
Ed Humpherson, Director General for Regulation

Sir Ian Diamond
Office for National Statistics
(by email)

28 October 2020

Dear Sir Ian

Assessment of Business Demography Statistics

We have completed our assessment of ONS's business demography statistics. I am grateful for the positive contribution from you and your team throughout the assessment.

Our report suggests that a range of improvements is needed for these statistics to fully meet National Statistics standards. We will formally review whether the statistics merit their continued designation as National Statistics at two key points.

First, upon publication of the next set of annual business demography statistics, we expect ONS to have made some short-term gains. Second, ONS must publish a detailed plan, explaining how it will address the improvements identified in this report, including plans for reviewing the funding of the Statistical Business Register.

Business demography statistics are crucial for understanding UK business dynamics, especially as the economy emerges from the COVID-19 pandemic. I am impressed with ONS's innovative work to develop, in partnership with Companies House, a weekly indicator of business births and deaths to track the impact of the COVID-19 pandemic. The subsequent publication of experimental quarterly business demography statistics has further demonstrated ONS's ability to make a sizeable shift in its data offering. In making the improvements needed, I hope that ONS can build on its work over the last few months.

ONS has an amazing, yet largely untapped, resource in the Inter-Departmental Business Register (IDBR) that with development could help business demography statistics achieve the status of leading economic indicators, as they have in the USA and France. Part of untapping the value of IDBR data is making them available, subject to appropriate safeguards around confidentiality. We note that the legislation under which much IDBR data are collected and held – the Statistics of Trade Act – is over 70 years old. We would support any efforts that ONS were to make to review this legislation.

I note that organisational responsibility for the IDBR is separate from the rest of economic statistics. This has resulted in the IDBR not receiving the corporate priority that it clearly needs, nor playing as integral a role in economic statistics as it should. In responding to the requirements in our assessment, I encourage ONS to review these responsibilities and ensure that the IDBR can sit at the heart of economic statistics production.

Yours sincerely



Ed Humpherson
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