

Section One: Measuring prices across the economy

1. Should ONS identify a main measure of price change across the economy?

b. No

1a. Why? Please provide any comments below

Those countries that have had the most success with price stability are those that routinely register inflation on the basis of baskets constructed on the same principles but based on the consumption of both the population and at least one major sub-population. The main examples here would be the USA and Germany before they went into the Euro.

These indices in these countries tend to produce figures with relatively trivial differences between the populations because inflation has been genuinely minimised. This cannot be said of countries that have to give precedence to one of a number of figures that in the UK usually had significant differences usually because inflation was only contained when looked at on the basis of one specific calculation.

If yes:

2. What should this measure be?

- a. the CPIH, as recommended in the Johnson review. The CPIH includes owner-occupiers' housing costs. It does not currently hold the *National Statistics* designation (although its re-assessment is due to commence shortly). The index is a UK measure, designed by ONS to meet UK needs.
- b.
- c.

2a. Why? Please provide any comments below:

If it should be decided to give precedence to one of the UK indices it needs to be one that properly includes housing, including owner-occupied. Therefore it should be a better version of the CPI-H.

3. Should its production be governed by legislation?

b. No

3a. Why? Please provide any comments below:

Anyone advocating bringing statute into the formulation and revision of price indices has learned nothing from the blighted history of the RPI.

Section Two: Measuring consumer price inflation for different household types

3. Should ONS seek to measure changes in prices, as experienced by different households?

- i. Yes

4a. Why? How often? Please provide any comments below:

I have already stated above that inflation is only really been properly contained in countries that register it from more than one social standpoint.

I fail to see why other household indices cannot be released alongside the main national figures as in for example the USA. After all they are only columns added to a spreadsheet. And they are necessary to judge the validity of the national figures.

I would say regional indices should also have different household versions. Should it be said that the data is not sufficiently fine grained, this obviously raises questions about the quality of the current national figures in comparison to most of our G7 counterparts.

If yes:

4. How should ONS seek to do so?

- i.
- ii. On the same basis as existing measures such as CPI.
- iii.

5a. Why? Please provide any comments below:

From what I have said above about the comparability of inflation measured from the standpoint of different parts of society I would want the indices calculated on identical principles.

I cannot see any reason to do otherwise, and the onus should be on those responses that disagree to justify their view.

Section Three: The RPI

6. Do you use the following indices?

- | | | |
|------|---|----|
| i. | RPIJ ¹ | No |
| ii. | Tax and price Index | No |
| iii. | RPIY ² | No |
| iv. | RPI pensioner indices | No |
| v. | Component indices of the RPI | No |
| vi. | Any other RPI analytical- or sub- index | No |

6a. If yes, for what purposes? Please provide any comments below:

None.

7. Do you agree that the below indices should be discontinued?

- | | | |
|------|--|-----|
| i. | RPIJ | Yes |
| ii. | Tax and price Index | Yes |
| iii. | RPIY | Yes |
| iv. | RPI pensioner indices | Yes |
| v. | Component indices of the RPI | Yes |
| vi. | Any other RPI analytical- or sub-index | Yes |

7a. If yes, why? Please provide any comments below:

The RPI is not capable of being brought up to best standards, and it makes no sense to be creating confusion by disseminating umpteen variants of it.

8. Do you have any views on what 'freezing' changes to the RPI should mean in practice? Please provide comments.

Nothing further than what I have just said.

Section Four: Evolving Consumer Price Statistics

9. Are the priorities identified by ONS in its forward work plan appropriate?

¹RPI calculated using formulae that meet international standards

²RPI excluding Mortgage Interest Payments and indirect taxes

b. No

9a. Why? Please provide your comments below:

The priorities are far from clear. They are not numbered but just divided into short and long term with no further explanation.

There is reference to the next 5 years in the consultation document, but this does not clearly correspond with the tables underneath.

First short term priority is compliance with the EU. I don't think anyone in this country would now in 2015 believe this should appear to be the most urgent priority.

And in the era when Scotland and regions of England are becoming today so concerned about their interests, I do not think many people would understand regional indices being made the last of the longest term priorities.

I think much of the public would recognise the merits of switching their places in this tabulation of priorities. Although they still would not have much idea of when to expect anything.

I would have thought it would be best policy to consider the changes that might necessitate the largest revision of figures first so as to eliminate the most doubt as early as possible. But from years of involvement in consultations such as this, it is clear that the UK authorities prefer to make revisions that sound substantial in text but are numerically hard to distinguish from the original figures.

10. Should ONS include council tax in the CPIH?

No

10a. Why? Please provide your comments below:

It is a tax and does not even relate much to housing in the way its burden is spread.