

Article

Consumer price inflation basket of goods and services: 2021

The review process for the items making up the inflation basket used to calculate the UK consumer price inflation indices and how and why the various items in the basket are chosen.

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1. Main changes

- The basket of goods and services used to calculate the UK consumer price inflation indices has been updated.
- In 2021, 17 items have been added to the Consumer Prices Index including owner occupiers' housing costs (CPIH) basket and 10 items have been removed.
- Additions to the baskets for 2021 include electric and hybrid cars, hand hygiene gel, men's loungewear bottoms and smartwatches.
- Removals from the baskets include staff restaurant sandwiches and gold chains.

2. Overview of basket update

Introduction

The "shopping baskets" of items used in compiling the various measures of consumer price inflation are reviewed each year. Some items are taken out of the baskets and some are brought in to make sure the measures are up-to-date and representative of consumer spending patterns.

In 2021, 17 items have been added to the Consumer Prices Index including owner occupiers' housing costs (CPIH) basket and 10 items have been removed.

This article describes the review process and explains how and why the various items in the consumer price inflation baskets are chosen. The contents of the baskets for 2021 are summarised in <u>Annexes A and B</u>, and the main changes from the 2020 price collection are discussed in this article. <u>Similar articles</u> have been published in previous years.

The following are the measures of consumer price inflation covered in the article.

CPIH

The most comprehensive measure of consumer price inflation, which extends the CPI to include owner occupiers' housing costs (OOH) and Council Tax. Aside from these two components, CPIH is identical to CPI.

Consumer Prices Index (CPI)

A measure produced to international standards. 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.

Retail Prices Index (RPI)

A legacy measure that we continue to publish in accordance with the Statistics and Registration Service Act 2007, and because of its use in long-term contracts and index-linked gilts. The Retail Prices Index and its derivatives were assessed against the Code of Practice for Statistics in 2013 and found not to meet the required standard for designation as a National Statistic. <u>Shortcomings of the Retail Prices Index as a measure of inflation</u> describes the issues.

The UK Statistics Authority recommended in 2019 that the publication of the RPI should be stopped at a point in the future and that in the interim, the shortcomings of the RPI should be addressed by introducing CPIH data sources and methods into its production. The Authority and HM Treasury subsequently launched a <u>consultation</u> (<u>PDF, 531KB</u>) on the Authority's proposal to address the shortcomings of the RPI.

The <u>response to the consultation</u> was published on 25 November 2020. In summary, the Authority concluded that to make the change, it would follow the methodology outlined in the consultation document. In addition, it would discontinue the supplementary and lower level indices of the RPI when the proposals are implemented, providing users with guidance to assist moving away from RPI-related indices. The Chancellor decided that, to minimise the impact of the Authority's proposal on the holders of index-linked gilts, he could not give his consent to implementing the changes before 2030 when the last of the relevant index-linked gilts matures.

This article also summarises one other change relating to the updating of weights for 2021 as a result of the coronavirus (COVID-19) pandemic. This is described in Section 4, with links to more detailed articles on the subject.

The shopping basket

Consumer price inflation is the rate at which the prices of goods and services bought by households rise or fall. A convenient way of thinking about this is to imagine a very large "shopping basket" containing those goods and services bought by households. As the prices of the various items in the basket change over time, so does the total cost of the basket. Movements in consumer price inflation indices represent the changing cost of the shopping basket.

In principle, the basket should contain all consumer goods and services purchased by households and the prices measured in every shop or outlet that supplies them. In practice, the consumer price indices are calculated by collecting a sample of prices for a selection of representative goods and services in a range of UK retail locations including the internet.

Currently, around 180,000 separate price quotations are collected every month in order to compile the indices, covering over 720 representative consumer goods and services. These prices are collected in around 140 locations across the UK, from the internet and over the phone. During the coronavirus (COVID-19) lockdowns, all prices have been collected by phone and internet. In addition, around 300,000 quotes are used in measuring owner occupiers' housing costs each month. This measure is based principally on data from administrative sources.

Within each year, the consumer price indices represent the changing cost of a basket of goods and services of fixed composition, quantity and quality. In practice, this is achieved by:

- · keeping the sample of representative goods and services constant
- 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
- taking care to ensure that replacements for brands that are no longer stocked in an individual shop are of comparable quality

In this way, changes in the consumer price indices from month to month reflect only changes in prices, and not ongoing variations in the quality and quantity of items purchased by consumers.

Although kept constant within year, the contents of the consumer price inflation basket of goods and services and their associated expenditure weights are updated annually. This is important in helping to avoid potential biases that might otherwise develop over time. This could be because of the development of entirely new goods and services, or the tendency for consumers to move away from buying goods and services whose prices have risen relatively rapidly to goods and services whose prices have fallen. 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 services has broadly risen overall over the last 25 years. This is reflected both in an increasing weight for this component in the consumer price indices, and the addition of new items in the basket to improve measurement of price changes in this area: examples include playgroup and nanny fees.

Changes to the items and their associated item 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. In other words, price changes between December and January are based on the old basket, while price changes between January and February, and beyond, are based on the new basket. This procedure ensures that the annual changes to the basket do not introduce a discontinuity in prices as measured by the indices.

<u>Consumer price indices, a brief guide: 2017</u> provides a helpful introduction to the concepts and procedures underpinning the compilation of the consumer price indices. These are described in much greater detail in <u>Consumer Price Indices - Technical Manual</u> and <u>CPIH Compendium</u>.

In reality, the Consumer Prices Index including owner occupiers' housing costs (CPIH) and Consumer Prices Index (CPI) inflation baskets differ because CPIH includes a measure of owner occupiers' housing costs and Council Tax that are excluded from CPI. Both the CPIH and CPI baskets contain some items excluded from the Retail Prices Index (RPI) basket such as university accommodation fees and unit trust commissions. Similarly, the RPI basket contains some items (for example, estate agent fees) that are excluded from the CPIH and CPI baskets. The precise weights attached to the individual items also differ. The differences between the inflation measures are discussed in <u>Users and uses of consumer price inflation statistics</u>.

Representative items

There are some individual goods and services where typical household spending is so large that they merit inclusion in the baskets in their own right: examples include petrol and electricity supply. However, it would be impractical to measure price changes of every item bought by every household in compiling the consumer price indices.

More commonly, a sample of specific goods and services has to be selected that gives 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. The selection of these representative items is judgmental because of the significant difficulties involved in defining an adequate sampling frame, that is, a list of all the individual goods and services bought by households. This restricts the use of traditional random sampling methods when choosing representative items. Instead, selection is based on research into the various possible items that could be used, both using market research data and through investigation in outlets across the country.

For each product grouping, a number of items are selected whose price movements, when taken together, provide a good estimate of the overall change in prices for the group. For example, there are around 20 representative items in the Consumer Prices Index including owner occupiers' housing costs (CPIH) "furniture and furnishings" class whose prices are used to calculate an overall estimate of price change for all furniture products. These range from beds to kitchen units.

The prices collected for each product group are then combined to produce the overall consumer price indices, with weights proportional to total expenditure on the entire product group. So, the weight given to "furniture and furnishings" in the CPIH shopping basket reflects average household spending on all furniture products as opposed to spending on the basket items only. Similarly, the weight of garden spades would be derived from spending on all garden tools.

These expenditure weights are updated each year so that the indices reflect current spending patterns. The weights for the CPIH and Consumer Prices Index (CPI) classes and higher-level aggregates are updated with effect from the January index and, since 2017, again with the February index. This improvement to the procedure in 2017 was the result of an independent report; it brought the procedure into line with best practice and helped to better meet EU regulations. Assessing the impact of methodological improvements on the Consumer Prices Index , published on 18 October 2016, describes this change in more detail and analyses the impact. The Retail Prices Index (RPI) section weights and the distribution of weights for the more detailed individual item indices within each class or section are also revised each February. A more detailed article on changes to the published consumer price indices weights for 2021 was published on 15 March 2021.

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 the team of people collecting the price quotes, so ensuring that estimates of price change are based on an adequate number of quotes collected throughout the UK.

Since the consumer price inflation statistics are based on the cost of fixed in-year baskets of goods and services, ideally, they should also be available for purchase throughout the year. However, availability of some clothing and garden items is clearly seasonal and so these goods require a slightly different treatment in the indices. For example, prices of patio furniture are only collected during the summer months when the item is mostly found in shops. In winter months, their index is constructed based on the prices of other items in the furniture section of the basket.

The number of items chosen to represent each product group within the indices depends both on the weight (that is, 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 few. 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. In 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.

Based on this, the allocation of items to broad commodity groups can be analysed, as shown for the 12 divisions of the Consumer Prices Index including owner occupiers' housing costs (CPIH) in Table 1, and the balance used as a reference point for the annual review of the baskets.

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 (for example, car purchase and motor fuels, and owner occupiers' housing costs and housing rents respectively). Here, 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.

Table 1: Allocation of items to Consumer Prices Index including owner occupiers' housing costs (CPIH) divisions in 2021

| | | CPIH weight, Feb 2021 (per cent) | Observed variation in price changes ¹ | Representative items ² (per cent of total) |
|----|-----------------------------------|-------------------------------------|--|---|
| 1 | Food & non-alcoholic beverages | 8.9 | Medium | 24 |
| 2 | Alcohol & tobacco | 3.5 | Low | 4 |
| 3 | Clothing & footwear | 5.9 | Medium | 12 |
| 4 | Housing & household services | 32.8 | Low | 5 |
| 5 | Furniture & household goods | 4.9 | Medium | 10 |
| 6 | Health | 2.0 | Low | 3 |
| 7 | Transport | 10.7 | Medium | 6 |
| 8 | Communication | 1.9 | Medium | 2 |
| 9 | Recreation & culture | 11.2 | Medium | 17 |
| 10 | Education | 3.0 | Low | 1 |
| 11 | Restaurants & hotels | 6.9 | Low | 7 |
| 12 | Miscellaneous goods & services | 8.3 | Medium | 10 |

Source: Office for National Statistics

Notes

- 1. Based on an analysis of variation in price changes between the individual items chosen to represent each division in the period 2016 to 2020.
- 2. These figures should be treated as providing only a broad indication of the allocation of items to the 12 CPIH 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 'UK university tuition fees'. This is classified as one item but the index takes into account prices for undergraduate, postgraduate and part-time courses.

The analysis also helps to highlight those areas of CPIH that might benefit most from improved coverage, for example, where the current allocation of items is broadly comparable with index weight but variation in price changes appears relatively high, possibly reflecting the diversity of goods and services covered. As discussed later in this article, this type of analysis has motivated some of the additions to the baskets in 2021.

Conversely, it also helps to highlight areas where there is scope to remove items from the baskets without any significant loss of precision in the indices. It is important that growth in the overall size of the baskets is limited each year so that production costs and processing times are contained.

Such analysis 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. Consumer price inflation 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 baskets, except where those items are judged to be adequately represented by other items in the baskets.

Conversely, where spending on items falls below the £100 million mark, there should be good reason for their continuing inclusion in the baskets. For example, while spending on acoustic guitars and power drills is relatively low, both are included in the baskets 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 expenditures in determining the contents of the baskets partly reflects the data that are available describing household spending patterns. One major source of information comes from the diaries and questionnaires filled in by people taking part in the Office for National Statistics (ONS) Living Costs and Food Survey, a continuous survey of around 5,000 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 the ONS by the price collectors. Together, these various sources of information help to ensure that the goods and services bought by the average household are appropriately represented in the inflation baskets.

It is very important to note that the contents of the baskets and, in particular, changes from one year to the next should not be given significance beyond their purpose as representative items used in estimating consumer price changes. Changes to the baskets will reflect evolving consumer tastes but only over a long run of years. In any particular year, changes to the baskets 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 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 and choice of items and the precise weights attached to them become a matter of relatively fine judgement. At this detailed level, it is unlikely that such choices would have any significant impact on the consumer price 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.

It should also be noted that the vast majority of the representative items remain unchanged in 2021. In total, 17 items have been added to the CPIH basket and 10 items have been removed. Also, a small number of items have been modified in a total of 729 items. The modifications usually relate to the type of shop where items are priced.

In summary, selection of representative items is based on several factors, including:

- ease of finding and pricing the product
- availability throughout the year
- amount spent on a particular item or the group of items
- variability of prices within a class
- analysis of balance across the basket

3 . Changes to the baskets in 2021

Timing of changes

Changes to the baskets of goods and services this year are being introduced with the February 2021 consumer price inflation statistics published on 24 March 2021. The baskets will be updated again at the same time next year.

Additions

New additions to the baskets in 2021 and those items removed are set out in <u>Tables 2 and 3</u>, together with a summary of the motivation for these changes. As the tables make clear, these motivations are diverse. As in previous years, changes to the baskets in 2021 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. All of the changes made this year affect all of the consumer price indices.

A number of new items have been introduced to represent specific markets where consumer spending is significant or growing and existing items in the baskets may not adequately represent price changes for such goods. For example, hybrid and electric cars have been added reflecting increased purchases of this type of vehicle and anticipating the longer-term phasing out of petrol and diesel cars. In November 2020, the government announced that sales of new petrol and diesel cars would end in the UK by 2030. They also announced that the longer-term future of the different types of hybrid would be the subject of consultation. The outcome of that consultation could result in further changes to the basket in future years.

Hand hygiene gel and men's loungewear bottoms have also been added. Hand hygiene gel expands coverage of the personal healthcare area while the loungewear item reflects the continuing move towards more casual clothing. The introduction of both items has been influenced by the effects of the coronavirus (COVID-19) pandemic, with the increased use of portable hand cleansers by people on the move and more people dressing casually when working at home. The part of the basket covering womenswear already includes a slightly wider selection of clothing ranging from nightwear through to casual outdoor clothing, so loungewear has only been added as a men's item at this stage.

The addition of hand weights, such as dumbbells, for home exercise has also been influenced by the effects of the coronavirus pandemic. Other items that have become part of everyday life during the pandemic were considered, most notably face masks. A decision was taken not to include these on the basis that consumer spending and usage could decrease rapidly once the population have been vaccinated so there could be problems in collecting prices towards the end of 2021.

In addition to introducing items to represent distinct sectors or markets, some items have been added to diversify the range of products collected for already established groupings, usually where spending is significant. For example, frozen pre-prepared vegetables have been added to expand the range of frozen vegetables beyond frozen peas and increase the amount of pre-prepared food in the basket. Couscous has been added to help aid interpretation of data in the Consumer Prices Index including owner occupiers' housing costs (CPIH) subclass for pasta products and couscous. Its introduction reduces the weight of other items, notably a dried potted snack, whose prices tend to move sharply in the short-term because of promotional activity by retailers. Other items added to diversify the range of existing products within specific categories include a women's sweatshirt and a jumper or sweatshirt for older boys.

As in most years, developments in technology influence the basket update and for 2021, a smartwatch and smart lightbulb have been added to represent the advancements in and growing popularity of smart technology both in and out of the home. The smartwatch has been added to represent wearable tech while the light bulb is the most frequently available piece of smart technology for the home after a smart speaker, which is already in the basket. The addition of these items, along with the smart speaker, helps to ensure that the baskets remain representative of the latest technology that consumers are purchasing.

Analysis of the broad balance of the existing sample of representative items across CPIH highlighted a need to improve coverage of price changes in the telephone and communications part of the basket. The inclusion of the smartwatch has helped to achieve that. The aim of rebalancing the baskets can also apply within specific categories and, this year, the mix of chocolate and confectionery has been changed slightly to improve brand representation.

In other cases, new items are direct replacements for similar products with the change made for a variety of reasons. One of these is a change in the market. For example, the healthy eating trend has seen an increase in products where vegetable juices are either combined with fruit juices in smoothies or form the base for smoothies in their own right. As a result, the pure fruit smoothie previously in the basket is being replaced by a smoothie based on either fruit, vegetable or a combination of the two.

A further example is the replacement of some items of children's clothing to anticipate an update to the international classification system (Classification of Individual Consumption by Purpose or COICOP) used to subdivide the Consumer Prices Index (CPI) and CPIH baskets into product and service groupings for analysis. A jumper or sweatshirt and a pair of trousers for a child aged between 18 months and 4 years are being replaced by the same items for an under 2-years-old-aged infant. The new items better match the terminology and age boundaries of the new classification.

A final type of replacement is where price collection difficulties suggest a change would improve the coverage and quality of price series in specific areas of the baskets. This year, lamb shoulder, with or without bone, has replaced lamb shoulder with bone. Here, the number of price quotes collected each month has been falling, with reduced availability in shops particularly in the early part of the week. The aim of widening the definition of the new item is to achieve more consistent pricing over time and better coverage than previously. The change in the chocolate confectionery items has also been driven largely by collection issues.

Removals

As noted earlier, it is important that growth in the overall size of the baskets is limited each year so that production costs and processing times may be contained. A number of items therefore have been removed from the baskets in 2021 to make space for the new additions.

In some cases this reflects low or decreasing expenditure, and resulting falls in stock levels for pricing, such as with Axminister or Wilton carpets. This item has been dropped from the baskets as research and anecdotal evidence from retailers has indicated that this type of carpet is used mainly in commercial premises now. The loss of one of the industry's main manufacturers has also affected availability and coverage (that is, the number of price quotes collected each month) has fallen.

In other cases, removal 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 baskets within the same product grouping. For example, this year, fruit smoothies have been replaced by fruit and vegetable smoothies where research in the field has shown an increase in mixed fruit and vegetable juice products on the shelves leading us to introduce this more widely defined item.

In some cases, a product will remain represented in the baskets. For example, women's casual trousers were previously represented by two items but one has been removed to allow space for other fashion clothing to be added. Price movements for women's casual trousers are adequately represented by the remaining women's casual trousers item.

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, items are generally chosen that have relatively low index weights, that are variants of others or have a relatively low number of price quotes. This year, a gold chain has been removed from the jewellery, clocks and watches part of the basket. Research shows that price movements for the gold chain tend to mirror those for the retained solid gold ring item. Additionally, a staff restaurant sandwich has been taken out from the canteens sector with the market seemingly moving more towards externally purchased food.

Collection issues can influence changes and, as already mentioned, a home-killed lamb shoulder with bone has been dropped because of lack of availability particularly in the early part of the week when price collection takes place.

4 . Accounting for the impact of the coronavirus (COVID-19) pandemic in 2021 weights

Each year, the weights used in compiling the indices are updated alongside the contents of the baskets. For the Consumer Prices Index including owner occupiers' housing costs (CPIH) and Consumer Prices Index (CPI), the 2021 weights would normally be based on spending patterns for 2019 from the national accounts. Given the effect of the coronavirus (COVID-19) pandemic on spending during 2020 under lockdown conditions, we have changed the procedures for 2021.

In line with <u>international guidance (PDF, 503KB)</u>, we have decided to update the weights and basket, and to adjust the weights where there has been a clear change in spending between 2019 and 2020. The procedure for updating the basket contents is unchanged but the coronavirus pandemic has influenced some of the changes made.

For the Retail Prices Index (RPI), the 2021 weights would normally be based on spending patterns for the 12 months ending June 2020 from our Living Costs and Food Survey. Since this includes a period when spending was affected by the coronavirus pandemic, we have decided to use the results from the survey without further adjustment for changed spending patterns.

In January 2021, we published the <u>Coronavirus (COVID-19) and Consumer Price Inflation weights and prices:</u> 2021 article describing the change to procedures in full detail. <u>Consumer Price Inflation, Updating Weights 2021</u>, describing the numerical changes to the weights, was published on 15 March 2021.

5. Consumer price inflation basket of goods and services data

Consumer price inflation basket of goods and services

Dataset | 15 March 2021

Changes to the representative items and the full list of items within the Consumer Prices Index including owner occupiers' housing costs, Consumer Prices Index and Retail Prices Index for the basket of goods and services.

6. Related links

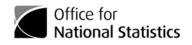
Consumer price inflation, updating weights: 2021

Article | 15 March 2021 An overview of the latest annual update of Consumer Prices Index including owner occupiers' housing costs (CPIH) weights.



Table 2: Additions to the baskets in 2021

| CPIH/CPI Class | RPI Section | New Item | Notes |
|---|-------------------------------------|--|---|
| 1.1.1 Bread and Cereals | 2102 Cereals | Couscous | New item. Couscous is being added to the basket to aid interpretation of data in the CPIH subclass for pasta products and couscous. Its introduction reduces the weight of a dried potted snack item whose prices tend to move sharply in the short-term due to promotional activity by retailers. |
| 1.1.2 Meat | 2105 Lamb | Home killed lamb shoulder, with or without bone | This item replaces home killed lamb shoulder with bone, whose coverage has been falling reflecting its availability in shops, particularly in the early part of the week when prices are collected. The aim of widening the item definition is to try to increase the number of price quotes collected each month. |
| 1.1.7 Vegetables | 2126 Processed Vegetables | Frozen pre-prepared vegetables | New item. The addition of this item expands the range of frozen vegetables beyond frozen peas and increases the amount of pre-prepared food in the basket. |
| 1.1.8 Sugar, Jam, Syrups, Chocolate and Confectionery | 2122 Sweets and Chocolates | Malted chocolate sweets | Replaces a white chocolate item which has suffered from low coverage in terms of the number of price quotes collected each month. It will also improve the brand representation in the confectionery collection. |
| 1.2.1 Coffee, Tea and Cocoa | 2130 Coffee and Other Hot Drinks | Coffee sachets | New item. This addition is designed to reflect a move towards the convenience of having a complete drink in a sachet. The shelf space devoted to these products, eg cappuccino and latte, has grown over recent years. |
| 1.2.2 Mineral Waters, Soft Drinks and Juices | 2120 Soft Drinks | Fruit/vegetable juice smoothie | The healthy eating trend has seen an increase in products where vegetable juices are either combined with fruit juices in smoothies or form the base for smoothies in their own right. The new item replaces an existing fruit smoothie and enables us to follow the market trend, with almost £500m expenditure on smoothies. |



| 3.1.2 Garments | 5101 Men's Outerwear | Men's loungewear bottoms | New item. Introduced to reflect a move towards more casual clothing. This is especially relevant as the coronavirus (COVID-19) lockdowns appear to have accelerated this trend and retailers are increasingly labelling clothing items as loungewear. |
|--|------------------------------------|--|--|
| 3.1.2 Garments | 5102 Women's Outerwear | Women's sweatshirt | New item. This expands the range of women's casual fashion clothing in the basket. |
| 3.1.2 Garments | 5103 Children's Outerwear | Boy's jumper/sweatshirt/ cardigan, 5-13 years | This item will expand the range of clothing priced for older boys. |
| 3.1.2 Garments | 5103 Children's Outerwear | Infant's trousers, 0-2 years | The addition anticipates a future move to an updated classification system used to compile and analyse CPIH and CPI. It replaces child's trousers, for an 18-month to 4-year-old, to align with the age bands and terminology of the updated Classification of Individual Consumption by Purpose (COICOP). |
| 3.1.2 Garments | 5103 Children's Outerwear | Infant's jumper/sweatshirt/ cardigan, 0-2 years | Similar to infant's trousers, this replaces a child's jumper/ sweatshirt/cardigan for an 18-month to 4-year-old. |
| 5.1.2 Carpets and Other Floor Coverings | 4302 Furnishings | Luxury vinyl tile (LVT) flooring | New item. The hard flooring consumer market has moved towards LVT and laminate flooring now tends to represent the shrinking, budget end of the market. LVT is widely available and anecdotal evidence supports its popularity. |
| 5.5 Tools and Equipment for House and Garden | 4305 Household Consumables | Smart/WiFi light bulb | New item. A representative item added to further reflect developing smart technology for the home. This item is the most frequently available after a smart speaker, which is already in the basket and is the most easily priced of smart technologies across the country. |
| 7.1.1A New Cars | 6101 Purchase of Motor Vehicles | New electric/hybrid cars | New item. Reflects the increase in sales of hybrid and electric cars, and, to an extent, it anticipates the longer term move to end the sale of petrol and diesel cars by 2030. |
| 8.2/3 Telephone and Telefax Equipment and Services | 5201 Personal Articles | Smartwatch | New item. Added to represent "wearable tech", reflecting its growing popularity over recent years. |



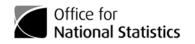
| 9.3.2 Equipment for Sport and Open-Air Recreation | 6303 Toys, Photographic and Sports Goods | Hand weights for home exercise, eg dumbbells | New item. An area of consumer spending which links into the trend for healthier living and where there have been reports of increased expenditure due to COVID-19. |
|--|---|---|--|
| 12.1.2/3 Appliances and Products for Personal Care | 5202 Chemists' Goods | Hand hygiene gel | New item. Expands coverage of the personal healthcare area and reflects the increased expenditure on portable products of this nature as a result of COVID-19. |



Table 3: Items removed from the baskets in 2021

(1. "low weighted" denotes an item with a CPIH weight of less than 0.5 parts per thousand in 2020.)

| CPIH/CPI Class | RPI Section | Dropped Item | Notes |
|---|-------------------------------------|---|--|
| 1.1.2 Meat | 2105 Lamb | Home killed lamb shoulder, with bone | This item is being replaced by home killed lamb shoulder with or without bone. The item definition is being widened to try to increase the number of price quotes collected each month. |
| 1.1.8 Sugar, Jam, Syrups, Chocolate and Confectionery | 2122 Sweets and Chocolates | White chocolate bar | A low weighted item which has poor coverage in terms of the number of price quotes collected each month. It is being replaced by malted chocolate sweets which attract higher spending and improve the balance across different brands and types of confectionery. |
| 1.2.1 Coffee, Tea and Cocoa | 2130 Coffee and Other Hot Drinks | Ground coffee | Replaced by coffee sachets reflecting a trend towards all-in- one beverages. |
| 1.2.2 Mineral Waters, Soft Drinks and Juices | 2120 Soft Drinks | Fruit smoothie | Research in the field has shown an increase in mixed fruit & vegetable juice products so the pure fruit smoothie has been replaced by this more widely defined item. |
| 3.1.2 Garments | 5102 Women's Outerwear | Women's casual trousers | One of the two women's casual trousers items in the basket is being removed to create space to add other fashion clothing. Price movements for women's casual trousers are adequately represented by the remaining women's casual trousers item. |
| 3.1.2 Garments | 5103 Children's Outerwear | Child's trousers, 18 months - 4 years | Replaced by trousers for an under-two-years-old infant. The change anticipates a future move to an updated international classification system used to analyse the data. The new item better matches the terminology and age boundaries of the new classification. |
| 3.1.2 Garments | 5103 Children's Outerwear | Child's jumper/sweatshirt/ cardigan, 18 months - 4 years | For the same reason as the child's trousers, this item is replaced by a jumper, sweatshirt or cardigan for an infant aged up to 2 years. |
| 5.1.2 Carpets and Other Floor Coverings | 4302 Furnishings | Carpet Axminster/Wilton | Removed from the basket since research and anecdotal evidence from retailers has indicated that this type of carpet is used mainly in commercial premises now. The loss of one of the industry's main manufacturers has also affected availability |



| | | | and coverage levels (the number of price quotes collected each month) have fallen. |
|---|------------------------|---------------------------|--|
| 11.1.2 Canteens | 2202 Canteen Meals | Staff restaurant sandwich | Removed from an over-covered area of the basket where we can reduce the number of items priced without adversely affecting the overall quality of the index. Based on the practicalities of price quote collection, the number of staff canteens appears to have fallen with the market moving towards externally purchased food, and it appears that the coronavirus (COVID-19) could influence further such moves. |
| 12.3.1 Jewellery, Clocks and Watches | 5201 Personal Articles | 9ct Gold chain | Removed from an over-covered area of the basket, price movements for the gold chain tend to mirror those for the retained solid gold ring item. |



Annex A: Consumer price indices, CPIH and CPI: representative items in 2021

01.1 Food

| 01.1.1 Bread and Cereals | |
|--|--------------------------|
| Large white loaves - sliced and unsliced | Large wholemeal loaf |
| Bread rolls | Garlic bread |
| Flour | Chilled pizza |
| Rice | Quiche |
| Pasta | Dehydrated noodles/pasta |
| Breakfast cereals | Hot oat cereal |
| Gluten free breakfast cereals | Cereal bars |
| Sponge cakes | Doughnuts |
| Pack of individual cakes | Crumpets |
| Various selected biscuits | Crackers |
| Popcorn | Couscous |
| | |
| 01.1.2 Meat | |
| Beef | |

Rump steak Roasting joint Mince Frozen burgers Lamb Loin chops Shoulder Pork Back bacon Loin chops Gammon Oven-ready joint Chicken Fresh/chilled whole chicken Fresh chicken breasts Rotisserie cooked hot whole chicken Other Meats Pork sausages Meat pies Cooked meats - eg ham Fresh diced/minced turkey Canned meats Frozen chicken nuggets Liver Chicken kievs Continental deli type meat Meat based snacks 01.1.3 Fish Fresh white fish fillets Fresh salmon fillets Canned tuna Fish fingers Frozen prawns Frozen breaded/battered white fish

01.1.4 Milk, Cheese and Eggs Full-fat and semi-skimmed milk - shop-bought and delivered Flavoured milk Non-dairy milk drink

Olive oil

Spreadable butter



| Fresh cream | Yoghurt |
|------------------------|-------------------------|
| Chilled pot dessert | Fromage frais |
| Various sized eggs | Cheddar - home-produced |
| Other regional cheeses | Soft continental cheese |
| Parmesan | Cheese spread |
| Powdered baby formula | |
| | |

01.1.5 Oils and Fats Margarine/low fat spread Block butter Peanut Butter

01.1.6 Fruit

Cooking apples **Dessert** apples Pears Bananas Strawberries Grapes Oranges Small oranges Avocado pears Plums Kiwi fruit Grapefruit Melon Blueberries Pineapple Raspberries Lemon Fresh fruit snacking pot Dried fruit Canned fruit Salted/roasted peanuts

01.1.7 Vegetables

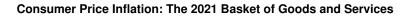
| Loose and pre-packed potatoes - old, new and baking varieties | | | |
|---|--|--|--|
| Frozen chips | | | |
| Vegetable crisps | | | |
| Peppers | | | |
| Cabbage | | | |
| Carrots | | | |
| Onions | | | |
| Cucumbers | | | |
| Courgettes | | | |
| Pre-packed salad | | | |
| Canned baked beans | | | |
| Canned sweetcorn | | | |
| Frozen peas | | | |
| Vegetarian pickle | | | |
| | | | |

01.1.8 Sugar, Jam, Syrups, Chocolate and Confectionery Sugar

Jam



| | Honey Various selected popular brands of sweets, choo | Ice cream colates, gum and mints |
|-------------|--|-------------------------------------|
| 01.1.9 Fo | od Products (not elsewhere covered) Soup Various sauces - eg tomato ketchup, mayonnais Protein powder | Ready cooked meals e |
| 01.2 Non-A | coholic Beverages | |
| | ffee, Tea and Cocoa | |
| | Tea bags | Flavoured tea |
| | Coffee sachets | Instant coffee |
| | Coffee pods | Hot chocolate drink |
| 01.2.2 Mi | neral Waters, Soft Drinks and Juices | |
| | Various pure fruit juices | Squashes |
| | Fruit drink | Fruit/vegetable juice smoothie |
| | Mineral water | Flavoured water |
| | Lemonade | Cola |
| | Various fizzy drinks | Mixer drinks |
| | Energy drinks | |
| 02.1 Alcoho | olic Beverages (Off Sales) | |
| 02.1.1 Sp | irits | |
| | Whisky | Vodka |
| | Brandy | Rum |
| | Gin | Cream liqueur |
| | Pre-mixed spirit drink | |
| 02.1.2 Wi | ne | |
| | White wine | Red wine |
| | Rose wine | Fortified wine |
| | Sparkling wine | Champagne |
| | Bottled flavoured cider | Canned apple cider |
| 02.1.3 Be | er | |
| | Canned lager | Canned bitter |
| | Bottled lager | Canned stout |
| | Bottled speciality beer/ale | |
| 02.2 Tobace | 0 | |
| | Selected brand cigarettes | Hand rolling tobacco |
| | Cigars | Electronic cigarette refills/liquid |





| 03.1 Clothing | |
|--|-------------------|
| 03.1.2 Garments | |
| Men's Clothing | |
| Suit | Coat |
| Trousers - formal, casual | Casual jacket |
| Jumper | Jeans |
| Various shirts | T shirts |
| Loungewear bottoms | Shorts |
| Tracksuit bottoms | Branded sports |
| Replica football team shirt | Man's base lay |
| Socks | Underwear |
| Women's Clothing | |
| Blouse | Skirt - formal, o |
| Dress | Trousers - forn |
| Jeans | Leggings |
| Tops | T shirt |
| Cardigan | Jumper |
| Sweatshirt | Shorts |
| Coat | Jacket - formal |
| Rainwear | Exercise leggir |
| Swimwear | Nightware |
| Underwear | Tights |
| Children's Clothing | |
| Schoolwear - trousers, skirt | Fashion top |
| Jumper/sweatshirt/cardigan | T shirt |
| Jeans | Trousers |
| Girl's leggings | Jacket |
| Underwear | Socks |
| Pyjamas | Baby's sleepsu |
| 03.1.3 Other Clothing and Clothing Accessories | |
| Man's tie | Knitting wool |
| Lady's scarf | Cycle helmet |
| Hat/cap | |
| 03.1.4 Cleaning, Repair and Hire of Clothing | |
| Dry-cleaning | Men's clothing |
| 03.2 Footwear including Repairs | |

ts sweatshirt ayer top casual mal, casual al, casual ings

suit

g hire

03.2 Footwear including Repairs

Shoes - formal, school, casual and fashion Boots - formal, fashion and walking/hiking boot



| Training shoes | Sandals | | | |
|---|---|--|--|--|
| 04.1 Actual Rentals for Housing Private furnished and unfurnished rent Registered social landlord (RSL) rent | Local authority rent UK holiday accommodation (self-catered) | | | |
| 04.2 Owner Occupiers' Housing Costs (only in CPIH) Imputed rent in England, Scotland, Northern | Ireland and Wales | | | |
| 04.3 Regular Maintenance and Repair of the Dwelling 04.3.1 Materials for Maintenance and Repair Ready mixed filler Varnish Ceramic tiles Medium density fibreboard (MDF) | Wallpaper Paint - gloss/emulsion Shower head Paint brush | | | |
| 04.3.2 Services for Maintenance and Repair Fees charged by plumbers, electricians, carp | penters and decorators | | | |
| 04.4 Water Supply and Miscellaneous Services for the Dwelling 04.4.1 Water Supply Average water charges | | | | |
| 04.4.3 Sewerage Collection Average sewerage and environmental charges | | | | |
| 04.5 Electricity, Gas and Other Fuels 04.5.1 Electricity Average of the electricity companies' tariffs | | | | |
| 04.5.2 Gas Average of the gas companies' tariffs | Butane gas | | | |
| 04.5.3 Liquid Fuels Kerosene | | | | |
| 04.5.4 Solid Fuels Coal | Smokeless fuel | | | |
| 04.9 Council Tax and Rates (only in CPIH) Average council tax bills for households in Great Britain Average rates bills for households in Northern Ireland | | | | |



05.1 Furniture, Furnishings and Carpets

05.1.1 Furniture and Furnishings

Dining furniture - eg table, chairs Bedroom furniture - eg wardrobe, beds, mattress, chest of drawers Living room furniture - eg armchair, sofa bed, settees, bookcase, table lamp Kitchen furniture - various kitchen units Office furniture - home office desk Outdoor furniture - patio set Baby/children's furniture - high chair

05.1.2 Carpets and Other Floor Coverings Selected carpets

Laminate floor covering

Rug Luxury vinyl tile flooring

05.2 Household Textiles

Curtains Duvet Bed sheet Fabric roller blind Duvet cover Towels

05.3 Household Appliances, Fitting and Repairs

| 05.3.1/2 Major Appliances and Small Electr | ic Appliances |
|--|----------------------------------|
| Electric cooker | Gas cooker |
| Fridge/freezer | Dishwasher |
| Vacuum cleaner | Washing machine |
| Gas fire | |
| Selected small appliances - eg ir | on, kettle, heater, electric fan |
| | |

05.3.3 Repair of Household Appliances

Electrical service charges

Washing machine repair

05.4 Glassware, Tableware and Household Utensils

Kitchen equipment - pans, scissors, plastic food container, bakeware Tableware – dinner plate, cutlery set Glassware – tumbler Re-usable bottle/mug Flower vase

05.5 Tools and Equipment for House and Garden

Light bulbSmart/WiFi light bulbBatteryDoor handlePower drillScrewdriverLawnmowerGarden spade



| | Hire of domestic carpet shampoo/cleaner | |
|--------------|---|--|
| 05.6 Goods | and Services for Routine Household Maintena | ance |
| 05.6.1 No | n-Durable Household Goods | |
| | Washing liquid/gel | Fabric conditioner |
| | Washing-up liquid | Dishwasher tablets |
| | Kitchen roll | Aluminium foil |
| | Household cleaner cream/liquid | Bleach |
| | Bin liners | Clear sticky tape |
| | Woodscrews | |
| 05.6.2 Do | mestic Services and Household Services | |
| | Domestic cleaner fees | Window cleaning fees |
| | Nanny fees | |
| 06.1 Medica | I Products, Appliances and Equipment | |
| 06.1.1 Ph | armaceutical Products | |
| | NHS prescription charges | Multi-vitamins tablets |
| | Selected medicines - indigestion tablets, pain kil liquid | lers, cold/flu drink powders, allergy tablets, cou |
| 06.1.2/3 C | Other Medical and Therapeutic Products | |
| | Condoms | Plasters |
| | Spectacle frames with lens | Contact lenses |
| 06.2 Out-Pa | tient Services | |
| 06.2.1/3 N | ledical Services and Paramedical Services | |
| | Non NHS medical services - physiotherapy, chir | opractic medicine |
| 06.2.2 De | ntal Services | |
| | NHS dental charges | Private dental examination |
| 06.3 Hospita | al Services | |
| | Hospital charges, including private surgery fees | |
| | Nursing home fees | |
| 07.1 Purcha | ase of Vehicles | |
| 07 1 1 A N | lew Cars | |
| 07.1.17.18 | | |
| 07.1.17.10 | New petrol/diesel cars | New electric/hybrid cars |
| - | New petrol/diesel cars | New electric/hybrid cars |



| 07.1.2/3 Motorcycles and Bicycles | | |
|--|-----------------------------------|--|
| Motorcycles | Bicycles | |
| 07.2 Operation of Personal Transport Equipme | ent | |
| 07.2.1 Spare Parts and Accessories | | |
| Selected spare parts and accessorie | es - eg wiper blade, tyres, bulbs | |
| 07.2.2 Fuels and Lubricants | | |
| Ultra low sulphur petrol | Ultra low sulphur diesel | |
| Motor oil | | |
| | | |

Car wash

Consumer Price Inflation: The 2021 Basket of Goods and Services

07.2.3 Maintenance and Repairs Car service Exhaust fitting in fast fit auto centre Roadside recovery services

07.2.4 Other Services MOT test fees Driving lesson fees Car park charges Self-drive car and van hire charges

07.3 Transport Services

- 07.3.1 Passenger Transport by Railway UK rail fares Euro Tunnel fares
- 07.3.2 Passenger Transport by Road Bus fares Coach fares Charge for home removals
- 07.3.3 Passenger Transport by Air Air fares
- 07.3.4 Passenger Transport by Sea and Inland Waterway Various ferry and sea fares

08.1 Postal Services

Postal charges

08.2/3 Telephone and Telefax Equipment and Services Telephone

Vehicle excise duty Driving test fees Airport parking charges

Labour charge for vehicle repairs

Wheel alignment in fast fit auto centre

Road tolls

London transport fares Other underground/metro fares

Minicab fares Taxi fares Self-storage fees

Smartphone handset



Fixed line telephone charges Cost of directory enquiries Subscription to the internet Bundled communication services Mobile phone charges Mobile phone applications Mobile phone accessory Smartwatch

09.1 Audio-Visual Equipment and Related Products

09.1.1 Equipment for the Reception and Reproduction of Sound and Pictures Televisions DVD/Blu-ray disc player Digital media player Digital (DAB) radio Portable digital music player Portable speakers Headphones

09.1.2 Photographic, Cinematographic and Optical Equipment Digital compact camera Action camera

09.1.3 Data Processing Equipment PCs - desktop and laptop Tablet computer

Smart speaker

PC peripherals Computer software

09.1.4 Recording Media

CDs, including CDs purchased over the internet Pre-recorded DVDs, including DVDs purchased over the internet Pre-recorded Blu-ray discs, including discs purchased over the internet Recordable CD Music downloads Portable digital storage device

09.1.5 Repair of Audio-Visual Equipment and Related Products Electrical equipment repair charges - eg PC

09.2 Other Major Durables for Recreation and Culture

09.2.1/2 Major Durables for In/Outdoor Recreation Caravans Boats Acoustic guitar Livery charges Water sports equipment - eg windsurfing equipment

09.3 Other Recreational Items, Gardens and Pets

09.3.1 Games, Toys and Hobbies Various toys - soft toys, construction toys, model cars, activity toys, dolls, electronic educational toys Child's scooter Board game Child's scooter Craft kit



| Jigsaw | Computer games console |
|--|---|
| Computer games, by platform, and incluc Computer game downloads | ling games purchased over the internet |
| 09.3.2 Equipment for Sport and Open-Air Recreation | |
| | quet, football, fishing rod, football boots, hand weights |
| Sleeping bag | Barbecue |
| 09.3.3 Gardens, Plants and Flowers | |
| Selected varieties of plants, cut flowers, s | seeds and including flowers purchased over the internet |
| Compost | Plant food |
| Flower delivery | |
| 09.3.4/5 Pets, Related Products and Services | |
| Cat and dog food, and dog treats | Wild bird seed |
| Small pet - eg hamster | Animal cage |
| Dog kennel boarding fees | Annual booster injection |
| 09.4 Recreational and Cultural Services | |
| 09.4.1 Recreational and Sporting Services | |
| Fees for leisure evening classes | Private health club/gym membership |
| Charges for exercise classes | Swimming pool admissions |
| Ten-pin bowling session | Golf green fees |
| Football match admissions | Horseracing admissions |
| Admission to other attractions | Games consoles online subscriptions |
| Soft play session | |
| 09.4.2 Cultural Services | |
| DVD rental/video on demand subscription | n services |
| Digital television subscriptions | Rental of various types of television |
| Television licence | Digital photo processing |
| Music streaming subscriptions | |
| Admission to cinemas, theatres, live mus | ic, historic monuments and other cultural events |
| 09.5 Books, Newspapers and Stationery | |
| 09.5.1 Books | |
| Adult, teenage and children's fiction and | non-fiction paperback and hardback books |
| Reference books | eBooks |
| 09.5.2 Newspapers and Periodicals | |
| National daily newspapers | Sunday newspapers |
| Provincial newspapers | Periodicals |
| | |



09.5.3/4 Miscellaneous Printed Matter, Stationery, Drawing Materials Ballpoint pen Wrapping paper Greeting card Printer paper Inkjet cartridge

09.6 Package Holidays

Package holidays covering a range of foreign destinations, accommodation and holiday types, including late-booked holidays UK holidays covering a range of accommodation/holiday types but excluding self-catering

10.0 Education

| Private school fees | Evening classes |
|----------------------------|----------------------------|
| International student fees | UK university tuition fees |

11.1 Catering Services

| | J | |
|-------------|---------------------------------|-----------------------------------|
| 11.1.1 Res | staurants and Cafes | |
| Restauran | ts | |
| | Restaurant main course | Restaurant sweet course |
| | Restaurant cup of coffee | Pub hot meal |
| | In store cafeteria meal | Muffin |
| Take-Awa | ys and Snacks | |
| | Fish and chips | Cooked pastry based savoury snack |
| | Burger in bun | Kebab |
| | Chicken and chips | Ethnic take-away |
| | Pizza delivery/take-away | Sandwich |
| | Cinema popcorn | Crisps |
| | Теа | Coffee latte |
| | Soft drink | Vending machine soft drink |
| Beer On S | ales | |
| | Draught bitter | Draught lager |
| | Draught stout | Draught/bottled cider |
| | Bottled lager | |
| Wines and | Spirits On Sales | |
| | Whisky | Vodka |
| | Gin | Wine |
| | Spirit based drink | Liqueurs |
| | Mixer | |
| Soft Drinks | S | |
| | Fizzy drinks | Fruit juice |
| | Bottled mineral water | |
| Catering | | |
| | Cost of catering for a function | On board catering |
| | | |



| - | Canteens | |
|----------------------|---|---|
| | Staff restaurant main course | Staff restaurant hot snack |
| | School meals | |
| 11.2 Acco | mmodation Services | |
| | Youth Hostel Association | Halls of residence |
| | Other accommodation services | |
| 12.1 Perso | onal Care | |
| 12.1.1 F | lairdressing and Personal Grooming Establishn | nents |
| | Hairdressing fees | Basic manicure |
| | Slimming club fees | |
| 12.1.2/3 | Appliances and Products for Personal Care | |
| | Electrical hair straighteners/tongs | Electric razor |
| | Electric toothbrush | Toothbrush |
| | Toilet roll | Tissues |
| | Disposable nappies | Baby wipes |
| | Tampons | Self-tanning products |
| | Hand hygiene gel | |
| | Various cosmetics - face cream, perfume, m moisturising lotion | nascara, liquid foundation, lip gloss, nail varnish, boo |
| | 5 | |
| | - | |
| 12.3 Perso | Toiletries - toothpaste, deodorant, shower ge | |
| | Toiletries - toothpaste, deodorant, shower ge conditioner, razor cartridge blades, sunscree | el, shampoo, hair gel, permanent hair colourant, hai en cream/lotion, liquid soap |
| | Toiletries - toothpaste, deodorant, shower ge conditioner, razor cartridge blades, sunscree onal Effects (not elsewhere covered) | |
| | Toiletries - toothpaste, deodorant, shower ge conditioner, razor cartridge blades, sunscree onal Effects (not elsewhere covered) ewellery, Clocks and Watches Watch | en cream/lotion, liquid soap Watch battery replacement |
| 12.3.1 J | Toiletries - toothpaste, deodorant, shower ge conditioner, razor cartridge blades, sunscree onal Effects (not elsewhere covered) ewellery, Clocks and Watches Watch Various items of personal jewellery - solid ge | en cream/lotion, liquid soap Watch battery replacement |
| 12.3.1 J | Toiletries - toothpaste, deodorant, shower ge conditioner, razor cartridge blades, sunscree onal Effects (not elsewhere covered) ewellery, Clocks and Watches Watch Various items of personal jewellery - solid ge fashion earrings, fashion necklace | en cream/lotion, liquid soap Watch battery replacement |
| 12.3.1 J | Toiletries - toothpaste, deodorant, shower ge conditioner, razor cartridge blades, sunscree onal Effects (not elsewhere covered) ewellery, Clocks and Watches Watch Various items of personal jewellery - solid ge fashion earrings, fashion necklace | en cream/lotion, liquid soap Watch battery replacement old ring, diamond solitaire ring, sterling silver earring |
| 12.3.1 J | Toiletries - toothpaste, deodorant, shower ge conditioner, razor cartridge blades, sunscree onal Effects (not elsewhere covered) ewellery, Clocks and Watches Watch Various items of personal jewellery - solid ge fashion earrings, fashion necklace | en cream/lotion, liquid soap Watch battery replacement old ring, diamond solitaire ring, sterling silver earring Handbag |
| 12.3.1 J 12.3.2 C | Toiletries - toothpaste, deodorant, shower ge conditioner, razor cartridge blades, sunscree onal Effects (not elsewhere covered) ewellery, Clocks and Watches Watch Various items of personal jewellery - solid ge fashion earrings, fashion necklace Other Personal Effects Umbrella Luggage - trolley case | en cream/lotion, liquid soap Watch battery replacement old ring, diamond solitaire ring, sterling silver earring Handbag |
| 12.3.1 J 12.3.2 C | Toiletries - toothpaste, deodorant, shower ge conditioner, razor cartridge blades, sunscree onal Effects (not elsewhere covered) ewellery, Clocks and Watches Watch Various items of personal jewellery - solid ge fashion earrings, fashion necklace Other Personal Effects Umbrella Luggage - trolley case Push chair | en cream/lotion, liquid soap Watch battery replacement old ring, diamond solitaire ring, sterling silver earring Handbag |
| 12.3.1 J 12.3.2 C | Toiletries - toothpaste, deodorant, shower ge conditioner, razor cartridge blades, sunscree onal Effects (not elsewhere covered) ewellery, Clocks and Watches Watch Various items of personal jewellery - solid ge fashion earrings, fashion necklace Other Personal Effects Umbrella Luggage - trolley case Push chair | en cream/lotion, liquid soap Watch battery replacement old ring, diamond solitaire ring, sterling silver earring Handbag Picture/photo frame In home care assistants' fees |
| 12.3.1 J 12.3.2 C | Toiletries - toothpaste, deodorant, shower ge conditioner, razor cartridge blades, sunscree onal Effects (not elsewhere covered) ewellery, Clocks and Watches Watch Various items of personal jewellery - solid ge fashion earrings, fashion necklace Other Personal Effects Umbrella Luggage - trolley case Push chair Al Protection Residential home fees | en cream/lotion, liquid soap Watch battery replacement old ring, diamond solitaire ring, sterling silver earring Handbag Picture/photo frame In home care assistants' fees |



| 12.5 Insurance | |
|---|--|
| 12.5.2 House Contents Insurance | |
| Home contents insurance premiums | Household services maintenance policy |
| 12.5.3 Health Insurance | |
| Dental insurance | Pet insurance |
| Subscriptions to private medical plans | |
| 12.5.4 Transport Insurance | |
| Vehicle insurance | Holiday insurance |
| 12.6 Financial Services (not elsewhere covered) 12.6.2 Other Financial Services (not elsewhere covered) | |
| Mortgage arrangement fees | Various bank charges – eg for bankers draft |
| Money transfer fees | Credit card fees |
| Unit trust fees and commissions | Stockbrokers' fees |
| 12.7 Other Services (not elsewhere covered) | |
| Charges for advertisements in newspapers | Solicitors' fees - including will drafting fee |
| Fee for birth and death certificates | Marriage licences |
| Passport fees | Cost of basic funeral/cremation |
| Home delivery charges | Dating agency fees |
| Surveyors' fee for house valuation | |
| Trade union and professional organisation subs | criptions |
| i ado ano processi a organicator caso | |



Food

Annex B: Retail Prices Index (RPI): representative items in 2021

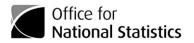
| | Large white loaves - sliced and unsliced | Large wholemeal loaf |
|------------|--|-----------------------------------|
| | Bread rolls | Garlic bread |
| | | |
| Cereals | | |
| | Flour | Rice |
| | Pasta | Couscous |
| | Corn based snacks | Cereal bars |
| | Breakfast cereals | Gluten free breakfast cereals |
| | Hot oat cereal | Popcorn |
| Biscuits a | and Cakes | |
| | Various selected biscuits | Doughnuts |
| | Sponge cakes | Pack of individual cakes |
| | Crumpets | Crackers |
| Beef | | |
| | Rump steak | Roasting joint |
| | Mince | Frozen burgers |
| Lamb | | |
| | Loin chops | Shoulder |
| Pork | | |
| | Loin chops | |
| Bacon | | |
| | Gammon | Back |
| Poultry | | |
| | Fresh/chilled whole chicken | Fresh chicken breasts |
| | Fresh diced/minced turkey | Rotisserie cooked hot whole chick |
| Other Me | pat | |
| | Pork sausages | Cooked meats - eg ham |
| | Meat pies | Canned meats |
| | Frozen chicken nuggets | Chicken kievs |
| | Oven-ready joint | Continental deli type meat |



| | Liver | Meat based snacks |
|------------|---|---------------------------------------|
| Fresh Fish | r White fish fillets Frozen prawns | Salmon fillets |
| Processed | d Fish Canned tuna Frozen breaded/battered white fish | Fish fingers |
| Butter | Block butter | Spreadable butter |
| Oils and F | ats Margarine/low fat spread Peanut butter | Olive oil |
| Cheese | Cheddar - home-produced Soft continental cheese Cheese spread | Other regional cheeses Parmesan |
| Eggs | Various sized eggs | |
| Milk | Full-fat and semi-skimmed milk - shop-bought a Flavoured milk | nd delivered Non-dairy milk drink |
| Milk Produ | ucts Fresh cream Chilled pot dessert Powdered baby formula | Yoghurt Fromage frais |
| Tea | Tea bags | Flavoured tea |
| Coffee and | d Other Hot Drinks Coffee sachets Coffee pods | Instant coffee Hot chocolate drink |



| | S | |
|-------------------------|---|-----------------------------------|
| | Various pure fruit juices | Squashes |
| | Fruit drink | Fruit/vegetable juice smoothie |
| | Mineral water | Flavoured water |
| | Lemonade | Cola |
| | Various fizzy drinks | Mixer drinks |
| | Energy drinks | |
| Sugar and | Preserves | |
| | Sugar | Jam |
| | Honey | |
| Sweets ar | nd Chocolates | |
| | Various selected popular brands of sweets, o | chocolates, gum and mints |
| Unproces | sed Potatoes | |
| | Loose and pre-packed potatoes - old, new ar | nd baking varieties |
| Potato Pro | | |
| | Crisps - single and multi-packs | Prepared mashed potato |
| | Frozen chips | |
| Fresh Veg | | |
| | Fresh tomatoes | Cabbage |
| | Cauliflower | Carrots |
| | Mushrooms | Onions |
| | Lettuce | Cucumbers |
| | Courgettes | Sweet potatoes |
| | Broccoli | Peppers |
| | Pre-packed salad | Vegetable stir fry |
| | | |
| Processed | d Vegetables | |
| Processed | d Vegetables Canned tomatoes | Canned baked beans |
| Processed | - | Canned baked beans Frozen peas |
| Processed | Canned tomatoes | |
| Processed Fresh Frui | Canned tomatoes Canned sweetcorn Frozen pre-prepared vegetables | |
| | Canned tomatoes Canned sweetcorn Frozen pre-prepared vegetables | |
| | Canned tomatoes Canned sweetcorn Frozen pre-prepared vegetables | Frozen peas |
| | Canned tomatoes Canned sweetcorn Frozen pre-prepared vegetables it Cooking apples | Frozen peas Dessert apples |



| Avocado pears | Plums |
|---------------|--------------------------|
| Kiwi fruit | Grapefruit |
| Melon | Blueberries |
| Pineapple | Raspberries |
| Lemon | Fresh fruit snacking pot |
| | |

Processed Fruit Canned fruit Dried fruit

Salted/roasted peanuts

Other Foods

| Soup | Ready cooked meals | |
|---|--------------------------|--|
| Various sauces - eg tomato ketchup, mayonnaise, pickle | | |
| Other convenience foods - eg chilled pizzas, dehydrated noodles/pasta | | |
| Quiche | Vegetarian burger/grills | |
| Protein powder | Ice cream | |
| Vegetable crisps | | |

Catering

Restaurant Meals Restaurant main course Restaurant cup of coffee In store cafeteria meal Fizzy drinks On board catering

Canteen Meals

Staff restaurant main course School meals

Take-Aways and Snacks Fish and chips Burger in bun Chicken and chips Pizza delivery/take-away Cinema popcorn Tea Soft drink

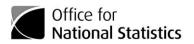
Alcoholic Drink

Beer On Sales

Restaurant sweet course Pub hot meal Fruit juice Bottled mineral water Muffin

Staff restaurant hot snack

Cooked pastry based savoury snack Kebab Ethnic take-away Sandwich Crisps Coffee latte Vending machine soft drink



| | | Draught bitter Draught stout Bottled lager | Draught lager Draught/bottled cider |
|---------|------------|---|--|
| | Beer Off S | ales | |
| | | Canned lager | Canned bitter |
| | | Bottled lager | Canned stout |
| | | Bottled flavoured cider | Canned apple cider |
| | | Bottled speciality beer/ale | |
| | Wines and | l Spirits On Sales | |
| | | Whisky | Vodka |
| | | Gin | Wine |
| | | Spirit based drink | Liqueurs |
| | | Mixer | |
| | Wines and | I Spirits Off Sales | |
| | | Whisky | Vodka |
| | | Brandy | Rum |
| | | Gin | Cream liqueur |
| | | White wine | Red wine |
| | | Rose wine | Fortified wine |
| | | Sparkling wine | Champagne |
| | | Pre-mixed spirit drink | |
| Tobacco | | | |
| | Cigarettes | | |
| | | Selected brands | Electronic cigarette refills/liquids |
| | | | |
| | Other Tob | | |
| | | Cigars | Hand rolling tobacco |
| Housing | | | |
| - | Rent | | |
| | | Private furnished and unfurnished rent | Local authority rent |
| | | Registered Social Landlord (RSL) rent | |
| | Mortagao | Internet Deumonte | |
| | wongage | Interest Payments Average interest payments (estimated/modelle | d) |
| | | | u, |
| | Depreciati | on | |
| | | | |



Depreciation costs proxy (smoothed house price index)

Council Tax and Rates

Average council tax bills for households in Great Britain Average rates bills in Northern Ireland

Water and Other Charges Average water charges Average sewerage and environmental charges

Repairs and Maintenance Charges

Fees charged by plumbers, electricians, carpenters and decorators

Do-It-Yourself Materials

Ready mixed fillerWallpVarnishPaintPaint brushWoodPower drillScrewCeramic tilesShowMedium density fibreboard (MDF)DoorHire of domestic carpet shampoo/cleaner

Wallpaper Paint - gloss/emulsion Woodscrews Screwdriver Shower head Door handle

Dwelling Insurance and Ground Rent Dwelling insurance premiums Ground rent proxy (smoothed house price index)

Fuel and Light

Coal and Solid Fuels Coal

Smokeless fuel

Electricity

Average of the electricity companies' tariffs

Gas

Average of the gas companies' tariffs

Oil and Other Fuels

Butane gas

Kerosene



Household Goods

Furniture

Dining furniture - eg table, chairs Bedroom furniture - eg wardrobe, beds, mattress, chest of drawers Living room furniture - eg armchair, sofa bed, settees, bookcase, table lamp Kitchen furniture - various kitchen units Office furniture - home office desk Outdoor furniture - patio set Baby/children's furniture - high chair

Furnishings

| Selected carpets | Rug |
|-------------------------|----------------------------|
| Laminate floor covering | Luxury vinyl tile flooring |
| Curtains | Fabric roller blind |
| Duvet | Duvet cover |
| Bed sheet | Towels |

Electrical Appliances

Electric cookerWashing machineFridge/freezerDishwasherVacuum cleanerTelephoneSmartphone handsetSelected small appliances - eg iron, kettle, heater, electric fanPersonal appliances - eg electric razor, electric hair straighteners/tongs, electric toothbrush

Other Household Equipment

Gas cooker Gas fire Kitchen equipment - pans, scissors, plastic food container, bakeware Tableware - dinner plate, cutlery set Glassware - tumbler

Household Consumables

Fabric conditioner Washing liquid/gel Washing-up liquid **Dishwasher tablets** Kitchen roll Aluminium foil Toilet roll **Bin liners** Household cleaner cream/liquid Bleach Light bulb Smart/WiFi light bulb Battery Ballpoint pen Greeting card Wrapping paper Inkjet cartridge Printer paper



Clear sticky tape

Pet Care

| Cat and dog food, and dog treats |
|----------------------------------|
| Small pet - eg hamster |
| Dog kennel boarding fees |

Wild bird seed Animal cage Annual booster injection

Household Services

Postage

Postal charges

Telephone Charges

| Fixed line telephone charges | Mobile phone charges |
|------------------------------|--------------------------------|
| Cost of directory enquiries | Mobile phone applications |
| Subscription to the internet | Bundled communication services |

Domestic Services

Domestic cleaner fees In home care assistants' fees Childminder fees Nanny fees Playgroup fees Window cleaning fees Dry-cleaning charges Driving lesson fees Home delivery charges Charge for home removals Self-storage fees Electrical service charges Various electrical equipment repair charges - eg washing machine, PC Cost of catering for a function Watch battery replacement Men's clothing hire

Fees and Subscriptions

Trade union and professional organisation subscriptions Estate agents' fees Charge for home buyers' survey Surveyors' fee for house valuation House conveyancing fees Home contents insurance premiums Pet insurance Fee for birth and death certificates Marriage licences Passport fees Various bank charges - eg for bankers draft Money transfer fees Credit card fees Private school fees UK university tuition fees Evening classes Solicitors' fees - including will drafting Dating agency fees Cost of basic funeral/cremation Driving test fees Nursery fees Household services maintenance policy Mortgage arrangement fees Charges for advertisements in newspapers



Clothing and Footwear

Men's Outerwear Suit Trousers - formal, casual Jumper Various shirts Loungewear bottoms Tracksuit bottoms Replica football team shirt

Women's Outerwear

Blouse

Dress

Jeans

Tops Cardigan

Coat

Jeans

Tights

Man's tie Hat/cap

Girl's leggings

Baby's sleepsuit

Children's Outerwear

Sweatshirt

Rainwear

Swimwear

Schoolwear - trousers, skirt

Jumper/sweatshirt/cardigan

Underwear - eg pants and bra

Nightwear - eg nightdress/pyjamas

Coat Casual jacket Jeans T shirts Shorts Branded sports sweatshirt

Skirt - formal, casual Trousers - formal, casual Leggings T shirt Jumper Shorts Jacket - formal, casual Exercise leggings

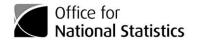
Fashion top T shirt Trousers Jacket

Man's base layer top Socks Knitting wool Lady's scarf

Footwear

Other Clothing

Shoes - formal, school, casual and fashion Boots - formal, fashion and walking/hiking boots Training shoes Sandals



Personal Goods and Services

| Personal Articles | |
|--|----------------------------|
| Umbrella | Handbag |
| Watch | Smartwatch |
| Contact lenses | Spectacle frames with lens |
| Flower vase | Picture/photo frame |
| Wall hanging mirror | Mobile phone accessory |
| Re-usable bottle/mug | Luggage - trolley case |
| Various items of personal jewellery - solid gold ring, diamond solitaire ring, sterling silver earring fashion earring, fashion necklace | |

Chemists' Goods

| NHS prescription charges | Multi-vitamins tablets | |
|--|------------------------|--|
| Condoms | Tampons | |
| Disposable nappies | Tissues | |
| Baby wipes | Toothbrush | |
| Self-tanning products | Hand hygiene gel | |
| Selected medicines and surgical goods - indigestion tablets, pain killers, cold/flu drink powders, plasters, allergy tablets, cough liquid | | |

Toiletries - toothpaste, deodorant, shower gel, shampoo, hair gel, permanent hair colourant, hair conditioner, razor cartridge blades, sunscreen cream/lotion, liquid soap

Various cosmetics - face cream, perfume, mascara, liquid foundation, lip gloss, nail varnish, body moisturising lotion

Personal Services

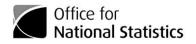
| Hairdressing charges | Basic manicure | |
|---|-----------------------------------|--|
| Subscriptions to private medical plans | Private surgery fees | |
| Private dental examination | NHS dental charges | |
| Dental insurance | Residential and nursing home fees | |
| Non NHS medical services - physiotherapy, chiropractic medicine | | |
| Slimming club fees | Flower delivery | |
| | | |

Motoring Expenditure

| Purchase of Motor Vehicles | |
|----------------------------|------------------|
| New petrol/diesel cars | Second-hand cars |
| New electric/hybrid cars | Motorcycles |
| Caravans | |
| | |

Maintenance of Motor Vehicles Car service Exhaust fitting in fast fit auto centre Roadside recovery services

Labour charge for vehicle repairs Wheel alignment in fast fit auto centre Car wash



| | | MOT lest lees | |
|-------------|------------|--|-------------------------------|
| | | Selected spare parts and accessories - eg wipe | er blade, tyres, bulbs |
| F | Petrol and | Oil | |
| | | Ultra low sulphur petrol Motor oil | Ultra low sulphur diesel |
| ١ | Vehicle Ta | x and Insurance | |
| | | Vehicle excise duty | Vehicle insurance |
| Fares and C | Other Trav | vel Costs | |
| F | Rail Fares | | |
| | | UK rail fares | London transport fares |
| | | Euro Tunnel fares | Other underground/metro fares |
| E | Bus and C | oach Fares | |
| | | Bus fares | Coach fares |
| (| Other Trav | el Costs | |
| | | Taxi fares | Minicab fares |
| | | Self-drive car and van hire charges | Road tolls |
| | | Car park charges | Airport parking charges |
| | | Cycle helmet | Push chair |
| | | Air fares | Various ferry and sea fares |
| | | Other means of transport - eg bicycles, boats | |
| | | | |

Leisure Goods

Audio-Visual Equipment

MOT test fees

Televisions Digital media player Portable digital music player Headphones PCs - desktop and laptop Tablet computer DVD/Blu-ray disc player Digital (DAB) radio Portable speakers Smart speaker PC peripherals

CDs and Tapes

CDs, including CDs purchased over the internet Pre-recorded DVDs, including DVDs purchased over the internet Pre-recorded Blu-ray discs, including discs purchased over the internet Recordable CD Computer software Music downloads



Toys, Photographic and Sports Goods

| Various toys - soft toys, construction toys, model cars, activity toys, dolls, electronic educational toys | | |
|--|--|--|
| Board game | Jigsaw | |
| Child's sit and ride toy | Child's scooter | |
| Computer games, by platform, and including ga | mes purchased over the internet | |
| Computer game downloads | Computer games console | |
| Digital compact camera | Interchangeable lens digital camera | |
| Action camera | Digital photo processing | |
| Portable digital storage device | Acoustic guitar | |
| Barbecue | Sleeping bag | |
| Craft kit | | |
| Sports equipment - golf balls, squash racquet, f | ootball, fishing rod, football boots, hand weights | |
| | | |

Books and Newspapers

Adult, teenage and children's fiction and non-fiction paperback and hardback booksReference bookseBooksNational daily newspapersSunday newspapersProvincial newspapersPeriodicals

Water sports equipment - eg windsurfing equipment

Gardening Products Compost Plant food Lawnmower Garden spade Selected varieties of plants, cut flowers, seeds and including flowers purchased over the internet

Leisure Services

Television Licences and Rentals

Digital television subscriptions Rental of various types of television Television licence DVD rental/video on demand subscription services

Entertainment and Other Recreation

| Fees for leisure evening classes | Charges for exercise classes |
|---|-------------------------------|
| Private health club/gym membership | Livery charges |
| Ten-pin bowling session | Golf green fees |
| Games consoles online subscription services | Music streaming subscriptions |
| Soft play session | |
| Admission to cinemas, theatres, live music, football matches, horse racing, historic monuments swimming pools and other attractions | |



Foreign Holidays

Package holidays covering a range of foreign destinations, accommodation and holiday types, including late-booked holidays Holiday insurance

UK Holidays

Youth Hostel Association UK holidays covering a range of accommodation and holiday types