

# **Statistical Bulletin**

## **BRIEFING NOTE**

## **Consumer Price Inflation**

## September 2015

Coverage: **UK** 

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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 September 2015 are:

- The all items CPI is 128.2, down from 128.4 in August.
- The all items CPI annual rate is -0.1%, down from 0.0% in August.
- The annual rate for CPI excluding indirect taxes, CPIY, is -0.2%, down from -0.1% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is -0.1%, down from 0.0% last month.
- The CPI all goods index is 118.9, up from 118.8 in August.
- The CPI all goods index annual rate is -2.4%, down from -2.0% last month.
- The CPI all services index is 140.1, down from 140.5 in August.
- The CPI all services index annual rate is 2.5%, up from 2.3% last month.

## **CPIH**

CPIH is currently undergoing re-assessment to evaluate the extent to which it meets the professional standards set out in the Code of Practice for Official Statistics. CPIH was first assessed in 2013. In August 2015 its National Statistics status was removed pending work to improve the methods for measuring owner occupiers' housing costs in the index. Full details can be found on the UK Statistics Authority website and in an explanatory note (313.9 Kb Pdf) on our website. The improvements from the resulting development work were introduced as part of the February 2015 dataset with the historical series revised back to 2005. Further information on the changes is available in 2 articles: Improvements to the measurement of Owner Occupiers' Housing Costs and Private Housing Rental Prices (2.43 Mb Pdf) and Revising the weight of Owner Occupiers' Housing in CPIH (197.4 Kb Pdf).

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 September 2015 are:

- The all items CPIH is 126.2, down from 126.3 in August.
- The all items CPIH annual rate is 0.2%, down from 0.3% in August.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 0.2%, down from 0.4% last month.
- The OOH component of CPIH is 117.2, up from 117.0 in August.
- The OOH component annual rate is 1.8%, unchanged from last month.
- The CPIH all goods index is 119.1, up from 118.9 in August.
- The CPIH all goods index annual rate is -2.4%, down from -2.0% last month.
- The CPIH all services index is 131.9, down from 132.2 in August.
- The CPIH all services index annual rate is 2.3%, up from 2.2% 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>.

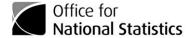
RPIJ is an improved variant of the Retail Prices Index which is calculated using formulae that meet international standards. The rationale for creating RPIJ was to give users a better alternative to the



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 September 2015 are:

- The all items RPI is 259.6, down from 259.8 in August.
- The all items RPI annual rate is 0.8%, down from 1.1% last month.
- The all items RPIJ is 239.1, down from 239.4 in August.
- The all items RPIJ annual rate is 0.1%, down from 0.5% last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs) index, is 0.9%, down from 1.2% last month.
- The all goods RPI is 198.3, unchanged from last month.
- The all goods RPI annual rate is -1.2%, down from -0.8% last month.
- The all services RPI is 353.4, down from 354.7 in August.
- The all services RPI annual rate is 2.4%, down from 2.6% last month.
- The annual rate for RPIY, the all items RPI excluding MIPs and indirect taxes index, is 0.8%, down from 1.1% last month.
- The Tax and Price Index (TPI) for September is 226.6, down from 226.7 in August.
- The TPI annual rate is 0.2%, down from 0.5% 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
			Sep 2014	Sep 2015	rate change
01: Food and non-alcoholic beverages	112	110	-0.2	-	0.02
02: Alcoholic beverages and tobacco	45	43	0.7	-	-0.03
03: Clothing and footwear	72	70	4.0	2.8	-0.09
04: Housing, water, electricity, gas and other fuels	129	128	0.1	-0.2	-0.03
05: Furniture, household equipment and maintenance	60	59	0.6	0.7	0.01
06: Health	24	25	-0.2	-	0.01
07: Transport	152	149	-2.4	-2.5	-
08: Communication	32	31	0.1	0.4	0.01
09: Recreation and culture	144	147	-0.1	-	0.02
10: Education	22	26	1.9	1.2	-0.01
11: Restaurants and hotels	120	121	0.2	0.2	-
12: Miscellaneous goods and services	88	91	0.3	-	-0.02

## A large downward effect came from:

• Clothing and footwear, where prices, overall, rose by 2.8% between August and September this year compared with a larger rise of 4.0% between the same 2 months a year ago. As prices rose by less than a year ago, this resulted in a downward contribution to the CPI 12-month rate. Clothing prices, overall, always rise between August and September. However this was the weakest growth since 2008 with a higher proportion of clothing items on sale in September 2015 when compared with September last year. Taking the summer (May to September) as a whole, clothing and footwear prices increased by 0.4% compared with larger increases of 0.9% and 1.2% over the same period in 2013 and 2014 respectively.



#### Small downward effects came from:

- Fuels and lubricants (part of the 'transport' category), where prices, overall, fell by 2.9% between August and September this year compared with a smaller fall of 0.6% between the same 2 months a year ago. The largest downward contribution came from petrol, with prices falling by 3.7 pence per litre between August and September this year compared with a fall of 0.8 pence per litre between the same 2 months a year ago. Diesel prices are now at their lowest level since December 2009, standing at 110.2 pence per litre; and
- Gas (part of the 'housing and household services' category), where prices, overall, fell by 2.1% between August and September this year, compared with no change between the same two months a year ago, with price reductions from a major supplier.

There were no notable upward contributions to the change in the CPI 12-month rate between August and September 2015.



## **CPI NOTABLE MOVEMENTS**

All items CPI	Annual rate -0.1%, down from 0.0% last month Also -0.1% in April 2015 Never lower since official series began in January 1997
All items CPI exc energy, food, alcohol and tobacco	Annual rate +1.0%, unchanged from last month Last higher in July 2015 (+1.2%)
Alcoholic beverages and tobacco	Annual rate +1.4%, down from +2.1% last month  Also +1.4% in September 2005  Last lower in April 2002 (+1.0%)
Housing, water electricity, gas and other fuels	Annual rate +0.1%, down from +0.4% last month Also +0.1% in March 2010 Last lower in February 2010 (-1.0%)
Education	Annual rate +9.1%, down from +10.0% last month  Lowest since September 2012 (+3.2%)
All goods	Annual rate -2.4%, down from -2.0% last month  Never lower since official series began in January 1997
All services	Annual rate +2.5%, up from +2.3% last month  Also +2.5% in October 2014  Last higher in August 2014 (+2.7%)
Electricity, gas and other fuels	Annual rate -4.3%, down from -3.5% last month Lowest since February 2010 (-6.8%)



## **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	1 month % change	Contribution to CPI annual
			Sep 2014	Sep 2015	rate change
01 Food & non-alcoholic beverages	112	110	-0.2	-	0.02

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

01.1 Food	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to CPI annual
			Sep 2014	Sep 2015	rate change
01.1 Food	99	97	-0.2	0.1	0.03
01.1.1 Bread and cereals	17	16	-1.3	0.1	0.02
01.1.2 Meat	22	22	0.4	0.4	-
01.1.3 Fish	4	4	-3.5	-0.3	0.01
01.1.4 Milk, cheese and eggs	14	14	1.1	-0.7	-0.03
01.1.5 Oils and fats	2	2	-1.3	7.0	0.02
01.1.6 Fruit	10	10	-0.1	0.3	-
01.1.7 Vegetables including potatoes	15	14	-	0.6	0.01
01.1.8 Sugar, jam, syrups, chocolate and confectionery	12	12	0.2	-0.4	-0.01
01.1.9 Food products not elsewhere covered	3	3	-0.9	-1.5	-

- Small upward effect on the all items 12-month rate change.
- Due to bread and cereals; oils and fats; fish and vegetables including potatoes.
- Partially offset by milk cheese and eggs; and sugar, jam, syrups, chocolate and confectionery.

## **Bread and cereals**

- Small upward effect.
- Prices overall rose this year but fell a year ago, with the main upward contributions coming from breakfast cereals and pizza.



## Fish

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contribution coming from canned tuna.

## Milk, cheese and eggs

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for yoghurt/fromage frais.

## Oils and fats

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

## Vegetables including potatoes

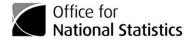
- Small upward effect.
- Prices overall rose this year but were little changed a year ago, with the main upward contribution coming from premium potato crisps.

## Sugar, jam, syrups, chocolate and confectionery

- Small downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contribution coming from chocolate covered ice cream bars.

01.2 Non-alcoholic beverages	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
01.2 Non-alcoholic beverages	13	13	-0.2	-0.9	-0.01
01.2.1 Coffee, tea and cocoa	3	3	-0.2	0.8	-
01.2.2 Mineral waters, soft drinks and juices	10	10	-0.2	-1.4	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to **mineral waters**, **soft drinks and juices**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from bottled fizzy drinks.



02 ALCOHOLIC BEVERAGES AND TOBACCO	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
02 Alcoholic beverages and tobacco	45	43	0.7	-	-0.03

- Small downward effect on the all items 12-month rate change.
- Due to tobacco and alcoholic beverages.

02.1 Alcoholic Beverages	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
02.1 Alcoholic beverages	20	19	0.2	-0.2	-0.01
02.1.1 Spirits	6	5	-0.9	2.1	0.02
02.1.2 Wine	9	9	0.2	-2.3	-0.02
02.1.3 Beer	5	5	1.8	1.1	-

- Small downward effect on the all items 12-month rate change.
- Due to wine.
- Partially offset by spirits.

## **Spirits**

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for whisky.

## Wine

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for New World red wine and European white wine.
- Partially offset by a small upward contribution coming from bottles of apple cider, where prices rose this year but fell a year ago.

02.2 Tobacco	Weight	Weight	1 month	1 month	Contribution
	2014	2015	% change	% change	to CPI annual
			Sep 2014	Sep 2015	rate change
02.2 Tobacco	25	24	1.0	0.2	-0.02

- Small downward effect on the all items 12-month rate change.
- Prices overall rose this year by less than a year ago, particularly for some brands of cigarette.



03 CLOTHING AND FOOTWEAR	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to CPI annual
			Sep 2014	Sep 2015	rate change
03 Clothing and footwear	72	70	4.0	2.8	-0.09

- Largest downward effect on the all items 12-month rate change.
- Due to clothing and, to a lesser extent, footwear including repairs.

03.1 Clothing	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
03.1 Clothing	62	60	4.3	3.1	-0.08
03.1.2 Garments	55	54	4.5	3.3	-0.07
03.1.3 Other clothing and clothing accessories	6	5	3.3	1.3	-0.01
03.1.4 Cleaning, repair and hire of clothing	1	1	0.1	-0.1	-

- Large downward effect on the all items 12-month rate change.
- Due to garments and, to a lesser extent, 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 men's coats and ready-made suits; women's casual jackets, formal skirts, and night-ware; and children's trousers.
- Partially offset by upward contributions coming from women's casual trousers and skirts.

## Other clothing and clothing accessories

- Small downward effect.
- Prices overall rose this year by less 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
			Sep 2014	Sep 2015	rate change
03.2 Footwear including repairs	10	10	2.0	1.0	-0.01

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



04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
04 Housing, water, electricity, gas and other fuels	129	128	0.1	-0.2	-0.03

- Small downward effect on the all items 12-month rate change.
- Due to electricity, gas and other fuels.
- Partially offset by actual rentals for housing.

04.1 Actual rentals for housing	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 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.
- Charges overall rose this year by more than a year ago, particularly for self catering UK holidays.

04.3 Regular maintenance and repair of the dwelling	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
04.3 Regular maintenance and repair of the dwelling	2	2	-	-0.5	-
04.3.1 Materials for maintenance and repair	1	1	-	-1.0	-
04.3.2 Services for maintenance and repair	1	1	-	0.1	-

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

04.4 Other services related to the dwelling	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
04.4 Other services related to the dwelling	12	12	-	-	-
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 Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
04.5 Electricity, gas and other fuels	45	42	-	-1.0	-0.04
04.5.1 Electricity	21	20	-	-	-
04.5.2 Gas	21	20	-	-2.1	-0.04
04.5.3 Liquid fuels	2	1	-1.4	1.6	-
04.5.4 Solid fuels	1	1	0.5	0.3	-

- Large downward effect on the all items 12-month rate change.
- Due to **gas**, where average charges fell this year but were unchanged a year ago, with price reductions from a major supplier.

05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
05 Furniture, household equipment and maintenance	60	59	0.6	0.7	0.01

- Small upward effect on the all items 12-month rate change.
- Due to glassware, tableware and household utensils; and household appliances, fitting and repairs.
- Partially offset by household textiles.

05.1 Furniture, furnishings and carpets	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
05.1 Furniture, furnishings and carpets	21	21	1.0	1.1	-
05.1.1 Furniture and furnishings	16	15	1.3	1.3	-
05.1.2 Carpets and other floor coverings	5	6	0.2	0.7	-



05.2 Household textiles	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
05.2 Household textiles	7	6	1.4	0.6	-0.01

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

05.3 Household appliances, fitting and repairs	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
05.3 Household appliances, fitting and repairs	9	8	0.2	0.9	0.01
05.3.1/2 Major appliances and small electric goods	8	7	0.2	1.0	0.01
05.3.3 Repair of household appliances	1	1	-	0.1	-

- Small upward effect on the all items 12-month rate change.
- Due to **major appliances and small electric goods**, where prices overall rose this year by more than a year ago.

05.4 Glassware, tableware and household utensils	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
05.4 Glassware, tableware and household utensils	6	6	-1.2	0.4	0.01

- 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 contribution coming from flower vases. Partially offset by a small downward contribution coming from saucepans, where prices fell this year but rose a year ago.

05.5 Tools and equipment for house and garden	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
05.5 Tools and equipment for house and garden	4	5	0.3	0.4	-



05.6 Goods and services for routine maintenance	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
05.6 Goods and services for routine maintenance	13	13	0.6	0.3	-
05.6.1 Non-durable household goods 05.6.2 Domestic services and household	5	5	1.4	0.3	-0.01
services	8	8	0.1	0.3	-

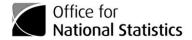
- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution from **non-durable household goods**, where prices overall rose this year by less than a year ago.

06 HEALTH	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to CPI annual
			Sep 2014	Sep 2015	rate change
06 Health	24	25	-0.2	-	0.01

- Small upward 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 Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
06.1 Medical products, appliances and equipment	10	12	-0.6	-	0.01
06.1.1 Pharmaceutical products	6	7	-1.2	0.1	0.01
06.1.2/3 Other medical and therapeutic equipment	4	5	0.3	-0.1	-

- Small upward effect on the all items 12-month rate change.
- Due to **pharmaceutical products**, where prices overall rose this year but fell a year ago.



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

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

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

07 TRANSPORT	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
07 Transport	152	149	-2.4	-2.5	-

- Negligible overall effect on the all items 12-month rate change.
- There is a large downward contribution from operation of personal transport equipment.
- Offset by a large upward contribution from **transport services**.

	Weight	Weight	1 month	1 month	Contribution
07.1 Purchase of vehicles	2014	2015	% change	% change	to CPI annual
			Sep 2014	Sep 2015	rate change
07.1 Purchase of vehicles	44	40	-0.5	-0.4	-
07.1.1A New cars	23	24	-	-0.3	-0.01
07.1.1B Second-hand cars	18	14	-1.3	-0.8	0.01
07.1.2/3 Motorcycles and bicycles	3	2	0.7	1.3	1

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from **new cars**, where prices overall fell this year but were little changed a year ago.
- Offset by a small upward contribution coming from second-hand cars, where prices fell this
  year but less than a year ago.



07.2 Operation of personal transport equipment	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
07.2 Operation of personal transport equipment	76	77	-0.4	-1.2	-0.06
07.2.1 Spare parts and accessories	5	6	-1.8	0.1	0.01
07.2.2 Fuels and lubricants	35	34	-0.6	-2.9	-0.08
07.2.3 Maintenance and repairs	23	23	-	-0.1	-
07.2.4 Other services	13	14	-	0.7	0.01

- Large downward effect on the all items 12-month rate change.
- Due to fuels and lubricants.
- Partially offset by spare parts and accessories; and other services.

## **Spare parts and accessories**

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

## **Fuels and lubricants**

- Large downward effect.
- The average price of petrol across the month, as recorded for the CPI, fell by 3.7 pence per litre between August and September 2015 to stand at 110.4 pence per litre.
- Last year, the average price of petrol fell by 0.8 pence per litre between August and September 2014 to stand at 128.4 pence per litre.
- The average price of diesel fell by 2.3 pence per litre between August and September 2015 to stand at 110.2 pence per litre, compared with a fall of 0.7 pence per litre a year earlier to stand at 133.1 pence per litre.

## Other services

- Small upward effect.
- Prices overall rose this year but were little changed a year ago, with the main upward contribution coming from self-drive car hire.



07.3 Transport services	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
07.3 Transport services	32	32	-8.8	-7.4	0.06
07.3.1 Passenger transport by railway	11	12	0.1	-0.7	-0.01
07.3.2 Passenger transport by road	11	12	-0.4	-0.4	-
07.3.3 Passenger transport by air	6	6	-21.7	-20.4	-
07.3.4 Passenger transport by sea and inland waterway	4	2	-20.8	-19.0	0.07

- Large upward effect on the all items 12-month rate change.
- Due to passenger transport by sea and inland waterway.
- Partially offset by passenger transport by rail.

## Passenger transport by railway

- Small downward effect.
- Average rail fares fell this year but rose a year ago, particularly for international journeys.

## Passenger transport by sea and inland waterway

- Large upward effect.
- Average sea fares fell this year by less than a year ago.

08 COMMUNICATION	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
08 Communication	32	31	0.1	0.4	0.01

- Small upward 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 Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
08.1 Postal services	2	2	-	-	-



08.2/3 Telephone equipment and services	Weight	Weight	1 month	1 month	Contribution
	2014	2015	% change	% change	to CPI annual
			Sep 2014	Sep 2015	rate change
08.2/3 Telephone equipment and services	30	29	0.1	0.4	0.01

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year by more than a year ago, with the main upward contribution coming from mobile phone applications.

09 RECREATION AND CULTURE	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
09 Recreation and culture	144	147	-0.1	-	0.02

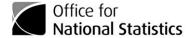
- Small upward effect on the all items 12-month rate change.
- Due to books, newspapers and stationery; and package holidays.
- Partially offset audio-visual equipment and related products.

09.1 Audio-visual equipment and related products	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
09.1 Audio-visual equipment and related products	22	23	-1.0	-1.3	-0.01
09.1.1 Equipment for the reception and reproduction of sound and pictures	5	5	-0.7	-0.1	-
09.1.2 Photographic, cinematographic and optical equipment	3	3	-1.2	1.3	0.01
09.1.3 Data processing equipment	8	9	-2.9	-2.2	-
09.1.4 Recording media	5	5	1.1	-2.7	-0.02
09.1.5 Repair of audio-visual equipment and related products	1	1	0.3	-	-

- Small downward effect on the all items 12-month rate change.
- Due to **recording media**.
- Partially offset by photographic, cinematographic and optical equipment.

## Photographic, cinematographic and optical equipment

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



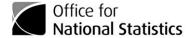
## Recording media

- Small downward effect.
- Prices overall fell this year but rose a year ago, particularly for DVDs purchased via the internet.

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

09.3 Other recreational items, gardens and pets	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
09.3 Other recreational items, gardens and pets	36	36	-0.1	-0.1	_
09.3.1 Games, toys and hobbies	21	21	-0.2	-0.6	-0.01
09.3.2 Equipment for sport and open-air recreation	3	4	0.1	2.2	0.01
09.3.3 Gardens, plants and flowers	4	4	0.8	-0.1	-
09.3.4/5 Pets, related products and services	8	7	-0.1	0.3	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from games, toys and hobbies, where prices overall fell this year by more than a year ago, with the main downward contributions coming from computer games consoles, shop bought computer games and children's craft kits. Partially offset by a small upward contribution coming from computer games purchased via the internet, where prices rose this year but fell a year ago.
- Offset by a small upward contribution coming from equipment for sport and open-air recreation, where prices overall rose this year by more than a year ago.



09.4 Recreational and cultural services	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
09.4 Recreational and cultural services	31	31	0.8	0.7	-
09.4.1 Recreational and sporting services	9	8	1.8	2.7	0.01
09.4.2 Cultural services	22	23	0.4	-	-0.01

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from recreational and sporting services, where prices overall rose this year by more than a year ago, particularly for part-time leisure classes.
- Offset by a small downward contribution coming from cultural services, where prices overall
  were little changed this year but rose a year ago, with the main downward contribution
  coming from live music events.

09.5 Books, newspapers and stationery	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
09.5 Books, newspapers and stationery	14	14	-1.1	-0.1	0.02
09.5.1 Books	4	4	-2.8	1.6	0.02
09.5.2 Newspapers and periodicals	5	5	-0.1	-0.4	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	5	5	-0.6	-1.1	-

- Small upward effect on the all items 12-month rate change.
- Due to books, where prices overall rose this year but fell a year ago, particularly for nonfiction hardbacks.

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

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year but were little changed a year ago, with the main upward
  contributions coming from self catering and late booked foreign holidays. Partially offset by a
  small downward contribution coming from hotel foreign holidays, where prices fell this year
  but rose a year ago.



10 EDUCATION	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
10 Education	22	26	1.9	1.2	-0.01

- Small downward effect on the all items 12-month rate change.
- Charges overall rose this year by less than a year ago, particularly for part-time education classes.

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

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

11.1 Catering services	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
11.1 Catering services	100	100	-	0.1	-
11.1.1 Restaurants and cafes	91	91	0.1	0.1	-
11.1.2 Canteens	9	9	-0.2	-0.1	-

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

11.2 Accommodation	Weight	Weight	1 month	1 month	Contribution
services	2014	2015	% change	% change	to CPI annual
			Sep 2014	Sep 2015	rate change
11.2 Accommodation services	20	21	0.8	0.7	-



12 MISCELLANEOUS GOODS AND SERVICES	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to CPI annual
			Sep 2014	Sep 2015	rate change
12 Misc. goods and services	88	91	0.3	-	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to personal care; and financial services not elsewhere covered.
- Partially offset by personal effects not elsewhere covered.

12.1 Personal care	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
12.1 Personal care	29	30	0.4	-0.3	-0.02
12.1.1 Hairdressing and personal grooming establishments	7	7	0.1	0.1	-
12.1.2/3 Appliances and products for personal care	22	23	0.5	-0.5	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to appliances and products for personal care, where prices overall fell this year but rose a year ago, with the main downward contribution coming from electric razors.

12.3 Personal effects not elsewhere covered	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
12.3 Personal effects not elsewhere covered 12.3.1 Jewellery, clocks and watches	13 8	14 9	0.1 -0.3	0.5 0.1	0.01
12.3.2 Other personal effects	5	5	0.7	1.3	-

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

12.4 Social protection	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
12.4 Social protection	12	13	0.6	0.3	-



12.5 Insurance	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
12.5 Insurance	7	10	0.1	0.3	-
12.5.2 House contents insurance	2	2	-2.7	-0.3	0.01
12.5.3 Health insurance	2	3	-	-	-
12.5.4 Transport insurance	3	5	2.3	0.7	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from **house contents insurance**, where average premiums fell this year by less than a year ago.

12.6 Financial services not elsewhere covered	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to CPI annual rate change
12.6 Financial services not elsewhere covered	17	12	0.4	-	-0.01

- Small downward effect on the all items 12-month rate change.
- Charges overall were little changed this year but rose a year ago.

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



## **RPI SUMMARY**

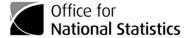
## CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

GROUPS	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
			Sep 2014	Sep 2015	rate change
FOOD	114	109	-0.1	-	0.02
CATERING	47	47	0.1	0.1	-
ALCOHOLIC DRINKS	58	56	0.1	-0.1	-0.01
TOBACCO	29	27	1.0	0.2	-0.03
HOUSING	253	263	0.4	0.3	-0.03
FUEL AND LIGHT	48	45	-0.1	-0.9	-0.04
HOUSEHOLD GOODS	61	59	0.7	0.6	-0.01
HOUSEHOLD SERVICES	62	65	0.2	0.5	0.02
CLOTHING AND FOOTWEAR	45	42	4.1	3.2	-0.05
PERSONAL GOODS AND SERVICES	40	41	0.2	0.1	-
MOTORING EXPENDITURE	120	115	-0.2	-1.3	-0.13
FARES AND OTHER TRAVEL COSTS	22	25	-6.7	-8.5	-0.09
LEISURE GOODS	30	28	-0.7	-0.3	0.01
LEISURE SERVICES	71	78	0.5	0.8	0.03



## **RPI NOTABLE MOVEMENTS**

All items RPI	Annual rate +0.8%, down from +1.1% last month Lowest since November 2009 (+0.3%)
All items RPI exc MIPS (RPIX)	Annual rate +0.9%, down from +1.2% last month Also +0.9% in April 2015 and March 2015 Never lower since official series began in January 1976
All items RPI exc MIPS and indirect taxes (RPIY)	Annual rate +0.8%, down from +1.1% last month Also +0.8% in April 2015, March 2015 and February 2015 Never lower since official series began in January 1988
Tobacco	Annual rate +4.1%, down from +5.0% last month Lowest since November 2009 (+3.8%)
Fuel and light	Annual rate -5.2%, down from -4.4% last month Lowest since February 2010 (-7.4%)
All goods	Annual rate -1.2%, down from -0.8% last month Lowest since June 2002 (-1.6%)
All services	Annual rate +2.4%, down from +2.6% last month Also +2.4% in July 2015 Last lower in June 2015 (+2.1%)



## **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	Weight	1 month	1 month	Contribution
	2014	2015	% change	% change	to RPI annual
			Sep 2014	Sep 2015	rate change
FOOD	114	109	-0.1	-	0.02

- Small 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
			Sep 2014	Sep 2015	rate change
SEASONAL FOOD	19	18	0.5	0.4	-
Home killed lamb	1	1	8.6	2.1	-0.01
Fresh fish	2	2	-2.4	2.0	0.01
Eggs	1	1	2.4	-0.2	-
Unprocessed potatoes	2	2	-2.0	-0.4	-
Other fresh vegetables	7	6	1.0	-	-0.01
Fresh fruit	6	6	0.2	0.1	-

- Negligible overall effect on the all items 12-month rate change.
- There are small downward contributions coming from home killed lamb and fresh vegetables, where prices overall rose this year by less than a year ago.
- Offset by an upward contribution coming from fresh fish, where prices overall rose this year but fell a year ago, with the main upward contribution coming from frozen prawns.



	Weight	Weight	1 month	1 month	Contribution
Non-Seasonal Food	2014	2015	% change	% change	to RPI annual
			Sep 2014	Sep 2015	rate change
NON-SEASONAL FOOD	95	91	-0.3	-	0.02
Bread	5	4	-0.2	0.4	-
Cereals	4	4	-2.4	-0.2	0.01
Biscuits and cakes	7	7	0.1	-0.2	-
Beef	4	4	0.4	2.0	0.01
Imported lamb	1	1	0.8	0.4	-
Pork	1	1	-2.4	-1.5	-
Bacon	2	2	-	-	-
Poultry	4	4	-0.5	0.5	-
Other meat	7	7	0.1	0.2	-
Processed fish	2	2	-3.7	0.1	0.01
Butter	1	1	-2.6	0.8	-
Oils and fats	2	1	0.9	11.5	0.01
Cheese	4	4	0.2	0.3	-
Milk, fresh	4	3	-	-0.4	-
Milk products	4	4	3.0	-2.1	-0.02
Tea	1	1	-1.6	1.4	-
Soft drinks	11	10	-0.5	-1.3	-0.01
Sugar and preserves	1	1	2.1	0.8	-
Sweets and chocolates	11	11	0.7	0.7	-
Potato products	3	3	-1.1	3.2	0.01
Processed vegetables	2	2	-1.0	-2.0	-
Processed fruit	1	2	-0.7	0.1	-
Other foods	11	11	-1.7	-1.6	-
Coffee and other hot drinks	2	1	0.3	0.5	-

- Small upward effect on the all items 12-month rate change.
- Due to:
  - Processed fish and potato products, where prices overall rose this year but fell a
    year ago, particularly for canned tuna and premium potato crisps;
  - Beef and oils and fats, where prices overall rose this year by more than a year ago, with the main upward contributions coming from beefburgers and margarine/low fat spread; and
  - Cereals, where prices overall fell this year by less than a year ago, with the main upward contribution coming from breakfast cereals.
- Partially offset by:
  - Milk products, where prices overall fell this year but rose a year ago, particularly for yoghurt/fromage frais; and
  - **Soft drinks**, where prices overall fell this year by more than a year ago, with the main downward contribution coming from fizzy bottled drinks.



CATERING	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to RPI annual rate change
CATERING	47	47	0.1	0.1	-
Restaurant meals	28	28	-	0.1	-
Canteen meals	3	3	-0.4	0.2	-
Take-away meals and snacks	16	16	0.2	0.2	-

ALCOHOLIC DRINKS	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to RPI annual rate change
ALCOHOLIC DRINKS	58	56	0.1	-0.1	-0.01
Beer on sales	20	19	0.1	0.1	-
Beer off sales	5	5	1.3	2.1	-
Wines and spirits on sales	18	18	0.1	-	-
Wines and spirits off sales	15	14	-0.1	-1.4	-0.02

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

ТОВАССО	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to RPI annual rate change
TOBACCO	29	27	1.0	0.2	-0.03
Cigarettes	25	23	1.0	0.2	-0.02
Other tobacco products	4	4	1.2	0.3	-

- Small downward effect on the all items 12-month rate change.
- Due to cigarettes, where 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
			Sep 2014	Sep 2015	rate change
HOUSING	253	263	0.4	0.3	-0.03
Rent	87	84	0.1	0.1	-
Mortgage interest payments	30	29	0.3	-0.1	-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	-	-0.5	-
Dwelling insurance and ground rent	6	6	1.0	0.8	-
House depreciation	58	73	1.5	1.1	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to:
  - Mortgage interest payments, 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.

FUEL AND LIGHT	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to RPI annual rate change
FUEL AND LIGHT	48	45	-0.1	-0.9	-0.04
Coal and solid fuels	1	1	0.4	0.3	-
Electricity	22	21	-	-	-
Gas	21	21	-	-2.2	-0.04
Oil and other fuels	4	2	-1.3	1.4	0.01

- Large downward effect on the all items 12-month rate change.
- Due to gas, where average charges from a major supplier fell this year but were unchanged a year ago.
- Partially offset by a small upward contribution from oil and other fuels, where kerosene prices rose this year but fell a year ago.



HOUSEHOLD GOODS	Weight 2014	Weight 2015	1 month % change	1 month % change	Contribution to RPI annual
			Sep 2014	Sep 2015	rate change
HOUSEHOLD GOODS	61	59	0.7	0.6	-0.01
Furniture	21	22	1.0	1.0	-
Furnishings	9	9	0.7	0.7	-
Electrical appliances	6	5	0.4	0.4	-
Other household equipment	4	4	0.1	0.7	-
Household consumables	12	12	0.9	-0.2	-0.01
Pet care	9	7	-	0.3	-

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

HOUSEHOLD SERVICES	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	62	65	0.2	0.5	0.02
Domestic services	13	13	0.4	0.2	-
Fees and subscriptions	24	26	0.2	0.8	0.02
Postage	1	1	-	-	-
Telephone charges	24	25	0.1	0.4	0.01

- Small upward effect on the all items 12-month rate change.
- Due to:
  - Fees and subscriptions, where average charges rose this year by more than a year ago, with the main upward contributions coming from estate agent fees and house contents insurance premiums. Partially offset by part-time education classes, where charges overall rose this year by less than a year ago; and
  - **Telephone charges**, where prices overall rose this year by more than a year ago, with the main upward contribution coming from mobile telephone applications.



CLOTHING AND FOOTWEAR	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to RPI annual rate change
CLOTHING AND FOOTWEAR	45	42	4.1	3.2	-0.05
Men's outerwear	10	8	5.9	3.7	-0.03
Women's outerwear	16	16	5.0	4.9	-
Children's outerwear	5	5	3.3	1.8	-0.01
Other clothing	5	5	2.6	0.6	-0.01
Footwear	9	8	2.0	1.5	-0.01

- Large downward effect on the all items 12-month rate change.
- Due to men's outerwear, children's outerwear, other clothing and footwear, where
  prices overall rose this year by less than a year ago, with the main downward contributions
  coming from men's coats; women's casual jackets; and children's trousers. Partially offset by
  a small upward contribution coming from women's casual trousers.

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

- Negligible overall effect on the all items 12-month rate change.
- There is a small downward contribution coming from chemists' goods, where prices overall
  were little changed this year but rose a year ago.

	Weight	Weight	1 month	1 month	Contribution
MOTORING EXPENDITURE	2014	2015	% change	% change	to RPI annual
			Sep 2014	Sep 2015	rate change
MOTORING EXPENDITURE	120	115	-0.2	-1.3	-0.13
Purchase of motor vehicles	36	42	-0.7	-0.5	-
Maintenance of motor vehicles	17	16	-0.2	-	-
Petrol and oil	43	35	-0.8	-4.0	-0.11
Vehicle tax and insurance	24	22	1.8	0.9	-0.02

Largest downward effect on the all items 12-month rate change.



#### Due to:

- Petrol and oil, where prices overall fell this year by more than a year ago. The price of petrol, as recorded for the RPI, fell by 4.9 pence per litre between August and September 2015, to stand at 110.6 pence per litre, compared with a fall of 1.1 pence per litre last year to stand at 128.3 pence per litre. Diesel prices fell by 4.3 pence per litre, to stand at 109.9 pence per litre in September 2015, compared with a fall of 0.8 pence per litre last year to stand at 133.1 pence per litre; and, to a lesser extent
- **Vehicle tax and insurance**, where average premiums for car insurance rose this year by less than a year ago.

FARES AND OTHER TRAVEL COSTS	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	22	25	-6.7	-8.5	-0.09
Rail fares	7	7	0.1	-0.5	-
Bus and coach fares	4	3	-0.8	-0.6	-
Other travel costs	11	15	-11.8	-12.5	-0.09

- Large downward effect on the all items 12-month rate change.
- Due to **other travel costs**, where average charges fell this year by more than a year ago, particularly for air fares.

LEISURE GOODS	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to RPI annual rate change
LEISURE GOODS	30	28	-0.7	-0.3	0.01
Audio-visual equipment	7	7	-2.5	-1.4	-
CDs and tapes	2	2	1.5	-2.0	-0.01
Toys, photographic and sports goods	9	8	-0.6	0.4	0.01
Books and newspapers	7	6	-0.9	0.2	0.01
Gardening products	5	5	0.5	0.1	-

- Small upward effect on the all items 12-month rate change.
- Due to toys, photographic and sports goods and books and newspapers, where prices overall rose this year but fell a year ago, particularly for computer games bought via the internet.
- Partially offset by a small downward contribution from CDs and tapes, where prices overall
  fell this year but rose a year ago, particularly for DVDs purchased via the internet.



LEISURE SERVICES	Weight 2014	Weight 2015	1 month % change Sep 2014	1 month % change Sep 2015	Contribution to RPI annual rate change
LEISURE SERVICES	71	78	0.5	8.0	0.03
TV licence and rentals	12	12	-	-	-
Entertainment and other recreation	15	15	1.5	1.7	-
Foreign holidays	34	41	0.1	0.5	0.02
UK holidays	10	10	0.7	1.4	0.01

- Largest upward effect on the all items 12-month rate change.
- Due to foreign holidays and UK holidays, where prices overall rose this year by more than
  a year ago, with the main upward contributions coming from late booked and self catering
  foreign holidays and self catering UK holidays. Partially offset by a small downward
  contribution coming from hotel foreign holidays, where prices fell this year but rose a year
  ago.



## RECONCILIATION OF CPI AND RPI

## (Table 5 of the Consumer Price Inflation Reference Tables)

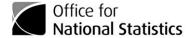
This table identifies the main factors contributing to the differences between the unrounded inflation rates for the CPI and the RPI. These differences are broken down into: mortgage interest payments, other housing components excluded from the CPI, other differences in the coverage of goods and services, 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 September 2015 was -0.91 percentage points, narrowing from -1.08 percentage points in August 2015.

The only notable factor contributing to the narrowing was:

 Other differences including weights, which decreased the RPI 12-month rate relative to the CPI 12-month rate by 0.17 percentage points between August and September 2015. The effect came mainly from air fares; sea fares and fuels and lubricants partially offset by clothing and footwear.

There were no notable offsetting factors.



## RPI MISCELLANEOUS DATA

## **Selected Average Prices**

Description		July 2015	August 2015	September 2015
Petrol per litre	Diesel	£1.19	£1.14	£1.10
Felloi per illie	Petrol	£1.16	£1.15	£1.11
	Draught bitter (pint)	£2.97	£2.97	£2.97
Alcohol pub prices	Draught lager (pint)	£3.45	£3.45	£3.46
·	Whisky (per nip)	£2.60	£2.60	£2.61
Cigarettes	Per 20 king size	£8.90	£8.91	£8.92

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
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
September 2015	-0.1	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**

 With the exception of 2011, seasonal food prices in the CPI have risen in October in recent years.

Monthly % change for CPI seasonal food index			
Year	August	September	October
2009	-1.5	-2.2	2.1
2010	-0.5	-0.7	0.4
2011	-1.0	0.8	-1.6
2012	0.2	-0.1	0.9
2013	0.2	1.1	0.1
2014	-0.3	-0.5	1.3
2015	-0.4	0.3	

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

## **CLOTHING AND FOOTWEAR**

 Clothing and footwear prices in the CPI have shown a mixed pattern of rises and falls in recent years.

Monthly % change for CPI clothing and footwear index			
Year	August	September	October
2009	1.3	3.6	-0.4
2010	2.8	6.4	-0.7
2011	3.7	4.4	8.0
2012	2.8	4.7	1.2
2013	2.0	4.2	1.0
2014	2.6	4.0	0.6
2015	1.5	2.8	

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



## FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

Prices tend to fall in October as a result of mid-season sales.

Monthly % change for CPI furniture, household equipment and maintenance index				
Year August September October				
2009	1.5	1.6	-0.8	
2010	1.0	1.7	-1.0	
2011	2.0	1.2	-0.6	
2012	0.8	0.5	-0.6	
2013	1.8	0.2	-0.4	
2014	1.0	0.6	-1.1	
2015	1.7	0.7		

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

## **TRANSPORT**

#### **Fuels and Lubricants**

- Brent crude was up 0.4% at \$53.28. (bbc.co.uk 9 October 2015)
- When considering the price of petrol between September and October 2015, it may be useful
  to note that the average price of petrol fell by 2.5 pence per litre between September and
  October 2014, standing at 125.9 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 have shown a mixed pattern of rises and falls in October of previous years.

Monthly % change for CPI air fares index			
Year	August	September	October
2009	8.3	-23.8	1.5
2010	16.1	-27.8	2.7
2011	11.2	-21.2	-6.0
2012	10.2	-25.2	-3.5
2013	9.4	-18.8	-11.2
2014	11.3	-21.7	-6.0
2015	13.9	-20.4	

 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 8 October 2015.
- The change in average mortgage interest rates recorded in the RPI was -0.02% between



September and October 2014. The Bank of England Bank Rate remained unchanged at 0.5% in September 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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