ARTICLE

Philip Gooding
Office for National Statistics

CPI and RPI: the 2010 basket of goods and services

SUMMARY

The 'shopping basket' of items making up the Consumer Prices Index (CPI) and Retail Prices Index (RPI) are reviewed each year as part of the process of continual improvement. Some items are taken out of the basket and some are brought in to make sure the CPI and RPI are up to date and representative of consumer spending patterns. This article describes the review process and explains how and why the various items in the CPI and RPI baskets are chosen. It also discusses the main changes from the 2009 price collection.

The contents of the CPI and RPI baskets for 2010 are summarised in Annexes A and B of the full article, which can be downloaded from the Office for National Statistics website at: www.statistics.gov.uk/CCI/article.asp?ID=2372.

This article also describes two other changes. These relate to the interest rate used in compiling the mortgage interest payments component of the RPI and the collection of clothing prices in CPI and RPI.

The shopping basket

The most useful way to think about both the CPI and RPI indices is to imagine a 'shopping basket' containing those goods and services on which people typically spend their money. As the prices of the various items in the basket change over time, so does the total cost of the basket. Movements in the CPI and RPI indices represent the changing cost of this representative shopping basket.

In principle, the cost of the basket should be calculated with reference to all consumer goods and services purchased by households, and the prices measured in every shop or outlet that supplies them. In practice, both the CPI and RPI are calculated by collecting a sample of prices for a selection of representative goods and services in a range of UK retail locations. Currently, around 180,000 separate price quotations are used every month in compiling the indices, covering over 650 representative consumer goods and services for which prices are collected in around 150 areas throughout the UK.

Within each year, the RPI and CPI are described as fixed quantity (Laspeyres-type) price indices: they represent the changing cost of a basket of goods and services of fixed composition, quantity and quality. In practice, this is achieved by:

- holding constant through each year the sample of representative goods and services for which prices are collected each month, and
- applying a fixed set of weights to price

changes for each of the items such that their influence on the overall index reflects their importance in the typical household budget

In this way, changes in the RPI and CPI indices from month to month reflect only changes in prices, and not ongoing variations in consumer purchasing patterns.

However, the contents of the RPI and CPI baskets of goods and services and their associated expenditure weights are updated annually. This is important in helping to avoid potential biases in consumer price indices that might otherwise develop over time – for example, due to the development of entirely new goods and services, or the tendency for consumers to move away from buying goods and services which have risen relatively rapidly in price. For example, if the price of tea rose dramatically during one year, consumers might switch their spending towards coffee, making it necessary to adjust the expenditure weights accordingly in the following year.

These procedures also help to ensure that the indices reflect longer-term trends in consumer spending patterns. For example, the proportion of household expenditure devoted to household services has risen overall over the last 20 years. This is reflected both in an increasing weight for this component in the CPI and RPI, and the addition of new items in the basket to improve measurement of price changes in this area: examples include internet subscriptions, playgroup and nanny fees.

For the RPI, changes to the items and

weights are introduced in the February index each year, but prices are collected for both old and new items in January. This means that the figures for each year can be 'chain linked' together to form a long-run price index spanning many years. This procedure ensures that the annual changes to the basket and weights have no impact on estimated changes in prices as measured by the indices. The same basic approach is adopted in the CPI although, for technical reasons, it is necessary to chain link the published index twice each year rather than only once as in the RPI¹.

ONS (2009a) provides a helpful introduction to the concepts and procedures underpinning the compilation of the CPI and RPI indices. These are described in much greater detail in ONS (2007).

Representative items

There are some individual goods and services where typical household expenditure is sufficiently large that they merit inclusion in the basket in their own right: examples include petrol, telephone charges, and electricity and gas supply. However, it would be both impractical and unnecessary to measure price changes of every item bought by every household in compiling the CPI and RPI.

More commonly, it is necessary to select a sample of specific goods and services that can give a reliable measure of price movements for a broader range of similar items. For example, price changes for garden spades might be considered representative of price changes for other garden tools. These are called 'representative items'. The selection of these representative items is judgmental; the significant difficulties involved in defining an adequate sampling frame (that is, a list of all the individual goods and services bought by households) restrict the use of traditional random sampling methods when choosing the representative items.

For each product grouping, a number of items are selected whose price movements, taken together, provide a good estimate of the overall change in prices for the group as a whole. For example, there are around 20 representative items in the CPI 'furniture and furnishings' class, from bedroom wardrobes to kitchen units, for which prices are collected each month to give an overall estimate of price changes for all furniture products. The same approach is adopted in the RPI, although the product classification systems used in each case differ².

The prices collected for each product

group are then combined to produce the overall CPI and RPI indices, with weights proportional to total expenditure on the entire product group. So the weight given to 'furniture and furnishings' in the CPI shopping basket, or 'furniture' in the RPI basket, will reflect average household spending on all furniture products as opposed to expenditure only on those items that have been chosen to represent the group. Similarly, the weight of garden spades would be derived from all spending on garden tools.

As described previously, these weights are also updated annually so that the indices reflect current spending patterns. In line with usual practice, CPI class weights were updated with effect from the January 2010 index, and RPI section weights were revised with effect from the February 2010 index, at which point the weights for the more detailed (unpublished) item indices were also revised. A brief comparison of high level RPI weights since 1987 is shown later in this article, including the new weights for 2010. A more detailed article on changes to the published CPI and RPI weights will be published on the National Statistics website in April 2010.

Note also that there are some specific differences in the commodity coverage of the CPI and RPI indices. For example, the RPI basket includes a number of items chosen to represent owner-occupier housing costs, including mortgage interest payments and depreciation costs, all of which are excluded from the CPI. These differences are described in greater detail in Roe and Fenwick (2004). Beyond these specific areas, the contents of the CPI and RPI baskets are very similar, although the precise weights attached to the individual items in each index differ³.

Selecting the representative items

A number of factors need to be taken into account when choosing representative items. Of course, the items must be easy to find by price collectors, so ensuring that estimates of price change are based on an adequate number of price quotes collected throughout the UK. Since the CPI and RPI are based on the cost of a fixed in-year basket of goods and services, ideally they should also be available for purchase throughout the year. However, availability of some food and clothing items is clearly seasonal, and so these goods require a slightly different treatment in the indices.

The number of items chosen to represent each product group within the CPI and RPI

depends both on the weight (expenditure) of the group and also the variability of price changes between the various items that could be selected to represent the group (reflecting, for example, the diversity of products available). Intuitively, it makes sense to choose more items in product groups where spending is high; this helps to minimise sampling variability in the estimate of price change for high-weighted groups, and therefore in the overall price index. However, if price movements of all possible items in the group are very similar, it is sufficient to collect prices for only a few⁴. By contrast, if price movements of all the possible items are very different, prices will be needed for many representative items to get a reliable overall estimate of price change for the group.

Following from this, analysis of the balance in the allocation of items to broad commodity groupings, as presented for the 12 divisions of the CPI in **Table 1**, acts as a useful anchor for the annual review of the basket. The significant allocation of items to the food division relative to its index weight, for example, is partly explained by the relatively high variation in observed price changes between the individual goods in this area. Conversely, a smaller proportion of items relative to index weight is allocated to the restaurants and hotels division, reflecting greater similarity in observed price changes. In some cases, such as transport and housing, apparent low allocations of items are explained by the presence of some dominant individual items (such as car purchase or housing rents); abstracting from these, the case for adding further items to improve coverage of these divisions' remaining index weights is much weaker – instead, it is far more important to ensure that the sampling of prices for these heavily weighted items is as comprehensive as possible.

The analysis also helps to highlight those areas of the index which might benefit most from improved coverage, such as recreation and culture. The current allocation of items to the division is broadly comparable to its index weight but variation in price changes appears relatively high, possibly reflecting the diversity of goods and services covered by this division. As discussed later in the article, this type of analysis has motivated some of the changes to the basket introduced in 2010. Conversely, it also helps to highlight areas where there is scope to remove items from the basket without any significant loss of precision in the indices. It is important that growth in the overall size of the basket is limited each year so that

Table 1
Allocation of items to CPI divisions in 2010

	CPI weight (per cent)	Observed variation in price changes ¹	Representative items ² (per cent of total)
1 Food & non-alcoholic beverages	10.8	High	22
2 Alcohol & tobacco	4.0	Low	4
3 Clothing & footwear	5.6	Medium	11
4 Housing & household services	12.9	High	5
5 Furniture & household goods	6.4	Medium	11
6 Health	2.2	Low	3
7 Transport	16.4	High	6
8 Communication	2.5	High	1
9 Recreation & culture	15.0	High	17
10 Education	1.9	High	1
11 Restaurants & hotels	12.6	Low	8
12 Miscellaneous goods & services	9.7	High	11

Notes:*Source: Office for National Statistics*

- 1 Based on an analysis of variation in price changes between the individual items chosen to represent each division in the period 2004-2008.
- 2 These figures should be treated as providing only a broad indication of the allocation of items to the 12 CPI divisions. For example, the sample of prices underpinning an existing item might easily be stratified in some way to form two or more distinct items; conversely, items could be merged to form a single item representing a wider, more heterogeneous, spending category. A specific example of this is the item 'University tuition fees'. This is classified as one item but the index takes into account prices for several hundred courses, including undergraduate, postgraduate, part-time and so on.

production costs and processing times may be contained.

Such analysis of course cannot tell us which items should be priced, and so choosing a particular set of items to represent each area remains a matter of judgement. CPI and RPI commodity groupings are regularly reviewed with the aim that all significant items or distinct markets where consumers' expenditure exceeds around £400 million annually are explicitly represented in the basket, except where those items are judged to be adequately represented by other items in the basket⁵. Conversely, where spending on items falls below the £100 million mark, there should be good reason for their continuing inclusion in the basket. For example, while spending on acoustic guitars and power drills is relatively low, both are included in the basket to represent wider markets (musical instruments and electrical tools respectively) that would otherwise not be covered explicitly. Trends in expenditure, as well as the latest available figures, help to inform the decisions in all cases.

This focus on relative expenditures in determining the contents of the basket partly reflects the wealth of data that is available describing household spending patterns. One major source of information comes from the diaries and questionnaires filled in by people taking part in the ONS Living Costs and Food Survey, previously known as the Expenditure and Food Survey, a continuous survey of around 6000 households each year. This is supplemented by detailed analyses of trends presented by

market research companies, trade journals and in press reports. Changes in the retail environment are also reported to ONS by the price collectors, and together these various sources of information help to ensure that the goods and services that the average household spends its money on are appropriately represented in the CPI and RPI baskets.

It is very important to note that the contents of the basket and, in particular, changes from one year to the next should not be accorded significance beyond their purpose as representative items used in estimating retail price changes. Changes to the basket will reflect evolving consumer tastes, but only over a long run of years. In any particular year, changes to the basket will reflect a range of considerations such as practical experience in collecting prices, the desire to improve coverage in high spending areas, or analysis that suggests that estimated price changes could be improved at the margin by varying the number or type of representative items collected.

Indeed, within each product grouping there is usually a point at which the exact number, choice of items and the precise weights attached to them becomes a matter of relatively fine judgement. At this detailed level, it is unlikely that such choices would have any significant impact on the CPI and RPI indices. For example, a selection of specific household appliances has been chosen to represent spending on small electrical goods, including irons and kettles. However, other representations would clearly be possible and equally valid.

Finally, it should also be noted that the vast majority of the 650 or so representative items remain unchanged in 2010.

Changes to the basket in 2010

Changes to the basket of goods and services this year were introduced with the February 2010 consumer price indices published on 23 March; that is, monthly changes in prices from February 2010 to January 2011 inclusive are estimated with reference to the updated basket. The basket will be updated again at the same time next year.

New additions to the basket in 2010 and those items removed are set out in **Table 2** and **Table 3**, together with a brief summary of the motivation for these changes. As the tables make clear, these motivations are diverse. As in previous years, changes to the basket in 2010 certainly should not be viewed as a simple indicator of those products or services whose popularity has either grown or fallen significantly over the past year. Note that all of the changes to the basket this year affect both the CPI and RPI indices.

The following list gives a brief summary and explanation of the themes behind the changes to the basket for 2010:

- A number of new items are introduced to represent specific markets where consumer spending is significant, and existing items in the basket may not adequately represent price changes for such goods. For example, home services maintenance policies are being introduced to represent the type of insurance policies linked to individual services, for example gas supply and central heating, where suppliers offer call-out and service cover. Cereal bars are also included for the first time to represent a type of snack not previously covered in the basket and reflecting the shelf-space devoted to this item
- In addition, two high-technology goods are being introduced that can be seen as representing evolving trends: Blu-ray disc players are introduced to cover the growing market for the new style DVD format and follow the introduction of Blu-ray discs last year; and computer games with accessories are an addition reflecting the introduction and growth of accessorized games in the market
- As well as introducing items to represent distinct sectors or markets, a number of items have been introduced to diversify the range of products collected for already established groupings, usually where spending is

Table 2
Additions to the basket in 2010

CPI Class	RPI Section	New Item	Notes
01.1.1 Bread and Cereals	2101 Bread	Garlic Bread	Replaces pitta bread reflecting the relative spending on the two types of speciality bread.
01.1.1 Bread and Cereals	2102 Cereals	Cereal Bars	New item. Introduced to represent a type of snack which is attracting gradually increasing expenditure and not previously covered in the basket.
01.1.3 Fish	2112 Processed Fish	Frozen fish in breadcrumbs/batter	New item. Introduced to improve coverage of fish which has been identified as an under-represented area of the basket in terms of the number of items in relation to price variability.
01.1.4 Milk, Cheese and Eggs	2118 Milk Products	Powdered Baby Formula	Replaces baby food as more representative of this area of the market and reflecting the relative spending on the two items.
01.2.2 Mineral Waters, Soft Drinks and Juices	2120 Soft Drinks	Fruit drink, bottle	Replaces the fruit drink, carton as the bottle takes increasing market share.
01.2.2 Mineral Waters, Soft Drinks and Juices	2120 Soft Drinks	Still mineral water, small bottle	New item. The basket already includes a larger bottle of mineral water. The new item has been added to represent water in the 'on the go' drinks market and reflects increased spending on bottled water overall over a period of years.
06.1.1 Pharmaceutical Products	5202 Chemists' Goods	Allergy tablets	New item. Introduced to improve coverage in the area of minor ailment remedies and reflects increased expenditure on allergy tablets.
09.1.1 Reception and Reproduction of Sound and Pictures	6301 Audio-visual Equipment	Blu-ray disc players	New item. Introduced to capture price changes in this new expanding technology.
09.3.1 Games, Toys and Hobbies	6303 Toys, Photographic and Sports Goods	Computer games with accessory	New item reflecting the relatively new market in computer games involving accessories.
12.1.2/3 Appliances and Products for Personal Care	4303 Electrical Appliances	Electrical hair straighteners/tongs	New item. Introduced as they represent a greater share of the electrical haircare market than the hairdryer they replace.
12.1.2/3 Appliances and Products for Personal Care	5202 Chemists' Goods	Lip gloss	Replaces lipstick. Lip gloss has increased expenditure over recent years and enters the basket to represent part of the make-up market.
12.1.2/3 Appliances and Products for Personal Care	5202 Chemists' Goods	Liquid soap	Replaces individual bars of toilet soap as more representative of this area of the market and reflecting the relative spend on the two items.
12.5.2 House Contents Insurance	4402 Fees and Subscriptions	Household services maintenance policy	New item. Introduced to represent the sort of maintenance policy which can be taken out to cover, for example, central heating systems.

Source: Office for National Statistics

Table 3
Items removed from the basket in 2010¹

CPI Class	RPI Section	Dropped Item	Notes
01.1.1 Bread and Cereals	2101 Bread	Pitta bread	Replaced by garlic bread as more representative of the speciality bread market.
01.1.9 Food Products (nec)	2129 Other Foods	Baby food	Replaced by powdered baby formula reflecting greater spending on the milk product.
01.2.2 Mineral Waters, Soft Drinks and Juices	2120 Soft Drinks	Fruit drink carton	Replaced by fruit drink, bottle which has taken an increasing market share.
01.2.2 Mineral Waters, Soft Drinks and Juices	2120 Soft Drinks	Fizzy canned drink	Replaced by still mineral water, small bottle to better reflect the mix of drinks in the 'on the go' drinks market.
03.2.0 Footwear Including Repairs	5105 Footwear	Men's training shoe-casual footwear	Removed. This section of the basket is over-represented in terms of the number of items and the price of men's training shoes as casual wear can be represented by other footwear items purchased from shoe shops.
04.3.2 Services for Maintenance & Repair	4105 Repairs and Maintenance Charges	Gas call out charge	Removed to enable the introduction of the household services maintenance policy item.
04.3.2 Services for Maintenance & Repair	4105 Repairs and Maintenance Charges	Gas service charge	Removed. There are two items covering gas service charges. One represents local prices for the service and this remains within the basket. The second has been removed and replaced by a household services maintenance policy item in the insurance part of the basket.
06.2.1/3 Medical Services and Paramedical Services	5203 Personal Services	Eyesight test charge	Removed. In a part of the basket which is over-represented and there has been a decrease in expenditure as eyesight tests are free in some areas.
09.1.2 Photographic, Cinematographic and Optical Equipment	6303 Toys, Photographic and Sports Goods	Disposable camera	Removed due to decreasing expenditure as digital compact cameras and mobile phone photography become increasingly popular.
09.4.1 Recreational and Sporting Services	6402 Entertainment and Other Recreation	Squash court hire	Removed. This section of the basket is over-represented in terms of the number of items and squash court hire is not as representative as some others.
12.1.2/3 Appliances and Products for Personal Care	5202 Chemists' Goods	Lipstick	Replaced by lip gloss reflecting a trend towards gloss.
12.1.2/3 Appliances and Products for Personal Care	5202 Chemists' Goods	Individual bar of toilet soap	Replaced by liquid soap reflecting the market share of the two items.
12.1.2/3 Appliances and Products for Personal Care	4303 Electrical Appliances	Hairdryer	Replaced by electrical hair straighteners/tongs.

Note:

¹ 'Low weighted' denotes an item with a CPI weight of less than 0.5 parts per thousand in 2009.

Source: Office for National Statistics

significant. For example, small bottles of mineral water are introduced to improve and widen coverage of the 'on the go' drinks market. Similarly antihistamine allergy tablets supplement items such as indigestion

tablets and cold/flu drink powders as representatives of the market for minor ailment remedies

- Analysis of the broad balance of the existing sample of representative items across the CPI highlighted a need to

improve coverage of price changes for a number of CPI classes. These areas include:

- Fish (1.1.3), with a new item covering frozen fish in breadcrumbs or batter introduced to supplement

- the existing fresh and frozen headings, and
- Pharmaceutical products (6.1.1), where the already mentioned allergy tablets broaden the range of minor ailment remedies
- In other cases, the new items are direct replacements for similar products that leave the basket in 2010. For example, garlic bread replaces pitta bread, powdered baby formula replaces baby food, a bottled fruit drink replaces a carton of fruit drink and liquid soap replaces a bar of soap. In each case, the new product represents a greater or increasing proportion of the market compared with the product it replaces. Another example here is electrical hair straighteners and tongs replacing hairdryers. Apart from the greater spend on straighteners than dryers, this change is also partly to improve the number of price quotes collected each month
- Finally, it is important that the review of the basket considers not just the list of items to be priced, but also where the prices are collected. Blu-ray discs were introduced into the basket a year ago as a central collection of prices over the internet. Following a successful introduction, this item has now been added to the local collection from shops while still collecting internet prices. Similarly a computer games item has been split into internet and shop purchases

As noted earlier, it is important that growth in the overall size of the basket is limited each year so that production costs and processing times may be contained. A number of items therefore have been removed from the basket in 2010 to make room for the new additions. Note that the removal of these items from the basket does not necessarily imply that the markets for these goods and services are very small or are declining significantly.

- Some items have been removed to make way for new additions to the basket within the same product grouping. For example, a bar of toilet soap has been removed in 2010 to be replaced by liquid soap, although both products represent soap. In other cases, items have been removed so that new items may be introduced covering distinct markets not previously represented explicitly within the product grouping. For example, the fizzy canned drink has

been removed so that small bottles of mineral water can be represented. Also cans and jars of baby food have been removed since spending on these items is less than on powdered baby formula

- In some cases a product will still remain represented in the basket even if there is no longer an explicit item. For example, one element of gas service charges, namely those collected centrally from larger businesses, has been removed but the item is still covered by local collection of these prices
- Elsewhere analysis suggested that there was scope to remove items from certain product groupings without any significant loss of precision in estimates of price changes overall. Within these groupings, those items with relatively low index weights or those items which are variants of other items have typically been chosen; examples include squash court hire and disposable cameras. In each case, it is judged that price changes for these goods remain adequately represented by those items that remain in the basket. The removal of items in such cases therefore represents a rebalancing of the basket, helping to offset the expansion of coverage in other product areas

Other changes

Two changes are also being introduced this year to improve representativeness. These relate to the measurement of mortgage interest payments and the collection of clothing prices.

The Mortgage Interest Payments (MIPs) component in the RPI has been based previously on the Standard Variable Rate

(SVR) of interest from the main bank and building society providers using data supplied by the Bank of England. However, the mortgage market has evolved with increased take up of alternative mortgage types including fixed rate, discount and tracker mortgages which are not covered in the SVR measure. As a result, an alternative measure of interest, the Average Effective Rate (AER) has been developed jointly by the Bank of England and ONS. This is more representative of mortgage rates available, covering around 90 per cent of bank and building society mortgage lending. It includes various mortgage rates weighted together based on market share and for the RPI, these rates are weighted by the relevant stock of mortgages each January. The final MIPs series then reflects both new and existing mortgages and will be able to follow the evolution of the mortgage market in future years. This change is described in greater detail in a consultation document and a response to that consultation, ONS (2009b and 2010).

The second change is to the treatment of prices for clothing items. This change is aimed at improving the quality of the resulting index. Previously when a clothing product was replaced with new stock, small changes to the composition of the garment were treated as a quality change and the price movement was excluded from the calculation. Due to the frequent change in both fashion and seasonal availability, this approach was reducing the sample size. As the quality change between the old and new garment cannot easily be measured, a direct price comparison shall be used as an estimate of the price change of the type of garment within each outlet. The aim is to

Table 4
High level RPI weights since 1987¹

RPI group	1987	1992	1997	2002	2007	2008	2009	2010
Food	167	152	136	114	105	111	118	112
Catering	46	47	49	52	47	47	50	47
Alcohol	76	80	80	68	66	59	63	64
Tobacco	38	36	34	31	29	27	27	27
Housing ²	157	172	186	199	238	254	236	237
Fuel and light	61	47	41	31	39	33	49	40
Household goods	73	77	72	73	66	66	70	67
Household services	44	48	52	60	65	64	61	59
Clothing and footwear	74	59	56	51	44	42	39	40
Personal goods and services	38	40	40	43	39	41	41	41
Motoring expenditure	127	143	128	141	133	133	121	144
Fares and other travel costs	22	20	20	20	20	20	20	20
Leisure goods	47	47	47	48	41	38	38	37
Leisure services ³	30	32	59	69	68	65	67	65

Notes:

- 1 Weights are specified as parts per 1000 of the all items RPI.
- 2 Depreciation costs were added to the housing group in 1995.
- 3 Foreign holiday costs were added to the leisure services group in 1993, followed by UK holidays a year later.

Source: Office for National Statistics

improve the coverage, that is, the number of quotes used in calculating the index. The change also brings the collection more in line with methods across Europe.

Weights

Table 4 gives a snapshot of how the high level weights in the RPI⁶ have changed over the last 24 years, since the last rebasing of the series.

The table illustrates that over the period there are some clear shifts in expenditure. Broadly speaking, weights for services have increased while those for goods have decreased. The most recent weights in the table also illustrate that changes from one year to the next are less marked – for this reason, users should guard against drawing conclusions about evolving spending patterns just from the update of the basket in any one year.

Notes

- 1 CPI indices are chain-linked first each January, when weights for CPI classes and higher level aggregates are updated, and again in February when changes to the basket are introduced and hence weights for individual item indices are reviewed.
- 2 The CPI is organised according to the internationally agreed COICOP (Classification of Individual Consumption by Purpose) system, as used in the UK National Accounts. The RPI uses a classification system

specified by an earlier RPI Advisory Committee, and has evolved gradually over the RPI's long history as a published UK official statistic.

- 3 RPI weights are based primarily on household spending estimates derived from the Living Costs and Food Survey, and relate to expenditures by private households only, excluding the top 4 per cent of households by income and those pensioner households mainly dependent on state benefits. CPI weights are based on National Accounts estimates of household final consumption consistent with the wider CPI population coverage (that is, all private households, residents of institutional households and foreign visitors to the UK).
- 4 At the extreme, if price changes for all the possible items that could be selected in a particular group were identical each month, it would be necessary to select only one of the items for inclusion in the basket. Price changes for this one item would be perfectly representative of price changes for the group as a whole.
- 5 Under CPI regulations, items should be included in the CPI where estimated consumers' expenditure is 1 part per thousand or more of all expenditure covered by the CPI; based on household final consumption data underpinning calculation of the 2010 CPI weights,

this is equivalent to around £740 million.

- 6 Coverage extensions during the development of the CPI/HICP mean that long term comparisons of weights within CPI are more difficult.

CONTACT

CPI/RPI enquiries:

☎ 01633 456900

✉ cpi@ons.gov.uk

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