

A response from Sajid Javid to Sir David Norgrove on UKSA's proposed reform of the Retail Prices Index, and the Government's response to the House of Lords Economic Affairs Committee report, "Measuring Inflation".

This morning, the Chancellor has responded to a 4 March letter from Sir David Norgrove, Chair of the UK Statistics Authority (UKSA), which set out proposals from UKSA to reform the Retail Prices Index (RPI). Until 2030, the Chancellor's consent is required for UKSA's proposal to align RPI with the Consumer Prices Index including owner occupiers' housing costs (CPIH).

Today, the Chancellor has announced that given that some or all users of RPI will need substantial time to prepare, he is unable to consent to the introduction of UKSA's proposed change to RPI before February 2025. The Government will consult publicly on whether this change should be made at a date other than 2030, and if so, when between 2025 and 2030. As part of this consultation, UKSA will consult on technical matters concerning how to implement the alignment of RPI with CPIH. The consultation will begin in January 2020, and the Government and UKSA will publish a response before the Spring Statement and the end of the financial year.

The Chancellor has also written to Lord Forsyth, Chair of the House of Lords Economic Affairs Committee, with the Government's response to the Committee's report "Measuring Inflation".