

Funding the Future

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As the [Office for National Statistics](#) has reported this morning:

- * The Consumer Prices Index (CPI) rose by 3.6% in the 12 months to June 2025, up from 3.4% in the 12 months to May.
- * On a monthly basis, CPI rose by 0.3% in June 2025, compared with a rise of 0.1% in June 2024.
- * Transport, particularly motor fuels, made the largest upward contribution to the monthly change in CPI annual rates.
- * Core CPI (CPI excluding energy, food, alcohol, and tobacco) rose by 3.7% in the 12 months to June 2025, up from 3.5% in the 12 months to May; the CPI goods annual rate rose from 2.0% to 2.4%, while the CPI services annual rate was unchanged at 4.7%. What does this mean in reality? Simply that inflation is running exactly in accordance with the forecasts made by the Bank of England and others, such as the Office for Budget Responsibility, earlier this year, and it is still expected to fall later this year.

There is, then, nothing to worry about here, whatever the news media make of all this, simply because they do not understand that indices do, by their very nature, move in the short term because of the nature of their construction and that this has no real impact in the world in which we all live, where for many this index on inflation has little bearing to reality because it is no reflection of individual experience that depends on personal circumstances, many of which vary with income, which this index fails to consider.