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Royal Statistical Society responds to House of Lords report on ‘Measuring Inflation’

The [Royal Statistical Society](#) (RSS) thoroughly welcomes today’s ‘Measuring Inflation’ report from the House of Lords’ Economic Affairs Committee. We thank the eminent peers on the committee for conducting such an in-depth inquiry and producing such a comprehensive document. The RSS is pleased to have played its part by providing technical advice and giving evidence to the Committee.

We welcome many of the report’s conclusions. We agree that the Retail Prices Index (RPI) must be managed properly and we welcome the proposed review on measuring owner occupier housing costs. We also are happy to see that the report reflects our own long-standing views about the importance of ending governments’ ‘inflation shopping’. We are pleased, too, that the report recognises there are values for different users in different indices; this reflects RSS’s stance and our support for the continued development of Household Costs Indices.

The report recommends one measure of inflation for government use. However, we are concerned that this could run contrary to the need for different indices for macroeconomic and household-focused purposes.

Steve Penneck, RSS’s National Statistics Advisory Group chair, said: “Now is the time for the ONS and the Government to grasp the nettle and take the required steps to sort out the current confusion, which the Committee has rightly condemned. Just as importantly, it has set out a positive, practical and achievable timetable for reform. We now look forward to seeing the UK Statistics Authority’s, and indeed Ministers’, response to the recommendations relating to fixing RPI. A plan that will decisively address the issues and shortcomings which have been highlighted by the Committee is now needed.”

Hetan Shah, RSS Executive Director, said: “It is excellent that the Lords are banging heads together to end the current logjam around the Retail Prices Index. The whole country would benefit from the RPI being fixed. The Committee is also right to be concerned about unfair cherrypicking between inflation measures at the expense of the public at large. This might better be solved by departments having to justify their choice of index, rather than designating a single measure.”

NOTES TO EDITORS

1. For a more detailed reaction from the RSS on this report, please see our statement on the [official and national statistics policy section](#) page on our website.
2. For further information please contact our Media Relations and Public Affairs Manager Daniel Lapedus at d.lapedus@rss.org.uk
3. The Royal Statistical Society (RSS), founded in 1834, is one of the world's most distinguished and renowned statistical societies. It is a learned society for statistics, a professional body for statisticians and a charity which promotes statistics, data and evidence for the public good. Today the Society has around 10,000 members around the world.