

## Written evidence submitted by New Starter Justice

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This section answers the following questions: How effective have these schemes been in maintaining employment and reducing job losses? What problems (if any) are individuals facing in claiming support from the Job Protection Scheme and the Self-employment Income Support Scheme? What gaps in coverage still remain and are changes required to increase their effectiveness? How viable is it for the Job Protection Scheme and the Self-employment Income Support Scheme to be open for longer?

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This section answers the following question: How should the Government prioritise which continuing sectors and groups to support as time goes on and ongoing support is needed?

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This section answers the following question: What problems (if any) are individuals facing in claiming support from the Job Protection Scheme and the Self-employment Income Support Scheme? How should the Government prioritise which continuing sectors and groups to support as time goes on and ongoing support is needed?

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This section answers the following questions: What actions does the Government need to undertake to pursue to support a successful exit strategy? What gaps are there for businesses within the schemes? What economic challenges may arise as the public health and social distancing policies are lifted and the economy begins to recover? What preparations can be made to manage these challenges? For example, could there be difficulty in restarting sectors of the economy quickly, a risk of a spike in inflation, or pressure on the UK balance of payments?

## About New Starter Justice

New Starter Justice is a campaign which represents the needs and aims of new starters excluded from the Job Retention Scheme because they started (or were due to start) jobs as lockdown hit, and/or did not appear on the payroll at their new company before 19 March. Our aim is to secure furlough payments for all new starters with contractual proof of employment, regardless of RTI. We have 9,110 active members at the time of writing.

## About this evidence

**The New Starter Justice Demographic Survey** was open from 16-19 May 2020. It was designed to provide insights into the issues affecting new starters—a group which has been excluded from the Government’s Coronavirus Job Retention Scheme (CJRS) because they started, or were due to start, a new job as Covid19 hit. It is the second phase of evidence submitted to the Treasury Committee by New Starter Justice. The survey was anonymously conducted by SurveyMonkey and had 1,031 total respondents. The survey shows the key demographics affected by the issue—including age, location and current employment status—as well as earnings and income; success of the proposed Government solutions; and alternative methods of proving employment. For clarity, the data has been visually summarised in this document, but the raw data is available upon request.

**The New Starter Justice industry poll** was carried out on 18 April 2020 and is the basis for New Starter Justice’s estimate that between 1.6 and 2.3 million people are affected by the CJRS loophole. New starters in the New Starter Justice Facebook group were asked to self-report the industry in which they were due to start work.

**The New Starter Justice Universal Credit poll** was carried out on 30 April 2020 in the New Starter Justice Facebook group. New starters were asked how much Universal Credit (UC) they qualified for in the month of April.

**The New Starter Justice Case Studies** were gathered from individuals within the New Starter Justice movement over the course of 26-28 May 2020.

## Section 1 – about new starters

This section is designed to give a clearer picture of who new starters are, so that the Treasury Committee can understand the demographics currently lacking support, as well as those who will be at a significant disadvantage as recovery from lockdown commences.

What sectors are affected – and how many in total?

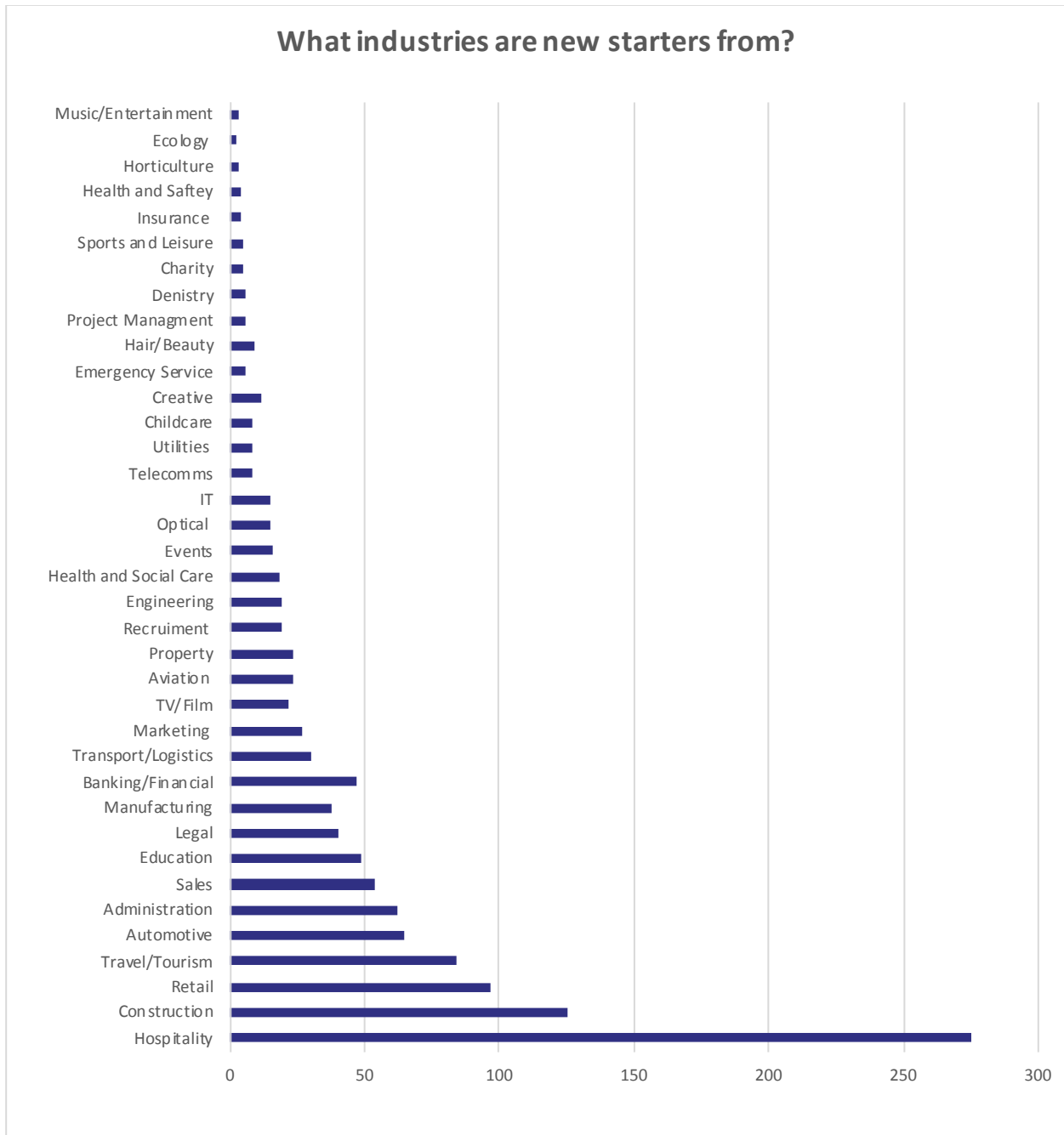


Figure 1: New Starter Justice Industry Poll

## New Starter Justice Research Report

New Starter Justice estimates that there are **1.6 million to 2.3 million** new starters affected by the CJRS loophole. We arrived at this estimate using two datasets—the New Starter Justice Industry Poll (*Figure 1*), conducted on 18 April 2020, and UK Hospitality’s estimate that 350,000 – 500,000 hospitality workers are excluded from the CJRS. 1,252 members from 37 industries responded to our poll—22% were hospitality workers. We used the 37 percentages together with UK Hospitality’s figure to ratio out the other percentages, using the 22% hospitality figure as a base. If 350,000 hospitality workers are affected, and hospitality workers make up 22% of all new starters, then 1.6 million are affected in total. If 500,000 hospitality workers are affected, the total is 2.3 million.

Making up 22% of the sample, hospitality workers have been disproportionately affected by the CJRS loophole. This could further hinder the swift recovery of this sector after lockdown, with many businesses forced to terminate the employment of staff members who are ineligible for furlough. Also heavily affected are Construction (10%), Retail (7.7%), Travel/Tourism (6.7%) and Automotive (5.2%). Many of these are consumer-focused sectors. The spread of new starters across the remaining sectors is fairly even, suggesting the repercussions of CJRS loopholes could be widespread.

### The new starter demographic

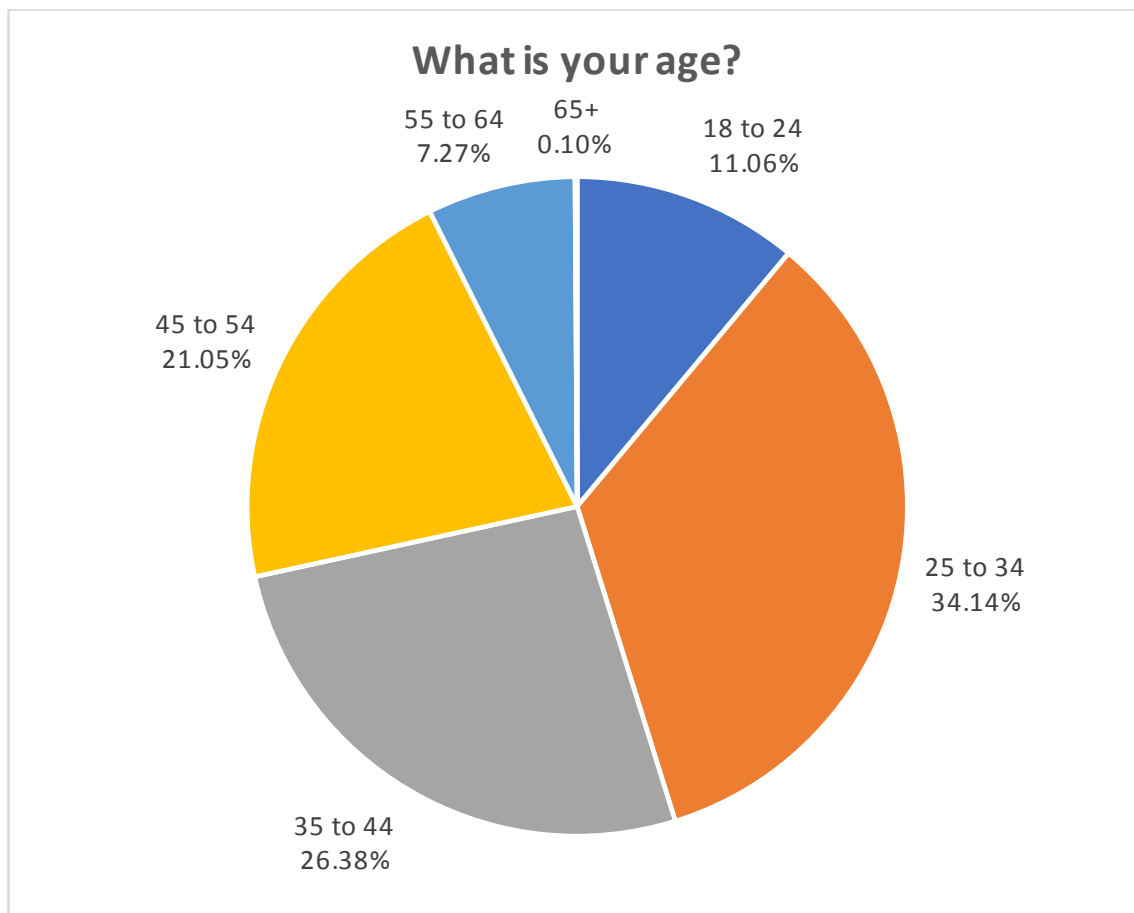


Figure 2: New Starter Justice Survey, Q1

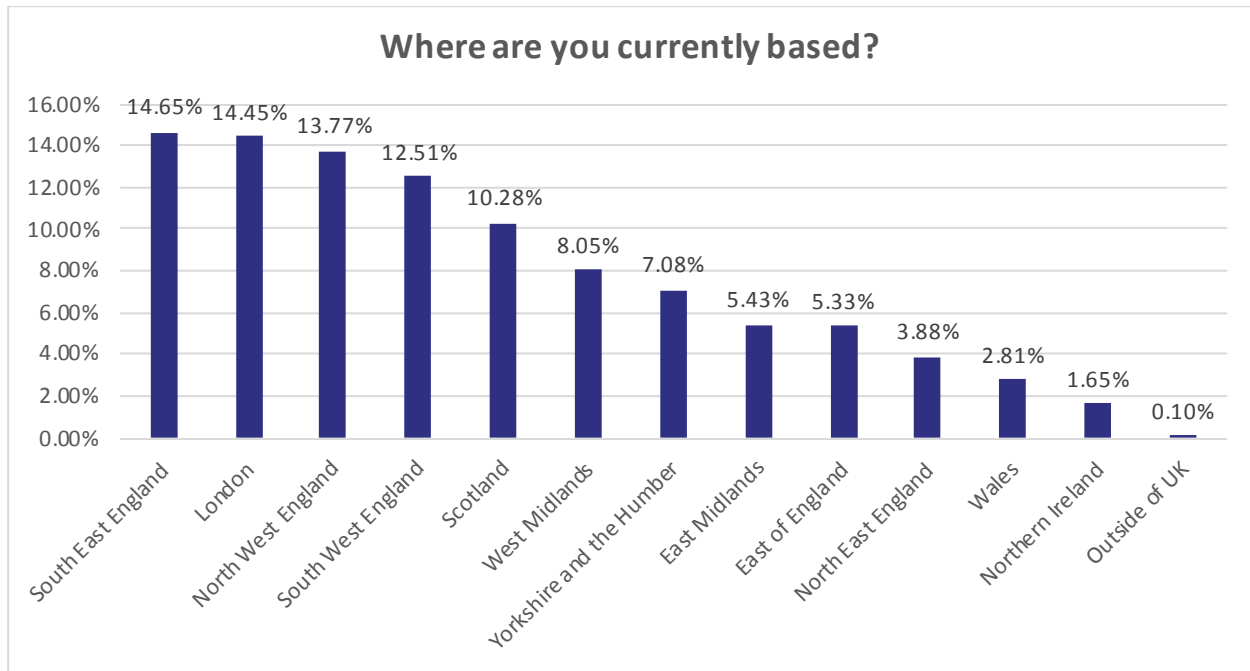


Figure 3: New Starter Justice Survey, Q2

While media reports suggest that in general, Covid19-related unemployment is being felt strongly by young people, the New Starter Justice sample spans a broader age range, with the bulk of new starters aged between 25 and 44. While new starters are all affected by the same loophole, the way their exclusion manifests itself differs from one age group to the next; young people within our sample tend to be renters, with limited savings, and while older respondents did have savings to fall back on, many had the financial commitments associated with home ownership or parenthood.

New starters are heavily concentrated in the South of England and the capital, with a large proportion in the North West. Possible reasons could be the concentration of tourism in the South East and South West—March is typically the start of seasonal contracts in the sector. London’s high share of new starters can be put down to its high population and status as an epicentre for the law and finance sectors—and together with the North West, is host to one of the UK’s largest international airports.

**Case study: Sophie Thompson, 22.**

*“I’m a 22-year-old journalist who started my new job on 10th February 2020. According to advice, I asked my previous employer twice if they could rehire and furlough me and received no response both times. I believe I didn’t qualify for JSA or UC because I’m paid a month later, and so was still receiving some kind of income until last month. I know they look at your previous six months of income. I know I’m one of the people from the [New Starter Justice] group that started work earliest—10th February—and still didn’t manage to qualify. Being such a young age is really off-putting and makes me feel like I can’t trust the people in charge. It’s disheartening to have gained so much unpaid experience and done a degree for three years to finally launch into my career and be treated as disposable. It feels grossly unfair and has taken a toll on my mental health.”*

## New Starter Justice Research Report

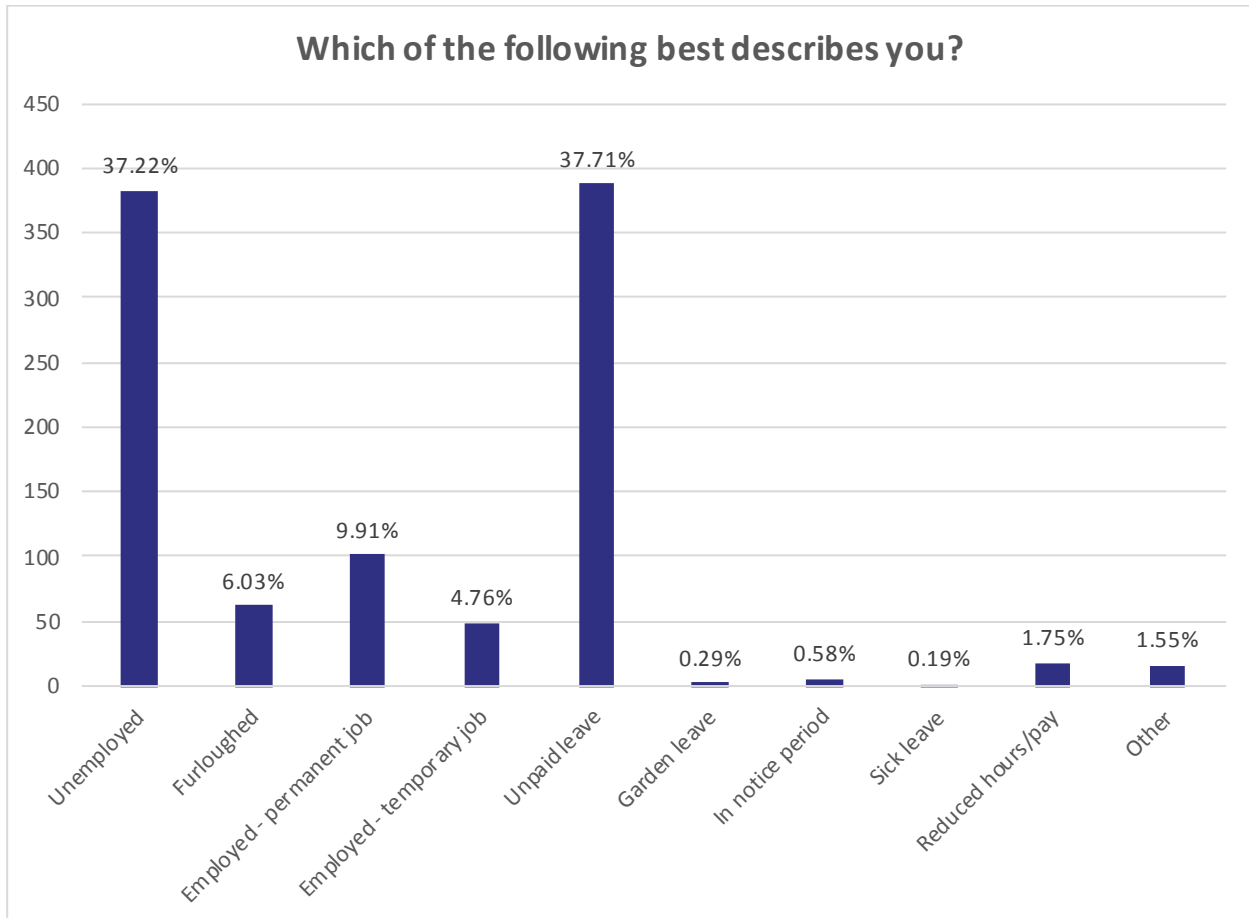
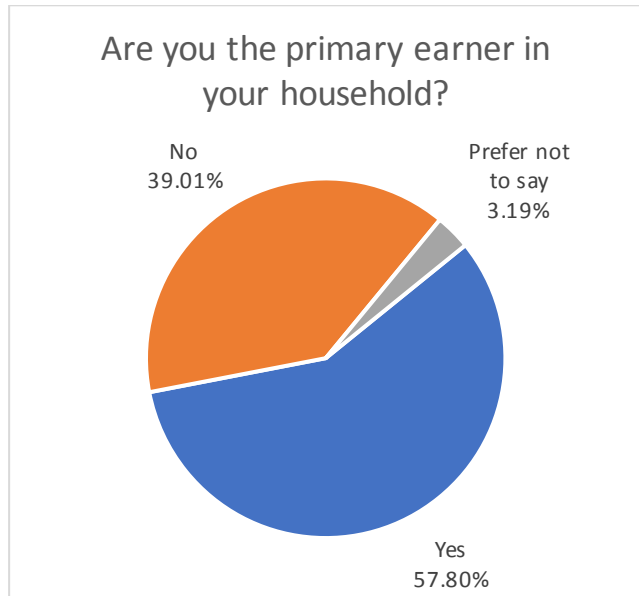


Figure 4: New Starter Justice Survey, Q4

The above chart is the best indication of the current employment status of new starters. The most common descriptors for new starters are “unemployed” and “unpaid leave”. It is worth noting that within the New Starter Justice movement, many on unpaid leave are having their contracts cancelled as employers become aware of the complications of those new starters accruing holiday and annual leave. Those currently in temporary jobs also have no long-term job security, with many of their jobs being front-line roles introduced specifically for the duration of lockdown/Covid19. We expect that if the CJRS is not amended, the number of unemployed new starters will rise.

It is also worth noting that 1.75% of new starters are on reduced hours or pay. This was not an option in this survey question, but many respondents entered qualitative data detailing variants of this situation. Some new employers have responded to the CJRS loophole by agreeing to pay new starters a portion of their salary. Some of these portions are as low as 10%. The highest reported reduced pay was 60%. While some employers have acted out of good will, New Starter Justice is concerned that exploitation could possibly be occurring in cases where salaries are significantly lower than normal.

## New Starter Justice Research Report



The overwhelming majority of respondents were due to start full-time contracts (Figure 6) and 57.80% are the primary earners in their household (Figure 5). This goes some way to indicating the wider implications of CJRS exclusion for new starters' households. 75% of our sample expected to be in full-time work at this point, and over half bear the brunt of responsibility for their household's income. Full-time employees in similar situations have been granted 80% of their wages under the CJRS—but no provisions have been made to support their new starter counterparts. This report expands further on the financial implications of this in Section 5.

Figure 5: New Starter Justice Survey, Q28

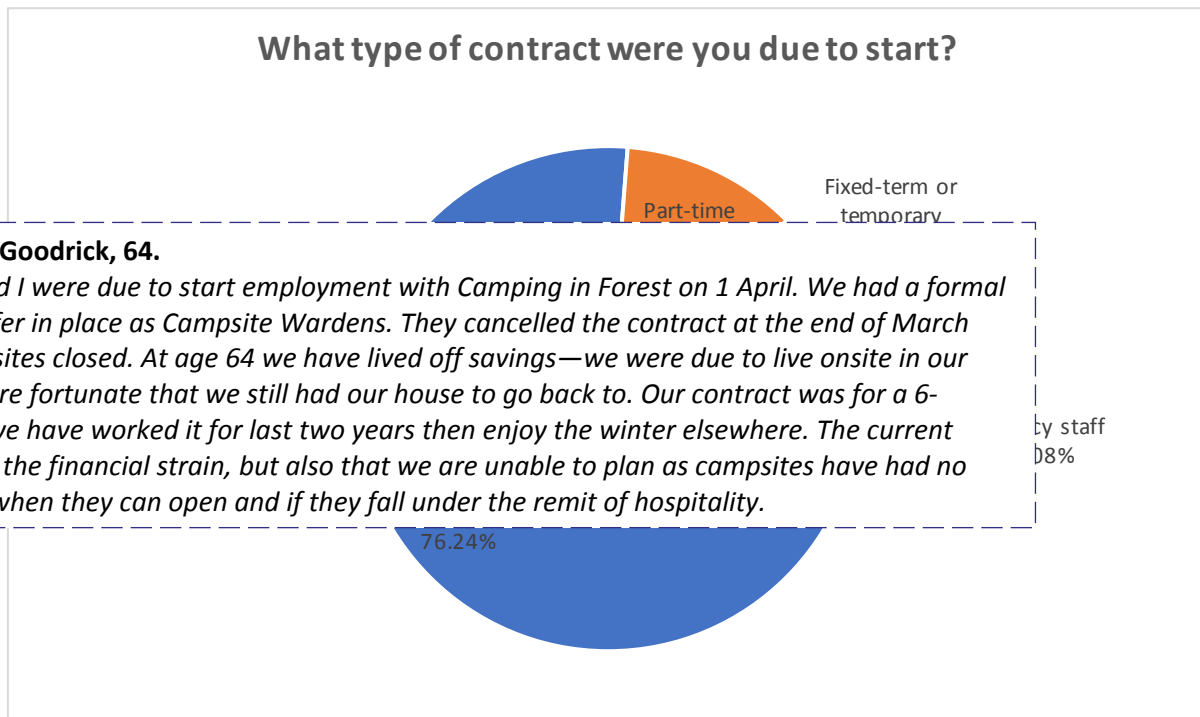


Figure 6: New Starter Justice Survey, Q15



## New Starter Justice Research Report

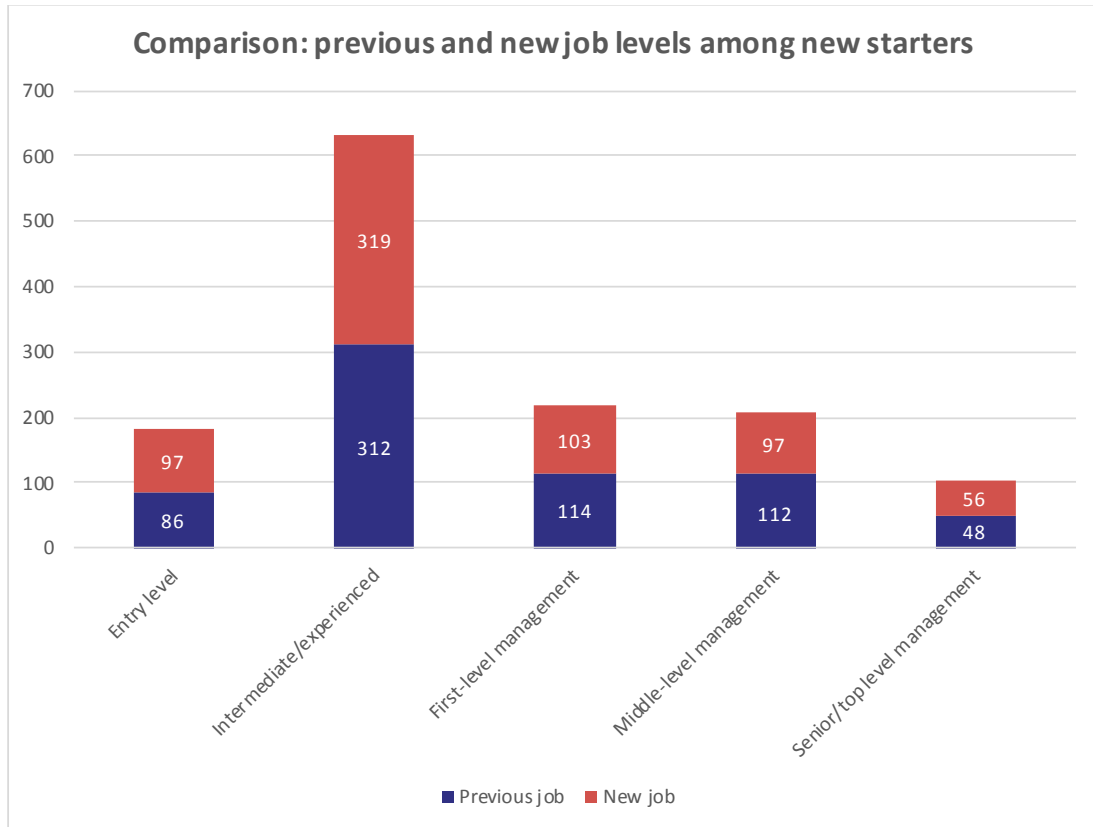


Figure 7: New Starter Justice Survey, Q7 & Q14

It's important to understand the previous and expected job levels of new starters for two reasons. Firstly, on a personal level 16% of new starters were entering a higher-level role than their previous one; if they are unable to retain their new jobs, they will find themselves in a highly competitive job market and may have to take a sideways or downward step when taking on a new role.

Secondly, when forecasting the path to economic recovery, the above chart represents the gaps left in businesses that were unable to retain part of their workforce due to CJRS loopholes. 46.34% of new starters were headed for an intermediate/experienced role—their future employers are unable to retain those new starters, which will in turn affect their wider business operations at an already precarious time.

Out of the new starters that came from a position of employment, 16% were moving up a level in their new role, 69% stayed the same, and 15% moved down. The majority of the sample were previously at an intermediate or experienced level of employment—this is consistent in the new roles new starters were due to embark upon.

# New Starter Justice Research Report

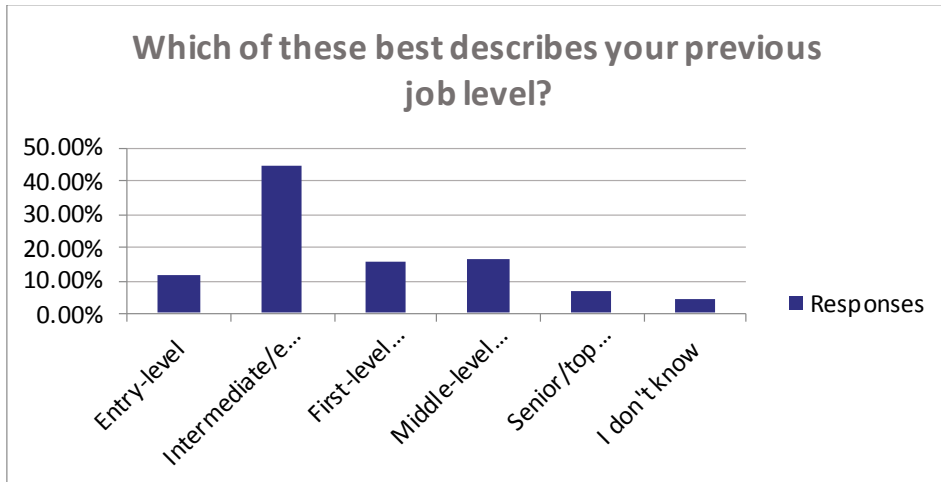


Figure 8: New Starter Justice Survey, Q7

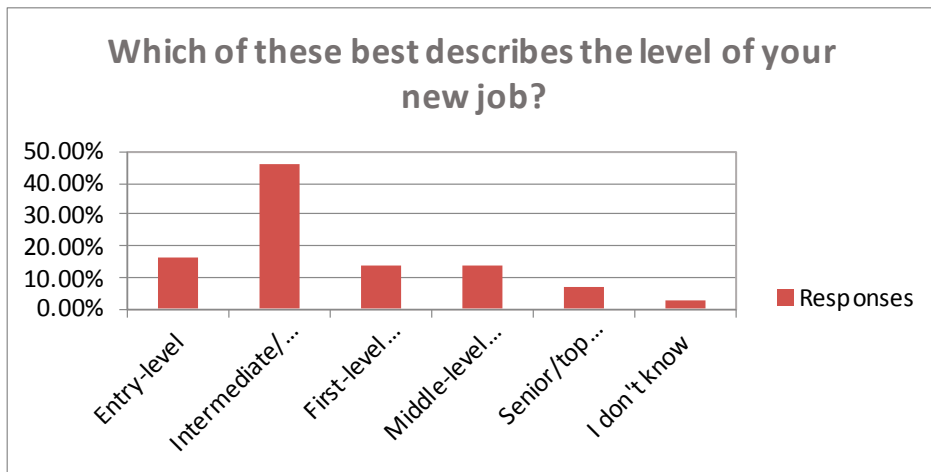


Figure 9: New Starter Justice Survey, Q14

## Section 2 – Previous employment to new employment: the new starter timeline

In this section, we are able to provide more detail about how an estimated 1.6 million people have been excluded from government support. Ultimately, our research shows that being a “new starter” goes far beyond being someone who changed jobs in March—circumstances are more varied and as you will see, the date ranges of those affected span almost a year. Based on this, a cut-off date for a scheme of this nature would always have been exclusionary to some.

The dates below also indicate that many have been left without support for a significant period of time. It is infeasible to taper out the furlough scheme without extending some support—whether via backdated inclusion or a new scheme—to those who have been without it now for three months.

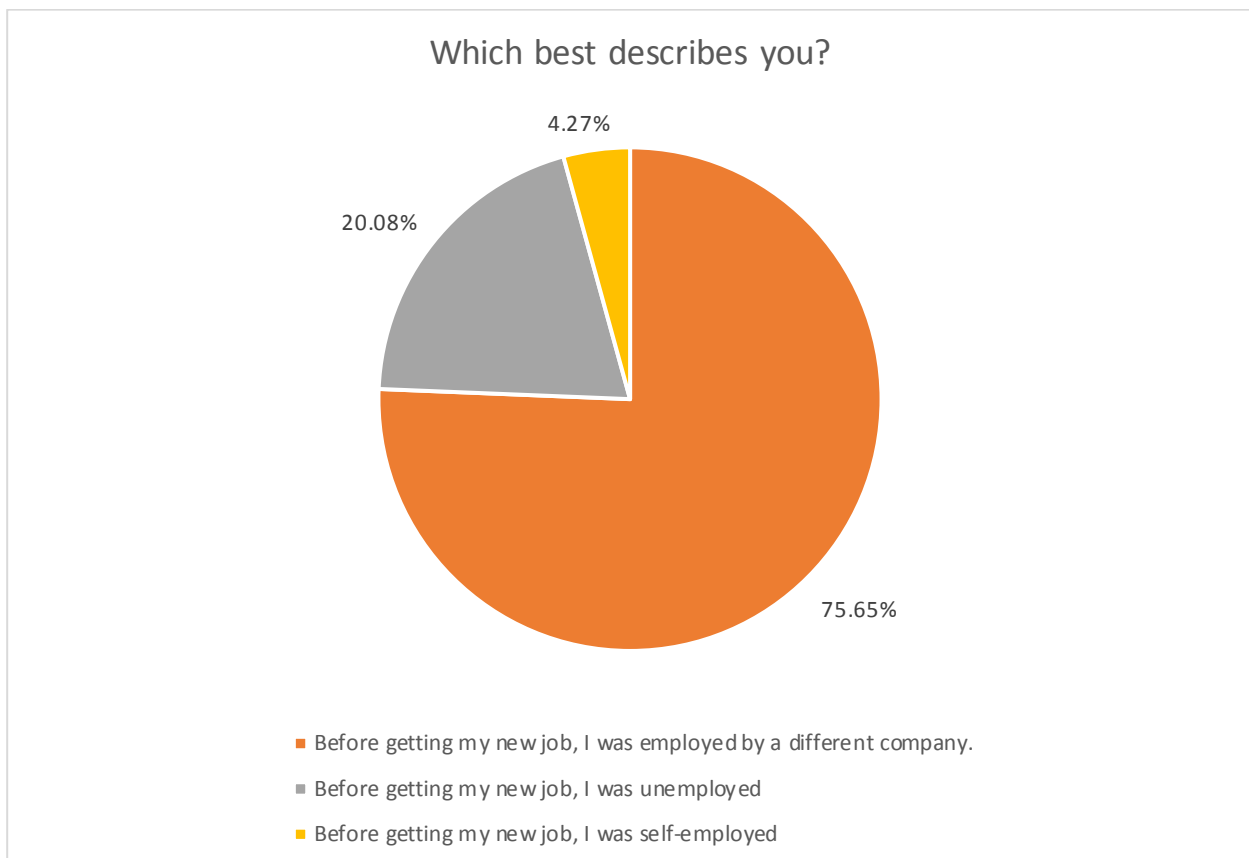


Figure 10: New Starter Justice Survey, Q5

A common misconception is that all new starters were in the process of moving from one job to the next when Covid 19 hit. This does not speak to the experience of those who were unemployed, self-employed, or about to embark on a seasonal contract. While 75.65% of new starters do have a previous employer, 20.08% were unemployed prior to securing their new job. All of these people would have been in the workforce and stimulating the economy, were it not for Covid 19. It is also important to understand where new starters came from because it proves the inefficacy of “solutions” such as asking previous employers to rehire and furlough.

## New Starter Justice Research Report

### Case Study: Isabel Wakely

*I had been unemployed for a year because I was unwell due to cancer treatment and was receiving EESA. My new role started on the 19 February. I was made redundant by my employer on the 10th April and given 2 weeks' notice with my last day being 24 April. I applied for and do not qualify for Universal Credit and/or Jobseekers Allowance. I was made ineligible by the 19 March cut-off date and did not have RTI data sorted out because I was a self-employed contractor and it took a while for my accountant to sort out my pay slips and set up my limited company. I currently have no income at all or savings, and I am having to rely on friends for money.*



Figure 11: New Starter Justice Survey, Q8

Figure 11 depicts the last day at previous jobs among the 75.65% of previously-employed new starters. We then looked specifically at last working days for new starters who had specified they are now either unemployed or on unpaid leave (Figure 4), calculating how many days each of them had been on unpaid leave or unemployed for, from their last employed day to the day they completed the survey. Based on the CJRS's current projected run time—until the end of October—this is how long new starters on unpaid leave or unemployed could be without a salary for.

## Average days without salary among unemployed/unpaid new starters

	Days so far	Days if scheme runs to Oct 31
Unemployed	68.13	234.77
Unpaid leave	79.59	246.26
<b>Both combined</b>	<b>73.86 (2.43 months)</b>	<b>240.52 (7.91 months)</b>

Figure 12: New Starter Justice Survey, Q4, Q8

When considering how feasible it is for the CJRS to continue in its current form, it's important to consider how its continued existence would affect those unemployed and on unpaid leave as a result of being unable to qualify—especially when the final date for admissions, 10 June, passes. If employers receive graduated help in returning furloughed employees to work, those on unpaid leave or unemployed will be the lowest priority for employers, who will be unable to support them in a gradual return to work. It is highly likely that without support from an amended CJRS, employees on unpaid leave will have their contracts cancelled or be left until last when it comes to the return to work. Those who are unemployed may never be granted the chance to resume their employment—furloughed workers will be prioritised due to the financial benefits of flexible furloughing, and those left out of the scheme will continue to experience the disadvantages of not qualifying for months.

To further illuminate what this might look like, we calculated the average salary lost by unemployed/unpaid new starters so far, and the average salary they could expect to lose if they remain unemployed/unpaid and excluded from the scheme until October.

**Median salary range for unpaid/unemployed new starters: £1,501-£2,500.**

(Source: New Starter Justice Survey Q22)

## Average salary loss among unemployed/unpaid new starters

	So far	If CJRS runs until Oct 31
Ave loss earnings (low)	£3,644.43	£11,871.41
Ave loss earnings (high)	£6,070.00	£19,772.50

Figure 13: New Starter Justice Survey, Q8, Q22

If the scheme continues until October in its existing form, unpaid/unemployed new starters could lose out on £11,871.41—£19,772.50, on average. Aside from the wide-ranging personal consequences of this, new starters will have little or no disposable income and will be less able to contribute to the economy than they would normally. We elaborate further on the financial implications of CJRS loopholes in Section 5.

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Figure 14: New Starter Justice Survey, Q17



Figure 15: New Starter Justice, Q18

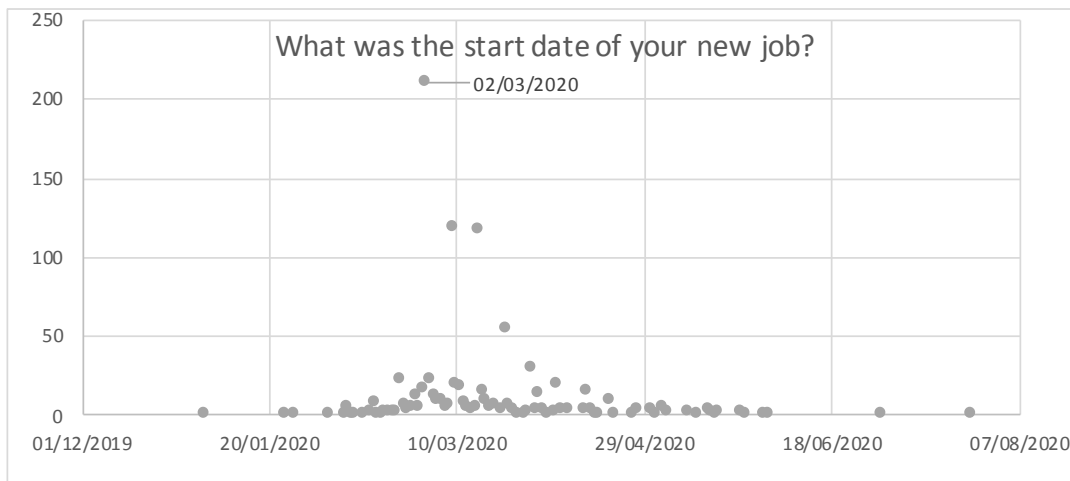


Figure 16: New Starter Justice, Q19

## New Starter Justice Research Report

When looking at the typical dates on which new starters took key action related to their employment—specifically, the day they left their jobs, the day they received a new job offer, the day they signed a contract and the day started a new job—there are a few key points to note.

28 February is the most common date for new starters to leave their old job, and also the most common date upon which they received job offers. 2 March is the most common date to sign a contract, and—by a long way—the most common start date for new starters.

In figures 14 and 15, you will notice that the date ranges are greater, with some offers made and contracts signed as early as summer 2019. It could be assumed that those particular contracts were seasonal; often secured months in advance ahead of the next years’ season.

All four charts show a clear “spike”—but they span months, rather than days. Not only does this explain why moving the cut-off date of the scheme to 19 March was largely unsuccessful, it also proves the inadequacy of having a cut-off date in general—for every cut-off date announced, there will be a new set of people falling just after it.

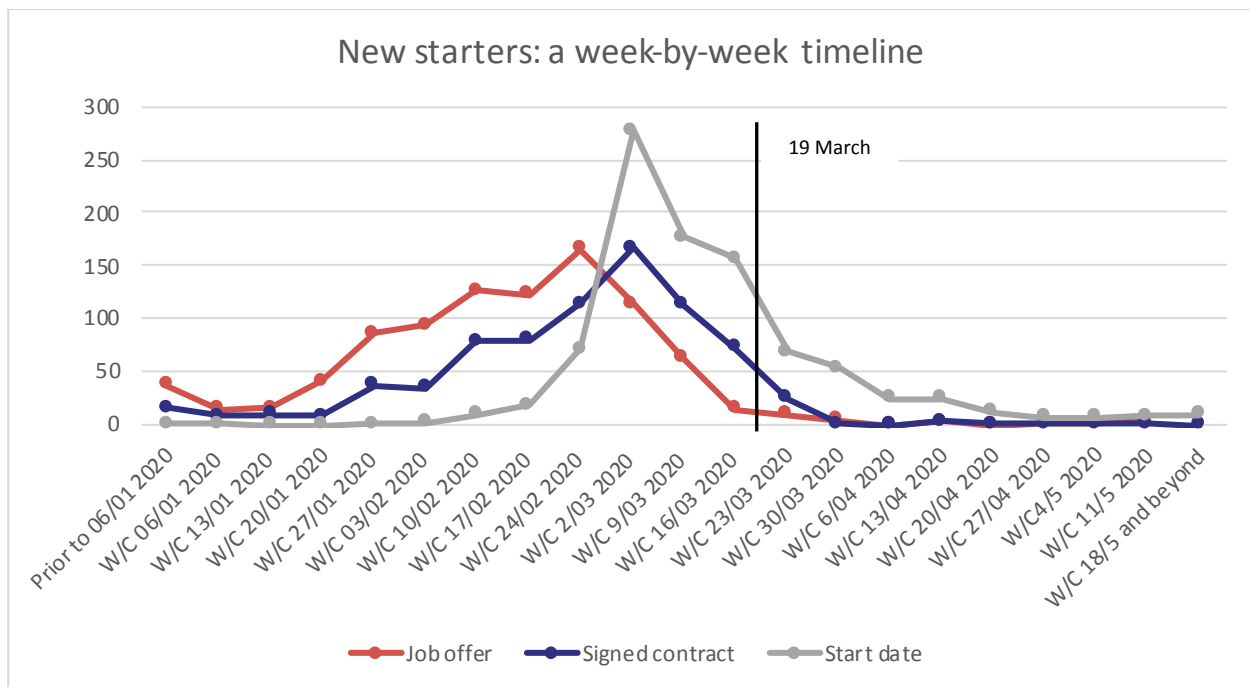


Figure 17: New Starter Justice Survey, Qs 17-19

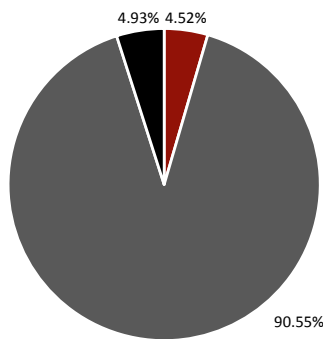
The three key cornerstones of securing a new job—receiving an offer, signing a contract and ultimately starting that job—were for the most part completed by respondents prior to 19 March. This is particularly significant when considering how eligibility for the CJRS has been determined. Of the 83.12% of new starters who signed contracts, 95% did so on or before 19 March—the day lockdown was announced, and the day before the CJRS was announced. These respondents have a signed legal document which predates the CJRS itself—and with it, received a job offer (typically time-stamped). The scheme not only failed to account for these new starters but invalidated their legal job contracts.

## Section 3 – proposed Government solutions

The government has proposed a number of “solutions” to new starters and it is on this basis that it appears to justify its decision to close the scheme to new entrants after 10 June. Here, we shed some light on how successful those solutions were for our respondents, to give the Treasury Committee as sense of how well the gaps in the schemes have been plugged.

### The 19 March cutoff date

When the CJRS cutoff date was moved to 19 March, with the added RTI stipulation, did you become eligible for Furlough with your new employer?



- Yes, the date change and RTI stipulation made me eligible
- No, the date change and RTI stipulation did not make me eligible
- I was eligible previously, but the date change and RTI stipulation made me ineligible

Figure 18 shows the percentage of respondents who were made eligible for furlough when the cut-off date was moved to 19 March. The vast majority—90.55%—were not made eligible by this date change, and in fact 4.93% of people were actually made ineligible by the new date change and RTI stipulation. This has raised questions among new starters about the true intentions of a widely publicised “date change” with a less-publicised RTI stipulation—especially when within the sample, it made more people ineligible than it made eligible.

Figure 18: New Starter Justice Survey, Q9

Further interrogation of this matter suggests that an RTI stipulation with a mid-month cut-off date would never have helped the majority. 88% of new starters are paid monthly (Figure 19)—and for most UK employees paid monthly, payday falls at the end of the month. RTI information for monthly-paid employees would only ever appear after 19 March. The RTI stipulation does, indeed, have scope to help those paid weekly—around 8% of the sample—but New Starter Justice suggests that a 4.5% success rate is not enough to deem the 19 March cut-off date a successful instance of plugging the gap.

In your new job, how regularly would you have been paid?

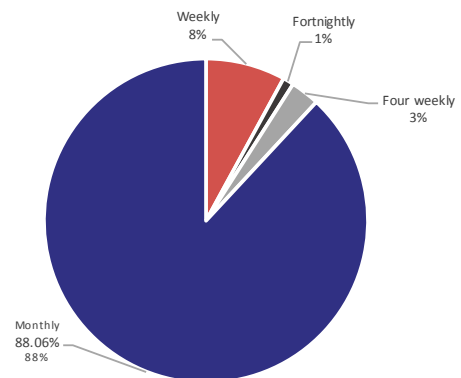


Figure 19: New Starter Justice Survey, Q16

#### Case Study: Scott Culverwell, 39

*I have 11 months of PAYE and RTI submissions in the 2019-20 tax year and 15 years of paying PAYE taxes previous to this. I do contract work (in market research) and finished my last contract, at a FTSE 100 company, on 31 January and subsequently lined up a new contract at a company in central London to start ASAP in February. I contracted Covid 19 in the first week of February and was very unwell but not hospitalised. When I had recovered, I started my new contract on 24 February. I worked until I was let go on 3 April due to the company I was working for reducing headcount*



### Asking previous employers to rehire and furlough

This was presented as an early solution for new starters who could not be furloughed by their current employer. Before considering the percentage of previous employers who would not or could not do this, it is important to reiterate that 20.08% were unemployed prior to securing their new job, and 4.27% were self-employed (Figure 10). At least 24.35% of new starters did not have an employer to ask.

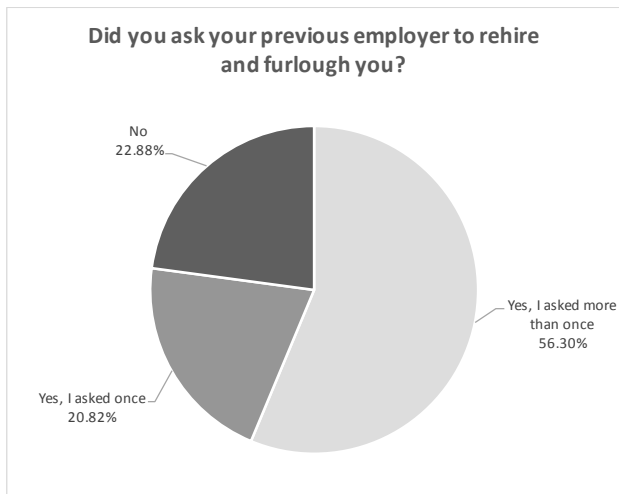


Figure 20: New Starter Justice Survey, Q10

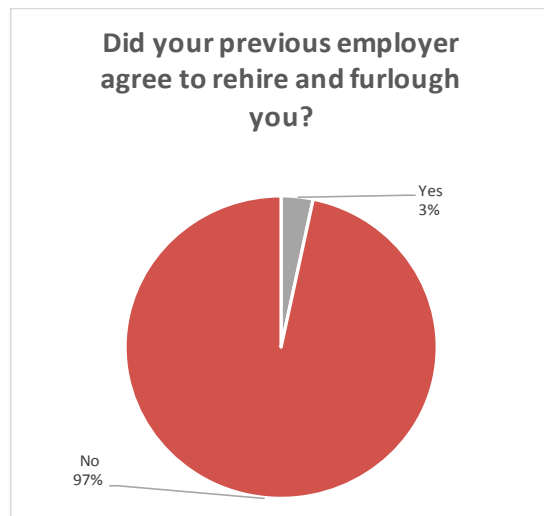


Figure 21: New Starter Justice Survey, Q11

## New Starter Justice Research Report

Of those who did ask their previous employer to rehire and furlough them (Figure 20), 97% were told “no” (Figure 21). New Starter Justice is now concerned that the 3% of employees who were rehired and furloughed by previous employers will soon be facing redundancy, given that employers will be expected to contribute to the CJRS from July onwards.

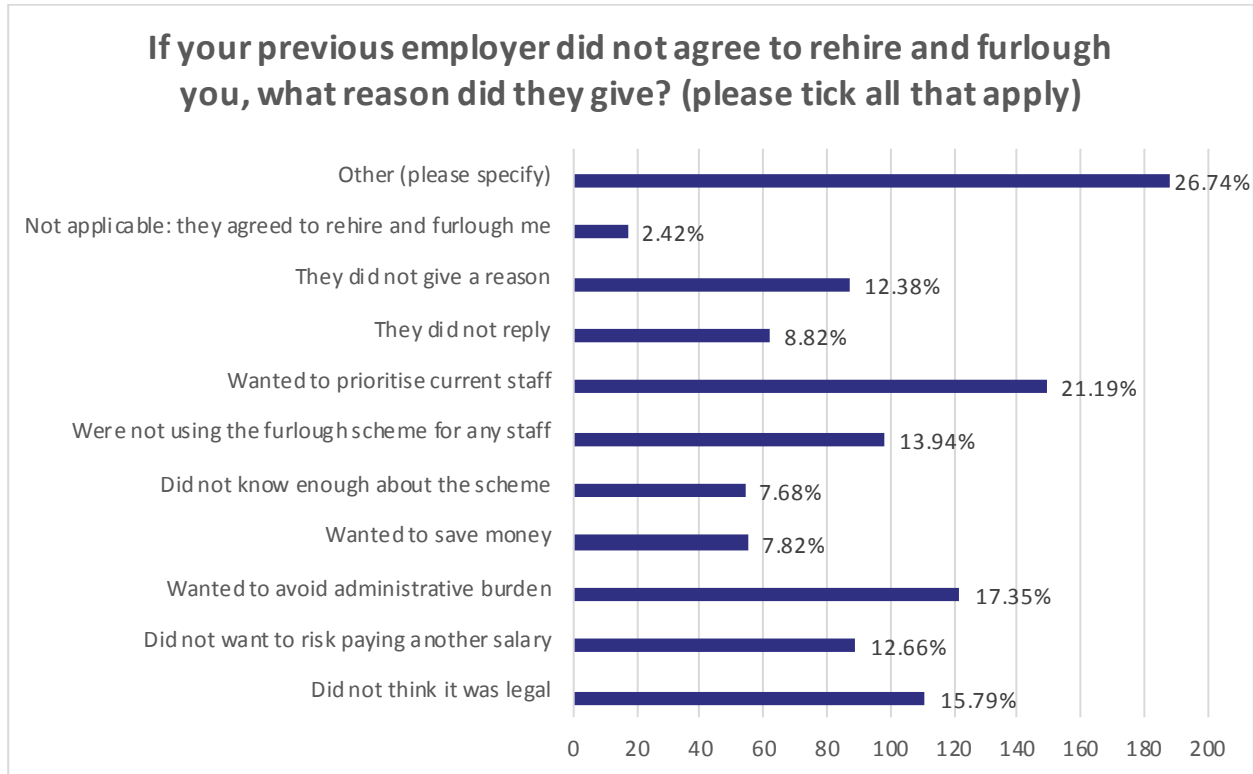


Figure 22: New Starter Justice Survey, Q12

As figure 22 shows, there were a variety of reasons given as to why employers would not rehire and furlough previous staff. 7.68% did not know enough about the scheme and 15.79% did not believe it was legal to rehire and furlough previous staff. This points to a lack of available information about the scheme, which has contributed in part to the high percentage of new starters left without support.

However, given that the overwhelming majority of new starters were refused by their previous employers—sometimes after asking multiple times in lengthy exchanges—we can only conclude that a scheme that provides individuals with income to see them through an unprecedented health emergency should never have been controlled by employers to the extent that it has. It should have been directly provided by the Government without the involvement of a “middle agent”.

Based on Figures 20 and 21, New Starter Justice suggests that as a measure designed to plug gaps in the CJRS, asking employers to rehire and furlough staff had a success rate of less than 3%, given the percentage of our sample who did not have a previous employer to ask.

**Case Study: Hayley Smith**

*I approached my ex employer, H&M, 3 times asking for their help. Firstly, I spoke to my previous store manager and she was really sympathetic and understanding of my situation. It was reassuring as she mentioned how the company had supported their staff and even acknowledged that new starters who had started in H&M after the cutoff were approaching their previous employers to hopefully get furloughed. I thought: "great, if they're expecting old employers to help their staff out then they'll help me, surely." After 7 days I had an email back saying no. It was "not in the spirit of the scheme" to rehire me and because I didn't leave due to the pandemic, they couldn't help me. I challenged back and said the government had said they could and still had a no. I then copied my MP into the emails and had no response. Third and final time of emailing they basically told me to get lost and wouldn't enter any more conversations with me.*

**Case Study: Katie Last**

*I left my previous job on 20 March with my notice period ending 21 March and my new job starting on 24 March. I received an email on 21 March saying that my start date had been postponed indefinitely. I messaged my old boss to say that it had happened; he replied saying if I needed anything to let him know. I emailed on 31 March to ask if they could furlough me, to which the answer came back as no. I then went back with the suggestion that I could sign a waiver to employment rights and holiday pay, but they still rejected it. The bills are being paid currently out of Mum's savings and the food is being paid for by her pension. Which is completely unfair because the whole point of her living with me was so I could look after her and she wouldn't have to worry about living on her pension of £600 per a month.*

**Universal Credit and Jobseekers Allowance**

In his briefing on 29 May, Chancellor Rishi Sunak reminded those left behind by schemes that Universal Credit (UC) had been made more generous in light of Covid 19 job losses. Many new starters within our movement have been pointed in the direction of UC by their MPs.

Our poll of 851 members within our Facebook group on 30 April revealed that 83% (703) of respondents received a payment of £0 after applying for UC in April.

The furlough payment via the CJRS was set at 80% to minimise disruption as much as possible—paying employees the majority of their salaries ensures they can afford food and essentials and minimises payment holidays which could in turn have an impact on the wider economy.

From our Universal Credit Poll and two questions about income and outgoings in our survey, we were able to calculate the average expected salary, average monthly outgoings and average Universal Credit payments among new starters.

- **Average expected wage from new job:** £1,501-£2,500 pcm<sup>1</sup>
- **Average outgoings:** £1,501 -£2,500 pcm<sup>2</sup>
- **Average UC payment (excluding £0):** £250 - £300<sup>3</sup>

<sup>1</sup> NSJ Survey Q22: 910 answered - exclude 2 'prefer not to say' – Median calculated from 908 answers.

<sup>2</sup> NSJ Survey Q25: 910 answered - exclude 35 'prefer not to say' – Median calculated from 875 answers

<sup>3</sup> See Figure 23 over page

## New Starter Justice Research Report

Amount	Number	Percentage
£0	703	83%
£1-50	8	1%
£51-100	34	4%
£101-150	8	1%
£151-£200	3	0%
£201-250	11	1%
£251-£300	2	0%
£301-350	20	2%
£351-400	6	1%
£401-450	28	3%
£451-500	0	0%
£501-£550	2	0%
£551-£600	6	1%
£601-650	1	0%
£651-£700	6	1%
£701-£750	1	0%
£751-800	1	0%
£800+	11	1%

Figure 23: The New Starter Justice Universal Credit Poll

Firstly, our calculations around expected salary and average outgoings indicate a trend consistent across our dataset: our sample is not prone to taking risks. On average, expected income was within the same range of expected outgoings.

Secondly, the average UC payment of £250-£300 is far less than the expected wage new starters would be earning if they'd been able to retain their jobs under the CJRS. It also falls well below the average outgoings.

UC is not an acceptable substitute for the CJRS. Theoretically, an employee who started work in February could be earning 80% of his salary during lockdown, while someone who started in March is receiving the equivalent of 10% of his salary in UC payments.

JSA is another option that, on the whole, has been more successful for unemployed new starters. However, for those who have been placed on unpaid leave by their new employer, JSA is not an option—many within the New Starter Justice community applied and were rejected on these grounds in early April.

But JSA is not an acceptable substitute for the CJRS, with maximum payments per week of £57.90 for under 25s, and £73.10 for 25 and over.

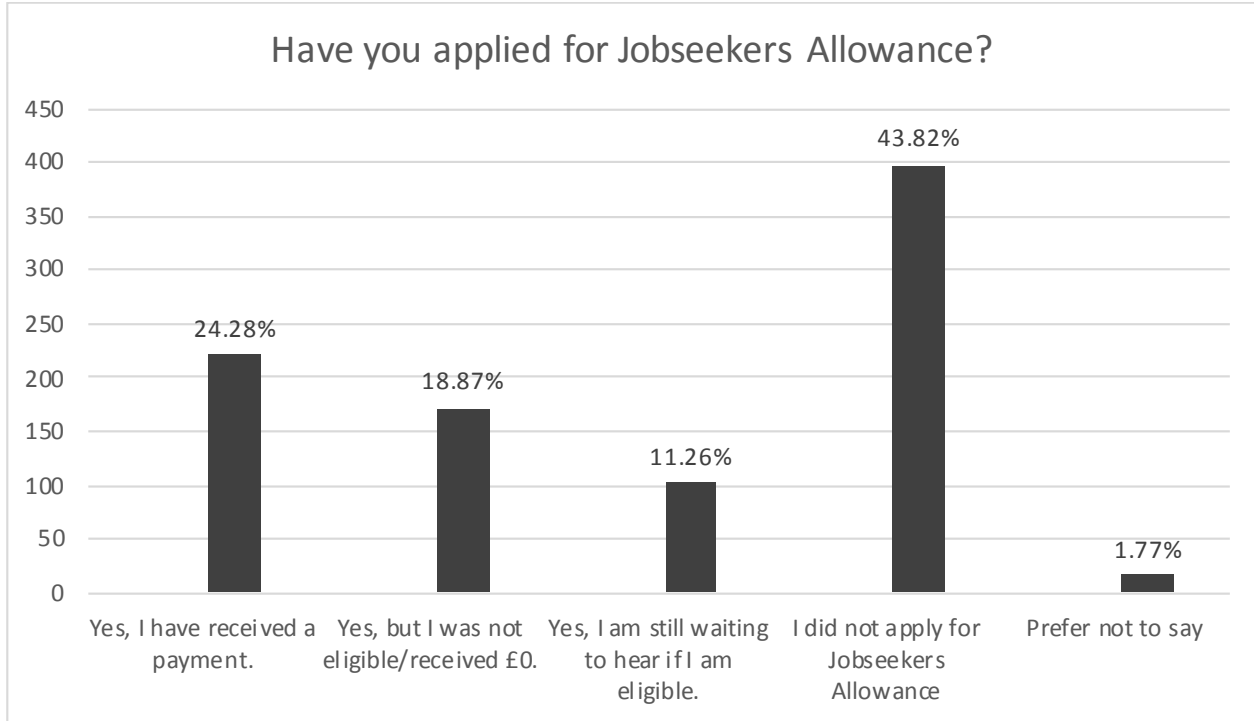


Figure 24: New Starter Justice Survey, Q32

**Case Study: Tamara Ellison**

*I started my new job 2 March and was put on unpaid leave 2.5 weeks later before the lockdown was announced and indeed before the CJRS. My RTI submission was 22 March. My employer wants to furlough me but can't. I'm the sole income provider for my family. I have been refused UC and myself, husband who is also out of work with no income and son are living off £74.35 a week JSA. We have savings for house renovations which have been ongoing for 3 years now, we're living in a static caravan whilst my husband is doing the work as it's been uninhabitable all that time. It's now delayed even further as we're having to dip into that fund. My son is 14 on Saturday, I have no money to buy him anything special for his birthday or even a takeaway as a treat. He's aware and has been really good about it but does sometimes need reminding how tight things are. I also have two dogs to feed, so it's really stressful and I have no date to go back to work. I dread the phone call or email to say they're letting me go.*

**Case Study: Emily, 26**

*I accepted my new role in the financial services in January and signed acceptance on 30 January. I then started my new role on 2 March after working my notice period. My RTI was submitted on 20 March. This rendered me ineligible for furlough. My old employer refused to furlough me—I asked them multiple times and explained the money comes from HMRC, not their pocket. I tried applying for UC, but because I am an LLM/LPC student I cannot get help. I do receive a student finance loan of £10,000. However, my tuition fees for the year are £16,500+ so I relied on my work income to make up the shortfall. I'm eating into my course money to try and make ends meet, so I'm more than likely going to have to drop out of my course because I simply can't afford it. I've had some small handouts from family, but I cannot rely on them to bail me out. My new employer wants to furlough me but cannot. They initially went to make me redundant but have agreed to keep me on unpaid leave for another month in the hope the scheme changes. At present I have no income at all.*

## Section 4 – Proof of employment

When considering if the Government has struck the right balance between making the schemes easy to access and offering targeted support, the question of new starter eligibility is paramount. The argument for excluding new starters has, thus far, been that the fraud risk of admitting employees to the scheme without RTI would be too great.

Given that TUPE business employees are admitted to support schemes without RTI, and the Self Employed are able to use their existing tax records as proof, this simply cannot be true. In asking for targeted support for new starters, we are not proposing a venture that has not been done before in the short history of Covid 19 schemes.

As the focus of the CJRS rotates from fully supporting businesses in retaining employees through lockdown to gradually restarting the workforce, it is crucial that provisions are made for new starters. While no more employees can be added to the CJRS beyond June 10, the Chancellor has announced that “flexible furloughing” will be an option until October. That flexibility can be extended to new starters. This section outlines the proof of employment that employers can submit on behalf of new starters (in the event that the CJRS is expanded to include them) or that new starters can directly submit (in the event that the Government includes new starters in direct measures of support).

### Did you sign a contract of employment with your new employer?

Answer Choices	Responses	
No	16.88%	157
Yes (please specify the date)	83.12%	773
<b>Signed on or before 19 March</b>	<b>95%</b>	<b>734</b>

Figure 25: New Starter Justice Survey, Q18



Reprint of Figure 15: New Starter Justice, Q18

## New Starter Justice Research Report

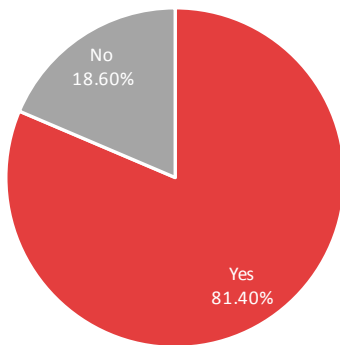
Figures 25 and 15 show that 83.12% of new starters signed a contract of employment with their new employer—as standard, contracts are date-stamped, and for online contracts the date and time of signature and creation can be verified via the contract software used.

95% of new starters signed their contract on or before 19 March—the day before the CJRS was announced. 95% of new starters, therefore, had a valid legal document in place in advance of Covid19's repercussions, and the CJRS—designed to retain jobs—instead invalidated them.

Given that a contract of employment is usually sufficient to hold both employers and employees to account, and is usually held with the utmost legal regard, holding precedent at legal tribunals and dictating the nuanced terms of employment, New Starter Justice feels that such a document is sufficient proof of genuine employment.

### Started new job

Were you able to start your new job?



Within the sample, 81.40% of respondents were able to start their new jobs (a statistic consistent with the timeline in Figure 17). With this in mind, those respondents will have been paid for the days they worked in their new job and will have other forms of proof associated with starting a job. Some members of the New Starter Justice group have CCTV proof of themselves attending work.

This is a clear example where targeted support is essential—the evidence that 81.40% of people worked in a new job before lockdown is obtainable, but the current scheme renders it invalid.

Figure 27: New Starter Justice Survey, Q20

### Proof of employment: a comprehensive guide

When asked to declare which types of proof of employment they could provide, 89% of our sample indicated that they had at least one form of proof. New Starter Justice recognises that a single document might be insufficient to prove employment but believes that submission of two to three pieces of evidence—to be corroborated against each other—would be more than sufficient. Alternatively, a similar situation to the one in place for TUPEd workers could be a successful way to diminish fraud risk. Based on the even spread of multiple answers displayed in Figure 28, New Starter Justice strongly advocates for an evidence-based system of furloughing. With the scheme set to continue until October 2020, there is ample time for such a system to be implemented or adapted.

For new starters, benefitting from the CJRS is a two-step process. Firstly, the Government needs to make the necessary changes. Secondly, new employers would need to agree to furlough new starters. Figure 29 shows that the majority of employers have categorically said they would furlough new starters using an amended CJRS.

## New Starter Justice Research Report

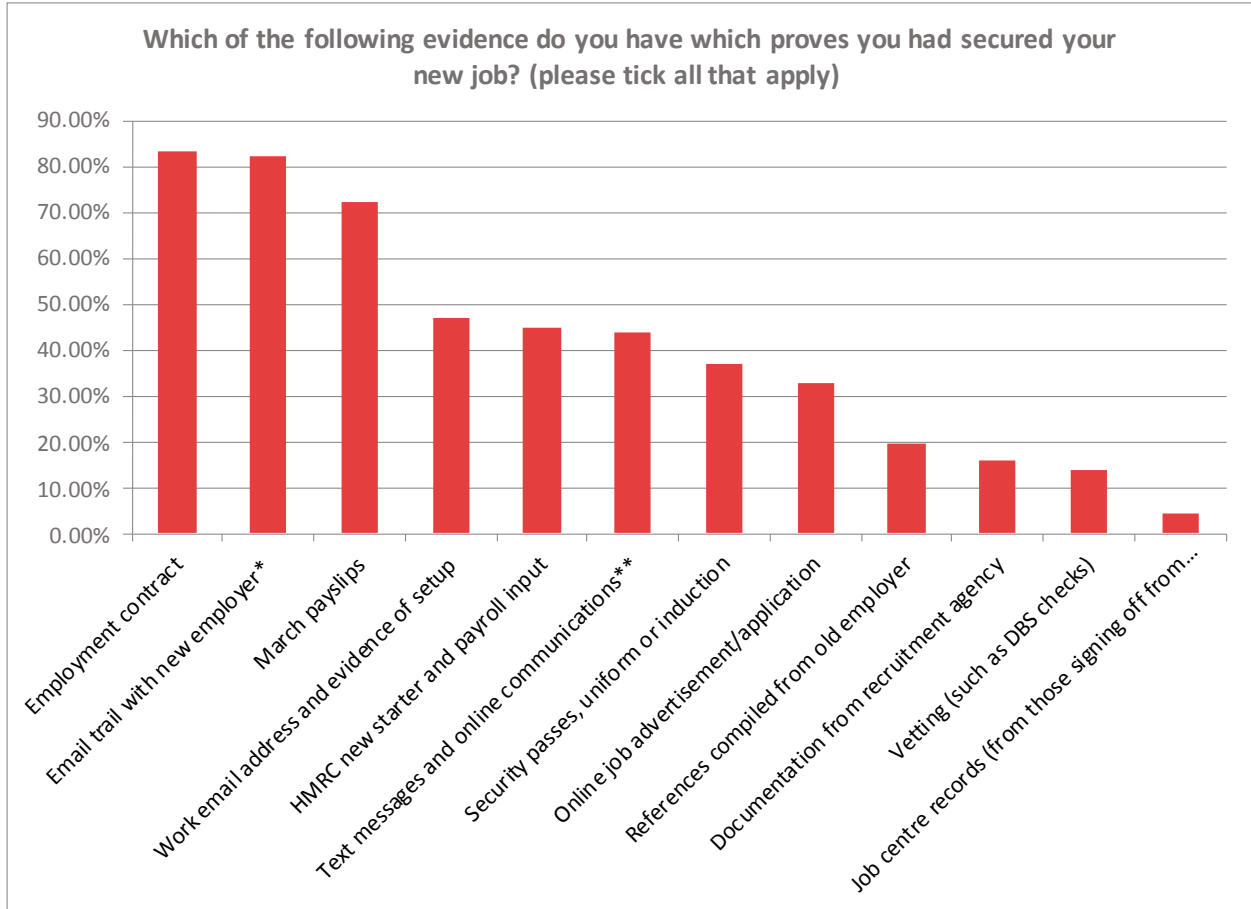


Figure 28: New Starter Justice Survey, Q21

\*(for example, setting up interview, job offer, start date) \*\*(for example, LinkedIn or Reed messages)

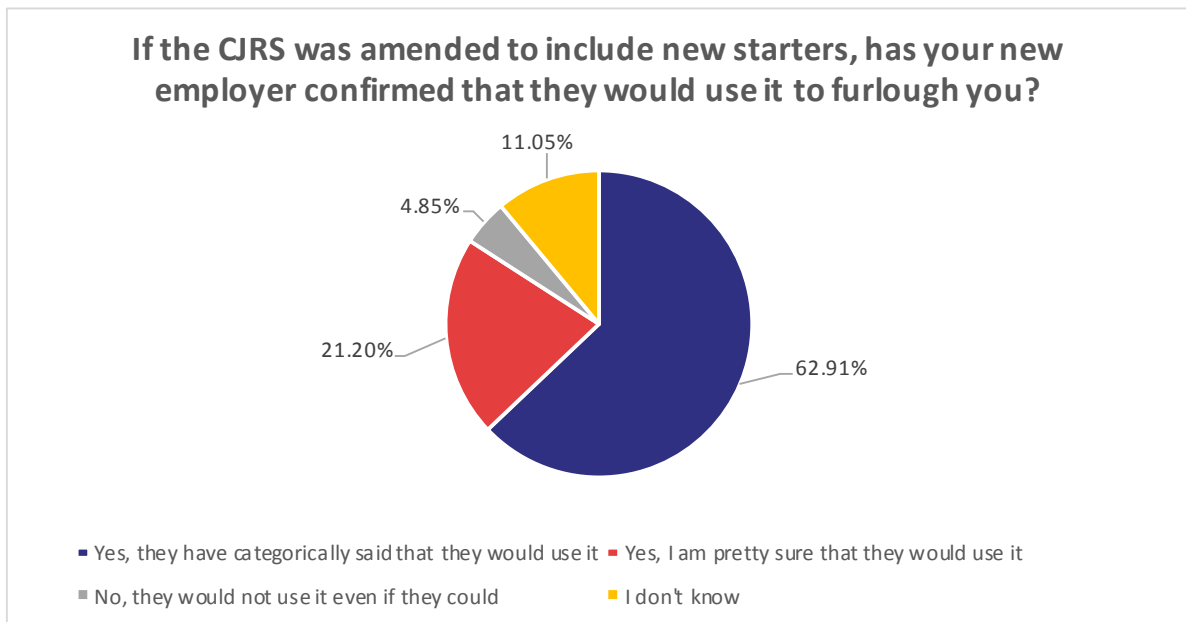


Figure 29: New Starter Justice Survey, Q38



## Section 5– earnings and income

This section shows the financial implications of new starters currently excluded from the CJRS. Not only are the short-term effects of such exclusion a concern, but the long-term recovery of new starters' financial positions could have lasting implications on the economy until October and beyond.

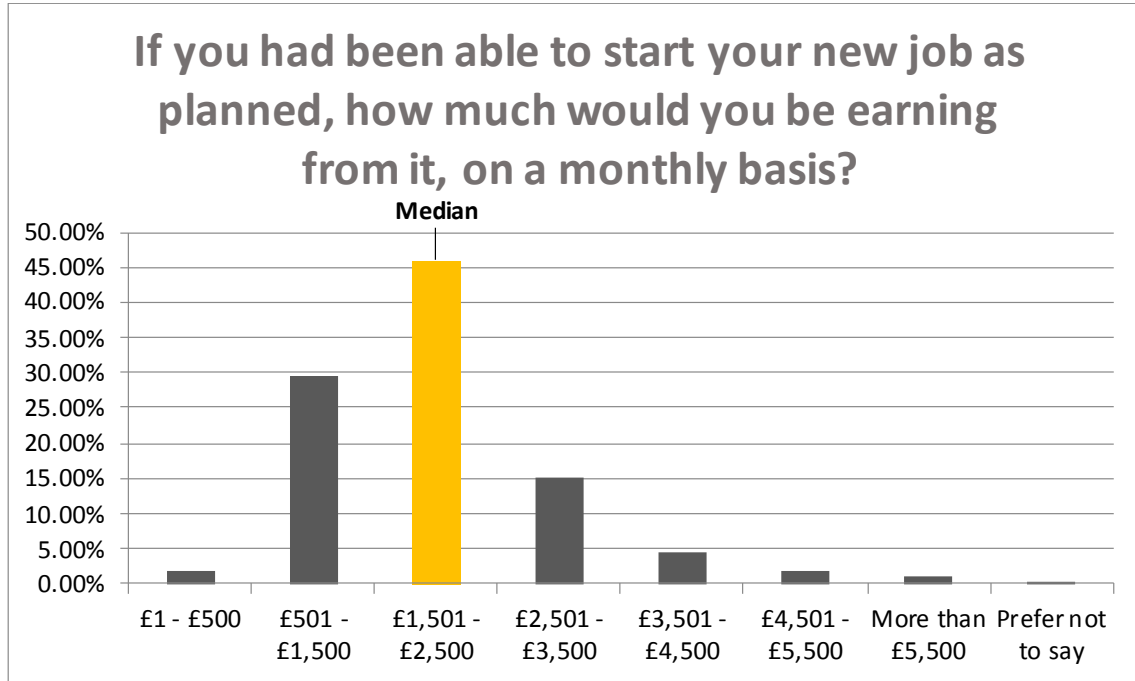


Figure 30: New Starter Justice Survey, Q22

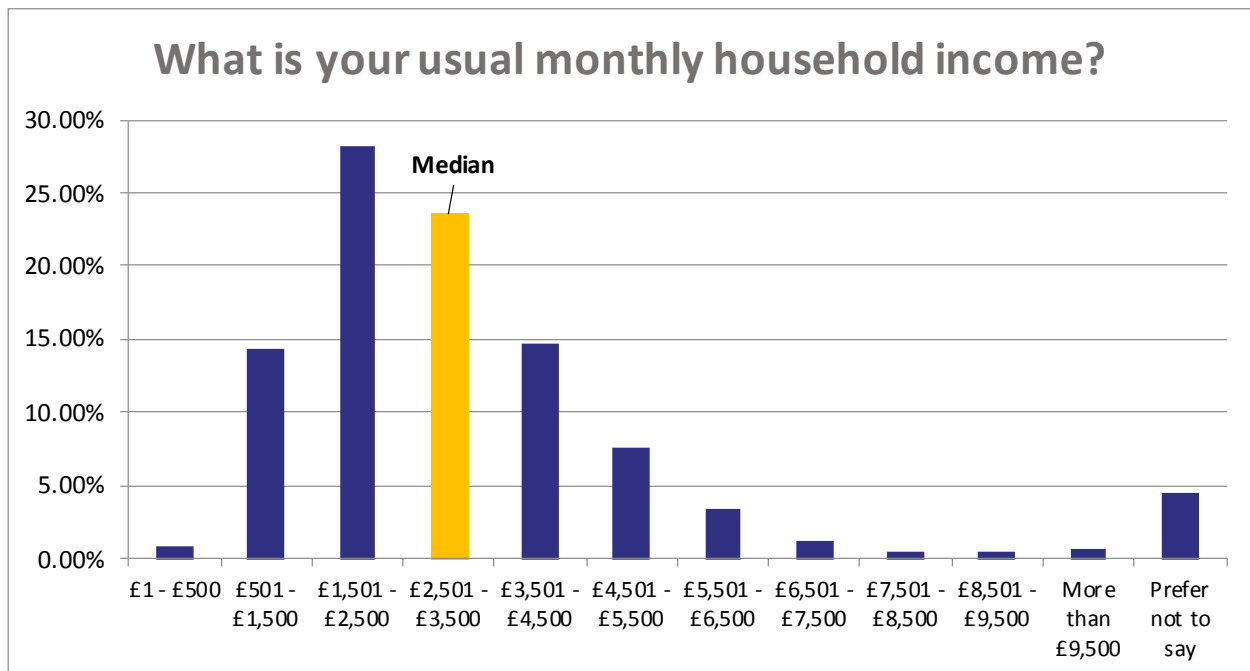


Figure 31: New Starter Justice Survey, Q23

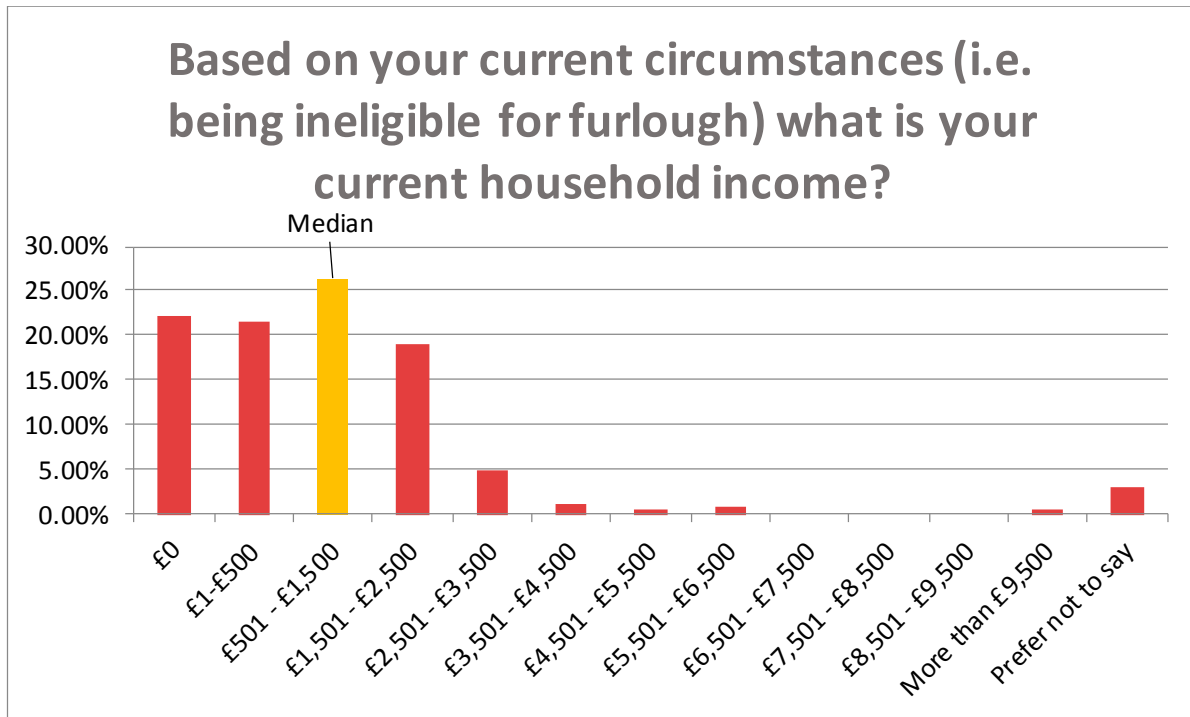


Figure 32: New Starter Justice Survey, Q24

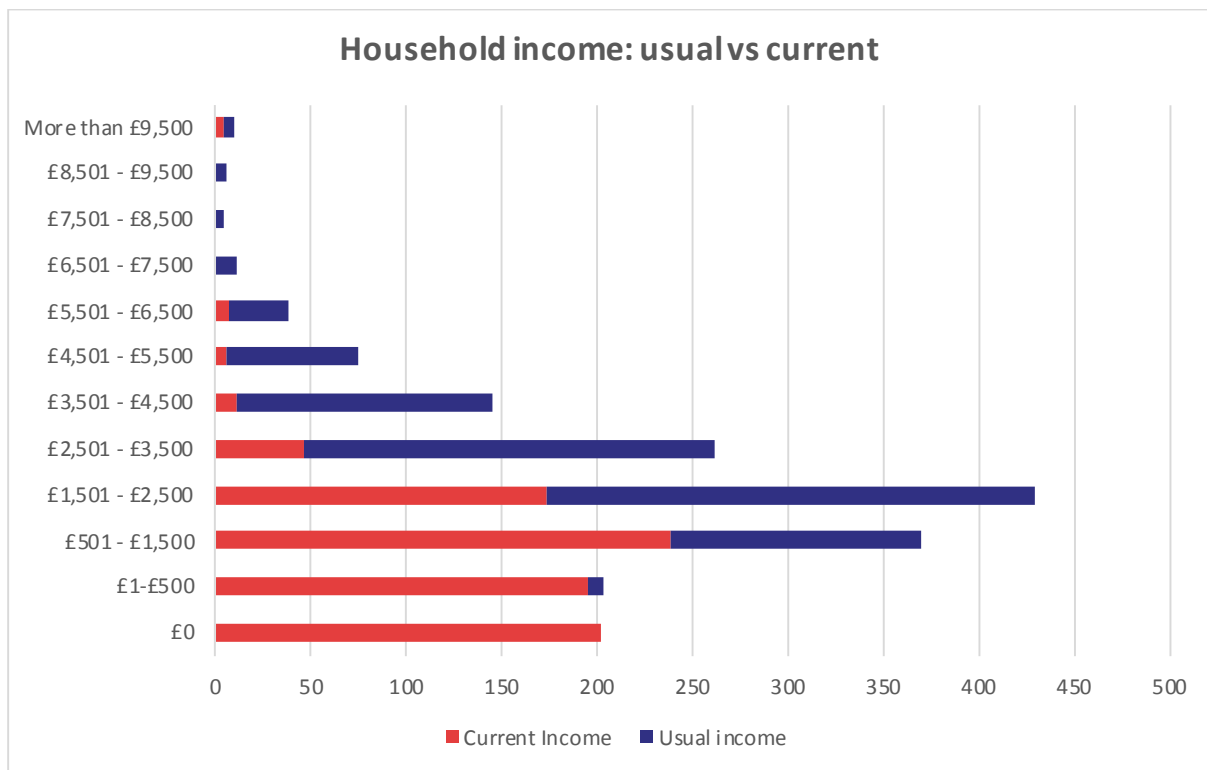


Figure 33: New Starter Justice Survey, Qs 24-25

## New Starter Justice Research Report

Figures 31-33 show the typical incomes in new starter households, compared to the incomes new starter households are receiving due to having one (or more) household member who is ineligible for furlough. Across our sample (excluding those who selected “prefer not to say” for one or both questions), 94% have seen an income decrease due to being ineligible for furlough. 47% of new starter households are surviving on less than 50% of their usual income. 5% have maintained their income, and 1% have increased their income.

Figures 32 and 33 depict the percentage of new starter households currently receiving £0 income: 22.2%. An income of nothing looks different across our sample: when asked for qualitative descriptions of how they were managing on £0 income, some new starters reported using savings, but others reported having to use food banks and vouchers, among other measures. It is certain that surviving on £0 income is not a sustainable option if the CJRS continues to run, unamended, until October 31.

### **Case Study: Steve Ivis**

*My new company sent me my contract with a start date of 23 March which I signed and returned. I then handed in my notice and served my week notice. I had one week between jobs. On the Thursday evening (before my Monday start), my new company called me to tell me that they were putting my start date back by 6 weeks, so I would be unpaid for 6 weeks. After another couple of weeks, they called me again to say I was being pushed back to June. A couple of weeks later, the large organisation said they were withdrawing new offers altogether. I stated that I thought they were out of order as they knew I had left another job in order to join them. They didn't care. I now have no income whatsoever and feel like I have been thrown under the bus by the company and by the government. I just have no idea what I am going to do. I have lost all faith in people.*

*Things can't get any worse. I've cut down on my food, and am only having one meal a day, or sometimes every 2 days. I feel sick all the time. As a result, two weeks ago I woke up in a pool of blood. They think I passed out due to low blood sugar. My partner came back to find police and ambulance and me in a pool of blood. 10 stitches to the head later, I've still got no memory of about 2 days either side and still feel very dizzy with constant headache. All because I didn't want to waste money on food.*

*My partner buys the food and she didn't realise I'd cut down as I was telling her that I'd eaten. But I'm old school and feel so guilty about not having any money coming in. I've lost all faith in society, which is probably not fair on my part, but I've always supported charities and always tried to do the right thing. And now we are in the position of not knowing if we will lose our home. I've paid tax for 30 years and never complained about it, but now, if I ever get a job, I will resent paying tax till the day I die.*

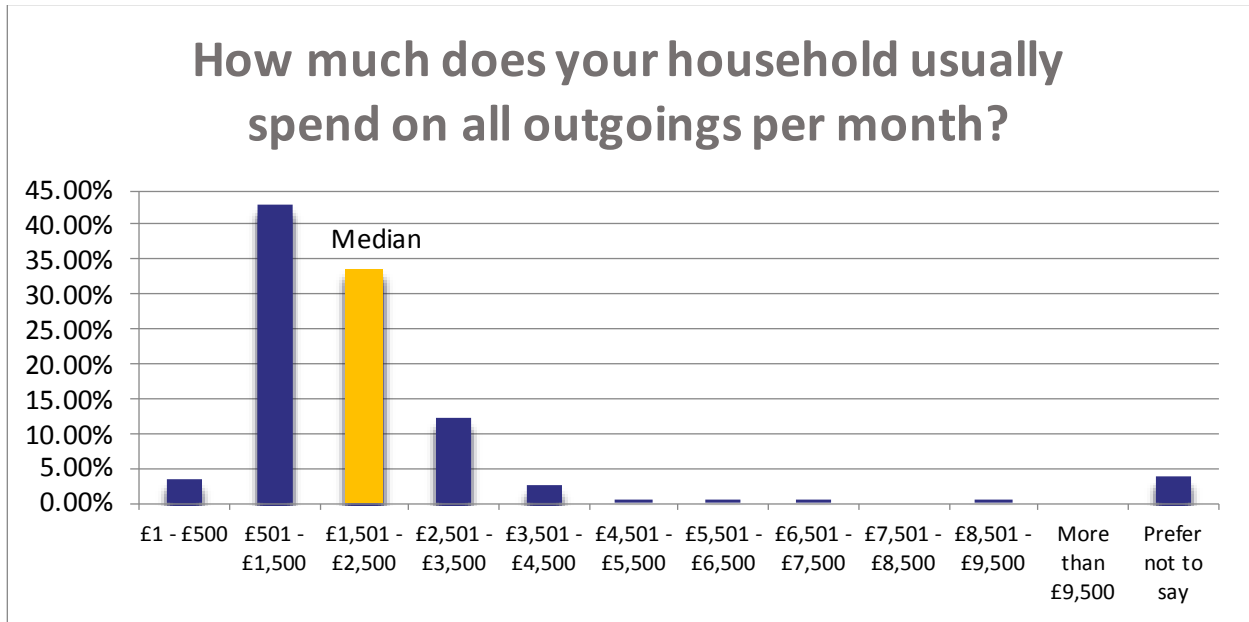


Figure 34: New Starter Justice Survey, Q25

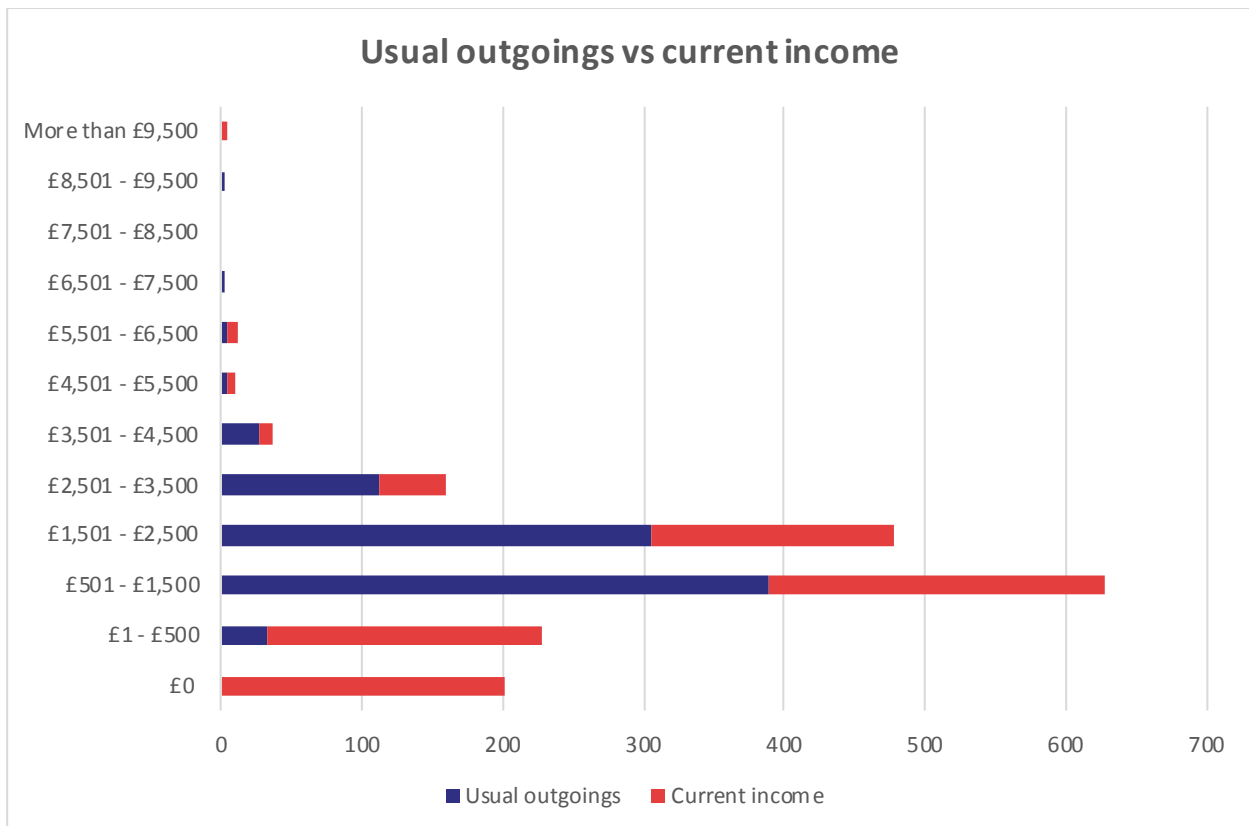


Figure 35: New Starter Justice, Qs 24-25

## New Starter Justice Research Report

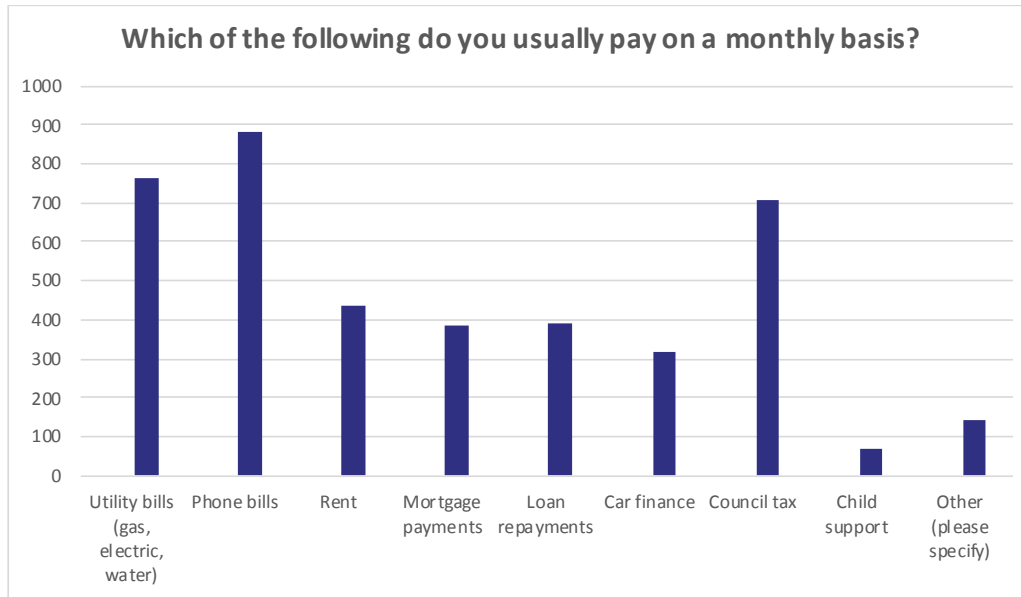


Figure 36: New Starter Justice Survey, Q26

Examining the usual outgoings of new starters helps to demonstrate why UC and JSA are not viable as income replacements for our sample. The median household outgoings (£1,501-£2,500) is lower than the median household income (£2,501-£3,500), indicating that new starters typically live well within their means. It goes further to demonstrate that respondents do not, on the whole, take financial risks. Further comparisons between usual household outgoings and current household income (Figure 35) goes further to highlight that respondents' current situations are not financially sustainable, with 67% of respondents currently reporting their income is less than their usual essential outgoings. In this sample, essential outgoings can be defined as the options shown in Figure 36. Without the means to pay these outgoings, the economic consequences could be felt across a broad range of sectors, including housing, automotive, utility companies and more—not to mention the cancellation of outgoings deemed non-essential by our sample, such as media subscriptions, holidays and more.

### Case Study: Jasmine Crone, 24

*I moved down to London from Manchester last Spring to start a job on April 2nd. I worked there for almost a year and my last day was on the 13th March. When the furlough scheme came out, I contacted my old employer to see if they would help and at the time, they weren't able to. The outlines of who could be furloughed later changed, I contacted them again, but they still said that they wouldn't furlough me. I was so desperate that I said I'd be happy if they backdated me and immediately gave me notice so that I had at least 2 months' worth of money and they were covered, too. They said they couldn't. I'd started looking around for jobs but there just isn't much hiring at the moment that I'm qualified for. I am not eligible for UC or JSA so I am living 100% off my savings which, being only 24, are nothing of note as I've only had a "good"-paying job for one year. I have also massively avoided the champagne lifestyle that my friends have down here to ensure I could make the most of my paycheck, and I dread to think where I'd be now if I hadn't done this. I live in a house share with friends in London. If I did move back home to save some money it would mean asking all of them to increase their rent contributions significantly to cover my share. I feel like I'm stuck between a rock and a hard place. Everyone I live with is working remotely and I know they'd all be anxious about me going out every day to work but I no longer have a choice. I've been waiting to see if anything will change and sectors will pick up again so that I could find work but the next few months are so unclear.*

## New Starter Justice Research Report

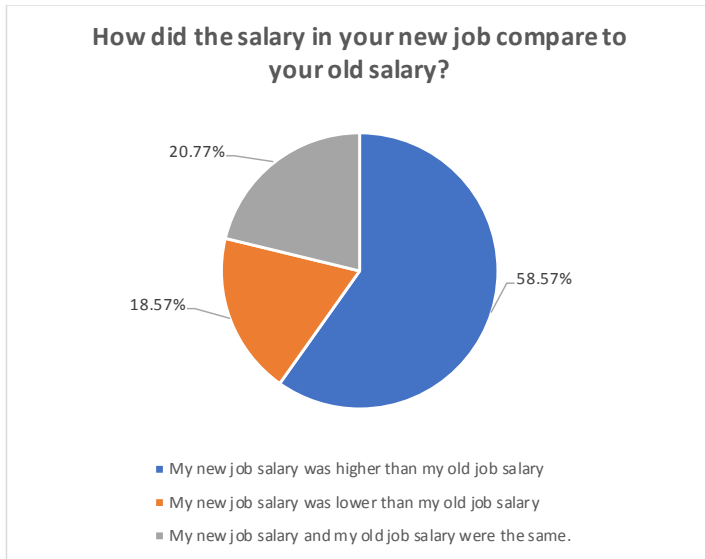


Figure 37: New Starter Justice Survey, Q29

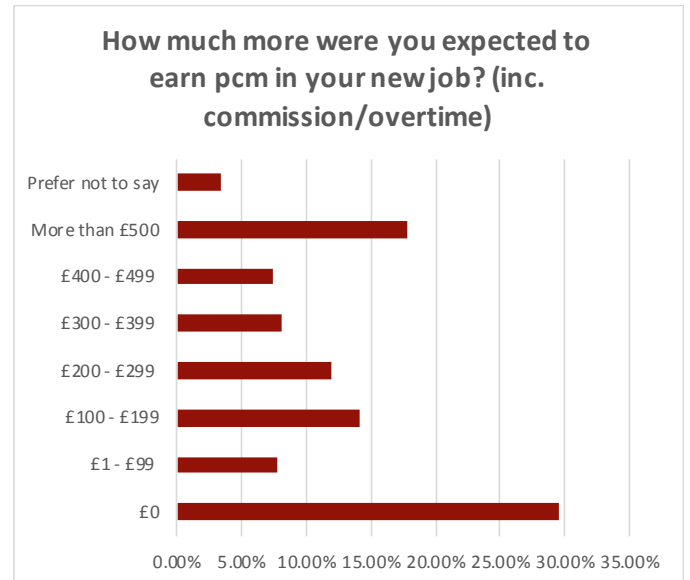


Figure 38: New Starter Justice Survey, Q30

Figures 37 and 38 show the percentage of new starters who expected to earn more per month in their new job, as well as the expected monthly pay increase for those it applies to. For those expecting a pay rise, the average expected pay rise was £200-£299 pcm<sup>4</sup>.

Given the high proportion of new starters for which UC is not sufficient, New Starter Justice wanted to find out what support our respondents are relying on—in addition to Government support, as well as in place of it for those who do not qualify.

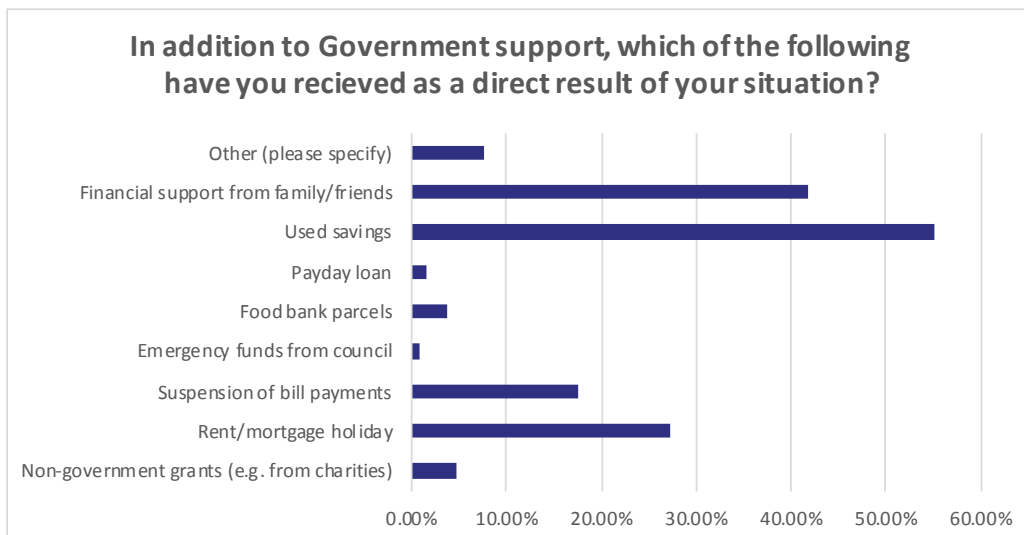


Figure 39: New Starter Justice Survey, Q33

<sup>4</sup> Median average taken from 611 answers. Excludes those expecting £0 pay rise and those who answered “prefer not to say”.

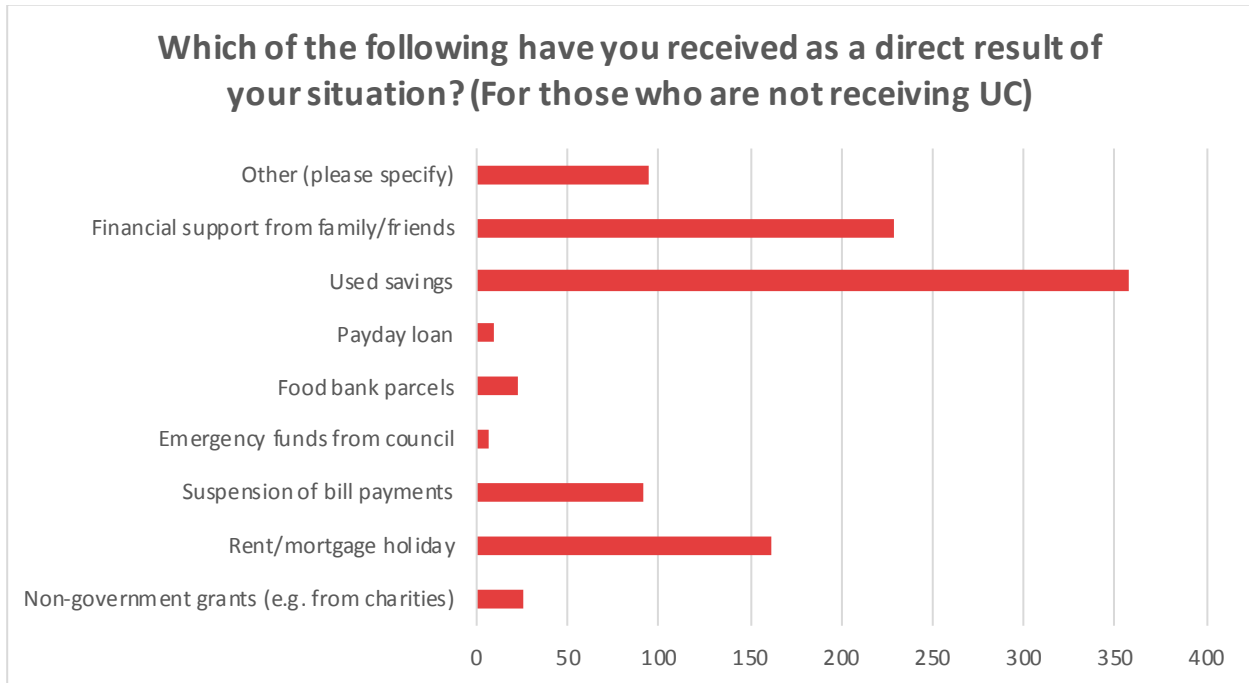


Figure 40: New Starter Justice Survey, Q33, filtered to those who answered that they are not receiving UC (determined in Q31)

Figure 40 shows that nearly 60% of those not receiving UC are instead surviving on their savings. Although this means that they are not facing immediate poverty, they are likely to be worse affected long-term, having used a finite amount of money to fund their current outgoings.

Our qualitative research also shows that savings were, by and large, intended for a specific purpose. This could have a knock-on effect to the wider economy as house purchases, weddings and other large financial commitments will be put on hold due to lack of savings.

Figure 40 also shows that nearly 37% are relying on help from friends and family. The incomes of friends and family are likely to be reduced as a consequence of this (and possibly because of other factors pertaining to Covid 19). This shows that the number of people impacted by exclusion from the CJRS goes beyond the households of new starters themselves.

**Case Study: Anonymous, 58**

*The savings we have were specifically for our old age. My husband is 65 in December and I'm 59 in July. We don't have private pensions so will be relying on the state pension plus savings. We both work hard through the summer months to make sure that we have enough to get through winter without dipping into our savings. My husband does harvest work and I work at a local holiday park. In the winter I do self-employed bookkeeping but that has dried up as the small businesses that I work for have either ceased trading or have taken their admin in house. Without UC or JSA I have no option other than to use the savings.*

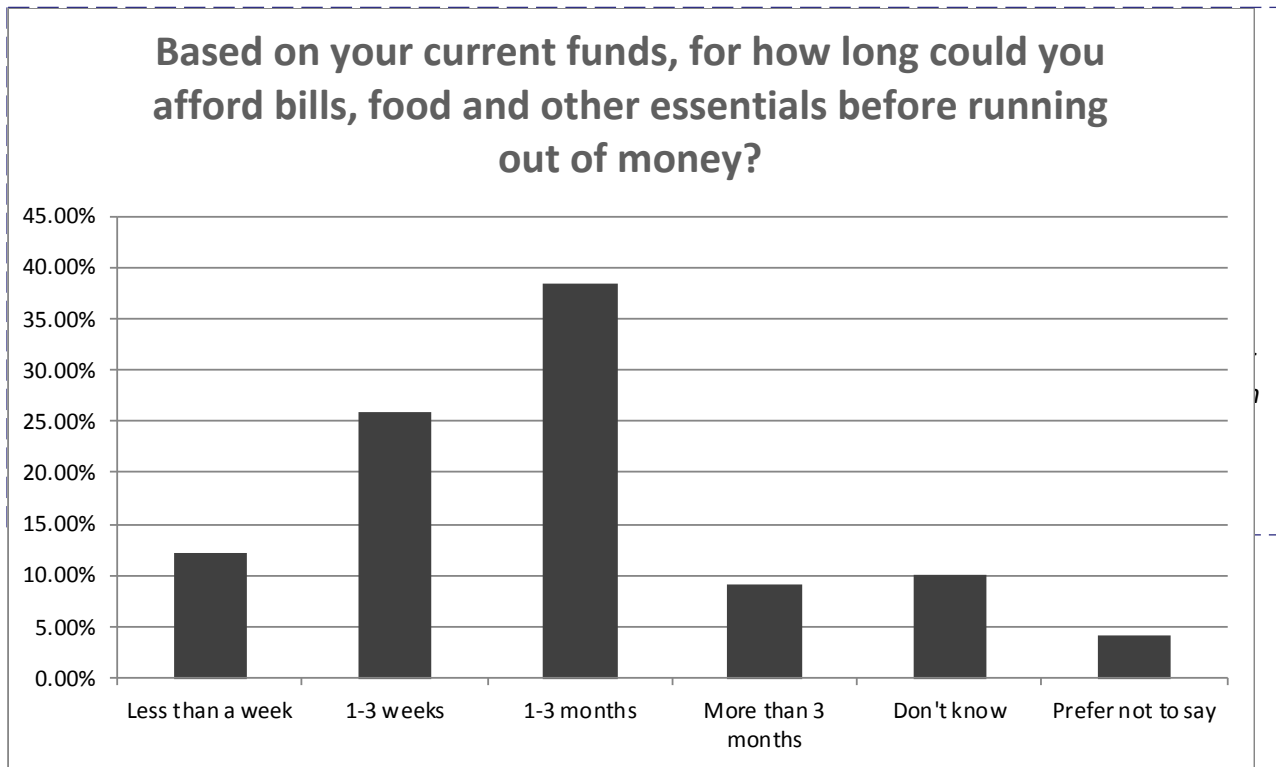


Figure 41: New Starter Justice Survey, Q34

When asked how long they could pay bills, food and other essentials before running out of money, 76% of new starters indicated that they would not be able to last beyond three months based on their current funds. 12.25% said that they could not last more than a week from the day they completed the survey. That the majority of new starters are indicating that they could not afford basic essentials in the long-term is particularly concerning given that the CJRS is set to run until October 31. These people will be at a direct disadvantage in that they will be unable to access the CJRS, and colleagues who are furloughed via the CJRS will likely be prioritised by employers. Given the predictions and indications within Section 5 of this report, new starters are unlikely to withstand five more months without dipping into extreme poverty.



## Section 6 – Children

New Starter Justice has been aware, anecdotally, of children within new starter households, for as long as the campaign has been active. The welfare and stability of children has long been a priority of the campaign, and we wanted to present an accurate picture of how many new starters have children alongside the qualitative evidence we have. We hope that this will inform the Treasury of where financial support should be concentrated as lockdown measures ease.

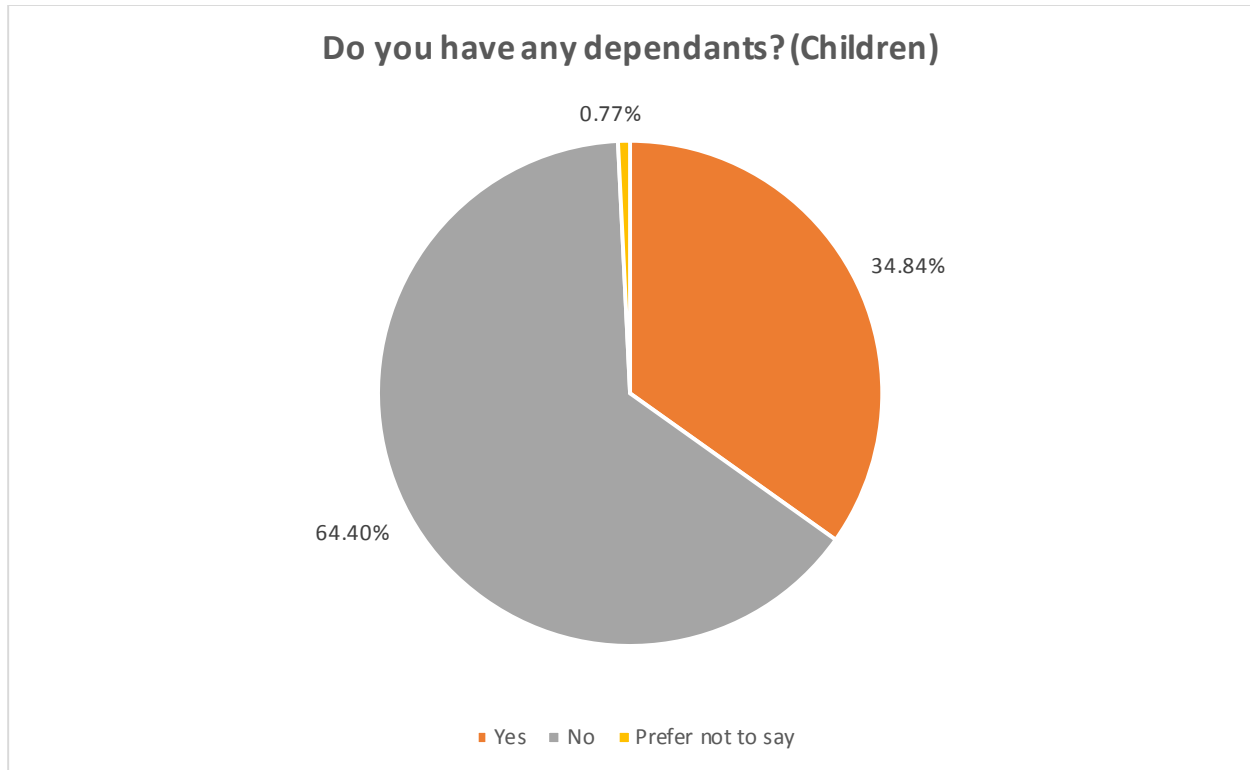


Figure 42: New Starter Justice Survey, Q27

### **Case Study: Lee Southwick, 32**

*I am a 32-year-old bathroom fitter with a fiancé, (who is a stay-at-home mum) and two young boys, one aged 3 and the other 9 months. My ex-employer refused to help, said things like "we need to look after current employees, you decided to look for greener pastures" and "you have two young children, I'm sure you'll get some sort of benefits". As the sole provider for my family, we were entitled to UC, £1102 a month, but it's still only around 40% of my usual wages. I only had 2 weeks' wages in March, and I'd spent money from February's wages to buy new tools prior to starting in March. My wages from February were also less than normal, since I was off work for two weeks with Covid19. In my time off I pretty much had a breakdown and have been put on anti-anxiety medication by the doctors. Fortunately, I do still have a job, and returned to work yesterday, so should receive another week's wages on Friday. But have suffered considerable hardship in the previous weeks, relying on handouts from family. We have cancelled our holiday and our wedding. It wasn't going to be a very flamboyant wedding, very intimate. We hadn't necessarily put money aside for it, but we had enough, and now we don't. As for the children, it has definitely affected them. While I've developed an incredible bond with my youngest—his afternoon cuddles are all that's got me through it—my oldest should never have to know words like "care package". When I say, "I've got..." and he asks if it was from a care package, I feel humiliated.*

## Section 7 – mental health

Another ongoing concern for New Starter Justice has been the mental health of members, particularly in a climate where face-to-face medical help is not as readily available as it has been. Our research confirms that the correlation between financial issues and mental health issues is strong. New starters excluded from the CJRS and thus affected financially could be grappling with long-term mental health issues for the duration of the CJRS and beyond.

**How much has your current situation affected your mental health? (e.g. causing stress, anxiety, low mood or depression)**

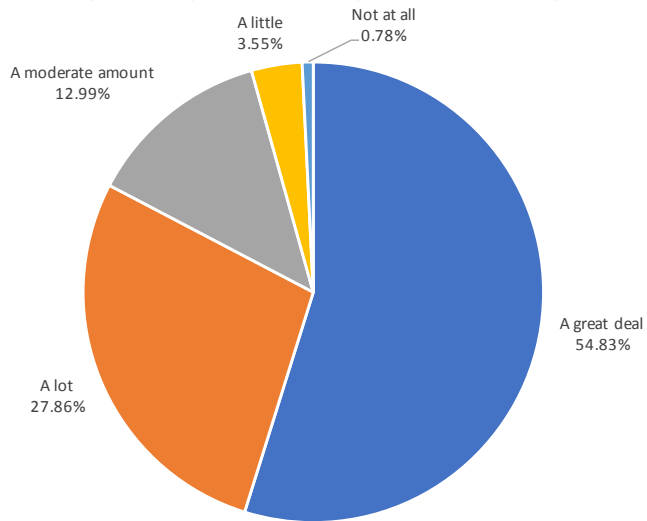


Figure 43: New Starter Justice Survey, Q35

**Have you sought medical advice for mental health reasons as a result of your current situation?**

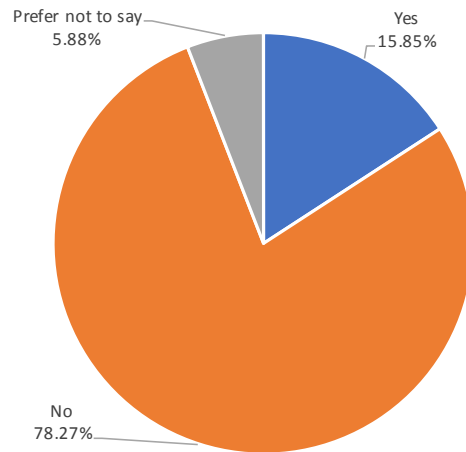


Figure 44: New Starter Justice Survey, Q36



## New Starter Justice Research Report

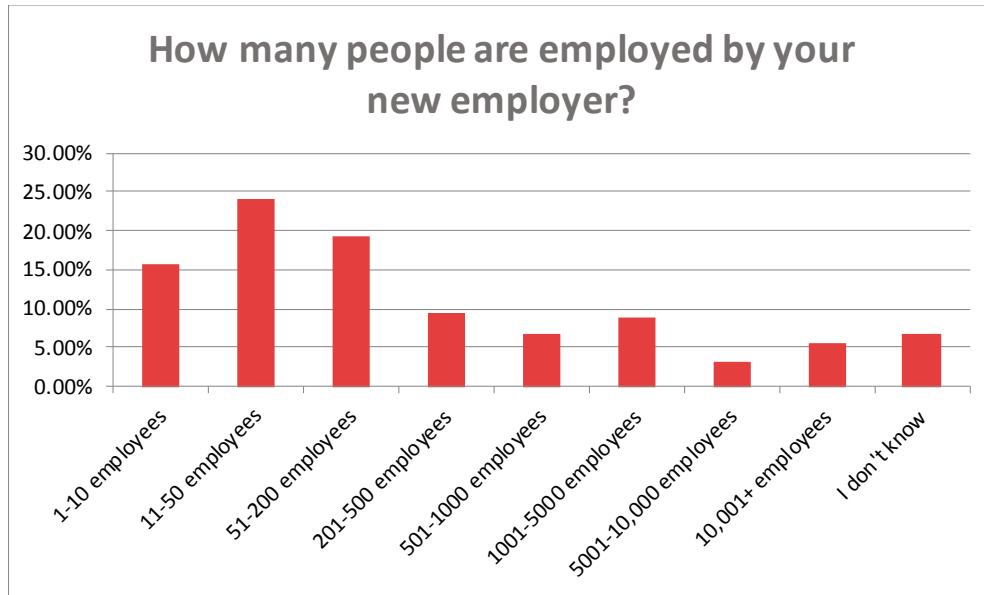


Figure 46: New Starter Justice Survey, Q13

As shown in Figure 46, 59% of new employers have 200 staff members or fewer, while 40% of new employers have fewer than 50 staff. It is at these smaller and medium-sized businesses that the loss of new starters joining teams as expected will be felt most strongly. For businesses to successfully bounce back from periods of closure or low activity, they will need access to the resources they had at the start of the pandemic—including staff members recruited just before it.

Without new starters, businesses will have to devote time and funding into recruiting new staff members to replace the new starters they were unable to retain. An amended CJRS which would allow new starters to be flexibly furloughed would be beneficial to our sample as well as to their employers.

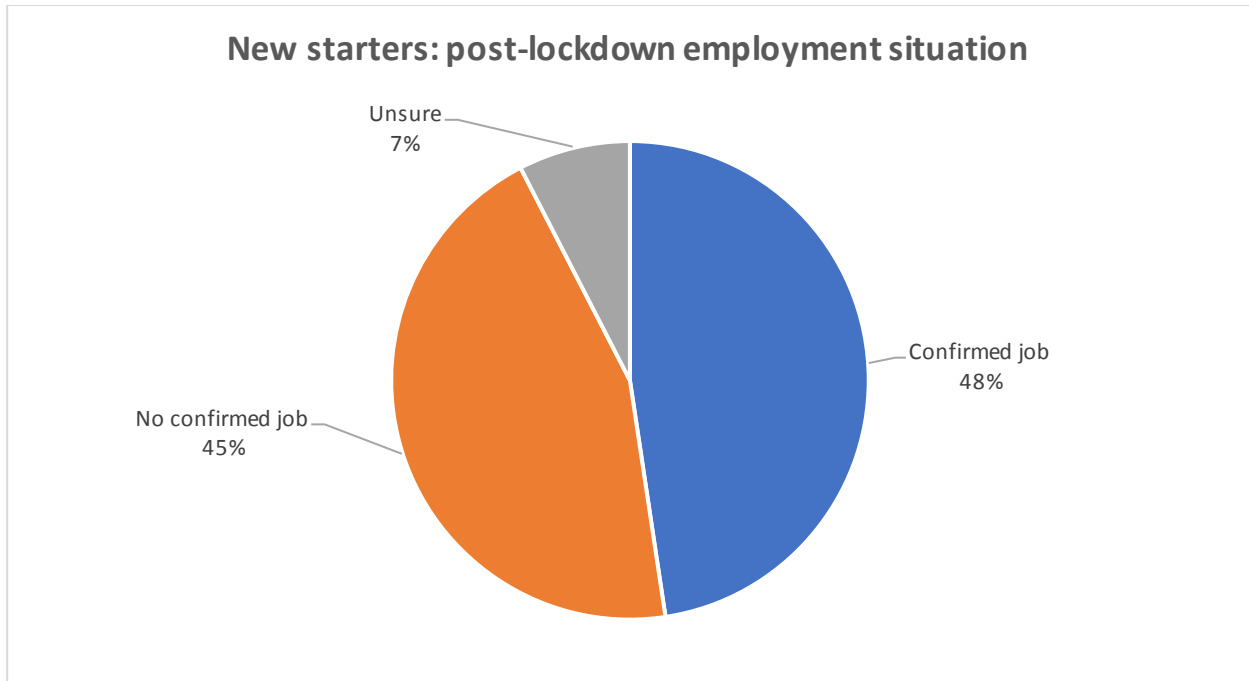


Figure 47: New Starter Justice Survey, Q4

Looking once more at Question 4, which asked respondents what their current employment situation is, it is possible to estimate the percentage of respondents with a confirmed job after lockdown. In the above chart, New Starter Justice interpreted anyone who answered that they are “on unpaid leave”, “Reduced hours/pay” and “Employed-permanent job” to have a confirmed job when lockdown ends. It can be assumed that anyone “Unemployed” does not have a confirmed job after lockdown, as is the case for anyone in their notice period, on sick leave, garden leave, or employed in a temporary job. It is not possible to determine whether the 7% of respondents who selected “Other” have a job to go to. While being furloughed should indicate that a job can be maintained post-lockdown, in the context of this dataset, it cannot be determined if new starters are furloughed by their old or new employers—the former group are likely only furloughed by their old employer until the scheme ends. It is also important to note that many of those on unpaid leave are having their contracts cancelled as lockdown continues.

After lockdown, 45% of new starters do not have a confirmed job to go to. Based on our estimate that between 1.6 million and 2.3 million new starters are excluded from the CJRS, that indicates that between 720,000 and 1.04 million new starters will be unemployed as lockdown finishes.

Before the CJRS was announced, 100% of them had a job to go to.

June 2020