



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.

Until August 2016, agents assigned scores to variables each month. After this time, when the Monetary Policy Committee changed its schedule to meet eight times per year, the agents now score eight times per year.

Consumer goods 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.
- Before January 2018 new and used car sales and fuel sales were excluded from the score for consumer goods values. These are now included in the score — we do not believe this resulted in a material change to the series.

Consumer services values

- Sales by service companies where the majority of their sales are to consumers. Note that retailing is excluded (that is covered by consumer goods). Examples of consumer services include estate agents, leisure services, and hotels and catering.
- Before January 2018 spending by households on utilities was excluded from the score for consumer services values. This is now included in the score — we do not believe this resulted in a material change to the series.

Business services turnover — professional and financial

- This covers turnover of companies supplying professional and financial services primarily to other businesses. It covers services such as financial services, insurance and pension funds, real estate, capital goods rental, legal, accounting, consulting, recruitment, security and advertising 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 storage, transport, postal, publishing, wholesaling, corporate use of hotels, telecoms and IT.
- 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.

Total services exports values

- This score measures the sterling value of total services exports by UK residents to non-residents. It includes financial and business services such as banking, accounting, legal, architectural, engineering, and IT services. Transportation, travel services, inward tourism and expenditure by visitors while in the UK is also included.

Manufacturing output

This definition covers two scores, for domestic and export output

- Production undertaken in the United Kingdom by the manufacturing industries. This score measures gross output, expressed in terms of volumes. Sales to customers based in the United Kingdom 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 scores: one each for the manufacturing and service sectors

- This score refers to both planned and possible expenditure over the next 12 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), new buildings, and spending on research and development (R&D).
- R&D spending has been included in the scores for investment intentions since May 2014, following a change to the ONS treatment of this spending. The score continues to exclude training, and acquisitions (or disposals) of companies and land.

Materials costs

- The sterling cost of raw materials and intermediate goods. The score includes 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.

Cost of imported finished goods

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

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 UK-based 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 employees' take-home pay. It excludes spending on training.

Manufacturers' domestic prices

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

Consumer goods prices

- The price of retail goods sold by companies covered in the consumer goods values definition.

Consumer services prices

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

Business to business services prices

- 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 (Discontinued October 2016)

This definition covers two 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.
- Note that this score was based on growth in pre-tax profitability.

Profit margins — manufacturing and services (Introduced May 2015)

This definition covers two 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.
- Unlike the discontinued score for pre-tax profitability, this score is the level of margins relative to normal for the sector.

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.

Employment intentions

This definition covers four scores: one each for the manufacturing, consumer services and business services sectors, and an aggregate weighted score for total services

- These scores refer to both planned and possible changes in the size of companies' UK-based workforces 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.
- The score for total services is the weighted average of the scores for consumer services and business services, with weights proportional to shares of employment.
- 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.

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 of capital (eg buildings and equipment) 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.

Credit availability

This definition covers three scores, for small, medium and large firms

- These Agents' scores are based on businesses' perception of the supply of credit. They are assessed on the basis of supply of credit over the latest three months relative to normal for firms in the size bracket.
- When scoring, consideration is given to the availability of all forms of debt instruments that carry an obligation to repay the principal and interest. As such these scores cover a wide range of bank and non-bank sources of finance.
- The definition of firm size is based on employment. Small firms are those employing up to 50 people, medium firms 51–250 people, and large firms employ more than 250 people.