

## **South Worcestershire Development Plan Examination**

### **Phase 1 Stage 2**

### **Updated Objective Assessment of Housing Needs - Further Evidence**

### **South Worcestershire Councils**

#### **HM Treasury - Forecast Comparison - 5 August 2013**

The South Worcestershire Councils received the following information from Experian on 5 December 2013.

The **August edition** (of the HM Treasury Economics Forecast Comparison) contains the key metrics from the Experian forecasts at national level, which were used to inform/prepare the regional forecasts and then as input to the local forecasts on which the employment forecasts are based – sent by Experian on 5<sup>th</sup> August 2013 and published 21<sup>st</sup> August 2013 on the HMT website. However, as a result of an input error the survey Experian sent to HMT on 5<sup>th</sup> August had some inaccuracies and the subsequent macro forecasts published in the HMT August edition are NOT the forecasts which were used to prepare the regional forecasts. This was just an input error at the time of sending back survey data to HMT and it has no bearing on Experian's national, regional and local forecasts. This error has been revised and the survey data which should have been sent (with the actual forecasts used to prepare the regional/local forecasts) is attached.

**SWCs: 31 January 2014**

**TEL: 020 7270 5404****H.M TREASURY - FORECAST COMPARISON****MEDIUM TERM FORECAST****Please insert your company/ institutions name**

Forecasting Group :	<i>Experian</i>
Name of forecaster :	<i>Sunita Bali</i>
Date of forecast :	<i>05-Aug-13</i>
Contact Tel Number :	

Please note: We will only be able to include forecasts returned by **COP on Wednesday 14th August 2013**  
Please use the spreadsheet provided adding additional comments where necessary.\*  
E-Mail returns to **Andrew.Wishart@hmtreasury.gsi.gov.uk**

	2013	2014	2015	2016	2017
<b><u>CALENDAR YEAR</u></b>					
GDP	1.03	1.62	1.79	2.09	2.08
Domestic Demand	0.56	1.48	1.70	2.12	2.18
Net trade contribution to GDP growth	0.49	0.12	0.07	-0.05	-0.12
CPI: annual average	2.67	2.39	2.45	2.29	2.33
RPI: annual average	3.17	3.24	2.94	3.44	4.51
Current account (£bn)	-53.91	-48.42	-52.12	-60.67	-78.66
Current account (% money GDP)	-3.34	-2.89	-2.99	-3.35	-4.18
Claimant Unemployment: annual average	1.52	1.46	1.33	1.24	1.18
Official Bank Rate (%): annual average	0.50	0.50	0.50	1.04	2.05
Sterling index (Jan 2005=100): annual average	82.27	84.10	87.00	89.35	90.02
House price inflation: annual average**	2.39	3.57	3.80	3.66	3.22
Output gap (% of potential GDP)	n/a	n/a	n/a	n/a	n/a

	2013-14	2014-15	2015-16	2016-17	2017-18
<b><u>FINANCIAL YEAR</u></b>					
PSNB	107.53	90.74	76.02	63.68	56.56
PSNB (% money GDP)	6.59	5.36	4.32	3.48	2.98
GDP deflator	2.39	2.23	1.86	1.82	1.63

\*\* Please indicate in column H which series you have based your forecast on (Halifax, Nationwide, CLG, other)

Tel: 020 7270 5404

**H.M. TREASURY - FORECAST COMPARISON****SHORT TERM FORECAST****Please insert your company/ institution name**

Forecasting Group :	Experian
Name of forecaster :	Sunita Bali
Date of forecast :	05/08/2013
Contact Tel Number :	

Please note: We will only be able to include forecasts returned by **COP on Wednesday 14th August 2013**

Please use the spreadsheet provided adding additional comments where necessary.\*

E-Mail returns to **Andrew.Wishart@hmtreasury.gsi.gov.uk**

	2013	2014	
<b>Percentage change</b>			
GDP	1.026275	1.620308	
Private Consumption	1.760365	1.774925	
General Govt consumption	0.503767	-2.107091	
Gross fixed investment	-3.180146	6.048481	
Change in Inventories contribution to GDP growth	-0.212486	0.001087	
Domestic Demand	0.563051	1.481082	
Exports (Goods & Services)	0.65875	4.154145	
Imports (Goods & Services)	-0.858214	3.649024	
Net trade contribution to GDP growth	0.488576	0.118596	
Output gap (% of potential GDP)	n/a	n/a	
CPI (Q4)	2.445879	2.412051	
RPI (Q4)	2.989713	3.24367	
RPIX (Q4)	2.97715	3.017144	
Average Earnings	1.420623	3.266877	
Sterling Index (Q4, Jan 2005=100)	82.18192	84.96989	
Official Bank Rate (Q4)	0.5	0.5	
Oil price (Brent, \$ per barrel)	105.8975	105.25	
M4 growth excluding intermediate OFCs	n/a	n/a	
House price inflation** (Q4)	2.839333	3.715756	DCLG
RHDI	-0.312327	1.400942	
Employment growth	0.70547	0.676725	
Claimant Unemployment (Q4, millions)	1.535397	1.410922	
Manufacturing Output	-1.093704	1.629272	
World trade in Goods and Services	n/a	n/a	
Current account (£bn)	-53.91044	-48.42401	
Size of APF Purchases (£bn)	n/a	n/a	
Public Sector Net Borrowing ex ***PSNB £bn	104.4377	94.789	
	<b>2013-14</b>	<b>2014-15</b>	

\* Please add comments in boxes to the right of data, using HM Treasury abbreviations if possible.

\*\* Please indicate in column H which series you have based your forecast on (Halifax, Nationwide, CLG, other)

\*\*\* If not forecast please use net cash requirement (PSNCR) and indicate where done so.

## Annex I: Notation

a:	as a percentage of GDP
b:	non-durable consumption
c:	consumer expenditure less expenditure on durables and housing
d:	private sector investment, stockbuilding and durable consumption
e:	investment and stockbuilding combined
f:	contribution to GDP growth - percentage points
g:	end period
h:	calendar year
i:	financial year
j:	compensation of employees/head
k:	different definitions; refer to forecasters for details
l:	3 month interbank rate
m:	general government current and capital expenditure plus stockbuilding
n:	average of spot price of Brent crude and Dubai light crude
o:	world trade in manufacturing
p:	ILO unemployment - millions
q:	ILO unemployment rate
r:	PSNCR (Formerly PSBR)
s:	PSNB including the effect of financial interventions
t:	world GDP
u:	OPEC average
v:	final domestic demand
w:	percentage change
x:	based on Halifax house price index
y:	based on Nationwide house price index
z:	based on CLG house price series
aa:	claimant unemployment rate
ab:	treaty deficit
ac:	PSNB adjusted to include the transfer of Royal Mail's pension fund
ad:	M4 growth

## Annex 2: Data definitions

GDP	National accounts, Table C2, Code ABMI
Private consumption	Households + NPISH, National accounts, Table C2, Code ABJR+HAYO
General government consumption	National accounts, Table C2, Code NMRY
Gross fixed investment	National accounts, Table C2, Code NPQT
Change in inventories (2003, £bn)	National accounts, Table C2, Code CAFU
Domestic demand	National accounts, Table C2, Code YBIM
Exports (goods & services)	National accounts, Table C2, Code IKBK
Imports (goods & services)	National accounts, Table C2, Code IKBL
Output Gap	the gap between actual output and trend (or potential) output, expressed as a percentage of trend (or potential) output.
CPI (Q4)	Consumer Price Indices release, Table I, Code CJYR
RPI (Q4)	Consumer Price Indices release, Table I, Code CZBH
RPIX (Q4)	Consumer Price Indices release, Table I, Code CDKQ
Headline average earnings	Labour market statistics, Table I5, Code LNNC
Sterling index (Q4, Jan 2005=100)	Bank of England Monetary and Financial statistics division Code BK67
Official bank rate (Q4)	(Previously Bank of England repo rate (Q4))
Oil price (\$ per barrel)	Brent crude, annual average
M4 growth excluding intermediate OFCs	Bank of England Monetary and Financial statistics division Code VVVP, calendar year (previously financial year)
House price inflation	Q4 on Q4 annual percentage change in house prices
RHDI	National accounts, Table J2, Code NRJR
Employment growth	Workforce jobs, Labour market statistics, Table 4, Code DYDC
Claimant unemployment (Q4, mn)	Labour market statistics, Table I0, Code BCJD
Manufacturing Output	National accounts, Table B1, Code CKYY
World trade in goods and services	
Current account (£bn)	Balance of payments release, Table A, Code HBOP
Size of APF purchases (£bn)	<a href="http://www.bankofengland.co.uk/markets/apf/index.htm">http://www.bankofengland.co.uk/markets/apf/index.htm</a>
Public Sector Net Borrowing (excluding financial interventions)	Public sector finances release, Table PSF I / Public sector accounts, Table PSAT I, Code ANNX

