

Exemption for ONS from Principle 2 Practice 7 and Principle 3 Practice 3 of the Code in relation to the Retail Prices Index

The Retail Prices Index (RPI) is subject to special governance arrangements that are specified under the *Statistics and Registration Service Act 2007*. The Authority's [Assessment Report 79](#), on Consumer Price Indices produced by the Office for National Statistics (ONS), explains that these statutory provisions give rise to two exemptions from the Code of Practice for Official Statistics in relation to the RPI.

- (1) Principle 2 Practice 7: correct errors discovered in statistical reports, and alert stakeholders, promptly.

It has become established custom that once ONS has published figures for the Retail Prices Index (RPI), these published estimates are never revised. This is because of the practical problems this would cause to users, particularly in relation to the use of the RPI for index-linking. When errors have occurred, ONS has made an announcement about the size of the error and by how much the correct value differed from the published value. Although the index is not revised for the month or months in error, it is subsequently set to the correct level going forwards so that the error is not continued into the future. Paragraph 3.11 of Assessment Report 79 explains that the Authority interprets the statutory provisions in the *Statistics and Registration Service Act 2007* as exempting ONS from Principle 2 Practice 7 of the Code in relation to the RPI.

- (2) Principle 3 Practice 3: ensure that the relevant statistical Head of Profession has the sole responsibility for deciding on statistical methods, standards and procedures, and on the content and timing of statistical releases.

The *Statistics and Registration Service Act 2007* requires the Chancellor rather than ONS's Head of Profession to approve fundamental changes to the coverage and basic calculation of the RPI in certain circumstances. Paragraph 3.14 of Assessment Report 79 explains that the Authority interprets these statutory provisions as exempting ONS from the need to comply with Principle 3 Practice 3 of the Code in relation to these responsibilities of the Chancellor. The Assessment Report also notes that ONS has not sought the Chancellor's approval for any changes to the RPI since the Act came into force.