

Statistical Bulletin

BRIEFING NOTE

Consumer Price Inflation

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This note is produced as background briefing for the Consumer Price Inflation Statistical Bulletin. Users who require authoritative figures should use the Consumer Price Inflation Statistical Bulletin or Consumer Price Inflation Reference Tables.



SUMMARY

Consumer Prices Index (CPI)

The CPI is a measure of consumer price inflation produced to international standards and in line with European regulations. First published in 1997 as the Harmonised Index of Consumer Prices (HICP), the CPI is the inflation measure used in the Government's target for inflation.

The CPI is also used for purposes such as uprating pensions, wages and benefits and can aid in the understanding of inflation on family budgets. For more information see <u>Users and uses of consumer price inflation statistics</u>.

The main movements for CPI in August 2015 are:

- The all items CPI is 128.4, up from 128.0 in July.
- The all items CPI annual rate is 0.0%, down from 0.1% in July.
- The annual rate for CPI excluding indirect taxes, CPIY, is -0.1%, down from 0.1% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 0.0%, down from 0.1% last month.
- The CPI all goods index is 118.8, up from 118.6 in July.
- The CPI all goods index annual rate is -2.0%, down from -1.8% last month.
- The CPI all services index is 140.5, up from 140.0 in July.
- The CPI all services index annual rate is 2.3%, down from 2.4% last month.

CPIH

The National Statistics status of CPIH and its derivative indices has been discontinued pending work to investigate and improve the method for measuring owner occupiers' housing costs in these indices. Full details can be found on the UK Statistics Authority website and in an explanatory note on this website. The improvements from the resulting development work were introduced in CPIH as part of the February 2015 dataset with the historical series revised back to 2005. Improved methodology for owner occupiers' housing costs in the CPIHY (CPIH excluding indirect taxation) measure of consumer prices was implemented as part of the June 2015 dataset, again with the historical series revised back to 2005. Further information on the changes is available in the following articles: Improvements to the measurement of Owner Occupiers' Housing Costs and Private Housing Rental Prices and Revising the weight of Owner Occupiers' Housing in CPIH.

CPIH is a 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, minor repairs and maintenance which are already included in the index. CPIH uses an approach called rental equivalence to



measure OOH. Rental equivalence uses the rent paid for an equivalent house as a proxy for the costs faced by an owner occupier. In other words this answers the question "how much would I have to pay in rent to live in a home like mine?" for an owner occupier. OOH does not seek to capture increases in house prices. Although this may be inconsistent with some users' expectations of measures of OOH, the inclusion of an asset price and therefore capital gains would make the index less suitable for a measure of consumption. OOH currently accounts for 17.8% of the expenditure weight of CPIH. This compares with a weight of 19.5% in 2005.

Currently, the method of calculation, the population coverage and the basket of goods and services are the same as the Consumer Prices Index (CPI), with the exception of OOH. The method of deriving the weights for CPIH and the data used for these are also the same as for CPI, with the exception of OOH. This can result in some differences from the CPI.

The main movements for CPIH in August 2015 are:

- The all items CPIH is 126.3, up from 126.0 in July.
- The all items CPIH annual rate is 0.3%, down from 0.4% in July.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 0.4%, down from 0.5% last month.
- The OOH component of CPIH is 117.0, up from 116.8 in July.
- The OOH component annual rate is 1.8%, unchanged from last month.
- The CPIH all goods index is 118.9, up from 118.8 in July.
- The CPIH all goods index annual rate is -2.0%, down from -1.8% last month.
- The CPIH all services index is 132.2, up from 131.8 in July.
- The CPIH all services index annual rate is 2.2%, unchanged from last month.

Retail Prices Index (RPI) and RPIJ

In accordance with the Statistics and Registration Service Act 2007, the Retail Prices Index and its derivatives have been assessed against the Code of Practice for Official Statistics and found not to meet the required standard for designation as National Statistics. The <u>full</u> <u>assessment report</u> can be found on the UK Statistics Authority website.

The RPI is a long-standing measure of UK inflation that has historically been used for a wide range of purposes such as the indexation of pensions, rents and index-linked gilts. For further information see <u>Users and uses of consumer price inflation statistics</u>.

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 these indices. Detailed goods and services indices for RPIJ are not produced.

The main movements for RPI and RPIJ in August 2015 are:

- The all items RPI is 259.8, up from 258.6 in July.
- The all items RPI annual rate is 1.1%, up from 1.0% last month.
- The all items RPIJ is 239.4, up from 238.4 in July.
- The all items RPIJ annual rate is 0.5%, up from 0.4% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs) index, is 1.2%, up from 1.1% last month.
- The all goods RPI is 198.3, up from 197.4 in July.
- The all goods RPI annual rate is -0.8%, up from -0.9% last month.
- The all services RPI is 354.7, up from 353.0 in July.
- The all services RPI annual rate is 2.6%, up from 2.4% last month.
- The annual rate for RPIY, the all items RPI excluding MIPs and indirect taxes index, is 1.1%, up from 1.0% last month.
- The Tax and Price Index (TPI) for August is 226.7, up from 225.6 in July.
- The TPI annual rate is 0.5%, unchanged from last month.



CPI SUMMARY

CONTRIBUTIONS TO CHANGE IN THE CPI ANNUAL RATE

	Weight	Weight	1 month	1 month	Contribution
CPI COICOP DIVISIONS	2014	2015	% change	% change	to CPI annual
			Aug 2014	Aug 2015	rate change
01: Food and non-alcoholic beverages	112	110	-0.2	-	0.03
02: Alcoholic beverages and tobacco	45	43	1.0	1.1	-
03: Clothing and footwear	72	70	2.6	1.5	-0.08
04: Housing, water, electricity, gas and other fuels	129	128	0.1	0.1	-
05: Furniture, household equipment and maintenance	60	59	1.0	1.7	0.04
06: Health	24	25	0.5	-0.1	-0.01
07: Transport	152	149	0.8	0.1	-0.11
08: Communication	32	31	-	-0.2	-0.01
09: Recreation and culture	144	147	-0.1	-0.4	-0.04
10: Education	22	26	-	-	-
11: Restaurants and hotels	120	121	-0.2	_	0.02
12: Miscellaneous goods and services	88	91	0.2	0.4	0.02

Large downward effects came from:

- Transport, where prices overall rose by 0.1% between July and August this year compared with a larger rise of 0.8% between the same 2 months a year ago. Within transport, the largest downward contribution came from motor fuels, with diesel prices falling by 6.2 pence per litre this year compared with a fall of 2.1 pence per litre a year ago. Petrol prices also fell this year, by 2.4 pence per litre compared with a fall of 1.8 pence per litre a year ago. There was a large downward contribution from sea transport, with fares rising by less than a year ago. These effects were partially offset by a small upward contribution from air fares, which rose by more than a year ago, particularly on long-haul routes;
- Clothing and footwear, where prices overall rose by 1.5% between July and August this year compared with a rise of 2.6% between the same 2 months a year ago. Prices of



clothing and footwear usually rise between July and August as autumn ranges start to enter the shops following the summer sales season. The smaller rise this year follows a sales period in which prices fell by less than a year ago. The downward contribution came from price movements across a range of garments but particularly from women's outerwear; and

• **Recreation and culture**, where prices overall fell by 0.4% between July and August this year compared with a fall of 0.1% a year ago. The downward contribution came from a range of sectors, most notably books and cultural services.

A large upward effect came from:

• Furniture, household equipment and maintenance, where prices overall rose by 1.7% between July and August this year compared with a rise of 1.0% between the same 2 months a year ago. The upward effect came principally from price rises for furniture and furnishings.

Small upward effects came from:

- Food and non-alcoholic beverages, where prices overall were little changed between
 July and August this year compared with a fall of 0.2% a year ago. The upward contribution
 came from price movements for mineral waters, soft drinks and juices and, to a lesser
 extent, milk, cheese and eggs. These were partially offset by downward effects from bread
 and cereals, and meat;
- Restaurants and hotels, where prices overall were little changed between July and August this year compared with a fall of 0.2% between the same two months a year earlier; and
- **Miscellaneous goods and services**, where prices overall rose by 0.4% between July and August this year compared with a smaller rise of 0.2% a year ago.



CPI NOTABLE MOVEMENTS

All items CPI	Annual rate 0.0%, down from +0.1% last month Also 0.0% in June 2015 Last lower in April 2015 (-0.1%)
All items CPI exc energy, food, alcohol and tobacco	Annual rate +1.0%, down from +1.2% last month Lowest since June 2015 (+0.8%)
Miscellaneous goods and services	Annual rate +0.8%, up from +0.7% last month Highest since March 2014 (+0.9%)
All goods	Annual rate -2.0%, down from -1.8% last month Also -2.0% in June 2015 and April 2015 Last lower in March 2015 (-2.1%)
All services	Annual rate +2.3%, down from +2.4% last month Lowest since June 2015 (+2.2%)
Electricity, gas and other fuels	Annual rate -3.5%, down from -3.2% last month Lowest since March 2010 (-3.9%)



CPI DETAILED BRIEFING

Weights are specified as parts per 1000 in the CPI.

01 FOOD & NON- ALCOHOLIC BEVERAGES	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
01 Food & non-alcoholic beverages	112	110	-0.2	1	0.03

- Small upward effect on the all items 12-month rate change.
- Due to non-alcoholic beverages.
- Partially offset by food.

01.1 Food	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to CPI annual
			Aug 2014	Aug 2015	rate change
01.1 Food	99	97	-0.1	-0.2	-0.01
01.1.1 Bread and cereals	17	16	0.6	-0.4	-0.02
01.1.2 Meat	22	22	-	-1.1	-0.02
01.1.3 Fish	4	4	-0.3	-0.8	-
01.1.4 Milk, cheese and eggs	14	14	-0.7	0.4	0.02
01.1.5 Oils and fats	2	2	-4.1	-0.3	0.01
01.1.6 Fruit	10	10	0.3	-0.5	-0.01
01.1.7 Vegetables including potatoes	15	14	-0.8	-0.3	0.01
01.1.8 Sugar, jam, syrups, chocolate and confectionery	12	12	0.4	1.0	0.01
01.1.9 Food products not elsewhere covered	3	3	0.5	2.8	0.01

- Small downward effect on the all items 12-month rate change.
- Due to **meat**; **bread and cereals**; and **fruit**.
- Partially offset by milk, cheese and eggs; oils and fats; vegetables including potatoes;
 sugar, jam, syrups, chocolate and confectionery; and food products not elsewhere covered.

Bread and cereals

- Small downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contribution coming from breakfast cereals.
- Partially offset by a small upward contribution coming from garlic bread, where prices rose this year but fell a year ago.



Meat

- Small downward effect.
- Prices overall fell this year but were little changed a year ago, with the main downward contributions coming pork products.

Milk, cheese and eggs

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for yoghurt/fromage frais.
- Partially offset by a small downward contribution coming from cheddar cheese, where prices overall fell this year but rose a year ago.

Oils and fats

- Small upward effect.
- Prices overall fell this year by less than a year ago, particularly for margarine/low fat spread.

Fruit

- Small downward effect.
- Prices overall fell this year but rose a year ago.

Vegetables including potatoes

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contribution coming from old white potatoes.
- Partially offset by a small downward contribution coming from potato crisps.

Sugar, jam, syrups, chocolate and confectionery

- Small upward effect.
- Prices overall rose this year by more than a year ago.

Food products not elsewhere covered

- Small upward effect.
- Prices overall rose this year by more than a year ago, particularly for cook-in sauces.



01.2 Non-alcoholic beverages	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
01.2 Non-alcoholic beverages	13	13	-1.1	1.6	0.04
01.2.1 Coffee, tea and cocoa	3	3	-1.2	-1.1	-
01.2.2 Mineral waters, soft drinks and juices	10	10	-1.1	2.4	0.04

- Large upward effect on the all items 12-month rate change.
- Due to mineral waters, soft drinks and juices, where prices overall rose this year but fell a
 year ago, particularly for fruit squashes, bottles of cola flavoured drinks and multipacks of
 fruit drink bottles.

02 ALCOHOLIC BEVERAGES AND TOBACCO	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
02 Alcoholic beverages and tobacco	45	43	1.0	1.1	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **alcoholic beverages**.
- Offset by **tobacco**.

02.1 Alcoholic Beverages	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
02.1 Alcoholic beverages	20	19	2.0	2.4	0.01
02.1.1 Spirits	6	5	2.3	-0.1	-0.01
02.1.2 Wine	9	9	1.9	4.8	0.02
02.1.3 Beer	5	5	1.6	0.8	-

- Small upward effect on the all items 12-month rate change.
- Due to **wine**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from New World wines.
- Partially offset by spirits, where prices overall fell this year but rose a year ago, particularly for whisky.



02.2 Tobacco	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
02.2 Tobacco	25	24	0.2	0.1	-0.01

- Small downward effect on the all items 12-month rate change.
- Prices overall rose this year by less than a year ago.

03 CLOTHING AND FOOTWEAR	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
03 Clothing and footwear	72	70	2.6	1.5	-0.08

- Large downward effect on the all items 12-month rate change.
- Due to clothing.
- Partially offset by footwear including repairs.

03.1 Clothing	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
03.1 Clothing	62	60	3.1	1.6	-0.10
03.1.2 Garments	55	54	3.4	1.4	-0.10
03.1.3 Other clothing and clothing accessories	6	5	1.3	3.3	0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	0.1	0.2	-

- Large downward effect on the all items 12-month rate change.
- Due to garments.
- Partially offset by other clothing and clothing accessories.

Garments

- Large downward effect.
- Prices overall rose this year by less than a year ago, with the main downward contributions coming from women's tops, trousers, jackets, skirts, dresses, cardigans and shorts; men's jackets; and girls' fashion tops.
- Partially offset by upward contributions coming from men's T-shirts and sports sweatshirts;
 and babies' sleepsuits, where prices overall rose this year but fell a year ago.



Other clothing and clothing accessories

- Small upward effect.
- Prices overall rose this year by more than a year ago, particularly for ladies' scarves.

03.2 Footwear including repairs	Weight	Weight	1 month	1 month	Contribution
	2014	2015	% change	% change	to CPI annual
			Aug 2014	Aug 2015	rate change
03.2 Footwear including repairs	10	10	-0.5	1.2	0.02

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year but fell a year ago, with the main upward contributions coming from trainers and women's boots.

04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
04 Housing, water, electricity, gas and			Ŭ	Ĭ	rate onange
other fuels	129	128	0.1	0.1	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from actual rentals for housing.
- Offset by a small downward contribution coming from electricity, gas and other fuels.

04.1 Actual rentals for housing	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
04.1 Actual rentals for housing	70	72	0.1	0.2	0.01

- Small upward effect on the all items 12-month rate change.
- Average charges for private rented properties rose this year by more than a year ago.



04.3 Regular maintenance and repair of the dwelling	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
04.3 Regular maintenance and repair of the dwelling	2	2	-	0.4	
04.3.1 Materials for maintenance and repair	1	1	-	0.9	-
04.3.2 Services for maintenance and repair	1	1	-	-0.1	-

04.4 Other services related to the dwelling	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
04.4 Other services related to the dwelling	12	12	-	1	-
04.4.1 Water supply	6	6	-	-	-
04.4.3 Sewerage collection	6	6	-	-	-

04.5 Electricity, gas and other fuels	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
04.5 Electricity, gas and other fuels	45	42	-	-0.3	-0.01
04.5.1 Electricity	21	20	-	-	-
04.5.2 Gas	21	20	-	-	-
04.5.3 Liquid fuels	2	1	0.2	-11.1	-0.01
04.5.4 Solid fuels	1	1	-0.2	-	-

- Small downward effect on the all items 12-month rate change.
- Due to **liquid fuels**, where average prices for kerosene fell this year but rose a year ago.

05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
05 Furniture, household equipment and maintenance	60	59	1.0	1.7	0.04

- Largest upward effect on the all items 12-month rate change.
- Due to **furniture**, **furnishings and carpets**; and, to a lesser extent, **goods and services for** routine maintenance.



Partially offset by household appliances, fitting and repairs.

05.1 Furniture, furnishings and carpets	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
05.1 Furniture, furnishings and carpets	21	21	1.5	3.4	0.04
05.1.1 Furniture and furnishings	16	15	1.4	4.2	0.04
05.1.2 Carpets and other floor coverings	5	6	1.9	1.2	-

- Large upward effect on the all items 12-month rate change.
- Due to **furniture and furnishings**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from bedroom, kitchen and dining room furniture.

	Weight	Weight	1 month	1 month	Contribution
05.2 Household textiles	2014	2015	% change	% change	to CPI annual
			Aug 2014	Aug 2015	rate change
05.2 Household textiles	7	6	1.9	1.8	ı

05.3 Household appliances, fitting and repairs	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to CPI annual
			Aug 2014	Aug 2015	rate change
05.3 Household appliances, fitting and repairs	9	8	2.1	,	-0.02
05.3.1/2 Major appliances and small electric goods	8	7	2.3	-	-0.02
05.3.3 Repair of household appliances	1	1	0.1	0.2	-

- Small downward effect on the all items 12-month rate change.
- Due to major appliances and small electric goods, where prices overall were little changed this year but rose a year ago, with the main downward contribution coming from fridge/freezers.



05.4 Glassware, tableware and household utensils	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
05.4 Glassware, tableware and household utensils	6	6	0.7	1.5	-

05.5 Tools and equipment for house and garden	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
05.5 Tools and equipment for house and garden	4	5	0.8	0.3	-

• Negligible overall effect on the all items 12-month rate change.

05.6 Goods and services for routine maintenance	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
05.6 Goods and services for routine maintenance	13	13	-0.9	0.4	0.02
05.6.1 Non-durable household goods 05.6.2 Domestic services and household services	5 8	5 8	-2.3 0.1	0.7	0.01

- Small upward effect on the all items 12-month rate change.
- Due to non-durable household goods; and domestic services and household services.

Non-durable household goods

- Small upward effect.
- Prices overall were little changed this year but fell a year ago, with the main upward contribution coming from dishwasher tablets.

Domestic services and household services

- Small upward effect.
- Prices overall rose this year by more than a year ago.



06 HEALTH	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
06 Health	24	25	0.5	-0.1	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to medical products, appliances and equipment.

06.1 Medical products, appliances and equipment	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
06.1 Medical products, appliances and equipment	10	12	1.1	-0.4	-0.02
06.1.1 Pharmaceutical products	6	7	2.0	-0.6	-0.02
06.1.2/3 Other medical and therapeutic equipment	4	5	-0.3	-0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to **pharmaceutical products**, where prices overall fell this year but rose a year ago, particularly for multi-vitamin tablets/capsules.

06.2 Out-patient services	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
06.2 Out-patient services	6	5	0.1	0.2	-
06.2.1/3 Medical and paramedical services	3	3	-	0.4	-
06.2.2 Dental services	3	2	0.1	-0.2	-

06.3 Hospital services	Weight	Weight	1 month	1 month	Contribution
	2014	2015	% change	% change	to CPI annual
			Aug 2014	Aug 2015	rate change
06.3 Hospital Services	8	8	0.1	0.2	-



07 TRANSPORT	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to CPI annual
			Aug 2014	Aug 2015	rate change
07 Transport	152	149	0.8	0.1	-0.11

- Largest downward effect on the all items 12-month rate change.
- Due to operation of personal transport equipment and, to a lesser extent, purchase of vehicles and transport services.

07.1 Purchase of vehicles	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
07.1 Purchase of vehicles	44	40	0.2	-0.4	-0.02
07.1.1A New cars	23	24	0.1	-	-
07.1.1B Second-hand cars	18	14	0.3	-1.2	-0.02
07.1.2/3 Motorcycles and bicycles	3	2	-0.1	-0.6	-

- Small downward effect on the all items 12-month rate change.
- Due to **second-hand cars**, where prices overall fell this year but rose a year ago.

07.2 Operation of personal transport equipment	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
07.2 Operation of personal transport equipment	76	77	-0.5	-1.4	-0.06
07.2.1 Spare parts and accessories	5	6	0.3	-0.2	-0.00
07.2.2 Fuels and lubricants	35	34	-1.5	-3.0	-0.06
07.2.3 Maintenance and repairs	23	23	0.4	0.1	-0.01
07.2.4 Other services	13	14	-	0.1	ı

- Large downward effect on the all items 12-month rate change.
- Due to **fuels and lubricants** and, to a lesser extent, **maintenance and repairs**.

Fuels and lubricants

- Large downward effect.
- The average price of petrol across the month, as recorded for the CPI, fell by 2.4 pence per litre between July and August 2015 to stand at 114.1 pence per litre.
- Last year, the average price of petrol fell by 1.8 pence per litre between July and August 2014 to stand at 129.2 pence per litre.
- The average price of diesel fell by 6.2 pence per litre between July and August 2015 to stand at 112.5 pence per litre, compared with a fall of 2.1 pence per litre a year earlier to stand at



133.8 pence per litre.

Maintenance and repairs

- Small downward effect.
- Prices overall rose this year by less than a year ago.

07.3 Transport services	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
07.3 Transport services	32	32	4.5	3.9	-0.02
07.3.1 Passenger transport by railway	11	12	-0.7	-1.0	-
07.3.2 Passenger transport by road	11	12	0.1	0.1	-
07.3.3 Passenger transport by air	6	6	11.3	13.9	0.03
07.3.4 Passenger transport by sea and inland waterway	4	2	13.9	10.0	-0.05

- Small downward effect on the all items 12-month rate change.
- Due to passenger transport by sea and inland waterway.
- Partially offset by passenger transport by air.

Passenger transport by air

- Small upward effect.
- Average air fares rose this year by more than a year ago, particularly for long haul and domestic flights.
- Partially offset by a small downward contribution coming from European flights, where average fares rose this year by less than a year ago.

Passenger transport by sea and inland waterway

- Large downward effect.
- Average sea fares rose this year by less than a year ago.

08 COMMUNICATION	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
08 Communication	32	31		-0.2	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to telephone equipment and services.



08.1 Postal services	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
08.1 Postal services	2	2	-	-	-

08.2/3 Telephone equipment and services	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
08.2/3 Telephone equipment and services	30	29	-	-0.2	-0.01

- Small downward effect on the all items 12-month rate change.
- Prices overall fell this year but were little changed a year ago, with the main downward contributions coming from mobile phone applications and bundled telecommunication services.
- Partially offset by a small upward contribution coming from mobile telephone charges, where
 prices were little changed this year but fell a year ago.

09 RECREATION AND CULTURE	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
09 Recreation and culture	144	147	-0.1	-0.4	-0.04

- Large downward effect on the all items 12-month rate change.
- Due to books, newspapers and stationery; recreational and cultural services; and package holidays.
- Partially offset by audio-visual equipment and related products.



09.1 Audio-visual equipment and related products	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
09.1 Audio-visual equipment and related products	22	23	-1.1	-0.4	0.02
09.1.1 Equipment for the reception and reproduction of sound and pictures	5	5	-2.1	1.1	0.02
09.1.2 Photographic, cinematographic and optical equipment	3	3	-0.1	-1.1	-
09.1.3 Data processing equipment	8	9	-2.1	-0.9	0.01
09.1.4 Recording media	5	5	0.6	-0.6	-0.01
09.1.5 Repair of audio-visual equipment and related products	1	1	0.1	-	-

- Small upward effect on the all items 12-month rate change.
- Due to equipment for the reception and reproduction of sound and pictures; and data processing equipment.
- Partially offset by recording media.

Equipment for the reception and reproduction of sound and pictures

- Small upward effect.
- Prices overall rose this year but fell a year ago, with the main upward contribution coming from televisions.

Data processing equipment

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contributions coming from tablets and laptop computers.
- Partially offset by a small downward contribution coming from PC peripherals, where prices overall fell this year but were little changed a year ago.

Recording media

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for CD ROMs.

09.2 Other major durables for recreation and culture	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
09.2.1/2 Major durables for in/outdoor recreation	9	10	-	_	-



09.3 Other recreational items, gardens and pets	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
09.3 Other recreational items, gardens and pets	36	36	-0.6	-0.7	-
09.3.1 Games, toys and hobbies	21	21	-1.0	-0.9	-
09.3.2 Equipment for sport and open-air recreation	3	4	1.6	-0.2	-0.01
09.3.3 Gardens, plants and flowers	4	4	-1.8	0.1	0.01
09.3.4/5 Pets, related products and services	8	7	1	-1.0	-0.01

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from gardens, plants and flowers.
- Offset by small downward contributions coming from pets, related products and services;
 and equipment for sport and open-air recreation.

Equipment for sport and open-air recreation

- Small downward effect.
- Prices overall fell this year but rose a year ago.

Gardens, plants and flowers

- Small upward effect.
- Prices overall rose this year but fell a year ago.

Pets, related products and services

- Small downward effect.
- Prices overall fell this year but were little changed a year ago, with the main downward contribution coming from dry dog food.

09.4 Recreational and cultural services	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
09.4 Recreational and cultural services	31	31	0.3	-0.3	-0.02
09.4.1 Recreational and sporting services	9	8	0.2	0.1	-
09.4.2 Cultural services	22	23	0.3	-0.5	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to **cultural services**, where average admission charges for theatres and nightclubs fell this year but rose a year ago.



09.5 Books, newspapers and stationery	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
09.5 Books, newspapers and stationery	14	14	0.5	-1.1	-0.02
09.5.1 Books	4	4	2.3	-1.9	-0.02
09.5.2 Newspapers and periodicals	5	5	0.2	-0.5	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	5	5	-0.8	-1.0	1

- Small downward effect on the all items 12-month rate change.
- Due to **books**, where prices overall fell this year but rose a year ago, particularly for non-fiction hardbacks. Partially offset by a small upward contribution coming from eBooks, where prices overall rose this year but fell a year ago.

09.6 Package holidays	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
09.6 Package holidays	32	33	0.4	0.2	-0.01

- Small downward effect on the all items 12-month rate change.
- Prices overall rose this year by less than a year ago.

10 EDUCATION	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
10 Education	22	26	-	-	-

11 RESTAURANTS AND HOTELS	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
11 Restaurants and hotels	120	121	-0.2	-	0.02

- Small upward effect on the all items 12-month rate change.
- Due to accommodation services.



11.1 Catering services	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
11.1 Catering services	100	100	0.1	0.1	-
11.1.1 Restaurants and cafes	91	91	0.1	0.1	-
11.1.2 Canteens	9	9	-0.1	0.1	-

11.2 Accommodation services	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
11.2 Accommodation services	20	21	-1.4	-0.5	0.02

- Small upward effect on the all items 12-month rate change.
- Prices overall fell this year by less than a year ago, particularly for overnight hotel stays.

12 MISCELLANEOUS GOODS AND SERVICES	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
12 Misc. goods and services	88	91	0.2	0.4	0.02

- Small upward effect on the all items 12-month rate change.
- Due to **personal care** and **insurance**.

12.1 Personal care	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
12.1 Personal care	29	30	0.1	0.4	0.01
12.1.1 Hairdressing and personal grooming establishments	7	7	-0.1	0.2	-
12.1.2/3 Appliances and products for personal care	22	23	0.2	0.5	0.01

- Small upward effect on the all items 12-month rate change.
- Due to appliances and products for personal care, where prices overall rose this year by
 more than a year ago, particularly for electric razors. Partially offset by small downward
 contributions coming from toilet rolls and baby wipes, where prices overall fell this year but
 rose a year ago.



12.3 Personal effects not elsewhere covered	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
12.3 Personal effects not elsewhere covered	13	14	1.2	1.2	-
12.3.1 Jewellery, clocks and watches	8	9	0.6	0.6	-
12.3.2 Other personal effects	5	5	2.3	2.3	-

12.4 Social protection	Weight	Weight	1 month	1 month	Contribution
	2014	2015	% change	% change	to CPI annual
			Aug 2014	Aug 2015	rate change
12.4 Social protection	12	13	0.1	0.1	-

• Negligible overall effect on the all items 12-month rate change.

12.5 Insurance	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
12.5 Insurance	7	10	-0.1	0.5	0.01
12.5.2 House contents insurance	2	2	-0.1	-0.7	-
12.5.3 Health insurance	2	3	-	-	-
12.5.4 Transport insurance	3	5	-0.3	1.3	0.01

- Small upward effect on the all items 12-month rate change.
- Due to **transport insurance**, where average car insurance premiums rose this year but fell a year ago.

12.6 Financial services not elsewhere covered	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to CPI annual rate change
12.6 Financial services not elsewhere covered	17	12	-0.1	_	-



12.7 Other services not elsewhere covered	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to CPI annual
			Aug 2014	Aug 2015	rate change
12.7 Other services not elsewhere					
covered	10	12	0.1	-0.1	-



RPI SUMMARY

CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

GROUPS	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
			Aug 2014	Aug 2015	rate change
FOOD	114	109	-0.3	0.3	0.06
CATERING	47	47	-	0.1	-
ALCOHOLIC DRINKS	58	56	0.7	1.0	0.01
TOBACCO	29	27	0.3	0.1	-0.01
HOUSING	253	263	0.4	0.3	-0.02
FUEL AND LIGHT	48	45	-	-0.4	-0.02
HOUSEHOLD GOODS	61	59	1.2	2.3	0.06
HOUSEHOLD SERVICES	62	65	0.2	-0.2	-0.02
CLOTHING AND FOOTWEAR	45	42	2.7	1.6	-0.06
PERSONAL GOODS AND SERVICES	40	41	0.4	0.3	-
MOTORING EXPENDITURE	120	115	-0.4	-0.4	-
FARES AND OTHER TRAVEL COSTS	22	25	3.1	5.1	0.07
LEISURE GOODS	30	28	-0.3	-0.3	-
LEISURE SERVICES	71	78	0.3	0.1	-0.01



RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +1.1%, up from +1.0% last month Also +1.1% in January 2015 Last higher in December 2014 (+1.6%)
All items RPI exc MIPS (RPIX)	Annual rate +1.2%, up from +1.1% last month Also +1.2% in January 2015 Last higher in December 2014 (+1.7%)
All items RPI exc MIPS and indirect taxes (RPIY)	Annual rate +1.1%, up from +1.0% last month Also +1.1% in January 2015 Last higher in December 2014 (+1.8%)
Tobacco	Annual rate +5.0%, down from +5.2% last month Lowest since December 2009 (+4.5%)
Housing	Annual rate +2.5%, down from +2.6% last month Lowest since February 2014 (+2.4%)
Fuel and light	Annual rate -4.4%, down from -4.0% last month Also -4.4% in March 2010 Last lower in February 2010 (-7.4%)
Fares and other travel	Annual rate +9.6%, up from +7.5% last month Highest since April 2011 (+12.4%)
Leisure services	Annual rate +2.4%, down from +2.6% last month Also +2.4% in March 2015 and July 2014 Last lower in June 2014 (+2.0%)
All goods	Annual rate -0.8%, up from -0.9% last month Highest since June 2015 (-0.7%)
All services	Annual rate +2.6%, up from +2.4% last month Highest since November 2014 (+2.8%)



RPI DETAILED BRIEFING

In accordance with the Statistics and Registration Service Act 2007, the Retail Prices Index and its derivatives have been assessed against the Code of Practice for Official Statistics and found not to meet the required standard for designation as National Statistics. A consultation was carried out in March 2013 on whether to maintain this detailed RPI briefing and, based on views received, it was decided to continue with its publication.

Weights are specified as parts per 1000 in the RPI.

FOOD	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to RPI annual rate change
FOOD	114	109	-0.3	0.3	0.06

- Large upward effect on the all items 12-month rate change.
- Due to non-seasonal food.

Seasonal Food	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
			Aug 2014	Aug 2015	rate change
SEASONAL FOOD	19	18	-0.7	-0.6	-
Home killed lamb	1	1	-1.4	-3.5	-
Fresh fish	2	2	-	-4.3	-0.01
Eggs	1	1	-1.9	0.1	-
Unprocessed potatoes	2	2	-1.2	2.5	0.01
Other fresh vegetables	7	6	-1.5	0.3	0.01
Fresh fruit	6	6	0.3	-0.7	-0.01

- Negligible overall effect on the all items 12-month rate change.
- There are upward contributions coming from unprocessed potatoes and other fresh vegetables, where prices overall rose this year but fell a year ago, with the main upward contribution coming from old white potatoes.
- Offset by downward contributions coming from:
 - Fresh fruit, where prices overall fell this year but rose a year ago; and
 - Fresh fish, where prices overall fell this year but were little changed a year ago.



	Weight	Weight	1 month	1 month	Contribution
Non-Seasonal Food	2014	2015	% change	% change	to RPI annual
			Aug 2014	Aug 2015	rate change
NON-SEASONAL FOOD	95	91	-0.2	0.4	0.06
Bread	5	4	-0.3	0.6	-
Cereals	4	4	1.1	-0.7	-0.01
Biscuits and cakes	7	7	0.8	0.4	-
Beef	4	4	-1.4	-1.0	-
Imported lamb	1	1	-0.3	-0.7	-
Pork	1	1	0.3	0.4	-
Bacon	2	2	3.5	-1.1	-0.01
Poultry	4	4	-1.6	-0.4	-
Other meat	7	7	-0.4	-1.9	-0.01
Processed fish	2	2	-0.3	3.1	0.01
Butter	1	1	-	2.8	-
Oils and fats	2	1	-6.6	-2.5	0.01
Cheese	4	4	1.0	-1.7	-0.01
Milk, fresh	4	3	-0.4	0.2	-
Milk products	4	4	-1.7	2.3	0.02
Tea	1	1	-1.9	-1.0	-
Soft drinks	11	10	-0.8	2.5	0.03
Sugar and preserves	1	1	-2.6	-1.3	-
Sweets and chocolates	11	11	-	-0.1	-
Potato products	3	3	-0.3	-4.5	-0.01
Processed vegetables	2	2	0.3	2.0	-
Processed fruit	1	2	1.0	1.1	-
Other foods	11	11	1.3	3.1	0.02
Coffee and other hot drinks	2	1	-0.8	-0.9	-

- Large upward effect on the all items 12-month rate change.
- Due to:
 - Soft drinks, milk products and processed fish, where prices overall rose this year but fell a year ago, particularly for fruit squashes, bottles of cola flavoured drinks, multipacks of fruit drink bottles and yoghurt/fromage frais;
 - Other foods, where prices overall rose this year by more than a year ago, particularly for cook-in sauces; and
 - Oils and fats, where prices overall fell this year by less than a year ago, particularly for margarine/low fat spread.
- Partially offset by:
 - Cereals, bacon and cheese, where prices overall fell this year but rose a year ago, particularly for back bacon and cheddar cheese; and
 - Other meat and potato products, where prices overall fell this year by more than a year ago, with the main downward contributions coming from potato crisps and prepacked sliced cooked ham.



CATERING	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to RPI annual rate change
CATERING	47	47	-	0.1	-
Restaurant meals	28	28	-	-0.1	-
Canteen meals	3	3	-0.1	-	-
Take-away meals and snacks	16	16	0.1	0.3	-

ALCOHOLIC DRINKS	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	58	56	0.7	1.0	0.01
Beer on sales	20	19	0.1	0.1	-
Beer off sales	5	5	1.0	0.6	-
Wines and spirits on sales	18	18	0.1	0.2	-
Wines and spirits off sales	15	14	2.3	3.6	0.01

- Small upward effect on the all items 12-month rate change.
- Due to wines and spirits off sales, where prices overall rose this year by more than a year ago, particularly for New World wine. Partially offset by a small downward contribution coming from whisky, where prices overall fell this year but rose a year ago.

ТОВАССО	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
TOBACCO	29	27	Aug 2014 0.3	Aug 2015 0.1	rate change -0.01
Cigarettes	25	23	0.3	0.1	-0.01
Other tobacco products	4	4	0.3	-	-

- Small downward effect on the all items 12-month rate change.
- Prices overall rose this year by less than a year ago.



HOUSING	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
			Aug 2014	Aug 2015	rate change
HOUSING	253	263	0.4	0.3	-0.02
Rent	87	84	0.1	0.3	0.01
Mortgage interest payments	30	29	0.2	-0.2	-0.01
Council tax and rates	42	40	-	-	-
Water and other charges	14	14	-	-	-
Repairs and maintenance charges	10	9	-	-0.1	-
DIY materials	6	8	0.2	0.7	-
Dwelling insurance and ground rent	6	6	0.2	-1.2	-0.01
House depreciation	58	73	1.5	1.0	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to:
 - Mortgage interest payments and dwelling insurance and ground rent, where average charges fell this year but rose a year ago; and
 - House depreciation, with the smoothed house price index used to calculate this component rising this year by less than a year ago.
- Partially offset by **rent**, where average charges for private rented properties rose this year by more than a year ago.

FUEL AND LIGHT	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to RPI annual rate change
			Aug 2014	- J	
FUEL AND LIGHT	48	45	-	-0.4	-0.02
Coal and solid fuels	1	1	-0.2	-	-
Electricity	22	21	-	-	-
Gas	21	21	-	-	-
Oil and other fuels	4	2	0.1	-9.3	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to oil and other fuels, where average prices for kerosene fell this year but rose a year ago.



HOUSEHOLD GOODS	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
			Aug 2014	Aug 2015	rate change
HOUSEHOLD GOODS	61	59	1.2	2.3	0.06
Furniture	21	22	2.5	5.1	0.06
Furnishings	9	9	1.9	1.7	-
Electrical appliances	6	5	2.1	0.6	-0.01
Other household equipment	4	4	1.0	2.2	-
Household consumables	12	12	-1.1	-	0.01
Pet care	9	7	-	-1.2	-0.01

- Large upward effect on the all items 12-month rate change.
- Due to:
 - **Furniture**, where prices overall rose this year by more than a year ago, with the main upward contributions coming from bedroom, kitchen and dining room furniture; and
 - Household consumables, where prices overall were little changed this year but fell a
 year ago, with the main upward contribution coming from dishwasher tablets. Partially
 offset by a downward contribution coming from toilet rolls, where prices overall fell this
 year but rose a year ago.
- Partially offset by:
 - Pet care, where prices overall fell this year but were little changed a year ago, with the main downward contribution coming from dry dog food; and
 - **Electrical appliances**, where prices overall rose this year by less than a year ago, with the main downward contribution coming from cooling fans.

HOUSEHOLD SERVICES	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
			Aug 2014	Aug 2015	rate change
HOUSEHOLD SERVICES	62	65	0.2	-0.2	-0.02
Domestic services	13	13	0.2	0.4	-
Fees and subscriptions	24	26	0.6	-0.3	-0.02
Postage	1	1	-	-	-
Telephone charges	24	25	-0.2	-0.3	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to:
 - Fees and subscriptions, where average charges fell this year but rose a year ago, particularly estate agent fees and house contents insurance premiums; and
 - Telephone charges, where prices overall fell this year by more than a year ago, with
 the main downward contribution coming from bundled telecommunication services.
 Partially offset by a small upward contribution coming from mobile telephone charges,



where prices were little changed this year but fell a year ago.

CLOTHING AND FOOTWEAR	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
			Aug 2014	Aug 2015	rate change
CLOTHING AND FOOTWEAR	45	42	2.7	1.6	-0.06
Men's outerwear	10	8	1.2	0.6	-0.01
Women's outerwear	16	16	5.5	2.0	-0.06
Children's outerwear	5	5	4.3	2.1	-0.01
Other clothing	5	5	1.3	2.4	0.01
Footwear	9	8	-0.5	1.2	0.01

- Largest downward effect on the all items 12-month rate change.
- Due to women's outerwear and, to a lesser extent, men's outerwear and children's outerwear, where prices overall rose this year by less than a year ago, with the main downward contributions coming from women's tops, trousers, jackets, skirts and dresses; men's jackets; and girls' fashion tops. Partially offset by a small upward contribution coming from men's sports sweatshirts, where prices overall rose this year but fell a year ago.
- Partially offset by:
 - **Footwear**, where prices overall rose this year but fell a year ago, with the main upward contributions coming from trainers and women's boots; and
 - Other clothing, where prices overall rose this year by more than a year ago.

PERSONAL GOODS & SERVICES	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to RPI annual rate change
PERSONAL GOODS & SERVICES	40	41	0.4	0.3	-
Personal articles	10	10	1.0	1.6	0.01
Chemists' goods	16	17	0.4	-0.2	-0.01
Personal services	14	14	-	0.1	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **personal articles**, where prices overall rose this year by more than a year ago.
- Offset by a small downward contribution coming from chemists' goods, where prices overall fell this year but rose a year ago.



MOTORING EXPENDITURE	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to RPI annual rate change
MOTORING EXPENDITURE	120	115	-0.4	-0.4	-
Purchase of motor vehicles	36	42	0.2	-0.6	-0.03
Maintenance of motor vehicles	17	16	0.4	-	-0.01
Petrol and oil	43	35	-1.4	-1.7	-
Vehicle tax and insurance	24	22	-0.2	1.8	0.04

- Negligible overall effect on the all items 12-month rate change.
- There is a large upward contribution coming from **vehicle tax and insurance**, where average premiums for car insurance rose this year but fell a year ago.
- Offset by small downward contributions coming from:
 - Purchase of motor vehicles, where prices overall fell this year but rose a year ago, particularly for second-hand cars; and
 - **Maintenance of motor vehicles**, where prices overall were little changed this year but rose a year ago.

FARES AND OTHER TRAVEL COSTS	Weight 2014	Weight 2015	1 month % change Aug 2014	1 month % change Aug 2015	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	22	25	3.1	5.1	0.07
Rail fares	7	7	-0.7	-0.8	-
Bus and coach fares	4	3	-	-0.1	-
Other travel costs	11	15	6.2	8.2	0.07

- Largest upward effect on the all items 12-month rate change.
- Due to other travel costs, where average air fares rose this year by more than a year ago, particularly for long haul and domestic flights. Partially offset by a small downward contribution coming from European flights, where average fares rose this year by less than a year ago.



LEISURE GOODS	Weight	Weight	1 month	1 month	Contribution
LEISURE GOODS	2014	2015	% change	% change	to RPI annual
			Aug 2014	Aug 2015	rate change
LEISURE GOODS	30	28	-0.3	-0.3	-
Audio-visual equipment	7	7	-1.2	-	0.01
CDs and tapes	2	2	0.4	-0.5	-
Toys, photographic and sports goods	9	8	0.1	-0.6	-0.01
Books and newspapers	7	6	0.8	-0.9	-0.01
Gardening products	5	5	-1.2	0.2	0.01

- Negligible overall effect on the all items 12-month rate change.
- There are small upward contributions coming from:
 - Gardening products, where prices overall rose this year but fell a year ago; and
 - Audio-visual equipment, where prices overall were little changed this year but fell a
 year ago, with the main upward contribution coming from tablet computers.
- Offset by downward contributions coming from toys, photographic and sports goods and books and newspapers, where prices overall fell this year but rose a year ago, particularly for non-fiction hardbacks.

LEISURE SERVICES	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
			Aug 2014	Aug 2015	rate change
LEISURE SERVICES	71	78	0.3	0.1	-0.01
TV licence and rentals	12	12	-	-	-
Entertainment and other recreation	15	15	0.6	-0.3	-0.01
Foreign holidays	34	41	0.6	0.4	-
UK holidays	10	10	-0.5	-0.2	-

- Small downward effect on the all items 12-month rate change.
- Due to **entertainment and other recreation**, where prices overall fell this year but rose a year ago, particularly for admission to theatres.



RECONCILIATION OF CPI AND RPI

(Table 5 of the Consumer Price Inflation Reference Tables)

This table identifies the main factors contributing to the differences between the unrounded inflation rates for the CPI and the RPI. These differences are broken down into: mortgage interest payments, other housing components excluded from the CPI, other differences in the coverage of goods and services, and the formula effect. The final column titled 'other differences including weights' is derived as a residual.

The difference between the CPI and RPI unrounded annual rates in August 2015 was -1.08 percentage points, widening from -0.88 percentage points in July 2015.

The only factor contributing to the widening was:

Other differences including weights, which increased the RPI 12-month rate relative to the
CPI 12-month rate by 0.28 percentage points between July and August 2015. The effect came
mainly from fuels and lubricants; air fares; sea fares; food and non-alcoholic beverages;
clothing and footwear; insurance; and furniture and furnishings, carpets and household textiles.

The offsetting factors were:

- Other housing components, which decreased the RPI 12-month rate by 0.04 percentage
 points between July and August 2015 but are excluded from the CPI. The effect came mainly
 from house depreciation, estate agent fees, and dwelling insurance and ground rent.
- Formula effect, which decreased the RPI 12-month rate relative to the CPI 12-month rate by 0.03 percentage points between July and August 2015. The effect came mainly from clothing and footwear.



RPI MISCELLANEOUS DATA

Selected Average Prices

Description		June 2015	July 2015	August 2015
Potrol por litro	Diesel	£1.21	£1.19	£1.14
Petrol per litre	Petrol	£1.16	£1.16	£1.15
	Draught bitter (pint)	£2.96	£2.97	£2.97
Alcohol pub prices	Draught lager (pint)	£3.45	£3.45	£3.45
	Whisky (per nip)	£2.60	£2.60	£2.60
Cigarettes	Per 20 king size	£8.89	£8.90	£8.91

Average prices are as recorded for the RPI

Changes in Mortgage Interest Rates

This table gives an estimate of the contribution that changes in the average mortgage interest rate (MI) make to the 1-month percentage change in the RPI.

Month	1-month % change in the RPI	Approx. change in average MI rate	Approx. contribution to the 1-month % change in the RPI
August 2014	+0.4	Down -0.01% points	-0.01% points
September 2014	+0.2	Negligible	-
October 2014	+0.0	Down -0.02% points	-0.02% points
November 2014	-0.2	Down -0.01% points	-0.01% points
December 2014	+0.2	Down -0.01% points	-0.01% points
January 2015	-0.8	Down -0.01% points	-0.01% points
February 2015	+0.5	Down -0.02% points	-0.02% points
March 2015	+0.2	Down -0.02% points	-0.02% points
April 2015	+0.4	Down -0.01% points	-0.01% points
May 2015	+0.2	Down -0.02% points	-0.02% points
June 2015	+0.2	Down -0.01% points	-0.01% points
July 2015	-0.1	Down -0.02% points	-0.02% points
August 2015	+0.5	Down -0.02% points	-0.02% points

NB: A one percentage point change in the average mortgage interest rate contributes approx. 0.9 percentage points to the 1-month percentage change in the RPI.



OUTLOOK

The outlook is a summary of seasonal trends, selected news cuttings and other sources of information. It gives some indication of expected changes to the annual rate of the CPI and RPI in the next few months.

FOOD

Seasonal Food

 Seasonal food prices have shown a mixed pattern of rises and falls in September of previous years and are typically influenced by weather conditions both in the UK and around the world.

Monthly % change for CPI seasonal food index			
Year	July	August	September
2009	-2.5	-1.5	-2.2
2010	0.7	-0.5	-0.7
2011	-1.0	-1.0	0.8
2012	-0.5	0.2	-0.1
2013	0.2	0.2	1.1
2014	0.2	-0.3	-0.5
2015	-1.4	-0.4	

• Seasonal food prices in the RPI tend to show a similar movement.

CLOTHING AND FOOTWEAR

Prices for clothing and footwear tend to rise in September.

Monthly % change for CPI clothing and footwear index			
Year	July	August	September
2009	-3.2	1.3	3.6
2010	-4.9	2.8	6.4
2011	-3.5	3.7	4.4
2012	-2.6	2.8	4.7
2013	-3.2	2.0	4.2
2014	-5.7	2.6	4.0
2015	-3.4	1.5	

The clothing and footwear group in the RPI exhibits a similar seasonal pattern.

ELECTRICITY, GAS AND OTHER FUELS

British Gas is to reduce household gas prices by 5% with effect from 27 August 2015.
 (britishgas.co.uk/media 15 July 2015)



FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

Prices tend to rise in September.

Monthly % change for CPI furniture, household equipment and maintenance index			
Year	July	August	September
2009	-2.7	1.5	1.6
2010	-1.9	1.0	1.7
2011	-1.1	2.0	1.2
2012	-1.1	0.8	0.5
2013	-1.0	1.8	0.2
2014	-1.5	1.0	0.6
2015	-1.4	1.7	

• The household goods group in the RPI exhibits a similar seasonal pattern.

TRANSPORT

Fuels and Lubricants

- Brent crude oil has fallen as weaker-than-expected Chinese data weighed on markets, adding to concerns that declining global demand would exacerbate a surplus of crude. Traders also waited to see whether the U.S. central bank raises interest rates for the first time in nearly a decade. Front-month Brent crude futures were down 38 cents at \$47.76 a barrel. U.S. crude futures were flat at \$44.63 a barrel. (uk.reuters.com 14 September 2015)
- When considering the price of petrol between August and September 2015, it may be useful
 to note that the average price of petrol fell by 0.8 pence per litre between August and
 September 2014, standing at 128.4 pence per litre as measured in the CPI.
- A 1 pence change on average in the cost of a litre of motor fuel contributes approximately
 0.03 percentage points to the 1-month change in the CPI.

Passenger Transport by Air

Air fares tend to fall sharply in September.

Monthly % change for CPI air fares index			
Year	July	August	September
2009	12.2	8.3	-23.8
2010	9.6	16.1	-27.8
2011	9.8	11.2	-21.2
2012	21.7	10.2	-25.2
2013	13.9	9.4	-18.8
2014	14.0	11.3	-21.7
2015	21.6	13.9	

The air fares index used in the RPI is the same as that used in the CPI, and is included in the other travel costs section.



HOUSING (RPI)

Mortgage interest payments (MIPs)

- The Bank of England Bank Rate remained unchanged at 0.5% on Thursday 10 September 2015.
- The change in average mortgage interest rates recorded in the RPI was negligible between August and September 2014. The Bank of England Bank Rate remained unchanged at 0.5% in August 2014.
- A one percentage point change in the average mortgage interest rate contributes approximately 0.9 percentage points to the 1-month percentage change in the RPI.



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