

Email correspondence

From: Name Redacted - HMT [Restricted]
 Sent: 27 January 2014 10:26
 To: Names Redacted - HMT [Restricted]
 Cc:
 Subject: [UNCLASSIFIED] RE: capital line...

[Content redacted – section 36(2)(b)(ii) and section 36(2)(c) applies]
 Name Redacted | DEL, capital and major projects | General Expenditure Policy | Public Spending
 HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ
 | www.gov.uk/hm-treasury

From: Name Redacted - HMT [Restricted]
 Sent: 27 January 2014 10:42
 To: Names Redacted - HMT [Restricted]; Skinner, Alex - HMT [Restricted];
 Cc:
 Subject: [UNCLASSIFIED] RE: Fiscal calculation by 10.30am tomorrow pls

Here are initial numbers for balancing current budget in 2020-21 with PSCE adjusting from 2016-17 onwards.

I'll send round a comparison with reaching surplus and figures for adjusting from 2013-14 onwards in a second.

Key assumptions:

- 1) EFO forecast up until 2015-16
- 2) From 2016-17 to 2018-19, PSGI and PSNI grow as per EFO forecast
- 3) From 2019-20 onwards, PSGI grows with nominal GDP and PSNI is a constant proportion of PSGI (same proportion as in 2018-19)
- 4) From 2019-20 onwards, PSCR grows with nominal GDP.
- 5) Current spending in 2020-21 is equal to PSCR minus National accounts depreciation.
- 6) PSCE from 2015-16 to 2020-21 is a straight line in nominal terms.
- 7) Wedge between change in PSND and PSNB is from EFO until 2018-19. Thereafter, is FSR financial transactions forecast.

Results	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Surplus on current budget % of GDP	4.5%	3.3%	2.5%	1.8%	1.4%	0.9%	0.5%	0.0%
<i>£bn</i>	74.2	56.2	44.0	34.3	27.8	17.6	10.1	0.0
PSNB as % GDP	6.0%	4.9%	4.0%	3.4%	2.9%	2.3%	2.0%	1.5%
<i>£bn</i>	99.0	83.9	71.5	62.5	56.1	47.5	41.2	32.6
PSND as % GDP	75.5%	78.3%	80.0%	80.6%	80.7%	80.4%	79.6%	78.2%
<i>£bn</i>	1269	1365	1451	1530	1600	1664	1719	1766

From: Name Redacted - HMT [Restricted]
Sent: 27 January 2014 10:20
To: Skinner, Alex - HMT [Restricted]; Names Redacted - HMT [Restricted]
Subject: RE: Fiscal calculation by 10.30am tomorrow pls [UNCLASSIFIED]

All,

Name Redacted's crunching the numbers on this.

To accompany that, it's probably worth covering the implications of targeting current balance rather than achieving absolute balance.

Name Redacted – I am right that it's PSGI that matters here (and not PSNI)?

- Achieving current balance means matching public sector current receipts to public sector current expenditure.
- But that still involves borrowing (public sector net borrowing), because all capital expenditure would then add to the deficit.
- The Government has committed to maintaining public sector gross investment as a share of GDP from 2018-19.
- PSGI is forecast to be 2.8% of GDP in 2018-19.
- So, achieving a current balance in 2018-19 and beyond would be consistent with a deficit of 2.8% of GDP.
- Spending more on capital would add to that deficit.
- It is only by running a current surplus that we can eliminate borrowing while continuing to invest.
- [Line from GEP on comparison of capital expenditure in this parl and next compared to previous]

Name Redacted | Fiscal Statistics & Policy | Fiscal Group | HM Treasury | Tel:

From: Name Redacted - HMT [Restricted]
Sent: 27 January 2014 10:49
To: Names Redacted - HMT [Restricted]; Skinner, Alex - HMT [Restricted];
Cc:
Subject: RE: Fiscal calculation by 10.30am tomorrow pls [UNCLASSIFIED]

OK – how about this – I think going from the current balance means PSNI is the appropriate one.....

- Achieving current balance means matching public sector current receipts to public sector current expenditure and depreciation.
- But that still involves borrowing (public sector net borrowing), because all net capital expenditure would then add to the deficit.
- The government has committed to maintaining public sector gross investment as a share of GDP from 2018-19, with PSGI as a share of GDP higher on average this decade than under the whole period of the previous government

- PSNI is forecast to be 1.5% of GDP in 2018-19. So, achieving a current balance in 2018-19 and beyond would be consistent with a deficit of 1.5% of GDP.
- Spending more on capital would add to that deficit.
- It is only by running a current surplus that we can eliminate borrowing while continuing to invest.

From: Name Redacted - HMT [Restricted]
 Sent: 27 January 2014 11:22
 To: Name Redacted - HMT [Restricted]
 Cc:
 Subject: [UNCLASSIFIED] Figures

	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Adjusting PSCE from 2016-17								
PSNB % GDP	6.0%	4.9%	4.0%	3.4%	2.9%	2.3%	2.0%	1.5%
PSNB Ebn	99.0	83.9	71.5	62.5	56.1	47.5	41.2	32.6
Adjusting PSCE from 2013-14								
PSNB % GDP	6.5%	6.0%	5.4%	4.5%	3.7%	2.8%	2.2%	1.5%
PSNB Ebn	106.5	102.3	96.8	82.7	71.3	57.6	46.3	32.6
Overall balance in 2020-21								
PSNB % GDP	6.0%	4.9%	4.0%	2.6%	1.3%	0.1%	0.0%	0.0%
PSNB Ebn	99.0	83.9	71.5	47.8	24.8	1.9	0.9	0.0

Name Redacted | Assistant Economist | FSP | 1/Blue | HM Treasury |

From: Skinner, Alex - HMT [Restricted]
 Sent: 27 January 2014 12:14
 To: Name Redacted - HMT [Restricted]
 Cc: Name Redacted - HMT [Restricted]
 Subject: RE: [UNCLASSIFIED] RE: Urgent: Opposition costing: Fiscal calculation

Great – thanks v much to both of you for doing this.

From: Name Redacted - HMT [Restricted]
Sent: 27 January 2014 12:02
To: Ramsden, Dave - HMT [Restricted]; Perm Sec, Action - HMT [Restricted]
Cc: Names Redacted - HMT [Restricted]; Skinner, Alex - HMT [Restricted];
Subject: RE: [UNCLASSIFIED] RE: Urgent: Opposition costing: Fiscal calculation

And now with PSND.

It is worth noting that we have not assumed any impact on the level of GDP from adopting a different path for the deficit. This would take a bit longer to do.

Name Redacted | Fiscal Statistics & Policy | Fiscal Group | HM Treasury | Tel:

From: Name Redacted - HMT [Restricted]
Sent: 27 January 2014 11:54
To: Ramsden, Dave - HMT [Restricted]; Perm Sec, Action - HMT [Restricted]
Cc: Names Redacted - HMT [Restricted]; Skinner, Alex - HMT [Restricted];

Subject: RE: [UNCLASSIFIED] RE: Urgent: Opposition costing: Fiscal calculation
Importance: High

Apologies – please use this one – we’re working on PSND, and may be able to add that to soon.

>>>>>>>>>>

Here's a draft response to this request. This needs to be cleared by a DG.

Worth noting, we have assumed the baseline is for PSNB to be in balance after 2018-19. I have then added text to explain that any reduction in PSNB compared to this (e.g. a surplus) feeds one-to-one in to the comparison with the opposition policy.

Grateful for any comments

Many thanks to Name Redacted for cranking the handle.

Name Redacted | Fiscal Statistics & Policy | Fiscal Group | HM Treasury | Tel:

-----Original Message-----

From: Name Redacted - HMT [Restricted]
Sent: 27 January 2014 10:49
To: Names Redacted - HMT [Restricted]
Cc: Names Redacted - HMT [Restricted]; Skinner, Alex - HMT [Restricted]; Subject: [UNCLASSIFIED] RE: Urgent: Opposition costing: Fiscal calculation

(And now copying in Scorecard colleagues.)

-----Original Message-----

From: Name Redacted - HMT [Restricted]
Sent: 27 January 2014 10:42
To: Name Redacted - HMT [Restricted]
Cc: Names Redacted - HMT [Restricted]; Skinner, Alex - HMT [Restricted]; Subject: [UNCLASSIFIED] Urgent: Opposition costing: Fiscal calculation
Importance: High

Grateful if we could get an opposition costing on the below policy; template attached. I tried calling, but give me a ring if you need any further detail. This will need to be cleared by your DG - copied to Dave and Perm Sec's office. Appreciate a response in the next hour if possible.

Policy:

What would be the effect on the deficit and the national debt, year by year, if we changed our primary fiscal mandate to one that sought to balance the current budget by the end of the next Parliament, ie in 2020, and did so on a straight line basis from (a) today and (b) 2016-17 onwards?

Relevant quote(s):

"We will get the current budget into surplus as soon as possible in the next Parliament. How fast we can go will depend on the state of the economy and the public finances we inherit." Balls speech to

Fabian society <http://labourlist.org/2014/01/full-text-ed-balls-commits-labour-to-budget-surplus-and-announces-50p-tax-rate-plan/>

"Mr Balls will commit to running a surplus on the current budget and to put national debt on a downward path by 2020 at the latest" <http://www.ft.com/cms/s/0/eed2a6e-851b-11e3-86f7-00144feab7de.html>

Thanks,

Name Redacted | HM Treasury, 2/22 1 Horse Guards Road, SW1A 2HQ | Tel:

From: Name Redacted - HMT [Restricted]
Sent: 27 January 2014 11:59
To: Name Redacted - HMT [Restricted]
Cc: Skinner, Alex - HMT [Restricted]; Names Redacted - HMT [Restricted]
Subject: RE: [UNCLASSIFIED] RE: Urgent: Opposition costing: Fiscal calculation

Should we say something on the impact on GDP through the multipliers? That will presumably be one of the key arguments from the opposition. Maybe we could at least put a footnote saying, for example, that multipliers for the OBR fade away after 5 years so there might be some short-term impact but it will be negligible in the long-run? Or we could model the impact using the OBR ones if we have time.
Happy to discuss.

Name Redacted | Fiscal Group | Room

From: Name Redacted - HMT [Restricted]
Sent: 27 January 2014 12:22
To: Name Redacted - HMT [Restricted]; Ramsden, Dave - HMT [Restricted]; Perm Sec, Action - HMT [Restricted]
Cc: Names Redacted - HMT [Restricted]; Skinner, Alex - HMT [Restricted];
Subject: RE: [UNCLASSIFIED] RE: Urgent: Opposition costing: Fiscal calculation

Thanks for copying.

We've a couple of suggestions from SPB

- In the assumption section, it would be clearer if you separated the penultimate bullet in two: first covering the use of the EFO and secondly about the assumed baseline after 2018-19
- We don't think that the opposition have committed to making the change via PSCE – could you title the lines in the table as "adjustments"

Thanks

Name Redacted | Strategy, Planning and Budget
HM Treasury, 2/22, 1 Horse Guards Road, SW1A 2HQ |

Content redacted – repeats email above

From: Name Redacted - HMT [Restricted]
Sent: 27 January 2014 14:05
To: Name Redacted - HMT [Restricted]; Ramsden, Dave - HMT [Restricted]
Cc:
Subject: [UNCLASSIFIED] RE: Urgent: Opposition costing: Fiscal calculation

Amazing, many thanks Name redacted for pulling together (and flagging to that this was an opp costing)

From: Name Redacted - HMT [Restricted]
Sent: 27 January 2014 13:47
To: Ramsden, Dave - HMT [Restricted]
Cc: Name Redacted - HMT [Restricted]
Subject: Re: [UNCLASSIFIED] RE: Urgent: Opposition costing: Fiscal calculation [UNCLASSIFIED]

Classification: [UNCLASSIFIED]

Name Redacted - just to be clear, this is signed off.

From: Name Redacted - HMT [Restricted]
Sent: Monday, January 27, 2014 01:02 PM
To: Ramsden, Dave - HMT [Restricted]; Perm Sec, Action - HMT [Restricted]
Cc: Names Redacted - HMT [Restricted]; Skinner, Alex - HMT [Restricted];
Subject: RE: [UNCLASSIFIED] RE: Urgent: Opposition costing: Fiscal calculation

– many thanks.

Please find attached a final version taking on your comments.

Name Redacted | Fiscal Statistics & Policy | Fiscal Group | HM Treasury |

From: Ramsden, Dave - HMT [Restricted]
Sent: 27 January 2014 12:26
To: Name Redacted - HMT [Restricted]; Perm Sec, Action - HMT [Restricted]
Cc: Names Redacted - HMT [Restricted]; Skinner, Alex - HMT [Restricted];
Subject: [UNCLASSIFIED] RE: Urgent: Opposition costing: Fiscal calculation

Thanks. We discussed. You are going to strengthen the language on assumptions used.

Dave Ramsden, Chief Economic Adviser to HM Treasury and Head of the GES | HM Treasury, | Horse Guards Road, London, SW1A 2HQ | **PA** Name Redacted

From: Name Redacted - HMT [Restricted]
Sent: 27 January 2014 12:02
To: Ramsden, Dave - HMT [Restricted]; Perm Sec, Action - HMT [Restricted]
Cc: Names Redacted - HMT [Restricted]; Skinner, Alex - HMT [Restricted];
Subject: RE: [UNCLASSIFIED] RE: Urgent: Opposition costing: Fiscal calculation

And now with PSND.

It is worth noting that we have not assumed any impact on the level of GDP from adopting a different path for the deficit. This would take a bit longer to do.

From: Name Redacted - HMT [Restricted]
Sent: 27 January 2014 19:07
To: Skinner, Alex - HMT [Restricted]; Names Redacted - HMT [Restricted]
Cc:
Subject: [RESTRICTED] For the record - opposition policy costing

I've written up a note of how I made the calculation of the policy commissioned in the email attached. Also have attached the final spreadsheet for the record.

Name Redacted | Assistant Economist | FSP | | HM Treasury

From: Name Redacted - HMT [Restricted]
Sent: 12 July 2013 15:13
To: Name Redacted - HMT [Restricted]
Cc:
Subject: [RESTRICTED] RE: PQ and opposition costings

Sorry I should have pointed out before that for the jobs guarantee costings I've labelled them as for 2012-13, because with only a couple of months' claimant count flow data available for this year, I think that it would be pushing it to label the costings 2013-14. Is that okay?

Name Redacted | Assistant Economist | Labour Markets and Distributional Analysis
HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Name Redacted - HMT [Restricted]
Sent: 12 July 2013 15:09
To: Name Redacted - HMT [Restricted]
Cc: Names Redacted
Subject: [RESTRICTED] RE: PQ and opposition costings

Thank you very much.

I've attached the responses (questions are below for ease and those cc'd)

The point to note is that the questions are about costings in 2015/16, but as there are no youth unemployment forecasts we agreed (with Harriet) to cost it using the latest youth unemployment data we have for 2013/14.

COSTINGS

- To ask the Chancellor of the Exchequer for the Treasury's estimate of the cost to the Exchequer of creating a full-time job for six months paid at the minimum wage for all young people unemployed for over a year in the fiscal year 2015/16 according to official a) claimant count forecasts and b) ILO unemployment forecasts.
 - To ask the Chancellor of the Exchequer for the Treasury's estimate of the cost to the Exchequer of creating a full-time job for six months paid at the minimum wage for all people aged 25 and over unemployed for over two years in the fiscal year 2015/16 according to official a) claimant count forecasts and b) ILO unemployment forecasts
-

From: Name Redacted - HMT [Restricted]
Sent: 16 July 2013 16:34
To: Wallace, Harriet - HMT [Restricted]; Name Redacted - HMT [Restricted]
Subject: [RESTRICTED] PQs and oppo costings

Harriet,

[Content redacted - section 36(2)(b)(ii) and 36(2)(c) apply]

Thanks,
Name Redacted | Assistant Economist | Labour Markets and Distributional Analysis
HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Wallace, Harriet - HMT [Restricted]
Sent: 15 July 2013 09:16
To: Name Redacted - HMT [Restricted]
Cc: Name Redacted - HMT [Restricted]
Subject: [RESTRICTED] RE: PQs and opposition costings - long term unemployment

No that's fine thanks – my general rule is that figures should be checked by a second person if they are to be used publicly

Harriet Wallace Deputy Director | Labour Markets and Distributional Analysis
HM Treasury, 1 Horse Guards Road, SW1A 2HQ |
|PA| Name Redacted

From: Name Redacted - HMT [Restricted]
Sent: 15 July 2013 09:15
To: Wallace, Harriet - HMT [Restricted]
Cc: Name Redacted - HMT [Restricted]
Subject: [RESTRICTED] RE: PQs and opposition costings - long term unemployment

Name redacted had a look through them on Friday, and I made a couple of changes in response to his comments. Do you want me to run them past him again?

Name Redacted | Assistant Economist | Labour Markets and Distributional Analysis
HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Wallace, Harriet - HMT [Restricted]
Sent: 15 July 2013 08:16
To: Name Redacted - HMT [Restricted]
Cc: Name Redacted - HMT [Restricted]
Subject: Re: [RESTRICTED] PQs and opposition costings - long term unemployment [UNCLASSIFIED]

Classification: [UNCLASSIFIED]

Thanks Name Redacted for sorting these - just for my comfort, what qa have we done to check the numbers are right? (I always ask this for stuff for public use)

Harriet

From: Name Redacted - HMT [Restricted]
Sent: 17 July 2013 12:56
To: Morris, Indra - HMT [Restricted]
Cc: Name Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted]; Perm Sec, Action - HMT [Restricted]; Russell, Beth - HMT [Restricted]
Subject: <v9_SmartSaved/> [RESTRICTED] RE: PQs and opposition costings - long term unemployment

Yes – although offsetting factors could be modelled in theory, it would be difficult. And even then the estimates would probably be subject to significant uncertainty.

So I would say that this is factually accurate.

Thanks,

Name Redacted | Assistant Economist | Labour Markets and Distributional Analysis
HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Morris, Indra - HMT [Restricted]
Sent: 17 July 2013 12:53
To: Name Redacted - HMT [Restricted]
Cc: Name Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted]; Perm Sec, Action - HMT [Restricted]; Russell, Beth - HMT [Restricted]
Subject: [RESTRICTED] RE: PQs and opposition costings - long term unemployment

Is this factually accurate ie the reason they're not included? If it is i am happy

Thanks

From: Name Redacted - HMT [Restricted]
Sent: 17 July 2013 12:37
To: Morris, Indra - HMT [Restricted]
Cc: Name Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted]; Perm Sec, Action - HMT [Restricted]; Russell, Beth - HMT [Restricted]
Subject: [RESTRICTED] RE: PQs and opposition costings - long term unemployment

Indra,

I think that you spoke to about this. A final change in each of the attached opposition costing notes:

[Content redacted – s36(2)(b)(ii) and s36(2)(c) applies]

I do not think that this changes the interpretation of the costings.
Please could you let me know if you are happy with this change?

Thanks,

Name Redacted | Assistant Economist | Labour Markets and Distributional Analysis
HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Name Redacted - HMT [Restricted]

Sent: 16 July 2013 17:55

To: Morris, Indra - HMT [Restricted]

Cc: Name Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted]; Perm Sec, Action - HMT [Restricted]; Russell, Beth - HMT [Restricted]

Subject: [RESTRICTED] RE: PQs and opposition costings - long term unemployment

Indra,

Thanks very much for your comments on these opposition costings so far. I have made the changes you suggested, and attach the final drafts of the jobs guarantee costings.

Best wishes,

Name Redacted | Assistant Economist | Labour Markets and Distributional Analysis
HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Morris, Indra - HMT [Restricted]

Sent: 16 July 2013 08:38

To: Name Redacted - HMT [Restricted]

Cc: Name Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted]; Perm Sec, Action - HMT [Restricted]; Russell, Beth - HMT [Restricted]

Subject: Re: [RESTRICTED] RE: PQs and opposition costings - long term unemployment [UNCLASSIFIED]

Classification: [UNCLASSIFIED]

Hi

Thanks for that. Much clearer though not there yet. I can't open links in my bb for some reason so if there is relevant text in your links do include in the form. If they're just into source don't worry.

Youth:

- I don't see an assumption on what age group we're applying this to?
- in box 3, we talk about cost to long term unemployed but not youth. That confused given this is about youth.
- we start referencing FJF without saying why (I read this as saying this is the same as FJF therefore we can use the unit cost of that to calculate the cost)
- the fact our costs are then higher than for FJF: this is clearly sensitive and important to get right. Can you say why this is a reasonable outcome and clarify what drives it
- need to proof read as you've got a drafting error (not spelling)

25+

- point above re FJF also applies
- for both this and youth costings be clearer on volume assumptions (ie the numbers by

which we multiply unit cost and why)
- comparison info doesn't seem to include any cost info

Thanks again
Indra

From: Name Redacted - HMT [Restricted]
Sent: Monday, July 15, 2013 07:19 PM
To: Morris, Indra - HMT [Restricted]
Cc: Name Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted]; Perm Sec, Action - HMT [Restricted]; Russell, Beth - HMT [Restricted]
Subject: [RESTRICTED] RE: PQs and opposition costings - long term unemployment

Indra,
SpAds have provided a different source for the youth jobs guarantee costing, based on a speech by Ed Miliband. I've updated the note, attached.

[Content redacted]

Grateful if you could take another look at these at let me know if you have further comments.

Thanks,

Name Redacted | Assistant Economist | Labour Markets and Distributional Analysis
HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Morris, Indra - HMT [Restricted]
Sent: 15 July 2013 11:07
To: Name Redacted - HMT [Restricted]
Cc: Name Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted]; Perm Sec, Action - HMT [Restricted]; Russell, Beth - HMT [Restricted]
Subject: [RESTRICTED] RE: PQs and opposition costings - long term unemployment

- On the opposition costing for FJF: para 1: thanks for citing the source. Your text in the opening para doesn't seem consistent with the opposition policy being costed. The first para refers to youth whereas the opposition quote to long-term unemployed. And that flows through into the costing. Plse clarify before i look at further

Thanks
Indra

From: Name Redacted - HMT [Restricted]
Sent: 12 July 2013 17:49
To: Morris, Indra - HMT [Restricted]
Cc: Name Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted]; Perm Sec, Action - HMT [Restricted]; Russell, Beth - HMT [Restricted]
Subject: [RESTRICTED] PQs and opposition costings - long term unemployment

Indra,
I attach two opposition policy costing notes on the subject of long term unemployment.

The opposition policy costing notes respond to SpAds' requests for the cost of a guaranteed 6-month job for every young person unemployed for 1 year or more, and every over-25 unemployed for 2 years or more..

It's worth noting that SpAds have asked for 2015-16 costings, but due to forecast limitations we have had to use the data available, so the estimates are for 2012/13 or 2013/14.

Thanks to Name redacted for signing these off at DD level.

I'd be grateful if you could take a look at these, particularly the costings notes, and confirm whether you are happy for them to be submitted to SpAds on Monday lunchtime.

Many thanks,

Name Redacted | Assistant Economist | Labour Markets and Distributional Analysis
HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Name Redacted - HMT [Restricted]

Sent: 15 July 2013 16:08

To: Name Redacted - HMT [Restricted]

Cc: Name Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted]

Subject: [RESTRICTED] RE: Opposition Costings

Hi,

I have asked spads to confirm the source for you.

Thanks,

Name Redacted | Locum Special Advisers Office
2/22 | HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Name Redacted - HMT [Restricted]

Sent: 15 July 2013 15:45

To: Name Redacted - HMT [Restricted]

Cc: Name Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted]

Subject: [RESTRICTED] RE: Opposition Costings

Have you been able to get the exact quotation on the youth jobs guarantee from SpAds that they have asked to be costed?

Name Redacted | Assistant Economist | Labour Markets and Distributional Analysis
HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Name Redacted - HMT [Restricted]

Sent: 15 July 2013 11:44

To: Name Redacted - HMT [Restricted]

Cc: Name Redacted - HMT [Restricted]

Subject: [RESTRICTED] RE: Opposition Costings

If you could ask SpAds to send through their preferred source for the youth jobs guarantee specifically, that would be extremely helpful. It will be useful for double-checking that we've interpreted it correctly too.

Many thanks,

Name Redacted | Assistant Economist | Labour Markets and Distributional Analysis
HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Name Redacted - HMT [Restricted]
Sent: 15 July 2013 11:33
To: Name Redacted - HMT [Restricted]
Cc: Name Redacted - HMT [Restricted]
Subject: [RESTRICTED] RE: Opposition Costings

I think this is the announcement of the youth jobs guarantee- let me know if you need me to get another source from spads.

<http://www.labour.org.uk/ed-milibands-speech-to-labours-youth-conference>

Name Redacted | Locum Special Advisers Office
2/22 | HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Name Redacted - HMT [Restricted]
Sent: 15 July 2013 11:24
To: Name Redacted - HMT [Restricted]
Cc: Name Redacted - HMT [Restricted]
Subject: [RESTRICTED] RE: Opposition Costings

Did SpAds send you the sources for the opposition costings directly? Indra isn't happy with the quotation on the youth jobs guarantee because it's referring to the proposal for an adult jobs guarantee instead.

But I did notice that the linked article says:
"Labour has already proposed a compulsory Youth Jobs Guarantee, which would use funds raised from a tax on bank bonuses to fund a guaranteed job for every young person out of work for a year or more - which they will have to take."

Do you know if I have to go back to SpAds for clarification if the source needs to be changed? Or can I just change the quotation given that they both come from the same source?

Thanks,

Name Redacted | Assistant Economist | Labour Markets and Distributional Analysis
HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Name Redacted - HMT [Restricted]
Sent: 12 July 2013 11:27

To: Names Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted];
Cc: Names Redacted
Subject: [RESTRICTED] RE: Opposition Costings

Hi,
I'm really sorry we forgot to provide you with sources for the opposition costing- please see below

To ask the Chancellor of the Exchequer for the Treasury's estimate of the cost to the Exchequer of creating a full-time job for six months paid at the minimum wage for all young people unemployed for over a year in the fiscal year 2015/16 according to official a) claimant count forecasts and b) ILO unemployment forecasts.

Labour will today call for a compulsory Jobs Guarantee for long-term unemployed adults.

In an article for Politics Home calling for a One Nation approach to welfare reform shadow chancellor Ed Balls says that, under the jobs guarantee, government will ensure there is a job for every adult who is long-term unemployed and people out of work will be obliged to take up those jobs or face losing benefits.

Initially the guarantee would be for adults who are out of work for 24 months or more, but we would seek to reduce this to 18 or 12 months over time

<http://www.labour.org.uk/labours-compulsory-jobs-guarantee.2013-01-04>

Thanks again for this,

Name Redacted | Locum Special Advisers Office
2/22 | HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Name Redacted - HMT [Restricted]
Sent: 11 July 2013 11:31
To: Names Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted];
Cc: Names Redacted
Subject: [RESTRICTED] RE: Opposition Costings

As discussed - copying in Name Redacted who is working on possible costings

- To ask Mr Chancellor of the Exchequer, what estimate he has made of the cost to the public purse of creating a full-time job for six months paid at the minimum wage for all people aged 25 and over who have been unemployed for over two years in 2015-16 according to (a) his Department's claimant count forecasts and (b) independent labour organisation unemployment forecasts.

Thanks,

From: Name Redacted - HMT [Restricted]
Sent: 11 July 2013 11:22

To: Names Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted]
Cc: Names Redacted - HMT [Restricted]
Subject: [RESTRICTED] Opposition Costings

Hi

Thanks very much for agreeing to take a look at this opposition costing. I've attached the guidance and the template for the answer, but the question is:

To ask the Chancellor of the Exchequer for the Treasury's estimate of the cost to the Exchequer of creating a full-time job for six months paid at the minimum wage for all young people unemployed for over a year in the fiscal year 2015/16 according to official a) claimant count forecasts and b) ILO unemployment forecasts.

As we discussed, Special Advisors need this ASAP- when do you think you'll be able to get an answer for us? Also do let me know if you need any further detail in order to cost it.

Thanks,

Name Redacted | Policy adviser | Education, Children and Culture
2 Yellow | HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Name Redacted - HMT [Restricted]
Sent: 15 July 2013 16:32
To: Name Redacted - HMT [Restricted]
Cc: Name Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted]
Subject: [RESTRICTED] RE: Opposition Costings

And spads have confirmed that we can use this source, making the assumptions that are set out in the second speech.

Under Labour, a job is guaranteed.
For at least six months.
At least at the minimum wage
With real training.
And real prospects.
Labour's Real Jobs Guarantee.
Real jobs, Real wages, a real chance for our young people.
<http://www.labour.org.uk/speech-by-ed-miliband-to-labours-youth-conference,2012-03-16>

Thanks,

Name Redacted | Locum Special Advisers Office
2/22 | HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Name Redacted
Sent: 17 July 2013 11:42
To: Name Redacted
Subject: [RESTRICTED] RE: Jobs guarantee Opposition Costings

[Content redacted – sections 36(2)(b)(ii) and 36(2)(c) apply]

From: Name Redacted - HMT [Restricted]
Sent: 17 July 2013 11:17
To: Name Redacted - HMT [Restricted]
Subject: [RESTRICTED] FW: Jobs guarantee Opposition Costings

[Content redacted - sections 36(2)(b)(ii) and 36(2)(c) apply]

Name Redacted | Locum Special Advisers Office
2/22 | HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Name Redacted - HMT [Restricted]
Sent: 17 July 2013 10:53
To: Names Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted]
Cc: Names Redacted - HMT [Restricted]; Russell, Beth - HMT [Restricted]; Perm Sec, Action - HMT [Restricted]; Morris, Indra - HMT [Restricted]
Subject: [RESTRICTED] Jobs guarantee Opposition Costings
I attach the following opposition costings:

1. To ask the Chancellor of the Exchequer for the Treasury's estimate of the cost to the Exchequer of creating a full-time job for six months paid at the minimum wage for all people aged 25 and over unemployed for over two years in the fiscal year 2015/16 according to official a) claimant count forecasts and b) ILO unemployment forecasts.
2. To ask the Chancellor of the Exchequer for the Treasury's estimate of the cost to the Exchequer of creating a full-time job for six months paid at the minimum wage for all young people unemployed for over a year in the fiscal year 2015/16 according to official a) claimant count forecasts and b) ILO unemployment forecasts.

These have been cleared by Indra.

Best wishes,
Name Redacted | Assistant Economist | Labour Markets and Distributional Analysis
HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

From: Name Redacted - HMT [Restricted]
Sent: 11 July 2013 11:22
To: Names Redacted - HMT [Restricted]; Wallace, Harriet - HMT [Restricted]
Cc: Names Redacted - HMT [Restricted]
Subject: [RESTRICTED] Opposition Costings

Hi
Thanks very much for agreeing to take a look at this opposition costing. I've attached the guidance and the template for the answer, but the question is:

To ask the Chancellor of the Exchequer for the Treasury's estimate of the cost to the Exchequer of creating a full-time job for six months paid at the minimum wage for all young people unemployed for over a year in the fiscal year 2015/16 according to official a) claimant count forecasts and b) ILO unemployment forecasts.

As we discussed, Special Advisors need this ASAP- when do you think you'll be able to get an answer for us? Also do let me know if you need any further detail in order to cost it.

Thanks,

Name Redacted | Policy adviser | Education, Children and Culture
2 Yellow | HM Treasury, 1 Horse Guards Road, SW1A 2HQ |

Annex B – original Freedom of Information request

From:

Sent: 27 January 2014 16:37

To: Enquiries, CEU - HMT [Restricted]

Under Freedom of Information, I request sight of any analysis that Her Majesty's Treasury has done on the financial and economic implications of the proposed measures announced by the Shadow Chancellor in his weekend address to the Fabian Society.

Clarification of request

From:

Sent: 29 January 2014 12:31

To: Enquiries, CEU - HMT [Restricted]

Could I please confirm that my FOI request relates to the claim that Labour will commit to running a surplus on the current budget by 2020.