis had been prepared under challenging circumstances and to short timescales to provide . When using outputs from this analysis you should be aware of the following caveats:*

- The analysis is not intended to be comprehensive or exhaustive. It is a snapshot analysis of key data as it pertains to London.*
- The analysis does not represent the full body of evidence on which Mayoral Policies are or will be based.*

*Given these limitations, we would advise that our outputs are triangulated with other sources of information and analysis to develop a rounded statistical picture of any specific policy issues.*



**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.
- Last week (11 June 2020), HMRC published the most comprehensive statistic of take-up.
- This emerging evidence is invaluable because it provides an indication of where government intervention has been required to help those at risk. It also helps shed light on where problems may manifest once the schemes are phased out.



# 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 May.
- 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
- Given that these statistics draw on administrative data from the scheme itself, this data will give a more comprehensive picture of the CJRS than other existing forms of data (i.e. surveys) on furloughing as this is the first time this information in full has been realised publicly.
- 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.



## 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 CJRS, the proportion of unknowns are around breakdowns circa 5% except for the geographical breakdown which has 13% proportion. This compared to c.1% in age, gender, location breakdowns for SEISS & c.13% in industry breakdown.

# 8.7 million employments have been furloughed on the CJRS across the UK

Overall, across the UK:

- The total number of employers that made at least one CJRS claim to 31 May 2020 is 1.07 million.
- 8.7 million employments have been supported through the scheme under claims made until 31 May, with these claims totalling £17.5 billion.
- The average value of claims ranged from £1,766 (employer size = 1) to £2,406 (employer size = 50-99)

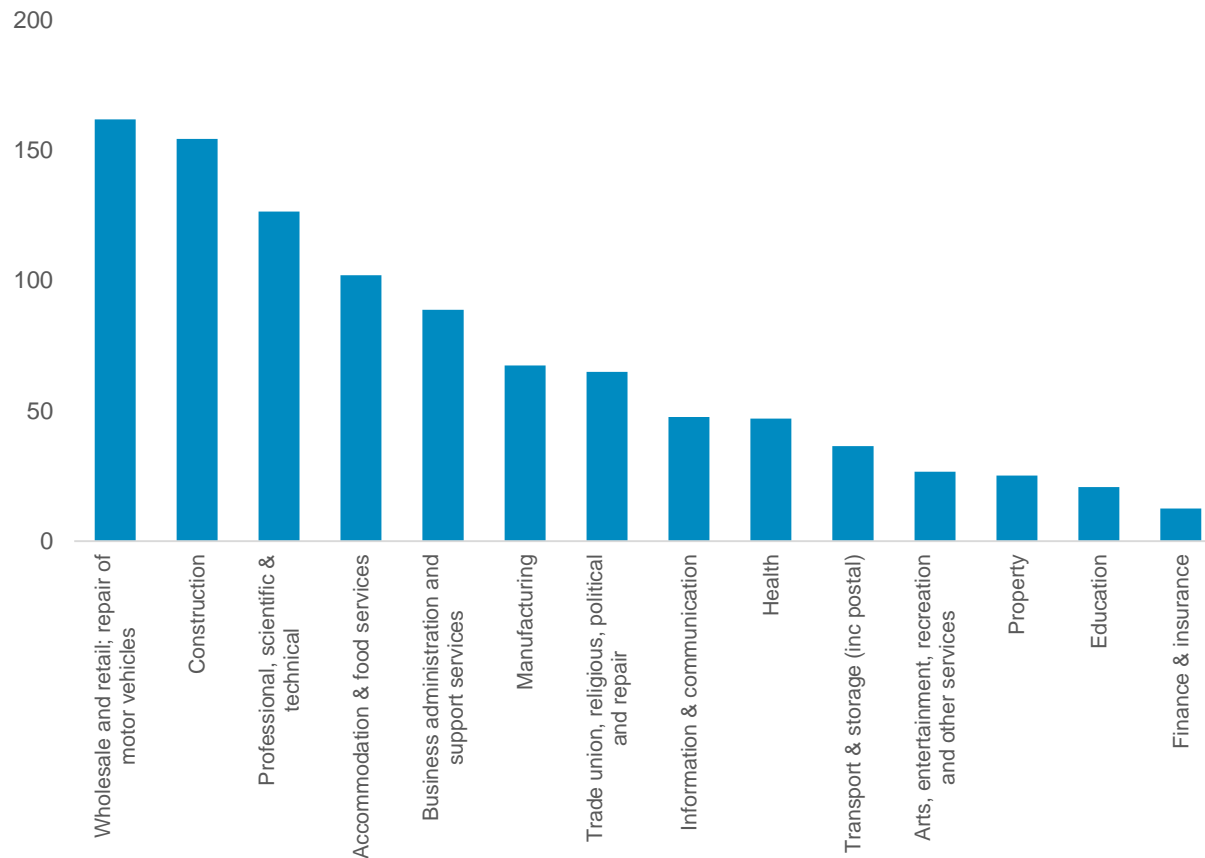
## CJRS furloughed employments by employer size, UK

	Total number of employers furloughing	Total number of employments furloughed	Total value of claims made (£million)
1	256,500	256,500	453
2 to 4	383,700	829,300	1,562
5 to 9	175,200	808,900	1,706
10 to 19	102,800	879,800	1,969
20 to 49	64,100	1,063,300	2,531
50 to 99	20,600	667,400	1,606
100 to 249	11,200	671,800	1,606
250+	6,300	2,473,800	4,877
Unknown	47,400	1,045,300	1,161
<b>Total</b>	<b>1,067,700</b>	<b>8,696,000</b>	<b>17,471</b>

Source: HMRC CJRS and PAYE Real Time Information data

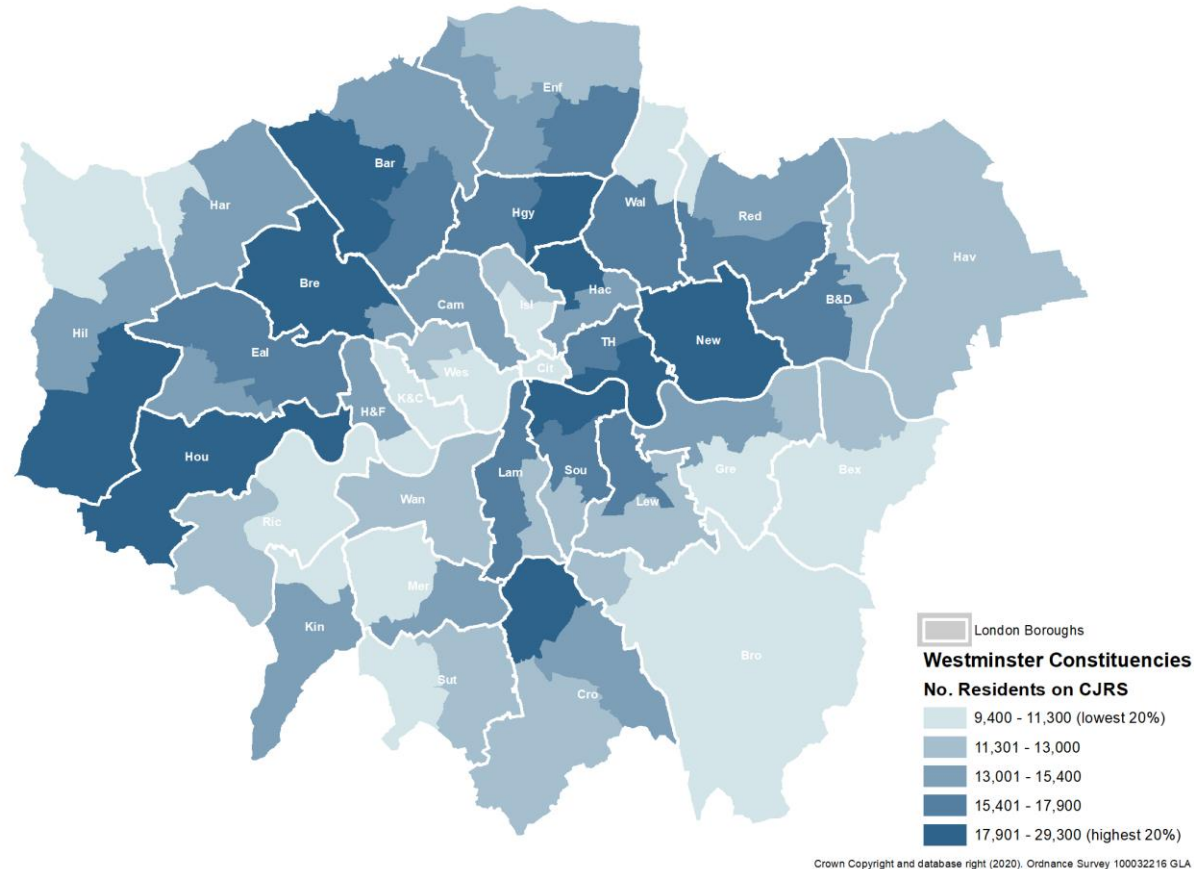
# Wholesale & retail, Construction and Professional, scientific and technical sectors had the highest level of furloughed employments across the UK

CJRS furloughed employments by sector (000s), as at 31 May



- The top three sectors in terms of the number of CJRS claims made across the **UK** were Wholesale and retail, Construction and Professional, scientific and technical.
- Nearly 162,000 employers being identified as operating in the Wholesale and Retail sector account for 1.6 million claimed employments which have been supported through the CJRS, with a total value of claims at £3.3 billion.
- 1.4 million employments from the Accommodation and food services sector have been supported through the CJRS
- 67,000 employers and 831,000 employments have been identified within the Manufacturing sector as claiming support through the CJRS.
- *Note there were 1.1m CRJS employment claims from unknown sectors, comprising 12.5%.*

# London had 1.07 million furloughed employments - the highest number amongst the regions



London accounted for 12% of the total UK employments furloughed.

West Ham (29,300), Tottenham (25,400), East Ham (24,000), Feltham & Heston (23,500) and Brent Central (23,300) were the top 5 parliamentary constituencies (by employments furloughed) across the UK – all of which are in London.

Parliamentary constituencies in London make up almost half of the top 10% across the UK - there are 650 UK parliamentary constituencies and there are 31 London ones in the highest 65.

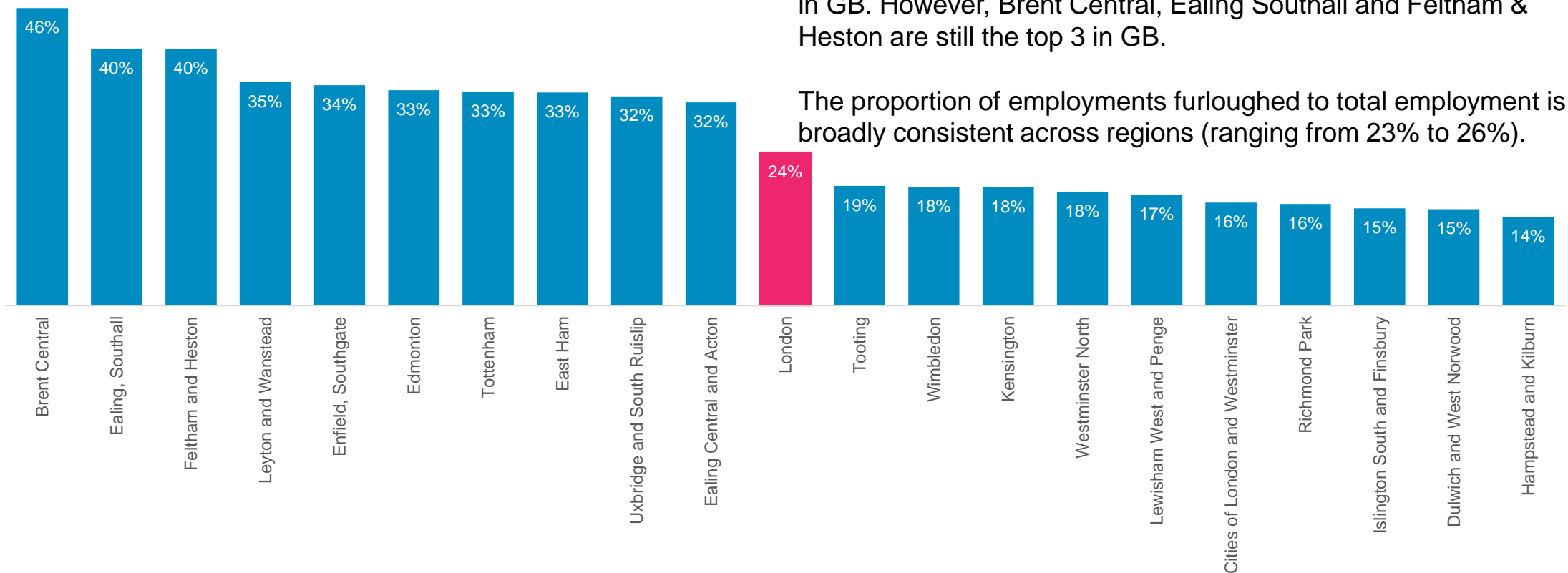
In fact, London makes up nearly 3/4 of the top 5% parliamentary constituents in terms of the number of furloughed employments.



# Top and bottom 10 parliamentary constituencies in London based on proportion of employments furloughed to 2019 employment (APS, HMRC)\*

London's high numbers is partly a reflection of its size. As a proportion of total employment, London makes up a smaller share of constituencies in the top 5% (31%) and top 10% (19%) in GB. However, Brent Central, Ealing Southall and Feltham & Heston are still the top 3 in GB.

The proportion of employments furloughed to total employment is broadly consistent across regions (ranging from 23% to 26%).

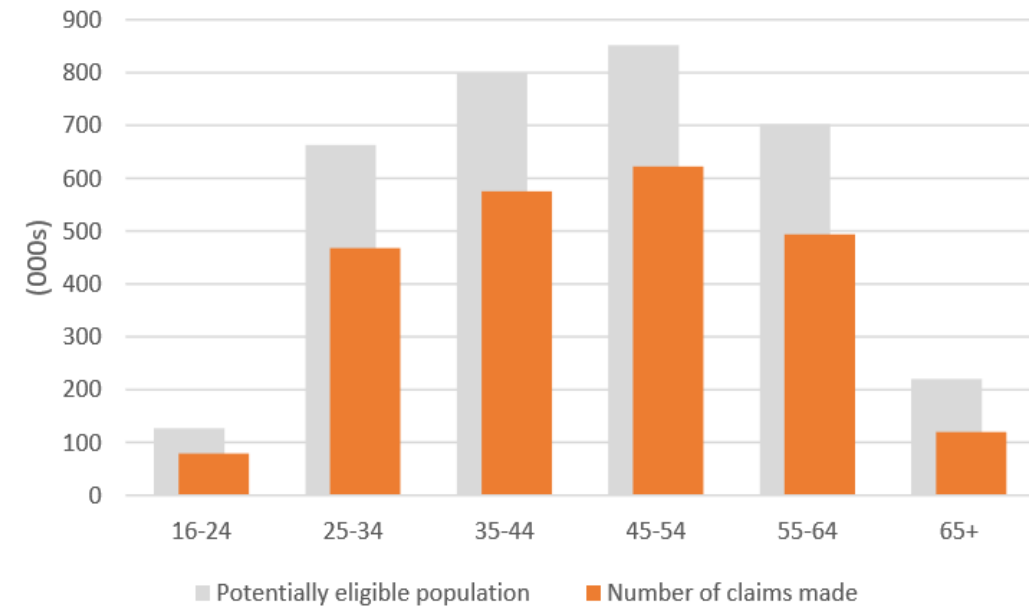


\* Note these are GLA Economics calculations to better contextualise the London numbers. Total employment includes both employees and self-employed (the latter not eligible for the CJRS) and correspond to the pre-covid employment levels for those aged 16-64 (2019).

## 2.4 million have claimed SEISS across the UK

- 3.4 million self-employed individuals were identified as potentially eligible for the SEISS – implying a 70% take up rate.
- By 31 May HMRC had received 1,677,000 claims from men at a total value of £5.358bn, 701,000 claims from women for £1.609bn. Males had a higher take-up rate than females (72% compared to 66%).
- 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 women aged 16-24 (£1,600).

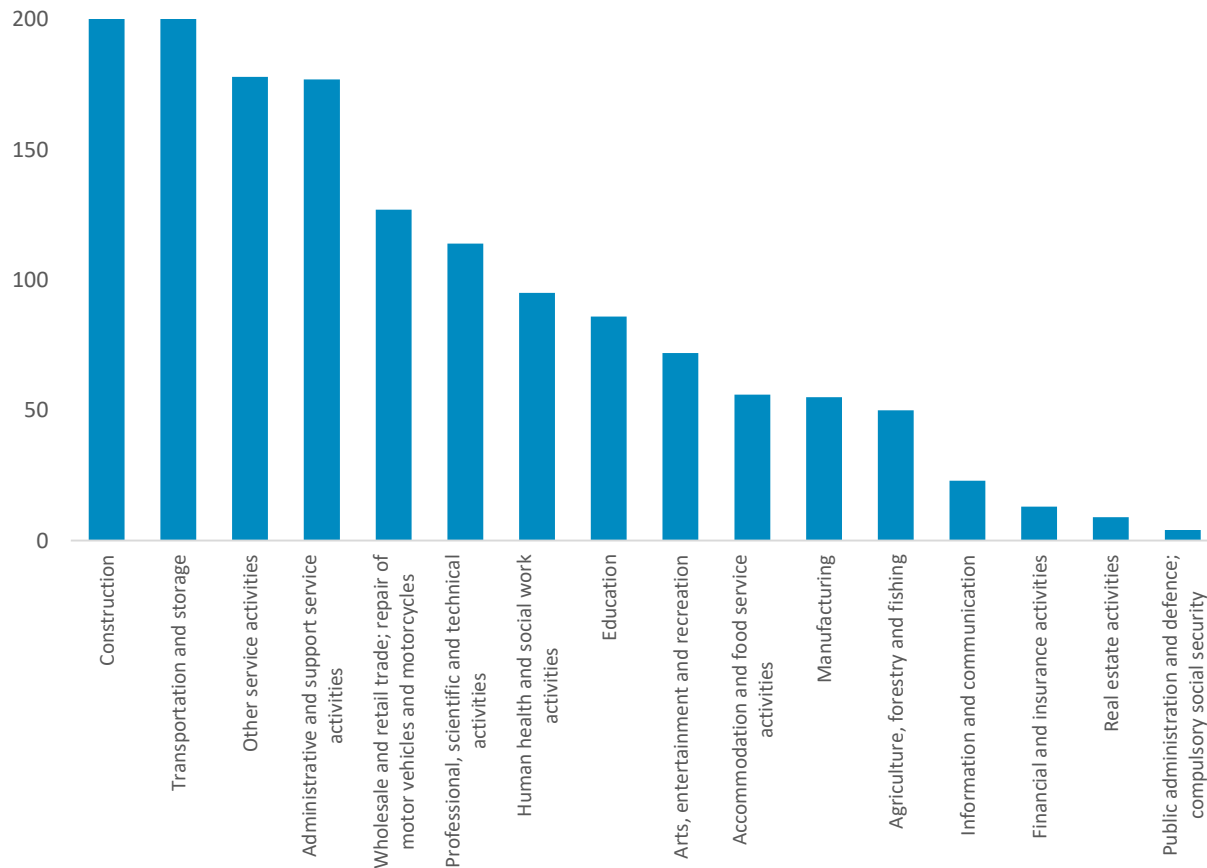
**SEISS claims by age**



Source: HM Revenue and Customs Self-Employment Income Support Scheme linked to Self-Assessment taxpayer information

# Construction, Transport and storage and other service activities were the most prevalent sectors for SEISS

## SEISS claims by sector

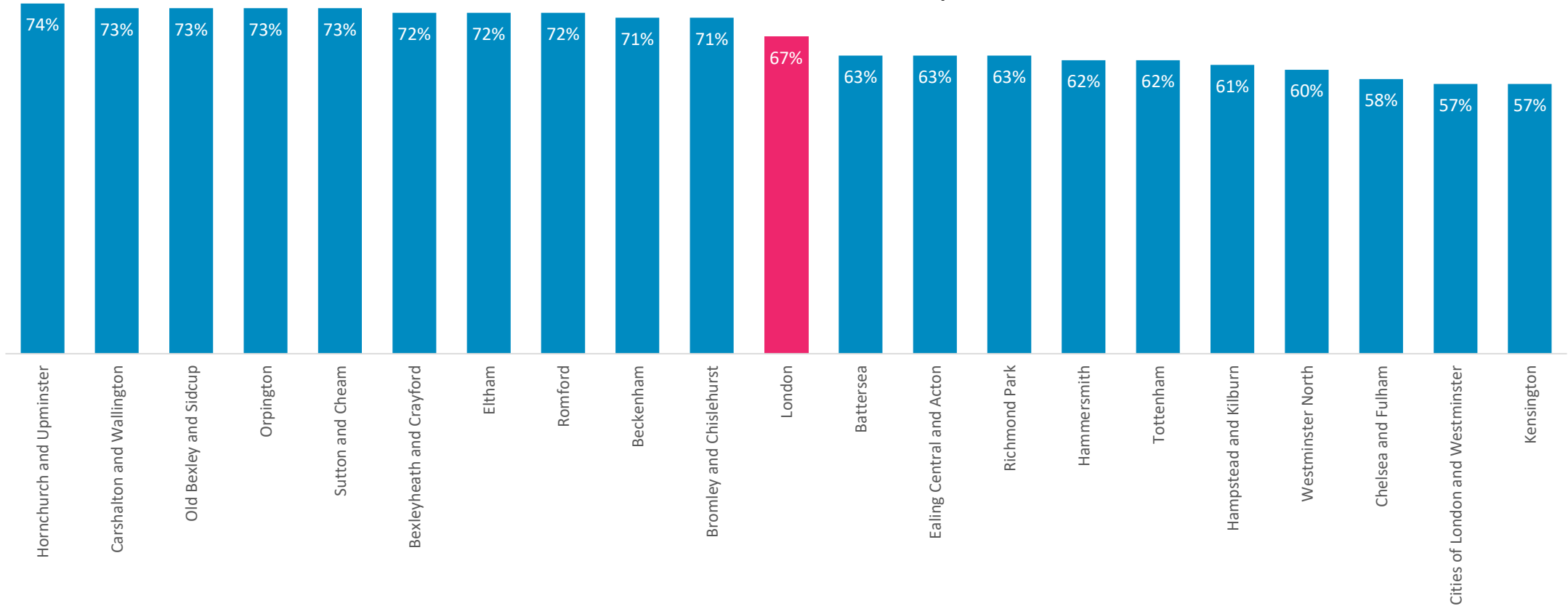


- Claims from those in the Construction industry stand out starkly – making up 1/3 of all claims and 41% of the total value. This is largely reflective of the number of self-employed in construction so that the take-up rate in this industry is only slightly higher than across all (75% vs 70%).
- Construction (801,000), Transport and storage (206,000) and other services (176,000) had the highest number of SEISS claims.
- However, Other services (81%), Transport & storage (77%), and Education (76%) had the highest take up rates.
- The highest average value of claims was from those in finance & insurance (£4,200) with the lowest in Admin & support services (£2,100)

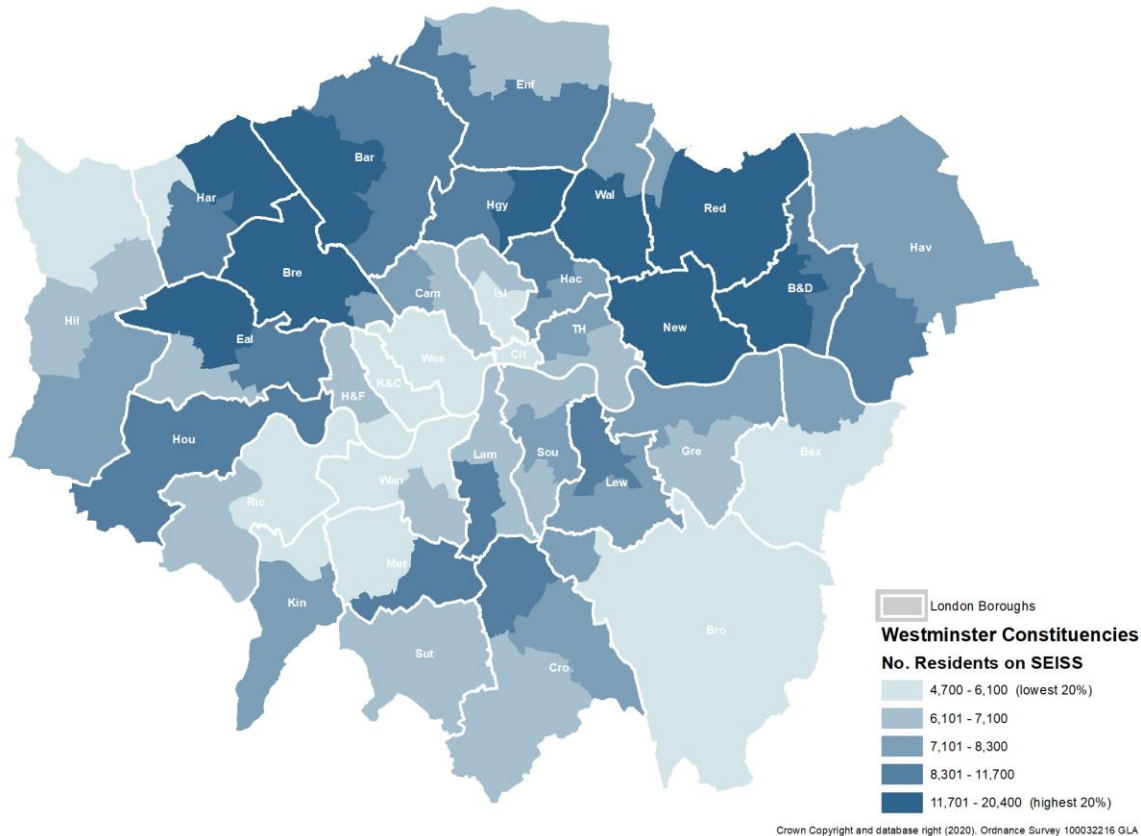
*Note: Self-employed individuals are asked to provide a description of their business activity on their self-assessment returns. These activities have been mapped across to the Standard Industrial Classification (SIC) 2007 to enable analysis to be carried out by industry sector. Where an individual has multiple sources of self-employed income the activity with the highest income has been used for the SEISS analysis. 13% were 'unknown & other'.*

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

Take-up rates across the UK ranged from 78% (Sheffield South) East to 57% (Orkney & Shetland). London had no constituencies in either the top 5% or top 10% based on take-up rates



# London also had the highest number of SEISS claims at 433,000 despite having the lowest take up rate amongst the regions (67%)



- Total claims (see map): London constituencies comprise over two thirds of the top 10% in the UK and over 8 in 10 (84%) of the top 5%.
- Take up rate: Accounting for the higher number of self-employed and eligible in London (looking at take-up rates), no London constituencies ranked in the top 10%. However, nearly half of the bottom 10% were London constituencies.
- Average claim value: The average claim value across the UK was £2.9k (ranging from £2k-£3.5k), London wide average was £3k, ranging from £2.6k (Poplar & Limehouse) to £3.5k (Hornchurch & Upminster) across parliamentary constituencies.
- Total value: In all, London made up nearly a fifth of the total value of SEISS claims