

Statistical Bulletin

BRIEFING NOTE

Consumer Price Inflation

September 2017

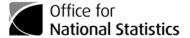
Coverage: UK

Date: 17 October 2017 Geographical Area: UK Theme: Economy

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



SUMMARY

CPIH

The Consumer Prices Index including owner occupiers' housing costs (CPIH) is the most comprehensive measure of inflation. It extends the Consumer Prices Index (CPI) to include a measure of the costs associated with owning, maintaining and living in one's own home, known as owner occupiers' housing costs (OOH), along with council tax. Both of these are significant expenses for many households and are not included in the CPI.

Aside from including owner occupiers' housing costs (OOH) and council tax, CPIH is otherwise identical to CPI. This means that, aside from these two components, the factors contributing to the CPI rate are the same as those contributing to the CPIH. For example, if food is reported as increasing the CPIH rate, it is also acting to increase the CPI rate. The size of the contributions for components other than OOH and council tax are exaggerated in the CPI compared with the CPIH because they account for a larger proportion of the overall index.

The <u>National Statistics</u> status of the Consumer Prices Index including owner occupiers' housing costs (CPIH) was reinstated on 31 July 2017. <u>A letter</u> from the Director General for Regulation to the National Statistician detailed the actions that were taken to meet the requirements as set out in the CPIH assessment report.

The main movements for CPIH in September 2017 are:

- The all items CPIH is 104.3, up from 104.0 in August.
- The all items CPIH annual rate is 2.8%, up from 2.7% in August.
- The annual rate for CPIH excluding indirect taxes, CPIHY, is 2.7%, up from 2.6% last month.
- The OOH component of CPIH is 104.8, up from 104.6 in August.
- The OOH component annual rate is 1.9%, unchanged from last month.
- The CPIH all goods index is 102.4, up from 101.3 in August.
- The CPIH all goods index annual rate is 3.2%, up from 3.1% last month.
- The CPIH all services index is 105.7, down from 106.0 in August.
- The CPIH all services index annual rate is 2.5%, unchanged from last month.

Consumer Prices Index (CPI)

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



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

The main movements for CPI in September 2017 are:

- The all items CPI is 104.1, up from 103.8 in August.
- The all items CPI annual rate is 3.0%, up from 2.9% in August.
- The annual rate for CPI excluding indirect taxes, CPIY, is 2.8%, up from 2.7% last month.
- The annual rate for CPI at constant tax rates, CPI-CT, is 2.8%, up from 2.7% last month.
- The CPI all goods index is 102.4, up from 101.3 in August.
- The CPI all goods index annual rate is 3.2%, up from 3.1% last month.
- The CPI all services index is 106.1, down from 106.5 in August.
- The CPI all services index annual rate is 2.7%, unchanged from last month.

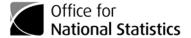
Retail Prices Index (RPI)

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

The RPI is a legacy measure of UK inflation that continues to be published because of its use in long-term contracts and index-linked gilts. For further information see <u>Users and uses of consumer price inflation statistics</u>.

The main movements for RPI in September 2017 are:

- The all items RPI is 275.1, up from 274.7 in August.
- The all items RPI annual rate is 3.9%, unchanged from last month.
- The annual rate for RPIX, the all items RPI excluding mortgage interest payments (MIPs), is 4.1%, unchanged from last month.
- The all goods RPI is 208.4, up from 206.3 in August.
- The all goods RPI annual rate is 4.5%, up from 4.2% last month.
- The all services RPI is 376.2, down from 379.6 in August.
- The all services RPI annual rate is 3.7%, down from 4.0% last month.



CPIH SUMMARY

CONTRIBUTIONS TO CHANGE IN THE CPIH ANNUAL RATE

	Weight	Weight	1 month	1 month	Contribution
CPIH COICOP DIVISIONS	2016	2017	% change	% change	to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
01: Food and non-alcoholic beverages	83	81	-0.1	0.8	0.07
02: Alcoholic beverages and tobacco	34	34	0.3	0.1	-0.01
03: Clothing and footwear	58	58	5.1	3.9	-0.06
04: Housing, water, electricity, gas and other fuels	294	294	0.1	0.1	-
05: Furniture, household equipment and maintenance	49	49	0.4	0.2	-0.01
06: Health	22	21	0.3	-	-0.01
07: Transport	122	126	-2.1	-1.3	0.10
08: Communication	25	21	-0.1	-0.3	-0.01
09: Recreation and culture	119	121	0.1	0.8	0.09
10: Education	20	17	2.2	0.9	-0.03
11: Restaurants and hotels	98	101	0.7	0.3	-0.04
12: Miscellaneous goods and services	76	77	0.4	-0.1	-0.04

Large upward effects came from:

- Transport, in particular air fares. As is usually the case in September, air fares fell sharply following the holiday period, with the fall being of a similar magnitude to last year. However, because air fares account for a smaller proportion of the basket of goods and services in 2017, the impact of the fall in price on the contribution of air fares to the headline rate was smaller in 2017 than in 2016. This in turn resulted in air fares making an upward contribution to the change in the rate. A smaller upward effect came from fuel, with prices rising by more than they did a year ago;
- Recreation and culture, with prices rising by 0.8% between August and September 2017, compared with a 0.1% rise a year earlier. Much of the upward effect came from computer



games, although this reflects the fact that price movements for computer games are heavily dependent on the composition of bestseller charts, which often results in large overall price changes from month to month. Smaller upward effects came from books and theatre admissions, which are similarly affected by chart composition and the productions that are showing at the time. Prices for package holidays also had a small upward effect, with prices rising between August and September 2017, having fallen a year ago; and

Food and non-alcoholic beverages, where the upward contribution to the change in the
rate between August and September 2017 from came from a wide range of food products,
although fruit and vegetables made a small downward contribution. Overall, food prices
rose by 0.8% between August and September 2017, compared with a 0.4% fall last year.

A large downward effect came from:

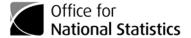
 Clothing, (specifically women's clothing), with prices rising by less between August and September 2017 than they did a year ago. The increase in September last year was unusually high and followed a sustained period of price falls earlier in the year. In contrast, prices in 2017 have been consistently higher than in 2016, but with a less pronounced increase in September.

Although 8 of the 12 broad categories made a downward contribution to the change in the rate, the effects were relatively small and not enough to offset the upward contributions.



CPIH NOTABLE MOVEMENTS

All items CPIH	Annual rate +2.8%, up from +2.7% last month Also +2.8% in April 2012 Last higher in March 2012 (+3.1%)
All items CPIH exc energy, food, alcohol and tobacco	Annual rate +2.5%, down from +2.6% last month Lowest since July 2017 (+2.4%)
Food & non-alcoholic beverages	Annual rate +3.1%, up from +2.2% last month Highest since October 2013 (+3.9%)
Recreation and culture	Annual rate +2.6%, up from +1.9% last month Also +2.6% in March 2010 Last higher in January 2010 (+3.6%)
Education	Annual rate +2.9%, down from +4.3% last month Never lower since series began in January 2006
All goods	Annual rate +3.2%, up from +3.1% last month Highest since March 2012 (+3.6%)
All services	Annual rate +2.5%, unchanged from last month Also +2.5% In June 2017 Last higher in May 2017 (+2.6%) Last lower in July 2017 (+2.4%)



CPIH DETAILED BRIEFING

The <u>National Statistics</u> status of the Consumer Prices Index including owner occupiers' housing costs (CPIH) was reinstated on 31 July 2017. <u>A letter from the Director General for Regulation to the National Statistician detailed the actions that were taken to meet the requirements as set out in the <u>CPIH assessment report</u>.</u>

Weights are specified as parts per 1000 in the CPIH.

01 FOOD AND NON-	Weight	Weight	1 month	1 month	Contribution
ALCOHOLIC BEVERAGES	2016	2017	% change	% change	to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
01 Food & non-alcoholic beverages	83	81	-0.1	0.8	0.07

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

01.1 Food	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
01.1 Food	74	71	-0.4	0.8	0.08
01.1.1 Bread and cereals	12	12	-0.6	-0.4	-
01.1.2 Meat	17	16	-0.1	1.3	0.02
01.1.3 Fish	3	3	-1.3	2.2	0.01
01.1.4 Milk, cheese and eggs	10	9	-0.9	-0.1	0.01
01.1.5 Oils and fats	2	2	-2.2	6.2	0.02
01.1.6 Fruit	7	7	2.4	1.6	-0.01
01.1.7 Vegetables including potatoes	11	10	1.2	-	-0.01
01.1.8 Sugar, jam, syrups, chocolate and confectionery	10	10	-2.9	0.6	0.04
01.1.9 Food products not elsewhere covered	2	2	0.2	2.4	-

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



Meat

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for continental deli type meat.

Fish

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for fresh white fish fillets.

Milk, cheese and eggs

- Small upward effect.
- Prices overall fell this year by less than a year ago, with the main upward contribution coming from home produced cheddar cheese.

Oils and fats

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

Fruit

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

Vegetables including potatoes

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

Sugar, jam, syrups, chocolate and confectionery

- Large upward effect.
- Prices overall rose this year but fell a year ago, with the main upward contributions coming from cartons/boxes of chocolates and large chocolate bars.
- Partially offset by a small downward contribution coming from chocolate covered ice cream bars, where prices overall fell this year but rose a year ago.



01.2 Non-alcoholic beverages	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
01.2 Non-alcoholic beverages	9	10	1.9	0.7	-0.01
01.2.1 Coffee, tea and cocoa	2	3	-1.0	0.9	0.01
01.2.2 Mineral waters, soft drinks and juices	7	7	2.8	0.6	-0.02

- Small downward effect on the all items 12-month rate change.
- Due to mineral waters, soft drinks and juices.
- Partially offset by coffee, tea and cocoa.

Coffee, tea and cocoa

- Small upward effect.
- Prices overall rose this year but fell a year ago, particularly for smaller packets of tea bags.

Mineral waters, soft drinks and juices

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

02 ALCOHOLIC BEVERAGES AND TOBACCO	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
02 Alcoholic beverages and tobacco	34	34	0.3	0.1	-0.01

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



02.1 Alcoholic Beverages	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
02.1 Alcoholic beverages	15	16	0.4	-0.6	-0.02
02.1.1 Spirits	4	5	-0.7	-2.9	-0.01
02.1.2 Wine	7	7	0.9	0.1	-0.01
02.1.3 Beer	4	4	0.7	0.9	-

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

Spirits

- Small downward effect.
- Prices overall fell this year by more than a year ago, with the main downward contributions coming from whisky and vodka.

Wine

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

02.2 Tobacco	Weight 2016	Weight 2017	1 month % change	1 month % change	
		Feb-Dec	Sep 2016	Sep 2017	rate change
02.2 Tobacco	19	18	0.3	0.8	0.01

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

03 CLOTHING AND FOOTWEAR	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
03 Clothing and footwear	58	58	5.1	3.9	-0.06

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



03.1 Clothing	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
03.1 Clothing	50	49	5.5	4.2	-0.05
03.1.2 Garments	44	44	6.0	4.5	-0.05
03.1.3 Other clothing and clothing accessories	5	4	2.0	2.3	-
03.1.4 Cleaning, repair and hire of clothing	1	1	0.2	0.2	-

- Large downward effect on the all items 12-month rate change.
- Due to garments, where prices overall rose this year by less than a year ago, with the main
 downward contributions coming from women's blouses, dresses, trousers, casual jackets
 and coats and men's coats and casual shirts. Partially offset by small upward contributions
 coming from women's skirts and long sleeved tops; girl's fashion tops and boy's T-shirts.

03.2 Footwear including repairs	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
03.2 Footwear including repairs	8	9	3.1	1.9	-0.01

- Small downward effect on the all items 12-month rate change.
- Prices overall rose this year by less than a year ago, with the main downward contribution coming from women's flat shoes.

04 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
04 Housing, water, electricity, gas and other fuels	294	294	0.1	0.1	-

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



04.1 Actual rentals for	Weight	Weight 2017	1 month	1 month	Contribution to CPIH annual
housing	2016	2017	% change	% change	to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
04.1 Actual rentals for housing	58	56	0.1	0.1	-

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

4.2 Owner occupiers' housing costs	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
4.2 Owner occupiers' housing costs	171	174	0.1	0.1	-

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

04.3 Regular maintenance and repair of the dwelling	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
04.2 Regular maintenance and repair of		1 00 000	00p 2010	00p 2017	rate enange
04.3 Regular maintenance and repair of the dwelling	2	2	-0.3	0.5	-
04.3.1 Materials for maintenance and					
repair	1	1	-0.7	1.0	-
04.3.2 Services for maintenance and					
repair	1	1	0.1	0.1	-

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

04.4 Other services related to the dwelling	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
04.4 Other services related to the dwelling	9	9	-	-	-
04.4.1 Water supply	5	4	-	-	-
04.4.3 Sewerage collection	4	5	-	-	-

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



04.5 Electricity, gas and other fuels	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
04.5 Electricity, gas and other fuels	28	27	0.2	0.1	-
04.5.1 Electricity	14	13	-	_	-
04.5.2 Gas	12	12	-	-	-
04.5.3 Liquid fuels	1	1	4.5	4.1	-
04.5.4 Solid fuels	1	1	0.7	-	-

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

	Weight	Weight	1 month	1 month	Contribution
4.9 Council tax and rates	2016	2017	% change	% change	to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
4.9 Council tax and rates	26	26	•	ı	-

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

05 FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
05 Furniture, household equipment and maintenance	49	49	0.4	0.2	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to household appliances, fitting and repairs; furniture, furnishings and carpets; and goods and services for routine maintenance.
- Partially offset by household textiles; and glassware, tableware and household utensils.

05.1 Furniture, furnishings and carpets	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
05.1 Furniture, furnishings and carpets	16	18	0.9	0.3	-0.01
05.1.1 Furniture and furnishings	13	15	0.9	0.2	-0.01
05.1.2 Carpets and other floor coverings	3	3	1.0	0.9	1

- Small downward effect on the all items 12-month rate change.
- Due to **furniture and furnishings**, where prices overall rose this year by less than a year ago, with the main downward contribution coming from leather settees.



05.2 Household textiles	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
05.2 Household textiles	6	6	-0.5	1.6	0.01

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

05.3 Household appliances, fitting and repairs	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
05.3 Household appliances, fitting and repairs	7	7	1.5	-0.4	-0.01
05.3.1/2 Major appliances and small electric goods	6	6	1.8	-0.5	-0.01
05.3.3 Repair of household appliances	1	1	-	0.2	-

- Small downward effect on the all items 12-month rate change.
- Due to major appliances and small electric goods, where prices overall fell this year but rose a year ago.

05.4 Glassware, tableware and household utensils	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
05.4 Glassware, tableware and household utensils	5	4	-1.4	-0.5	0.01

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

05.5 Tools and equipment for house and garden	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
05.5 Tools and equipment for house and garden	4	4	-0.2	0.7	-

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



05.6 Goods and services for routine maintenance	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
05.6 Goods and services for routine maintenance 05.6.1 Non-durable household goods	11	10	0.5	-0.3 -0.9	-0.01 -0.01
05.6.2 Domestic services and household services	7	6	0.2	0.1	-

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

06 HEALTH	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
06 Health	22	21	0.3		-0.01

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

06.1 Medical products, appliances and equipment	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
06.1 Medical products, appliances and equipment	10	10	0.4	-0.1	-0.01
06.1.1 Pharmaceutical products	6	6	0.4	-0.3	-
06.1.2/3 Other medical and therapeutic equipment	4	4	0.5	0.3	-

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



06.2 Out-patient services	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
06.2 Out-patient services	5	5	0.1	0.2	-
06.2.1/3 Medical and paramedical					
services	3	3	0.1	0.2	-
06.2.2 Dental services	2	2	0.2	0.1	-

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

	Weight	Weight	1 month	1 month	Contribution
06.3 Hospital services	2016	2017	% change	% change	to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
06.3 Hospital Services	7	6	0.1	-	-

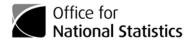
• Negligible overall effect on the all items 12-month rate change.

07 TRANSPORT	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
07 Transport	122	126	-2.1	-1.3	0.10

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

07.4 Bench as a stankinka	Weight	Weight	1 month	1 month	Contribution
07.1 Purchase of vehicles	2016	2017	% change	% change	to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
07.1 Purchase of vehicles	35	37	0.2	0.3	0.01
07.1.1A New cars	20	21	-0.1	-	-
07.1.1B Second-hand cars	13	14	-0.2	0.7	0.01
07.1.2/3 Motorcycles and bicycles	2	2	5.2	1.1	-0.01

- Small upward effect on the all items 12-month rate change.
- Due to second-hand cars.
- Partially offset by motorcycles and bicycles.



Second-hand cars

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

Motorcycles and bicycles

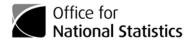
- Small downward effect.
- Prices overall rose this year by less than a year ago, particularly for children's bicycles.

07.2 Operation of personal transport equipment	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
07.2 Operation of personal transport					
equipment	58	61	0.6	1.0	0.03
07.2.1 Spare parts and accessories	4	4	0.3	0.2	-
07.2.2 Fuels and lubricants	25	26	1.2	2.1	0.02
07.2.3 Maintenance and repairs	18	20	0.3	0.3	-
07.2.4 Other services	11	11	-0.1	-0.2	-

- Small upward effect on the all items 12-month rate change.
- Due to fuels and lubricants.
- The average price of petrol across the month, as recorded for the CPIH, rose by 2.5 pence per litre between August and September 2017 to stand at 118.2 pence per litre.
- Last year, the average price of petrol rose by 1.2 pence per litre between August and September 2016 to stand at 111.2 pence per litre.
- The average price of diesel rose by 2.5 pence per litre between August and September 2017 to stand at 120.1 pence per litre, compared with a rise of 1.5 pence per litre a year earlier to stand at 113.3 pence per litre.

07.3 Transport services	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
07.3 Transport services	29	28	-9.2	-7.7	0.06
07.3.1 Passenger transport by railway	10	11	0.1	-0.3	-
07.3.2 Passenger transport by road	10	10	-0.8	-0.3	0.01
07.3.3 Passenger transport by air	6	4	-24.2	-26.7	0.06
07.3.4 Passenger transport by sea and inland waterway	3	3	-16.0	-15.2	-

- Large upward effect on the all items 12-month rate change.
- Due to passenger transport by air and, to a lesser extent, passenger transport by road.



Passenger transport by road

- Small upward effect.
- Average coach fares fell this year by less than a year ago.

Passenger transport by air

- Large upward effect.
- The upward contribution is due to weight changes in 2017. Average fares fell this year by more than a year ago. However, as the weight for passenger transport by air has decreased between 2016 and 2017, this has resulted in a large upward effect on the all items 12-month rate change.

08 COMMUNICATION	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
08 Communication	25	21	-0.1	-0.3	-0.01

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

08.1 Postal services	Weight	Weight	1 month	1 month	Contribution
	2016	2017	% change	% change	to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
08.1 Postal services	1	1	ı	-	-

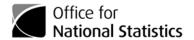
• Negligible overall effect on the all items 12-month rate change.

08.2/3 Telephone equipment	Weight	Weight	1 month	1 month	Contribution
and services	2016	2017	% change	% change	to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
08.2/3 Telephone equipment and services	24	20	-0.1	-0.3	-

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

09 RECREATION AND CULTURE	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
09 Recreation and culture	119	121	0.1	0.8	0.09

Large upward effect on the all items 12-month rate change.



- Due to other recreational items, gardens and pets; and to a lesser extent, books,
 newspapers and stationery; and package holidays.
- Partially offset by audio-visual equipment and related products.

09.1 Audio-visual equipment and related products	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
09.1 Audio-visual equipment and related products	16	15	0.3	-1.2	-0.02
09.1.1 Equipment for the reception and reproduction of sound and pictures	4	3	0.8	0.4	-
09.1.2 Photographic, cinematographic and optical equipment	2	2	1.8	0.6	-
09.1.3 Data processing equipment	6	5	-0.5	-2.7	-0.01
09.1.4 Recording media	3	4	0.3	-1.7	-0.01
09.1.5 Repair of audio-visual equipment and related products	1	1	0.4	0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to data processing equipment and recording media.

Data processing equipment

- Small downward effect.
- Prices overall fell this year by more than a year ago, particularly for tablet computers.

Recording media

- Small downward effect.
- Prices overall fell this year but rose a year ago, with the main downward contribution coming from DVDs, both shop bought and purchased via the internet. Partially offset by a small upward contribution coming from CDs purchased via the internet, where prices rose this year by more than a year ago.

09.2 Other major durables for recreation and culture	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
09.2.1/2 Major durables for in/outdoor recreation	9	13	0.1	0.1	-

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



09.3 Other recreational items, gardens and pets	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
09.3 Other recreational items, gardens and pets	27	30	0.7	2.6	0.06
09.3.1 Games, toys and hobbies	16	16	0.6	4.4	0.06
09.3.2 Equipment for sport and open-air recreation	2	3	1.2	2.0	-
09.3.3 Gardens, plants and flowers	3	4	0.4	0.9	-
09.3.4/5 Pets, related products and services	6	7	0.9	-	-0.01

- Large upward effect on the all items 12-month rate change.
- Due to games, toys and hobbies.
- Partially offset by pets, related products and services.

Games, toys and hobbies

- Large upward effect.
- Prices overall rose this year by more than a year ago, with the main upward contributions coming from computer games, computer game downloads, computer games consoles and children's preschool activity toys.

Pets, related products and service

- Small downward effect.
- Prices overall were little changed this year but rose a year ago.

09.4 Recreational and cultural services	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
09.4 Recreational and cultural services	27	26	0.2	0.3	-
09.4.1 Recreational and sporting services	8	8	3.7	1.2	-0.02
09.4.2 Cultural services	19	18	-1.2	-0.2	0.02

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



09.5 Books, newspapers and stationery	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
09.5 Books, newspapers and stationery	11	9	-0.5	2.3	0.03
09.5.1 Books	3	3	-2.0	7.4	0.03
09.5.2 Newspapers and periodicals	4	3	0.1	0.1	-
09.5.3/4 Misc. printed matter, stationery, drawing materials	4	3	-0.1	-0.6	-

- Small upward effect on the all items 12-month rate change.
- Due to **books**, where prices overall rose this year but fell a year ago, particularly for eBooks and non-fiction hard cover books.

09.6 Package holidays	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
09.6 Package holidays	29	28	-0.5	0.3	0.02

- Small upward effect on the all items 12-month rate change.
- Prices overall rose this year but fell a year ago, particularly for late booked foreign holidays and hotel foreign holidays.

10 EDUCATION	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
10 Education	20	17	2.2	0.9	-0.03

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



11 RESTAURANTS AND HOTELS	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to CPIH annual
HOTELS		Feb-Dec	Sep 2016	Sep 2017	rate change
11 Restaurants and hotels	98	101	0.7	0.3	-0.04

- Large downward effect on the all items 12-month rate change.
- Due to accommodation services.
- Partially offset by catering services.

11.1 Catering services	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
11.1 Catering services	81	77	0.2	0.3	0.01
11.1.1 Restaurants and cafes	74	70	0.2	0.3	0.01
11.1.2 Canteens	7	7	0.2	0.3	-

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

11.2 Accommodation services	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
		rep-pec	3ep 2016	3ep 2017	rate change
11.2 Accommodation services	17	24	3.3	0.4	-0.05

- Large downward effect on the all items 12-month rate change.
- Average prices for overnight hotel accommodation rose this year by less than a year ago.

12 MISCELLANEOUS GOODS AND SERVICES	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
12 Misc. goods and services	76	77	0.4	-0.1	-0.04

- Large downward effect on the all items 12-month rate change.
- Due to personal care and personal effects not elsewhere covered.



12.1 Personal care	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
12.1 Personal care	25	25	0.2	-0.7	-0.02
12.1.1 Hairdressing and personal grooming establishments	6	6	-0.1	0.2	-
12.1.2/3 Appliances and products for personal care	19	19	0.3	-1.0	-0.02

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

12.3 Personal effects not elsewhere covered	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
12.3 Personal effects not elsewhere covered	12	11	1.6	0.9	-0.01
12.3.1 Jewellery, clocks and watches	7	7	-0.1	-0.1	-
12.3.2 Other personal effects	5	4	4.1	2.5	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to other personal effects, where prices overall rose this year by less than a year ago, particularly for luggage trolley cases.

12.4 Social protection	Weight	Weight	1 month	1 month	Contribution
	2016	2017	% change	% change	to CPIH annual
		Feb-Dec	Sep 2016	Sep 2017	rate change
12.4 Social protection	13	13	0.3	0.1	-

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



12.5 Insurance	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
12.5 Insurance	7	7	0.3	-0.2	-
12.5.2 House contents insurance	2	2	-0.1	-2.0	-
12.5.3 Health insurance	2	2	-	-	-
12.5.4 Transport insurance	3	3	0.9	0.8	-

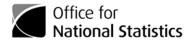
• Negligible overall effect on the all items 12-month rate change.

12.6 Financial services not elsewhere covered	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
12.6 Financial services not elsewhere		. 0.0 000	20 P	00p 2011	rate orialigo
covered	9	11	0.1	0.2	-

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

12.7 Other services not elsewhere covered	Weight 2016	Weight 2017 Feb-Dec	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to CPIH annual rate change
12.7 Other services not elsewhere covered	10	10	0.2	1	-

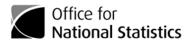
• Negligible overall effect on the all items 12-month rate change.



RPI SUMMARY

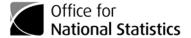
CONTRIBUTIONS TO CHANGE IN THE RPI ANNUAL RATE

GROUPS	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to RPI annual
			Sep 2016	Sep 2017	rate change
FOOD	102	102	-0.2	0.9	0.11
CATERING	47	48	0.2	0.4	0.01
ALCOHOLIC DRINKS	57	57	0.3	0.1	-0.01
TOBACCO	25	24	0.3	0.8	0.01
HOUSING	266	266	0.5	0.2	-0.08
FUEL AND LIGHT	41	38	0.2	0.1	-
HOUSEHOLD GOODS	62	65	0.8	-	-0.05
HOUSEHOLD SERVICES	67	64	0.6	-0.1	-0.04
CLOTHING AND FOOTWEAR	41	41	4.8	4.1	-0.02
PERSONAL GOODS AND SERVICES	42	38	0.4	0.2	-0.01
MOTORING EXPENDITURE	117	123	0.8	1.1	0.04
FARES AND OTHER TRAVEL COSTS	26	26	-11.5	-14.3	-0.12
LEISURE GOODS	29	29	0.2	1.9	0.05
LEISURE SERVICES	78	79	0.3	0.4	0.01



RPI NOTABLE MOVEMENTS

All items RPI	Annual rate +3.9%, unchanged from last month Also +3.9% in January 2012 Last higher in December 2011 (+4.8%) Last lower in July 2017 (+3.6%)
All items RPI exc MIPS (RPIX)	Annual rate +4.1%, unchanged from last month Last higher in December 2011 (+5.0%) Last lower in July 2017 (+3.9%)
Food	Annual rate +3.2%, up from +2.1% last month Highest since October 2013 (+3.8%)
Non-seasonal food	Annual rate +3.3%, up from +2.0% last month Highest since August 2013 (+3.5%)
Catering	Annual rate +3.0%, up from +2.8% last month Also +3.0% in March 2013, November 2012, September 2012 and August 2012 Last higher in July 2012 (+3.1%)
Housing	Annual rate +1.9%, down from +2.3% last month Also +1.9% in July 2017 Last lower in October 2013 (+1.6%)
Leisure goods	Annual rate +5.9%, up from +4.2% last month Never higher since official series began in January 1988
Leisure services	Annual rate +3.5%, up from +3.4% last month Highest since June 2013 (+3.7%)
All goods	Annual rate +4.5%, up from +4.2% last month Highest since December 2011 (+5.4%)
All services	Annual rate +3.7%, down from +4.0% last month Lowest since June 2017 (+3.6%)



RPI DETAILED BRIEFING

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

Weights are specified as parts per 1000 in the RPI.

FOOD	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to RPI annual
			Sep 2016	Sep 2017	rate change
FOOD	102	102	-0.2	0.9	0.11

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

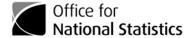
Seasonal Food	Weight 2016	Weight 2017	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to RPI annual rate change
SEASONAL FOOD	18	18	1.0	1.1	-
Home killed lamb	1	1	2.5	-1.1	-
Fresh fish	2	2	0.1	3.4	0.01
Eggs	1	1	0.7	0.2	-
Unprocessed potatoes	1	1	1.0	-0.8	-
Other fresh vegetables	6	6	-0.5	0.1	-
Fresh fruit	7	7	2.3	2.1	-

- Negligible overall effect on the all items 12-month rate change.
- There is a small upward contribution coming from fresh fish, where prices overall rose this
 year by more than a year ago, with the main upward contribution coming from fresh white
 fish fillets.



	Weight	Weight	1 month	1 month	Contribution
Non-Seasonal Food	2016	2017	% change	% change	to RPI annual
			Sep 2016	Sep 2017	rate change
NON-SEASONAL FOOD	84	84	-0.5	0.8	0.11
Bread	4	4	-	0.4	-
Cereals	4	3	-1.2	-2.6	-
Biscuits and cakes	6	6	-0.7	-0.5	-
Beef	4	4	-0.9	-0.8	-
Imported lamb	1	1	3.5	4.7	-
Pork	1	1	-0.7	0.5	-
Bacon	1	1	2.3	-0.5	-
Poultry	4	3	-1.2	0.8	0.01
Other meat	6	6	-0.1	2.3	0.01
Processed fish	2	2	-0.7	1.3	-
Butter	1	1	-0.9	6.5	0.01
Oils and fats	1	1	-3.2	4.5	0.01
Cheese	3	3	-1.9	0.4	0.01
Milk, fresh	3	3	-0.6	0.3	-
Milk products	4	4	-1.0	-2.1	-0.01
Tea	1	1	-3.0	4.7	0.01
Soft drinks	9	8	2.4	0.7	-0.01
Sugar and preserves	1	1	0.7	2.5	-
Sweets and chocolates	11	11	-3.6	0.9	0.05
Potato products	2	3	3.1	1.5	-
Processed vegetables	2	2	2.8	-2.3	-0.01
Processed fruit	1	2	1.2	-0.6	-
Other foods	10	11	0.1	3.0	0.03
Coffee and other hot drinks	2	2	-0.2	-0.8	-

- Large upward effect on the all items 12-month rate change.
- Due to:
 - Sweets and chocolates and, to a lesser extent, poultry, other meats, butter, oils and fats, cheese and tea, where prices overall rose this year but fell a year ago, particularly for cartons/boxes of chocolates, bars of chocolate, bags of chocolate sweets, boneless chicken breasts, continental deli type meat, margarine/low fat spread, home produced cheddar cheese and smaller packs of tea. Partially offset by a small downward contribution coming from bags of non-chocolate sweets; and
 - Other foods, where prices overall rose this year by more than a year ago, with the
 main upward contributions coming from mayonnaise, dried potted snacks and jars/cans
 of cook-in sauces.
- Partially offset by:
 - Milk products, where prices fell this year by more than a year ago, particularly for yoghurt/fromage frais;
 - Soft drinks, where prices overall rose this year by less than a year ago; and
 - Processed vegetables, where prices overall fell this year but rose a year ago,



particularly for baked beans.

CATERING	Weight 2016	Weight 2017	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to RPI annual rate change
CATERING	47	48	0.2	0.4	0.01
Restaurant meals	28	29	0.1	0.4	0.01
Canteen meals	3	3	0.4	0.3	-
Take-away meals and snacks	16	16	0.2	0.3	-

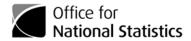
- Small upward effect on the all items 12-month rate change.
- Due to restaurant meals, where prices overall rose this year by more than a year ago.

ALCOHOLIC DRINKS	Weight	Weight	1 month	1 month	Contribution
	2016	2017	% change	% change	to RPI annual
			Sep 2016	Sep 2017	rate change
ALCOHOLIC DRINKS	57	57	0.3	0.1	-0.01
Beer on sales	19	19	0.2	0.1	-
Beer off sales	5	5	2.4	1.2	-0.01
Wines and spirits on sales	19	19	0.2	0.3	-
Wines and spirits off sales	14	14	-0.3	-0.9	-0.01

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

ТОВАССО	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to RPI annual
TOBACCO	25	24	Sep 2016 0.3	Sep 2017 0.8	rate change 0.01
Cigarettes	21	20	0.3	0.0	0.01
Other tobacco products	4	4	-	0.2	-

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



HOUSING	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to RPI annual
			Sep 2016	Sep 2017	rate change
HOUSING	266	266	0.5	0.2	-0.08
Rent	83	84	0.1	0.1	-
Mortgage interest payments	28	25	2.6	-0.2	-0.07
Council tax and rates	40	39	-	-	-
Water and other charges	13	13	-	-	-
Repairs and maintenance charges	9	9	0.1	0.1	-
DIY materials	7	6	-0.8	0.9	0.01
Dwelling insurance and ground rent	6	6	0.3	0.4	-
House depreciation	80	84	0.7	0.6	-0.01

- Large downward effect on the all items 12-month rate change.
- Due to:
 - Mortgage interest payments, where average charges fell this year but rose a year ago; and
 - House depreciation, with the smoothed house price index used to calculate this
 component rising this year by less than a year ago.
- Partially offset by **DIY materials**, where prices overall rose this year but fell a year ago.

FUEL AND LIGHT	Weight 2016	Weight 2017	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to RPI annual rate change
FUEL AND LIGHT	41	38	0.2	0.1	-
Coal and solid fuels	1	1	0.7	-	-
Electricity	20	19	-	-	-
Gas	18	16	-	-	-
Oil and other fuels	2	2	3.8	3.2	-

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



HOUSEHOLD GOODS	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to RPI annual
			Sep 2016	Sep 2017	rate change
HOUSEHOLD GOODS	62	65	0.8	-	-0.05
Furniture	25	26	0.9	-	-0.02
Furnishings	8	10	0.4	1.3	0.01
Electrical appliances	7	6	1.3	-0.7	-0.01
Other household equipment	4	4	-0.9	-0.7	-
Household consumables	11	11	0.9	-0.8	-0.02
Pet care	7	8	0.8	-	-0.01

- Large downward effect on the all items 12-month rate change.
- Due to:
 - **Furniture** and **pet care**, where prices overall were little changed this year but rose a year ago, with the main downward contribution coming from leather settees; and
 - Household consumables and electrical appliances, where prices overall fell this
 year but rose a year ago, with the main downward contributions coming from toilet rolls,
 washing powder, kettles and vacuum cleaners. Partially offset by a small upward
 contribution coming from cooling fans, where prices rose this year but fell a year ago.
- Partially offset by **furnishings**, where prices overall rose this year by more than a year ago.

HOUSEHOLD SERVICES	Weight 2016	Weight 2017	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to RPI annual rate change
HOUSEHOLD SERVICES	67	64	0.6	-0.1	-0.04
Domestic services	14	15	0.2	0.1	-
Fees and subscriptions	27	22	1.3	0.1	-0.03
Postage	1	1	-	-	-
Telephone charges	25	26	-0.1	-0.2	-0.01

- Large downward effect on the all items 12-month rate change.
- Due to:
 - Fees and subscriptions, where prices overall rose this year by less than a year ago, with the main downward contributions coming from part-time education classes, house contents insurance and private school fees; and
 - Telephone charges, where prices overall fell this year by more than a year ago, with
 the main downward contribution coming from mobile phone charges. Partially offset by
 a small upward contribution coming from mobile phone applications, where prices rose
 this year by more than a year ago.



CLOTHING AND FOOTWEAR	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to RPI annual
			Sep 2016	Sep 2017	rate change
CLOTHING AND FOOTWEAR	41	41	4.8	4.1	-0.02
Men's outerwear	9	8	3.6	4.0	-
Women's outerwear	15	15	7.4	5.6	-0.02
Children's outerwear	4	5	3.7	5.2	0.01
Other clothing	5	5	2.9	2.3	-
Footwear	8	8	3.0	1.5	-0.01

- Small downward effect on the all items 12-month rate change.
- Due to women's outerwear and footwear, where prices overall rose this year by less than a
 year ago, with the main downward contribution coming from women's casual jackets.
 Partially offset by a small upward contribution coming from women's long sleeved tops,
 where prices rose this year by more than a year ago.
- Partially offset by children's outerwear, where prices overall rose this year by more than a
 year ago.

PERSONAL GOODS AND SERVICES	Weight 2016	Weight 2017	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to RPI annual rate change
PERSONAL GOODS AND SERVICES	42	38	0.4	0.2	-0.01
Personal articles	12	9	1.2	1.2	-
Chemists' goods	15	15	0.2	-0.3	-0.01
Personal services	15	14	0.1	0.1	-

- Small downward effect on the all items 12-month rate change.
- Due to **chemists' goods**, where prices overall fell this year but rose a year ago, particularly for tissues. Partially offset by a small upward contribution coming from toothpaste, where prices overall rose this year but fell a year ago.

MOTORING EXPENDITURE	Weight 2016	Weight 2017	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to RPI annual rate change
MOTORING EXPENDITURE	117	123	0.8	1.1	0.04
Purchase of motor vehicles	45	46	-0.2	0.4	0.02
Maintenance of motor vehicles	16	16	0.3	0.3	-
Petrol and oil	33	37	1.9	2.2	0.01
Vehicle tax and insurance	23	24	1.2	1.1	-

Large upward effect on the all items 12-month rate change.



Due to:

- Purchase of motor vehicles, where prices overall rose this year but fell a year ago, particularly for second-hand cars; and
- **Petrol and oil**, where prices overall rose this year by more than a year ago. The price of petrol, as recorded for the RPI, rose by 2.6 pence per litre between August and September 2017, to stand at 118.1 pence per litre, compared with a rise of 2.0 pence per litre last year to stand at 111.3 pence per litre. Diesel prices rose by 2.5 pence per litre, to stand at 119.9 pence per litre in September 2017, compared with a rise of 2.4 pence per litre last year to stand at 113.4 pence per litre; and, to a lesser extent

FARES AND OTHER TRAVEL COSTS	Weight 2016	Weight 2017	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to RPI annual rate change
FARES AND OTHER TRAVEL COSTS	26	26	-11.5	-14.3	-0.12
Rail fares	7	6	0.1	-0.3	-
Bus and coach fares	3	3	-1.5	-0.5	-
Other travel costs	16	17	-16.5	-19.6	-0.12

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

LEISURE GOODS	Weight 2016	Weight 2017	1 month % change	1 month % change	Contribution to RPI annual
			Sep 2016	Sep 2017	rate change
LEISURE GOODS	29	29	0.2	1.9	0.05
Audio-visual equipment	7	6	-	-	-0.01
CDs and tapes	2	2	0.4	-2.6	-0.01
Toys, photographic and sports goods	9	9	0.6	2.4	0.02
Books and newspapers	6	6	-0.6	7.2	0.05
Gardening products	5	6	0.6	0.3	-

- Large upward effect on the all items 12-month rate change.
- Due to:
 - Books and newspapers, where prices overall rose this year but fell a year ago, particularly for eBooks; and
 - Toys, photographic and sports goods, where prices overall rose this year by more than a year ago, with the main upward contribution coming from shop bought computer games.



Partially offset by:

- Audio-visual equipment, where the downward contribution is due to weight changes
 in 2017. Prices were little changed this year or a year ago. However, as the weight for
 audio-visual equipment has decreased between 2016 and 2017, this has resulted in a
 small downward effect on the all items 12-month rate; and
- CDs and tapes, where prices overall fell this year but rose a year ago.

LEISURE SERVICES	Weight 2016	Weight 2017	1 month % change Sep 2016	1 month % change Sep 2017	Contribution to RPI annual rate change
LEISURE SERVICES	78	79	0.3	0.4	0.01
TV licence and rentals	12	12	-	-	-
Entertainment and other recreation	16	16	1.0	0.8	-
Foreign holidays	40	40	-0.5	0.4	0.04
UK holidays	10	11	2.2	0.4	-0.02

- Small upward effect on the all items 12-month rate change.
- Due to foreign holidays, where prices overall rose this year but fell a year ago, with the
 main upward contributions coming from late booked foreign holidays and hotel and self
 catering foreign holidays. Partially offset by a small downward contribution coming from
 foreign holiday city breaks, where average charges fell this year but rose a year ago.
- Partially offset by **UK holidays**, where prices overall rose this year by less than a year ago, particularly for overnight hotel accommodation.



RECONCILIATION OF CPI AND RPI

(Table 5 of the Consumer Price Inflation Dataset)

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

This table currently compares CPI with RPI. In due course it will be updated to compare CPIH with RPI.

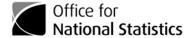
The difference between the CPI and RPI unrounded annual rates in September 2017 was -0.85 percentage points, narrowing from -1.06 percentage points in August 2017.

The main factors contributing to the narrowing were:

- Other differences including weights, which decreased the RPI 12-month rate relative to the CPI 12-month rate by 0.15. The effect came mainly from air fares and to a lesser extent games, toys and hobbies and equipment for sport and open air recreation; fuels and lubricants; and furniture and furnishings, carpets and household textiles.
- Mortgage interest payments, which decreased the RPI 12-month rate by 0.07 percentage points between August and September 2017 but are excluded from the CPI.

The main off-setting factor was:

The formula effect, which increased the RPI 12-month rate relative to the CPI 12-month
rate by 0.03 percentage points between August and September 2017. The effect came
mainly from clothing and footwear; and recreation and culture. This was partially offset by
hotels, cafes and restaurants.



RPI MISCELLANEOUS DATA

Selected Average Prices

Description		July 2017	August 2017	September 2017
Petrol per litre	Diesel	£1.15	£1.17	£1.20
	Petrol	£1.14	£1.16	£1.18
Alcohol pub prices	Draught bitter (pint)	£3.06	£3.07	£3.07
	Draught lager (pint)	£3.59	£3.59	£3.60
	Whisky (per nip)	£2.79	£2.80	£2.81
Cigarettes	Per 20 king size	£9.53	£9.52	£9.61

Average prices are as recorded for the RPI.

Changes in Mortgage Interest Rates

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

Month	1-month % change in the RPI	Approx. change in average MI rate	Approx. contribution to the 1-month % change in the RPI
September 2016	+0.2	Up +0.06% points	+0.05% points
October 2016	0.0	Down -0.09% points	-0.08% points
November 2016	+0.3	Down -0.03% points	-0.03% points
December 2016	+0.6	Down -0.02% points	-0.02% points
January 2017	-0.6	Down -0.01% points	-0.01% points
February 2017	+1.1	Down -0.01% points	-0.01% points
March 2017	+0.3	Down -0.01% points	-0.01% points
April 2017	+0.5	Down -0.02% points	-0.02% points
May 2017	+0.4	Negligible	-
June 2017	+0.2	Down -0.02% points	-0.02% points
July 2017	+0.2	Down -0.01% points	-0.01% points
August 2017	+0.7	Down -0.01% points	-0.01% points
September 2017	+0.1	Down -0.01% points	-0.01% points

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



OUTLOOK

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

FOOD

Seasonal Food

 Seasonal food prices have shown a mixed pattern of rises and falls in October of previous years, but are typically dependent on weather conditions both in the UK and around the world.

Monthly % change for CPIH seasonal food index				
Year	August	September	October	
2011	-1.0	0.7	-1.6	
2012	0.3	-0.1	0.9	
2013	0.1	1.1	-	
2014	-0.3	-0.5	1.3	
2015	-0.4	0.4	0.2	
2016	-0.3	1.2	-0.2	
2017	-0.1	0.9		

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

CLOTHING AND FOOTWEAR

Prices for clothing and footwear tend to rise in October.

Monthly % change for CPIH clothing and footwear index				
Year	August	September	October	
2011	3.7	4.4	0.8	
2012	2.8	4.6	1.2	
2013	1.9	4.2	1.0	
2014	2.6	4.0	0.6	
2015	1.5	2.8	2.0	
2016	1.0	5.1	0.3	
2017	2.4	3.9		

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

HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS

Electricity, Gas and Other Fuels

The price of electricity on the British Gas standard tariff increased by 12.5% from 15
 September. (www.britishgas.co.uk 1 August 2017)



FURNITURE, HOUSEHOLD EQUIPMENT AND MAINTENANCE

• With the exception of 2016, prices tend to fall in October as a result of mid-season sales.

Monthly % change for CPIH furniture, household equipment and maintenance index						
Year	Year August September October					
2011	2.0	1.2	-0.6			
2012	0.8	0.5	-0.6			
2013	1.7	0.1	-0.4			
2014	1.0	0.6	-1.1			
2015	1.7	0.7	-1.0			
2016	1.4	0.4	0.5			
2017	1.8	0.2				

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

TRANSPORT

Fuels and Lubricants

- Oil prices slipped on Thursday as U.S. fuel inventories rose despite efforts by OPEC to cut production. Brent crude oil LCOc1 was down 55 cents at \$56.39 a barrel by 1230 GMT.
 U.S. light crude CLc1 was 70 cents lower at \$50.60. Both benchmarks have risen more than 20 percent from their lows in June as world oil markets tightened. (reuters.com 12 October 2017)
- When considering the price of petrol between September and October 2017, it may be useful
 to note that the average price of petrol rose by 2.6 pence per litre between September and
 October 2016, standing at 113.8 pence per litre as measured in the CPIH.
- A 1 pence change on average in the cost of a litre of motor fuel contributes approximately
 0.02 percentage points to the 1-month change in the CPIH.

Passenger Transport by Air

Air fares tend to fall in October.

Monthly % change for CPIH air fares index				
Year	August	September	October	
2011	11.2	-21.2	-6.0	
2012	10.2	-25.2	-3.5	
2013	9.4	-18.8	-11.2	
2014	11.3	-21.7	-6.0	
2015	13.9	-20.4	-12.7	
2016	14.4	-24.2	-7.4	
2017	10.9	-26.7		

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



HOUSING (RPI)

Mortgage interest payments (MIPs)

- The Bank of England Bank Rate remained unchanged at 0.25% on Thursday 14 September 2017. The next announcement and minutes from the Bank of England's Monetary Policy Committee are scheduled to be published on 2 November 2017.
- The change in average mortgage interest rates recorded in the RPI was -0.09 percentage points between September and October 2016. The Bank of England Bank Rate remained unchanged at 0.25% in September 2016.
- A one percentage point change in the average mortgage interest rate contributes approximately 0.9 percentage points to the 1-month percentage change in the RPI.



Next publication:

14 November 2017

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