

# Revisions Policy for Consumer Price Inflation Statistics

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## Summary

This document re-affirms the revisions policies for the Consumer Prices index (CPI) and Retail Prices Index (RPI) and sets out the revisions policies for the new [CPIH](#) and [RPIJ](#) measures of consumer price inflation.

## Introduction

Consumer price inflation is the speed at which the prices of goods and services bought by households rise or fall. Consumer price inflation is estimated by using price indices. One way to understand a price index is to think of a very large shopping basket containing all the goods and services bought by households. The price index estimates changes to the total cost of this basket. ONS consumer price indices are published monthly.

Consumer price inflation statistics are important indicators of how the UK economy is performing. They are used in many ways by individuals, government, businesses, and academics. Inflation statistics impact on everyone in some way as they affect interest rates, tax allowances, benefits, pensions, savings rates, maintenance contracts and many other payments.

The uses to which consumer price inflation statistics are put (notably indexation) means that it is imperative that every effort is made to ensure all data are included in the first release of any month's figures. This is reflected in the revisions policies below.

## Consumer Prices Index (CPI)

CPI indices are revisable although the only time the CPI all items index has been revised was when the index was re-referenced to 2005=100, which took place with the publication of the January 2006 indices. It is usual practice to not revise CPI figures when methodological improvements are introduced, though this is considered on a case by case basis.

Consequently there is no regular schedule for revisions to the CPI. Users would be alerted to any revisions through the Consumer Price Inflation statistical bulletin plus other relevant channels.

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A number of improvements have been made to the CPI in recent years – none of which have resulted in a revision to the index. Details of these improvements can be found in Appendix 2 of the [Consumer Price Indices Technical Manual - 2012](#).

## **CPIH**

CPIH is a new measure of UK consumer price inflation that includes owner occupiers' housing costs (OOH). These are the costs of housing services associated with owning, maintaining and living in one's own home. OOH does not include costs such as utility bills and minor repairs and maintenance which are already included in the index.

The revisions policy for CPIH is the same as that used for the CPI. CPIH indices are therefore revisable though no revisions have been made since its launch in early 2013 and there is no expectation of revisions in the foreseeable future. It does not necessarily follow that a revision to the CPI would mean a revision to CPIH or vice versa. Users would be alerted to any revisions through the Consumer Price Inflation statistical bulletin plus other relevant channels.

The revisions policy for CPIH will be reviewed by ONS in light of the outcome of the UK Statistics Authority [reviews of the range and governance of price statistics](#).

## **Retail Prices Index (RPI)**

The policy for the RPI is that once the indices are published they are never revised. This was re-affirmed in the 1986 RPI Advisory Committee report (Command 9848 p86, para 183) which states:

“it has always been the practice not to revise the RPI once it has been published, as doing so would create serious problems for some users, particularly in connection with index-linking, and we have no wish to see this practice changed.”

## **RPIJ**

RPIJ is an improved variant of the Retail Prices Index which is calculated using formulae that meet international standards. The rationale for creating RPIJ was to give users a better alternative to the RPI if their needs were for a measure of inflation based on the same population, classifications, weights etc as the RPI. Currently, RPIJ also acts as an analytical series, in that it allows users to see the impact of using the Jevons (which meets international standards) in place of the Carli formula (which does not meet international standards) in the RPI. The use of the different formulae at the elementary aggregate level is currently the only difference between the two indices.

The RPIJ has not been revised since its launch in early 2013 and there is no expectation of revisions in the foreseeable future. Given the rationale for creating RPIJ, it is likely that the number of users and uses of RPIJ will expand. Therefore, the revisions policy for RPIJ will be the same as that used for CPI. It does not necessarily follow that a revision to the CPI would mean a revision to RPIJ or vice versa.

Users would be alerted to any revisions through the Consumer Price Inflation statistical bulletin plus other relevant channels.

The revisions policy for RPIJ will be reviewed by ONS in light of the outcome of the UK Statistics Authority [reviews of the range and governance of price statistics](#).

### **Further Information**

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