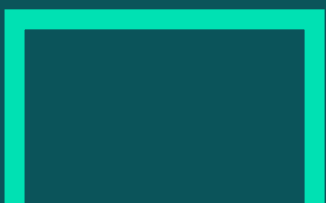
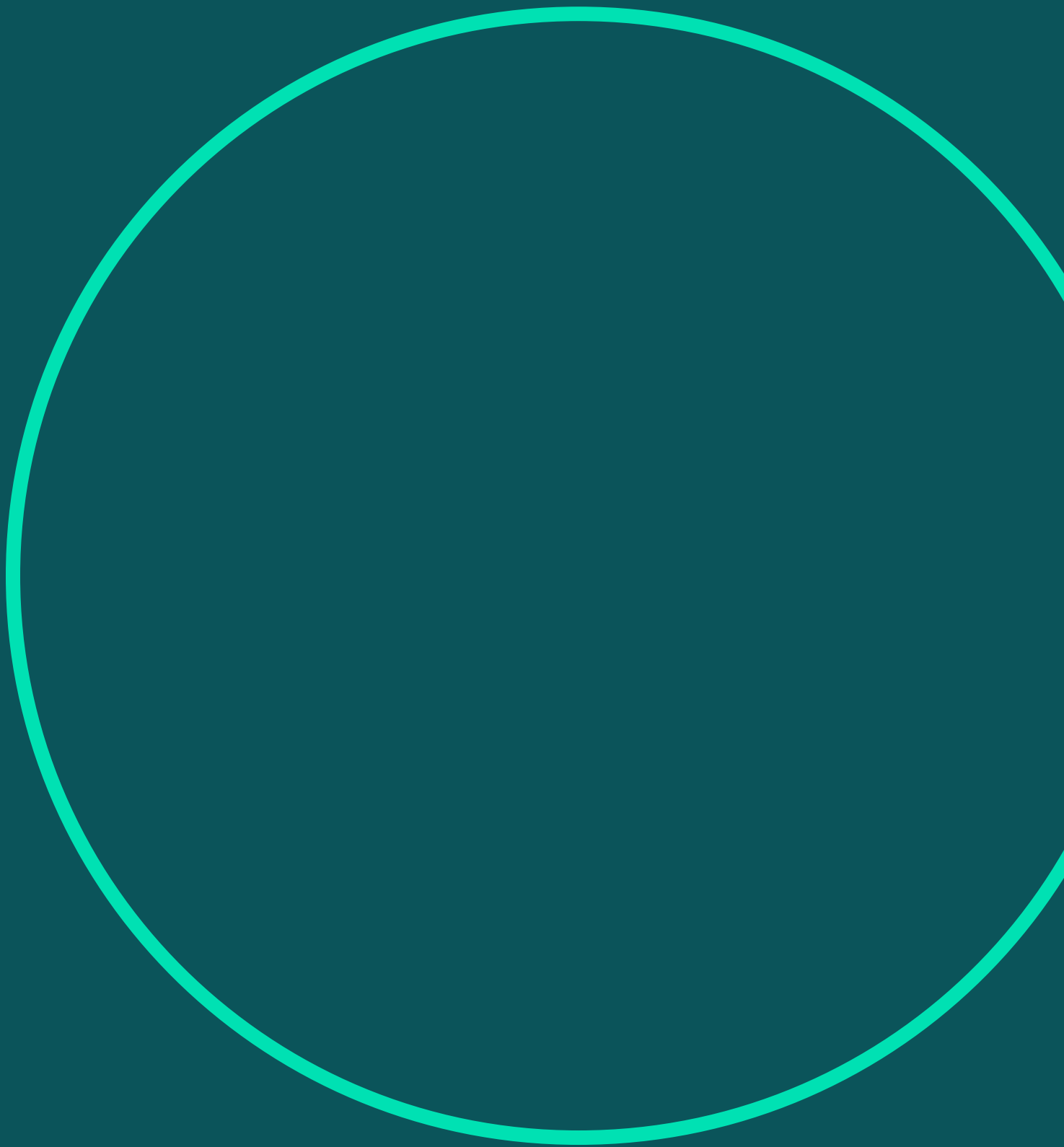




Annual report and financial statements

2019



Content

2	Chair's foreword
3	Chief Executive's foreword
4	The year in numbers
8	Objectives and activities
9	Achievements and performance
9	Strategic goal one – research portfolio
27	Strategic goal two – evidence, data and digital society
33	Strategic goal three – profile and influence
37	Strategic goal four – opportunities for young people
41	Grants awarded in 2019
47	Plans for future periods
50	Financial review
53	Principal risks
54	Structure, governance and management
57	Independent auditors' report
60	Financial statements and notes
79	Reference and administrative details

Chair's foreword

This year, the Foundation made great strides towards fulfilling the objectives of our five-year strategy. At £20.3m, we made our highest ever commitment to charitable spending – up 11% from 2018 and almost double the ten-year average preceding the implementation of our strategy.

We expect to see our annual expenditure continue to increase year-on-year to 2022 and total more than £100m over five years. A key objective for 2020 is to establish our sustainable expenditure level beyond the end of 2022. At the time of finalising this report, we are reviewing these objectives and adjusting our priorities in light of the COVID-19 pandemic.

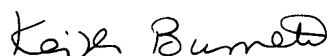
The annual reporting cycle provides an opportunity for us to assess our financial performance alongside our charitable activities, which are driven by the commitments in our strategy and underpinned by our mission to advance educational opportunity and social well-being. As an organisation that predominantly funds research, the initial beneficiaries of our work are often those who undertake that research – we do not always see an immediate impact on the lives of people and society more broadly. In this report, not only do we try to demonstrate our short-term impact in terms of new research projects funded but also to report on the impact of work funded previously. This allows us to tell a fuller story about how our work has influenced social policy and the subsequent effect on people's lives across the UK.

Two important milestones for us in 2019 were the first call for applications to our

£15m Strategic Fund and the launch of the IFS Deaton Review, which was funded by the Foundation and is the most ambitious study of inequality yet attempted. Priorities for our Strategic Fund were informed during a conference in May, convened jointly with the Nuffield Trust and Nuffield College, which sought to stimulate cross-disciplinary thinking on the major challenges for UK social policy in the 2020s and the research agenda that could help address them. The keynote speech was delivered by Professor Sir Angus Deaton, Chair of the IFS Deaton Review, and shared publicly on YouTube. In 2020, we will make the first set of awards from our Strategic Fund and issue a second call for applications.

We are not solely a research funder, of course, and this report features the interim findings from the independent evaluation of Nuffield Research Placements, which show that the programme has succeeded in increasing young people's access to university courses in science, technology, engineering and maths (STEM). We also continue to see students benefit from the opportunities offered by Q-Step, which has enabled 18 universities across the UK to offer specialist quantitative training to young social scientists.

Our work is wide-ranging but is underpinned by a common set of principles: freedom and independence, commitment to quality, connecting perspectives, building trust in evidence, and enabling opportunity. We do not do any of it alone and I would like to extend my thanks to the Foundation's staff, grant-holders and partners who work together to deliver our charitable endeavours.



Professor Sir Keith Burnett
Chair

Chief Executive's foreword

The end of 2019 marked the mid-point of the Nuffield Foundation's five-year strategy. This set out to revisit our founding objects to advance social well-being and educational opportunity and to re-interpret them to meet the changing needs of our increasingly diverse and digitally driven society. We restructured our research portfolio under the three domains of Education, Justice and Welfare and identified cross-cutting themes that address new trends and disruptive forces – social, demographic, technological and economic – that are changing the structures and context of people's lives.

These ambitions have taken shape in the past year through new research initiatives and have been thrown into even sharper relief in early 2020 by the COVID-19 pandemic. It is too early to understand the long term social and economic consequences of the crisis, but it is already clear that the Foundation's core purpose – analysing the causes and consequences of disadvantage through the course of people's lives, and identifying interventions to promote opportunity and social inclusion – will be of even greater salience. We responded quickly by funding £1.75m of projects so research could get underway at the peak of the pandemic.

During 2019, we have more than doubled our grants expenditure from three years ago and invested in our communications, working with stakeholders to ensure that high-quality research informs policy and practice.

In Education, we increased the collective impact of our grants through a maths showcase, bringing together research findings from six Nuffield-funded studies on the development of numerical skills.

For the first time, 100% of Nuffield Research Placements were awarded to students entitled to free school meals or the first in their family to go to university. In Welfare, the Resolution Foundation's reports on intergenerational inequality reshaped the public debate. In Justice, research from the University of Exeter on no fault divorce has been the evidential foundation of the Divorce, Dissolution and Separation Bill. We also broke new ground, awarding £3.75m, from our revived Oliver Bird Fund, for pioneering grants into the social causes and consequences of musculoskeletal conditions. The Nuffield Council on Bioethics research on prenatal testing was instrumental in framing government policy and its report on genetic editing focused the ethical argument at the sharpest edge of genetic science.

We established two independent bodies within the Foundation that directly address the challenges of a digitally-driven society and the rights of the individual in relation to the state. The Ada Lovelace Institute's remit, to ensure that data and artificial intelligence work for people and society, was exemplified in its informing the debate on the deployment of facial recognition technology. The Nuffield Family Justice Observatory's influential *Born into care* series has highlighted the inadequacies and inconsistencies of provision for vulnerable families in the justice system.

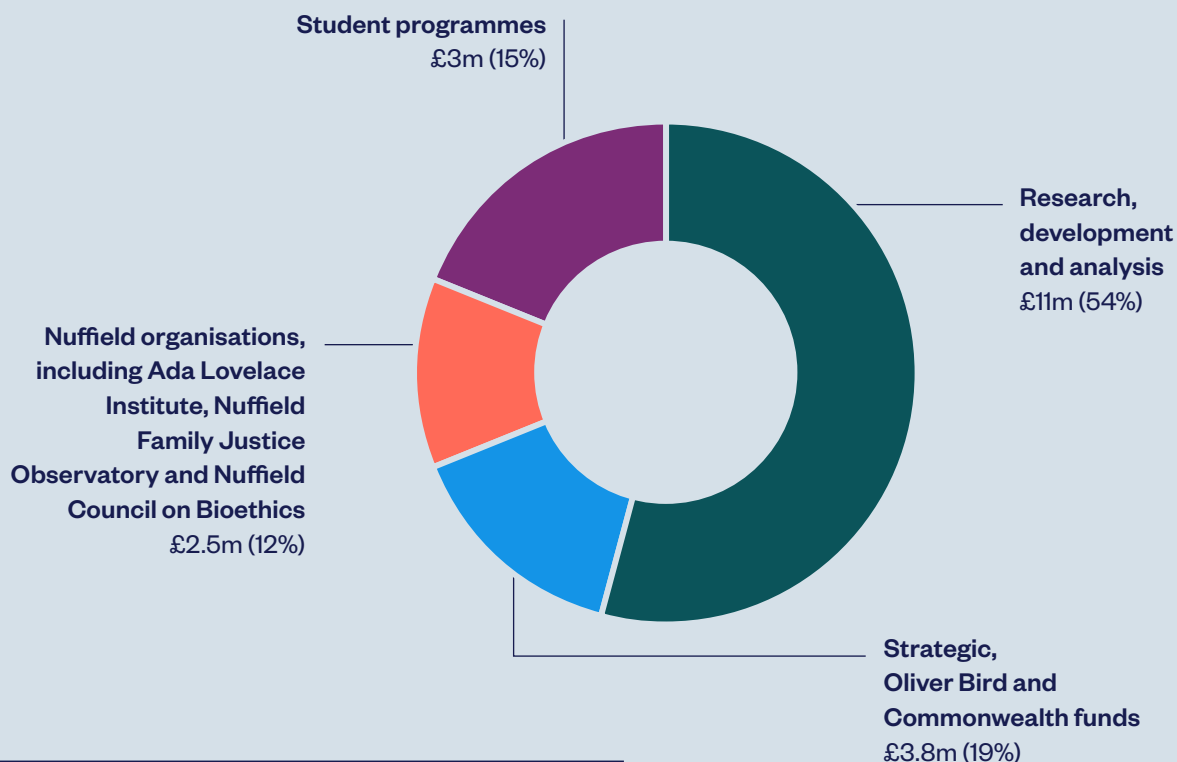
Whatever shape British society now takes, the Foundation's focus will remain on safeguarding the well-being of individuals and communities, and the most vulnerable within them, by providing the evidence and analysis on which effective and just policy is founded.



Tim Gardam
Chief Executive

The year in numbers

Charitable expenditure of £20.3m in 2019



Nuffield Foundation – Annual report 2019

Most of our charitable expenditure in Education, Welfare and Justice comprises grants awarded for research, development and analysis projects.

£14.9m

of grants awarded, comprising

86

new projects

+19

projects underway

Applicants submit a short outline application and those that meet our criteria are invited to submit a full application, which is subject to independent peer review and considered by Trustees.

401

outline applications received*

74

full applications invited and considered*

* These are 'snapshot' figures for the 12-month reporting period, and not the 'pipeline' of applications from outline to successful award.

Current portfolio of research, development and analysis grants

Most of the projects we fund are undertaken over a period of several years so, at any one time, we are managing more than just those awarded in the reporting year. At the end of 2019, we were managing:

173

research, development and analysis projects with a total value of

£36.4m



Education £15.4m (84 projects)	Welfare £11.8m (45 projects)	Justice £9.2m (42 projects)
---	---	--

Strategic Fund and seed corn

In 2019, we launched our Strategic Fund for ambitious, interdisciplinary projects in the range of £1 – 3 million. Researchers could also apply for seed corn funding to do some initial work before making an application to the Fund.

39

Strategic Fund outline applications received

21

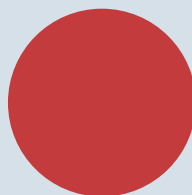
seed corn grants awarded, worth

£101k

Who do we fund?



Universities
(134 projects)



Research institutes
(25 projects)



Voluntary organisations
(8 projects)



Think tanks
(3 projects)



Primary Care Trusts
(1 project)



Professional bodies
(1 project)

The year in numbers

Student programmes

For the first time in 2019, Nuffield Research Placements were available exclusively to students from lower income families and/or who were the first in their family to apply to attend university. As a result, we were able to provide placements for a greater number of disadvantaged students, although the narrower eligibility criteria meant that the overall number of students placed was slightly lower than in previous years.

Nuffield Research Placements

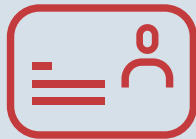


960 students
placed, down from 1,138 in 2018

96% of students
completed a placement, up from 90% in 2018

88% of students
who participated were eligible for a bursary, up from 64% in 2018

76% of students
would be the first in family to go to university, up from 64% in 2018



10,124 students
enrolled on 236 modules, up from 9,564 in 2018



992 students*
enrolled on 81 Q-Step degree programmes, down from 1,940 in 2018



304 students
undertook work placements, down from 311 in 2018



10,124 students
took at least one Q-Step module, up from 9,564 in 2018

Q-Step

* redefined by the evaluators this year to include only students that are on programmes with 80+ credits awarded for content that is predominantly quantitative.

Communications and engagement



We received a greater amount of media coverage for our work this year, including:

246

references to the Nuffield Foundation, up from 218 in 2018

74

references to the Ada Lovelace Institute

9

references to the Nuffield FJO



404,935 visits

to the Nuffield Foundation website (excluding teaching resources) – broadly the same as last year (1.7% increase)



This year, we have recorded our events in a new way to report more clearly on our convening role. In 2019, we convened:

23 events

events at the Foundation, attended by

1,113 people

(compared to 26 events attended by 1,040 people in 2018)



24%

increase in Twitter followers (to 10,207) over the course of the year

Email newsletter open rate of

30%

(compared to 32% in 2018) and click-through rate of

6.4%

(compared to 6.3% last year)

9%

increase in subscribers to our e-newsletter (to 4,246) over the year

Objectives and activities

The Nuffield Foundation is an independent charitable trust with a mission to advance educational opportunity and social well-being in the UK. We improve understanding of the issues affecting people's chances in life and identify ways to address disadvantage and inequality in our digitally-driven society.

We do this by:

- Funding research that informs social policy and has an impact on people's lives. Our research focuses on the broad domains of Education, Welfare and Justice but much of our work cuts across them.
- Working with our grant-holders to engage researchers, policy-makers and practitioners with their work through our communications and events programme. By connecting the individual projects we fund, we strengthen their collective impact.
- Improving the accessibility, use and collection of the evidence and data necessary to understand the issues affecting people's life chances.
- Funding student programmes that provide opportunities for young people, particularly from disadvantaged backgrounds, to develop skills and confidence in science and research.
- Founding, co-funding and hosting independent bodies to examine areas central to our research agenda in more depth:
 - The Nuffield Council on Bioethics, an independent body that informs policy and public debate about the ethical questions raised by biological and medical research.
 - The Ada Lovelace Institute, an independent research and deliberative body with a mission to ensure data and AI work for people and society.

- The Nuffield Family Justice Observatory, which uses research to support better outcomes for children and vulnerable people in the justice system.

We assess our success against our aims and objectives by:

- Analysis of our grant-holders' evaluations of their projects. We use this information to shape and refine our funding criteria and to improve the service we provide to applicants and grant-holders.
- An internal annual review of progress against our strategic goals.
- Undertaking thematic internal reviews of the research projects we have funded to assess their value and impact as a body of work. Among other things, this enables us to see gaps in evidence, which informs the development of new research priorities.
- Internal and external evaluation of the performance of student programmes by key indicators such as the proportion of students benefiting from disadvantaged backgrounds. Independent, large-scale evaluations of Nuffield Research Placements and Q-Step are currently underway.

We are continuing to develop our success framework with the aim of better demonstrating how the work we undertake contributes to advancing educational opportunity and social well-being.

Achievements and performance

In this section, we report on our achievements and performance against the four strategic goals set out in our five-year strategy, of which 2019 is the second full year.

Strategic goal one – research portfolio

We will fund research that advances educational opportunity and social well-being across the United Kingdom. We will shape our research portfolio by bringing together researchers and users of research to identify the larger questions in our core areas of Education, Welfare and Justice.

Our mission is to advance social well-being and we believe this depends on people's potential being fulfilled through education and skills, their access to social and economic resources, and their ability to access justice and exercise their rights. Our objective, therefore, is to focus on three broad public policy domains, which we identify as underpinning a well-functioning society: **Education, Welfare, and Justice**.

We are not simply an academic funding body, though the research we fund must stand up to rigorous academic scrutiny. We want the policies and institutions that affect people's well-being to be influenced by robust evidence. We work with the research, policy and practice communities to foster an environment where that is possible.

We also fund projects related to the work of both the Ada Lovelace Institute and the Nuffield Family Justice Observatory. We continue to fund the work of the Nuffield Council on Bioethics, alongside Wellcome and the Medical Research Council. For the first time this year, we have awarded seed corn grants of around £5,000 for those wanting to do some initial exploration of ideas before applying to our new Strategic Fund.

We made £9.1m of new research grant commitments in our core domains of Education, Welfare and Justice. A full list of all grants awarded during 2019 can be found on page 41.

Additionally, £3.8m of grant commitments were made from the Oliver Bird Fund for

musculoskeletal research. These six projects will be launched in Spring 2020.

For our first strategic goal, we report on each of our core domains, noting particular highlights in terms of research outputs published and examples of policy and practice impact.

Education

Within our Education domain, our objective is to improve evidence, policy and practice in education and skills, from early childhood onwards. Our portfolio also includes research into the wider influences on life chances, such as the role of families. In 2019, we completed a review of our work over the last decade, which led to the development of four new themes:

- Skills and capabilities that equip children and young people for life and work, both within and beyond educational institutions.
- Teaching quality, particularly projects that improve practice through evidence-based interventions and those that harness digital technologies to improve teaching and learning, parental engagement and child development.
- Young people's pathways, with an increased focus on young people following non-HE routes.
- Educational disadvantage, including special educational needs, physical disabilities, mental health issues, socio-economic disadvantage, geographical disadvantage and looked after children.

During 2019, we funded 20 new projects and provided funding for additional work on 9 projects funded in previous years, at a total value of £3.6m. Combined with ongoing projects from previous years, at the end of 2019, we were managing 84 education projects with a total value of £15.4m.

Key Education outputs published in 2019

What: A systematic review of the impact of parent-child reading

Who: Professor James Law, University of Newcastle

Headline finding: Parents and carers who regularly read with small children are giving them a language advantage of eight months.

What: Analysis of the early years workforce and its impact on children's outcomes

Who: Dr Sarah Bonetti, Education Policy Institute

Headline finding: Childcare workers have experienced real-terms pay losses of 5% since 2013 – in stark contrast to a 2.5% rise among the female working population.

What: Information, expectations and transition to higher education

Who: Professor Adeline Delavande, University of Essex

Headline finding: Students in households where at least one parent has a degree are more likely to go to university. Better information for students and parents could help to close this gap.

What: Socio-economic differences in grammar school access and outcomes

Who: Professor John Jerrim, Institute of Education, University College London

Headline finding: Children report similar levels of well-being and social satisfaction regardless of whether they attend a grammar school.

Childcare workers have experienced real terms pay losses of 5% since 2013.

What: Understanding maths anxiety

Who: Dr Dénes Szűcs, University of Cambridge

Headline finding: Three-quarters of children with high maths anxiety are normal to high achievers on curriculum maths tests.

What: School choice and equality of opportunity

Who: Professor Deborah Wilson, University of Bristol

Headline finding: Parental choice of school is associated with higher levels of segregation among school children from different socio-economic and ethnic backgrounds.

What: The health effects of early interventions: evidence from Sure Start

Who: Dr Gabriella Conti, Institute for Fiscal Studies

Headline finding: Sure Start had major health benefits for children in poorer neighbourhoods, reducing hospitalisations for children living in disadvantaged areas.

What: A follow-up survey on break and lunchtimes in schools

Who: Dr Ed Baines, University College London

Headline finding: School breaktimes are as much as an hour shorter than they were two decades ago, meaning children are missing out on valuable opportunities to make friends, develop social skills and exercise.

What: Social origins, cognitive ability and educational attainment

Who: Dr Erzsébet Bukodi, University of Oxford

Headline finding: Children of similar cognitive ability have very different chances of educational success, depending on their parents' economic, socio-cultural and educational resources.

What: A review of interventions to improve primary school maths achievement

Who: Dr Victoria Simms, Ulster University

Main output: Free online resource to support teachers by providing guidance on which interventions are effective in improving children's outcomes in maths.

What: Segregation of early years settings: patterns, drivers and outcomes

Who: Dr Kitty Stewart, London School of Economics

Headline finding: Children with a statement of special educational needs who attend pre-schools based in primary schools are significantly less likely than their peers to be admitted to the school's reception class.

What: Better schools for all? The impact of school effectiveness on pupils

Who: Professor Alex Bryson, University College London

Headline finding: Despite 'huge efforts' to transform the secondary school system, schools have become no more important in accounting for variance in pupils' academic attainment since the early 2000s.

What: Student expectations and choices for higher education

Who: Professor Dan Anderberg, Royal Holloway, University of London

Headline finding: As a result of the university tuition fee rise in 2010, children aged 10 to 15 in England were less likely to aspire to study for A-levels or attend university.

What: Developing a sustainable

intervention for disadvantaged children

Who: Dr Sarah Cattán, Institute for Fiscal Studies

Headline finding: A home-visiting programme, piloted in Peterborough, has been found to be feasible to implement and evaluate. The programme supports parents to provide a nurturing and stimulating home environment for their children and is targeted at very young children in disadvantaged families.

What: Education spending pressures and spending challenges
Who: Luke Sibieta, Institute for Fiscal Studies

Headline findings:

- Reversing cuts since 2009 to school spending per pupil would cost about £4.7bn in 2022 – 23.
- Further education has faced the biggest cuts in recent years, with a 12% fall since 2010.

What: The health of teachers in England over the past 25 years

Who: Professor John Jerrim, Institute of Education, University College London

Headline findings: One in four teachers work more than 60 hours a week, with many working in the evenings, despite successive government promises to reduce their hours.

What: Undermatch in higher education: prevalence, drivers and outcomes

Who: Dr Gill Wyness, Institute of Education, University College London

Headline findings: Up to one in four students from lower socio-economic backgrounds take courses at less prestigious universities despite having the grades for more selective institutions.

What: Growing up digital

Who: Professor Angela McFarlane, consultant

Headline finding: Computer use in schools does not on its own boost digital literacy or exam results. Without curriculum reform and more opportunities for teachers to develop their own digital skills, students will be unprepared for the workplace.

What: Economy, Society and Public Policy: a free online introductory economics course for non-specialists

Who: Professor Wendy Carlin, University College London

Main output: Publication of a textbook and free online e-book incorporating feedback from teachers and students and including interactive data charts. The resources are being used by at least 19 universities across the globe, including eight in the UK.

Policy and practice impacts of Education projects

Supporting the development of numeracy

Numeracy skills equip children and young people for life and work and we have built a significant body of evidence improving numerical skills and capabilities. In July 2019, we hosted a Nuffield Maths Showcase including presentations from six Nuffield-funded studies on maths and numeracy in the early years and primary phases of education.

The showcase gave researchers a platform to share research findings, with a focus on: factors that influence growth in early numeracy; approaches to teaching; and children who have a particular difficulty with maths. The showcase enabled us to increase the collective impact of these projects and to build a community interested in the maths research we fund. We convened an audience ranging from policy-makers (including representatives from Ofsted and the Department for Education) to researchers and primary school teachers. The format of the event encouraged attendees to consider the themes linking the projects and opportunities for future research.

Dr Dénes Sűzcs (University of Cambridge) presented his research on maths anxiety at the showcase, which was widely debated in the media, including the *Guardian*, *The Telegraph*, regional broadcast coverage by *BBC Cambridge* and *ITV Anglia*, and comment pieces on *Motherboard* and in the *Guardian*. His research will inform a forthcoming UNESCO booklet on maths anxiety.

Childcare and teacher workforce

In January, the Department for Education (DfE) published a Recruitment and Retention Strategy to address issues with teacher supply. The Strategy echoed Nuffield-funded research from the National Foundation for Educational Research (NFER), which

called for a greater emphasis on teacher retention as well as recruitment. The NFER research has also led to the DfE setting up a new policy area on part-time and flexible working, which has resulted in guidance, case studies and resources for schools. The team at NFER have published a Teacher Labour Market Dashboard to track how the government are progressing in meeting the teacher supply challenge. The project has also influenced the research community. Their innovative methodology for using the Understanding Society dataset has been adopted by Nuffield-funded researcher Professor John Jerrim, who is tracking teacher health over the past 25 years.

Sara Bonetti at the Education Policy Institute is analysing the early years workforce and its impact on children's outcomes, with researchers from the University of Surrey and NatCen. In January, initial findings were published finding that pay is low for childcare workers, with little opportunity for them to gain higher qualifications. The research was covered in national media, including *The Mirror*, *The Independent* and *5 News*, and Bonetti wrote a blog for the *Times Educational Supplement*. This coverage elicited responses from industry bodies, charities and parliamentarians, including the then Parliamentary Under Secretary of State at the DfE, Nadhim Zahawi MP.

One in four teachers work more than 60 hours a week, with many working in the evenings, despite successive government promises to reduce their hours.



Impact case study

School breaktimes

In May, Dr Ed Baines (UCL Institute of Education) published a study on how school breaktimes and young people's social lives have changed over the past 25 years. This was a follow-up to a 2005 study on the same topic, also funded by the Foundation. The research found school breaktimes are as much as an hour shorter than two decades ago, meaning that children are missing out on valuable opportunities to make friends, develop social skills and exercise. While adults, including teachers, have a right to breaks, there is no equivalent policy for pupils. The research team called for schools to review their breaktime policies and for policymakers to introduce a minimum breaktime for students.

The research generated widespread media coverage and a response from the DfE, which stated: "We are clear that pupils should be given an appropriate break and we expect school leaders to make sure this happens." The research prompted questions in both Houses of Parliament, with celebrities such as Fern Britton publicly supporting the importance of play and breaktimes. The British Psychological Society's Division of Educational Psychologists made a statement in support of children's right to play.

Campaigners championed the report's recommendations, with a group of parents setting up a 38 Degrees petition to establish a minimum breaktime in schools. The All Party Parliamentary Group on a Fit and Healthy

Childhood reviewed the research findings and recommended that: "The lunchtime period and its part in the encouragement of child mental health and well-being to be included in individual school development plans as an Ofsted requirement." The research also inspired an international campaign, Outdoor Classroom Day, run by Semble and funded by Unilever, calling for every child to have at least 60 minutes of playtime every day and committing a small amount of funding to an international survey of school breaktimes.

The project is likely to inspire further research, with the Education Endowment Foundation (EEF) prioritising research on the links between breaktimes and learning in class, as part of their School Choices funding stream. Following a presentation of the Nuffield-funded study, the Independent Play Association has made the prioritisation and promotion of breaktime one of their key aims.

Improving early years education and health outcomes

Dr Gabriella Conti from the Institute for Fiscal Studies (IFS) analysed the health effects of Sure Start and found that it reduced health inequalities for young children, including a significant reduction in hospitalisations and savings to the NHS. Her research will inform the Early Intervention Foundation's work – commissioned by the DfE – with local authorities on designing effective early childhood services. The report also generated supportive quotes from Labour MPs and an urgent question was asked in the House of Commons and in the House of Lords. This parliamentary interest was galvanised in the run-up to the 2019 General Election when Labour and the Liberal Democrats cited the research to justify their manifesto commitments for an extra £1bn in funding to reverse Sure Start budget cuts. The DfE also issued a response to the report.

Conti's research was covered widely by the media, including interviews by *BBC Radio 4 Today* and the *Victoria Derbyshire* show. Articles appeared in the *Big Issue*, the *Financial Times* and the *Press Association*. Conti wrote an article for *The Conversation* and Richard Vize wrote an opinion piece for *Guardian Society*. #SureStart trended on Twitter during the launch event at the IFS and a short video summarising the key findings was viewed 22,000 times.

Another example of early years policy influence was Dr Kitty Stewart's (LSE) project on the likelihood of children with special needs being admitted to reception classes in the primary schools where they attended pre-school. The research team were invited to present to researchers and policy analysts at the DfE and, after submitting the research findings to the Department for Work and Pensions Life Chances Select Committee, Stewart was invited to give oral evidence to the committee. Steve McCabe MP also cited the research in the House of Commons in a question directed to the then Parliamentary Under Secretary of State at the DfE, Nadhim Zahawi MP.

A systematic review of 40 years of reading interventions led by Professor James Law (University of Newcastle) included studies from five countries in addition to the UK: the USA, South Africa, Canada, Israel and China. This international perspective – combined with a striking headline finding that parents and carers reading with pre-school children boosts language skills by eight months – generated international media coverage. The report was covered by outlets in Italy, Taiwan and Vietnam, in addition to UK coverage in *Nursery World*, *Language Magazine*, *The Daily Mail* and *The Telegraph*.

Sure Start had major health benefits for children in poorer neighbourhoods, reducing hospitalisations for children living in disadvantaged areas.

Welfare

Within our Welfare domain, we aim to improve people's lives by understanding how their welfare is affected by different social and economic factors across the course of their lives. We want our research to identify the factors that allow individuals and families to live fulfilled lives, the obstacles to them doing so and the interventions that might benefit them. Within this, our funding priorities are:

- Household and family dynamics, including trends in household composition, children's well-being, the relationship between employment choices and tax, housing and welfare policies, and the impact of chronic illness, disability and mental ill-health.
- Causes of labour market, economic and social outcomes and how these

relate to living standards and individual and collective well-being.

- Digital and other technologies, including how they alleviate, exacerbate and shift vulnerability, and affect concepts of trust, evidence and authority.
- Intergenerational issues and welfare later in life, such as how social and economic outcomes are changing within and between generations and the determinants of inequalities in later life.
- Geographical inequalities, including how location, neighbourhoods and communities can shape people's lives and their vulnerability to risk.

During 2019, we funded 14 new projects with a total value of £2.5m. Combined with ongoing projects from previous years, this means that, at the end of 2019, we were managing 45 welfare projects with a total value of £11.8m.



Key Welfare outputs published in 2019

What: Intergeneration Audit

Who: Laura Gardiner, Resolution Foundation

Headline findings:

- Young people today are spending 7% less on non-housing items than people of the same age were back in 2001.
- The 'crisis cohort' who entered the world of work in the midst of the financial crisis continued to face higher unemployment, lower pay and worse job prospects up to a decade later.
- Pensioner poverty rates for those entering retirement today are down by two-thirds compared to previous generations in the 1980s peak, though children born today are facing record poverty rates.
- Higher rents are reducing the financial gains from moving to better-paying parts of the country and mean that young people today are less mobile than they were 20 years ago.
- Additional property wealth is accumulated over time and is, therefore, most common among those born in the 1950s – 17% of whom report additional property wealth.
- Millennials in the North East have experienced the UK's biggest pay growth compared to the generation before them, but those in the East Midlands are earning less than people born 15 years earlier.

What: Council tax support schemes' impact on claimants and local authorities

Who: Stuart Adam, Institute for Financial Studies

Headline finding: Cuts to support mean that 1.3 million more low-income households get a council tax bill, but a quarter of the extra tax due is not paid.

What: Ethical and societal implications of algorithms, data and artificial intelligence: a roadmap for research

Who: Dr Stephen Cave, University of Cambridge

Headline finding: AI ethics must move beyond lists of 'principles'. An ethical approach to the development and deployment of algorithms, data and AI requires clarity and consensus on ethical concepts and resolution of tensions between values.

What: Vulnerable migrants and well-being: a pilot study

Who: Dr Laurence Lessard-Phillips, University of Birmingham

Headline finding: Migrants to the UK face major barriers when accessing healthcare, including denial of entitlements, administrative issues, lack of understanding, language barriers and fears of being arrested.

What: Social policies and distributional outcomes in a changing Britain

Who: Dr Polly Vizard, CASE, London School of Economics

Headline findings:

- The effective delivery of a range of vital public services is likely to decline after Brexit.
- Cuts to public services since 2015 pose a significant challenge to criminal justice, health, housing, youth services and social care.
- The apparent stability of inequality since 2015 has masked the nature and depth of economic inequality.

What: The economic integration of refugees in the UK

Who: Dr Carlos Vargas-Silva, University of Oxford

Headline finding: Asylum migrants who are employed earn less and work fewer hours than UK-born and other migrant workforces. Asylum migrants earn an average of £9 per hour and £284 per week – 55% less per week than the UK-born and 38% less per hour.

What: The impact of ethnic diversity on well-being and health

Who: Professor Miles Hewstone, University of Oxford

Headline finding: While changes to religious diversity may lead to a short-term decrease in quality of life for communities, this is reversed in the long term as societies adjust to multiculturalism.

What: IFS Green Budget

Who: Paul Johnson, Institute for Fiscal Studies

Headline findings:

- Government borrowing is set to be over £50bn next year – more than double what the OBR forecast in March. Borrowing of this level would breach the 2% of national income ceiling imposed by the government's own fiscal mandate, with which the Chancellor has said he is complying.
- The Prime Minister's proposed tax cuts would cost billions, with most of the giveaway going to those on high incomes. Any new tax cuts should be designed to improve the design and efficiency of the tax system, promote growth or achieve some clear distributional objective.

What: UKMOD: a transparent, free-to-access tax benefit microsimulation model

Who: Professor Mike Brewer, University of Essex

Main output: The first version of UKMOD, a transparent, free-to-access tax and benefit microsimulation model, was released. Tax and benefit models are used to assess the impact of policy changes on household incomes and government finances. UKMOD will lead to better scrutiny of government proposals and will allow many more organisations and individuals to take part in evidence-based debates about personal taxes, the design of the welfare system and inequality in the UK.

What: English Atlas of Inequality

Who: Professor Alasdair Rae, University of Sheffield

Main output: The English Atlas of Inequality maps 149 commuting zones – known as Travel to Work Areas (TTWAs) – across England. Not only does the Atlas challenge misconceptions about rich and poor areas but also demonstrates how alternative approaches to understanding inequality can produce very different results.

Case study General election fact-checking and analysis

We responded to the general election announcement in 2019 by making grants to the IFS, National Institute for Economic and Social Research (NIESR) and Full Fact – using a fast-tracked application process – with the aim of ensuring the public debate was informed by independent evidence that people

can trust. As part of an ongoing project, the Education Policy Institute (EPI) also responded to the election announcement by scrutinising the main parties' manifesto commitments on education in England. By funding this election analysis and fact-checking, we helped to ensure the public had access

to an impartial assessment of the parties' manifesto commitments.

We encouraged the four organisations to work together in the run-up to the election. For example, the IFS data was featured in Full Fact fact checks.

Our funding allowed Full Fact to temporarily expand their team to ensure they could respond to claims quickly. Over 110 fact checks were published across their election hub, live blog and Ask Full Fact campaign. Full Fact published in-depth analysis of the pledges made in party manifestos and live fact-checked the TV debate, including a partnership with ITV to provide on-the-night analysis of the debate between Boris Johnson and Jeremy Corbyn. Online adverts and leaflets were also fact-checked and Full Fact issued guidelines to newsrooms to help them fact check their own reporting. Media partnerships, including with *Sky News*, the *Evening Standard* and *talkRADIO*, contributed to Full Fact being mentioned over 4,000 times during the election campaign. Full Fact also worked in partnership with other organisations including the IFS, the Nuffield Trust and the Institute for Government.

The IFS and NIESR focused on providing analysis and briefings on key campaign issues, such as tax and benefits, the labour market, spending on education, infrastructure and Brexit.

NIESR published nine briefings, five podcasts and six videos during the campaign. Media highlights included the *Evening Standard*, the *Independent* and the *Today* programme.

The briefings were mentioned in Parliament and influenced the debate on minimum wage, trade and macroeconomics.

The IFS published 13 election reports and 12 briefings (Observations). Researchers gave over 80 broadcast interviews and the analysis was mentioned 14,905 times by the UK press over the election period, including explainers and 'reality check' articles for the BBC. IFS research was cited in the Labour manifesto costings document, a Conservative research document and on the Liberal Democrat website. The research was also cited by the Chancellor, Shadow Chancellor and the Deputy Leader of the Liberal Democrats. The IFS also drew heavily on the Nuffield-funded IFS Green Budget report – published to inform the (delayed) Autumn budget – in their election briefings.

The Education Policy Institute analysis was cited in the Queen's Speech debate on education and covered by the *BBC Breakfast*, *BBC Radio 5 Live*, the *Financial Times*, *The Yorkshire Post*, the *Guardian*, *The Sun*, *Politics Home* and trade publications, including *The Times Educational Supplement* and *Schools Week*. The report highlighted that the pupil premium was losing value in real terms and that the government had made no commitment to rectify this. The government has since announced plans for an inflation level increase of pupil premium for the first time in five years.

Policy and practice impacts of Welfare projects

Identifying viable policy options for a more inclusive society

Throughout May and June the Resolution Foundation published a series of reports on intergenerational inequality which included analysis of pensions, housing, wealth and pay. The report series culminated in an Intergenerational Audit, published in June. The reports generated considerable media coverage, most of which mentioned the Nuffield Foundation. Highlights included *Women's Hour*, *BBC Breakfast*, the *Victoria Derbyshire* show and trade publications covering the education and housing sectors. The Audit provided a valuable and timely perspective on how our economy and society are changing, both between and within generations. The Resolution Foundation will continue this work through their new Intergenerational Centre which launched at the same time as the Audit.

Over the next four years, the IFS Deaton Review aims to answer some of the most fundamental questions about inequality in the 21st century. Chaired by Nobel Laureate Professor Sir Angus Deaton and funded by the Nuffield Foundation, the IFS intend not to just describe inequalities but to also understand what causes them and to offer concrete policy proposals to tackle them. The review will address fundamental questions about how different types of inequality are related, which matter most, what forces combine to create them, and what might be the right mix of policies

to tackle them. The project was officially launched in May, generating public debate through widespread media coverage, including interviews with Professor Sir Angus Deaton and IFS Director Paul Johnson. The IFS is committed to ensuring the review engages with grassroots groups and includes a public deliberation element.

In December, we convened a seminar to engage researchers and policy-makers with the new Atlas of English Inequality, developed by Professor Alasdair Rae (University of Sheffield). The Atlas challenges misconceptions about rich and poor areas, demonstrating how no one measure of inequality paints the full picture at the local, sub-national and national levels. To tie in with the imminent general election, the researchers also measured inequality within all local authority districts and parliamentary constituencies. Alan Smith (Head of Visual Data Journalism at the *Financial Times* and project Advisory group member) spoke at the launch event and wrote an in-depth feature on the Atlas for the *Financial Times*. The feature boosted the reach of the project and was accompanied by a video interview with Rae, which has had almost 18,000 views on YouTube.

Food Foundation

In April, the Children's Future Food Inquiry report was launched in Westminster and the Children's #Right2Food Charter was delivered to 10 Downing Street. The Charter made five calls, including a healthy lunch guarantee and a new, independent Children's Food Watchdog with young

Over the next four years the IFS Deaton Review aims to answer some of the most fundamental questions about inequality in the 21st century.

people in leadership roles. During Prime Minister's Questions, the then Prime Minister, Theresa May was asked to meet the Food Foundation's young food ambassadors. As a result of raising the profile of the report and Charter in Westminster, the team have begun working with government departments and the independent Children's Food Watchdog is in development.

The Food Foundation's separate community interest company, 'Veg Power', supports an advertising fund for vegetables. Working in partnership with ITV during 2018, Veg Power ran a new national campaign to encourage children to eat veg – Eat Them to Defeat Them. The multi-award-winning campaign reached 40 million people. 57% of children said the advert made vegetables more fun and 46% of children who have seen the advert said they recently tried to eat more vegetables.

Council tax

In 2013, support for low-income households to pay their council tax was localised across England and funding was cut. Research by Stuart Adam from the Institute for Fiscal Studies found that 1.3 million more low-income households are getting a council tax bill, but a quarter of this extra tax is not being paid. The report recommended increasing council tax bills for those already paying some tax rather than requiring some of the lowest-income households to pay council tax. The findings were launched at events in London and Manchester and coverage included a feature on the *Victoria Derbyshire* show and articles in *Public Finance* and the *Municipal Journal*. The Local Government Association issued a response and the Chartered Institute for Public Finance and Accounting summarised the report at a series of regional briefings for local authorities. Policy in Practice drew heavily on the research for a webinar for councils in March on the reform of Council Tax Support schemes. The Local Government Information Unit also published a briefing on the report.

Justice

Within our Justice domain, our objective is to help people who are seeking to resolve legal problems – including those that concern their rights in relation to the State – by facilitating changes in the justice system based on sound evidence. Within this, our funding priorities are:

- Family justice and wider links with child welfare both in public and private law.
- Youth justice, particularly the factors that lead to young people encountering the justice system and interventions that might prevent this.
- Good early decision-making, particularly exploration of the incentives and structures that might encourage such decision-making while enabling access to justice, where needed.
- Participation and rights, particularly, the accessibility of the legal system for those who are vulnerable and those who lack legal representation.

During 2019, we funded 12 new justice projects and provided funding for additional work on four projects funded in previous years, with a total value of £3m. Combined with ongoing projects from previous years this means that, at the end of 2019, we were managing 42 justice projects with a total value of £9.2m.

Key Justice outputs published in 2019

What: The treatment of pensions in divorce settlements

Who: Hilary Woodward, Cardiff University

Main output: The Pensions Advisory Group published an essential guide to the treatment of pensions in divorce settlements for family judges, lawyers and pensions experts. The guidance encourages fairer settlements.

Who: Professor Liz Trinder,
University of Exeter

What: We published two supplementary reports from Professor Trinder's Finding Fault study, which has already influenced reform of the divorce law in England and Wales. The reports provided further evidence to inform the Divorce, Dissolution and Separation Bill, which progressed through the House of Commons in 2019. The two reports were:

- Taking Notice? Non-standard divorce cases and implications for law reform.
- Reforming the ground for divorce: experience from other jurisdictions.

Headline findings:

- The current system can fuel conflict and act to disadvantage people who represent themselves and those alleging abuse as grounds for divorce.
- Current law in England and Wales is out of step with the international trend in divorce law towards recognition that a divorce must be granted where one or both parties insists that the marriage is over.

What: Supervision orders and special guardianship

Who: Professor Judith Harwin,
Lancaster University

Headline finding: 20% of all children in England who return home after care proceedings and are placed on a supervision order are back in the family court within five years because of further significant harm.

What: A new approach to data visualisation in children's social care to identify inequalities in child welfare intervention rates

Who: Renuka Jeyarajah-Dent, Coram

Headline finding: Dynamic maps that show movement present a great deal of information in a more accessible and impactful format and were found to be an effective way for children's service managers to gain a clear picture of children's journeys through the social care system.



Policy and practice impact of Justice projects

Siblings and the law

In 2018, we convened a seminar to launch the first legal study to focus on sibling relationships in England and Wales. The Nuffield-funded research, led by Professor Daniel Monk (Birkbeck, University of London), found that the significance attached to sibling relationships in care and adoption proceedings can be routinely outweighed by other factors. The originality of the research topic combined with a launch event well-attended by a diverse and relevant audience sparked interest in the project and generated speaking invitations. The team have now presented their findings to 1,200 people at events attended by family lawyers, social workers, psychologists, academics and campaigners. The findings have also been presented to the Family Justice Board and at the President of the Family Division's annual conference. The report's guidance has begun to be put into practice, with the team delivering a training day at the Family Law Judicial College in June. We are delighted that the team was awarded the Birkbeck Engagement Award for Transforming Culture or Public Life.

Pensions in divorce settlements: influencing practice

Hilary Woodward's project on pensions in divorce settlements led to the establishment in 2017 of the Pensions Advisory Group (PAG), Chaired by Justice Francis and His Honour Judge Edward Hess, and supported

by the Family Justice Council and the President of the Family Division. In July 2019, the PAG published a *Guide to the Treatment of Pensions on Divorce*, funded by the Foundation. In his foreword to the guide, the President of the Family Division said: "I endorse this report and, in doing so, commend it to all judges and practitioners".

The free guide has been downloaded over 5,000 times and a lay version of the guide is currently in production. The guide received media coverage from national publications, including the *Financial Times*, *This Is Money* and *City Wire*, as well as trade publications aimed at lawyers, financial advisors and actuaries. Since the launch, training events have been held across the country and the Judicial College has further training events planned during 2020 and 2021.

The guide has been adopted by the Financial Remedies Courts Good Practice Protocol and is informing the work of the charity Surviving Economic Abuse. The guide has been referenced in a number of court cases, including one in which an expert report was rejected because it was deemed not to have followed the guide's recommendations. The Pensions Ombudsman has also referenced the guide in one of their decisions (PO-23859). Professor Debora Price (Manchester University) has been awarded the Department of Sociology prize for public engagement for this project on behalf of the PAG. The PAG has received funding from the Manchester Institute for Collaborative Research on Ageing to scope a related future project.

The Pensions Advisory Group published an essential guide to the treatment of pensions in divorce settlements for family judges, lawyers and pensions experts.

Divorce reform: influencing policy

The Divorce, Dissolution and Separation Bill – introduced to Parliament with crossbench support in June 2019 – drew on research evidence from Professor Liz Trinder's (University of Exeter) Nuffield-funded work on how the divorce law in England and Wales is working in practice. The Nuffield Foundation published a briefing note for Members of Parliament, which demonstrated the underlying evidence behind the Bill. The briefing note was mentioned in the House of Commons debate and a Commons Library briefing drew heavily on Trinder's research. We worked with Trinder to ensure her research remained prominent in the debate. Trinder was nominated for a *Times Higher Education* award for the project.

Award-winning youth crime study

The Edinburgh Study of Youth Transitions and Crime led by Professor Lesley McAra (University of Edinburgh) won an Economic and Social Research Council (ESRC) award for outstanding public policy engagement. The study has contributed to the Age of Criminal Responsibility Bill, which is currently progressing through the Scottish Parliament and would raise the age of criminal responsibility from eight to 12. The Nuffield Foundation has funded various phases of the study, which is a longitudinal study of 4,300 young people who started secondary school in 1998. A new Nuffield-funded follow-up is underway and is due to publish in June 2021.

Supervision orders

Professor Judith Harwin (Lancaster University) led the first national study of the use of supervision orders, which require a local authority to 'advise, assist and befriend' a family or special guardian when a child returns home following care proceedings. The study found that 20% of all children in England whose families are subject to supervision orders return to the family court within five years because of further significant harm to the child. The study also found that supervision orders granted since 2014 were more likely to result in a return to court than pre-2014 cases. The findings have sparked debate within the family justice system about the effectiveness of supervision orders and paved the way for the Nuffield FJO to commission a further review of the evidence relating to the use of special guardianship orders. Together both research studies have been influential in shaping the recommendations of the President of the Family Division's Public Law Working Group, with new guidance expected to be issued by the President in 2020.

Justice in Wales

Two projects funded by the Nuffield Foundation were highlighted in Lord Thomas' commission on the justice system in Wales. The report mentioned Sarah Nason's work on administrative justice in Wales and the Care Crisis Review led by Cathy Ashley from the Family Rights Group.

The Divorce, Dissolution and Separation Bill – introduced to Parliament with crossbench support in June 2019 – drew on Professor Liz Trinder's (University of Exeter) *Finding Fault* research.

Nuffield Council on Bioethics

The Nuffield Council on Bioethics informs policy and public debate on the ethical questions raised by biological and medical research. It does this so the benefits of research are realised in a way that is consistent with public values.

Genome editing

In 2019, the Council played a prominent role in international debates on heritable genome editing in human embryos, in light of the birth of genome-edited twins in China. Its report, *Genome editing and human reproduction*,

was widely regarded as a timely and substantial contribution that became a key point of reference for the discussions.

An in-depth project on the use of genome editing applications in farmed animals began in January 2019. The use of genome editing in animals such as pigs, sheep, cattle and chickens has opened up new areas of research that could have significant ethical, economic and political implications. Following extensive research, consultation and deliberation, a report of this project will be published towards the end of 2020.

Research in global health emergencies

Research in global health emergencies – such as infectious disease outbreaks, natural disasters and conflict – takes place in non-ideal circumstances characterised by disruption, uncertainty and great



health need. This presents significant ethical challenges, such as those relating to imbalances of power both between researchers and their participants, and between the different countries involved in emergency response.

Following a two-year inquiry that involved engagement with a broad range of international stakeholders, the Council published a major report in January 2020. The outbreak of COVID-19 gave this research a new impetus and laid the foundations for the Council's subsequent response to the pandemic.

Informing policy

A series of policy-focused briefing notes enabled the Council to respond quickly to policy debates on a wide range of issues. New additions in 2019 included:

- Disagreements in the care of critically ill children (April 2019) – this note explores the social and medical factors that might be contributing to how disagreements about the care of critically ill children develop, and how they might be avoided or resolved more quickly in future.
- Medical implants (June 2019) – this note considers the ethical issues raised by medical implants such as hip implants, pacemakers and glucose monitors. Challenges for policy include post-market surveillance of implants, promoting innovation that addresses patient need, and preparing for data and cybersecurity risks associated with connected implants.

Facilitating debate

The Council explores new topics by holding multidisciplinary workshops and meetings. In 2019, a group of experts came together to discuss the developing field of epigenetics research and its potential application in the health, education and criminal justice sectors. A series of meetings on the care and treatment of gender-diverse young people in the UK were also held. In July, the second of a series of horizon-scanning workshops considered the future role of science and technology in crime and security.

Impact case study: Prenatal testing

Non-invasive prenatal testing (NIPT) can be used to test a fetus for genetic conditions such as Down's syndrome. Drawing on its 2017 report on the ethics of NIPT, the Council was instrumental to a number of policy developments in 2019. The Care Quality Commission began inspecting private clinics that offer NIPT and the Committee of Advertising Practice released an Enforcement Notice to stop NIPT clinics using misleading statistics in their marketing materials. The Royal College of Obstetricians and Gynaecologists commissioned new guidelines on offering NIPT as a pregnancy screening test and on supporting decision making after the diagnosis of fetal anomaly in pregnancy. The information on Down's syndrome on the NHS website was rewritten to give a more balanced and up-to-date picture of the condition.

Drawing on its 2017 report on the ethics of non-invasive prenatal testing, the Council was instrumental to a number of policy developments in 2019.

Strategic goal two – evidence, data and digital society

We will work to improve the accessibility, use and collection of the evidence and data necessary to understand the issues affecting people's life chances. We will consider the broader implications of a digital society.

Nuffield Family Justice Observatory

In 2019, the Nuffield Family Justice Observatory (Nuffield FJO) – which we established to support the best outcomes for children by improving the use of data and research evidence in the family justice system in England and Wales – moved into its pilot phase and began to establish itself as a credible, informative voice within the family justice sector.

In April, Lisa Harker was appointed as the first Director of Nuffield FJO. Lisa has 30 years' experience of advancing policy and practice to improve the lives of children, including as co-director of the Institute for Public Policy Research (IPPR), and as the government's 'child poverty tsar' in the mid-2000s. She has since put in place a core Nuffield FJO team covering research, administration, and communications functions.

We have also appointed the Nuffield FJO Governing Board, following a recruitment process overseen by Sir James Munby. Drawing from all sides of the family justice system, the Board members are:

- Sir James Munby (Chair), former President of the Family Division
- Noel Arnold, Director of Legal Practice and Solicitor, Coram Children's Legal Centre (until March 2020)
- Sally-Ann Jenkins, Head of Children's and Families Services, Newport City Council
- Sophie Kershaw Miller, Head of Safeguarding and Quality Assurance, Camden Council
- Her Honour Judge Lesley Newton, Designated Family Judge for Greater Manchester
- Carey Oppenheim, former CEO of the Early Intervention Foundation and now Cross Cutting Project Lead on the Early Years at the Nuffield Foundation
- Andrew Webb, former President of the Association of Directors of Children's Services, and Teresa Williams, Director of Strategy at Cafcass



- Professor Karen Broadhurst was appointed as Principal Academic Advisor to the Governing Board

A 29-strong Stakeholder Advisory Council was also established to inform and support the organisation.

Stakeholder engagement

The Nuffield FJO has forged links with influential figures and organisations, from Sir Andrew McFarlane, President of the Family Division, and Isobel Trowler, Chief Social Worker, to the Department of Education and Ministry of Justice, the Judicial College, the Law Society, the Association of Directors of Children's Services, and numerous leading academic institutions and civil society organisations – developing its role as a convener and knowledge broker within the disparate parts of the family justice system.

A monthly column in the Family Law Journal and regular media outputs on the back of Nuffield FJO research, together with

the great asset of Chair Sir James Munby, who attracts regular comment opportunities in national media, have provided a platform to shine a spotlight on the issues affecting children in the family justice system more widely and the need for compelling evidence in decision-making.

SAIL Databank

The Nuffield FJO's flagship partnership with the Centre for Child and Family Justice Research at Lancaster University and the SAIL (Secure Anonymised Information Linkage) Databank at Swansea University, created to provide access to rich data and help fill knowledge gaps about the family justice system, reached a key milestone. Funded by a £2.2m grant from the Foundation, Cafcass England and Wales data is now deposited in the SAIL Databank, providing access to, and enabling analysis of, Cafcass datasets. For the first time, they can be linked together to address important, complex research questions about the family justice system.

Born into care

The Nuffield FJO *Born into care* project, which collects evidence on infant removals at birth in order to better inform practice, published the first analysis of data in Wales in October 2019 as a follow-on to the ground-breaking 2018 launch report. It had a well-attended launch event in Cardiff and was covered by *BBC Wales* and other outlets. In December, the Nuffield FJO announced it would develop guidelines for health and social work professionals in this area, after its rapid evidence and case law reviews underlined the acute pain and stress experienced by all involved in cases – both family and practitioners. The project has enabled the Nuffield FJO to bring together designated family judges and local authorities to explore the underlying reasons for regional variations. The Nuffield FJO has held workshops in the North East, Lancashire, East London and West London – with more planned – which have been valuable to the understanding of differences in practice. The *Born into care* work continues to reach a wider audience; it was referenced in a report from the Ministry of Housing, Communities and Local Government's House of Commons Committee and prompted the Radio 4 programme *From Cradle to Care* in November.

Special guardianship orders

In August, the Nuffield FJO published new research into the effectiveness of special guardianship orders, which flagged major challenges in providing special guardians with adequate preparation and support for the long-term consequences of this life-changing responsibility. *The Times* covered the story and, in June, we hosted a roundtable to present the findings to members of the Family Justice Council, the President's Public Law Working Group, members of the Adoption and Special Guardianship Leadership Board and others to build a shared consensus around the actions needed.

What we do and do not know about the family justice system

In order to engage audiences with the potential of data to identify the different issues affecting children's lives, the Nuffield FJO has developed an infographic that tracks the family justice system from end to end (from the moment children first come to the attention of the system, to their progression in later life), to highlight what we do and don't know from administrative data about children in the system.

Convening events

As well as presenting Nuffield FJO work at events across the country, the Nuffield FJO has convened several events directly, including a *Supporting separating families* event co-hosted with Cafcass in November to recognise this often-hidden area of the system that affects large numbers of children. The outcomes of the day included clarification of the need to co-design new services with families and this may be an issue to which the Nuffield FJO can contribute research.

Ada Lovelace Institute

The Ada Lovelace Institute (Ada) is a research institute and deliberative body dedicated to ensuring that data and AI work for people and society. We established Ada in 2018 in collaboration with the Alan Turing Institute, the Royal Society, the British Academy, the Royal Statistical Society, the Wellcome Trust, Luminata, techUK and the Nuffield Council on Bioethics. Ada's core belief is that the benefits of data and AI must be justly and equitably distributed and must enhance individual and social well-being.

Governance

In May, we appointed Carly Kind, human rights lawyer and former legal director of Privacy International, as Director. Carly is a leading authority on the opportunities and challenges that arise at the intersection of human rights and technology. As an independent consultant, she has worked with industry, government, and voluntary organisations to advise on technology policy and digital rights, privacy and data protection, and corporate accountability.

We also appointed five new members to Ada's Governing Board, following an open recruitment process overseen by Ada's Executive Chair, Sir Alan Wilson. The new Board members each bring distinctive perspectives, skillsets and networks to Ada. The new members are:

- Azeem Azhar, technology entrepreneur, investor and advisor
- Francine Bennett, data scientist
- Rocío Concha Galguera, Chief Economist at Which?
- John Thornhill, Innovation Editor at the *Financial Times*
- Chris Todd, Chief Superintendent at West Midlands Police

They join existing members:

- Sir Alan Wilson (Executive Chair), Director of Special Projects at the Alan Turing Institute
- Hetan Shah (Deputy Chair), Chief Executive of the British Academy
- Alix Dunn, social entrepreneur
- Helen Margetts, Professor at the Oxford Internet Institute
- Huw Price, Bertrand Russell Professor of Philosophy

Strategy and programmes of work

Ada has developed a strategy for how it will deliver on its mission to ensure that data and AI work for people and society. Its initial work programmes will be designed to build evidence, foster an informed public dialogue and change practices, policies and laws.

Key programmes of work will be:

- **Rethinking data**, which will study and recommend changes to embedded narratives about data, current practices of data sharing and use, and existing frameworks for data regulation.



- **The algorithmic state**, which will focus on the direction of innovation and work to articulate a positive vision for a data state that harnesses the power of data appropriately and proposes evidence-based strategies to realise it.
- **Biometrics**, which will explore public expectations and legal regulation of biometric data and related technologies.

Stakeholder engagement

With the governance and leadership structure in place, Ada has been able to make great progress in establishing itself as an independent and evidence-led authority in the field of data and AI. For example, Carly Kind was invited to address the Parliamentary Internet, Communications and Technology Forum (PICTOR), the CogX festival of AI in London, and the Thomson Reuters Foundation. Ada also has a growing profile in the media, enabling it to influence public debate and understanding on important issues.

Health data partnerships

In June 2019, Understanding Patient Data and NHS England, in association with the Ada Lovelace Institute, commissioned Hopkins Van Mil to carry out a mixed methods public engagement process exploring the question: *'What constitutes a fair partnership between the NHS and researchers, charities and industry on the uses of NHS patients' data and NHS operational data?'* The research was supported by the UK Government's Office for Life Sciences. It was designed to ensure

public views could feed into their developing policy framework for NHS Trusts entering into data access partnerships with third parties, which complements the Code of Conduct for data-driven health and care technology. The process involved three roundtable discussions with patient advocacy groups to develop materials and hone the research questions, followed by three citizens' juries and a nationally representative online survey of over 2,000 people. The report was published in March 2020.

Drawing in international perspectives

In February, the Nuffield Foundation published *Ethical and societal implications of algorithms, data and artificial intelligence: a roadmap for future research*, authored by the Leverhulme Centre for the Future of Intelligence at the University of Cambridge. Given the global significance of the ethical questions surrounding the use and development of AI, we were keen to establish a dialogue between Chinese and Western thinkers about the principles that should govern the interaction of AI and society and the cultural and philosophical differences that shape assumptions. To inform the work of Ada, the Foundation convened a seminar that brought together three prominent experts on the ethics of AI from Peking University, China and the Chinese Academy of Sciences, with representatives from the UK AI community. In doing so, we began to develop a common understanding of the challenges and to identify the key areas of divergence.

Ada has been able to make great progress in establishing itself as an independent and evidence-led authority in the field of data and AI.

Impact case study

Facial recognition technology

The Ada Lovelace Institute has taken a leading role in evidencing the pressing public debate and issues surrounding the regulation of biometric data and related technologies, particularly in light of emerging capabilities such as facial recognition technologies.

Ada published the first output from its programme of work on biometrics in September 2019. *Beyond face value: public attitudes to facial recognition* presented findings from the first survey of public opinion on the use of facial recognition technology. The nationally representative survey of 4,109 adults was undertaken in partnership with YouGov. It revealed that the majority of people in the UK want companies, the government and public bodies to limit use of facial recognition technology, including by the police and in schools.

In light of these findings, Ada called for companies to temporarily stop selling and using facial recognition technology while the public is consulted on its use and announced its intention to lead that consultation by establishing the Citizens' Biometric Council, a citizens' assembly supported by the Information Commissioner's Office.

Ada timed publication of the report to coincide with the High Court judgment on the use of live facial recognition technology by South Wales Police, which helped ensure the views of the public were featured in the debate that followed. Carly Kind made the case for a voluntary moratorium on the use of facial recognition technology in an opinion piece for the *Financial Times* and the report also received coverage in *The Telegraph*, *New Scientist*, the *Victoria Derbyshire* show and *BBC London*, as well as other regional and specialist publications.

Ada's call for a moratorium has since received support from other quarters, including the House of Commons Science and Technology Select Committee, the *Financial Times* and *AI Now*. It is also being considered by the European Commission.

Ada will continue its work on biometrics in 2020, including establishing a independent review of the governance of biometric data and a Citizens Biometric Council.

Strategic goal three – profile and influence

We will increase the profile and influence of our research portfolio and of the Nuffield Foundation as a whole.

Central to our grant-making ethos is that we offer more than money. Although the work we fund must stand up to rigorous academic scrutiny, equally as important is its ability to influence the policies and institutions that affect people's well-being. We work with our grant-holders at all stages of their projects to plan and deliver communications and engagement activity to maximise the profile and influence of the work we fund. For example, we provide advice on the audiences for each project, the formulation of key messages and the most appropriate format for outputs. We also use our own communications channels and networks to facilitate engagement with the work we fund and to amplify its message.

Convening expertise and experience through our events programme

One of the ways in which we increase the collective impact of the projects we fund is through our events programme. Many of our events are designed to engage users of research with our latest outputs; others are more formative and designed to help shape new ideas that will inform our future work.

Connecting different projects to give a more complete picture

In January, we convened a seminar that brought together evidence from two Nuffield-funded projects to discuss how insecure pay affects the choices and living standards of low-income families. Dr Silvia Avram (University of Essex) and Professor Paul Gregg (University of Bath), presented their work to academics, opinion formers and policy-makers. Additional evidence was provided by Dr Abi Adams from the University of Oxford, who presented her research on zero hours contracts, which helped to give a more holistic picture. Dr Avram was able to take advantage of the range of expertise in the room to develop and challenge an experiment she was developing to test the effects of earnings instability.

New format to support peer-to-peer learning

We brought together grant-holders in the field of early years interventions and their evaluation, to share their projects and the challenges they have encountered. They considered issues commonly faced when designing, delivering and evaluating early years interventions. Whilst the interventions we fund cover a range of different age groups, settings, practitioners and type of evaluation, grant-holders were able to share their expertise and learn from one another.

Case study

Supporting the best new ideas by engaging our audiences with our funding opportunities

We are committed to supporting the careers of researchers, both inside and beyond academic institutions, who might not otherwise gain independent support to frame good research questions and ideas. We do this through building relationships with researchers of proven experience and by encouraging new applicants. In 2019, we built a community of interested people to support the launch of our £15 million Strategic Fund and to inform and shape its direction, engaging our audiences with the opportunity it offers.

Tri-Nuffield conference

In collaboration with Nuffield College and the Nuffield Trust, we convened the *Tri-Nuffield Conference: Delivering Public Good and Building Trust* at Nuffield College in Oxford over two days in May. Our aim was to stimulate cross-disciplinary thinking on the major challenges for UK social policy in the 2020s and the research agenda that could help

address them. One key objective was to inform the development of our Strategic Fund. We convened delegates from academic and other research institutions, the civil service and other public bodies across the fields of health, education, justice and welfare.

Professor Sir Angus Deaton delivered a keynote lecture, *Why is democratic capitalism failing so many?*, to begin the conference, which was followed by papers from experts on early childhood, education in a digital world, rethinking approaches to research and trust in institutions and evidence. Delegates worked in multidisciplinary groups to think through new research ideas. Some of the key themes to come out of the conference were: the importance of community factors in the provision of public services to vulnerable people; the inherent intersectionality to different aspects of disadvantage, and; the value of connected interventions across



organisations, public services and public institutions in order for those disadvantages to be successfully addressed.

The breadth of the conference discussion was a stimulus to break through boundaries between the perspectives of research, policy and practice, quantitative and qualitative methods and between data-driven and normative judgments. There was a general consensus that our society is undergoing radical and disruptive changes that call into question previous assumptions on the basis for individual and collective well-being.

We shared the content with a wider audience via a video of Sir Angus' keynote lecture and produced a series of short interviews with speakers to share on our website, and YouTube and Twitter platforms.

Strategic Fund

The key themes emerging from the conference informed our call for applications to the Strategic Fund, which we launched in July, along with the opportunity to apply for seed corn funding for applicants to do some initial exploration of ideas. Our Strategic Fund is for ambitious, interdisciplinary research projects that will address some of the most important challenges facing UK society and the public policy agenda in the next decade. We will make awards in the range of £1 – 3m – increasing the scale, scope and influence of the research we fund. This Strategic Fund will remain open until the end of 2021.

To engage people with the opportunity, we ran a Twitter campaign using the short videos from the Tri-Nuffield conference to showcase some of the big questions we were hoping to explore through the Fund. We secured a feature in *Research Fortnight*, aimed at university researchers, which included an interview with our Chief Executive, Tim Gardam. As a result of our promotional activity, 946 researchers registered their interest in the Strategic Fund, including many people who have not previously applied and those based outside universities.

By the end of 2019, we had received 39 Strategic Fund outline applications and awarded 21 seed corn grants worth £101k.

Reaching out to new applicants

At the end of 2019, we strengthened our connections in Scotland with the research and policy community by holding a conference and reception at the Royal Society of Edinburgh to encourage funding proposals from new applicants. We invited some of our grant-holders based in Scotland to showcase their research and to share their experience of being funded by the Foundation. To encourage funding proposals from new applicants, we held small group breakout sessions to give all delegates the opportunity to talk to a member of our research team. The conference concluded with a keynote speech from Sir Ian Diamond, National Statistician, on opportunities for social research and policy in Scotland and the wider UK. He was joined in conversation with our Chair Sir Keith Burnett, together with the Chief Executive of the Royal Society of Edinburgh, Dr Rebekah Widdowfield.

Raising the profile of the Nuffield Foundation

In 2019, we implemented our new branding, giving us a more contemporary visual identity and providing us with the necessary architecture to articulate our relationship with the new in-house bodies we have established – the Ada Lovelace Institute and the Nuffield Family Justice Observatory.

New website

Our refreshed brand identity informed the development of a new website for the Foundation, which went live in December 2019. Over the last ten years, our website has received more than 57 million views from more than 16 million users. In developing the new site, our aim was to capitalise on this by building a more contemporary and accessible digital presence that would raise our online profile, increase awareness of our funding opportunities, and engage our audiences with the breadth and richness of our work.

Our new website has many new features and content, including: a fully responsive design that works on all devices; sophisticated 'Elasticsearch' functionality that enables searches by topic and content type as well as keyword; eligibility checker tools for Nuffield Research Placement applicants and funding applicants; and a new impact section to enable us to tell a fuller story about the impact of our work.

We will launch new features in 2020 to help users stay up to date with selected projects and topics and to improve user experience. Visits to our website increased slightly over 2019 (prior to the launch of the new site) and a key objective for our digital communications in 2020 is to increase engagement with the new site, with a new content and search engine optimisation strategy.

Media opportunities, presentations and social media

We provide advice to our grant-holders on media strategy for their research, often working closely with university press officers and their equivalents. In line with our strategic goal, we have worked to increase the association of the Foundation with the work we fund, as well as the work itself. For example, we provide more frequent comment from our spokespeople in media releases and have increased the frequency with which we engage on Twitter and our e-newsletter. As a result, we have seen a 13% increase in media mentions over the course of 2019.

To raise the profile of our funding opportunities, our Chief Executive spoke at the British Computing Society annual conference, at an event on gender and AI organised by the Ada Lovelace Institute and the Leverhulme Centre for the Future of Intelligence, and was interviewed by *Research Fortnight*. Rob Street, our Director of Justice, spoke about our family justice grants and the work of the Nuffield Family Justice Observatory at the UN Commission on the Status of Women, in New York. Josh Hillman, Education Director, was a panellist at the Royal Statistical Society's event to celebrate 100 years of randomised controlled trials in education. Alex Beer, Welfare Programme Head, hosted a panel with Nuffield-funded researchers at the Understanding Society conference.

The Foundation became the 100th funder to sign up to 360Giving to make our grant making opportunities more transparent and easier for interested parties to find.

Increasing engagement on our Twitter channel has resulted in a 24% increase in our followers over the year. We have also increased the frequency of our email newsletter, generating a 9% increase in subscribers, and maintaining our open and click-through rates.

Strategic goal four – opportunities for young people

We will increase opportunities for young people – particularly those from disadvantaged backgrounds – to be active participants in the knowledge economy.

Our student programmes are direct interventions to create opportunities for young people to develop the quantitative literacy and critical thinking necessary to be an engaged citizen in modern Britain.

Nuffield Research Placements

Nuffield Research Placements are designed to encourage more young people from less well-off backgrounds to choose further study and careers in science (including data and social science), technology, engineering and maths (STEM). Students are recruited by a network of regional coordinators across the UK, who receive grants from us to cover costs.

To apply, students must be in the first year of a post-16 STEM course studying at a state-maintained school or college. We make sure no one is excluded on a financial basis by covering students' travel costs and providing weekly bursaries of £100 for eligible students.

Over the last few years, we have been increasing the proportion of participating students from less well-off backgrounds and/or those who are the first in their family to apply to university. In 2019, we exclusively focused on students from these groups, who now make up 100% of all participating students. Reflecting the narrower eligibility criteria, the number of students who undertook a placement in 2019 was down on the previous year, with 963 students placed compared to 1,134 the previous year. Of the students who started a placement, 784 received a bursary (88%) and 678 were the first in family to go to university (76%).

In terms of the placements themselves, we recruited 503 project supervisors from 175 organisations, including 42 organisations who provided placements for the first time in 2019.

Student exhibitors and prize winners

Forty-one students exhibited their projects at The Big Bang UK Young Scientists and Engineers Fair. Sayeed Ahmed from Woodhouse College scooped the special award prize for his project on factors affecting the size of polydispersity of zinc-ferrite nanoparticles. Andrew Hutchinson from Radcliffe School was awarded a prize for his project on a pilot study into siRNA (inorganic) nanomedicine targeting



Nuffield Research Placements have a positive impact on participants' access to STEM higher education courses.

cancer treatment and Poppy Bradley from Chigwell School won a prize her project on characterising the difference in the rate of proliferation between paediatric and adult airway basal progenitor cells.

Oran Timoney, from Holy Cross College, won the Royal College of Surgeons in Ireland (RCSI) award for the 'Project with the Best Impact on Human Health' in the Chemical, Physical and Mathematical Sciences senior individual category at the 55th BT Young

Scientist and Technology Exhibition (BTYSTE), which was held in the RDS, Dublin. Oran's winning project was entitled 'Categorising CVD patient risk using machine learning tools'. He used programmes and developed software to devise a way of helping doctors identify and automatically categorise patient risk of cardiovascular disease (CVD). Oran worked with Dr Steven Watterson at the Northern Ireland Centre for Stratified Medicine at Altnagelvin Area Hospital.

Case study

Independent evaluation

A six-year independent evaluation of the programme is currently underway and, in July, we published an interim report from Frontier Economics and CFE Research, who are undertaking the evaluation. Initial findings show that:

- Nuffield Research Placements have a positive impact on participants' access to STEM higher education courses. Nearly one-third (32%) of participants enrolled in a STEM higher education course in a Russell Group institution, compared to 25% of students from comparable demographic backgrounds and academic attainment.
- Participants reported that the placement enhanced their study motivation, overall confidence in abilities and specific

skills in presenting, writing and time management. These skills are beneficial both for employment within STEM and for their transferability to employment in other areas.

- The programme is successfully targeting students from more disadvantaged backgrounds: 22% of pupils offered a placement between 2014 and 2016 were eligible for Free School Meals during the six years prior to the offer.

We shared the findings and learning points from the evaluation at the annual NEON conference for widening access to higher education, the Broadening Practical Science workshop organised by Durham University, and with the Department for Education.

Q-Step

Q-Step is a strategic programme designed to promote a step-change in undergraduate quantitative social science training in the UK. Since 2013, 18 universities across the UK have been delivering new courses, work placements and pathways to postgraduate study as part of a systemic response to the shortage of quantitatively skilled social science graduates in the UK. Q-Step's initial £19.5m investment was made by the Foundation, the Economic and Social Research Council (ESRC) and the Higher Education Funding Council for England

(HEFCE). The Foundation and the ESRC have contributed additional funds for Q-step for the period 2019 – 2021. The Foundation has committed £2.1m in support to 17 universities for this transitional phase.

Q-Step has grown steadily since 2013. During the academic year 2018/19, 10,124 students were enrolled on one or more of the 236 Q-Step modules available (compared to 9,564 enrolled on 184 modules in 2017/18). In this same period, our independent evaluators redefined what constitutes a 'full programme' Q-Step student. Now defined as a student on a programme offering 80+ credits



in association with a course load that is predominantly quantitative, there were an estimated 992 full programme Q-Step students in 2018/19.

Work placements continue to be a distinct and popular feature of Q-Step degrees. In 2018/19, 304 students (31% of all full-time Q-Step students) completed placements. In addition, 15 Q-Step Centres offered placements to Nuffield Research Placement students in summer 2019.

Feedback from independent evaluators Technopolis has found that Q-Step has been successfully established in the participating universities and that the focus has now shifted to sustainable growth. Indeed, Q-Step Centres are increasingly investing their own funds and resources in order to sustain and further develop the programme, including careers support and building cohort identity

and community. The final report from Technopolis is due in 2020.

In 2019, we began a two-year phase of transitional funding for Q-Step. Seventeen institutions will continue to work with Q-Step during this phase, with a focus on ensuring the sustainability of the programme. This will include the development of models for sharing teaching materials and training/professional development with other universities.

Through our leadership of Q-Step, we also play a central role in shaping the wider data science and digital skills agenda in the UK. For example, the Foundation is represented on the Data Skills Taskforce and the British Academy's Skills Steering Group, with the Q-Step programme providing a key point of reference.

Nuffield Foundation Fellowship at POST UK

In April, PhD student Francesca Boyd completed a Nuffield Foundation Fellowship at the Parliamentary Office of Science and Technology (POST). At the end of

the Fellowship, Francesca co-authored a POSTnote briefing on knife crime. With knife crime on the rise, the research found that early interventions may be effective in reducing violent crime. The briefing presented evidence on the effectiveness of early interventions, including support for families and population-wide interventions involving multiple agencies. Reflecting on the experience, Francesca said: "Thanks to this fellowship, I have no doubt that when I finish my PhD this year I will take an evidence-led approach into whatever I do next – hopefully, in a place as fascinating as Westminster."

Grants awarded in 2019

	Name	Purpose	Value (£)	Term (months)
Education	Jon Andrews, Education Policy Institute	Education priorities in a forthcoming general election	23,745	3
	Adrienne Burgess, Fatherhood Institute	Contemporary fathers in the UK	143,878	33
	Dr Verity Campbell-Barr, Institute of Education, Plymouth University	A systematic review of early years degrees and employment pathways	56,135	12
	Dr Aleisha Clarke, Early Intervention Foundation	Common Elements: An innovative approach to improving children's outcomes in early childhood education	231,766	24
	Professor Chris Donlan, Department of Language and Cognition, University College London	The SWAN game-based approach to learning foundational number language: a feasibility study	139,507	18
	Professor Rose Griffiths, School of Education, University of Leicester	A guide to the use of practical tasks and manipulatives in the teaching of fractions and decimals with children aged 3 to 11	103,479	22

Grants awarded in 2019

Name	Purpose	Value (£)	Term (months)
Dr Rob Higham, UCL Institute of Education	The competitive effects of free schools in England on student outcomes in neighbouring schools	296,943	26
Jan Germen Janmaat, UCL Institute of Education	Post-16 educational trajectories and social inequalities in political engagement	116,606	18
Dr Bernardita Munoz-Chereau, UCL Institute of Education	'Intractable' schools: can an Ofsted judgment prevent sustainable improvement?	160,972	24
Dr Nicola Pensiero, UCL Institute of Education	Educational choices and social interactions.	85,315	20
Dr Jean-Baptiste Pingault, Research Department of Clinical, Educational and Health Psychology, University College London	Understanding the intergenerational transmission of educational (under)achievement	239,923	36
David Robinson, Education Policy Institute	Disadvantage attainment gap measurement in 16 – 19 education	112,125	9
Dr Marina Shapira, Faculty of Social Sciences, University of Stirling	Choice, attainment and positive destinations: exploring the impact of curriculum policy change on young people	272,449	24
Dr Jeanne Shinsky, Department of Psychology, Royal Holloway, University of London	Do infants learn new words from educational picture books?	305,823	36
Luke Sibieta, Education Policy Institute	Comparisons of cognitive skills and educational attainment across the UK	163,066	23
Dr Tim J Smith, Department of Psychological Sciences, Birkbeck, University of London	Parent-Administered Screen Time Intervention (PASTI): a feasibility and pilot RCT	304,074	30
Dr Stefan Speckesser, National Institute of Economic and Social Research	Digital skills in the apprenticeships of the 2020s and expected impacts	100,613	21

Grants awarded in 2019

Name	Purpose	Value (£)	Term (months)
Professor Sophie von Stumm, Department of Education, University of York	Gene-environment interplay in early life cognitive development	269,597	24
Jack Worth, National Foundation for Educational Research	Teacher supply, shortages and working conditions in England and Wales	225,929	32
James Zuccollo, Education Policy Institute	Estimating the influence of headteachers on their schools	180,942	25
Dr Sara Bonetti, Education Policy Institute	Additional work on analysis of the early years workforce and its impact on children's outcomes	2,709	24
Francesca Boyd	Additional work on Nuffield Foundation POST UK Fellowship	268	68
Dr Gabriella Conti, Institute for Fiscal Studies	Additional work on the health effects of early interventions: evidence from Sure Start	29,934	59
Professor Charles Hulme, Department of Education, University of Oxford	Additional work on the Nuffield Nursery Language Programme: Development and evaluation	28,736	29
Professor Angela McFarlane, Independent Consultant	Additional work on growing up digital: the apparent disconnect between theory and practice when it comes to the use of digital technology in education	2,400	6
Professor Lynne Murray, School of Psychology and Clinical Language Sciences, University of Reading	Additional work on the impact of a dialogic book-sharing training programme on child cognitive and socio-emotional development	32,813	46
Professor Terry Russell, Centre for Lifelong Learning, University of Liverpool	Additional work on understanding evolution and inheritance in the National Curriculum KS2-3	257	36
Luke Sibieta, Institute for Fiscal Studies	Additional work on education spending pressures and challenges	1,759	35

Grants awarded in 2019

	Name	Purpose	Value (£)	Term (months)
	Antonia Simon, UCL Institute of Education	Additional work on analysis of the reach and impact of private sector childcare in England	8,792	14
	Total education grants		£3,640,555	
Welfare	Dr Laia Becares, Department of Social Work and Social Care, University of Sussex	Ethnic inequalities in later life	301,198	36
	Professor Jagjit Chadha, National Institute of Economic and Social Research	Understanding and confronting uncertainty: how to plan for revisions to UK government expenditure plans	197,011	12
	Professor Jagjit Chadha, National Institute of Economic and Social Research	Briefings on key economic issues for the 2019 General Election	65,000	1
	Professor Diane Coyle, OBE, Bennett Institute for Public Policy, University of Cambridge	Valuing data: foundations for data policy	68,632	8
	Paul Johnson, Institute for Fiscal Studies	General Election 2019 analysis	65,000	1
	Professor Helen Kennedy, Department of Sociological Studies, University of Sheffield	Living With Data: understanding people's knowledge, experiences and perceptions of data practices and what would make them 'fair'	286,543	28
	Will Moy, Full Fact	Fact checking the 2019 General Election	60,000	1
	Dr Laurence Lessard-Phillips, Institute for Research into Superdiversity (IRiS), University of Birmingham	Vulnerability, migration, and wellbeing: investigating experiences, perceptions, and barriers	247,198	24
	David Phillips, Institute for Fiscal Studies	Revaluation and reform: bringing council tax into the 21st century	32,354	11

Grants awarded in 2019

	Name	Purpose	Value (£)	Term (months)
	Dr Ruth Patrick, Department of Social Policy and Social Work, University of York	Needs and entitlements: How welfare reform in the UK affects larger families	359,152	31
	Dr Frances Darlington-Pollock, Department of Geography and Planning, University of Liverpool	Classifying the older population: understanding the geography of opportunities and challenges in England	168,234	24
	Professor David Richards, School of Social Sciences, University of Manchester	Public expenditure planning and control in complex times: a study of Whitehall departments' relationship to the Treasury (1993 – present)	324,488	36
	Dr Valeria Skafida, School of Social and Political Science, University of Edinburgh	Children living with domestic violence: understanding the effects on children's wellbeing using longitudinal data	216,835	36
	Dr Polly Vizard, Centre for Analysis of Social Exclusion, London School of Economics and Political Science	Additional funding for social policies and distributional outcomes in a changing Britain	74,044	37
	Total welfare grants		£2,465,689	
Justice	Dr Sundari Anitha, School of Social and Political Sciences, University of Lincoln	Forced marriage: enhancing protection and prevention responses	121,178	21
	Professor Karen Broadhurst, Department of Sociology, Lancaster University	Improving safe, ethical and effective practice when the State intervenes to protect newborn babies at birth: co-designing and testing an evidence-informed guideline	310,892	27
	Dr Martha Canfield, Department of Psychology, Institute of Psychiatry, Psychology & Neuroscience, King's College London	Mothers in treatment for substance use: using electronic records to understand individual and treatment characteristics associated with childcare and maternal outcomes	185,025	18

Grants awarded in 2019

Name	Purpose	Value (£)	Term (months)
Professor Stephen Case, School of Social Sciences, Loughborough University	Understanding criminogenic influences on youth offending: context, mechanisms and outcomes	348,837	36
Professor Penny Cooper, Birkbeck, University of London	Vulnerability in the courts: a research and policy project	64,183	18
Professor Richard Dorsett, Westminster Business School, University of Westminster	Youth custody: educational influences and labour market consequences	227,955	24
Professor John Jackson, School of Law, University of Nottingham	Mapping the changing face of cross-examination in criminal trials	331,982	36
Professor Lesley McAra, School of Law, University of Edinburgh	The Edinburgh Study phase 8: causes and impacts of criminal justice pathways	299,381	24
Professor Gráinne McKeever, School of Law, University of Ulster	Understanding and supporting legal participation for litigants in person	354,578	27
Dr Andrew Percy, Centre for Evidence and Social Innovation, Queen's University Belfast	A feasibility study of a prison-based parenting programme (Families Matter)	274,547	27
Dr Jo Staines, School for Policy Studies, University of Bristol	A national study of discharge of care orders	276,141	24
Dinithi Wijedasa, School for Policy Studies, University of Bristol	Using linked administrative data to explore mental health service provision for children in State care in England	136,475	24
Professor Penny Cooper, Birkbeck, University of London	Additional work on vulnerability in the courts: a research and policy project	7,200	43
Dr Claire Fitzpatrick, Law School, Lancaster University	Additional work on disrupting the routes between care and custody: learning from females in the care and criminal justice systems	372	27

Name	Purpose	Value (£)	Term (months)
Professor Gillian Schofield, Centre for Research on Children and Families, University of East Anglia	Additional work on an investigation of the implementation in England of the first Regulations and Guidance for long-term foster care as a permanence option (Department for Education 2015)	6,724	19
Hilary Woodward, Cardiff School of Law and Politics, Cardiff University	Additional work on Pensions on Divorce Interdisciplinary Working Group	18,000	26
Total justice grants		£ 2,963,471	

Plans for future periods

As we reach the mid-way point in the Nuffield Foundation Strategy 2017 – 2022, we will continue to focus on delivering our strategic commitments, as well as taking stock and reviewing the progress made so far.

At the time of finalising this report, we are reviewing and revising the plans outlined below in light of the COVID-19 pandemic. It is likely that we will make other changes based on practical considerations and to ensure the response from the Nuffield Foundation, Nuffield Council on Bioethics, Nuffield Family Justice Observatory and Ada Lovelace Institute benefits society at this unprecedented time of uncertainty and change.

Strategic Fund

Through the Strategic Fund, we will increase the scale, scope and influence of the research we fund. Successful applicants

will work collaboratively across disciplines and influence social policy and practice with an emphasis on the connections between our core domains of Education, Justice and Welfare in a digitally-driven society. We anticipate that the first round of Strategic Fund grants will be awarded in summer 2020 and have extended the deadline for the next round of applications to take account of the challenges currently faced by applicants and to allow them to consider the implications of the pandemic for their proposals.

Research, Development and Analysis Fund

Research projects from across our portfolio will report their findings during 2020. We are supporting grant-holders to achieve the objectives of their projects during the pandemic and anticipate the timescales of some projects will change.

A particular highlight will be the publication of the final reports from a major project, by the Centre for the Analysis of Social Exclusion at the LSE, on social policies and distributional outcomes in a changing Britain, covering 1997 to the present.

Research to improve the lives of people living with musculoskeletal conditions

The Nuffield Foundation has awarded £3.9m in research funding to six research teams across five UK Universities to improve the lives of people living with musculoskeletal (MSK) conditions by influencing policy and practice.

Despite the huge number of people living with MSK conditions in the UK, there is a lack of evidence on how these conditions progress and what their impact is on people's well-being and life chances. Together, the new, interdisciplinary research projects will address this by exploring the impacts of MSK conditions on different aspects of well-being. The research projects will create new datasets as well as exploiting existing data in new and innovative ways.

The research grants are the first to be awarded from the Nuffield Foundation's dedicated £12.5m fund for research into MSK conditions, in partnership with Versus Arthritis.

The changing face of early childhood in Britain

From 2020, we will launch a new series of reports and events to bring together the research evidence on early childhood in the UK and present recommendations for policy and practice, as well as priorities for research. Drawing primarily on over 90 Nuffield-funded studies from the past ten years, with insights from other significant research, the series will consider how early childhood has changed over the last 20 years. The series will comprise robust and accessible summaries of research that will be useful for anyone with an interest in early childhood, including those working in central government, statutory agencies, devolved administrations and local authorities. The first research summary will

be published in the second half of 2020, with several more over the following 12 months. Topics covered will include how the lives of young children are changing, changing patterns of poverty and vulnerability and the impact of COVID-19 on early childhood.

Nuffield Early Language Intervention

The Education Endowment Foundation (EEF) will publish the results from its evaluation of the effectiveness trial of the Nuffield Early Language Intervention in over 200 primary schools. The Foundation will continue to support its foundational work on the Nuffield Early Language Intervention project, in collaboration with the EEF and Oxford University Press and other partners.

Strengthening our role as convenor

In partnership with the British Academy, we are developing a programme of work on communities, which was an emerging theme from the Tri-Nuffield conference. We had been planning a research and policy innovation workshop for May 2020, but this is now likely to be delayed until 2021.

We are also planning to hold a symposium on the Science of Learning, investigating issues around research in neuroscience and genetics on education research, and what potential longer-term significance there may be for education policy and practice. This symposium is likely to take place in 2021 and we hope it will act as a catalyst for further research grant applications.

Office relocation

We are planning to move to a new, fully accessible building that will accommodate our growing team, enable us to convene larger and more ambitious events and

facilitate our collaborative way of working. This plan is paused while we work through the implications of the COVID-19 pandemic – we hope and expect to return to our relocation strategy later in 2020.

Nuffield Council on Bioethics

The Council has published a major report on the ethical implications of global health emergencies. Since the pandemic, the Council has built on this research with comment pieces and policy briefings. The Council will publish a major report on genome editing in farmed animals towards the end of 2020. There will be briefing notes and meetings on topics such as social egg freezing and equity in the development of medicines and therapies. The next in-depth project will consider the future of ageing.

Nuffield Family Justice Observatory

Nuffield FJO is at the forefront of research on the impact of COVID-19 on the family justice system. Nuffield FJO has commissioned NatCen Social Research and the University of Sussex to conduct

a new research review of children's family contact post-separation and its impact on their well-being and development. Over the next 18 months, the Nuffield FJO will work in partnership with Lancaster and Swansea Universities to develop the first national, evidence-informed good practice guidelines for professionals involved in the process of removing newborn babies from their mother at birth for child protection reasons.

Ada Lovelace Institute

With an expanded team in place, Ada will announce a number of new streams of work in 2020 and undertake research projects to help inform understanding of the COVID-19 pandemic and its effects on data and AI. The Citizens Biometric Council will bring the public's voice into the debate about the use of biometric technologies, and the independent review of the governance of biometric data will publish its final report and recommendations. The JUST AI network, a new partnership between Ada and the Arts and Humanities Research Council, will begin its work to position concepts of social justice at the heart of AI research. Ada will also curate sessions for the ethics stage at Cogx, the UK's largest AI conference.

“We knew Nuffield was not a funder for blue-sky research – it wants to actually make a difference on the ground.”

Professor Gráinne McKeever from Ulster University spoke to *Research Fortnight* about her experience of being a Nuffield Foundation grant-holder

Financial review

In 2019, we have continued on the expenditure growth trajectory that is laid out in our strategy, committing over £20m of spend in the year. The in-year grant commitments are laid out elsewhere in this report; a high-level description of our annual expenditure is detailed in the relevant paragraph below.

We have also seen our investment portfolio value increase, closing the year at £437m, the highest ‘accounts reporting date’ value in the Foundation’s history. Our investment portfolio, despite delivering annual growth of 12.9%, has underperformed against its own benchmark for the year but in line with its peers; we remain above or in line with benchmarks over the medium and longer-term.

We are conscious that our investments are in volatile markets, which had a long run of positive growth prior to March 2020. The COVID-19 crisis (ongoing at the time of finalising this report) may well result in a sustained market correction; our investment strategy, which was put in place in 2003 and is deliberately long term in its outlook, continues to give us high levels of confidence that our expenditure plans are protected into the future from all but the most extreme and sustained market shocks. We have recently reviewed our assumptions and revalidated our conclusions in this area; we will continue to do so as the events related to COVID-19 unfold.

Expenditure

We expect to commit over £100m of charitable expenditure in the five-year period from 2018 to 2022 to help us to achieve the goals set out in our five-year strategy. In 2019, we made our highest ever commitment to charitable spending of £20.3m, 11% up on 2018 and 78% higher than the ten-year average preceding our strategy. We expect to see our annual spend continue to increase year-on-year to 2022; as noted in the forward look section of the report, one of our key objectives for 2020 is to establish our sustainable expenditure level beyond the current strategy period.

Our strategy focuses not only on the level of spend but also the nature of the spend. As reported in the ‘achievements and performance’ section of the report, we have:

- Launched the Strategic Fund, with £101k committed in the year for seed corn grants to develop ideas for new grants. We are reviewing the initial batch of Strategic Fund applications and will make our first large grants during 2020.
- Relunched the Oliver Bird Fund, committing to an initial set of grants valued at £3.8m during 2019. Further grants will follow over the remainder of the strategy period.
- Made £9.1m of grant commitments from our research, development and analysis portfolio.
- Committed £2.1m for Q-Step transitional support across 17 universities (in part funded from unspent funds over the past six years being redeployed for transition).

These activities indicate some of the ways in which we are using our financial resources to deliver the aspirations laid out in our strategy.

Investment management and governance

Since 2003, the Nuffield Foundation has worked to two key financial objectives:

1. To maintain (at least) the Nuffield Foundation’s endowment in real terms.
2. To produce a consistent and sustainable amount for expenditure.

The Foundation seeks to protect its endowment from inflation (based on Average Weekly Earnings) and, if possible, to grow it by 1% per year. We distribute 4.5% of the previous year’s ‘capital maintenance index’.

Where market values lie outside the indexed base value with an allowance for volatility (+/- 16%), a review of distribution rates will be triggered.

Our investment objective is to have a diversified portfolio that will provide high and stable long-term spending.

Over the year, performance was good in nominal terms (at almost 13%), but less than our strategic benchmark because we have adopted a more cautious approach than our benchmark. Our view is that current market valuations were high and, between year end and the date of signing, fell by 6%. We should still be careful how we proceed. Nevertheless, the primary goal for Trustees remains to at least maintain the endowment's value after inflation, fees and spending. In 2019, this excess was almost 10%, and has been 7% a year since the Trustees took responsibility for their own asset allocation in 2003.

During the year, we closed our outsourced Hedge Fund experiment after four-years, at the end of which it failed to make more than short-dated gilts, thus adding risk without reward. The portfolio will be fully liquidated by 2021. A number of new direct commitments to high-calibre private equity funds were also made during the year.

Our Investment Committee is made up of three Trustees and two independent investment professionals and fulfils a key governance role by monitoring and overseeing this area on behalf of the Board of Trustees.

Ethical and other restrictions

Across our segregated Global Equity portfolios, we do not invest in businesses where the predominant source of revenue arises from the sale of tobacco. Where we are only able to invest in a pooled fund and there is no ex-tobacco alternative offered by that manager, we accept that we may retain exposure to tobacco stocks.

We routinely screen all new Private Equity and Venture Capital funds for potential business practices that we believe set out to exploit vulnerable people or operate in a manner that might conflict with our core objectives. Where we suspect unacceptable behaviour underpins a business model, we will not invest. Otherwise, we ask for legal reassurance on environmental, social and governance (ESG) matters, in line with our policy.

We ask that our investment managers take account of ESG practices in their investment decisions. We prefer our managers to subscribe to the UNPRI, the UK Stewardship Code or other formats promoting ESG responsibility. We expect our managers to invest in shareholder-friendly companies that have regard to the long-term environmental impact of their business model, have high levels of governance and appropriate remuneration policies, and have clear policies to promote a healthy, productive and motivated workforce across the supply chain. During the year, we joined the Charities Responsible Investment Network (part of ShareAction) and we continue to develop our approach to responsible investment.

Our full Responsible Investing policy is available and kept up the date on the Nuffield Foundation website.

Asset allocation and ranges

Asset Class	Target	Range	2019 Actual
Real Assets			
Global Equities	70%		65%
Private Assets	20%		15%
Total Real Assets	90%		80%
Nominal assets	10%	8% – 12%	8%
De-risked assets			12%
Total assets	100%		100%

Manager structure and principal benchmarks

Our principal measurement is against the Index of Capital Maintenance (see above). Investment performance is assessed against total returns relative to a composite benchmark based on asset allocation at the beginning of each period. Performance is also compared to an appropriate peer group index (previously WM Charities Unconstrained Index). Individual manager benchmarks are set out below.

Asset class	Manager	Asset class	Benchmark	Target
Real assets		Total equities	MSCI ACWI	+ 2%
Global equities	Arrowstreet, Harding Loevner, Hosking, Orbis, Veritas	Private assets	MSCI ACWI	+ 3%
Private assets	Various illiquid funds	Fixed interest	0 – 5yr ML Gilt index	-
Nominal assets				
Fixed interest	Internally managed			

Investment performance				
Total Returns (annualised %)	1 Year	3 Years	5 years	10 years
Nuffield Foundation (net of fees)	12.9%	7.9%	10.6%	10.8%
Bespoke benchmark (gross of fees)	20.1%	9.5%	11.4%	10.6%
Inflation	3.1%	2.7%	2.6%	2.4%
Charity Intelligence Fund Qtly Review	16.6%	7.5%	7.6%	7.9%
Key				
Nuffield Foundation	Actual performance			
Bespoke benchmark	90% MSCI ACWI; 10% UK 1 – 5 year Gilts			
Charity Investment Fund Qtly Review	Mixed funds			

Reserves policy

Our reserves policy is driven by two components – one to monitor short-term reserves arising from the profile of annual spending commitments and the other to monitor the long-term health of the Nuffield Foundation's reserves.

For some time now, the short-term policy has been to aim for a general unrestricted expenditure reserve of between -£2m and +£2m. At the end of the year, we are at -£3.8m – outside our target range. This is primarily due to us making a number of significant funding commitments in the early part of our five-year strategy – this 'front end loading' of grants with a value larger than our historical average value is a direct result of the intent laid out in our strategy.

As our endowment is managed on a total return basis, and as a significant proportion of our accounting commitments will not be realised for several years and are fully covered by cash and cash-like holdings within our investment portfolio, we are satisfied that our current reserves position is appropriate for our strategic intent. We will continue to review our reserves strategy and will report on this in subsequent years.

The second part of our policy reflects how we seek to preserve the endowment's value. The 'core endowment' represents the part of the assets we seek to maintain in real terms. As of 31 December 2019, the 'target value' of our endowment is £332m, with an upper range of £386m and lower range of £239m. The actual value of the endowment, as of 31 December 2019, was £390m, slightly above the upper end of the target range. We continue to review this position regularly.

Principal risks

We are responsible for the management of risks, with detailed consideration of some matters delegated

to the Audit and Risk Committee and supported by senior staff. During the year, we have continued to develop and refine our approach to managing strategic risks and our appetite for risk in different areas.

Our strategic risks and key mitigating actions are:

Strategic risk area	Risk appetite, status and key actions
Is our strategy on track and sufficiently flexible and responsive to changing circumstances?	We are making good progress in ensuring alignment between our strategy and our portfolio of activities. Our rolling review of portfolio themes, and our plans for 2020, will ensure that this risk continues to be managed.
Do we have the staffing capacity and culture to deliver on our strategic commitments?	We recognise that, as a small organisation with a desire to keep tight control over our resourcing, it is to be expected that we will occasionally need to temper our ambitions to fit with available staffing levels. We are very focused on recruitment, retention and succession planning to minimise the impact of this risk area.
Are we funding the highest quality and most relevant work to advance our purpose efficiently and effectively?	We remain committed to ensuring that our research portfolio has a high-quality threshold. We put in significant up-front effort to gain assurance in this regard and monitor live grants carefully through to the end of project assessment.
Are we taking the right level of risk to achieve the desired outcomes?	We have a clear aspiration to test new fields and to redefine elements of our work, as articulated in the strategy. We are in the early stages of implementing these new elements.
Does our funding have the appropriate impact on policy and practice over the short, medium and long term?	While our ability to influence this area is somewhat limited, we nonetheless feel that we can enhance our approach to optimise the chances of having the appropriate impact. This remains work in progress.
Does our reputation among key stakeholders reflect our purpose and enable us to build effective partnerships?	We have a clear intent to strengthen this area by increasing our profile and the types of work we undertake. We take care to balance this with ensuring that our hard-earned reputation is not damaged through taking on the wrong work.
Are we reaching our key audiences effectively?	A good understanding of the Nuffield Foundation brand by key audiences is essential to delivering our strategy – we are implementing a brand refresh and strengthening our communications capabilities to meet our risk appetite.
Is our current and long term strategy adequately supported by our investment portfolio?	We have operated a consistent investment strategy since 2003, which has served us very well – we continue to be alert to signals that volatility is changing and to ensure that our activity plans are in line with investment performance.
Do our systems, processes and environment support and facilitate our work?	We have had a significant programme underway to implement new grant management, contact management and finance systems and to review the attendant processes. This was substantively completed during 2019; the programme runs through 2020 to ensure that it is bedded in and delivering the anticipated benefits.

Strategic risk area	Risk appetite, status and key actions
What is the potential for negative impact as a result of our planned office move?	We have an active approach to managing our move plans with care, through the engagement of third party expertise to ensure cost-effectiveness and appropriate legal/contractual safeguards, and in preparing our teams for the cultural aspects of this change.
Is our governance fit for purpose, in line with best practice, and alert to the dangers of 'group think'?	We conducted a review of governance in 2018; our implementation of the findings is ongoing during 2019.

COVID-19 footnote to risk management

In common with all organisations, the COVID-19 pandemic has given us cause to revisit our management of risks and of business continuity planning. Our initial assessment is that we have been able to respond promptly and flexibly to these unprecedented times and that our risk landscape remains broadly similar to before, though with a clear overlay that our assessment will continue to change as we work through the implications.

and are only identified separately in the notes to these accounts. The Trust Deed has been amended on a number of occasions, most recently in 2016.

Trustees

The Foundation currently has seven Trustees, who act jointly as a corporate body created under the powers now in the Charities Act 2011. Trustees are appointed by other Trustees for a standard tenure of two five-year terms. The Board of Trustees meets five times a year and retains overall responsibility for all activities of the Foundation. All strategic and policy decisions are taken by Trustees collectively, advised by a number of committees:

- Investment Committee (includes three Trustees and two independent investment professionals): considers the Foundation's asset allocation and monitors investment performance, and can appoint and dismiss investment managers.
- Audit and Risk Committee (includes two Trustees and an independent Chair): responsible for the process leading to the preparation of the annual financial statements (and their assumptions), the control environment, and the detailed consideration of risk, including the Global Custodian's performance.
- Finance Committee (includes two Trustees and an independent accountant): for oversight of financial planning and performance monitoring, and overseeing the management of significant initiatives.
- Staff and Remuneration Committee (comprising two Trustees): charged with oversight and development of the Foundation's staffing policies.

Structure, governance and management

The Trust Deed

The Nuffield Foundation is a charity registered with the Charity Commission (206601). It was established by Trust Deed on 9 June 1943 by Lord Nuffield.

A Common Investment Fund was established by a Charity Commission scheme and took effect on 1 January 1980. It allowed the investments of different charities (but for which the Foundation Trustees were also responsible) to be invested as one unit. Subsequently, these funds (the Oliver Bird Fund, the Elizabeth Nuffield Educational Fund and the Commonwealth Relations Trust) have been classified as 'subsidiary charities' of the Foundation

- Nominations and Governance Committee (comprising three Trustees): examines the way the charity is governed and recommends changes to Trustees. It also identifies potential new Trustees.
- A 'Panel for Trustee Remuneration' periodically reviews the remuneration of Trustees and makes recommendations to us. We appoint the Chair of the panel but, otherwise, the panel operates independently. The panel met in December 2019.

In 2019, we made the decision to increase our number of Trustees from seven to eight – we will recruit three new Trustees during 2020 to manage standard transition and to implement this increase in numbers.

We set terms of reference for all committees and panels, and parameters for the delegation of authority to senior staff. Senior staff set further levels of delegation for operational matters. New Trustees receive an induction, including a series of meetings with other Trustees and senior staff, and a Handbook for Trustees, containing information about procedures, committees, meetings, decision-making, and financial procedures at the Nuffield Foundation.

Organisational structure and management of the Foundation

The Foundation employs 52.3 full-time equivalent staff (including staff of the Nuffield Council on Bioethics, the Ada Lovelace Institute and the Nuffield Family Justice Observatory, all of whom are employed by the Foundation). The Chief Executive, supported by an Executive Board and a wider Leadership Team, is responsible for the management of the Foundation and for advising Trustees on strategic and operational matters. Trustees are responsible for grant-making decisions, with delegated authorities in line with agreed procedures.

We house several semi-autonomous bodies which, although legally part of the Nuffield Foundation, have their own governing structures with distinct terms of reference. The Nuffield Council on Bioethics is a longstanding example, with a Governing Board

chaired by Dame Sally Macintyre and a Council chaired by David Archard. For our newer bodies, the Ada Lovelace Institute has a Governing Board chaired by Sir Alan Wilson and the Nuffield Family Justice Observatory has a Governing Board chaired by Sir James Munby.

The Foundation is a Living Wage Employer accredited by the Living Wage Foundation.

Statement of grant-making policy

We seek to be an open, collaborative and engaged funder that offers more than money. We are not simply an academic funding body, though the research we fund must stand up to rigorous academic scrutiny. We publish details of available funding and the relevant application processes on our website and promote these opportunities through our stakeholder engagement and communications.

We ensure that all research, analysis and development grants are peer-reviewed by independent referees, who include representatives from the policy and practice worlds, as well as research experts. We require ethical scrutiny of proposals involving primary research and evidence of a commitment to the communication of research findings. Trustees make final decisions on these applications.

Once a grant has been awarded, we will work with grant-holders to ensure an advisory board is in place to provide a range of technical, subject, policy and practice expertise. We also require grant-holders to report on progress and to produce at least one publicly available output that documents their research and its findings. We also require an end of project assessment, including feedback on the Foundation's performance as a grant-maker.

We contract a network of regional coordinators to award funding for Nuffield Research Placements, in line with our specified criteria and targets.

Statement of policy on staff remuneration

We aim to recruit and retain capable staff to deliver the operational activities of the organisation. Staff are paid on a spine point scale according to the responsibility their post entails. Annual pay increases are agreed by the Staff and Remuneration Committee, taking inflation and national average earnings into account. We do not have a system of bonuses or other variable rewards, but will occasionally make additional discretionary payments.

Periodically, staff pay is independently benchmarked to external comparators; this last took place in 2016. The results confirmed that the existing system was fair and consistent with the benchmark posts chosen. Details of senior staff pay are contained in note 4 to the accounts.

Statement of policy on fundraising

Section 162a of the Charities Act 2011 requires us to make a statement regarding fundraising activities because we have an external audit. We do not undertake any fundraising activities, although we can accept offers from partners to contribute to work that we undertake. We show these sums in our accounts as “voluntary income”. We do not use professional fundraisers or ‘commercial participators’ or, indeed, any third parties to solicit donations. We are therefore not subject to any regulatory scheme or relevant codes of practice; nor have we received any complaints in relation to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

Charity Governance Code

We have carried out a review of our activities against the Charity Governance Code, a tool designed to help charities and their trustees develop high standards of governance. We have an action plan to implement any relevant findings against this code.

We recently conducted an external Board Review that made specific recommendations on board functioning – these findings have fed into and informed the Charity Governance Code assessment.

Public benefit

In preparing this report, Trustees have referred to the Charity Commission’s general guidance on public benefit and are satisfied that the activities undertaken by the Foundation meet the Commission’s requirements. As a research funder, the immediate beneficiaries are the organisations that we fund; universities, research institutes, voluntary organisations and others. Ultimately, the beneficiaries are much wider, since the aim of our grant-making is to improve the design and operation of social policy so that the lives of potentially all people in the UK benefit. Individual young people are the immediate beneficiaries of our student programmes, although these programmes have public benefit beyond these individuals. For example, an important aim of these programmes is to meet the skills gaps needed in order for the UK to flourish.

Going concern

The pandemic crisis which began in March 2020 has had significant impacts across the Nuffield Foundation, notably on our investment portfolio (down an estimated 6% on the year end value as at the date of signing the accounts), on our operations (with all of the Foundation working from home from mid-March), on our existing grants (we have been working closely with grant-holders to assess their challenges and to identify where the Foundation can best support them), and on future funding commitments (which have included close to £2m in new grants as at 9 April 2020, specifically to assess the impact of COVID-19 on different aspects of society).

Notwithstanding recent events, the nature of the Foundation’s endowment management and its future financial commitments mean that the Trustees remain satisfied that the Foundation has sufficient reserves to continue as a going concern for the foreseeable future.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations. Charity law requires that Trustees prepare financial statements for each financial year, in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, to disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and, therefore, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Foundation's website, in accordance with legislation in the United Kingdom governing the preparation and dissemination

of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Foundation's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved by the Trustees on 6 May 2020 and signed on their behalf by:



Sir Keith Burnett
Chair

Independent auditors' report

Opinion

We have audited the financial statements of Nuffield Foundation ("the Charity") for the year ending 31 December 2019, which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2019 and of its incoming resources and application of resources for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters, in relation to which the ISAs (UK) require us to report to you, where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Trustees report, other than the financial statements and our auditor's report thereon. The other information comprises:

- the Chair's foreword;
- Chief Executive's introduction to the report, and;
- the year in numbers.

The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters, in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected

to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

For and on behalf of BDO LLP, Statutory Auditor

Gatwick, United Kingdom

Date: 7 May 2020

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial statements



Statement of financial activities for the year ended 31 December 2019

	Note	Unrestricted Funds £000s	Restricted Funds £000s	Endowed Funds £000s	Total Funds 2019 £000s	Total Funds 2018 £000s
Income and endowments						
Donations and legacies	2	174	758	-	932	910
Charitable activities		31	-	-	31	43
Investment income	6	3,077	220	138	3,435	6,778
Other income		4	-	-	4	11
Total income		3,286	978	138	4,402	7,742
Expenditure on:						
Raising funds						
Investment management costs		-	-	1,238	1,238	1,478
Charitable activities						
Research, development and analysis		10,926	124	-	11,050	12,250
Student programmes		2,835	148	-	2,983	1,732
In-house programmes						
Ada Lovelace		780	150	-	930	349
Nuffield Council on Bioethics		582	577	-	1,159	1,135
Nuffield Family Justice Observatory		379	-	-	379	2,701
Total in-house programmes		1,741	727	-	2,468	4,185
Strategic and Other Funds						
Oliver Bird Fund		-	3,868	-	3,868	122
Commonwealth Relations trust		-	(142)	-	(142)	-
Strategic Fund		101	-	-	101	-
Total strategic and other funds		101	3,726	-	3,827	122
Total charitable activities	3	15,603	4,725	-	20,328	18,289
Total expenditure		15,603	4,725	1,238	21,566	19,767
Net gain / (loss) on investments		-	-	48,615	48,615	(5,467)
Net (expenditure)/income		(12,317)	(3,747)	47,515	31,451	(17,492)
Transfers between funds	11	9,592	1,463	(11,055)	-	-
Net (expenditure)/income after transfers		(2,725)	(2,284)	36,460	31,451	(17,492)
Reconciliation of funds:						
Total funds brought forward at 1 January		20,219	6,415	353,606	380,240	397,732
Total funds carried forward at 31 December	11	17,494	4,131	390,066	411,691	380,240

Statement of financial activities	2018	2018	2018	2018
Comparative information	Unrestricted Funds £000s	Restricted Funds £000s	Endowed Funds £000s	Total £000s
Total income	6,297	1,171	274	7,742
Total expenditure	(17,253)	(1,036)	(1,478)	(19,767)
Transfers between funds	11,261	982	(12,243)	-
Net losses in investments	-	-	(5,467)	(5,467)
Net movement on funds	305	1,117	(18,914)	(17,492)

Balance sheet for the year ended 31 December 2019

		2019	2018
	Note	£000s	£000s
Fixed assets			
Tangible fixed assets	5	5,414	5,021
Investments	6	437,395	400,432
Programme related investments	6	85	85
		442,894	405,538
Current assets			
Debtors	7	1,219	2,023
Bank and cash		411	983
		1,630	3,006
Liabilities: amounts falling due within one year			
Grants payable	8	(16,535)	(14,903)
Creditors	9	(734)	(642)
		(17,269)	(15,545)
Net current liabilities		(15,639)	(12,539)
Liabilities falling due after one year			
Grants payable	8	(15,564)	(12,759)
Net assets		411,691	380,240
Funds			
Unrestricted funds			
Designated fund	11	21,256	22,572
General fund	11	(3,762)	(2,353)
		17,494	20,219
Restricted funds	11	4,131	6,415
Endowed funds	11	390,066	353,606
Total funds		411,691	380,240

Notes 1 – 13 form part of these financial statements.

These financial statements were approved and authorised for issue by the Trustees on 6 May 2020 and were signed on their behalf by:



Professor Sir Keith Burnett
Chair

Statement of cash flows

		2019	2018
	Note	£000s	£000s
Net cash flows from operating activities			
Net cash used in operating activities		(15,061)	(14,057)
Cash flows from financing activities			
Investment additions		(3,541)	(7,079)
Investment withdrawals	6	15,193	15,123
Net cash provided by financing activities		11,652	8,044
Cash flows from investing activities			
Payments to acquire tangible fixed assets	5	(598)	(145)
Investment income	6	3,435	6,778
Net cash provided by investing activities		2,837	6,633
Cash and cash equivalents at 1 January		983	363
Cash and cash equivalents at 31 December		411	983
Change in cash and cash equivalents in the year		(572)	620
Reconciliation of net (expenditure)/ income to net cash flows from operating activities			
Net income / (expenditure)		31,451	(17,492)
Adjustments for:			
Depreciation	5	205	194
Investment income		(3,435)	(6,778)
(Gains) / losses on investments		(48,615)	5,467
Increase in grant commitments		4,437	2,521
Increase / (decrease) in creditors		92	(27)
Decrease in debtors		804	2,058
Net cash outflows from operating activities		(15,061)	(14,057)
ii) Analysis of changes in net cash / (debt)			
Net cash at 1 January		983	363
Net Cash (outflow) / inflow		(572)	620
Net cash at 31 December		411	983

Notes to the financial statements

1. Principal accounting policies

a. Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with applicable Accounting Standards. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared on a going concern basis and the accounting policies below are consistently applied. Based on the nature of the Foundation's endowment management and its future financial commitments, the Trustees remain satisfied that there are no material uncertainties that may cast significant doubt about the ability of the Foundation to continue as a going concern for the foreseeable future.

The Foundation's financial statements are presented in pounds sterling and rounded to thousands. The functional and presentation currency is the pound sterling.

b. Income

Investment income represents dividends and interest generated from the investment portfolio, including any associated tax credits or recoverable taxation. This income is accounted for on an

accruals basis, and is allocated proportionally to the underlying funds.

Grants and donations are accounted for when the charity has entitlement to the funds, probable receipt and the amount is measurable. Where income is received in advance it is deferred until the charity is entitled to that income.

c. Expenditure

Costs of raising funds represent amounts paid to the Foundation's external investment advisors and managers. This excludes private equity fees which cannot be identified separately and therefore are shown net.

Charitable expenditure comprises grants and other payments made by the Trustees in accordance with criteria set out in the Trust deed.

Grants are charged to the Statement of financial activities when allocations are approved by the trustees and promised to the recipient, less any awards cancelled or refunded. Grants which are awarded subject to conditions are included as expenditure at the point at which the trustees make an unconditional offer of a grant to the applicant.

'Other costs' include staffing, hosting seminars and conferences, commissioned research or evaluations together with any direct costs immediately attributable to a specific activity. 'Support costs' reflect the apportionment of costs shared by all activities.

Redundancy and termination payments are recognised when there is a demonstrable commitment on an individual or group basis that cannot be realistically withdrawn.

d. Basis of allocation of costs

Investment management costs and charity administration costs are allocated to the funds in proportion to their holding in the endowment at the beginning of the year. Where identifiable, costs related to Charitable activities or governance

are attributed to appropriate activities and funds in full or, where not separately identifiable, they are apportioned using the most relevant allocation basis for that expenditure.

e. **Investments**

Quoted investments are included in the accounts at their bid price as at the balance sheet date. Unquoted (e.g. private equity) investments which have no readily identifiable market price are included at the most recent valuations from their respective managers.

f. **Taxation**

The Foundation is a charity within the meaning of Paragraph 1 Schedule 6 Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

No tax charge arose in the period.

g. **Exchange gains and losses**

All realised and unrealised exchange gains and losses on investments are accounted for in the Statement of financial activities.

h. **Financial instruments**

The Foundation has financial assets and financial liabilities of a kind that qualify as basic financial instruments apart from the derivative instruments held. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

i. **Fixed assets**

The leasehold property at 28 Bedford Square, together with subsequent additions and furnishings, is stated at market value and is depreciated over the remainder of the life of the lease. A professional valuation is obtained periodically. Other fixed assets are stated at cost less depreciation. Assets over a value of £5,000 are capitalised. Depreciation has

been calculated at the following annual rates, in order to write off each asset over its estimated useful life.

Equipment, fixtures and fittings – 3 years to 20 years

j. **Total Return Accounting**

The Charity Commission permitted the Foundation to adopt the use of total return in relation to its permanent endowment on 7 February 2006. The power permits the Trustees to invest permanent endowments to maximise total return and to make available an appropriate portion of the total return for expenditure each year. Until this power is exercised the total return shall be an 'unapplied total return' and remain as part of the permanent endowment. The Trustees have decided that it is in the interests of the Foundation to present its expendable endowment in the same manner in note 10, although there is no legal restriction on the power to distribute the expendable endowment.

The Trustees have used the values of the permanent endowments at 31 December 2003 to represent the 'Preserved Value' of the original gift.

k. **Fund accounting**

Unrestricted funds are donations, investment income and other income received or generated for the objects of the charity without further specified purpose and are available as general funds. Some of these funds are designated by the Trustees to fund specific strategic programmes.

Restricted funds have arisen from restrictions applied by donors. Expenditure that meets these criteria is identified to the fund, together with a fair allocation of support and charity administration costs.

The endowed funds of the Foundation consist of both permanent and expendable capital funds. Income generated from the expendable endowment funds is applied to the general fund or, where specified, to restricted purposes. A total return distribution is made each year from the endowment funds to fund charitable activities.

l. Pension costs

Pension costs are charged as they are incurred.

m. Estimates and judgements

The actual lives of tangible fixed assets and their residual values are assessed annually. In re-assessing asset lives, factors such as economic and future market conditions are considered as is the remaining life of the asset and projected disposal values.

The carrying value of investments are subject to estimates, assumptions and judgements of their fair value. In determining this amount, the Charity follows

the International Private Equity and Venture Capital Valuation Guidelines, applying the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

Derivatives are measured at fair value (mark-to-market) at each reporting date. Each instrument's mark-to-market is calculated with reference to mid-market rates.

2. Income from:	2019			2018		
	Unrestricted £000s	Restricted £000s	Total £000s	Unrestricted £000s	Restricted £000s	Total £000s
Donations and legacies						
<i>Grants received in support of:</i>						
Nuffield Council on Bioethics	174	577	751	174	566	740
Nuffield Research Placements	-	31	31	-	170	170
Ada Lovelace Institute	-	150	150	-	-	-
	174	758	932	174	736	910
Charitable activities						
Sales, royalties and fee income	31	-	31	43	-	43
Other income	4	-	4	11	-	11
	209	758	967	228	736	964

3. Expenditure	Direct costs		Support and governance costs	Total 2019	Total 2018
a. Charitable expenditure	Grants £000s	Other £000s	£000s	£000s	£000s
Research, development and analysis					
Education	3,640	461	657	4,758	5,748
Welfare	2,467	316	465	3,248	4,422
Justice	2,963	235	395	3,593	1,275
Cross-cutting	-	-	-	-	1,013
<i>New grant commitments sub-total</i>	<i>9,070</i>	<i>1,012</i>	<i>1,517</i>	11,599	12,458
Cancelled grants	(549)	-	-	(549)	(208)
	8,521	1,012	1,517	11,050	12,250
Student programmes					
Nuffield Research Placements	418	690	192	1,300	1,251
Q-Step	1,359	182	142	1,683	481
	1,777	872	334	2,983	1,732
In-house programmes					
Ada Lovelace Institute	195	586	149	930	349
Nuffield Council on Bioethics	-	873	286	1,159	1,135
Nuffield Family Justice Observatory	66	184	129	379	2,701
	261	1,643	564	2,468	4,185
Strategic and other funds					
Oliver Bird Fund	3,751	40	77	3,868	122
Commonwealth Relations cancelled grant	(142)	-	-	(142)	-
Strategic Fund	101	-	-	101	-
	3,710	40	77	3,827	122
Total charitable expenditure	14,269	3,567	2,492	20,328	18,289

b. Support and governance costs	Total 2019 £000s	Total 2018 £000s
Staff costs	1,450	1,330
Office costs	519	431
Information technology	379	312
	2,348	2,073
Governance costs		
Auditors' remuneration (inc. VAT)	31	31
Trustees' remuneration	83	90
Trustees' expenses	17	16
Legal fees	13	15
	144	152
Total support and governance	2,492	2,225

See note 1d for basis of allocation

4. Personnel costs	2019	2018
	£000s	£000s
Wages and salaries	2,750	2,029
Social security costs	316	255
Other pension contributions	305	252
Redundancy and termination costs	22	106
	3,393	2,642

Average number of staff employed in year:	Number	Number
Grant-making	27.3	17.0
Nuffield Council on Bioethics	12.5	12.1
Support services	18.8	17.8
	58.6	46.9
<i>Average number of full time equivalent staff in year:</i>	<i>52.3</i>	<i>40.8</i>

Remuneration of higher paid staff		
Between £60,000 and £69,999	3	4
Between £70,000 and £79,999	1	3
Between £80,000 and £89,999	3	1
Between £90,000 and £99,999	2	2
Between £140,000 and £149,999	1	1

Employer's pension contributions for higher paid staff were in total £96k (2018: £81k). Termination payments of £7k (2018: £106k) and redundancy payments of £15k (2018:nil) were made during the year.

The Nuffield Foundation paid contributions during the accounting period at a rate of £2.38 for every £1 of member contributions up to a maximum of five times the member contribution, together with an additional flat rate sum regardless of contribution, of £1,248 per employee (pro rata to their hours).

The key management personnel of the Nuffield Foundation during the year were its CEO and the following Directors: Director of Education, the Director of Justice, the Director of Welfare, the Director of Finance & Information Systems, and the Director of HR & Office Services. These all form part of the Executive Board, responsible for planning, strategy and major decision-making within the organisation. Their combined remuneration during the year was £683k (2018: £598k). They received no benefits additional to those received by other staff.

5. Tangible fixed assets	Leasehold property £000s	Other assets £000s	Assets under construction £000s	Total £000s
Cost or valuation				
At 1 January	5,000	661	96	5,757
Additions	-	546	52	598
Transfers	-	96	(96)	-
At 31 December	5,000	1,303	52	6,355
Depreciation				
At 1 January	286	450	-	736
Charge for year	71	134	-	205
At 31 December	357	584	-	941
Net book value				
At 31 December	4,643	719	52	5,414
At 1 January	4,714	211	96	5,021

Assets under construction include the development of a new finance system that will come in to use in 2020.

All tangible fixed assets are held for continuing use in the Foundation's activities. The depreciated historic cost of the leasehold property is £1,082k. The lease expires on 24 December 2084 and was revalued on 10 October 2017 by Farebrother Chartered Surveyors.

The valuation has been undertaken using the Investment Method of valuation. The valuation has applied an Equivalent Yield of 5.25%, which equates to a Capital Value of £5.0m or £708 per sq ft. This yield is based on a number of comparable transactions, with appropriate adjustments to reflect that this property is held on a lease and is thus a diminishing asset.

6. Investments				2019	2018
a. Investments at market value				£000s	£000s
Market value at 1 January				400,432	413,943
Net disinvestment from portfolio				(11,652)	(8,044)
Realised and unrealised gains				48,615	(5,467)
Market value at 31 December				437,395	400,432
Historic cost of listed investments at 31 December				363,250	360,618
b. Disposition of investments		2019	Movement		2018
			Purchases/ (Sales)	Other	
		£000s	£000s	£000s	£000s
Listed equities		282,606	(631)	48,585	234,652
Fixed income		67,576	(6,039)	(912)	74,527
Private equity		64,691	(2,107)	708	66,090
Hedge Funds		14,768	(8,852)	2,729	20,891
Currency hedging		1,630	2,082	457	(909)
Cash		6,124	15,547	(14,604)	5,181
Total		437,395	-	36,963	400,432
Total UK investments		148,762			149,373
Total overseas investments		288,633			251,059
Total		437,395			400,432
Assets held in pooled funds		116,253			97,113
c. Income from investments				2019	2018
				£000s	£000s
Global equities				809	2,111
UK government bonds				1,940	2,628
Private equity				643	2,024
Cash				43	15
				3,435	6,778

d. Illiquid assets and investment commitments

At the year end, the Foundation had undrawn commitments to private equity funds of £43,294k, which are expected to be called at various dates between 2020 and 2035. Over a similar period, the current investments in private equity funds are expected to be realised by a return of capital. The carrying value of the private equity investments of £64,691k reported above represents the latest valuations of the funds at or prior to 31 December 2019 as provided by the relevant fund managers. However, it is not possible for the trustees to liquidate these investments prior to the future return of capital.

e. Currency hedging

At 31 December 2019, the charity had open forward exchange contracts to sell US dollars, with a total sterling value of £24,950k, and buy US dollars, with a total sterling value of £4,356k. The settlement date for all of these contracts was 31 March 2020. These contracts were entered into to reduce the charity's currency risk arising from global diversification in its investment holdings. The forward exchange contracts have all been revalued at the applicable year end exchange rates and the resulting unrealised translation losses of £1,630k are included within the overall value of the equity investments above.

f. Investments over 5% of the portfolio	2019	2018
	£000s	£000s
Veritas Global Equity Fund	58,622	49,164
Hosking Global Sub Fund	56,842	45,556
Arrowstreet	55,564	48,580
Orbis	54,901	45,191

g. Programme-related investments

The Foundation holds 100,000 Ordinary Shares in Charity Bank Ltd with a nominal value of £50,000 and its net asset value is valued at £85,000. This is

a company with a mission to tackle marginalisation, social injustice and exclusion and facilitate social change through investment.

7. Debtors and prepayments	2019	2018
	£000s	£000s
Accrued income	649	755
Other debtors	570	1,268
	1,219	2,023
Due within one year	1,219	1,990
Due after one year	-	33
	1,219	2,023

8. Grants payable	2019	2018
	£000s	£000s
Grants awarded but not paid at 1 January	27,662	25,141
Grants awarded in the year	15,690	13,247
Grants cancelled in the year	(1,421)	(217)
Grants paid in the year	(9,832)	(10,509)
Grants awarded but not paid at 31 December	32,099	27,662
Payable within one year	16,535	14,903
Payable after one year	15,564	12,759
	32,099	27,662

For a list of research, development and analysis grants awarded in the year please see pages 41 – 47 of the report.

9. Creditors: amounts falling due within one year	2019	2018
	£000s	£000s
Income Tax and National Insurance	111	87
Accruals	323	264
Other creditors (inc trade creditors)	238	253
Deferred income	62	38
	734	642

10. Statement of total return	Permanent endowments £000s	Expendable endowments £000s	Total £000s
Investment return			
Restricted and unrestricted investment income	-	3,297	3,297
Endowment investment income	138	-	138
Unrealised gains	1,958	46,657	48,615
Investment management costs	(50)	(1,188)	(1,238)
Total return for year	2,046	48,766	50,812
Less: application of return	(578)	(13,774)	(14,352)
Net total return for year	1,468	34,992	36,460
Unapplied total return			
At 1 January 2019	6,783	158,511	165,294
At 31 December 2019	8,251	193,503	201,754
'Preserved value' at 31 December 2003	7,581	180,731	188,312

Financial statements and notes

11. Funds a. Fund movements	Balance at 1 January 2019	Income	Expenditure	Unrealised gain	Transfers		Balance at 31st Dec 2019
	£000s	£000s	£000s	£000s	Endowment £000s	Other £000s	£000s
Endowments							
Permanent endowments							
Elizabeth Nuffield Fund	3,084	29	(11)	420	(124)	-	3,398
Commonwealth Relations Trust	11,280	109	(39)	1,538	(454)	-	12,434
	14,364	138	(50)	1,958	(578)	-	15,832
Expendable endowments							
Oliver Bird Fund	22,771	-	(79)	3,119	(700)	-	25,111
Main fund	316,471	-	(1,109)	43,538	(9,777)	-	349,123
	339,242	-	(1,188)	46,657	(10,477)	-	374,234
Total endowed funds	353,606	138	(1,238)	48,615	(11,055)	-	390,066
Expenditure reserve							
Restricted funds							
Elizabeth Nuffield Fund	-	-	(124)	-	124	-	-
Commonwealth Relations Trust	1,833	-	142	-	454	-	2,429
Oliver Bird Fund	4,478	220	(3,868)	-	700	-	1,530
Other	104	758	(875)	-	-	185	172
Total restricted funds	6,415	978	(4,725)	-	1,278	185	4,131
Unrestricted funds							
Designated							
Strategic Fund	15,000	-	(101)	-	-	1	14,900
Ada Lovelace Institute	4,757	-	(779)	-	-	-	3,978
Nuffield FJO	2,384	-	(379)	-	-	-	2,005
Other	431	7	(1,280)	-	-	1,215	373
Total designated funds	22,572	7	(2,539)	-	-	1,216	21,256
General fund	(2,353)	3,279	(13,064)	-	9,777	(1,401)	(3,762)
Total unrestricted funds	20,219	3,286	(15,603)	-	9,777	(185)	17,494
Total expenditure reserve	26,634	4,264	(20,328)	-	11,055	-	21,625
Total funds	380,240	4,402	(21,566)	48,615	-	-	411,691

The transfer of £11,055k between the endowment and expenditure reserve represents £138k of investment income from the permanent endowments plus £10,917k of capital gains, which both form part of the total return distribution for 2019 of £14,352k (see note 10).

Other transfers include a £1,400k designation from General Fund to the Q Step programme and various minor final adjustments.

b. Analysis of funds – 2019	Unrestricted funds	Restricted funds	Expendable endowment	Permanent endowment	Total
	£000s	£000s	£000s	£000s	£000s
Investments	-	-	421,563	15,832	437,395
Other fixed assets	-	-	5,499	-	5,499
Net current assets/ (liabilities)	17,494	4,131	(37,264)	-	(15,639)
Liabilities due in more than 1 yr	-	-	(15,564)	-	(15,564)
Total funds	17,494	4,131	374,234	15,832	411,691

<i>Analysis of funds – 2018</i>	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Expendable endowment</i>	<i>Permanent endowment</i>	<i>Total</i>
	£000s	£000s	£000s	£000s	£000s
<i>Investments</i>	-	-	386,068	14,364	400,432
<i>Other fixed assets</i>	-	-	5,106	-	5,106
<i>Net current assets/ (liabilities)</i>	20,219	6,415	(39,173)	-	(12,539)
<i>Liabilities due in more than 1 yr</i>	-	-	(12,759)	-	(12,759)
Total funds	20,219	6,415	339,242	14,364	380,240

c. Description of funds

- The Elizabeth Nuffield Educational Fund is a permanent endowment, established for the advancement of education and in particular the award of scholarships, grants or loans to women and girls who require financial assistance. It is used to fund the Education grant programme. Unspent income is restricted to this purpose.
- The Commonwealth Relations Trust is a permanent endowment, held for the purposes of promoting a common understanding between the unity of ideals in the United Kingdom and the other members of the British Commonwealth of Nations. Unspent income is restricted to this purpose.
- The Oliver Bird Fund is an expendable endowment, restricted in its use for research into the prevention and cure of rheumatism and associated diseases. It is used to fund research into musculoskeletal conditions. Unspent income is restricted to this purpose.
- The Main Fund includes Lord Nuffield's original endowment and a variety of subsequent gifts that have been subsumed into this fund.
- The 'Expenditure Reserve' is that part of the Foundation's net assets that the trustees have determined to be currently available for future expenditure. It comprises a general fund and a number of designated funds:
 - The Strategic Fund represents the unallocated portion of the £20m set aside in our strategy for major, longer-term projects.
 - The Ada Lovelace Institute represents a commitment to fund an independent research and deliberative body tasked to ensure data and AI work for people and society.
 - The Nuffield Family Justice Observatory represents a commitment to the development and pilot delivery phases of an initiative to support the best possible decisions for children by improving the use of data and research evidence in the family justice system in England and Wales.

- Other designations include future commitments made to co-funders by Trustees for Q-Step and the Nuffield Council on Bioethics.

12. Related party transactions

Each Trustee is entitled to an annual allowance by virtue of the provisions of the Trust Deed. During the year, Trustees received £10,768 and the Chair received £15,775. In addition, Trustee Indemnity Insurance was purchased during the year.

	2019 £000s	2018 £000s
Trustee remuneration	83	90
Expenses paid to the Trustees		
Travel expenses and accommodation	17	16
Number of Trustees receiving expenses	6	7

13. Post Balance Sheet Event

As disclosed in note 6, the market value of the Foundation's investments as at 31 December 2019 was £437.4m. Since the year end, market conditions have deteriorated and the investments have fallen significantly in value. There continues to be a high degree of volatility in markets and it is estimated that the Foundation's investments have incurred losses of approximately £27m between 31 December 2019 and the date of signing these financial statements. At that date it continued to hold £82m in cash and short date gilts, and £333m in liquid assets to fund its outstanding commitments. The investments are held for the long term and the post year end decrease in value has not had, nor is it expected to have, an impact on the activities of the Foundation.

Reference and administrative details

Trustees

Professor Sir Keith Burnett CBE FRS (Chair)
Professor James Banks MSc, PhD
Dame Colette Bowe MSc, PhD
Professor The Lord Krebs Kt, MA, DPhil, FRS, FMedSci
(Deputy Chair)
Professor Terrie Moffitt MA, PhD, FBA, FMedSci
Rt Hon Sir Ernest Ryder TD, DL, FRSA
Professor Anna Vignoles PhD FBA

Senior staff

Tim Gardam, Chief Executive
James Brooke Turner, Investment Director
Deirdre Carty, Director of HR and Office Services
Mark Franks, Director of Welfare
Ian Hanham, Director of Finance and
Information Systems
Lisa Harker, Director of the Nuffield Family
Justice Observatory
Josh Hillman, Director of Education
Carly Kind, Director of the Ada Lovelace Institute
Rob Street, Director of Justice
Hugh Whittall, Director of the Nuffield Council
on Bioethics

Principal address

28 Bedford Square
London WC1B 3JS
+44 (0)20 7631 0566
nuffieldfoundation.org

Charity number 206601

Investment Consultants

Cambridge Associates
80 Victoria Street
4th Floor, Cardinal Place
London SW1E 5JL

Principal Investment Managers

Arrowstreet Capital
200 Clarendon Street
Boston, MA 02116, USA

Harding Loevner
400 Crossing Blvd, Fourth Floor
Bridgewater, NJ 08807, USA

Hosking Partners LLP
St Vincent House, 30 Orange Street
London WC2H 7HH

Orbis Portfolio Management (Europe) LLP
28 Dorset Square
London, NW1 6QG

Veritas Asset Management
1st Floor, 90 Long Acre
London, WC2E 9RA

Auditors

BDO LLP
2 City Place
Beehive Ring Road,
Gatwick RH6 0PA

Solicitors

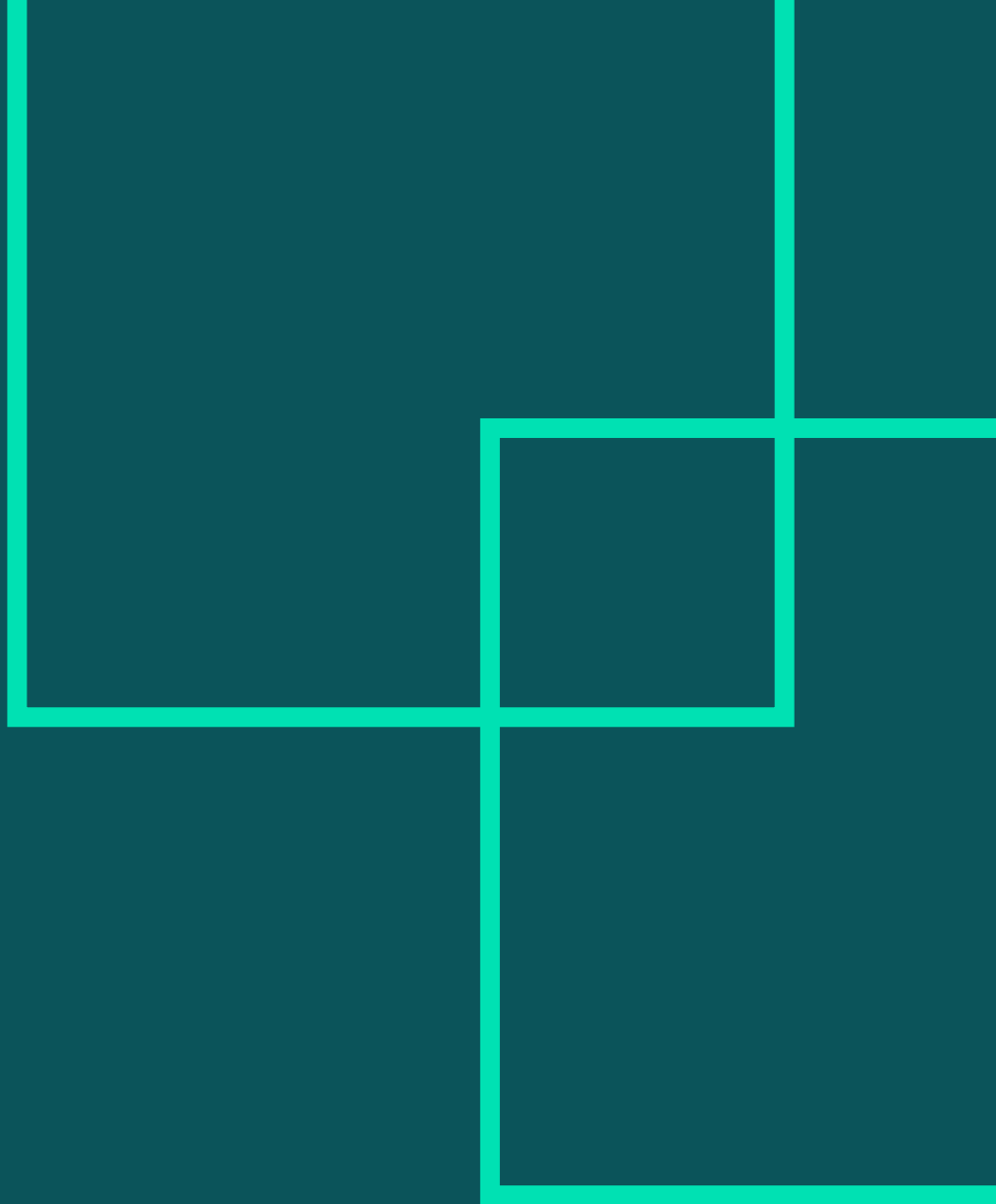
Bates Wells & Braithwaite
10 Queen Street Place
London EC4R 1BE

Global Custodian

The Northern Trust Company
50 Bank Street
London E14 5NT

Bankers

Barclays Bank plc
1 Churchill Place
London E14 5HP



© Nuffield Foundation 2020

28 Bedford Square
London WC1B 3JS

Registered charity: 206601

T: + 44 (0) 20 7631 0566
E: info@nuffieldfoundation.org
Follow us on Twitter @NuffieldFound
nuffieldfoundation.org

