Assessing long-run growth prospects for the uk's regions
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Appendix 1. The UK-SCGE regions

Table A.1 The UK-SCGE regions

1.	Dudley	56.	Brighton and Hove
2.	Birmingham	57.	Portsmouth
3.	Cannock Chase	58.	Southampton
4.	Babergh	59.	Isle of Wight
5.	Aberdeen	60.	Isle of Anglesey
6.	Scottish Borders	61.	Gwynedd
7.	Dumfries Galloway	62.	Ceredigion
8.	Angus	63.	Conwy
9.	Fife	64.	Shropshire
10.	Eilean Siar	65.	Carmarthenshire
11.	Perth & Kinross	66.	Powys
12.	Clackmannanshire	67.	Blaenau Gwent
13.	East Lothian	68.	Pembrokeshire
14.	East Dunbartonshire	69.	Bridgend
15.	East Ayrshire	70.	Cambridgeshire
16.	London	71.	Cherwell
17.	Southend-on-Sea	72.	King's Lynn and West Norfolk
18.	Medway	73.	Cornwall
19.	Mole Valley	74.	Isles of Scilly
20.	Guildford	75.	Allerdale
21.	Dacorum	76.	Eden
22.	East Hertfordshire	77.	Barrow-in-Furness
23.	Stoke-on-Trent	78.	South Lakeland
24.	Charnwood	79.	Lancaster
25.	East Staffordshire	80.	East Devon
26.	Cheshire East	81.	Sedgemoor
27.	Derby	82.	North Devon
28.	Leicester	83.	South Somerset
29.	Carlisle	84.	West Dorset
30.	Manchester	85.	Eastbourne
31.	Halton	86.	Braintree
32.	Cheshire West and Chester	87.	Malvern Hills
33.	Barnsley	88.	Ashford
34.	Doncaster	89.	Canterbury
35.	Coventry	90.	Lincoln
36.	Bradford	91.	Boston
37.	Hartlepool	92.	East Lindsey
38.	Blackburn with Darwen	93.	Breckland
39.	Blackpool	94.	Forest Heath
40.	East Riding of Yorkshire	95.	Great Yarmouth
41.	York	96.	Corby
42.	North East Lincolnshire	97.	Hambleton
43.	North Lincolnshire	98.	Ryedale
44.	Rutland	99.	Scarborough
45.	Nottingham	100.	Argyll & Bute
46.	Herefordshire	101.	County Durham
47.	Cheltenham	102.	Gateshead
48.	Telford and Wrekin	103.	Inverclyde
49.	Bath and North East Somerset	104.	Hillingdon
50.	Bristol	105.	Stratford-on-Avon
51.	Plymouth	106.	Sunderland
52.	Torbay	107.	Bracknell Forest
53.	Bournemouth	108.	Northumberland
54.	Swindon	109.	Northern Ireland
55.	Bedford		

Appendix 2. Implementing NiGEM forecasts in UK-SCGE

In applying NiGEM forecasts to UK-SCGE, it is necessary to accommodate the NiGEM outcomes within the theory of UK-SCGE if the relevant variable is endogenously determined. This describes the situation for most variables to which exogenous forecasts are applied.

Household consumption

To impose a path of household consumption we set as endogenous the current account to GDP ratio path rather than imposing a path upon it. This will mean that the household saving rate will adjust to allow household consumption to follow the path forecast by NiGEM.

Housing and business investment

Sectoral investment is a function of the rate of return in UK-SCGE. To impose a path on housing investment we endogenise the intercept term for dwelling investment. To impose a path on business investment we endogenise the intercept term for non-dwelling investment.

Government investment and consumption

Government investment and consumption are typically exogenous variables in UK-SCGE. Therefore we are able to directly apply NiGEM forecast for these variables.

Exports

We apply a path on exports by endogenising the world export price index.

GDP

To impose a path on GDP we endogenise output per worker.

Population and labour supply

Population is an exogenous variable in UK-SCGE. Therefore we are able to directly apply NiGEM forecast for population. Labour supply is typically determined by a labour supply function. To impose a path on labour supply we endogenise the intercept term.

Employment and labour hours

Employment is typically determined by the interaction of labour demand and supply given an exogenous unemployment rate in UK-SCGE. To impose a path on employment we endogenous the unemployment rate. In UK-SCGE labour hours are a function of hours per worker and the number of workers (employment). To impose a path on labour hours we endogenise hours per worker, exogenise labour hours.

Consumer prices

The consumer price index (CPI) is usually endogenous in the baseline of UK-SCGE. We make it exogenous and impose the NiGEM forecast and we make the exchange rate endogenous.

Government budget

In the baseline the ratio of the central government budget to GDP is typically exogenous and reduced by 2 per cent per annum to ensure that government debt as share of GDP stabilises by the terminal year. The personal income tax rate adjusts to allow the path in budget balance to be achieved. Here we adjust the exogenous path in government to ensure it arrives in the terminal year consistent with the value observed in the NiGEM forecast.