

Article

Guide to changes to consumer price inflation statistics: March 2017

Guide to the changes to the Office for National Statistics's consumer price inflation statistics from 21 March 2017.

Contact:
James Tucker
cpi@ons.gsi.gov.uk

Release date:
14 March 2017

Next release:
To be announced

Table of contents

1. [Summary](#)
2. [CPIH will be put first in our statistical bulletin](#)
3. [CPI will continue to be published at the same level of detail](#)
4. [The full historical series for CPIH has been revised](#)
5. [The content and structure of the Consumer Price Inflation statistical bulletin and data tables will change](#)
6. [An additional level of detail will be available for CPIH and CPI and improvements to our chain-linking method will be incorporated](#)
7. [Certain RPI-related data will be discontinued, but RPI, its subcomponents and RPIX will continue to be published](#)
8. [Although RPIJ will be discontinued, an estimate of the formula effect will be available](#)

1 . Summary

On 21 March 2017, a range of changes will be implemented for consumer price inflation statistics, centring around the Consumer Prices Index including owner occupiers' housing costs (CPIH) being put first in our statistical release. This article explains the changes and gives further information on how to access the available data.

To aid in preparation for these changes, we have published a [complete revised historical series](#) for CPIH and its components, along with [classification of individual consumption by purpose \(COICOP\) 5-level data for CPI and CPIH for January 2015 to January 2017](#).

The changes are summarised and expanded upon in the following sections of this article:

- CPIH will be put first in the Consumer Price Inflation statistical bulletin
- the Consumer Prices Index (CPI) will continue to be published at the same level of detail
- the [full historical series for CPIH has been revised](#)
- the content and structure of the Consumer Price Inflation statistical bulletin and data tables will change
- an additional level of detail (COICOP5) will be available for CPIH and CPI and improvements to our chain-linking method will be incorporated
- COICOP5-level data for CPI and CPIH from January 2015 to January 2017 have been [published today](#) (14 March 2017)
- certain Retail Prices Index (RPI)-related data will be discontinued, but RPI, its subcomponents and RPIX will continue to be published
- although RPIJ will be discontinued, an estimate of the formula effect will be available

2 . CPIH will be put first in our statistical bulletin

Following a [statement by the National Statistician](#) in November 2016, from 21 March 2017 the Consumer Prices Index including owner occupiers' housing costs (CPIH) will be put first in the Consumer Price Inflation statistical bulletin.

CPIH is our most comprehensive measure, as it extends the Consumer Prices Index (CPI) to include a measure of the costs associated with owning, maintaining and living in one's own home, known as owner occupiers' housing costs (OOH), along with Council Tax . Both of these are significant expenses for many households and are not included in the CPI. A [blog post](#) by the Deputy National Statistician explains our approach to including housing costs in CPIH and further information is available in the [CPIH compendium](#).

3 . CPI will continue to be published at the same level of detail

CPI will continue to be produced to international standards and will be published at the same level of detail as before. Our central database identification codes (CDIDs) for CPI and its component series will remain the same.

4 . The full historical series for CPIH has been revised

The [full revised series for CPIH and its components is available to download](#). These revisions incorporate Council Tax and revised weights for owner occupiers' housing costs into CPIH. The changes are typically small, with revisions to the 12-month inflation rate never exceeding 0.1 percentage points.

Whilst it is not usual practice to revise figures when methodological changes are introduced, these improvements were introduced with the goal of ensuring that the index is of the best possible quality on becoming the first index in our statistical bulletin. From this point we do not expect to make further revisions.

5 . The content and structure of the Consumer Price Inflation statistical bulletin and data tables will change

From 21 March 2017, we will expand the commentary on the Consumer Prices Index including owner occupiers' housing costs (CPIH) and put it first in the statistical release. The 12-month rate for CPI will also be included, along with a comparison of the 2 indices over time.

The [data tables](#) accompanying our statistical release will be reordered to place CPIH first. Aside from the RPI-related data that have been discontinued (see Section 7), all the tables will continue to be published and the CDIDs remain the same. A mapping between with the previous structure will be available on the contents page of the tables.

6 . An additional level of detail will be available for CPIH and CPI and improvements to our chain- linking method will be incorporated

We have made 2 methodological improvements to CPIH, CPI and their supplementary indices. The first is an improvement to the way in which chain-linking is conducted and is the result of an independent review of our method. The second is the implementation of an additional level in the classification of individual consumption by purpose (COICOP) structure, known as COICOP5, which provides a more detailed picture of inflation. Both of these improvements also help us to better meet EU regulations, as the CPI is identical to the UK's Harmonised Index of Consumer Prices (HICP), which provides a comparable measure of inflation across Europe.

[An analysis](#) based on CPI data between 2005 and 2015 found the impact of these changes to be a small reduction in the 12-month inflation rate of between 0.0 and 0.1 percentage points.

[COICOP5 data for CPI and CPIH for January 2015 to January 2017 have been published today](#), and will continue to be made available in our data tables and time series dataset.

7 . Certain RPI-related data will be discontinued, but RPI, its subcomponents and RPIX will continue to be published

In March 2016, a letter from [the National Statistician to the Chair of the UK Statistics Authority](#) emphasised the shortcomings of the RPI, and set out the intention that the Office for National Statistics would publish only the minimum of RPI-related data necessary to ensure that the critical and essential needs of existing users are met. Specifically, the aggregates RPI and RPIX and also the component indices of RPI (for food, clothing and so on) will be retained and CDIDs for these series will remain the same. [Further information](#) on the supplementary indices that will be discontinued was published in November 2016.

8 . Although RPIJ will be discontinued, an estimate of the formula effect will be available

RPIJ has been discontinued as it shares weaknesses with the RPI and to continue its production does not encourage a clear understanding of inflation in the UK. [Clarification of publication arrangements for the RPI and related indices explains this in more detail](#).

It is clear that there is value in having a measure that specifically illustrates the formula effect on the RPI, a purpose which has previously been served by RPIJ. For this reason, we will publish an estimate of the formula effect on the all-items RPI index, 12-month change and 1-month change. This will be available in Table 35 of the [tables](#) accompanying the statistical bulletin and will also be available as time series. Please refer to the notes that will accompany the tables and time series for information on how to use the series.