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**Ed Humpherson, Director General for Office for Statistics Regulation**

Liz McKeown  
Director of Economic Statistics Production and Analysis  
Office for National Statistics

11th July 2024

Dear Liz

**Assessment of Business Enterprise Research and Development statistics**

We have completed our quality-focused assessment of your statistics on Business Enterprise Research and Development (BERD). This is the third assessment in our [Spotlight on Quality programme](#), which aims to provide continued assurance that the UK statistical system produce high quality economic statistics. We have carried this out alongside an [assessment of NISRA's Northern Ireland Business Expenditure on Research and Development \(NI BERD\) statistics](#).

Our assessment follows the ONS' [request](#) in November 2022 to temporarily suspend the National Statistics status (now known as accredited official statistics) of sub-regional and sectoral BERD statistics, following the discovery of the undercoverage of small and medium-sized enterprises (SMEs) within BERD data. A [change in the UK Government tax policy](#) in 2015 gave SMEs increased tax relief for research and development (R&D) activities. This change resulted in a larger uptake of R&D activities by SMEs, which previous ONS sampling methods were unable to capture.

We applaud the improvements ONS has made as part of its three-phased transformation of BERD statistics. Since this assessment took place at the end of the second phase, we look forward to seeing the positive steps ONS has committed to make in the implementation of the final phase for improving the quality of these statistics.

We have identified two requirements to improve the quality of BERD statistics, highlighting the importance of providing transparency, ensuring user understanding and communicating uncertainty. We expect ONS to update us on its commitments to meet the requirements ahead of the next release of BERD data, anticipated to be published in November 2024. We will consider reaccrediting these official statistics once ONS has demonstrated that it has met the requirements of this report.

We thank you and your team for engaging with us during our assessment. Please do not hesitate to reach out to us if you would like to discuss any aspects of this letter or accompanying assessment report.

I am copying this letter Laura Haddock, Assistant Deputy Director for Annual Surveys, Surveys and Economic Indicators.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ed Humpherson', written in a cursive style.

Ed Humpherson  
Director General for OSR