

Context

To ensure that the Retail Prices Index (RPI) reflects up-to-date consumer spending patterns, the items and weights used to compile the index are updated periodically. Ordinarily this happens approximately every five years using data from the Jersey Living Costs and Household Income Survey (LCHIS).

The last update of Jersey's RPI basket took place in 2017 following the 2014/2015 LCHIS. The subsequent LCHIS commenced in 2019 but was cut short due to Covid-19 and no expenditure analysis was possible. A new round of the survey commenced in October 2021 and ran until November 2022. The results of this survey have formed the basis for the latest update.

This report outlines the review process, explaining how items are selected for the RPI shopping basket. It also presents the updated group-level RPI weights and summarises which items have been added or removed from the basket.

Summary

- Around 40 new representative items have been added to the RPI basket and a similar number have been removed, out of a total of over 500 items.
- Additions included pre-cut vegetables, non-dairy milk, peanut butter, women's sports leggings, smartwatches, smart speakers and e-bikes.
- Removals included women's skirts, men's ready-made suits, men's ties, hi-fi systems, camcorders, digital cameras, CDs and DVDs.
- The weights for the Jersey RPI have also been updated for 2024 to reflect changes in household spending patterns.
- The new basket items and updated weights have also been implemented for RPI(X), RPI(Y), RPI Low Income and RPI Pensioners.

Introduction

The Retail Prices Index (RPI) measures changes in the price of goods and services purchased by households.

Household spending patterns evolve over time due to changes in lifestyles, income, and prices. New goods and services emerge, while others lose popularity. To ensure the RPI remains relevant, the goods and services included, along with their associated weights, are updated approximately every five years.

The 2024 update to the RPI basket of goods and services is based on detailed expenditure data from the 2021/2022 Living Costs and Household Income Survey (LCHIS). The LCHIS gathers information on household spending and the types of goods and services purchased. The 2021/2022 survey ran from October 2021 to November 2022, spanning a 12-month period to capture a variety of spending patterns throughout the year.

The updated weights and basket have been implemented for the December 2024 RPI. The last update was in 2017 based on data from the 2014/2015 LCHIS, with changes implemented in the March 2018 RPI.

For more information on the LCHIS, and the timing of the 2021/2022 survey, see [Notes 1 and 2](#).

The RPI ‘shopping basket’

The RPI can be thought of as a ‘shopping basket’ containing the various goods and services purchased by households. As the prices of the items in the basket change over time, so does the total cost of the basket. Movements in the RPI represent this change.

The contents of the basket are fixed so that changes in the index from quarter to quarter only reflect changes in price, and not variations in the quality or quantity of items purchased. However, it is important that the contents of the basket and their associated weights are updated periodically. This helps to ensure that price indices remain representative of household spending patterns.

Representative items

In principle, the cost of the basket should be calculated from all goods and services bought by households, in every outlet that supplies them. In practice this is not feasible, so the RPI is calculated using a sample of ‘representative’ items. These items are selected to give a reliable measure of price movements for a range of similar items. There are some goods and services where spending is so large that they are included in the basket in their own right, such as petrol and utilities.

The Jersey RPI is calculated from over 2,500 separate price quotations for around 500 representative items. The individual price quotes are combined for each representative item, section and group of the RPI to produce price indices, with weights proportional to total expenditure from the LCHIS.

Selecting the representative items

Several factors are considered when choosing representative items, including:

- amount spent on an item or group of items
- ease of finding and pricing a product
- availability throughout the year
- variability of price movements within a section or group

Spending data alone cannot tell us which specific items should be selected, so choosing items to represent each section involves an element of judgement.

More items are chosen in sections with higher spending, as these have greater influence on the overall index. More items are also selected from sections that contain diverse products with varying price changes, ensuring a reliable estimate of price movement for the section. For example, although spending on fruit is relatively low, there are nearly 20 representative items.

If price changes for all possible items in a group are minimal, only a few items need to be selected, even for sections where expenditure is high. For example, the ‘petrol and oil’ section includes just three representative items – unleaded petrol, diesel and engine oil – despite high household spending in this area.

Weights

The RPI is constructed by weighting together price changes of the representative items. Weights are the proportion of each pound that the average household spends on each item that makes up the RPI.

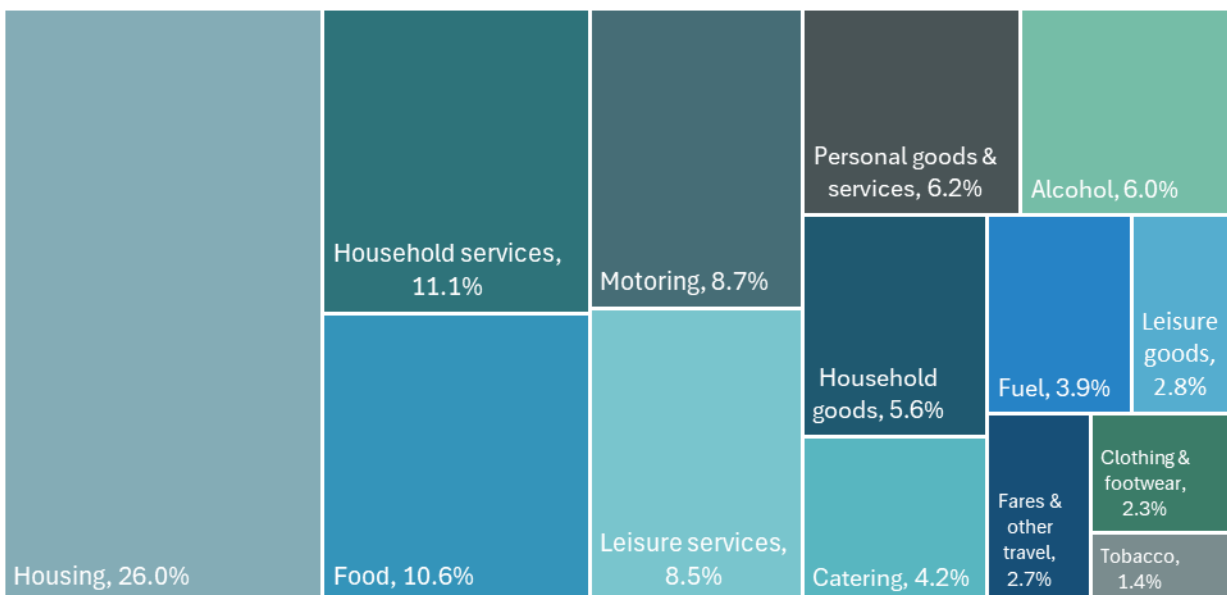
Weights are important to ensure that items which account for a greater proportion of a household’s spending have a greater influence on the index. Without weighting items, the change in the price of a kilogram of cheese, for example, would have the same impact on the RPI as a change in mortgage interest rates.

To ensure that the RPI basket of goods and services continues to reflect household spending patterns, the weights associated with the representative items have been updated for 2024 using household expenditure from the 2021/2022 LCHIS.¹

When new weights are introduced, the index is ‘chain linked’ to form a long-run price index. See [Note 4](#) for more detail.

The RPI group weights for 2024 are shown in Figure 1. The housing group has the largest weight, accounting for over a quarter (26%) of the RPI basket.

Figure 1: The housing group accounted for over a quarter of the weight of the RPI basket
RPI group weights, 2024 (percentages)



¹ Adjustments have been made to the spending data to incorporate price changes between the 2021/2022 survey and the re-weighting reference period in September 2024. See [Note 3](#) for more detail on weighting adjustments.

Group weights are updated for a variety of reasons such as changing shopping habits and the introduction of new products. Table 1 shows a comparison of old and new group weights for 2017 and 2024.

Variations in the relative price changes of goods and services also influence the weights. For example, between 2017 and 2024 mortgage interest payments increased by more than the overall RPI; hence the expenditure and weight for the housing group has increased. In contrast, clothing and leisure goods have seen below average price increases over the period which has contributed to lower weights for these groups.

Table 1: RPI group weights, 2017 and 2024 (percentage of total index)

	2017	2024
Food	11.3	10.6
Catering	4.6	4.2
Alcoholic drinks	4.5	6.0
Tobacco	1.5	1.4
Housing	20.4	26.0
Fuel and light	3.9	3.9
Household goods	6.2	5.6
Household services	12.5	11.1
Clothing and footwear	3.1	2.3
Personal goods and services	7.1	6.2
Motoring	9.9	8.7
Fares and other travel	2.6	2.7
Leisure goods	2.8	2.8
Leisure services	9.7	8.5
All	100.0	100.0

Individual contributions may not sum to the total due to rounding

It should also be noted that changes in weights not only reflect changes in prices and spending habits, but can also reflect changes in data sources, methods and definitions.²

The RPI weights are based on the best available understanding of household spending patterns at the time they are compiled. Consequently, it is important to note that RPI figures are not typically revised retrospectively to reflect updated weights. Past changes in the RPI remain representative of price changes during those periods.

² For information on changes made to survey questions in the 2021/2022 LCHIS see the [Household Spending 2021/2022 report](#) (Appendix A - Comparisons with the 2014/2015 survey).

Other price indices

Several additional price indices are also produced:

- **RPI(X)**: excludes mortgage interest payments (underlying inflation)
- **RPI(Y)**: excludes mortgage interest payments and indirect taxes
- **RPI low income**: for households in the lowest 20% of equivalised household income³
- **RPI pensioners**: for pensioner households, which includes single pensioner and couple pensioner households⁴

The weights for all price indices have been updated for 2024. Table 2 shows the group weights for each index.

The weight of the housing group in RPI(X) and RPI(Y) is lower than in the All Items RPI because mortgage interest is excluded. In RPI(Y), indirect taxes are also excluded, meaning goods like tobacco, which carry high indirect taxes, have a lower weight compared to the All Items RPI.

The weights for RPI Low Income and RPI Pensioner differ due to the different spending patterns for these households. For example, the housing group has a lower weight in RPI Pensioners than in the All Items RPI, as a larger proportion of pensioners own their homes compared to the average household. Both RPI Low Income and RPI Pensioners have greater weights for food and fuel, reflecting the larger proportion of spending on these items compared to all households.

Table 2: RPI group weights for Jersey price indices 2024 (percentage of total index)

	All Items RPI	RPI(X)	RPI(Y)	RPI Low income	RPI Pensioners
Food	10.6	11.5	11.8	14.8	13.6
Catering	4.2	4.6	4.7	4.0	4.5
Alcoholic drinks	6.0	6.6	5.2	6.4	6.2
Tobacco	1.4	1.5	0.2	3.0	1.4
Housing	26.0	19.4	19.9	28.9	15.8
Fuel and light	3.9	4.2	4.4	5.6	6.4
Household goods	5.6	6.1	6.3	5.5	6.6
Household services	11.1	12.1	12.9	5.8	10.6
Clothing and footwear	2.3	2.6	2.6	1.5	1.5
Personal goods and services	6.2	6.7	7.1	5.8	9.8
Motoring	8.7	9.5	9.0	7.6	8.0
Fares and other travel	2.7	2.9	3.0	1.8	1.9
Leisure goods	2.8	3.1	3.2	3.1	4.3
Leisure services	8.5	9.3	9.8	6.4	9.5
All Items	100.0	100.0	100.0	100.0	100.0

Individual contributions may not sum to the total due to rounding

³ Before 2024 the lowest quintile threshold was calculated from gross (unequivalised) household income. See [Note 5](#).

⁴ Before 2024 pensioner households were defined as those where the main shopper was of pension age. See [Note 6](#).

RPI basket 2024

[Table 3](#) shows the changes made to the representative items in the RPI basket. Some items have been added to improve the coverage of specific areas where spending has changed and existing items in the basket are not adequately representing price changes. Items may have been added to diversify the range of products collected for already established items.

Some items are removed due to low or decreasing expenditure. However, an item's removal from the basket does not always mean that people no longer buy the item. In some cases, it can be because a new representative item has been found that better reflects overall shopping habits, or because the original coverage of a type of product was too large and was adequately represented by other items in the basket.

Price collection for the new items has taken place since March to ensure that the definitions of new items are robust and that the price quotes are readily available.

Of the more than 500 items in the basket, around 40 were added and a similar number were removed, keeping the size of the basket manageable for price collection and processing.

Some notable examples of items added and removed are summarised below.

Items added

- Convenience foods were added, such as pre-cooked rice, prepared mashed potatoes, pre-cut vegetables and meal box subscriptions.
- Non-dairy milk, peanut butter and non-meat protein products like tofu were introduced to cover areas of spending previously unrepresented in the basket.
- Women's sports leggings were included, reflecting changes in fashion trends.
- The addition of smartwatches, smart speakers, and e-bikes reflected changes in technology.
- Computer game downloads, and subscriptions to online magazines and newspapers were added, reflecting the growing popularity of digital media services.

Items removed

- Women's formal skirts, men's ready-made suits, and men's ties were removed, reflecting evolving fashion preferences.
- Hi-fi systems, small music players/radios, digital cameras, camcorders, and SD memory cards were removed reflecting changes in technology.
- CDs and DVDs were removed as music purchases were already adequately represented by downloads and streaming services.

Table 3: Examples of changes made to the RPI basket, 2024⁵

RPI group and section	New item	Removed item	Notes
Food			
Bread	Bagels / wraps	-	Diversifies coverage of 'other bread products'.
Bread	-	Small brown loaf	Sector of spending adequately represented by granary/wholemeal bread.
Cereals	Pre-cooked rice	-	Reflects increased expenditure on pre-prepared rice products.
Cereals	Muesli / granola	-	Diversifies coverage of breakfast cereals.
Cereals	Couscous	-	Expands coverage of 'other cereals'.
Other meat	Continental deli-type meat	Canned corn beef	Diversifies coverage of processed, chilled meats. Replaces low-spend item.
Fish (fresh)	Frozen prawns	-	Introduced to represent frozen shellfish, an area not previously represented in the basket.
Fish (fresh)	-	Scallops	Relatively low-spend item.
Fish (fresh)	Sea bass	Haddock fillets	Adds variety to white fish selection (which already includes cod).
Milk products	Non-dairy milk	-	Represents non-dairy milk products, not previously represented in the basket.
Sugar and preserves	Peanut butter	-	Previously unrepresented in the basket.
Sweets and chocolate	-	Chewing gum	Relatively low-spend item. Sweets adequately covered by other items.
Potatoes (processed)	Processed potato e.g. mash	-	Improves coverage of pre-prepared potato convenience foods.
Vegetables (fresh)	-	Mange tout peas	Relatively low-spend item.
Vegetables (fresh)	Pre-cut vegetables	-	Improves coverage of pre-prepared fresh vegetables.
Fruit (fresh)	Mango	Nectarine	Mango replaces nectarines which are not always available throughout the year.
Fruit (fresh)	-	Plums	Relatively low-spend item and not always available throughout the year.
Fruit (fresh)	-	Cooking apples	Apples are already well represented in the basket.
Other foods	Home-prepared meal box subscription	-	New area of spending not previously represented in the basket.
Other foods	Quiche / flan	-	Expands coverage of pre-prepared convenience food.
Other foods	Non-meat protein e.g. tofu	-	New area of spending not previously represented in the basket.
Other foods	-	Mixed pickle	Relatively low-spend item. Already well-covered section of the basket.
Alcoholic drinks			
Wines and spirits (off premises)	Rum	Brandy	Reflects changes in spending.
Wines and spirits (off premises)	Cream liqueur	-	Added to improve the coverage of liqueurs.

⁵ A small number of items have been omitted from this summary where the representative item may disclose a particular retailer or service provider

RPI group and section	New item	Removed item	Notes
Fuel and light			
Coal and solid fuels	Firewood	Smokeless fuel	Reflects changes in spending.
Household goods			
Electrical appliances	-	Telephone (landline)	Low-spend item. Telephones adequately represented by mobile phones.
Other household equipment	-	Washing up bowl	Relatively low-spend item. Durable household articles are adequately represented by items such as bins and storage boxes.
Household consumables	Fabric conditioner	-	Improves the coverage of household cleaning products.
Household services			
Domestic services	Clothing alteration	Shoe repair	Replaces low-spend item.
Domestic services	-	Launderette	Low-spend item. This area of spending is adequately covered by dry cleaning services.
Fees and subscriptions	Pet insurance	-	Represents a previously unrepresented area of spending.
Fees and subscriptions	-	Driving licence	Relatively low-spend item. Purchase of official documents is adequately represented by passport purchase.
Clothing & footwear			
Men's outerwear	Men's blazer / smart jacket	Men's ready-made suit	Reflects changing fashion trends.
Women's outerwear	Women's sports leggings	Casual skirt	Reflects changing fashion trends.
Women's outerwear	-	Formal/work skirt	Relatively low-spend item. Formal women's clothing is adequately represented by a range of items including dresses, shirts, trousers, cardigans and jumpers.
Other clothing	Ball of wool	-	Represents haberdashery items – not previously represented in the basket.
Other clothing	Men's hat	Tie	Hat replaces tie to represent the broader area of men's clothing accessories.
Personal goods and services			
Personal articles	Smartwatch	-	Represents 'wearable tech', reflecting its growing popularity.
Personal articles	Suitcase	Sports bag	Reflects changes in spending.
Personal articles	-	Wristwatch	Item is difficult to price consistently, and personal articles are adequately represented by a range of jewellery items and the addition of smartwatches.
Personal services	Physiotherapist / chiropractor / osteopath	-	Represents private medical services – a previously unrepresented area of spending.
Motoring			
Motor insurance	-	Third party insurance	Relatively low-spend item. Adequately represented by comprehensive insurance.
Fares and other travel			
Other travel costs	E-bike	-	Reflects the increasing popularity of e-bikes.

RPI group and section	New item	Removed item	Notes
Leisure goods			
Audio-visual	Smart speaker	Hi-fi system	Reflects changes in technology.
Audio-visual	-	Small radio/CD player	Reflects changes in technology.
Audio-visual	-	DVD Player	Reflects changes in technology.
Audio-visual	-	MP3 Player	Reflects changes in technology.
CDs and DVDs	-	Compact disk album	Music adequately represented by online subscriptions and downloads.
CDs and DVDs	-	Film on DVD	Films adequately represented by online streaming subscriptions and downloads.
Toys, photographic & sports goods	Swimming goggles	Football	Diversifies sports equipment. Other sports equipment/balls already represented.
Toys, photographic & sports goods	Paddleboard	Surfboard	Reflects increasing popularity of paddle boards.
Toys, photographic & sports goods	Computer game download	Computer game (disc/cartridge)	Reflects shift towards digital streaming.
Toys, photographic & sports goods	Computer gaming subscription	-	Reflects shift towards digital streaming.
Toys, photographic & sports goods	-	Camera - digital	Low-spend item. Reflects the increase in popularity of smartphone cameras.
Toys, photographic & sports goods	-	Camcorder	Low-spend item. Reflects the increase in popularity of smartphone cameras.
Toys, photographic & sports goods	-	Digital camera SD memory card	Relatively low-spend item. Reflects increasing popularity of smartphones with cameras
Gardening products	-	Lawnmower	Low-spend item. Gardening products are adequately represented by other items.
Books & newspapers	Magazine subscription (online)	-	Reflects shift towards digital media.
Books & newspapers	Newspaper subscription (online)	-	Reflects shift towards digital media.
Leisure services			
Entertainment, sport, recreation & leisure	Exercise class fee (one-off)	-	Improves coverage of sports and leisure classes.
Entertainment, sport, recreation & leisure	-	Interest group subscription	Low-spend item. Adequately covered by a range of entertainment, sports, recreation and leisure activities.

Notes

1. Living Costs and Household Income Survey (LCHIS)

The 2021/2022 Jersey Living Costs and Household Income Survey ran between October 2021 and November 2022.

The survey collected detailed information on spending, income and the demographic make-up of each household. The survey spanned a 12-month period to capture different spending patterns throughout the year, for example typically higher and different expenditure in the run-up to Christmas. Regular spending (such as housing costs, fuel and memberships) and infrequent purchases (for example furniture and vehicles) were collected through a face-to-face interview. In addition, each adult household member kept a spending diary for two weeks to capture day-to-day spending. More than 180,000 individual purchases were used in the final analysis.

Approximately 1,300 randomly selected households completed the survey, representing a response rate of 31%. This is a good response rate for such a detailed and involved voluntary household survey.

Two reports from the LCHIS have been published: the [Jersey Household Income Distribution report 2021/2022](#) was published in June 2023, whilst the [Household Spending 2021/2022 report](#) was published in October 2023.

2. Timing of the 2021/2022 LCHIS survey

The Jersey RPI is updated approximately every five years following the completion of a household expenditure survey. Before the 2021/2022 survey, the previous surveys were conducted in 2014/2015, 2009/2010, 2004/2005, and 1998/1999.

The last full update of Jersey's RPI was carried out in 2017, following the 2014/2015 LCHIS. New weights were implemented in the March 2018 RPI. Based on the usual five-year cycle, the next RPI update was due after the 2019/2020 LCHIS.

Although the 2019/2020 LCHIS began in July 2019, it was cut short in March 2020 due to the Covid-19 outbreak. Public health restrictions meant the survey, which involves face-to-face interviews in people's homes, could not continue.

A new round of the survey started in October 2021 and ran until November 2022. The results of this 2021/2022 LCHIS formed the basis of the latest RPI update, with the new weights implemented in the December 2024 RPI.⁶ The time between the end of the survey and the implementation of the new weights is consistent with previous updates.

3. Weighting adjustments

The expenditure data used to compile the RPI weights reflects spending patterns between October 2021 and November 2022. RPI indices have been used to adjust this data to incorporate price changes between the survey and the re-weighting reference period in September 2024.

An additional adjustment has been made to the weights for mortgage interest payments to account for expenditure changes driven by increases in the Bank of England Base rate during and after the survey period.⁷

At the time of the 2021/2022 LCHIS survey, spending on travel and holidays outside of Jersey had not fully recovered following the Covid-19 pandemic. To reflect this, recent data from the UK and Ports of Jersey has been used to adjust expenditure to incorporate the subsequent recovery.

⁶ See the [December 2024 RPI report](#)

⁷ See the Annex of the [Household Spending 2021/2022 report](#) for more information

Since spending on alcohol and tobacco is often under-recorded in household surveys, the expenditure data has been adjusted using Customs and Immigration data on alcohol imports and duties.

4. Updating the long-run index

Whilst it is necessary to periodically update the items and weights used to calculate the index, it is also important to ensure that the index remains comparable over the long term. This is achieved through a process called chain-linking, which links comparable indices together with different start periods (or base years).

The current RPI uses June 2000 as the base month, with the index set to 100. When new weights are introduced, the index effectively gets reset to 100. However, chain-linking at September 2024 allows the updated index to be tied to the existing published index figure. By linking the two indices, a long-run chained index is produced, enabling percentage changes to be calculated between any two quarters after the base quarter (June 2000). This ensures that the changes to the basket items and weights do not impact the changes in prices measured by the index.

The new items and weights have been introduced in the December 2024 index, with the September indices chain-linked. This requires price collection for both the old and new items in September 2024. Going forward, two index values are calculated: one for December 2024 (based on September 2024 = 100); and one for September 2024 (based on June 2000 = 100). These indices are chained together for December 2024 as follows:

$$Index_{(Dec2024/June2000=100)} = \frac{Index_{(Sep2024/June2000weights)}}{100} \times Index_{(Dec2024/Sep2024weights)}$$

This equation produces an index which incorporates the new weights, but which is still based on June 2000 = 100. Then going forward each quarter an index number is calculated using the September 2024 weights but is linked to the original index (June 2000 = 100) using the constant scaling factor given above.

5. Low-income households

RPI Low Income is based on the spending patterns of households in the lowest quintile (the lowest 20%) of equivalised household income. At the time of the 2021/2022 survey, the upper boundary for the lowest quintile of equivalised annual household income was £31,700.⁸

Equivalisation is a standard methodology that adjusts the total income of a household by considering household size and composition to account for differing demands on resources. It takes into account both the greater income needs of larger households and the economies of scale achieved when people live together (since household resources can, in principle, be shared). For more information on equivalisation and the effects on spending, see chapter 2 of the [Household Spending report 2021/2022](#).

Prior to 2024, income thresholds for RPI Low Income were based on gross household income. Using equivalised income quintiles aligns with the Jersey Income Distribution Survey which uses equivalised income to calculate measures such as relative low income. This change reduces the number of single-person households in the lowest quintile and increases the number of larger households, such as those with children.

6. Pensioner households

The RPI pensioner weights are based on the spending patterns of pensioner households, defined as single or couple households where all members are of pensionable age. In 2024, this definition was updated to align with other Statistics Jersey publications, replacing the previous definition, which included households where the main shopper was of pensionable age.

⁸ This figure would be equivalent to £36,900 in June 2024 (uprated using the Index of Average Earnings)