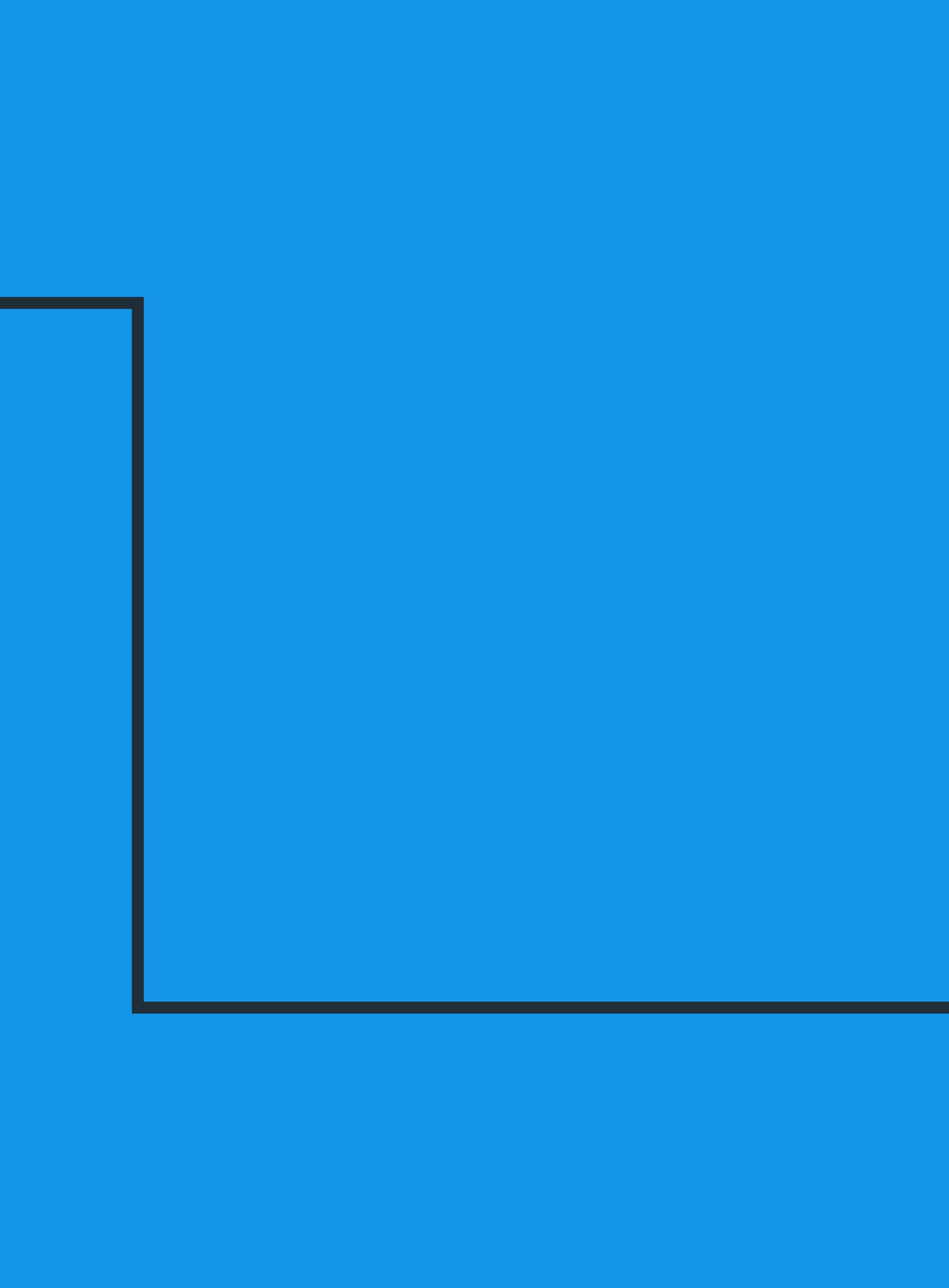




# Annual report and financial statements

# 2020



# Content

2	Chair's foreword
3	Chief Executive's foreword
4	Trustees' report
4	The year in numbers
7	Objectives and activities
8	Our response to an exceptional year
14	Strategic goal one – research portfolio
32	Strategic goal two – evidence, data and digital society
37	Strategic goal three – profile and influence
41	Strategic goal four – opportunities for young people
43	Grants awarded in 2020
49	Future plans
52	Financial review
55	Principal risks
57	Structure, governance and management
60	Independent auditor's report
64	Financial statements and notes
86	Reference and administrative details

# Chair's foreword

At the start of 2020, the huge implications of COVID-19 were only just becoming apparent. By the end of the year, there was barely an aspect of our lives and work that had not been affected by the pandemic and its consequences. During this difficult year, our priorities have been to support our staff, our grant-holders and the young people who participate in our student programmes, as well as to fund research that addresses the wider social significance of the pandemic. We remain committed to being an open, collaborative and engaged funder and to supporting work that has a positive impact on people's lives.

As an endowed foundation, we are in a very privileged position and have been able to increase our charitable expenditure this year to £21.6 million, in line with our goal to commit over £100 million of charitable expenditure in the five-year period from 2018 to 2022. Our investment portfolio continued to deliver strong annual growth at 12.3% and during the year we joined the Charities Responsible Investment Network – part of ShareAction – as we continue to develop our approach to responsible investment.

We were able to respond rapidly to the pandemic, making a special call for applications to examine the social impacts of COVID-19, in addition to maintaining our usual grant-making schedule. These projects have had significant and immediate impact, which we detail in this report. The Nuffield Council on Bioethics, Ada Lovelace Institute

and Nuffield Family Justice Observatory – all part of the Foundation – also responded quickly to focus on the impact of the pandemic. Across the Foundation, our collective aim has been to use our funds to provide maximum public benefit in a time of crisis.

We have also seen changes in the Trustee Board this year, as Lord Krebs, Professor Terrie Moffitt and Professor Anna Vignoles stepped down. Working with them has been an immense privilege and I thank them for their longstanding contribution to the Foundation and its work. I extend a warm welcome to our new Trustees, Professor Ash Amin, Professor Ann Phoenix and John Pullinger, all of whom bring distinctive expertise and commitment to our mission to advance social well-being.

I would also like to thank all Foundation staff, who have worked hard throughout the year to provide a consistent service in very difficult circumstances. Their dedication has enabled us not only to maintain our planned activity but also to develop new areas of work in response to the pandemic. Similarly, our grant-holders and partners have risen to the huge challenges presented by COVID-19, and we are grateful to them.

In 2021, as we transition from the acute phase of the pandemic, I look forward to working with all at the Foundation to continue in our endeavour to understand and mitigate its social impacts.



**Professor Sir Keith Burnett**  
Chair



# Chief Executive's foreword

Early in 2020 it became clear that the COVID-19 pandemic would have profound implications for people's well-being across many aspects of our society. The Nuffield Foundation's purpose is to advance social well-being, and the pandemic brought to the fore our focus on growing levels of inequality, vulnerability and disadvantage.

In response to the crisis, we awarded £2.3 million in fast-track funding for new projects that would capture contemporaneous data and insights across our core areas of Education, Welfare and Justice. These projects have identified some of the most acute points of stress in our schools and communities, informed government policy and influenced practice on the ground.

The IFS Deaton Review of Inequalities shed light on the disproportionate impact of the pandemic on people from some ethnic minority groups, and research from the National Foundation for Educational Research and the Institute for Fiscal Studies on the impact of school closures informed the response from the Department for Education. The UCL COVID-19 Social Study is tracking the psychological well-being of over 70,000 adults in real-time, providing a valuable resource for policy makers. We were able to connect our funded projects and provide a forum for discussion through our webinar series, which enabled us to reach new audiences.

Our flagship oral language programme – the Nuffield Early Language Intervention – is forming a key part of the government's catch-up programme, enabling thousands of primary school children to receive additional support. We also developed an online version of Nuffield Research Placements, ensuring students from disadvantaged backgrounds could still participate in research projects with expert supervision.

The Nuffield Council on Bioethics, the Nuffield Family Justice Observatory (Nuffield FJO) and the Ada Lovelace Institute also responded rapidly to the pandemic. Guidance from the Council was referenced in a World Health Organisation briefing on the ethical conduct of COVID-19 research. The Nuffield FJO was commissioned by the President of the Family Division to review the use of remote hearings in the family courts, and Ada's rapid evidence review on digital contact tracing proved influential in policy debates.

The Black Lives Matter movement renewed our focus on the research we fund to address discrimination and ethnic inequalities as part of our ambition to advance social well-being in a just and inclusive society. We have established a Diversity and Inclusion steering group who are working to embed diversity and inclusion across all our work, including those we employ, the projects and people we fund and those with whom we work and engage.

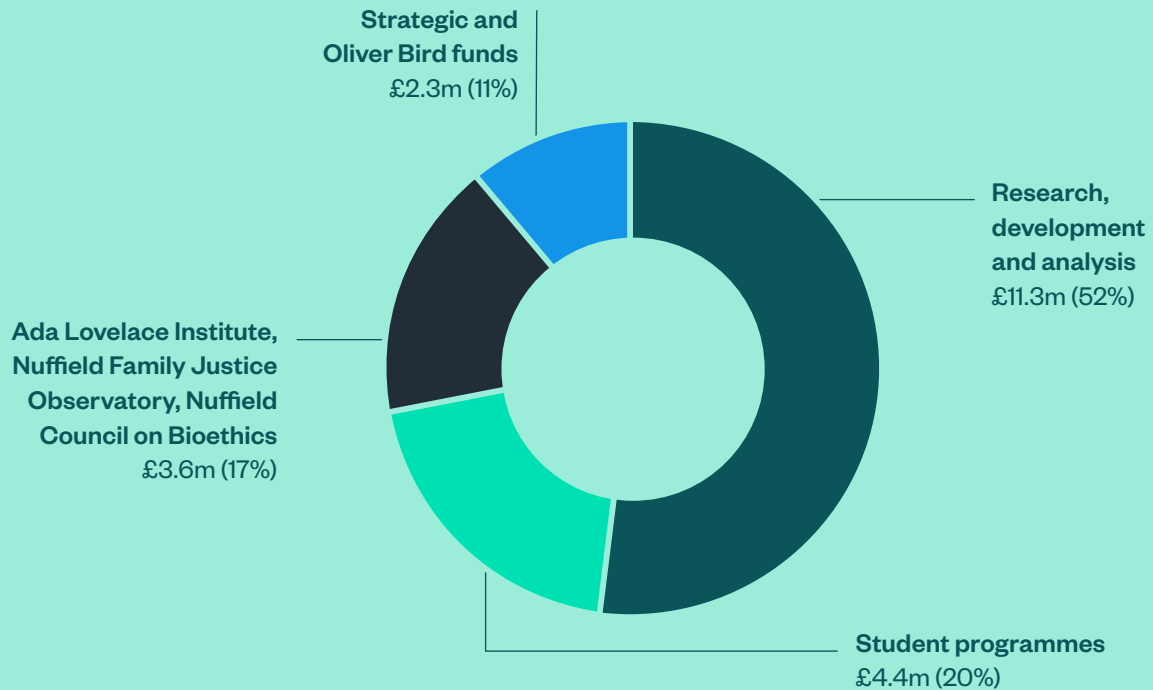
The pandemic has not changed the Foundation's strategic direction, but it has channelled it. We believe there is a window of opportunity to frame the evidence and arguments that will determine UK social policy over a decade that will be overshadowed by the pandemic's consequences. This will be at the heart of our agenda, particularly through our Strategic Fund, from which we will award some of the most ambitious grants in our history. In 2021 we will move to a new office, which will enable us to grow our capacity to convene and connect our networks of stakeholders.



**Tim Gardam**  
Chief Executive

# The year in numbers

**Charitable expenditure of £21.6 million in 2020** (up from £20.3 million in 2019)



Nuffield Foundation – Annual report 2020

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

## £14.5m

of grants awarded, including a three-year grant to STEM Learning for Nuffield Research Placements

## 41

new projects (including 1 for Strategic Fund)

## +24

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.

## 368

outline applications received\*

## 60

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 2020, we were managing:

# 185

research, development and analysis projects with a total value of

# £40.9m

This included

# £2.3m

in funding for 11 COVID-19 projects

## Who do we fund?



**Universities**  
(145 projects)



**Research institutes**  
(21 projects)



**Research consultancies**  
(4 projects)



**Voluntary organisations**  
(8 projects)



**Think tanks**  
(4 projects)



**Primary Care Trusts**  
(1 project)



**Professional bodies**  
(2 projects)



Sector	Value (£m)	Number of projects
Education	£16.8m	92 projects
Welfare	£14.6m	49 projects
Justice	£9.5m	44 projects

## Strategic Fund

Our Strategic Fund is for ambitious, interdisciplinary projects in the range of £1 – 3 million.

# 93

Strategic Fund outline applications received

# 1

Strategic Fund grant awarded, for the Resolution Foundation's Economy 2030 Inquiry

# The year in numbers

## Communications and engagement

Across the Nuffield Foundation, Ada Lovelace Institute, Nuffield Family Justice Observatory and the Nuffield Council on Bioethics, we:



convened

**59 events**

attended by

**7,456 people**



had

**582,929 visitors**

to our websites



were referenced in broadcast, print and online media

**4,551 times**



increased our Twitter following by an average of

**44% across our accounts**

(to 35,902 followers)

## Nuffield Future Researchers

We developed an online version of Nuffield Research Placements – Nuffield Future Researchers – to enable students from disadvantaged backgrounds to work on STEM projects in their summer holidays. We recruited 426 virtual project supervisors from 170 organisations.



**886 students**

were placed

**93% of students**

were satisfied with their Nuffield Future Researchers experience

# 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, and research-led organisations, that inform social policy and have 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. By connecting projects and convening key audiences we strengthen the collective impact of the research we fund.
- Improving the accessibility, use and collection of the evidence and data necessary to understand the issues affecting people's life chances.
- 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 institute and deliberative body with a mission to ensure data and AI work for people and society.
  - The Nuffield Family Justice Observatory, which improves the lives of children and families

by putting data and evidence at the heart of the family justice system.

- Funding student programmes for young people, particularly from disadvantaged backgrounds, to develop skills and confidence in science and research.

We assess our success against our aims and objectives by:

- Internal review of progress against our strategic goals – this year conducted through a comprehensive interim review of our five-year strategy.
- Embedding quality control in our application process, including peer and Trustee review of applications.
- Undertaking internal reviews of work funded within our core domains of Education, Welfare and Justice to assess their value and impact as a body of work and inform development of new research priorities.
- Analysis of our grant-holders' evaluations of their projects. This helps us shape our funding criteria and improve the service we provide.
- Identifying our target audiences and measuring reach, engagement and impact.
- Independent evaluations of our student programmes.
- Developing a success framework, which we will use initially to evaluate our strategy and which we will embed throughout the Foundation for ongoing evaluation.

# Our response to an exceptional year

## Our COVID-19 response – at a glance

- We awarded £2.3 million in funding for eleven new projects to build an evidence-base of the social and economic impacts of the pandemic.
- Our flagship oral language programme, the Nuffield Early Language Intervention (NELI) is forming a key part of the early years catch-up package for schools, backed by a £9 million investment from the DfE.
- The IFS Deaton Review of Inequalities provided valuable evidence of the disproportionate impact of the pandemic on people from some minority ethnic backgrounds.
- The UCL COVID-19 Social Study surveyed over 70,000 people to track the social, economic and psychological impacts of the pandemic in real time.
- The Food Foundation was influential in the success of the Child Food Poverty Taskforce's campaign to extend the holiday activity and food programme and increase the value of Healthy Start vouchers.
- We developed an online version of Nuffield Research Placements – Nuffield Future Researchers – to enable students from disadvantaged backgrounds to work on STEM projects in their summer holidays.
- Guidance from the Nuffield Council on Bioethics was referenced in WHO guidance on the ethical conduct of COVID-19 research.
- The Ada Lovelace Institute undertook a rapid research review and public deliberation on the ethics and efficacy of contact tracing, vaccine passports and symptom trackers.
- The Nuffield Family Justice Observatory advised the senior judiciary on the use of remote hearings.

The scale and extent of the COVID-19 crisis gave an urgency and fresh focus to the challenge set by Lord Nuffield's original objectives seventy-eight years ago – to advance social well-being and educational opportunity. Across all parts of the Foundation, we drew on our strengths and expertise to contribute to the pandemic response, with a focus on the well-being of those most at risk from its impacts. We highlight some of the main elements of our response in this introduction and provide a fuller account in the subsequent sections of the report.

In March 2020 it became clear that the emerging COVID-19 pandemic was more than a crisis in public health. We put out a rapid response call for research proposals that would gather, in real time, evidence on the lived experience of the emerging pandemic and provide timely and robust data and analysis to help shape understanding of, and policy and practice responses to, the social, cultural and economic effects of the different phases of the crisis. As a result, we awarded £2.3 million in funding for eleven new projects and additional funding to enable several projects already underway to explore the impacts of the pandemic.

We developed an online version of our Nuffield Research Placements programme, enabling

students from disadvantaged backgrounds, who have been most affected by school closures, to work on STEM research projects with professional mentors. Our flagship oral intervention programme, the Nuffield Early Language Intervention, was rolled out across schools as a key part of the government's catch-up package for disadvantaged students. Over one-third of primary schools have now signed up and the DfE has increased its target to 40% of primary schools, backed by a £9 million investment.

Through our *Changing face of early childhood* series, we addressed the impact of the pandemic on children under five, including changes to family life, the risks of increased abuse and neglect and the sustainability of the early years education and childcare sector. The series will continue to consider the impact of the pandemic as it progresses, in the context of the wider body of evidence we are synthesising on early childhood.

The Nuffield Council on Bioethics began the year by reporting findings of its inquiry on the ethical issues of research in global health emergencies, which presciently informed its advice to government and other agencies on the handling of COVID-19. Throughout 2020, the Council provided support, information, and advice to ensure that ethics

**Our response to the pandemic focused on the well-being of those most at risk from its impacts.**

is a key consideration in rapidly developing government and societal responses to the pandemic. Similarly, the Ada Lovelace Institute (Ada) led the debate on the technical considerations and societal implications of new data practices and emerging technologies in response to COVID-19, including exploring the public legitimacy of such technologies through a rapid, online public deliberation, held during the first lockdown. The Nuffield Family Justice Observatory (Nuffield FJO) pivoted its research agenda to examine the severe strains on the family justice system under lockdown – in particular advising the senior judiciary on the use of remote hearings and how changes were being experienced by children and their families.

The translation of our convening power to hosting virtual events substantially extended the number and reach of our participants across the UK and internationally, and this engagement informed our work as the pandemic progressed. Internal collaboration around our collective response to the pandemic provided an opportunity to reinforce our sense of common endeavour in pursuit of our strategic goals. We were also fortunate that investment in our information technology systems over the past few years enabled us to move seamlessly to a virtual working environment.

## Policy and practice impacts of our COVID-19 response

As findings from our COVID-19 research projects emerged over the course of the year,

they were influential in many policy discussions and together, offered a multifaceted perspective on the crisis. A common theme is inequality; everyone has been impacted by the pandemic, but some to a much greater extent than others. Our research has played an important role in identifying who is most affected, in what ways, and what might be the most appropriate response from policy and practice.

We worked with our grant-holders to ensure findings were disseminated, not only to the media and public but also directly to decision-makers. Our outputs from across the Foundation were synthesised to produce a single substantive contribution to the British Academy report for the Government Chief Scientific Adviser on the social effects and policy implications of the pandemic.

Research we have funded was submitted as evidence to relevant committees and inquiries, such as the House of Lords Select Committee on Food, Poverty, Health and the Environment, the Education Select Committee, and the All Party Parliamentary Group for the Teaching Profession.

The UCL COVID-19 Social Study, with its fortnightly analysis of how over 70,000 people are responding to the pandemic, has shaped the public conversation about the emotional and psychological impacts, as well as helping key authorities understand and predict adherence to government guidelines. The lead researcher, Dr Daisy Fancourt, has been regularly briefing the Cabinet Office, the World Health Organisation (WHO), NHS England and Public Health England.



Two of our education projects, led by Dr Sarah Cattán at the Institute for Fiscal Studies (IFS) and Caroline Sharp at the National Foundation for Education Research (NFER), revealed the differential effects of school closures, both in relation to children's engagement with remote schooling and the consequent 'learning gaps', and the gender differences in how parents balanced paid work and parenting. Both projects contributed directly to changes in government policy towards school closures, home learning, provision of technology and contact and support for disengaged and disadvantaged children. Our Education Director, Josh Hillman was invited to speak about Nuffield-funded education research at the All-Party Parliamentary Group on Education Technology. The Food Foundation, of which we are a funder, provided the evidence that

underpinned the successful campaign by the Child Food Poverty Task Force, formed by Marcus Rashford, for the expansion of free school meals across the holidays.

The IFS Deaton Review of Inequalities and the Resolution Foundation's Intergenerational Audit – both underway before the pandemic – produced interim findings that revealed the extent to which the pandemic is both exacerbating existing inequalities and creating new ones. This helped to shift the public debate from a simplistic and misleading narrative of COVID-19 as an equalising force.

The Nuffield FJO was asked by Sir Andrew McFarlane, President of the Family Division to undertake two rapid consultations on the use of remote hearings in the family court, first



in April and again in September. Findings from the first consultation informed Sir Andrew's subsequent framework document, which set out the road ahead for the family justice system, particularly in relation to good practice in managing remote hearings.

The Nuffield Council on Bioethics produced a series of policy briefings that have been influential in the UK and global response to COVID-19. The Council was invited to present its *Fair and equitable access to COVID-19 treatments and vaccines* briefing at a meeting of the Treasury, Department of Health and Social Care, the Cabinet Office, and Foreign and Commonwealth Development Office. The Council's Director, Hugh Whittall, gave evidence to the House of Lords Science and Technology Committee's inquiry into the science of COVID-19.

Ada's rapid evidence review of the technical considerations and societal implications of using technology to transition from the COVID-19 crisis, *Exit through the app store?* was referenced in the Biometrics Commissioner's statement on the use of symptom tracking applications, in the Information Commissioner's Office report on COVID-related technologies and in evidence submitted to the House of Commons Science and Technology Committee by Darren Jones MP.

Our COVID-19 research highlighted the disproportionate impact of the pandemic on people from ethnic minority backgrounds. The IFS Deaton Review reported on the higher mortality and infection rates of some ethnic groups, on the differential economic impacts, and on the dangers of aggregating



all ethnic minority groups together, which misses important differences. The UCL COVID-19 Social Study found that people from ethnic minority backgrounds reported higher levels of depression and anxiety throughout the COVID-19 lockdown, as well as lower levels of happiness and life satisfaction. The NFER found that pupils from some ethnic minority backgrounds were among those most affected by school closures. This is not the first time our research has explored the subject of ethnicity and inequality, but the pandemic, together with the Black Lives Matter movement, has sharpened the focus on systemic racial injustice and led us to consider what more we can do to address discrimination and inequality in all areas of our work.

The pandemic and its impacts will continue to unfold over the coming months and years, and we will build on the work we have done so far to play our part in alleviating its negative consequences, particularly for those worst affected.

## Diversity and inclusion

In addition to our commitment to funding research on discrimination and inequality, we are examining our own practices as an organisation and have established a Diversity and Inclusion steering group with representatives from across the organisation. This marks the start of a long-term comprehensive project to ensure diversity and inclusion principles are embedded in all aspects of what we do as a Foundation. Our initial statement sets out our position, and we will report on progress in subsequent annual reports:

*The Foundation exists to improve people's lives by better understanding the social, economic, technological and demographic issues affecting their life chances.*

*All of our activities seek to advance social well-being and to improve education and skills, particularly for those whose opportunities are constrained by disadvantage or discrimination.*

*For our work to effectively recognise and reflect these issues, diversity and inclusion must be embedded in all aspects of what we do as a Foundation, including those we employ, the projects we fund and those with whom we work and engage.*

*We are working to ensure that we are an inclusive organisation, by identifying changes that we can make in different aspects of our work and raising awareness within the organisation.*



## Strategic goal one – research portfolio

We 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 exercise their rights, particularly in relation to the state. We are open to original ideas and research projects that respond to the trends which are changing and shaping today's increasingly complex society.

During 2020 we made £8.5 million of new research grant commitments in our core domains of Education, Welfare and Justice, and £2.3 million of new grant commitments for projects responding to the pandemic in real time. A full list of all grants awarded during 2020 can be found on page 43.

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 underpinned by robust evidence. We work with our grant-holders and the wider 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 our first strategic goal, we report on each of our core domains, including our COVID-related projects, 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 identify ways to improve educational outcomes – across all life stages – through policy change and interventions that are grounded in robust evidence. We also want to understand the wider influences on education and skills, such as the role of families and informal learning. Within this, our funding priorities are:

- 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 who do not follow higher education pathways.
- Educational disadvantage, including special educational needs, physical disabilities, mental health issues, socioeconomic disadvantage, geographical disadvantage and looked after children.
- Direct interventions that improve young people's lives and are grounded in robust evidence.

During 2020 we funded 18 new Education projects and provided funding for additional work on nine projects funded in previous years with a total value of £2.9 million. Combined with ongoing projects from previous years, at the end of 2020 we were managing 92 education projects with a total value of £16.8 million.

## Key Education outputs published in 2020

**What:** Educational attainment of children in need and children in care

**Who:** Professor David Berridge, University of Bristol

**Headline finding:** Children in England who have a social worker at some stage during their schooling (one in seven of all children) experienced an education attainment gap, on average, of between 34 – 46% in their GCSEs compared to their peers. The gap is greater for children who have been in care than for children in need.

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

**Who:** Dr Sara Bonetti, Education Policy Institute

### Headline findings:

- Early years professionals face poor pay, limited progression opportunities, demanding work and a lack of social recognition for the importance of their role. This is reflected in persistent staff recruitment and retention challenges despite sustained demand for childcare.
- The presence of a graduate in private, voluntary and independent early years settings demonstrates a small but positive association with young children's educational attainment but is far from a 'silver bullet' for improving outcomes.

**What:** A systematic review of early years degrees and employment pathways

**Who:** Dr Verity Campbell-Barr, University of Plymouth

**Headline finding:** Early years degrees are highly variable, difficult for students and employers to navigate, and should be reviewed by the Quality Assurance Agency for Higher Education.

**What:** The effects of COVID-19 on families' time use and child development

**Who:** Dr Sarah Cattán, Institute for Fiscal Studies

### Headline findings:

- Only about half of parents who were in work in February 2020 were still doing their job in May – others had been furloughed, quit, or lost their jobs. Mothers were more likely than fathers to have left paid work, to have reduced their paid working hours and to be spending their working hours simultaneously trying to care for children.
- During the first lockdown, pupils' learning time reduced by 25% (primary) and 30% (secondary). Socio-economic gaps in learning time grew, with children from better-off households spending 30% more time each day on educational activities than children from the poorest fifth of households.

**What:** The academic trajectory of disadvantaged pupils during Key Stage 3

**Who:** Dr Will Cook, Manchester Metropolitan University

**Headline finding:** Disadvantaged pupils have a higher rate of absence at the end of primary school, which increases over the first three years of secondary school and is linked to poorer performance at GCSE.

**What:** A new mathematics GCSE curriculum for post-16 resit students

**Who:** Stella Dudzic, Mathematics in Education and Industry

**Main output:** A new curriculum for maths resit students, with greater emphasis on applying maths to real-world contexts. It is designed to break the demoralising 'resit cycle', which sees many students not fulfilling their potential.

**What:** 'First in family': higher education choices and labour market outcomes

**Who:** Dr Morag Henderson, University College London

**Headline finding:** Young people who are the 'first in family' to go to university are less likely to attend a Russell Group university and are more likely to drop out than those with graduate parents. They are more likely to opt for subjects linked to higher earnings and a clear path to the job market, including law, economics and management.

**What:** Teaching reading: an integrated programme for deaf and hearing children

**Who:** Professor Ros Herman, City, University of London

**Headline finding:** This pilot study found that integrating phonics and language teaching may help benefit children with low reading ability. The research team are now developing a full trial of the integrated approach.

**What:** The early take-up of Core Mathematics

**Who:** Dr Matt Homer, University of Leeds

**Headline finding:** Core Maths could boost A level and BTEC student's numeracy skills, but the ability for providers to offer the course has been limited by funding issues, staff availability and a perceived lack of support from the government and higher education.

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

**Who:** Professor John Jerrim, University College London

**Headline findings:**

- One in 20 teachers in England report a long-lasting mental health problem, but levels of general well-being are similar to those in other professions, with teachers less likely to report feelings of 'low self-worth'.
- Teachers' well-being and work-related anxiety did not decline during lockdown, but the same was not true for headteachers, many of whom were highly anxious about work.

**By September 2020, pupils were on average three months behind on their learning.**

**What:** Mathematics in further education colleges

**Who:** Professor Andrew Noyes, University of Nottingham

**Headline finding:** Major investment in leadership training and teacher professional development is required to make more significant and sustained improvements in maths education in the further education sector.

**What:** Impact of the universal infant free school meal policy

**Who:** Dr Birgitta Rabe, University of Essex

**Headline finding:** Universal free school meals for four- to seven-year-olds have reduced reception children's obesity rates by 7%. Although small, the reduction has been fast and is more effective than other school-based initiatives. Children who take up the available free school lunch have stronger educational performance at age five and age seven.

**What:** Education spending pressures and challenges

**Who:** Dr Luke Sibieta, Institute for Fiscal Studies

**Headline findings:**

- School spending per pupil in England has fallen 9% in real-terms in the last 10 years. The government's new national funding formula will deliver funding increases of 3 – 4% less to schools in poorer areas than those in more affluent areas.
- Colleges and sixth forms face significant education spending shortfalls if the pandemic drives an exceptional rise in student numbers. While the pandemic poses a significant financial threat to the UK higher education sector in terms of falls in student numbers, especially from international students, the largest source of financial risk for universities is pension costs.

**What:** Comparisons of cognitive skills and educational attainment across the UK

**Who:** Dr Luke Sibieta, Education Policy Institute

**Headline findings:**

- The UK nations took different approaches to supporting children's education during the first lockdown. Children in Wales benefited from earlier provision of IT and online learning, while a higher proportion of schools remained open in England. In all nations, policies were hampered by poor decision-making, delays and a lack of effective delivery systems.
- The most deprived areas in the UK were more likely to have seen lower pupil attendance in the first half of the Autumn 2020 term. Attendance rates were higher in Scotland than other parts of the UK.

**What:** The influence of cognition and the home environment on early numeracy

**Who:** Dr Fiona Simmons, Liverpool John Moores University

**Headline finding:** Pre-schoolers who spend more time discussing letters and sound with their parents are better at reading and mathematics when they start school and perform better at spelling in Year 2.

**What:** The impact of COVID-19 on mainstream schools in England

**Who:** Caroline Sharp, National Foundation for Educational Research

**Headline findings:**

- During the first national lockdown, pupil and parental engagement was lower in schools with the highest levels of deprivation. Around one-third of pupils did not engage with set work at all and just under a quarter had limited access to broadband and IT equipment.
- By September 2020, pupils were on average three months behind on their learning, with the most deprived pupils and those from ethnic minority backgrounds most likely to be affected. Teachers estimated that 44% of their pupils were in need of intensive catch-up support.

**What:** COVID-19 mitigation measures: education provision and access to special schools

**Who:** Amy Skipp, ASK Research

**Headline finding:** Approximately 20,000 pupils with special educational needs were unlikely to return to special schools in September 2020. Of those that do, many will not receive the full support they are legally entitled to or a full-time place. School leaders and parents believe government guidance has failed to reflect the specific challenges faced by special schools.

**What:** Secondary school choice and academic attainment

**Who:** Professor Ian Walker, Lancaster University

**Headline finding:** The proportion of children who attend their first choice of secondary school may reflect limitations on the number of schools parents can rank rather than true preferences, as it forces parents to think strategically and second guess other parents' decisions.

**What:** Teacher supply, shortages and working conditions in England and Wales

**Who:** Jack Worth, National Foundation for Educational Research

**Headline findings:**

- Teacher retention rates in England improved slightly in 2018/2019, but the retention rate of newly qualified teachers continued to fall. The recruitment challenge is particularly acute in maths, modern foreign languages, physics and chemistry.
- In Wales, both the number of teachers and the number of entrants into initial teacher training declined between 2010 and 2018. The shortage is particularly acute for Welsh and bilingual schools and those in disadvantaged areas.





## Policy and practice impact of Education projects

### COVID-19: disruption to education

Although almost all children and young people missed substantial periods of time in school during the lockdown period, our COVID-19 projects have provided evidence that those in low-income families were worst hit. The NFER moved rapidly to survey school leaders and teachers across England in May and July. By the end of the summer term, 53% of teachers in the most deprived schools expected that their pupils were four months or more behind in their learning, compared to 15% in the least deprived. Dr Sarah Cattan and colleagues from the IFS explored the experiences of families with school-age children by surveying over 5,000 parents about home learning and time-use during the lockdown period.

In June, the IFS and NFER submitted evidence to the Education Select Committee's inquiry into the impact of COVID-19 on education and children's services. The IFS briefed civil servants at the DfE, Department for Work and Pensions (DWP), Government Equalities Office, Cabinet Office and the Treasury. Findings from both projects have directly influenced the DfE's policy towards school closures, home learning, provision of technology, and contact and support for disengaged and disadvantaged children. Both reports have been widely referenced, including in parliamentary briefing papers produced by the House of Commons Library and in

the Health Foundation's report, *Health equity in England: the Marmot review 10 years on*.

Our research has also been vital in highlighting the particular plight of special schools and colleges. Parents' and teachers' concerns about safety meant that significant numbers of those attending special schools were not expected to return to education in the autumn term (with the Education Policy Institute's analysis confirming that this was the reality). Amy Skipp and colleagues at ASK Research and NFER found that insufficient staff capacity, space, funding and reliance on external agencies such as social services and student transport were all expected to affect the support provided to pupils with special educational needs.

### Effective early language intervention

In May, an independent evaluation by the Education Endowment Foundation (EEF) found that the Nuffield Early Language Intervention (NELI) boosts the language skills of four- and five-year olds by an additional three months. Developed by Nuffield-funded academics, NELI is published by Oxford University Press and delivered by the University of Oxford in partnership with Elklan. A total of 193 schools across England took part in the large-scale effectiveness trial which tested the programme in everyday conditions. The findings have a very high level of security, which means that the EEF has a high level of confidence in the results. The evaluators also found that the programme was an effective way of boosting language skills for children with English as an additional language (EAL).

## NELI boosts the language skills of four- and five-year olds by an additional three months.

In December, the DfE announced a £9 million rollout of the Nuffield Early Language Intervention as a key part of its catch-up package for schools, with priority given to schools with a high proportion of disadvantaged pupils. At that time, over one third of primary schools had signed up and the DfE subsequently increased its target to 40% of primary schools.

### Access to higher education

Dr Gill Wyness from the UCL Institute of Education analysed data from over 130,000 students and found that disadvantaged students are less likely to attend 'more selective' university courses despite having the required grades. The research was cited in the Office for Students' consultation document on the higher education system in England. The findings were also heavily cited in the DfE's consultation on post-qualification admissions which launched in January 2021.

### Teacher health and well-being

Tracking the health of teachers in England over the past 25 years, and during the unfolding pandemic, Professor John Jerrim (UCL) found that while teachers are among the happiest professionals, they face long working weeks and cite marking as a key driver of work stress. The research has been presented to all Ofsted inspectors and informed the National Education Union's responses to the DfE's Teacher workload advisory group, development of its *Life balance for teachers model policy – checklist* and its calls for a teacher time budget.

## Welfare

Within our Welfare domain, our objective is to improve people's lives by understanding how their well-being is affected by different social and economic factors. In 2020, we refreshed our funding priorities following a review of our work over the last decade. These priorities are defined by how different people and groups are potentially vulnerable to adverse outcomes, and how those risks can be mitigated or channelled more positively. We are particularly interested in:

- How different sources of support – self, family, work, community and the state – interact with the major social, economic and technological forces that are shaping our society.
- Research into how family, work, and the intersection of the two will affect individual and societal well-being in the coming years. This includes how new technologies combine with family and work to affect economic and social well-being, including the links between digital and social exclusion.

Specific examples of areas we are interested in, include:

- The types of economic policies and systems that would best enhance individual and societal well-being and challenge existing inequalities, as society adjusts to the post-COVID-19 world.
- The costs and benefits of the transition to a net zero-emissions economy and how they can be shared fairly across the population and across generations.
- The economic determinants of health outcomes and their impact on social well-being, both in the current context and in the face of long-term demographic trends.

During 2020 we funded 11 new Welfare projects and provided funding for additional work on eight projects funded in previous years with a total value of £3.2 million.

Combined with ongoing projects from previous years, at the end of 2020 we were managing 49 Welfare projects with a total value of £14.6 million.

## Key Welfare outputs published in 2020

**What:** Social cohesion in the context of COVID-19

**Who:** Professor Dominic Abrams, University of Kent

**Headline findings:**

- People are twice as likely to volunteer to help others and to have seen an improvement in relationships with family and neighbours during the pandemic if their local authority had received government funding for social cohesion projects or identified it as priority.
- Key workers were more likely than others to report that the pandemic had adverse effects on their connections with their families, their perceptions of deprivation in their local area and their trust in politicians.

**What:** The IFS Deaton Review of Inequalities

**Who:** Professor Sir Richard Blundell, Institute for Fiscal Studies

**Headline findings:**

- Geographical inequalities in earnings and household incomes have fallen since the early 2000s, but wealth inequalities are rising. Wages remain highest in London, but increases have been lower compared to the rest of the country and housing costs have risen more.
- The health and economic impacts of the pandemic are not uniform across ethnic groups. For example, per-capita deaths are highest among the Black Caribbean population and men from some minority ethnic groups are more likely to work in sectors hardest hit by lockdown.
- There is no simple North-South or urban-rural divide in the way that the pandemic is affecting health, jobs and families across England. Areas whose

residents look particularly vulnerable to the health effects are not in general the same as those likely to be hit hardest by job losses, although coastal areas are notably vulnerable to both.

- The number of 'solo' self-employed workers – sole traders and owner-managers with no employees – increased from 2.3 million in 2000 to nearly 4 million in 2019. The solo self-employed are an increasingly disadvantaged group in the labour market and the rise is driven in part by a lack of job opportunities.

**What:** An intergenerational audit of the UK

**Who:** Professor Mike Brewer, Resolution Foundation

**Headline findings:**

- COVID-19 has created a U-shaped crisis, with young adults and young pensioners most likely to have stopped working during the pandemic. These groups have also experienced the biggest deterioration in their mental health.
- The pandemic has exposed a huge generational divide in living conditions across Britain, with young people locked down with half the space and three times the risk of damp than older age groups, while renters have seen their mental health deteriorate.
- The economic impact of the pandemic risks pushing an additional 600,000 18 – 24-year-olds into unemployment in the coming year – and causing long-term damage to their pay and job prospects.

**What:** Valuing data: foundations for data policy

**Who:** Professor Diane Coyle, University of Cambridge

**Headline finding:** The government, the wider public sector and the research community should avoid creating conditions that might limit or prevent the use of data not only now, but in future. For example, by avoiding complex and restrictive regulation around data, or granting exclusive 'data access deals' to datasets that have especially high value (such as NHS data) to private companies.

**What:** Growing up under COVID-19

**Who:** Laurie Day, Ecorys

**Headline finding:** The rights of young people have been marginalised through lack of access to quality education, healthcare, and other services during the COVID-19 pandemic, and their experience overshadowed by a negative ‘victim or villain’ narrative.

**What:** UCL COVID-19 Social Study

**Who:** Dr Daisy Fancourt, University College London

**Headline findings:**

- Women and people from ethnic minority backgrounds reported higher levels of depression, anxiety and loneliness than other groups during the pandemic. Others at risk of poorer mental health are young adults, people on lower incomes, those living with children and those living in urban areas. Levels of depression and anxiety are also higher among those with a long-term physical health condition and those with lower educational qualifications.
- Compliance with restrictions was good from March to May, but as lockdown eased, compliance decreased as the proportion of people who understood the rules halved and trust in the government to handle the pandemic took a sharp downward turn following Dominic Cummings’ actions. As COVID-19 cases rose again in the autumn, compliance with new restrictions increased.

**What:** IFS Green Budget

**Who:** Paul Johnson, Institute for Fiscal Studies

**Headline findings:**

- Government borrowing in 2020 will reach a level never before seen in the UK in peacetime, with the economy likely to be 5% smaller in four years’ time than projected before the pandemic.
- Increases to the benefits system as part of the pandemic response combined with the effects of higher unemployment and lower earnings could see spending on working age benefits in 2020/2021 rise by £26 billion.
- There is no systematic relationship between the areas of the UK that are most ‘left behind’ on measures such as pay, employment, education and disability, and the areas that have experienced the worst short-term economic impacts from the pandemic. This, together with the impact of Brexit, is likely to complicate the government’s ‘levelling-up’ agenda.

**What:** Knowledge, experiences and perceptions of data practices

**Who:** Professor Helen Kennedy, University of Sheffield

**Headline finding:** People have some knowledge and understanding of data practices and many are concerned about them and find ways to negotiate, embed or resist them in their everyday lives. People recognise both the value and the potential harms of different data practices and trust some sectors with their data more than others.

**Women and people from ethnic minority backgrounds reported higher levels of depression, anxiety and loneliness than other groups during the pandemic.**



**What:** Communicating uncertainty in data without undermining trust

**Who:** Dr Sander van der Linden, University of Cambridge

**Headline finding:** Uncertainty around key facts and figures can be communicated in a way that maintains public trust in information and its source, even on contentious issues such as immigration and climate change.

**What:** The causes and consequences of bad information

**Who:** Will Moy, Full Fact

**Headline finding:** Misleading claims from government, media and internet companies are harming people's lives and communities, by contributing to deteriorating trust in politics, financial losses through scams, and risks to health.

**What:** How the UK public gets information about COVID-19

**Who:** Professor Rasmus Kleis Nielsen, Reuters Institute, University of Oxford

**Headline findings:**

- After an initial surge, levels of news consumption gradually returned to pre-pandemic levels by mid-August 2020. News avoidance has grown and public trust in news and in the government has declined dramatically. In August, 43% of respondents said that the government was doing a bad job responding to the pandemic, and 38% were very or extremely concerned about false or misleading information from the UK government about coronavirus.
- An estimated 8 million people in the UK (15% of the population) are at risk of being less informed, uninformed or misinformed about COVID-19, as they neither consume news daily nor trust the content.



**What:** The intergenerational transmission of family wealth

**Who:** Professor Brian Nolan, University of Oxford

**Headline finding:** Intergenerational wealth transfers drive inequality, with over one third of British households receiving a wealth transfer in the form of an inheritance or substantial gift from their parents at some point. Those with a university-level education receive substantially more in transfers than those with lower levels of education.

**What:** How the COVID-19 crisis is affecting food security

**Who:** Dr Martin O’Connell, Institute for Fiscal Studies

**Headline findings:** After an initial 2.4% increase in grocery prices at the start of the March lockdown, largely driven by a decrease in promotions, by August prices were only 0.5% higher than at the beginning of the year. Pre-lockdown ‘panic buying’ involved many more households than usual buying storable groceries such as soap, soup and toilet roll, rather than a minority of households buying excessively large quantities.

**What:** COVID realities: families on low incomes during the pandemic

**Who:** Dr Ruth Patrick, University of York

**Headline findings:**

- Participants in the study report additional financial hardship and stress, deterioration in mental health, and in some cases, food insecurity. A report produced in partnership with the Resolution Foundation combined these qualitative findings with new survey data and found families on low incomes and families with dependent children are more likely to report increased spending during the pandemic than those on higher incomes, due to extra costs for food, energy and remote learning.
- The COVID Realities research fed into the Child Poverty Action Group’s series of briefings, *Mind the Gaps*, which highlight some of the gaps in social security support for children and families.

**What:** Revaluation and reform: bringing council tax into the 21st century

**Who:** David Phillips, Institute for Fiscal Studies

**Headline finding:** Revaluation and reform of council tax could be a useful contribution to the ‘levelling up’ agenda. Updating valuations and re-allocating funding for different local authorities would cause average bills to fall in the Midlands, North and much of the South West, and increase in London and its environs.

**What:** Finding solutions to social, health and nutritional problems in the UK

**Who:** Anna Taylor, Food Foundation

**Headline finding:** Tracking ten different metrics to provide a holistic picture of the food system, the Food Foundation’s annual *Broken Plate* report finds high levels of inequality that are damaging to health. In England, 45 local authorities have seen more than a 5% increase in the proportion of food outlets that are fast food takeaways. There is also a continuing divergence between the cost of healthy and unhealthy foods, and 20% of households with the lowest disposable income would have to spend 39% of that income in order to eat a healthy diet.

**What:** Me and my big data: developing citizens’ data literacy

**Who:** Professor Simeon Yates, University of Liverpool

**Headline finding:** A significant proportion of young people – often identified as “digital natives” – have the weakest understanding of how their data is harvested online and used. And 70% of ‘social and media users’, half of whom are under 24, do not want to share their data but feel they have no choice but to do so to access services and social media.

## Policy and practice impact of Welfare projects

### **Mental health and well-being during COVID-19**

Over 70,000 people have been completing weekly online surveys since March 2020 as part of the UCL COVID-19 Social Study. Survey results and analysis have been published fortnightly, providing real-time insights into the psychological and social impacts of the pandemic as people respond to rising infection and mortality rates and changing restrictions. The survey has shown that many pre-existing inequalities have been exacerbated by the pandemic. The study's Principal Investigator, Dr Daisy Fancourt, has communicated the research evidence to the public via frequent national media appearances and engaged with decision-makers through briefings to the Cabinet Office, Scientific Advisory Group for Emergencies (SAGE), WHO, NHS England and Public Health England. The study has been influential in planning for mental health service demand, predicting adherence to lockdown measures and identifying groups in need of social or psychological support.

### **Public trust and compliance during COVID-19**

Research led by Professor Rasmus Nielsen from the Reuters Institute at the University of Oxford has explored how the UK public navigates information and misinformation about COVID-19 and the government's response to the pandemic. The team found

that an estimated eight million people in the UK were at risk of being less informed, uninformed or misinformed about COVID-19. On 3 June 2020, during Prime Minister's Questions, the leader of the opposition, Keir Starmer, used the research as the basis for a question on the loss of trust in the UK government's COVID-19 response. The team gave private briefings to the European Broadcasting Union Heads of News Group and the Society of Editors drew on the research in its campaign to highlight the importance of news media during the crisis. Professor Nielsen spoke about the findings in his keynote speech at the 7th Global Factchecking conference and communicated the research to a broader audience through an 'ask me anything' session on Reddit. The WHO asked the team to provide a COVID-19 research protocol for infodemic-related research. The research also informed the communication strategy for the Oxford/Astra Zeneca vaccine.

### **Inequalities during the pandemic**

Beyond our COVID-19 call for applications, we also encouraged existing grant-holders to consider the impact of the pandemic in their research. The IFS Deaton Review of Inequalities (Deaton Review) and the Resolution Foundation's Intergenerational Audit – both underway before the pandemic – produced interim findings that responded to the pandemic's implications and identified the inequalities in its impact. Outputs from the Deaton Review generated high profile media coverage and helped to highlight inequalities in the impacts of the COVID-19 crisis, for example in relation

**The UCL COVID-19 Social Study  
has provided real-time insights into  
the psychological and social impacts  
of the pandemic.**

## Strategic goal one

to the disproportionate health and economic effects on some ethnic minority groups, and identifying the geographical regions most at risk across a range of dimensions. The Intergenerational Audit drew particular attention to the financial risks faced by young workers and education leavers during the pandemic and generated media coverage estimated to reach an audience of 12.38 million.

Encouragingly, research led by Professor Dominic Abrams and the Belong Network, found that communities where there has been investment in social cohesion appear to be better set up to respond to COVID-19. This research has been reported to SAGE and was cited in the All Party Parliamentary Group on Social Integration's report, *Social connection in the COVID-19 crisis*.

Our projects have also examined the impact of the pandemic on low-income families. The COVID Realities project has shared findings with the DWP and the Social Security Advisory Committee. In December, participants from the project spoke on a number of Radio 4 programmes, sharing diary extracts and their personal experiences. The COVID Realities project released a joint report with the Resolution Foundation which generated high-profile online, print and broadcast coverage, including leaders in the *Financial Times* and the *Guardian* and coverage by *BBC News* and *Panorama*.

We are one of the funders of the Food Foundation, a charity that aims to change food policy and business practice to ensure everyone across the UK can afford and access a healthy diet. The Food Foundation is part of Marcus Rashford's Child Food Poverty Task Force, a coalition of charities and food businesses calling on government to implement three recommendations from the National Food Strategy. Research undertaken by the Food Foundation was used to underpin the taskforce's #EndChildFoodPoverty campaign, which has so far been successful in securing an

extension of the holiday activity and food programme to all children in receipt of free school meals in England and increasing the value of Healthy Start vouchers to £4.25.

### **Building a reliable, flexible, accessible and transparent tax-benefit model for the UK**

We are currently funding the extension and enhancement of UKMOD, a tax-benefit microsimulation model based on the UK component of EUROMOD. UKMOD permits analysis of the effects of taxes and social benefits on household incomes and work incentives for the population of each nation in the UK.

UKMOD is currently the only tax-benefit model for the UK which is entirely open and accessible. The model has been updated this year to account for COVID-19 policy changes and is increasingly being used by academics, government, the devolved assemblies and the third sector. It is being used by the Scottish Parliament Information Centre to answer questions by MSPs, as well as by NHS Health Scotland. The Welsh government is using UKMOD to model the impact of policies since the partial devolution of income tax powers to Wales.

## Justice

Within our Justice domain, our objective is to improve outcomes for people who are seeking to resolve legal problems and exercise their rights by facilitating evidence-based change in the justice system. 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 2020 we funded 11 new Justice projects and provided funding for additional work on seven projects funded in previous years with a total value of £2.4 million. Combined with ongoing projects from previous years, at the end of 2020 we were managing 44 Justice projects with a total value of £9.5 million.

## Key Justice outputs published in 2020

**What:** Inequalities in child welfare intervention rates

**Who:** Professor Paul Bywaters, University of Huddersfield

**Headline finding:** The chances of children growing up in circumstances which lead to them being looked after by the state or being placed on child protection plans or registers are profoundly unequal both within and between the four UK countries. Children in the most deprived areas in the UK are over 10 times more likely to be in foster or residential care or on protection plans than children in the least deprived areas.

**What:** Vulnerability in the courts

**Who:** Professor Penny Cooper, Birkbeck, University of London

**Main output:** A new framework to support participation by lay people in court and tribunal hearings. This freely available resource addresses what it means to participate in judicial proceedings, why participation matters, and what factors impede and support participation. The framework aims to guide and inform policy, practice and research in order to empower court users.

**What:** System conditions and welfare inequalities in children's services

**Who:** Professor Rick Hood, Kingston University

**Headline finding:** The institutional context and organisational structure of children's social care is contributing to systematic inequalities in provision. Policy makers should pay more attention to the link between neglect and poverty, and agencies should develop more flexible and community-oriented types of provision.

**What:** The impact of COVID-19 on family courts in Northern Ireland

**Who:** Professor Gráinne McKeever, Ulster University

**Headline finding:** Remote hearings during the pandemic are better than not having any hearings but they are not yet able to deliver the indicators of access to justice: fairness, participation, accessibility, inclusion and timeliness.

**Children in the most deprived areas in the UK are over 10 times more likely to be in care than those in the least deprived areas.**

**What:** Enhancing problem-solving practice in youth court

**Who:** Vicki Morris, Centre for Justice Innovation

**Headline finding:** Vulnerable children and young people coming before the court are not always receiving the treatment they need – making it all the more likely they will offend again.

**What:** Paths to administrative justice in Wales

**Who:** Dr Sarah Nason, Bangor University

**Headline finding:** The administrative justice system in Wales is on the right track, but it still needs work. Recommendations include revising and consolidating legislation, ensuring the system is underpinned by a clear and consistent set of principles, and improving Welsh Parliament oversight.

**What:** Looked after children grown up

**Who:** Professor Amanda Sacker, University College London

**Headline finding:** Children who grow up in the UK care system are four times more likely to have poor health 30 years later and twice as likely to die earlier.

**What:** Law and compliance during COVID-19

**Who:** Dr Joe Tomlinson, University of York

**Headline finding:** The pandemic has radically and rapidly altered the scope and reach of government in people's everyday lives, enabled by a large amount of legal and policy instruments. By the middle of June 2020, people were less confident in their understanding of COVID-19 restrictions and reported lower levels of compliance than at the beginning of lockdown. While only a minority perceive lockdown as an unacceptable rights violation, a larger proportion expressed concerns about the fairness of government action during the pandemic.



## Policy and practice impact of Justice projects

### Law and compliance during COVID-19

Research led by Dr Joe Tomlinson at the University of York has been tracking the expansion of governmental powers in the UK in response to the COVID-19 crisis. The project explores the extent to which people's perceptions of their rights and of the fairness of government action influence compliance with social distancing and other restrictions including mandatory face coverings. Dr Tomlinson gave evidence to the House of Lords Constitution Committee's COVID-19 inquiry. The research has also been presented at a cross-government seminar hosted by the Cabinet Office Open Innovation Team.

### Fairer divorce – new legislation and guidance on pensions

Professor Liz Trinder's *Finding Fault* project has contributed to the first major reform of divorce law in 50 years – the Divorce, Dissolution and Separation Act 2020. Professor Trinder's research – which found that divorce law was causing unnecessary conflict, encouraging dishonesty and undermining the aims of the family justice system – was influential at every stage of the legislative process. We worked with Professor Trinder to produce and circulate evidence briefings to MPs and Peers, which were referenced in Parliamentary debates and informed a briefing paper produced by the House of Commons Library.

We were pleased to see the Pensions Advisory Group (PAG) awarded the John Cornwell Award for an outstanding contribution to family law by the family lawyers organisation Resolution. PAG is an interdisciplinary working group that we have funded to provide an in-depth analysis of how pensions on divorce should be approached, building on the Pensions on Divorce project led by Hilary Woodward at Cardiff University, also funded by the Foundation. The group's essential guide provides much-needed guidance to family judges, lawyers and pension experts encouraging fairer settlements and helping to manage liability. The guide has been downloaded over 8,000 times, with a print version published in 2020 and a lay guide scheduled for 2021.

### Child welfare inequalities

The child welfare inequalities project led by Professor Paul Bywaters continues to be influential with policy makers in children's social care, including in all four countries of the UK and with Ofsted. For example, the Welsh Parliament has introduced an explicit policy to reduce the number of children in care by providing better support for families. The Scottish Independent Care Review cited the research in its call for a profound reorientation of children's social work towards keeping families together. Across England, local authorities have begun to change their policies in relation to how they support families in poverty and the British Association of Social Workers has developed a suite of materials informed by the research. In Northern Ireland, the Department of Health has produced an *Anti-poverty practice for social work framework*.

## The *Finding Fault* project contributed to the first major reform of divorce law in 50 years – the Divorce, Dissolution and Separation Act 2020.

Research on care leavers by Professor Amanda Sacker at University College London found that people who spent time in care as children have worse health outcomes than the general population. An article for the *BMC Medicine* journal was picked up by the *Guardian*, *1 paper* and *Children and Young People Now*. The team's innovative use of Office for National Statistics (ONS) data was recognised when team member, Dr Emily Murray was shortlisted for an ONS Research Excellence Award for her work on the project. The project is also being used as a case study in a marketing campaign to promote the value of Census data ahead of the 2021 Census.

ethically during such global health emergencies. The call for action was supported by many others, including the International Rescue Committee, the African Academy of Sciences, Wellcome, Médecins Sans Frontières UK, the London School of Hygiene & Tropical Medicine, and Fundação Oswaldo Cruz (Fiocruz).

This report proved influential in the global response to COVID-19, including being referenced in WHO guidance on the ethical conduct of COVID-19 research. The report also became the strong foundation for the Council's own response to the pandemic.

Throughout 2020, the Council worked to provide support, information, and advice to ensure that ethics was a key consideration in rapidly developing government and societal responses to the pandemic, especially in the UK. This included convening a series of webinars, publishing four policy briefings and over 20 opinion pieces, compiling COVID-19 ethics resources, participating in media and professional discussions, and issuing statements and letters.

The four policy briefings were: *Ethical considerations in the COVID-19 pandemic*; *Fair and equitable access to COVID-19 treatments and vaccines*; *COVID-19 antibody testing and 'immunity certification'*; and *Ten questions on the next phase of the COVID-19 pandemic*. These briefings have been influential in the UK and global response to COVID-19. For example, the Council was invited to present its fair and equitable access briefing note at a meeting of the Treasury, Department of Health and Social Care, the Cabinet Office, and Foreign and Commonwealth Development Office. The note was also cited in a Vatican briefing, a *Vaccine for all: 20 points for a fairer and healthier world*.

## Nuffield Council on Bioethics

The Nuffield Council on Bioethics is an independent body that informs policy and public debate about the ethical questions raised by biological and medical research. It is part of the Foundation, but co-funded by Wellcome and the Medical Research Council. Given its longstanding role as advisor on ethical issues in bioscience and health, the Council was well placed to use its expertise for the public good during the pandemic, both in the UK and internationally.

### Ethics in global health emergencies

In January 2020, just as the significance of the COVID-19 outbreak was becoming evident, the Council reported the findings and conclusions of its two-year inquiry on *Research in global health emergencies: ethical issues*. Alongside the published report, the Council urged governments, funders, and research bodies to take action to ensure that research is undertaken



## Egg freezing in the UK and other projects

The Council also continued its planned work programme. It published a briefing note on *Egg freezing in the UK*, the eighth in its series of bioethics briefing notes. The briefing note was well received and was timely in its presentation of issues such as the current time limits on egg storage, and the increasing use of egg freezing as an employment benefit. The Council's media spokesperson, Professor Frances Flinter, gave a live interview on BBC Radio 4's *Today* programme and participated in a panel discussion for Tortoise Media's Sensemaker. The briefing note was featured by outlets including the *BBC*, *The Telegraph*, *The Times*, *Press Association* and the *Daily Mail*.

The Council continued its work on an in-depth project on genome editing and farmed animals, and launched a new in-depth inquiry into the future of ageing, which will explore ethical questions in relation to the role of science and technology in helping people live well in old age.



## 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

The Nuffield FJO aims to improve the lives of children and families by putting data and evidence at the heart of the family justice system. Serving as a bridge between the academic community and frontline practitioners, it works to identify and fill the gaps in understanding of the family justice system, highlight the areas where change will have the biggest impact, and foster collaboration to make that change happen.

At the start of the pandemic the Nuffield FJO swiftly pivoted its research agenda to examine what was happening within the family justice system under lockdown and how changes were being experienced by children and families, as well as professionals. It produced weekly bulletins bringing together the latest emerging data and evidence from England and Wales and other jurisdictions on how family justice

was being affected and held a series of virtual events to gather insights on the most pressing issues facing the system. This fast response helped drive a significant increase in the reach, profile and influence of the Nuffield FJO. Subscribers to the regular email bulletin tripled in April 2020.

#### Remote hearings during COVID-19

In April, and again in September, at the request of Sir Andrew McFarlane, the President of the Family Division, the Nuffield FJO was asked to carry out rapid far-reaching consultations on remote hearings. More than 2,300 parents, relatives and professionals shared their experiences, painting a valuable – and difficult – picture of how virtual courts were performing in delivering justice for families. The reports have been regularly referenced in national and legal media, including the BBC; in cases in the family court, and by Sir Andrew McFarlane, who also said:

"If the [Nuffield] FJO had not existed I cannot see how we could have commissioned and financed anything of the sort in anything

like a timescale to meet the urgent need to provide information to those of us trying to steer the ship in this very stormy and uncharted ocean. This is very impressive and [proof], if that were needed, it will put the presence of [Nuffield] FJO on the family law map in indelible ink."

## Contact under lockdown

As social distancing measures were put in place, the Nuffield FJO commissioned two rapid studies on how contact arrangements between children in care or adopted and their birth families were being managed during lockdown, and the impact of digital contact on children's well-being and development.

## Modernising contact

During the Nuffield FJO's development phase, stakeholders requested up-to-date research on the impact of contact arrangements on children's development and well-being. In 2020, the Nuffield FJO

commissioned a rapid evidence review from the University of Sussex and National Centre for Social Research (NatCen). In addition, it worked with Professor Beth Neil and a digital design company to develop a prototype of an app that could help support a wide range of contact arrangements for children post-adoption. This package of evidence and ideas is being used to inspire local authorities, regional adoption agencies, foster carers and others to reappraise how contact arrangements might be managed during and post-pandemic.

## Born into care

The *Born into care* series began in 2018 and is led by Professor Karen Broadhurst and colleagues at Lancaster University. The series explores the trends, patterns and factors relating to the number of infants who are subject to care proceedings. During 2020, data from these studies has continued to be shared with local authorities and designated family judges in a series of regional workshops to





explore the circumstances surrounding these cases. A review of existing case law and a rapid evidence review of parents' and professionals' experience of infant removal were published to inform the debates.

*Born into care: one thousand mothers in care proceedings in Wales* drew on ground-breaking data linkage work undertaken by the Family Justice Data Partnership, a collaboration between the Universities of Lancaster and Swansea on behalf of the Nuffield FJO. This study explored the health histories of mothers whose children were subsequently subject to care proceedings and highlighted the very high levels of mental health problems among this population. The report was covered by *BBC Wales* and the *Guardian*. A separate study, which is being funded by the Nuffield Foundation, is developing guidelines to inform best practice regarding which infants are taken into care at birth.

## Ada Lovelace Institute

Founded by the Nuffield Foundation in 2018, the Ada Lovelace Institute is an independent research institute and deliberative body with a mission to ensure data and AI work for people and society. 2020 was Ada's first full year of operation and one in which it has capitalised on its unique opportunities as a research institute based outside academia to refine its strategy, build capacity and anticipate areas of upcoming interest, while producing much-needed evidence to inform decision-making about data-driven technologies.

Central to Ada's approach is interpreting academic analysis for policy makers and practitioners by synthesising, translating and building on existing research and scientific expertise. Ada convened events and used public deliberation methods to provide new evidence to support better

problem definition, raise awareness and understanding and build networks of activity and influence.

### Exit through the App Store?

Ada's most prominent work in 2020 – which speaks to its three organisational outcomes: building evidence; changing policy, practice and laws; and fostering an informed public dialogue – emerged from convening more than 20 social science, philosophy, legal and technical scholars, to explore the technical considerations and societal implications of using technology to transition from lockdown. The rapid evidence review, *Exit through the App Store?*, published in April 2020, was downloaded 1,875 times and had 9,041 unique views. It has retained its authority throughout 2020, with 146 media mentions including the *Guardian*, *Sky News*, the *Financial Times*, *Nature* and the *BMJ*.

This work established Ada's credibility with policy and industry: it was referenced in the Biometrics Commissioner's statement on the use of symptom tracking applications, in Darren Jones MP's evidence to the House of Commons Science and Technology Committee when it considered the implications of proposed contact tracing apps, in Lord Clement-Jones' evidence for an oral question raised in the House of Lords in May, in internal government strategy documents about Test, Track and Trace, and in Ministers' briefing notes (according to an unofficial Whitehall source), in briefing documents presented to SAGE (reported by a media source), and in the Information Commissioner's Office report on COVID-related technologies.

It also paved the way for wider opportunities for influence: Imogen Parker, Head of Policy and Carly Kind, Director were invited to attend a Centre for Data Ethics and Innovation roundtable, which included key NHSX personnel, to advise on the future of the COVID contact tracing app. Ada also hosted a roundtable to convene



senior public health, technology, academics and civil society organisations, to discuss technologies in development to support the easing of lockdown measures, and Carly Kind joined an international roundtable hosted by CIFAR at the request of Canada's Chief Science Adviser.

Subsequent invitations to provide evidence to Parliament demonstrate Ada's growing status as a source of expert evidence on technology-related issues: Carly Kind gave evidence as an expert witness to the Lords Select Committee on AI, and the DCMS subcommittee on online harms and disinformation.

Anticipating legislation of biometric technologies in 2021, Ada created two mechanisms to bring the public's voice into the debate on technologies that collect and process biometric data, like live facial recognition and digital fingerprinting. The Citizens' Biometrics Council, a demographically diverse group of 50 members of the UK public with expert advisers, was convened in February and its recommendations will be taken forward into the Ryder Review, an independent legal review of the governance of biometric data, commissioned from Matthew Ryder QC and overseen by an advisory group of multidisciplinary specialists.

## Predicting future concerns

Ada's work has also begun to demonstrate prediction of future-facing concerns.

*Examining the black box: tools for assessing algorithms*, published in April 2020 with DataKind UK, anticipated a wave of international interest in algorithmic assessment, leading towards new transparency mechanisms and legislation. Clarifying the terms around algorithmic audits and impact assessments, and the current state of research and practice, the report has been cited in a joint letter to the EU commission from 13 organisations, coordinated by Digital Action, calling for regulatory inspection of algorithms, and referenced by the Parliamentary Office of Science and Technology (POST), the Competition and Markets Authority and the Society for Computers and Law.

## Responsive tools and resources

Ada has also developed a range of responsive tools and resources, including an international monitor of public health identity systems which has followed the rollout of immunity passports and vaccine certificates in response to the COVID-19 pandemic. Ada's digital contact tracing tracker offers a global comparative view of contact tracing apps in more than 60 countries and Carly Kind was interviewed about it on BBC Radio 4's *Today* programme. Ada's work in this field led to a substantial research partnership with the Health Foundation focusing on the impact of data-driven technologies in the pandemic on health and social inequalities.

**During 2020, Ada produced much-needed evidence to inform decision-making about data-driven technologies.**

## Convening, capacity building and research

One of Ada's core aims is to convene diverse voices to create a shared understanding of the ethical issues arising from data and AI. Throughout 2020, Ada has brought together experts, researchers, policy makers and practitioners from a range of disciplines, facilitating workshops with technology providers, regulators and policy makers, including the Information Commissioner's Office, the Competitions and Markets Authority and Ofcom, on immunity passports and data sharing, inspecting algorithms in a range of domains, and to respond to the National Data Strategy.

With the support of the Arts and Humanities Research Council (AHRC), Ada launched JUST AI in February 2020, a field-building project led by Dr Alison Powell, to map and build capacity in the field of AI ethics, developing a network of researchers through working groups, research labs and commissioning. In April, the AHRC granted extraordinary funding to support four fellowships in racial justice and AI.

Ada has also produced 11 reports across a range of research areas, from an exploration of the principles of data stewardship, to a synthesis of research and concepts related to the societal and ethical challenges arising from the blurring of the boundaries of health data with their report *The data will see you now*. This latter report featured in the Financial Times, and was referenced in an overview of AI and healthcare produced by the Parliamentary Office of Science and Technology (POST).

In January, four new Trustees were appointed to the Ada board and Dame Wendy Hall was appointed Chair in July, succeeding Sir Alan Wilson.



## 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. 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. The result of that collaborative way of working is evidenced in the impact examples provided under strategic goal one. Similarly, the policy influence of the Nuffield Council on Bioethics, the Nuffield Family Justice Observatory and the Ada Lovelace Institute is reported under strategic goals one and two respectively.

This year, we have increased our audience reach and engagement for a number of reasons. Firstly, funding a collection of research projects providing real-time insights on the impact of the pandemic has given our work more immediate relevance to a broader range of audiences. Secondly, this year has been the first full year that our newer organisations, the Nuffield FJO and Ada have been operating at full capacity, which has accelerated their profile and influence. Thirdly, we have continued to develop a stronger narrative about our work and its implications, underpinned by our synthesis activity, which makes connections and draws out wider messages from the collective findings of our research. This year, our synthesis work has focussed around our COVID-19 projects and our *Changing face of early childhood* series, both of which cut across our core domains.

### Increasing engagement with our COVID-19 research

Through our COVID-19 webinar series, we were able to convene conversations between researchers, policy makers and practitioners on both the immediate and longer-term implications emerging from our research. For example, our *Lessons from lockdown* webinar provided a forum for the Chair of the Education Select Committee to respond to research on schools and remote learning, and for direct engagement with head teachers. Our *Well-being in a pandemic* webinar gave participants the opportunity to explore the richness of the extensive new dataset provided by the UCL COVID-19 Social Study alongside insights from qualitative research on people's day-to-day experience, and to hear from the NHS on how support needs might be best met. Through our *Trust in transition* webinar we were able to bring together new evidence on questions relating to public trust, in government, the media and each other, and consider them in an international context. The webinar series drew a total audience of 420 people.

In December we published the first in a series of quarterly COVID-19 briefings designed to distil and connect the main insights from our research and provide an accessible route into the emerging evidence, primarily for a policy audience. Emerging themes include variations in experience of the pandemic,



the extent to which public institutions have provided a safety net, and the reverberations we might expect. We expanded on these themes in more detail in a report we produced in rapid response to the British Academy's call for evidence on the long-term societal effects and impacts of COVID-19. The call informed the British Academy's own report, commissioned by Sir Patrick Vallance, the Government Chief Scientific Advisor.

## Changing face of early childhood series

The *Changing Face of Early Childhood* is a new series of short evidence reviews, events and engagement that seeks to generate an informed debate on early childhood based on what the collective evidence tells us. Led by Carey Oppenheim, the series synthesises and critically appraises over 80 projects funded by the Foundation over the last ten years, as well as many other key studies. Over the course of 2020 and 2021, the series

will paint a picture of the first five years of life in the UK, including consideration of the extensive changes to family life in the last 20 years, child welfare and protection, early years education and childcare, poverty, health, and parents and the home. The concluding review will draw upon the insights provided by our readers and contributors throughout the series to develop evidence-informed recommendations and to identify gaps in the evidence.

In 2020 we published the first evidence review in the series, *How are the lives of families with young children changing?* The review explores how family context and social and economic factors are combining to create a new environment for early childhood that is marked by inequality and insufficiently understood. The review generated media coverage in *The Times*, *i-news*, *Early Years Educator*, the *Daily Mail*, *ITV News*, *Nursery World* and *Day Nurseries*. A *Press Association* article was syndicated to 145 online media outlets and featured in 104 local print editions and 24 local



radio stations. The review's authors, Carey Oppenheim and Jordan Rehill wrote an op-ed for *Children and Young People Now* magazine and for the thinktank, Bright Blue. An opinion piece on the impact of COVID-19 on early childhood by Carey Oppenheim was referenced in the *Guardian*.

The series has also generated parliamentary interest; Carey Oppenheim gave evidence to an Education Select Committee Inquiry on the educational underachievement of White pupils and Dr Nathan Archer gave evidence to the All Party Parliamentary Group on Childcare and Early Education.

We held the first two webinars for the series – one to explore the impact of COVID-19 on the early years education and childcare sector and another to explore the questions raised by the first evidence review. A total of 355 people attended these webinars, which featured contributions from researchers, early years educators, and policy makers at national and local level. These contributions, along with questions and comments received from the audience will inform the series as it progresses, as will insights from other relevant events we have convened, for example on the early years workforce and children's food provision. We are inviting people to respond to each of the reviews via our website.

## Increasing our audience engagement

### Online events programme

From March 2020 onwards, all our events have been online only, which has grown our audience and reach. Our webinars have typically attracted double the number of attendees than our in-person events and have been attended by an increasing number of people from outside London, including practitioners and international attendees. We have also been able to increase direct

engagement with Members of Parliament, with speakers including Robert Halfon MP (on COVID-19 and education), David Lammy MP (on youth justice) and Christian Wakeford MP (on children's food provision). We have also made progress increasing representation from practitioner groups, particularly teachers and those working in children's services. However, we are conscious that the move to online events has made it more difficult to deliver the more informal elements of convening, and to ensure that all members of the audience have an opportunity to engage.

We have also produced events in partnership with others, enabling us to engage with new audiences. The Nuffield FJO held a series of ThinkIns with Tortoise Media as part of its work on remote hearings in the family justice system, which enabled frontline practitioners to share their experiences in the early days of the pandemic. In June, we worked with Tortoise Media on its Education Summit, *Is it time for a revolution in learning?* As knowledge partner for the Summit, our research was used to inform the programme materials, and our Director of Education, Josh Hillman was a lead speaker. The Summit was attended by 1,400 people. The Ada Lovelace Institute curated a day of talks at virtual CogX, the international festival of AI, bringing together people from policy, academia and industry to tackle difficult questions on the benefits and harms that emerging technologies bring to people and society.

### Developing our digital content

We are increasingly using our digital platforms to increase engagement with our research outputs and funding opportunities. For example, we have been building a narrative about our work through publishing opinion pieces that draw out connections and common themes in our research, and to provide additional commentary on our synthesis projects, such as the *Changing face of early childhood* series. These opinion

## Strategic goal three

pieces have been popular, resulting in 5,849 views, including 2,545 views for our Chief Executive, Tim Gardam's piece calling for the social science community to respond to the pandemic.

In total, we had over 380,000 visitors to our website in 2020, with news and opinion, research projects and funding pages proving particularly popular. Visits to the Ada and Nuffield FJO websites increased rapidly over the course of the year as the organisations became fully operational, with 236% and 391% increases in annual visitors respectively. There was a particular spike in relation to COVID-related content, with *Ada's Exit through the App Store?* report and its international monitor of vaccine passports and COVID status apps, and the Nuffield FJO's consultations on remote hearings generating a lot of traffic and engagement. The growth in audience was evident in social media following too, with Ada and the Nuffield FJO increasing their Twitter following by over 70%, with smaller increases across our other accounts. We also saw an increase in the number of subscribers to our email newsletters.

### Media opportunities

Our media profile has grown significantly in 2020, largely driven by two factors. A small number of our COVID-related projects have published frequent outputs on the real-time impacts of the pandemic, generating a high volume of media engagement. In addition, we are increasingly providing comment on the research we fund, which has resulted in more media interviews and quotes from our spokespeople. Over the course of the year the Nuffield Foundation was mentioned 2,638 times in the media, 1,826 of which included quotes from our spokespeople.

Our Director of Education, Josh Hillman was interviewed on *talkRADIO* and *Times Radio* about learning loss during the pandemic and our Education Programme Head, Cheryl Lloyd was interviewed by *BBC Radio Essex* about findings from the UCL COVID-19

Social Study. Our Chair, Sir Keith Burnett, and Chief Executive Tim Gardam were quoted in *Research Professional* in relation to our COVID-19 response.

The connections we have made between our COVID-related projects have been reflected in the media coverage. An article in the *Big Issue* referenced Nuffield-funded research by the NFER and Amy Skipp and a story which mentioned Dr Daisy Fancourt and Professor Rasmus Neilsen's projects was syndicated to local outlets and covered by the *Daily Mail*, *Mirror*, *Telegraph* and *Evening Standard*. Research by the NFER and IFS about education during the pandemic was referenced in the same *Daily Mail* article. We took a lead role in the dissemination of Amy Skipp's research on COVID-19 and special schools which lead to a *Guardian* editorial and a *BBC Look East* interview. Our COVID-19 projects have also featured in publications we would not usually see our research, including *Vice*, *Vogue*, *Marie Claire* and *Time magazine*.

Spokespeople from Ada, the Nuffield FJO and the Nuffield Council on Bioethics were also in demand this year. Nuffield FJO Director, Lisa Harker was featured alongside other experts in a *Guardian* article on the impact of the pandemic on child poverty and interviewed by broadcast media, including *BBC Radio 4* about the Nuffield FJO's consultations on remote hearings in the family justice system. Carly Kind, Director of Ada gave the National Archives' annual digital lecture had a letter published in the *Financial Times* about facial recognition technology and was interviewed for several broadcast interviews, including one for the BBC Radio 4 *Today* programme on track and trace. Hugh Whittall, Director of the Nuffield Council on Bioethics spoke on *BBC World Service* about the ethics of vaccinations.

## Strategic goal four – opportunities for young people

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.

### Student programmes

#### Nuffield Research Placements

Nuffield Research Placements are engaging, hands-on research projects that give year 12 (or equivalent) students the opportunity to make a meaningful contribution towards the work of a host organisation. The programme aims to encourage young people from lower-income 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 the Foundation to cover costs. These include students' travel costs and weekly bursaries of £100 for eligible students. In addition to meeting the academic criteria, students must either be living in a low-income household, entitled to free school means, living in local authority care, or be 'first in family' to participate in higher education.

Due to the pandemic, we were unable to provide on-site placements this year. Instead, we developed an alternative online offer – Nuffield Future Researchers – which comprised a series of online modules designed to develop students' professional, research, analytical and reporting skills. The online programme reached almost as many students as the in-person placements in 2019 – 886 students compared to 960. Of the students who started a placement, 839 received a bursary (91%) and 664 would be the first in family to go to university (75%).

In terms of the placements themselves, we recruited 426 virtual project supervisors from 170 organisations. While Nuffield Future Researchers lacked some of the substantial benefits of in-person on-site placements it provided students with materials, support and contact with researchers, and will influence the development of post-pandemic student programmes. The programme was well received, with a survey of participating students reporting:

- 93% of students were satisfied with their experience of the Nuffield Future Researchers programme.
- 91% said they would recommend Nuffield Future Researchers to others.



## Strategic goal four

- 71% said they would be interested in joining the Nuffield Alumni Network.

### Partnership with STEM Learning

We will continue to fund Nuffield Research Placements, but from October 2020 the programme has been managed and operated by STEM Learning. STEM Learning is the UK's leading provider of STEM education and careers support. Nuffield Research Placements will continue to operate in a similar way across the UK and the eligibility criteria and overall experience will not change, ensuring that students receive the same benefits.

## 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, with our commitment amounting to £2.1m in support to 17 universities for this transitional phase.

During 2020 the work of Q-Step Centres was heavily impacted by the pandemic and centres focused mainly on ensuring that core teaching on programmes and modules was covered online. Some additional activity also took place online, with some centres managing to convert planned masterclasses and training and professional development sessions for remote delivery. Other activity covered by the transitional funding has been rolled over into 2021.

During 2020 we began working with SAGE Publications and the ESRC to develop an online platform for sharing teaching materials developed by Q-Step Centres. This project aims to extend the reach of the programme to other institutions, academics, and disciplines beyond the designated Q-Step Centres. Our goal is to establish a global community of quantitative social science teachers who will share resources and cutting-edge methodology to support the proliferation of high-quality teaching. The platform is expected to go live during 2021 and we hope it will form a key part of Q-Step's legacy.

During 2020 we entered the final stages of an independent evaluation of Q-Step and we will publish a final report in 2021. Our formal involvement in Q-Step will end in September 2021, but universities will continue to use the good practice and resources developed over the past seven years.

## Nuffield Foundation Fellowship at POST UK

We offer PhD students in their final or penultimate year of studying within a scientific or quantitative social science field at a UK university the opportunity to undertake a three-month fellowship at the Parliamentary Office of Science and Technology (POST).

This year, Amelie Ott co-authored a POSTnote briefing on the use of smartphones and other devices with screens, finding that this can both support and inhibit child development, depending on the activities undertaken. This research was particularly timely given the increase in screen-based learning during school closures.





## Grants awarded in 2020

	Name	Purpose	Value (£)	Term (months)
Education	Adrienne Burgess, Fatherhood Institute	Additional work on contemporary fathers in the UK	72,225	33
	Dr Sarah Cattan, Institute for Fiscal Studies	A comprehensive evaluation of the short and medium term impacts of Sure Start	181,623	15
	Dr Sarah Cattan, Institute for Fiscal Studies	The effect of the COVID-19 pandemic on families' time-use and child development	180,835	18
	Dr Maria Cockerill, Queen's University Belfast	Reading for meaning: Reciprocal Reading Secondary for struggling readers (KS3)	306,944	33

## Grants awarded in 2020

Dr Ann Hagell, Association for Young People's Health	Establishing key ethical principles underpinning co-production with young people	17,907	9
Dr Peter Kemp, King's College London	Exploring female participation and performance in computer science in English schools	242,127	18
Professor Victor Lavy, University of Warwick	Autonomous schools and the teacher labour market. Evidence from English academies	139,182	15
Jane Lewis, Centre for Evidence and Implementation Global	COVID-19 and childcare: local impacts across England	299,426	36
Dr Rachel Marks, University of Brighton	The prevalence and use of textbooks and curriculum resources in primary maths	61,354	9
Dr Sandra Mathers, University of Oxford	Measuring pre-school teachers' knowledge of oral language pedagogy	57,621	14
Dr Sarah, McGeown, University of Edinburgh	Love to Read: a co-designed intervention to motivate and engage child readers	159,999	24
Dr Laura Outhwaite, Institute of Education, University College London	Can maths apps add value to learning?	85,879	18
Amelie Ott, University of Newcastle	POST Fellowship to examine the impact of screen use on the health of young people	7,000	4
Professor Gaia Scerif, University of Oxford	Fostering resilience by injecting executive challenge into early maths	174,340	13
Dr Francesca Sella, Loughborough University	Designing and evaluating a novel board game to improve early numerical skills	93,703	24
Caroline Sharp, National Foundation for Educational Research	The impact of COVID-19 on mainstream schools in England	158,392	5
Dr Luke Sibieta, Institute for Fiscal Studies	Spending across stages of education	230,813	28

# Grants awarded in 2020

	Amy Skipp, Ask Research	COVID-19 mitigation measures: education provision and access to special schools	66,925	36
	Professor Morag Treanor, Heriot-Watt University	Digital equality in education	99,084	18
	Dr Claudine Bowyer-Crane, University of York	Additional work on Talking Together: language support at home for parents of two year olds	2,254	30
	Professor Julie Dockrell, Institute of Education, University College London	Additional work on empowering staff to enhance oral language in the early years	172,216	20
	Professor Chris Donlan, University College London	Additional work on the SWAN game-based approach to learning foundational number language	14,421	21
	Professor Peter Elias, University of Warwick	Additional work on a longer-term investigation of the careers of UK graduates	19,483	34
	Dr Neil Harrison, University of Oxford	Additional work on care leavers' transition into the labour market in England	15,690	28
	Dr Luke Sibieta, Institute for Fiscal Studies	Additional work on education spending pressures and challenges	18,283	35
	Dr Luke Sibieta, Institute for Fiscal Studies	Additional work on comparisons of cognitive skills and educational attainment across the UK	19,695	24
	Professor Dominic Wyse, Institute of Education, University College London	Additional work on English grammar teaching in primary schools: assessing the efficacy of Englicious	48,139	36
	<b>Total education grants</b>		<b>2,945,560</b>	
<b>Welfare</b>	Professor Dominic Abrams, University of Kent	Societal cohesion in the context of COVID-19	526,205	21
	Dr Mark Bryan, University of Sheffield	Unpacking the disability employment gap	286,645	16
	Dr Rose Cook, King's College London	Who can 'have it all'? Job quality and parenthood in the UK	190,121	24

## Grants awarded in 2020

Rowena Crawford, Institute for Fiscal Studies	Pension saving over the lifecycle	249,336	36
Dr Daisy Fancourt, University College London	UCL COVID-19 Social Study	337,302	30
Louise Lawson, University of Glasgow	Women in multiple low-paid employment: pathways between work, care and health	324,262	36
Dr Ruth Patrick, University of York	COVID realities: families on low incomes during the pandemic	277,043	24
Professor Rasmus Kleis Nielsen, Reuters Institute for the Study of Journalism	How the UK public gets information about COVID-19	142,068	12
Dr Martin O'Connell, Institute for Fiscal Studies	How the COVID-19 crisis is affecting food security	147,680	24
Dr Birgitta Rabe, University of Essex	COVID-19 and school availability: impact on parental labour supply and well-being	69,798	36
Anna Taylor, Food Foundation	Changing the story of dietary inequality	499,381	8
Dr Silvia Avram, University of Essex	Additional work on risk aversion, earnings uncertainty and labour supply	5,608	38
Professor Sir Richard Blundell, Institute for Fiscal Studies	Additional work on the IFS Deaton Review of Inequalities	16,750	60
Professor Mike Brewer, Resolution Foundation	Additional work on an intergenerational audit of the UK	48,692	36
Dr Laurence Lessard-Phillips, University of Birmingham	Additional work on vulnerability, migration, and well-being: investigating experiences, perceptions, and barriers	4,957	27
Professor Helen Kennedy, University of Sheffield	Additional work on living with data: understanding people's knowledge, experiences and perceptions of data practices	12,000	31
Professor David Richards, University of Manchester	Additional work on public expenditure planning and control in complex times	15,611	42

# Grants awarded in 2020

	Dr Sander van der Linden, University of Cambridge	Additional work on communicating uncertainty in data without undermining trust	12,000	36
	Dr Polly Vizard, London School of Economics	Additional work on social policies and distributional outcomes in a changing Britain	60,853	45
	<b>Total welfare grants</b>		<b>3,226,312</b>	
<b>Justice</b>	Dr Rajnaara Akhtar, De Montfort University	When is a wedding not a marriage? Exploring non-legally binding ceremonies	201,998	24
	Dr Julia Brophy, Coram BAAF	Guidance to judges on the anonymisation of children judgements	35,490	27
	Laurie Day, Ecorys UK	Growing up under COVID-19	249,380	35
	Professor Christopher Fox, Manchester Metropolitan University	Revisiting the effectiveness of cognitive behavioural therapy in the criminal justice system	87,898	12
	Dr Emma Hitchings, University of Bristol	Fair shares? Sorting out money and property on divorce	285,078	46
	Dr Vicky Kemp, University of Nottingham	Examining the impact of PACE on the detention and questioning of young suspects	246,602	18
	Professor Neal Hazel, University of Salford	A national survey of online and offline youth offending and victimization	330,430	36
	Samantha Parsons, University College London	Long-term outcomes for care-experienced parents and children: evidence of risk and resilience from two British cohort studies	179,085	18
	Dr Michaela Rogers, University of Sheffield	An evidence review: domestic abuse and mothers in prison or on release	57,682	24
	Dr Joe Tomlinson, University of York	Law and Compliance during COVID-19	192,309	18

## Grants awarded in 2020

	Dr Helen Whincup, University of Stirling	Permanently progressing? Phase two: middle childhood	299,160	16
	Dr Rick Hood, Kingston University	Additional work on system conditions and welfare inequalities in children's services	54,007	38
	Renuka Jeyarajah-Dent, Coram	Additional work on visualising data in care proceedings	84,600	38
	Professor Gráinne McKeever, Ulster University	Additional work on understanding and supporting legal participation for litigants in person	9,112	33
	Dr Lisa Holmes, University of Oxford	Additional work on measuring outcomes for children's social care services	9,920	41
	Professor Lesley McAra, University of Edinburgh	Additional work on the Edinburgh Study: causes and impacts of criminal justice pathways	32,137	27
	Dr Claire Fitzpatrick, Lancaster University	Additional work on disrupting the routes between care and custody: learning from females in the care and criminal justice systems	6,504	27
	Richard White, Michael Sieff Foundation	Additional work on continuing implementation of recommendations of the Carlile report on the operation and effectiveness of the youth court	3,071	39
	<b>Total justice grants</b>		<b>2,364,463</b>	
<b>Strategic Fund</b>	Torsten Bell, Resolution Foundation	Economy 2030 Inquiry	1,817,300	30
	<b>Total strategic fund grants</b>		<b>1,817,300</b>	



# Future plans

## The changing face of early childhood in Britain

Our *Changing face of early childhood* series will continue to be a priority through much of 2021. Forthcoming reviews will cover topics including: protecting young children at risk of abuse and neglect; changing patterns of poverty in early childhood; the role of early years and childcare provision in shaping life-chances; parents and the home; and young children's health and well-being. We will produce an accompanying series of events and continue to seek input from a wide range of stakeholders, which will inform the concluding review. We will hold the final event of the series in partnership with Tortoise Media. Overall, our aim is to set out evidence to underpin the priorities and next steps for those responsible for policies affecting children in their earliest years to ensure all young children have the best start in life.

## Understanding Communities

We are working with the British Academy on the Understanding Communities collaboration, through which we aim to identify practical proposals for action to help those experiencing the greatest vulnerability and disadvantage in the UK.

We will facilitate the development of research proposals by bringing together early- and mid-career researchers from different disciplines, national and local policy makers, and people working on the frontline of local service delivery at a research and innovation workshop in September 2021. Following the workshop, we will invite attendees to apply for at least £500,000 in research funding to develop their ideas.

## IFS Deaton Review of Inequalities

The first stage of the IFS Deaton Review of Inequalities, comprising research and commentaries on a large number of key themes, will conclude in 2021 and be brought together in a published volume. In the second phase of the project, the review's expert panel will bring together the rich insights from the evidence volume to build a comprehensive and coherent narrative around the key questions that motivated the project in the first place: which inequalities matter, why do they matter, how are they related, what causes them, and what can be done about them. A particular focus will be on providing comprehensive and practical policy guidance.

## COVID-19 response

Many of our COVID-19 projects are ongoing and we will continue our synthesis and engagement activity through our quarterly online briefings and a series of roundtables.

**Our Changing face of early childhood series will continue to be a priority through much of 2021.**

We will continue to fund research on the social and economic impacts of the pandemic through our Research, Development and Analysis Fund.

## Strategic Fund

At the end of 2020, we awarded the first grant from our Strategic Fund to the Resolution Foundation for The Economy 2030 Inquiry, which will help post-pandemic Britain successfully navigate a decade of unprecedented economic change driven by the triple shocks of the pandemic, Brexit and the transition to a net zero future. The Inquiry is a collaboration between the Resolution Foundation and the Centre for Economic Performance at the LSE, for which we have awarded £1.8 million over three years. It includes a major work programme examining the lived experience of the UK economy, with focus groups and citizens' juries informing the project throughout its life. The Economy 2030 Inquiry will be formally launched with a major new report in May 2021.

## Office relocation

We will 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. We want the new office to enable closer contact between the different parts of the Foundation and especially between the Foundation, its research community and other stakeholders.

In 2021 we will consider how changes in audience expectation and engagement with virtual events will inform the development of our events and networking programmes as it gradually becomes safe to hold face to face events again.

## Nuffield Council on Bioethics

In 2021, the Council will continue to provide independent commentary and advice on ethical and societal issues to help guide us through the pandemic. It will publish a briefing note on vaccine access and uptake and is undertaking work on racial inequalities in the COVID-19 pandemic.

The Council will continue to work on its project on ethical issues arising from the care and treatment of children and adolescents in relation to their gender identity and its in-depth inquiry into the future of ageing. The Council will also publish findings and recommendations from its inquiry into genome editing and farmed animals and a briefing note on technology in mental healthcare.

## Nuffield Family Justice Observatory

In 2021, the Nuffield FJO will focus on informing the future of the family justice system as we emerge from the pandemic. This will include commissioning and communicating evidence to: demonstrate ways to reduce the need to remove infants from their families; re-framing the debate about the future of private law from a focus on the demands on the system to a focus on the needs of families, and re-imagining how the family justice system should respond to the needs of adolescents. We will continue to fill gaps in our understanding of children and families' experiences of the family justice system and convene discussions and debate in order to advance practical change in local areas across England and Wales.

## Ada Lovelace Institute

In 2021, Ada will foster several research partnerships, including with the Alan Turing Institute and the Institute for Data Science and AI at the University of Exeter to explore

how universities and corporate labs can understand and mitigate the risks posed by AI and data science research. With the NHS AI Lab, Ada will develop research on best practice for impact assessment and a project with the Health Foundation will assess the impact of data-driven technologies in the COVID-19 response on health inequalities. Ada will also work with the Nuffield Council on Bioethics to explore the intersection of AI and genomics.

Ada will publish the findings of the Citizens' Biometrics Council, a long-form public deliberation on the social legitimacy

of biometrics technologies, and Matthew Ryder QC's independent review of the governance of biometrics. Ada will also launch findings from a major ethnographic study of the use of data and predictive analytics by a London local authority.

The JUST AI research network will co-host a symposium in June with the British Academy and launch a network mapping and facilitation tool which visualises and connects the field of AI and data ethics.

The rethinking data working group will publish a report that imagines a radical new vision for the use of data to 2050.

## At the end of 2020, we awarded the first grant from our Strategic Fund to the Resolution Foundation for The Economy 2030 Inquiry.



# Financial review

In 2020, we continued to break new ground by delivering the financial management aspects of our strategy. Once more, as planned, we set a record for our charitable expenditure, with £21.6 million committed during the year. We also set a record for the value of our investment portfolio, closing the year at £466.1 million.

In any other year these outcomes would be worthy of note, but given the scale and extent of the COVID-19 pandemic, it is important to consider this context when we look back on 2020 and plan our trajectory into the uncertain times ahead.

Our investment portfolio continued to deliver strong annual growth at 12.3%, ahead of its benchmark and broadly in line with or ahead of most of our peer organisations.

Our investment approach has a deliberately long-term outlook, to ensure we have confidence that our expenditure plans are protected into the future from all but the most extreme fluctuations. We have had a thorough review of the investment strategy, and how it interacts with our organisational planning and expenditure objectives, during 2020. We have made a number of beneficial refinements to our in-house approach, whilst not fundamentally adjusting our tried and tested investment philosophy – other than where noted in the responsible investing which follows.

## Expenditure

We expect to commit over £100 million of charitable expenditure in the five-year period from 2018 to 2022 to help us achieve the goals set out in our strategy. In 2020 we continued to see growth in our expenditure commitment – at £21.6 million, our charitable spending is 6% up on 2019.

Our strategy focuses not only on the level, but also the nature, of spend. As mentioned earlier in this report, during 2020 we have:

- Awarded £1.8 million over three years for the first major grant commitment from our Strategic Fund for the Economy 2030 Inquiry. In collaboration, the Resolution Foundation and the Centre for Economic Performance at LSE will help post-pandemic Britain successfully navigate a decade of unprecedented economic change.
- Granted £3.6 million to STEM Learning for the continued management of the Nuffield Research Placements programme over a three-year period.
- Committed £2.3 million to 11 projects exploring the social impacts of the COVID-19 pandemic, in addition to maintaining our usual grant-making schedule. We also provided £0.5m of supplementary funding across our existing grants portfolio to allow grant-holders to respond to the social impacts of COVID-19.
- Made £5.7 million of other grant commitments from our research, development and analysis portfolio.
- Continued to increase expenditure for the Ada Lovelace Institute (with growing third-party funding support such as from the Arts & Humanities Research Council), the Nuffield Family Justice Observatory and the Nuffield Council on Bioethics.

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

During 2020 we revisited and refreshed our financial objectives. These are:

- To have the ability to spend at a sustainable rate over the medium term (5 years +);
- With the actual timing of expenditure being variable, driven by the Foundation's risk appetite and quality criteria;
- Whilst seeking to maintain in real terms the value and purchasing power of the endowment in the longer term;



- And by reflecting our mission of advancing social well-being in how we invest.

We also refreshed our approach to assessing the endowment value trends over time and the triggers that would lead us to rethink our future expenditure commitments. Throughout 2020 the endowment remained comfortably above the long-run target, meaning that we can continue planning to spend 4.5% of the target endowment value with confidence.

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

Over the year, performance was good in nominal terms at 12.3%, which is similar to our strategic benchmark but substantially larger than commercial charity mixed funds. The portfolio is cautiously positioned when compared to our normal policy of 90% in 'real assets'. Our view continues to be that current market valuations are high in some areas and we should be careful how we proceed. Nevertheless, the primary goal for Trustees remains to at least maintain the endowment's value in real terms. In 2020, this goal was comfortably exceeded.

During the year, we made several new, direct commitments to high-calibre private equity funds. Our overseas assets remained unhedged, which provided a headwind for performance since sterling strengthened against the US dollar by about 4%.

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.

#### Responsible investing policy

During the year the Investment Committee discussed how it should upgrade its approach to responsible investing from one that excluded tobacco and which encouraged managers to subscribe to the UNPRI, the UK Stewardship Code or other formats promoting environmental, social and governance (ESG) responsibility. This work will be reviewed by Trustees and is expected to develop the current approach by focusing on knowing more closely what we own, only delegating

investment decisions to managers where we have confidence in their understanding of 'social well-being' responsibility, whilst keeping a properly diversified equity portfolio.

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 ESG matters, in line with our policy.

For our full responsible investing policy, please visit our website: [www.nuffieldfoundation.org/our-policies](http://www.nuffieldfoundation.org/our-policies)

#### Asset allocation and ranges

Asset Class	Target	2020 actual
<b>Real Assets</b>		
Global equities	70%	65%
Private assets	20%	12%
<b>Total Real Assets</b>	<b>90%</b>	<b>81%</b>
Nominal assets	10%	12%
De-risked assets		7%
<b>Total assets</b>	<b>100%</b>	<b>100%</b>

*Note that 'de-risked assets' are holdings of short-term gilts which we released in 2015 and use to protect against market volatility as we deliver our strategic plan of one-off additional spend in the period 2017 – 2022. They are an intentional, temporary divergence from our target allocation.*

#### Manager structure and principal benchmarks

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 on the next page.

Asset class	Manager
<b>Real assets</b>	
Global equities	Arrowstreet, Harding Loevner, Hosking, Orbis, Veritas
Private assets	Various illiquid funds
<b>Nominal assets</b>	
Short-dated gilts	Internally managed

Asset class	Benchmark	Target
Total equities	MSCI ACWI	+ 2%
Private assets	MSCI ACWI	+ 3%
Fixed interest	0 – 5yr ML Gilt index	-

<b>Investment performance</b>				
Total returns (annualised %)	1 Year	3 Years	5 years	10 years
Nuffield Foundation	12.3%	8.2%	11.4%	10.4%
Bespoke benchmark	12.2%	9.4%	13.2%	10.3%
Inflation (annual weekly earnings)	4.2%	3.5%	3.0%	2.6%
ARC Steady Growth Index	3.5%	4.4%	7.0%	6.4%
<b>Key</b>				
Nuffield Foundation	Actual performance			
Bespoke benchmark	90% MSCI ACWI; 10% UK 1 – 5 year Gilts			
ARC Steady Growth Index	Commonly used index for charity 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 financial outlook.

For some time now, the short-term policy has been to aim for a general unrestricted expenditure reserve of between -£2 million and +£2 million. This policy suited us well enough historically, but does not quite fit with our current strategy where we are making some larger, longer-term commitments and refining our financial management to be more attuned to cash flow timings alongside the grant commitments. We will be revisiting our formal reserves policy during 2021 to ensure better coherence with the rest of our financial strategy.

At the end of the year, we are at -£6.3 million – outside our target range. This is primarily due to making several 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. The three-year commitment for Nuffield Research Placements, converting from an in-house programme to an external grant from September 2020, has also added c. £3.6 million to our end of year commitments from reserves.

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.



The second part of our policy reflects how we seek to preserve the portfolio's value; we refreshed our approach to this in 2020 with an upwards reset of our target value. As at 31 December 2020, the 'target value' of our portfolio is £381 million, with an upper range of £442 million and lower range of £320million (our 2019 target value range prior to the reset was £386 million – £332 million – £239 million).

The actual value of the portfolio, as at 31 December 2020, was £466 million, above the upper end of the target range. This gives us confidence that we can continue to spend at our planned rates; we review the situation as a standard part of our monthly management reviews.

## Principal risks

We are responsible for the management of risks, with detailed consideration delegated to the Audit and Risk Committee and supported by senior staff.

In setting out our risk management approach we recognise that, for strategic risk management at least, the somewhat formulaic 'probability' and 'impact' approach can lead to more emphasis on the scoring mechanisms than on the deeper implications of the risks identified.

To avoid this trap we have developed an approach that frames each conversation to consider the gap between our risk appetite and the actual profile of a given risk. This has a number of advantages in comparison to some more widely used approaches, including:

- It recognises that risk assessment is more of a continuum than a precise point on a chart. It allows space to acknowledge the degree of uncertainty in evaluating risks.
- At its centre is the knowledge that failing to take sufficient risk can be as much of a problem as failing to mitigate against downside risks.
- As the primary question is 'where are we furthest from our aspiration in terms of risk appetite?', the discussions naturally become action-oriented and forward-looking.

2020 has also required a different perspective on risk given the short- and longer-term uncertainties created by the COVID-19 pandemic. We have found that our strategic risk areas have not been fundamentally changed by the pandemic; the approach we have taken is to view our risks through a COVID lens to ensure that we maintained focus on the key areas during rapidly evolving circumstances. Our assessment is that we have been able to respond promptly and flexibly to these unprecedented times; our focus now begins to shift to the risk environment in post-lockdown circumstances.

Our strategic risk areas, with current status and key actions, are:

Strategic risk area	Status and key actions
Is our strategy on track and sufficiently flexible and responsive to changing circumstances?	The pandemic provided an opportunity to test our flexibility and responsiveness across the range of our activities as evidenced in the annual review. We conducted a mid-term review of our strategy, and have continued to make good progress in developing our success framework.

Strategic risk area	Status and key actions
Do we have the staffing capacity and culture to deliver on our strategic commitments?	We were pleased to see that we were able to transition fairly seamlessly to remote working. Challenges have remained as lockdown has continued; a focus area for us as we move into 2021 is a smooth and measured return to our new office environment.
Are we funding the highest quality and most relevant work to advance our purpose efficiently and effectively?	Our COVID-19 grants have brought some interesting and timely new perspectives to our portfolio: we will build on the longer-term effects alongside our existing activities as the post-pandemic picture emerges.
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 our strategy. This remains an area for review and challenge.
Does our funding have the appropriate impact on policy and practice over the short, medium and long term?	Pandemic responses have seen a number of our funded areas work through into policy and practice, as covered elsewhere in the annual report.
Does our reputation among key stakeholders reflect our purpose and enable us to build effective partnerships?	We are pleased with the progress made during 2020 across a number of our partnerships, and we will continue to build on these opportunities.
Are we reaching our key audiences effectively?	Alongside our better-established channels, the emergence of webinars as a means of engagement in 2020 is something we made effective use of. Whether and how that is a good mechanism for reaching new and existing audiences remains to be seen.
Is our current and long-term strategy adequately supported by our investment portfolio?	Our investment strategy, which has served us well since 2003, continued to work well in 2020. We have made certain revisions to our approach during the year, which strengthen further the degree to which our investments service our strategy.
Do our systems, processes and environment facilitate and enable our work?	We were fortunate to have completed the bulk of our investment in enabling more remote and collaborative working ahead of the pandemic. This investment served us well during the year and sets us up for consolidating and building on the benefits case.
Will the office move be accomplished without negative impacts?	After a brief pause we were able to complete the lease agreement and to do the bulk of the work to fit out the new space. The move itself will take place during 2021 and will need careful management to ensure an effective return to office working in a very new environment for us.
Is our governance fit for purpose, in line with best practice, and alert to the dangers of 'group think'?	We have brought three new Trustees on board during 2020, along with further development of the governance environments for Ada, the Nuffield FJO and the Nuffield Council on Bioethics. Work continues into 2021.

# 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 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 has eight Trustees, who act jointly as a corporate body. 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.
- 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, which otherwise operates independently.

In 2020, we conducted an open and transparent recruitment process for three new Trustees, with Professor Ash Amin, Professor Ann Phoenix and John Pullinger joining the board in September 2020. After a transitional period, Lord Krebs and Professor Terrie Moffitt completed their terms of office and stood down at the end of 2020. In December 2020, Professor Anna Vignoles also stood down due to a change of personal circumstances.

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 63.5 full-time equivalent staff (including staff of Ada, the Nuffield FJO and the Nuffield Council on Bioethics, 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 Brian Scott and a Council chaired by Professor David Archard. For our newer bodies, the Ada Lovelace Institute has a Governing Board chaired by Dame Wendy Hall 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 process on our website and promote these opportunities through our stakeholder engagement and communications.

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 sets out how they used their grant and what they achieved. We also require an end of project assessment, including feedback on the Foundation's performance as a grant-maker.

## Statement of policy on staff remuneration

We aim to recruit and retain able 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. 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 'donation 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 are aware of the recently refreshed principles and will consider those in the near future.

## 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 every person 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 for the UK to flourish.

## Going concern

We monitor our going concern position throughout the year, with regular formal reviews. We conducted a thorough review as the COVID-19 pandemic emerged.

Our general outlook on going concern is that 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.

Our most recent review confirms that, as our investment value is significantly in excess of long-run target, our asset allocation is intentionally overweight on nominal/ liquid funds (so strengthening our resilience to short-term adverse shocks), and as cash and gilt holdings are almost double the requirement to meet forecast outflows over the next 24 months, our general outlook remains positive.

## 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 judgements 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.

These 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.

## Disclosure of information to auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the charity's auditors are unaware.
- The Trustees have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Trustees on 14 May 2021 and signed on their behalf by:



**Sir Keith Burnett**  
Chair

# Independent auditor's report to Trustees of the Nuffield Foundation

## Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020 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.

We have audited the financial statements of The Nuffield Foundation ("the Charity") for the year ended 31 December 2020 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).



## 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Chair's foreword, the Chief Executive's foreword and the Trustees' Report. 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. 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 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 Acts 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.

### Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and the industry in which it operates, we identified that the principle laws and regulations that directly affect the financial statements to be relevant charities act in the UK. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. We considered the Charity's own assessment of the risks that irregularities may occur either as

a result of fraud or error. We also considered financial performance and key drivers for any performance targets. We also considered the risks of non-compliance with other requirements imposed by the Charity Commission and we considered to extent to which non-compliance might have a material effect of the financial statements.

In addition the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We have identified the following areas as those most likely to have such as effect: employment law and data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Those Charged with Governance and other management as well as inspection of regulatory and legal correspondence if any.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing minutes of meetings of Those Charged With Governance. We made enquiries regarding any matters identified as a Serious Incident as reportable to the Charity's Regulator to identify any instances of potential non-compliance with laws and regulation or fraud;
- Assessing the design and operating effectiveness of controls and procedures relevant to the preparation of the financial statements and the detection and prevention of irregularities and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Identifying and testing the appropriateness of journal entries and other adjustments, with particular focus on unusual account combinations and postings by unexpected users or senior management;

- Challenging the assumptions and judgements made by management for key estimates, in particular the valuation of investments and application of total return; and
- Incorporating unpredictability into our testing approach through amending the nature and extent of audit procedures.

We did not identify any matters relating to irregularities, including fraud. Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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](http://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.

*Fiona Condron*

**BDO LLP, statutory auditor**

Gatwick, UK

Date: 21 June 2021

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 and notes





## Statement of financial activities for the year ended 31 December 2020

	Note	Unrestricted Funds £000s	Restricted Funds £000s	Endowed Funds £000s	Total Funds 2020 £000s	Total Funds 2019 £000s
<b>Income and endowments</b>						
Donations and legacies	2	174	1,255	-	1,429	932
Charitable activities	2	58	584	-	642	31
Investment income	7	-	-	2,341	2,341	3,435
Other income	2	5	-	-	5	4
<b>Total income</b>		<b>237</b>	<b>1,839</b>	<b>2,341</b>	<b>4,417</b>	<b>4,402</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Investment management costs		-	-	1,135	1,135	1,238
<b>Charitable activities</b>						
Research, development and analysis		11,160	143	-	11,303	11,050
Student programmes		4,720	(300)	-	4,420	2,983
<b>In-house programmes</b>						
Ada Lovelace Institute		1,318	145	-	1,463	930
Nuffield Council on Bioethics		670	566	-	1,236	1,159
Nuffield Family Justice Observatory		866	-	-	866	379
Total in-house programmes		2,854	711	-	3,565	2,468
<b>Strategic and Other Funds</b>						
Oliver Bird Fund		-	241	-	241	3,868
Commonwealth Relations Trust		-	-	-	-	(142)
Strategic Fund		2,028	-	-	2,028	101
Total strategic and other funds		2,028	241	-	2,269	3,827
<b>Total charitable activities</b>	<b>3</b>	<b>20,762</b>	<b>795</b>	<b>-</b>	<b>21,557</b>	<b>20,328</b>
<b>Total expenditure</b>		<b>20,762</b>	<b>795</b>	<b>1,135</b>	<b>22,692</b>	<b>21,566</b>
Net gain on investments		-	-	47,256	47,256	48,615
<b>Net (expenditure)/income</b>		<b>(20,525)</b>	<b>1,044</b>	<b>48,462</b>	<b>28,981</b>	<b>31,451</b>
Transfers between funds	14	14,859	1,732	(16,591)	-	-
<b>Net (expenditure)/income after transfers</b>		<b>(5,666)</b>	<b>2,776</b>	<b>31,871</b>	<b>28,981</b>	<b>31,451</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward at 1 January		17,494	4,131	390,066	411,691	380,240
<b>Total funds carried forward at 31 December</b>	<b>14</b>	<b>11,828</b>	<b>6,907</b>	<b>421,937</b>	<b>440,672</b>	<b>411,691</b>

Statement of financial activities	2019	2019	2019	2019
Comparative information	Unrestricted Funds £000s	Restricted Funds £000s	Endowed Funds £000s	Total £000s
<b>Total income</b>	<b>3,286</b>	<b>978</b>	<b>138</b>	<b>4,402</b>
Total expenditure	(15,603)	(4,725)	(1,238)	(21,566)
Transfers between funds	9,592	1,463	(11,055)	-
Net losses in investments	-	-	48,615	48,615
<b>Net movement on funds</b>	<b>(2,725)</b>	<b>(2,284)</b>	<b>36,460</b>	<b>31,451</b>

## Balance sheet for the year ended 31 December 2020

		2020	2019
	Note	£000s	£000s
<b>Fixed assets</b>			
Tangible fixed assets	5	5,989	4,750
Intangible fixed assets	6	730	664
Investments	7	466,092	437,395
Programme related investments		85	85
		<b>472,896</b>	<b>442,894</b>
<b>Current assets</b>			
Debtors	8	1,946	1,219
Bank and cash		1,697	411
		<b>3,643</b>	<b>1,630</b>
<b>Liabilities: amounts falling due within one year</b>			
Grants payable	9	(19,624)	(16,535)
Creditors	10	(1,349)	(734)
		<b>(20,973)</b>	<b>(17,269)</b>
<b>Net current liabilities</b>		<b>(17,330)</b>	<b>(15,639)</b>
<b>Liabilities falling due after one year</b>			
Grants payable	9	(14,695)	(15,564)
Provisions	11	(199)	-
<b>Net assets</b>		<b>440,672</b>	<b>411,691</b>
<b>Funds</b>			
<b>Unrestricted funds</b>			
Designated fund	14	18,136	21,256
General fund	14	(6,308)	(3,762)
		<b>11,828</b>	<b>17,494</b>
<b>Restricted funds</b>	<b>14</b>	<b>6,907</b>	<b>4,131</b>
<b>Endowed funds</b>	<b>14</b>	<b>421,937</b>	<b>390,066</b>
<b>Total funds</b>		<b>440,672</b>	<b>411,691</b>

Notes 1 – 15 form part of these financial statements.

These financial statements were approved and authorised for issue by the Trustees on 14 May 2021 and were signed on their behalf by:



**Professor Sir Keith Burnett**  
Chair

## Statement of cash flows

		2020	2019
	Note	£000s	£000s
<b>Net cash flows from operating activities</b>			
Net cash used in operating activities		(18,052)	(15,061)
<b>Cash flows from financing activities</b>			
Investment additions		(2,443)	(3,541)
Investment fees paid directly from portfolio		602	593
Investment cash withdrawals	7	20,400	14,600
<b>Net cash provided by financing activities</b>		<b>18,559</b>	<b>11,652</b>
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets	5	(1,356)	-
Payments to acquire intangible fixed assets		(206)	(598)
Investment income	7	2,341	3,435
<b>Net cash provided by investing activities</b>		<b>779</b>	<b>2,837</b>
Cash and cash equivalents at 1 January		411	983
Cash and cash equivalents at 31 December		1,697	411
<b>Change in cash and cash equivalents in the year</b>		<b>1,286</b>	<b>(572)</b>
<b>Reconciliation of net income to net cash flows from operating activities</b>			
Net income for the year		28,981	31,451
Adjustments for:			
Depreciation	5	117	116
Amortisation	6	140	89
Investment income		(2,341)	(3,435)
(Gains)/losses on investments		(47,256)	(48,615)
Increase in grant commitments		2,220	4,437
Increase in provisions		199	-
Increase in creditors		615	92
(Increase)/Decrease in debtors		(727)	804
<b>Net cash outflows from operating activities</b>		<b>(18,052)</b>	<b>(15,061)</b>
<b>ii) Analysis of changes in net cash/(debt)</b>			
Net cash at 1 January		411	983
Net Cash (outflow)/inflow		1,286	(572)
<b>Net cash at 31 December</b>		<b>1,697</b>	<b>411</b>

There is £22.3m of cash held in investments (2019: £6.1m) which are not available for immediate use to further charitable activities, these are being held as part of the investment portfolio to generate investment returns.

# 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 second edition of the Charities Statement of Recommended Practice issued in October 2019 (the “SORP”), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 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. Estimates and judgements

The Foundation must make certain estimates and judgements that have an impact on the policies and amount reported in the annual accounts. The estimates and judgements are based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgements are

made. Actual results may differ from these estimates. These are reviewed on an ongoing basis and any revisions are recognised prospectively.

The key estimates and judgements made by the Foundation are addressed below.

### I. Investments

The carrying value of investments is subject to estimates, assumptions, and judgements of their fair value. In determining this amount, the Charity ensures its managers adopt 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.

### II. Fixed assets

The actual lives of tangible and intangible 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.

Property revaluations are obtained periodically. The last formal valuation of our Bedford Square property occurred in 2017.

### III. Dilapidation provision

The dilapidation provision requires management’s best estimate of the expenditure that will be incurred based on contractual requirements. The timing of cash flows and any discount rates used to establish net present value of the obligation requires management’s judgement. This is a new provision recognised in 2020 and will be assessed regularly for fair value.

### c. 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.

**d. 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 of the income received.

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 confirmed to the recipient, less any awards cancelled or refunded. Grants 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.

**e. 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, are apportioned using the most relevant allocation basis for that expenditure.

**f. Investments**

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

**g. Taxation**

The Foundation is a charity within the meaning of Paragraph 1 Schedule 6 of the 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.

**h. Exchange gains and losses**

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

**i. 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.

**j. 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. Assets under construction are not depreciated until they are brought into use. Depreciation has been calculated



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

Software	3 years
Computers	3 years
Equipment	5 years
Infrastructure/IT systems	5 years
Fixtures and fittings	10 years
Artwork/Antiques	20 years

#### k. 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 13, although there is no legal restriction on the power to distribute the expendable endowment.

#### l. 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.

#### m. Pension costs

Pension costs are charged as they are incurred.

#### n. Provisions for liabilities

Provisions are recognised when the Foundation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Foundation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The Foundation recognises a provision for returning the new office at 100 St John Street back to its original state at the end of the 20-year lease term.

2. Income from:						
2020			2019			
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£000s	£000s	£000s	£000s	£000s	£000s
<b>Donations and legacies</b>						
<i>Grants received in support of:</i>						
Nuffield Council on Bioethics	174	566	740	174	577	751
Nuffield Research Placements	-	69	69	-	31	31
Ada Lovelace Institute	-	620	620	-	150	150
	174	1,255	1,429	174	758	932
<b>Charitable activities</b>						
Sales, royalties and fee income	58	584	642	31	-	31
Other income	5	-	5	4	-	4
	<b>237</b>	<b>1,839</b>	<b>2,076</b>	<b>209</b>	<b>758</b>	<b>967</b>

3. Expenditure a. Charitable expenditure	Direct costs		Support and governance costs	Total 2020
	Grants £000s	Other £000s	£000s	£000s
<b>Research, development and analysis</b>				
Education	2,946	421	823	<b>4,190</b>
Welfare	3,226	391	626	<b>4,243</b>
Justice	2,364	254	495	<b>3,113</b>
<i>New grant commitments sub-total</i>	8,536	1,066	1,944	<b>11,546</b>
Cancelled grants	(243)	-	-	<b>(243)</b>
	8,293	1,066	1,944	<b>11,303</b>
<b>Student programmes</b>				
Nuffield Research Placements	3,915	660	240	<b>4,815</b>
Q-Step	(766)	220	151	<b>(395)</b>
	3,149	880	391	<b>4,420</b>
<b>In-house programmes</b>				
Ada Lovelace Institute	40	1,086	337	<b>1,463</b>
Nuffield Council on Bioethics	-	899	337	<b>1,236</b>
Nuffield Family Justice Observatory	-	658	208	<b>866</b>
	40	2,643	882	<b>3,565</b>
<b>Strategic and other funds</b>				
Oliver Bird Fund	158	-	83	<b>241</b>
Strategic Fund	1,842	1	185	<b>2,028</b>
	2,000	1	268	<b>2,269</b>
<b>Total charitable expenditure</b>	<b>13,482</b>	<b>4,590</b>	<b>3,485</b>	<b>21,557</b>

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

<b>b. Support and governance costs</b>	<b>Total 2020</b> £000s	<b>Total 2019</b> £000s
Staff costs	1,668	1,450
Office costs	1,212	519
Information technology	361	379
	3,241	2,348
<b>Governance costs</b>		
Auditors' remuneration (ex. VAT)	40	28
Trustees' remuneration	96	83
Trustees' expenses	9	17
Legal fees	94	13
	239	141
<b>Total support and governance</b>	<b>3,485</b>	<b>2,492</b>

See note 1d for basis of allocation.

<b>4. Personnel costs</b>	<b>2020</b>	<b>2019</b>
	£000s	£000s
Wages and salaries	3,383	2,750
Social security costs	383	316
Other pension contributions	376	305
Redundancy and termination costs	13	22
	<b>4,155</b>	<b>3,393</b>

<b>Average number of staff employed in year:</b>	<b>Number</b>	<b>Number</b>
Grant-making	34.0	27.3
Nuffield Council on Bioethics	14.0	12.5
Support services	23.2	18.8
	<b>71.2</b>	<b>58.6</b>
<i>Average number of full time equivalent staff in year:</i>	65.6	52.3

<b>Remuneration of higher paid staff</b>		
Between £60,000 and £69,999	7	3
Between £70,000 and £79,999	1	1
Between £80,000 and £89,999	2	3
Between £90,000 and £99,999	4	2
Between £120,000 and £129,999	1	0
Between £140,000 and £149,999	1	1

Employer's pension contributions for higher paid staff were in total £139k (2019: £96k). Redundancy payments of £13k (2019: £15k) were made during the year. There were no termination payments during the year (2019: £7k).

The Nuffield Foundation paid contributions during the accounting period at a rate of £2.20 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 £1,272 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: the Director of Education, the Director of Justice, the Director of Welfare, the Director of Finance & Information Systems, and the Director of HR & Office Services. They form part of the Executive Board, responsible for planning, strategy and major decision-making within the organisation. Their combined remuneration during the year was £702k (2019: £683k). They received no benefits additional to those received by other staff.



<b>5. Tangible fixed assets</b>	<b>Leasehold property</b>	<b>Other assets</b>	<b>Assets under construction</b>	<b>Total</b>
	£000s	£000s	£000s	£000s
<b>Cost or valuation</b>				
At 1 January	5,000	458	-	5,458
Additions	-	-	1,356	1,356
Disposals	-	(59)	-	(59)
At 31 December	5,000	399	1,356	6,755
<b>Depreciation</b>				
At 1 January	357	351	-	708
Charge for year	72	45	-	117
Disposals	-	(59)	-	(59)
At 31 December	429	337	-	766
<b>Net book value</b>				
At 31 December	<b>4,571</b>	<b>62</b>	<b>1,356</b>	<b>5,989</b>
At 1 January	4,643	107	-	4,750

Assets under construction include the fit out for the new office at 100 St John Street that is expected to open once Government lockdown restrictions allow.

All tangible fixed assets are held for continuing use in the Foundation's activities. The depreciated historic cost of the leasehold property is £1,050k. 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.

Trustees are conscious that property valuations were subject to volatility during the pandemic, however it is not expected to be materially impaired from our last formal valuation in 2017.

<b>6. Intangible fixed assets</b>	<b>Software £000s</b>	<b>Assets under construction £000s</b>	<b>Total £000s</b>
<b>Cost or valuation</b>			
At 1 January	845	52	897
Additions	64	142	206
Disposals	(17)	-	(17)
At 31 December	892	194	1,086
<b>Amortisation</b>			
At 1 January	233	-	233
Charge for year	140	-	140
Disposals	(17)	-	(17)
At 31 December	356	-	356
<b>Net book value</b>			
At 31 December	<b>536</b>	<b>194</b>	<b>730</b>
At 1 January	612	52	664

Assets under construction include the development of a new finance system that came into use on 01/01/2021.

<b>7. Investments</b>	<b>2020</b>	<b>2019</b>
<b>a. Investments at market values</b>	<b>£000s</b>	<b>£000s</b>
Market value at 1 January	437,395	400,432
Purchases at cost	(81,938)	(61,432)
Sales at market value	81,743	61,432
Cash withdrawals	(20,400)	(14,600)
Other	2,036	2,948
Realised and unrealised gains	47,256	48,615
<b>Market value at 31 December</b>	<b>466,092</b>	<b>437,395</b>
Historic cost of listed investments at 31 December	380,461	363,250

'Other' movements include fees and expenses paid directly from the investment portfolio, income received and accrued income charges.

b. Disposition of investments	2020		Movement			2019
	£000s	Purchases £000s	Sales £000s	Other £000s	Other £000s	£000s
Listed equities	324,125	(475)	-	42,106	(112)	282,606
Fixed income	62,467	(4,477)	682	(560)	(754)	67,576
Private equity	56,764	(26,033)	10,510	7,423	173	64,691
Hedge Funds	426	(19,063)	1,519	694	2,508	14,768
Currency hedging	-	(836)	8	(802)	-	1,630
Cash	22,310	(31,054)	69,024	(1,605)	(20,179)	6,124
<b>Total</b>	<b>466,092</b>	<b>(81,938)</b>	<b>81,743</b>	<b>47,256</b>	<b>(18,364)</b>	<b>437,395</b>
Total UK investments	136,080					148,762
Total overseas investments	330,012					288,633
<b>Total</b>	<b>466,092</b>					<b>437,395</b>
<b>Assets held in pooled funds</b>	<b>126,539</b>					<b>116,253</b>
c. Income from investments	2020					2019
	£000s					£000s
Global equities	463					809
UK government bonds	1,666					1,940
Private equity	200					643
Cash	12					43
	<b>2,341</b>					<b>3,435</b>

**d. Illiquid assets and investment commitments**

At the year end, the Foundation had undrawn commitments to private equity funds of £38,544k, which are expected to be called at various dates between 2021 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 £56,764k reported above represents the latest valuations of the funds at or prior to 31 December 2020 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.

<b>e. Investments over 5% of the portfolio</b>	<b>2020</b>	<b>2019</b>
	<b>£000s</b>	<b>£000s</b>
Veritas Global Equity Fund	64,076	58,622
Hosking Global Sub Fund	61,217	56,842
Arrowstreet	65,756	55,564
Orbis	61,919	54,901

**f. 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.

<b>8. Debtors and prepayments</b>	<b>2020</b>	<b>2019</b>
	<b>£000s</b>	<b>£000s</b>
Accrued income	1,519	649
Other debtors	427	570
	<b>1,946</b>	<b>1,219</b>
Due within one year	1,946	1,219
	<b>1,946</b>	<b>1,219</b>

<b>9. Grants payable</b>	<b>2020</b>	<b>2019</b>
	£000s	£000s
Grants awarded but not paid at 1 January	32,099	27,662
Grants awarded in the year	14,495	15,690
Grants cancelled in the year	(1,014)	(1,421)
Grants paid in the year	(11,261)	(9,832)
<b>Grants awarded but not paid at 31 December</b>	<b>34,319</b>	<b>32,099</b>
Payable within one year	19,624	16,535
Payable after one year	14,695	15,564
	<b>34,319</b>	<b>32,099</b>

For a list of research, development and analysis grants awarded in the year please see pages 43 to 48 of the report.

<b>10. Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	£000s	£000s
Income Tax and National Insurance	136	111
Accruals	556	323
Other creditors (inc. trade creditors)	546	238
Deferred income	111	62
	<b>1,349</b>	<b>734</b>

Deferred income brought forward has been fully utilised in the year.

<b>11. Provisions for liabilities</b>	<b>2020</b>	<b>2019</b>
	£000s	£000s
At 1 January	-	-
Additions	199	-
<b>At 31 December</b>	<b>199</b>	<b>-</b>

The Foundation recognised a provision during 2020 for returning the new office at 100 St John Street back to its original state at the end of the 20 year lease term.

<b>12. Commitments under operating leases</b>	<b>2020</b>	<b>2019</b>
At 31 December 2020 the Foundation had the following future minimum payments under non-cancellable operating leases:	£000s	£000s
Not later than one year	-	-
Later than one year and not later than five years	2,598	-
Later than five years	3,761	-
	<b>6,359</b>	<b>-</b>

The Foundation's operating lease is in relation to the new office building at 100 St John Street which was leased in August 2020 for a 20 year term.

Lease payments recognised during the year total £285,000 (2019: nil).

<b>13. Statement of total return</b>	<b>Permanent endowments</b>	<b>Expendable endowments</b>	<b>Total</b>
	£000s	£000s	£000s
<b>Investment return</b>			
Restricted and unrestricted investment income	-	2,246	2,246
Endowment investment income	94	-	94
Unrealised gains	1,903	45,353	47,256
Investment management costs	(46)	(1,089)	(1,135)
Total return for year	1,951	46,510	48,461
Less: application of return	(668)	(15,923)	(16,591)
Net total return for year	1,283	30,587	31,870
<b>Unapplied total return</b>			
At 1 January 2019	8,251	193,503	201,754
<b>At 31 December 2019</b>	<b>9,534</b>	<b>224,090</b>	<b>233,624</b>
'Preserved value' at 31 December 2003	7,581	180,731	188,312



14. Funds	Balance at	Income	Expenditure	Unrealised			Balance at
a. Fund movements	1 January 2020			gain	Transfers		31 December 2020
	£000s	£000s	£000s	£000s	Endowment £000s	Other £000s	£000s
<b>Endowments</b>							
<b>Permanent endowments</b>							
Elizabeth Nuffield Fund	3,398	20	(10)	408	(143)	-	3,673
Commonwealth Relations Trust	12,434	74	(36)	1,495	(525)	-	13,442
	15,832	94	(46)	1,903	(668)	-	17,115
<b>Expendable endowments</b>							
Oliver Bird Fund	25,111	150	(73)	3,032	(1,064)	-	27,156
Main Fund	349,123	2,097	(1,016)	42,321	(14,859)	-	377,666
	374,234	2,247	(1,089)	45,353	(15,923)	-	404,822
<b>Total endowed funds</b>	<b>390,066</b>	<b>2,341</b>	<b>(1,135)</b>	<b>47,256</b>	<b>(16,591)</b>	<b>-</b>	<b>421,937</b>
<b>Expenditure reserve</b>							
<b>Restricted funds</b>							
Elizabeth Nuffield Fund	-	-	(143)	-	143	-	-
Commonwealth Relations Trust	2,429	-	-	-	525	-	2,954
Oliver Bird Fund	1,530	-	(241)	-	1,064	-	2,353
Ada Lovelace Institute	-	620	(145)	-	-	-	475
Nuffield Council on Bioethics	-	566	(566)	-	-	-	-
Student programmes	172	69	300	-	-	-	541
Other	-	584	-	-	-	-	584
<b>Total restricted funds</b>	<b>4,131</b>	<b>1,839</b>	<b>(795)</b>	<b>-</b>	<b>1,732</b>	<b>-</b>	<b>6,907</b>
<b>Unrestricted funds</b>							
<b>Designated</b>							
Strategic Fund	14,900	-	(2,028)	-	-	186	13,058
Ada Lovelace Institute	3,978	-	(1,318)	-	-	337	2,997
Nuffield Family Justice Observatory	2,005	-	(866)	-	-	208	1,347
Other	373	51	310	-	-	-	734
Total designated funds	21,256	51	(3,902)	-	-	731	18,136
<b>General fund</b>	<b>(3,762)</b>	<b>186</b>	<b>(16,860)</b>	<b>-</b>	<b>14,859</b>	<b>(731)</b>	<b>(6,308)</b>
<b>Total unrestricted funds</b>	<b>17,494</b>	<b>237</b>	<b>(20,762)</b>	<b>-</b>	<b>14,859</b>	<b>-</b>	<b>11,828</b>
<b>Total expenditure reserve</b>	<b>21,625</b>	<b>2,076</b>	<b>(21,557)</b>	<b>-</b>	<b>16,591</b>	<b>-</b>	<b>18,735</b>
<b>Total funds</b>	<b>411,691</b>	<b>4,417</b>	<b>(22,692)</b>	<b>47,256</b>	<b>-</b>	<b>-</b>	<b>440,672</b>

The transfer of £16,591k between the endowment and expenditure reserve is the total return distribution for 2020 (see note 13). This is comprised of £2,341k investment income from the permanent endowments plus £14,344k of capital gains.

Other transfers include a £731k designation from General Fund to Ada Lovelace Institute, Nuffield Family Justice Observatory and Strategic Fund for support costs in year.

<b>b. Analysis of funds – 2020</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Expendable endowment</b>	<b>Permanent endowment</b>	<b>Total</b>
	£000s	£000s	£000s	£000s	£000s
Investments	-	-	448,977	17,115	466,092
Other fixed assets	-	-	6,804	-	6,804
Net current assets/(liabilities)	11,828	6,907	(36,065)	-	(17,330)
Liabilities due in more than 1 yr	-	-	(14,894)	-	(14,894)
<b>Total funds</b>	<b>11,828</b>	<b>6,907</b>	<b>404,822</b>	<b>17,115</b>	<b>440,672</b>

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

### 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.
  - Ada Lovelace Institute – this is 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.

### 15. Related party transaction

Each Trustee is entitled to an annual allowance by virtue of the provisions of the Trust Deed. During the year, Trustees received £11,010 and the chairman received £16,130. In addition, Trustee Indemnity Insurance was purchased during the year.

	2020 £000s	2019 £000s
Trustee remuneration	96	83
<b>Expenses paid to the Trustees</b>		
Travel expenses and accommodation	9	17
Number of Trustees receiving expenses	9	6

# Reference and administrative details

## Trustees

Professor Sir Keith Burnett CBE, FRS, FAPS, FOSA,  
FInstPhys, FLSW FRS (Chair)  
Professor Ash Amin CBE, FBA, FACSS (from  
September 2020)  
Professor James Banks  
Dame Colette Bowe DBE  
Professor Lorraine Dearden FACSS (from May 2021)  
Professor The Lord Krebs Kt, FRS, FMedSci (Deputy Chair  
(to December 2020)  
Professor Terrie Moffitt FBA, FMedSci (to December 2020)  
Professor Ann Phoenix FBA, FACSS (from  
September 2020)  
John Pullinger CB, CSTAT, FACSS (from September 2020)  
Rt Hon Sir Ernest Ryder TD, DL, FRSA (Deputy Chair from  
January 2021)  
Professor Anna Vignoles FBA (to December 2020)

## 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 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 National Council on Bioethics

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