

Date: 4 November 2022

Dear Mr Humpherson,

As part of our work to transform economic statistics, you will be aware that ONS are significantly improving our Research and Development (R&D) statistics.

The first phase of the R&D work has taken place over the last nine months and will conclude on 22 November with the publication of the latest estimates for Business Expenditure R&D (BERD), which will reflect significant methodological improvements. On the same day, Gross Expenditure on R&D will also be published, which will include the BERD changes and the inclusion of a more comprehensive administrative data source to measure Higher Education R&D.

This first phase provides our best ever estimates of R&D in the UK which we have had validated against other available data. Naturally, though, uncertainty in the estimates increases below the UK level and there is also less data available for validation. We therefore think it is sensible to publish a reduced set of breakdowns while the second phase of the redevelopment takes place. To help convey the uncertainty to users we would like to ask while OSR should maintain the existing National Statistics designation for the headline measure, we would advise that the OSR should temporarily pause the National Statistics status of the detailed breakdowns for BERD until the second stage of the redevelopment completes in 2023. We should then have more certainty on the distribution of R&D sub-nationally and by size band, industry, product group etc.

Yours sincerely,



Darren Morgan, Director of Economic Statistics, Production and Analysis