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Ed Humpherson, Director General for Office for Statistics Regulation

Philip Wales
Chief Executive and Registrar General
Northern Ireland Statistics and Research Agency

11th July 2024

Dear Philip

Assessment of Northern Ireland Business Expenditure on Research and Development statistics

We have completed our quality-focused assessment of your statistics on Northern Ireland's Business Expenditure on Research and Development (NI BERD). This is the fourth 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 out this assessment in parallel with an assessment of ONS's UK BERD statistics.

Our assessment follows your <u>request</u> in November 2022 to temporarily suspend the National Statistics status (now known as accredited official statistics) of the detailed breakdowns of NI BERD statistics, following ONS's discovery of the undercoverage of small and medium-sized enterprises (SMEs) within UK BERD data. A <u>change in the UK Government tax policy</u> 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 sampling methods of ONS and NISRA, were unable to capture.

We applaud the improvements NISRA has made to the methodology of its NI BERD data. We also look forward to the positive steps NISRA has committed to take to further improve the quality of these statistics.

We have identified two requirements to improve the quality of NI BERD statistics, highlighting the importance of providing transparency, ensuring user understanding and communicating uncertainty. We expect NISRA to update us on its commitments to meet the requirements ahead of the next release of NI BERD data, anticipated to be published in December 2024. We will consider reaccrediting these official statistics once NISRA 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 to Brian Green, Director of Economic Statistics at NISRA.

Yours sincerely

El Hyllen

Ed Humpherson