

## **DEFINITIONS FOR THE AGENTS' SCORES**

This document details the definitions for the Agents' scores. Unless otherwise stated, the timeframe for the scores refers to the latest three months compared to the same period a year earlier.

### **Retail Sales Values**

- This includes sales in: shops; department stores; food retail; garden centres; internet trading of goods (but not services); shopping centres (but not restaurants, bars etc); second hand retail; retail sales not in stores (markets, catalogue etc); and repair of personal goods. Note that new and used car sales are excluded from retail sales.

### **Consumer Services Turnover**

- Sales by service companies where the majority of their sales are to consumers. Note that retailing is excluded (that is covered by retail sales). Examples of consumer services include estate agents, leisure services, and hotels and catering.

### **Business Services Turnover – Professional and Financial**

- This covers turnover of companies supplying professional and financial services primarily to other businesses within the United Kingdom. It covers services such as accountancy, consulting, legal and business/investment banking, and IT services.
- Before January 2005, there was one score for total business services turnover.

### **Business Services Turnover – Other**

- Turnover of other business-to-business services companies. Examples include transport and communication (eg road haulage), corporate use of hotels, and wholesaling.
- Before January 2005, there was one score for total business services turnover.

### **Business Services Turnover – Total**

- Sales by service companies providing services to businesses. Since January 2005, this score has been a weighted average of scores for professional and financial services and other business services, with weights proportional to shares of value added.

### **Manufacturing Output**

**This definition covers two annex scores, for domestic and export output**

- Production undertaken in the UK by the manufacturing industries. This score measures gross output. Sales to customers based in the UK are reflected in the domestic score. Sales to customers based overseas are reflected in the export score.

## **Construction Output**

- Measurement of all construction activity, ie covering work undertaken by the private sector for clients in the private or public sectors. This includes all new building, maintenance and infrastructure projects, as well as site preparation and civil engineering. Activity is measured as work in progress at the time, plus unsold completed structures. As far as possible, the value of land and payments to sub-contractors providing business services is excluded.

## **UK Investment Intentions**

**This definition covers two annex scores: one each for the manufacturing and service sectors**

- This score refers to both planned and possible expenditure over the next twelve months.
- It covers private sector companies' investment intentions within the United Kingdom. Investment is defined as spending on tangible non-financial assets such as plant and machinery, vehicles, ICT (hardware and software), and new buildings. Research and development spending, training and acquisitions (or disposals) of companies are excluded.

## **Cost of imported finished goods**

- The sterling cost of imported finished goods going directly into consumption or fixed investment (but excluding parts).

## **Materials costs**

- The sterling cost of raw materials and intermediate goods. The score will include all basic materials such as food, fuel, oil, chemicals and steel as well as semi-finished parts and components, and both imported and domestic inputs are included.

## **Manufacturers' domestic prices**

- The sterling prices of finished goods that are manufactured in the United Kingdom and then sold to a UK-based customer.

## **Retail goods prices**

- The price of retail goods sold by companies covered in the retail sales definition; but this score also includes the prices of new and second hand cars.

## **Retail services prices**

- The price of services sold to consumers. This includes household services (eg rents), restaurants and hotels, transport services, recreation and leisure services, and financial, education and health services.

### **Price of business to business services**

- The price of services sold by UK services companies mainly to other UK services companies. This includes both professional and financial services and the ‘other’ business services described above. So examples include accountancy and lawyers’ fees, plant and vehicle hire, property rentals, and other bought-in support services.

### **Pre-tax profitability – manufacturing and services**

**This definition covers two annex scores: one each for the manufacturing and service sectors**

- This reflects pre-tax operating profit as a proportion of turnover/revenue. All costs of production and other fixed costs are taken into account, but write-offs and depreciation excluded.

### **Employment Intentions**

**This definition covers three annex scores: one each for the manufacturing, consumer services and business services sectors**

- These scores refer to both planned and possible changes in the size of companies’ workforce over the next six months, ignoring normal seasonal fluctuations.
- It covers the numbers likely to be added to or cut from the workforce of private sector firms, on a headcount basis rather than full-time equivalents. Changes could reflect permanent, contract or short-term staff numbers. Temporary hiring from agencies is included.
- Before January 2005, these scores were based on companies’ current situation, rather than being forward looking. There was also only one score for total services.

### **Total Labour Costs**

**This definition covers two scores: one each for the manufacturing and service sectors**

- This is defined as the total costs of employing staff per employee, based on settlements, overtime, bonuses, commissions and also extra costs such as pensions, other staff benefits and National Insurance. This score measures the impact on a firm not on employee’s take-home pay. It excludes spending on training.

### **Recruitment Difficulties**

- This score measures the scale of general recruitment difficulties across the economy. For example, are companies finding it hard or easy to recruit staff?
- Before January 2005, this score reflected skill shortages.

## **Capacity Constraints**

**The definition covers two scores: one each for the manufacturing and service sectors**

- This score refers to likely capacity constraints over the next six months, ignoring normal seasonal fluctuations.
- This score measures how capacity constraints are affecting companies: in particular, the degree of difficulty that contacts face in increasing their output. Primarily capacity constraints will reflect a lack (or surplus) of capital (machines) and labour (workers), although other factors can also play a role.
- Before January 2005, these scores were based on companies' current situation, rather than being forward-looking.