

The logo consists of a dark blue square with a white 'N' inside. To the right of the 'N', the words 'Nuffield' and 'Foundation' are stacked vertically in a dark blue, sans-serif font.

**Nuffield
Foundation**

The background is a solid coral color. It features several dark blue geometric elements: a large circle on the right side, a vertical line on the left side, and a horizontal line at the bottom left corner.

Annual report and financial statements 2021

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Chair's foreword

Since the pandemic began early in 2020, the Nuffield Foundation has endeavoured to help address the social impacts of COVID-19, as well as to sustain and support our grant-holders and our more longstanding funding commitments.

In 2021 we built upon our initial response to the pandemic as its ongoing impact became enmeshed with other challenges facing our society, such as inequality across multiple dimensions, disruption to the education of our young people and the rising cost of living.

In the face of such challenges, the Foundation is providing both immediate practical support and longer-term investigation. For example, 2021 saw the roll out of the Nuffield Early Language Intervention (NELI) – backed by a grant from the Department for Education (DfE) – which is helping young children in two-thirds of English primary schools to acquire the foundations of literacy. Looking further ahead, we have funded three more projects from our Strategic Fund, which will, in different ways, seek to improve work and family life for people in light of huge technological and demographic changes and the aftermath of the pandemic.

These grant commitments, along with renewed funding for the Ada Lovelace Institute (Ada), Nuffield Family Justice Observatory (Nuffield FJO), and the Nuffield Council on Bioethics, are one reason for our increased charitable

expenditure. This totalled £28.5 million in 2021 – the highest figure in the Foundation's history. This expenditure aligns with the commitments of our 2017 – 2022 strategy and reflects our ambition to increase the scale and influence of the Foundation's work.

2021 was also a record year for our investment portfolio, which continued to deliver strong annual growth of 20% and exceeded £500 million for the first time. During the year, we have continued to upgrade our approach to responsible investing, which is underpinned by our commitment to achieve our financial returns in a way consistent with our mission to advance social well-being.

We have also seen changes to our Board of Trustees. On behalf of everyone at the Foundation I would like to extend my deepest thanks to Dame Colette Bowe, who stepped down from the board this year, having served as Trustee for 12 years. Working with Colette has been a great privilege, and her contribution to the Foundation has been immense. I extend a warm welcome to our new Trustees, Professor Lorraine Dearden and Dame Clare Tickell.

I would also like to thank Foundation staff, our grant-holders and their teams, and the many people and organisations whose commitment and expertise is essential to our success.



Professor Sir Keith Burnett
Chair

Chief Executive's foreword

Much of the Foundation's work in 2021 took place in the shadow of the COVID-19 pandemic. The range of our research grants, our engagement with policy makers and convening of interested parties, the influence of the work of our in-house institutes, all detailed in the pages of this report, demonstrate that while the pandemic has not changed the Foundation's strategic direction, it has channelled it. The pandemic brought to the fore growing levels of inequality and disadvantage in the UK. This has always been the focus of our previous work, but these issues now have an insistent urgency in the public conversation and are the core of our mission to advance social well-being.

Across the Foundation, our work helped to answer pressing questions about how society could transition out of the acute stage of the pandemic and learn lessons from it. Evidence reviews from Ada have contributed to government decision-making on vaccine passports. Nuffield FJO has been instrumental in decisions about which family court cases should continue to be heard remotely. Evidence from the Covid Realities project was influential in the government's decision to extend the £20 uplift in Universal Credit for an additional six months, and analysis undertaken by the Institute for Fiscal Studies (IFS) has influenced education policy and spending decisions in the 2021 Spending Review.

The pandemic is only one example of the different ways in which the agendas of the research grants we fund connect to the work of the Nuffield FJO, Ada, and the Nuffield Council on Bioethics, which all are located within the Foundation. The Nuffield FJO is now an essential point of reference connecting empirical research on the family justice system to the judiciary and children's services. Ada's focus on the impact of AI and digital technologies on people and society cuts across many research projects on inequality and disadvantage, and the implications of the Nuffield Council on Bioethics' reports impact on questions of public health and social welfare.

Alongside the immediacy of current challenges posed by the pandemic, we are looking ahead to the coming decade and to research that can help us understand the foundations and pathways of a just and inclusive society, and the restrictions to achieving it. 2021 saw further growth in our most ambitious research programmes funded from our Strategic Fund, one of the cornerstones of our 2017–2022 strategy. We made three more Strategic Fund awards this year, totalling £7.2 million and reflecting some of the most significant priorities in our core domains of Education, Welfare and Justice.

Across the Foundation, our work helped to answer pressing questions about how society could transition out of the acute stage of the pandemic and learn lessons from it.

Foreword

Through its Skills Imperative project, the National Foundation for Educational Research (NFER) will identify the essential employment skills people, many currently in school, will need for work by 2035. The Pissarides Review of Work and Well-being, led by the Institute for the Future of Work, will explore the impacts of automation on work and well-being and analyse how they are distributed between different groups and communities. A third large-scale programme, led by Professor Leon Feinstein, is an innovative data-driven collaboration between local authorities and universities that will improve the lives of children and families by listening to and better understanding their needs and experiences.

These three projects, alongside the IFS Deaton Review of Inequalities and the Resolution Foundation's Economy 2030 Inquiry, represent a significant body of work with great potential to shape policy and practice on social equity, opportunity and inclusion over the next decade and beyond.

Looking ahead to 2022, our priorities include the completion of our major project, *The changing face of early childhood*. The series draws upon over 90 research projects funded by the Foundation – as well as other research – and has already been influential in policy debates about child poverty, early

years' education and care, and children's social care. We are convening a conference of key actors in research, policy and practice to define the challenges facing families and young children and identify improvements in the services and support offered to them. This will be complemented by new interdisciplinary research programmes, on ageing and geographical inequalities, bringing an independent analytical perspective to the government's social care and Levelling Up agendas.

We will also complete the evaluation of our 2017–2022 strategy, which will provide insight on where our work has had the greatest impact, and which will inform the development of new strategic goals for the years ahead. We will continue to ensure that diversity and inclusion are embedded in all aspects of what we do as a Foundation, including those we employ, the projects we fund and the people with whom we work and engage.

This is an ambitious agenda, but the Nuffield Foundation has always been driven by the need to bring the findings of empirical research to improve policy and practice, and, in doing so, to improve lives for people, families and communities. We are grateful to all those with whom we connect and collaborate to achieve this.

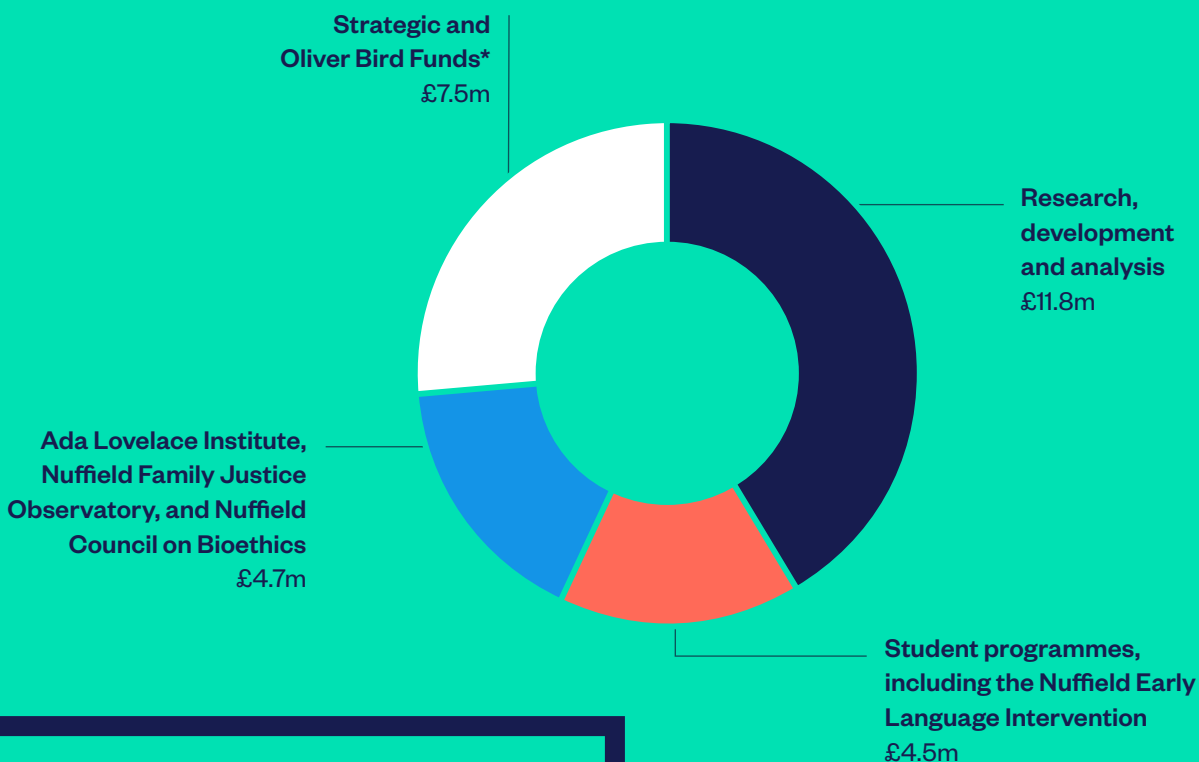


Tim Gardam
Chief Executive



The year in numbers

Charitable expenditure of £28.5 million in 2021 (up from £21.6 million in 2020)



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

* Our Oliver Bird Fund is a restricted fund for improving the lives of people living with musculoskeletal conditions.

£16.5m

Total value of grants awarded (including Strategic Fund)

45

new projects funded

30

projects that received additional funding

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.

358

outline applications received

65

full applications invited and considered

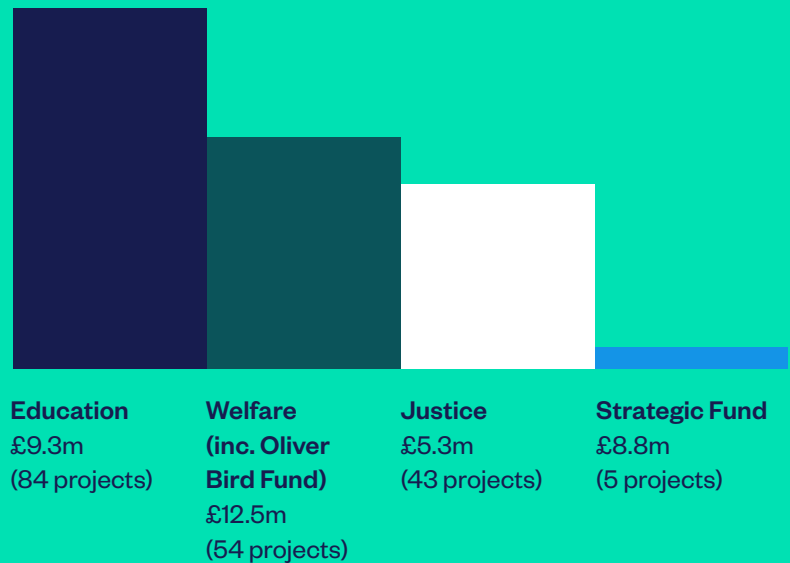
Current portfolio of research, development and analysis grants

186

research, development and analysis projects with a total value of

£35.9m

Total value of research grants being managed at the end of 2021
Split by domain (including Strategic Fund)



Nuffield Foundation - Annual report 2021

Who do we fund?



The year in numbers

Communications and engagement

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



convened

104 events

attended by

10,367 people



had

828,751 visits

to our websites



were referenced in broadcast,
print and online media

6,925 times



increased our Twitter following by an average of

14% across our accounts

to 45,521 followers

Nuffield Future Researchers



1,001 students

were placed

94% 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 are home to the Nuffield Council on Bioethics, the Nuffield Family Justice Observatory (Nuffield FJO) and the Ada Lovelace Institute (Ada).

Our aim, across all our activities, is to improve lives for people, families and communities within a just and inclusive society.

Our work addresses the inequalities, disadvantage and vulnerabilities people face in Education, Welfare and Justice, and considers the social and ethical implications of science and digital technologies for people and society.

In order to achieve our goal, we:

- Identify and explore interconnected and complex trends that shape society.
- Support rigorous research and analysis to build the evidence base and improve understanding.
- Convene, connect and listen to diverse perspectives to foster informed debate and bring evidence to inform policy and practice to achieve meaningful change.
- Develop people and skills to strengthen capacity.

We assess our success against our aims and objectives by:

- 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.
- Commission independent evaluations of areas of our work. For example, evaluations of Ada and the Nuffield FJO were completed in 2021, and an independent evaluation of our student programme Q-Step will report in 2022.
- Identifying our target audiences and measuring reach, engagement and impact.
- Developing a success framework, which we are using to undertake an evaluation of our 2017 – 2022 strategy and will embed throughout the Foundation for ongoing evaluation.

2021 Highlights

- **In 2021, we spent £28.5 million on charitable activities to advance social well-being and educational opportunity in the UK – the highest in our history.** This includes £7.2 million for three projects from our Strategic Fund that will address some of the major challenges facing our society in the coming decades, and funding for research to understand and mitigate the ongoing social and economic impacts of the pandemic.
- Our flagship oral language programme, the **Nuffield Early Language Intervention (NELI)** is being used in two-thirds of primary schools in England. This means that over 90,000 reception-age children will benefit from additional support with vital speech, language and communication skills as part of the government's education recovery programme.
- Our Education projects provided a valuable evidence base for the case for **further action to counter the effects of educational disruption caused by the pandemic.** Dr Sarah Cattan's work on how families spent their time during the second lockdown showed that 40% of children did not meet the government's minimum guidelines for learning time. Caroline Sharp's National Foundation of Educational Research (NFER) project revealed that school leaders reported an increase in incidents of self-harm by pupils and a lack of emotional and academic readiness among students transitioning between key educational stages.
- Covid Realities – a participatory online research project led by Dr Ruth Patrick – gave a **much-needed voice to parents and carers living on low incomes during the pandemic.** Evidence from the project was influential in the government's decision to extend the £20 uplift in Universal Credit for an additional six months.
- Ada's evidence reviews and policy briefings **contributed to decision-making on vaccine passports**, with identifiable impact on the government's measured approach to implementation.
- **New judicial guidance** about which family court cases should be heard remotely once social distancing restrictions are lifted, has been informed by the Nuffield FJO's research and recommendations.

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- The Nuffield Council on Bioethics' inquiry on the potential use of **genome editing in farmed animals** played a significant role in prompting the government to reconsider and revise its approach to facilitating genome editing in livestock.
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- We published four evidence reviews from our Changing face of early childhood series, accompanied by a programme of events and stakeholder engagement. The series has sparked debate both in the media and in Parliament, particularly in relation to increases in poverty for families with young children and the dysfunction evident in the early years education and care system.
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- The Nuffield FJO is catalysing change in the way that **contact between children and their birth families** is supported after adoption, by using insights from research to develop a prototype digital tool now being piloted across England.
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- Research led by Professor Amanda Sacker found **increasing inequalities in some outcomes between people who have spent time in local authority care as children and those who had not**. For example, early death rates rose from being 40% higher in 1971 to 360% higher in 2001 for adults who had spent time in care. The research was subsequently referenced in the Case for Change published as part of the Independent Review of Children's Social Care.
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- Four years after the Nuffield Council on Bioethics recommended that **children and young people should not be able to access cosmetic procedures** unless medically recommended, the government has enacted The Botulinum Toxin and Cosmetic Fillers (Children) Act 2021, restricting access to Botox and cosmetic fillers for under 18s.
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- Ada's research into **algorithmic accountability and AI regulation** supported better understanding in the AI ecosystem, and influenced thinking in the UK Cabinet Office, the Office for AI, Ofcom and the NHS AI Lab.
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- **The IFS Deaton Review of Inequalities** continued to provide insight on issues such as gender, social mobility and ethnicity, attitudes to inequalities, and trade. The Review found, for example, that people from ethnic minority backgrounds who were born and brought up in the UK do much better in the education system than the White majority, but this does not translate fully into success in the labour market. Evidence from the Review has been referenced 46 times in Parliament, and over 1,700 times in the media.
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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.

Through the research that we fund, we want to understand the foundations and pathways of a just and inclusive society, and the restrictions to achieving it. We are open to original research projects that seek to address inequalities and disadvantage and have the potential to make life better for people, families and communities.

We are an open, collaborative and engaged funder that offers more than just money. We work with our grant-holders and the wider research, policy and practice communities to identify and explore the complex trends shaping our society, and to convene diverse perspectives to foster informed debate.

During 2021 we made £16.5 million of new research grant commitments in our core domains of Education, Welfare and Justice, including £7.2 million from our Strategic Fund. A full list of grants awarded can be found on page 43.

In this section, we report on each of our core domains, including highlights from research outputs published and examples of policy and practice impact. We also report on the work of the Nuffield Council on Bioethics.

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.

Key Education outputs published in 2021

What: Fair admission to universities in England: improving policy and practice

Who: Professor Vikki Boliver, Durham University

Headline finding: While highly selective universities in England increasingly consider applicants' socioeconomic and educational contexts when making admissions decisions, bolder policy changes are needed to level the playing field.

What: Talking Together: Language support at home for parents of two-year-olds

Who: Dr Claudine Bowyer-Crane, University of York

Key finding: The Bradford-based Talk Together programme, which provides parents of children aged up to three with the skills, knowledge and confidence to provide a stimulating, language-rich environment, was found to have a positive impact on language development and parent-child relationships.

What: Randomised controlled efficacy trial of Families Connect

Who: Dr Christine Bradley, Save the Children

Headline finding: Families Connect, a programme that helps parents living in disadvantaged areas engage in their children's learning, strengthens the home learning environment and improves children's social and emotional behaviour.

What: Contemporary fathers in the UK

Who: Adrienne Burgess, The Fatherhood Institute

Headline finding: Spending more time at home during the first COVID-19 lockdown helped fathers build better relationships with their children and develop greater confidence in their parenting.

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

Who: Dr Sarah Cattán, Institute for Fiscal Studies (IFS)

Headline finding: Remote learning provision improved during the second lockdown as students were more likely to be offered online classes and have access to devices at home. However, despite these improvements, 40% of children did not meet the government's minimum guidelines for learning time.

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

Who: Dr Gabriella Conti

Headline finding: At its peak in 2010, nearly a third of the £1.2bn annual cost of Sure Start was later offset by reduced hospitalisations of children aged 11 to 15.

What: A longer-term investigation of the careers of UK graduates

Who: Professor Peter Elias, University of Warwick

Headline finding: The COVID-19 pandemic affected mid-career graduate workers' economic position, reshaped their motivations and aspirations and impacted their mental health.

What: Composite classes, class size and human capital accumulation

Who: Dr Markus Gehrsitz, University of Strathclyde

Headline finding: Primary school classes where pupils from different year groups are taught together can boost literacy and numeracy attainment among younger pupils, without impacting the progress of older children.

What: 'First in Family': higher education outcomes

Who: Dr Morag Henderson, Centre for Longitudinal Studies

Headline finding: Women who are the first in their family to graduate from university earn 7% less in their mid-20s compared to female graduates whose parents attended university. In contrast, first generation male graduates tend not to face a similar pay penalty.

What: Pupil special educational needs and disabilities: identification, access and patterns of mental health support

Who: Jo Hutchinson, Education Policy Institute

Headline finding: Vulnerable pupils, those living in disadvantaged areas and those attending academy schools are less likely to be identified with special educational needs and disabilities compared with otherwise similar children.

What: Post-16 educational trajectories and social inequalities in political engagement

Who: Dr Germ Janmaat, UCL Institute of Education

Headline finding: A social gap in political engagement that is strongly influenced by parental education levels emerges around the age of 16. Adolescents from the most educated families are almost twice as likely to engage with politics and vote by the time they reach the age of 25 than peers from disadvantaged backgrounds.

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

Who: Professor John Jerrim, University College London

Headline finding: In an international teaching and learning survey, English schools were found to have the highest number of performance measures. While close monitoring is designed to drive school improvements, 68% of teachers in England report feeling accountability-related stress.

What: COVID-19 and childcare: local impacts across England

Who: Jane Lewis, Centre for Evidence and Implementation

Headline finding: Local authorities do not immediately anticipate widespread childcare shortages as a result of the pandemic, but many have expressed concerns around school-age childcare provision.

What: The intergenerational transmission of educational underachievement

Who: Dr Jean-Baptiste Pingault, University College London

Headline finding: Genetic traits that are not directly inherited from a parent still have a significant impact on educational attainment through their influence on the home environment.

What: Students who do not achieve a grade C or above in English and Maths

Who: Professor Carlo Raffo, University of Manchester

Headline finding: Young people who miss the benchmark of grade 4 in English and Maths GCSE see themselves as failures and face barriers to opportunities, often despite substantial achievements outside these qualifications.

What: Measuring the disadvantage attainment gap in 16 – 19 education

Who: David Robinson, Education Policy Institute

Headline finding: Disadvantaged sixth form and college students in England lag three A level grades behind more affluent peers. The disadvantage gap varies considerably across the country.

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

Who: Caroline Sharp, NFER

Headline finding: School leaders serving predominantly deprived populations said pupils suffered from COVID-related anxiety during the pandemic and a substantial minority reported an increase in incidents of self-harm. There is particular concern about emotional and academic readiness of students transitioning between key educational stages.

What: Education spending pressures and challenges

Who: Dr Luke Sibbets, IFS

Headline Finding: Cuts to education spending over the past decade are without precedent in post-war UK history, including a 9% real-terms fall in school spending per pupil and a 14% fall in spending per student in colleges. The most deprived secondary schools have seen the biggest falls in spending per pupil and the gap in spending per pupil between private and state schools more than doubled.

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

Who: Dr Luke Sibieta, Education Policy Institute

Headline finding: Scotland currently spends significantly more per pupil and has increased total school spending more over the past decade than the other UK nations. Twice as much funding was provided per pupil for post-lockdown education catch-up plans in England and Scotland than was provided in Wales and Northern Ireland. However, the support offered in Wales and Northern Ireland was better targeted at the most disadvantaged students.

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

Who: Amy Skipp, ASK Research

Headline finding: Special schools and colleges were unable to offer places to two-thirds of pupils during the first lockdown. Barriers to online learning and reduced health and social care services led to a loss of skills and abilities (such as communication and mobility) and increased behavioural and mental health issues among students.

What: Why have universities transformed their staffing practices?

Who: Professor Alison Wolf, King's College London

Headline finding: The number of non-academic senior managerial and administrative posts at UK universities increased by 60% between 2005 and 2018 as institutions centralised, removing autonomy from academic departments. Over the same period, teaching-only posts increased at five times the rate of more traditional roles that combine teaching and research.

Policy and practice impacts of Education projects

Majority of primary schools in England sign up for the Nuffield Early Language Intervention

Last year we reported that our flagship oral language intervention, the Nuffield Early Language Intervention, would form a key part of the early years catch-up package for schools, backed by a £9 million investment from the DfE. Early in 2021, the government invested a further £8 million to make NELI freely accessible to all primary schools with a reception class in England. We established a Special Purpose Vehicle to administer this funding, Nuffield Foundation Education Limited.

As a result of the additional funding, over two-thirds of eligible primary schools are now registered to deliver the Intervention, benefitting an estimated 90,000 reception-age children in over 11,000 schools in England.

Developed by researchers at the Universities of Oxford, Sheffield and York with funding from the Foundation, NELI is a 20-week targeted programme designed to improve the oral language skills of children aged four to five years old in need of support. Participating schools receive training and

The Nuffield Early Language Intervention is now benefiting an estimated 90,000 reception-age children in over 11,000 schools in England.

resources to deliver one-to-one and small group support for five-year-olds whose spoken language skills may have suffered as a result of the pandemic.

An independent evaluation based on a large-scale randomised controlled trial by the Education Endowment Foundation (EEF) found that NELI boosts the language skills of four- and five-year olds by an additional three months. We are currently funding a project to develop and evaluate a version of NELI for use in nurseries.

Impact of COVID-19 on children's education

Our research on the immediate impact of the pandemic on children's education continues to have influence. In May, the House of Commons Committee of Public Accounts published its report, *COVID-19: Support for children's education*. The report

was highly critical of the DfE's response to the pandemic, concluding that it had no plan for handling major disruption, struggled to react in a timely and effective way and had not properly assessed its early response or learned lessons for the future.

The Committee also noted – as evidenced by our research – that disruption to schooling had particularly damaging effects on children who were already facing adversity. In coming to these conclusions, the report referenced submissions from three of our projects. These were: Dr Sarah Cattan's work on the effects of COVID-19 on families' time-use and child development (IFS), the NFER's research on the impact of COVID-19 on mainstream schools (led by Caroline Sharp), and Professor Birgitta Rabe's research on the impact of school availability on parental labour supply and well-being.



Evidence from these projects, along with that led by Amy Skipp at ASK Research on the impact of the pandemic on special schools, was also cited in a series of reports from Ofqual that examined aspects of learning during the pandemic in 2020 and 2021.

Annual report on education spending

The IFS' *2021 annual report on education spending in England* has had considerable impact not least in shaping policy and spending decisions in the 2021 Spending Review. This review saw the government announce an extra £4.4 billion for the schools' budget in 2024 – 25. Combined with previous plans, the IFS estimates that spending per pupil in 2024 will be at about the same level as in 2010 and while this will reverse past cuts, it will mean 15 years with no overall growth in spending. Similarly, additional funding allocated to 16 – 18 education will mean spending per pupil will rise by 6% between 2021/22 and 2024/5 but will still be around 10% below 2010/11 levels.

The project is led by Dr Luke Sibieta and the research team has had regular engagement with policymakers at the DfE and HM Treasury, as well as with key policy contacts in Scotland, Wales and Northern Ireland. Another output from the project – a student finance calculator – has been welcomed by commentators and policymakers as a way to analyse ideas for reform of student finance in real-time. The project has also shaped public debate on education spending via the media. Most media stories on the topic of education spending draw on the IFS analysis, with widespread coverage across broadcast, print and online outlets in both the mainstream and specialist media.

Teacher workforce

Research from NFER found applications for initial teacher training increased significantly in both 2020 and 2021, suggesting an easing of the teacher supply challenge in the short term. While this is positive, the pandemic has led to a reduction in capacity for school-based training placements, just as more trainees enter the system. The project has provided much-needed data on teacher training placement capacity, which NFER has shared with DfE as there is no other national data collection on placements. Early data on teacher turnover has also been used for government officials to model the likely future path of teacher retention. Evidence from the project, led by Jack Worth, has also informed submissions to the Initial Teacher Training Market Review, which reported in July 2021 and aims to enable the provision of consistently high-quality teacher training. Jack Worth has also presented to the All-Party Parliamentary group for the Teaching Profession, the network of Teaching School Hubs and the teacher pay analytical team at DfE.

Fair access to higher education

Research led by Professor Vikki Boliver at Durham University has been used by the government to press higher-tariff universities to close longstanding ethnic inequalities in university acceptance rates. The research has also been used to make admissions data available to researchers, policymakers and the general public. Her project on improving policy and practice to increase fair admission to universities has also been used to support reinvigorated national widening participation and fair access policies in England and Scotland. It is centred on the use of contextual data about the socio-economic circumstances of applicants to inform admissions decisions.

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. We want to understand the ways in which some people and groups are potentially vulnerable to adverse outcomes, and to identify how those risks can be mitigated or channelled more positively.

Understanding Communities

In 2021 we launched our Understanding Communities programme, a research and policy collaboration with the British Academy designed to identify practical solutions to support local communities in the UK. In April we invited early- and mid-career researchers from different disciplines, national and local policy makers, and people working at the frontline of service delivery to apply to participate in a series of research and policy innovation workshops. Alongside the call, we held a pre-application public webinar for potential applicants to find out more about the opportunity and to meet the team. We received just under 500 applications and selected 54 people to participate in the workshops.

At the workshops, participants were encouraged to collaborate in order to develop multidisciplinary research proposals to identify the role of local and non-local ties, or the variety of attributes and assets within UK communities, that make some communities weaker, stronger, more or less equal, and more or less connected than others. We also involved 12 mentors from across policy, practice, and research, who helped challenge and support the development of proposals. Subsequently we have sought to engage diverse perspectives from specialists who have reviewed the funding applications. We received 13 eligible

applications, six of which were successful and awarded funding in 2022.

Improving the well-being of people living with musculoskeletal conditions

In December 2021 we issued a call for applications for research projects to improve the social and economic well-being of people living with musculoskeletal (MSK) conditions in the UK. In partnership with Versus Arthritis, we are making up to £4 million of funding available for new research from our Oliver Bird Fund.

MSK conditions – including arthritis and back pain – affect over 20 million people in the UK and are the single biggest cause of pain and disability. We are looking for interdisciplinary proposals that can help identify, develop and enhance non-clinical policy and practice interventions to improve the lives of people living with these conditions. Funding awards from this call will be made in November 2022.

Key Welfare outputs published in 2021

What: Social cohesion in the context of COVID-19

Who: Professor Dominic Abrams, University of Kent

Headline finding: The pandemic has led to a greater sense of national division, but our sense of local unity has remained strong and people's trust in others has grown over the course of the crisis.

What: Ethnic inequalities in later life

Who: Dr Laia Becares, University of Sussex

Headline finding: Stark health inequalities between different ethnic groups are influenced by persistent restrictions from life opportunities due to racism and have persisted unchanged for 25 years.

What: The Economy 2030 Inquiry: navigating a decade of change

Who: Torsten Bell, Resolution Foundation

Headline findings:

- The labour market shock from the pandemic had a greater impact on locations where average wages are higher.
- The 'job satisfaction premium' low earners enjoyed in the early 1990s has deteriorated over the past three decades due to rising levels of work intensity, increased stress and falling levels of control over how their work is done.

What: The IFS Deaton Review: Inequalities in the twenty-first century

Who: Professor Sir Richard Blundell, IFS

Headline findings:

- While 80% of people say they are concerned about social and economic inequalities, differing perspectives about why they exist make it difficult to establish consensus on how or whether inequalities should be addressed through policy.
- Working-age women in the UK earn 40% less than their male counterparts. The decrease in this earnings gap since the mid-1990s is largely a result of the rapid increase in women's educational attainment. The impact of other changes, such as additional public support for childcare, has been comparatively small.
- Second-generation ethnic minorities outperform White British peers in education, but this does not translate into equal success in the labour market once academic achievement is accounted for.
- In heterosexual couples where the woman is the highest earner, 13% of women leave paid work after their child is born compared with 3% of their lower-wage male partners. Mothers who continue to work reduce their hours by an average of 26%, while little to no change is observed among fathers.

What: An intergenerational audit of the UK

Who: Professor Mike Brewer, Resolution Foundation

Headline findings: Young adults have experienced a stronger labour market recovery in the second year of the COVID-19 pandemic compared with older workers, but the wealth gaps between age cohorts have increased.

What: Planning for revisions to UK government expenditure plans

Who: Professor Jagjit Chadha, National Institute of Economic and Social Research

Headline finding: Economic forecasting, risk analysis, independent review and increased parliamentary scrutiny of socio-economic objectives are needed to create a fiscal framework that is transparent, accountable and responsive to the needs of society.

What: Who can 'have it all'? job quality and parenthood in the UK

Who: Dr Rose Cook, Global Institute for Women's Leadership, King's College London

Headline finding: Unsubstantiated denials of flexible working requests, a lack of knowledge of how to deal with them, and unsupportive workplace cultures are hindering widespread adoption of flexible working.

What: Pension saving over the lifecycle

Who: Rowena Crawford, IFS

Headline findings: Economic modelling of saving habits over a person's lifecycle suggests introducing flexible policies where contributions increase with age, accounting for life-stage factors such as the financial pressures of raising children, would deliver cost-benefits and higher pension savings in the longer term.

Strategic goal one

What: COVID-19 Social Study

Who: Dr Daisy Fancourt, University College London

Headline finding: The pandemic had a significant impact on people's everyday lives, from relationships with partners and neighbours to drinking habits. Tracking public responses in real time revealed the impact of policy on behaviour and attitudes, including compliance with COVID-19 guidelines, and anxieties around vaccination strategies.

What: IFS Green Budget 2018 – 2021

Who: Paul Johnson, IFS

Headline finding: Planned tax rises will increase the UK's tax take to 42% of national income, the highest level in 'normal times' since 1985. These are more the inevitable consequences of population ageing and pressures on health and care spending, than they are consequences of the pandemic.

What: Inheritances and inequality within generations

Who: Robert Joyce, IFS

Headline finding: Inheritances are set to grow dramatically compared with other incomes, marking a profound social change, whereby living standards will increasingly be determined by what people receive from their parents rather their earnings.

What: Vulnerability, migration and well-being: experiences, perceptions and barriers

Who: Dr Laurence Lessard-Phillips, University of Birmingham

Headline finding: Refugees, asylum seekers and migrants reported higher levels of bad health and inadequate housing during the COVID-19 pandemic as well as difficulties registering with a GP and accessing remote healthcare services. This suggests significant unmet healthcare needs.

What: Saving, spending and financial resilience in the wake of the pandemic

Who: Dr Peter Levell, IFS

Headline finding: A consumption boom is unlikely to drive economic recovery in the wake of the pandemic because the poorest members of society were hardest hit by the recession. Net wealth increases were more common among higher-income households who, having avoided economic uncertainty and income losses, are unlikely to change behaviour as the economy recovers.

What: After Mirrlees: building pathways to a tax system for today's work patterns

Who: Helen Miller, IFS

Headline finding: While higher taxes on employee salaries are pushing many to work through their own company, preferential tax rates on capital gains, dividends and self-employment favour the wealthy and do not encourage the entrepreneurial risk-taking and investment needed to boost economic growth.

Tracking public responses to the pandemic in real time revealed the impact of policy on behaviour and attitudes, including anxieties around vaccination strategies.

What: Full Fact report 2021

Who: Will Moy, Full Fact

Headline finding: Long-standing gaps in the UK's information infrastructure, affecting issues from social care to personal protective equipment (PPE), hampered the UK's response to COVID-19 in 2020.

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

Who: Martin O'Connell, IFS

Headline finding: 90% of households increased their calorie consumption during the pandemic. Households where people were likely to be working from home had the largest increases, suggesting that changes in working patterns were a factor in more calorific diets.

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

Who: Dr Ruth Patrick, University of York

Headline findings: Extra costs from food, energy and remote schooling meant more than one in three low-income households with children increased their spending during the pandemic. The reopening of schools added to financial pressures, with parents describing uniform costs as 'unmanageable'.

What: COVID-19 and school availability: impact on parental labour supply and well-being

Who: Professor Birgitta Rabe, University of Essex

Headline finding: Emotional and behavioural difficulties among primary school children increased significantly following school closures during spring and summer terms in 2020. The detrimental impact of closures on well-being extended to the mothers of children aged 4 – 12, who reported worse mental health during periods when their children were unable to attend school.

What: The psychological roots of societal self-harm: mass participation experiments

Who: Dr Daniel Richardson, University College London

Headline finding: In an experimental, virtual setting, randomly formed groups of strangers were more likely to commit acts of collective violence against an opposing team if they noticed the game was rigged in that team's favour. This suggests that inequality between groups has a direct, causal effect on intergroup conflict.



What: The Broken Plate

Who: Anna Taylor, Food Foundation

Headline finding: Children aged 11 from the poorest 10% of households are ten times more likely to be living with severe obesity than those from the wealthiest 10% of households. The proliferation of fast-food outlets in deprived local authorities and the high cost of healthier foods are some of the economic factors driving dietary inequality.

What: Social policies and distributional outcomes in a changing Britain

Who: Dr Polly Vizard, London School of Economics

Headline finding: The impact of the pandemic was exacerbated by pre-existing fault lines in the welfare state and public services. Weaknesses identified include mounting pressure across public services, widening structural inequalities, a lack of investment in skills training, and unmet social care needs.

Policy and practice impact of Welfare projects

Mental health and well-being during the pandemic

We have seen continued impact from research funded as part of our immediate response to the pandemic in 2020. For example, research led by Dr Birgitta Rabe at the University of Essex was cited as a key input into the Chief Medical Officer's advice on vaccination of children aged 12 – 15 against COVID-19. Dr Rabe's research found a significant rise in emotional and behavioural difficulties among primary school children following the 2020 spring and summer term school closures. This evidence was considered by the Chief Medical Officer alongside that of clinicians and public health specialists.

Our support for monitoring the impacts of the pandemic on people's well-being continues through the UCL COVID-19 Social

Study, led by Dr Daisy Fancourt. Findings from the study are an important source for the routinely-updated government report, *COVID-19 mental health and well-being surveillance*. The report is used to inform policy, planning and commissioning in health and social care, at both a national and local level. The UCL COVID-19 Social Study is the UK's largest study on the psychological and social impact of the pandemic. The study involved more than 70,000 people who have contributed over 1.2 million surveys since March 2020. In addition to direct impact on policy and practice, the study is aiding public understanding of the effects of the pandemic through widespread media engagement. It is also contributing to an international evidence base through the COVID-MINDS network, a global community of mental health scholars examining the impact of the pandemic on mental health.

The experiences of families on low incomes

Several of our funded projects provided evidence of the failure of the social security system and wider public services to provide adequate support for people living on low incomes during the pandemic. Among them, Covid Realities – a participatory online research project – was unique in giving a much-needed voice to parents and carers living on low incomes. For example, one of the contributors, Caroline, gave evidence to the House of Commons Work and Pensions Select Committee on the DWP's response to the COVID-19 outbreak. A group of contributors also met with Jonathan Reynolds MP, Shadow Secretary of State for Work and Pensions.

The research team, led by Dr Ruth Patrick at the University of York, presented findings to civil servants at the Ministry of Housing, Communities and Local Government, the DWP and HM Treasury. Evidence from the project, alongside that from other research (including the Resolution Foundation's Economy 2030 Inquiry), was influential in the government's decision to extend the £20 uplift in Universal Credit for an additional six

months, although recommendations to make the uplift permanent were not implemented.

Covid Realities has been an influential project in other ways, particularly in demonstrating the potential of participatory research to strengthen understanding and lead to solutions grounded in everyday realities.

The project itself is a collaboration between parents and carers on low incomes, universities, and the Child Poverty Action Group. But it has also enabled wider collaborations with academic and charitable partners across 14 other research projects, challenging an ethos of competition and facilitating open and inclusive conversations about policy and ways of working.

Other examples of policy impact in relation to families on low incomes include the Food Foundation. This research secured three key recommendations in the National Food Strategy on children's food – on Free School Meals, Healthy Start and the Holiday Activities and Food Programme. Publication of the Food Foundation's *The Broken Plate* 2021 report was timed to inform other organisations' responses to Part Two of the National Food Strategy. The publication was used by the media to inform coverage of the Strategy, most prominently by the BBC who featured *The Broken Plate* report to launch its week of food programming.

The Broken Plate is the Food Foundation's flagship annual report showing the state of our current food system and the challenges faced in ensuring that everyone in the UK can

afford and access a healthy and sustainable diet. The 2021 edition included an expanded analysis, looking at the projected health implications of current diets for children born in England in 2021.

Social cohesion in a time of crisis

Another of the projects funded as part of our immediate response to the pandemic was The Beyond Us and Them study. This was led by Professor Dominic Abrams at the University of Kent in partnership with Belong, a network of local authorities, businesses, charities and community groups that want to learn more about how to improve social cohesion. Through surveys, focus groups and interviews, the project built a comprehensive picture of how the UK's social fabric held up during a period of unprecedented strain.

In the project's final report, the research team concluded that overall, the pandemic has led to a greater sense of national division, but a strengthened sense of local unity and growth in people's trust in each area. Local authority areas that had prioritised support for social infrastructure and cohesion, and been supported to do so by government investment, had proved to be more resilient in the course of the pandemic than other places. As a result, the researchers called on government to channel moderate investment into local initiatives which build social infrastructure and people's sense of togetherness, and to embed this approach in its Levelling Up plans.

The Broken Plate reports shows the state of our current food system and the challenges faced in ensuring that everyone in the UK can afford and access a healthy and sustainable diet.

Strategic goal one

Findings from the project were cited in the British Academy report to the Chief Scientific Adviser on the long-term societal impacts of COVID-19, and the research team have successfully engaged both local and national government with the evidence. This includes several briefings for the Ministry of Housing, Communities and Local Government and other government departments. It also includes presentations to the All-Party Parliamentary Group on Social Integration, and a series of briefings for local authorities, including Greater Manchester and West Midlands Metropolitan areas. The team has also been working with Sara Khan, Independent Advisor to the Prime Minister on social cohesion, extremism and resilience.

Shaping social policy in the decades to come

In addition to illuminating some of the immediate impacts of the pandemic on our society, our work is taking a longer-term look at social and economic policy, albeit grounded in where we are now. The IFS Deaton Review continues to shine a light on key areas of inequality with a view to providing a holistic picture of inequalities in the UK and developing effective policy responses to address them.

Reports published as part of the Review this year have included gender, social mobility and ethnicity, attitudes to inequalities, and trade. Evidence from the Review has been referenced 46 times in Parliament, and over 1,700 times in the media, demonstrating

the success of the IFS in using insights from the research to inform both policy and public debate. The research team have met with senior civil servants in different government departments, including the COVID-19 taskforce at the Cabinet Office. The Review is also gaining an international platform, with Sir Angus Deaton giving Congressional testimony in the United States, and Sir Richard Blundell briefing the Élysée Palace G20 pre-meeting and the Macron Commission on Inequality.

The Resolution Foundation's Economy 2030 project was the first grant made from our Strategic Fund and is exploring the three major changes facing the UK economy. These are: Brexit, COVID-19 and the transition to a zero-carbon future. Officially beginning in May 2021, the Inquiry has already had influence in policy debates. For example, the *Business Time* report, which explored whether private sector firms are ready for the forthcoming decade of change, prompted an invitation to meet with officials at HM Treasury. Hannah Slaughter, one of the authors of the Inquiry's report on assessing the permanent implications of COVID-19 for the UK labour market, gave evidence to the Work and Pensions Select Committee. Members of the research team have also presented to the Fair Work and Skills Division of the Scottish government.

National and International tax reform

Two projects have been successful in influencing policy change in relation

The IFS Deaton Review shines a light on key areas of inequality with a view to providing a holistic picture of inequalities in the UK and developing effective policy responses to address them.

to taxation policy. Helen Miller at the IFS has been leading a project to design tax reform packages that would move towards the solutions from the IFS's earlier Mirrlees Review (also funded by the Nuffield Foundation). In one instance – 'Entrepreneurs Relief' – the government has already changed its policy in response to IFS evidence of the negative impact of having a preferential rate of capital gains tax for business owner-managers. Under its new name, 'Business Asset Disposal Relief', the lifetime limit has now been cut from £10 million to £1 million. Other key areas of tax policy on which the project has had influence include: providing evidence that lower state benefits for the self-employed do not justify the current tax breaks available, and securing growing support for the idea of aligning tax rates on capital income with those on labour income.

A second project, led by Professor Michael Devereux at the Oxford University Centre for Business Taxation, has been influential in efforts to address problems in the international tax system, such as multinational companies shifting profit to low-tax jurisdictions. In 2021, 135 OECD countries agreed fundamental reform of the tax system using two 'pillars'. One of these pillars draws heavily on the analysis and proposals from Professor Devereux's work. For the first time, taxing rights will be allocated to the market country, where businesses make sales. This unprecedented change is the most revolutionary reform to the international tax system in a century.

Justice

Within our Justice domain, our objective is to explore how the real-world application of law and the administration of justice meets, or fails to meet, people's needs and expectations. Our particular focus is on issues of law and justice that have the most significant effect on the lives, opportunities, and well-being of people who are vulnerable or disadvantaged.

In 2021 we refreshed our funding priorities in Justice, following a review of our existing work and a consultation with experts from across the justice system. The review highlighted both the pressures and challenges facing the justice system, but also the potential to increase the diversity of disciplines and applicants who undertake research in Justice. As a result of the review, we have updated our funding priorities, with a particular focus on the way users of the justice system experience it. We are keen to encourage proposals for impactful research that take an interdisciplinary approach where possible and produce evidence that will improve the justice system and the outcomes of the people who access it.

Key Justice outputs published in 2021

What: Birth fathers' recurrent appearance in care proceedings

Who: Professor Marian Brandon, University of East Anglia

Headline finding: Significant childhood adversity, early entry to parenthood and persistent economic hardship are key issues for fathers who experience repeat involvement in care proceedings.

What: Guidance to judges on the anonymisation of children judgements

Who: Dr Julia Brophy, Independent Researcher and Associate at CoramBAAF

Headline findings: The anonymity and future safety of children and young people could be compromised by the online publication of judgements involving the sexual abuse of children.

New guidance on posting judgements will assist judges and family justice professionals in meeting the need for transparency while prioritising safeguarding.

What: Reunification and re-entry to care: an analysis of the national datasets for children looked after in England

Who: Professor Rick Hood, Kingston University, London

Headline finding: Children who experience stable periods of care, particularly in a single foster placement, are more likely to return home to live with their parents permanently.

What: Looked after children grow up

Who: Professor Amanda Sacker, University College London

Headline finding: Early death rates for adults who spent time in care as children were 360% higher than the general population in 2001, up from 40% in 1971, indicating widening inequalities in health and social outcomes emerging from the care system.

What: The implementation of new rules and guidance for long-term foster care

Who: Professor Gillian Schofield, University of East Anglia

Headline finding: Regulations and guidance introduced by the DfE in 2015 helped to transform the culture around long-term foster care and improved care planning, assessment, matching and support.

What: Pensions on divorce interdisciplinary working group

Who: Hilary Woodward, Cardiff School of Law and Politics

Key outputs: A new, accessible guide to pensions on divorce was produced by the team and made available by Advicenow, a charity dedicated to ensuring everyone has the knowledge, confidence and skills to secure access to justice.

Policy and practice impact of Justice projects

Constitutional implications of COVID-19

Dr Joe Tomlinson gave evidence to the House of Lords Select Committee Inquiry on the constitutional implications of COVID-19. His evidence drew on research which was part of our initial round of funding in response of the pandemic. This research tracked the expansion of governmental powers in the UK in response to the pandemic and explored the extent to which people's perceptions of their rights and of the fairness of government action influenced their compliance with restrictions. Dr Tomlinson's evidence was subsequently referenced in the Committee's



report on COVID-19 and the use and scrutiny of emergency powers. This concluded, amongst other things, that parliamentary oversight of policy decisions that have transformed everyday life for people has been extremely limited.

Looked after children grown up

Professor Amanda Sacker's project provided the first comprehensive picture of the health and social outcomes of adults who have spent time in local authority care as children. She found increasing inequalities in some outcomes between those who have spent time in care and those who had not. For example, early death rates rose from being 40% higher in 1971 to 360% higher in 2001 for adults who had spent time in care. We convened a webinar to engage policy-makers and practitioners with the research, including a response from Josh McAlister, Chair of the Independent Review of Children's Social Care. The research was subsequently referenced in the Review's Case for Change, published in June 2021, which set out its early thinking about what needs to change in the children's social care system.

Transparency in the Family Courts

The President of the Family Division of the High Court, Sir Andrew MacFarlane, published his review of transparency in the family courts in October 2021. His report sets out changes to culture and process to increase transparency, while at the same time maintaining the anonymity of families

and children who turn to the Family Justice System for protection. The report references findings from a review of earlier guidance on the anonymisation and treatment of sexual abuse allegations in published judgements, funded by the Foundation and undertaken by Dr Julia Brophy and Dr Marisol Smith. Sir Andrew accepts two propositions established by the review. Firstly, that identification of children and families is possible even when there has been a concerted effort to anonymise a judgement. Secondly, that published judgements often contain full detail of the evidence of abuse that a judge has heard, which is not in the interests of the child. In response to this evidence, the President expressed his wish to 'achieve an outcome where detailed accounts of abuse simply do not appear in any published document' and signalled his intent to consult further on how this might be done.

Nuffield Council on Bioethics

The Nuffield Council on Bioethics helps to embed ethical policy making and practice by identifying, exploring, and advising on the ethical issues arising from developments in biological and medical research that could impact society.

Professor Amanda Sacker's project provided the first comprehensive picture of the health and social outcomes of adults who have spent time in local authority care as children.

In 2021 we welcomed Danielle Hamm as the new Director of the Nuffield Council on Bioethics, following the retirement of Hugh Whittall after 14 years in the post.

Genome editing

In December 2021 the Council published findings of an in-depth inquiry on the potential use of genome editing (the precise and specific alteration of a DNA sequence in a living being) in farmed animal breeding. Its report was extremely timely as the UK government is currently considering introducing regulatory reform of the use of genome editing technologies in agriculture and other organisms. The Council's recommendations address how this may be done ethically.

Having engaged constructively with government decision makers on genome editing in agriculture throughout this inquiry, there has already been some immediate impact on high-level UK policy. For example, commenting on the Council's report in January 2022, the Secretary of State for Environment, Food and Rural Affairs, said there would be a staged approach to facilitating genome editing in livestock, recognising that *"the ethical concerns on livestock are harder, do need a little bit more thought and we don't have to do everything in one go"*.

This is a clear shift from the government's previously expressed position. The Council's consistent advice has played a significant role in prompting the government to

reconsider and revise its approach. Members of the team secured a meeting with DEFRA Minister Jo Churchill MP, who warmly welcomed the Council's recommendations and was persuaded to take its advice forward to inform government work on regulatory change relating to gene-edited animals. The government is also putting funding towards a public dialogue, which the Council is running in collaboration with Biotechnology and Biological Sciences Research Council (BBSRC) and Sciencewise. The need for a public dialogue was one of the key recommendations of the Council's report.

Commercial genetic testing

The Council has also been influential in driving ethical reflection in relation to developments in human genomics research. In 2019, the Council began work to raise awareness amongst politicians and government policymakers of its concerns about commercial genetic testing, successfully pitching this as an inquiry topic to the House of Commons Science and Technology Committee. In June 2021 the Committee published its report on direct-to-consumer genetic testing, which called for a major review of the regulation of genetic tests in the UK, to help ensure people who use these tests receive better information and support.

Also in 2021, the Council's Chair Professor David Archard was appointed to the National Genomics Board, and he has secured the inclusion of ethical consideration of genomic policy in the Board's terms of reference.

The Nuffield Council on Bioethic's work to promote ethical practice within the cosmetic procedures industry contributed to a new law – enacted in October 2021.

Cosmetic procedures

Meanwhile, the Council's work to promote ethical practice within the cosmetic procedures industry contributed to a new law – enacted in October 2021 – that restricts under-18s in England from accessing Botox and cosmetic fillers. This law comes four years after publication of the Council's major report on cosmetic procedures which recommended, amongst other things, that children and young people should not be able to access cosmetic procedures other than in the context of multidisciplinary healthcare. The Council has been active in pursuing this, and other recommendations from this report, through meetings with the Health Minister and through briefing Parliamentarians as the Bill passed into law.

Ongoing pandemic response

The Council has continued to respond to and raise awareness of the ethical considerations of the evolving COVID-19 pandemic. It has delivered a series of blogs, policy briefings, and consultation responses, and has advised government officials and Ministers on issues such as vaccine passports and mandatory vaccinations for health and social care workers. The Council has also been invited to talk to the Cabinet Office Covid Taskforce about its work and how policy makers can deal with ethical issues in policy making.



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. The centre of its lens is on the family courts, but its focus extends far beyond this to understand the support that children and families need before they reach the family courts, and what happens when they have been through the family justice system. The examples featured here demonstrate how the Nuffield FJO works to find and fill gaps in our understanding of the family justice system, highlight the areas where change will have the biggest impact, and foster collaboration to make that change happen. In 2021, funding for the Nuffield FJO was extended to 2026, to enable it to sustain and build upon the impact it has already achieved.

Remote courts under COVID-19

At the beginning of the COVID-19 pandemic, Nuffield FJO ran two extensive consultations on behalf of the President of the Family Division, to support a rapid understanding of how social distancing restrictions were affecting court users. The findings continued to inform guidance and practice throughout 2021. A webinar on remote hearings in the family court run by Nuffield FJO on behalf of the Judicial College in February 2021 attracted over 1,000 judges and magistrates. In June 2021 a further consultation was launched to identify the practices that should continue once social distancing restrictions are eased. The findings continue to be widely referenced.

Separating families

The family court has a role in resolving disputes between separating parents over child arrangements. More than twice as many of these private law applications are started each year than public law applications, yet little is known about the children and families appearing in them.

In 2021 Nuffield FJO published the first population-based empirical evidence on the profile of children and families entering private law proceedings in England and Wales. The studies, undertaken by the Family Justice Data Partnership, uncovered links with deprivation and significant variations in the volumes of applications across the regions.

By providing new evidence and convening expertise, Nuffield FJO is prompting debates about ways to manage private law cases both in and out of court. These ways include directly informing the work of the pilot sites, implementing the findings of the President of the Family Division's Private Law Advisory Group, and the Ministry of Justice's domestic abuse review.

Contact arrangements

In 2020, Nuffield FJO published a research review that synthesised findings from 49 studies, to examine what is known about the implications of contact for the well-being of children and young people who have been separated from their birth parents. In 2021, Nuffield FJO ran a series of webinars

attended by over 850 professionals, created a short animation, and produced a briefing paper to disseminate its important findings.

Moving beyond the evidence to stimulate action, Nuffield FJO also carried out a feasibility study into the potential role for digital technology in managing children's contact in adoption. It brought together young adoptees, adoptive parents, birth parents, adoption agencies and local authorities to co-design a prototype tool for facilitating digital contact between adopted children and their birth families. The tool is now being developed and piloted with several adoption agencies across 27 local authorities by social enterprise Link Maker.

Infants in care proceedings

Nuffield FJO's *Born into Care* series, produced by the Family Justice Data Partnership, tracks the increasing numbers of newborn babies subject to care proceedings in England and Wales. Through data linkage and analysis, the series is beginning to unpick some of the complex issues behind the cases. Analysis published in June revealed the extent to



Strategic goal two

which hearings relating to newborn babies are being heard at short notice, raising questions as to whether mothers can meaningfully participate. The study also revealed significant geographical differences in the extent of short-notice hearings.

Previous research published by Nuffield FJO has highlighted variations in practice in the process of removing newborn babies from their mothers at birth. Together with Lancaster University and the Rees Centre at the University of Oxford, Nuffield FJO is now developing the first national, evidence-informed good practice guidelines for professionals involved in this challenging process.

In May 2021, Nuffield FJO published a briefing paper summarising the key messages from research on recurrent care proceedings (commonly termed the ‘repeat removals’ problem) and outlined points for reflection for judges, magistrates, lawyers and social workers.

Young people

Nuffield FJO is bringing together research and the insights of professionals, academics and experts by experience, to examine what we know about the older children and young people presenting in increasing numbers in the family court. It will also identify ways to improve responsiveness and support for them within the family justice system and at its intersection with youth justice.

Its 2021 report provided the first national overview of older children and young people in care proceedings, using administrative data held by Cafcass and Cafcass Cymru to reveal dramatic increases in the number of 10-17-year-olds subject to care proceedings over the last decade. It also commissioned an analysis of four local authorities’ records, by Research in Practice, and undertook a court file analysis with the East London Family Court. Together, this analysis provided

rich evidence about the adolescents coming into proceedings and their trajectories during and post proceedings.

Nuffield FJO is also undertaking a series of participatory events with young people, families, and communities to identify key questions and practice insights to inform ideas about what a transformed system would look like – and which better supports future outcomes for young people.

Ada Lovelace Institute

Ada is an independent research institute with a mission to make data and AI work for people and society. It does this by building evidence to frame and anticipate ethical issues, convening diverse voices and acting as an independent voice, and speaking on behalf of the public interest and society. Ada also informs thinking about policy and practice, including for governments, industry, public bodies and civil society organisations, in the UK and internationally.

Strategic direction and programmes of work

To support its strategic direction, Ada commissioned a 360-degree evaluation of the organisation in the broader data and AI ecosystem – talking to stakeholders across policy, practice, academia and civil society and reviewing the impact of its work to date. The evaluation demonstrated that Ada has become an established and purposeful presence, with an ability to predict, understand, translate and influence policy debates.

The four top-level learnings were that: independence is Ada’s defining quality; diversity and plurality are critical to its research culture; earlier interventions

are more effective; and impact happens both through short-term, quick interventions and long-term intensive research.

Working with the Ada Board, this understanding translated into a new strategy for 2021–24 that recognises Ada’s unique position in the data and AI ecosystem and builds on founding principles. The strategy sets out Ada’s work into five distinct programmes: biometrics; public- sector use of data and algorithms; the future of regulation; health data and COVID-19 technologies; and ethics and accountability in practice.

Through these programmes Ada is developing a research agenda that ensures its work will be consequential and able to influence policy and practice, alongside a suite of research methodologies that are effective for a non-academic research institute that works both rigorously and at pace.

The following examples are representative of the outputs and opportunities for influence that Ada has leveraged in 2021.

Health data and COVID-19 technologies

Building on *Exit through the App Store?* in 2020, Ada’s work on health data and COVID-19 technologies continues to present opportunities to influence policy. With public, policymaker, and media interest in vaccine passports mounting, Ada identified a concern that UK policy on vaccine passports could crystallise fast, but without a clear understanding of the complexities of the issues.

To support government understanding about different approaches to vaccine passports, Ada launched a call for evidence in January 2021, convened an expert deliberation and hosted five public evidence events.

The summary of expert deliberation *What place should COVID-19 vaccine passports have in society?* was published in February. As a result, Ada was invited to give evidence to the Vaccine Passports Taskforce, chaired by the Right Hon Michael Gove MP. Ada’s contributions were distinct and significant, and the findings of the deliberation were also featured in the House of Commons debate pack on vaccine passports. The summary also received widespread media coverage, including *BBC News*, *BBC Tech Tent*, *Sky News*, *Question Time*, *BBC R4 Today Programme*, *The Telegraph*, *The Wall Street Journal*, *The Economist*, *Nature*, *MIT Technology Review*, *Wired*, and *The i Paper*.

In May, Ada published *Checkpoints for vaccine passports*, which outlined six requirements governments and developers would need to deliver to ensure any vaccine passport scheme was proportionate and effective. This has continued to be influential within the domestic and international community, as the policy response to the pandemic moves through cycles of infection and restrictions.

Published in March 2022, *The data divide* report provided much-needed evidence on public attitudes to health and social inequalities mediated by data-driven technologies.

Ethics and accountability in practice

In March Ada announced a joint international review with the Open Government Partnership and AI Now to understand the challenges and successes of algorithmic accountability policies. The global study – analysing the ‘first wave’ of regulatory and policy tools that aim to ensure accountability for algorithms used in public services – was published in August and had significant international press interest. In the UK, Lord Tim Clement-Jones cited the report

as part of a debate in the House of Lords on standards in public life.

In November, the Cabinet Office's Central Digital and Data Office published a transparency standard for AI, which references Ada's transparency and algorithmic accountability work, as well as its call for a transparency register for public-sector algorithms.

In December Ada published the report *Technical methods for regulatory inspection of algorithmic systems* which explained the current options available to regulators, and particularly the UK regulator Ofcom. Ada was cited in the recommendations of the Joint Committee on Online Safety, which acknowledge its call for Ofcom to have greater auditing powers to support them to perform their regulatory duties in relation to the Online Safety Bill.

Future of regulation

In April, Ada was invited to give evidence to the All-party Parliamentary Group on the new UK AI strategy and, through briefings with the Office for AI, convened a workshop series that led to the publication of *Regulate to innovate* in November. The report led to further opportunities to brief the Office for AI and the Information Commissioner's Office, and featured in *Politico* and *Lexology*. This growing expertise in AI regulation is consolidated through Ada's new base in Brussels, opened in October, to engage on the EU AI Act.

In September, building on *Legal mechanisms for data stewardship*, Ada published *Participatory data stewardship*, setting out a clear framework for the benefits of participatory approaches to data use, management and governance. There is evidence that the framework is influencing practice: the ICO will use it to shape their research on public perceptions of bottom-up data institutions.

Over the course of October and November, Ada convened a series of five public events on the UK government's proposed amendments to the current data protection regime (the UK GDPR) and used this evidence to inform a consultation response. This provided opportunities to influence policy thinking, including briefing the new Minister for Media, Data and Digital Infrastructure and the Minister for Tech and the Digital Economy on public perspectives on data reform and additional research. It also provided resources and an advanced copy of its consultation response to Lord Clement Jones to support his team's response drafting, and a private briefing for the Home Office biometrics team.

Ability to effect change

Ada is the only independent UK organisation working on data and AI that is not reliant on private-sector funding, giving it a unique perspective and platform. Ada has built collaborative relationships alongside its understanding of how to position its work to appeal to a wide range of stakeholders and audiences, from government, industry and civil society. In October, Ada opened a new base in Brussels to address issues raised by forthcoming legislation, including the EU AI Act, and their implications for UK and global AI policy.

Ada has developed an impact framework to better analyse its impact and influence across policy and law, practice, public attitudes, awareness and capacity building. This recognises that impact can be achieved both through short-term, quick interventions and long-term, slower research; that Ada's choice of methodology reflects the needs of domain or practice it is seeking to understand and influence. And, when it comes to data and AI policy, early, targeted interventions during policy formulation will almost always be more effective than interventions designed to change existing policy.



Securing a sustainable and purposeful future

In 2021, the Nuffield Foundation extended core funding for Ada to 2026, amounting to an £8 million commitment over its first eight years. In addition, Ada has raised £1.4 million in external funding in 2021 (making a cumulative total of £2.2 million in external funding since inception).

Ada continues to strengthen and develop expertise and ways of working, with a focus on improving diversity and inclusion in its team. Ada recognises that diversity and plurality – of discipline, perspective, background and methodology – are critical components of its team and research.

Ada is the only independent UK organisation working on data and AI that is not reliant on private-sector funding, giving it a unique perspective and platform.

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 are more than just a funder. 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.

Alongside this, we use our own communications platforms to make the research we fund accessible to a wider audience and to amplify its message. We also produce synthesis – in different forms – bringing together findings from individual projects to strengthen their collective impact and to provide new opportunities for engagement. Our events programme provides occasion to convene and connect audiences and to facilitate productive debate. In this section of the report, we provide examples of our work to increase the profile and influence of our work.

The changing face of early childhood

The changing face of early childhood is a series of short evidence reviews and engagement that seeks to generate an informed debate on early childhood based on the collective evidence. Led by Carey Oppenheim, the series synthesises and critically appraises over 90 projects funded by the Foundation over the last ten years, as well as many other key studies. We published the first review of the series in 2020, with a further four published in 2021.

1. Protecting young children at risk of abuse and neglect. Incidents of serious harm to children under five where abuse or neglect is known or suspected increased during the early months of the pandemic, and many other children at risk may have been missed due to disruption in the usual pathways for referring children to services.

Children's services are already under pressure as a result of increasing rates of child protection interventions over the last decade, particularly for children living in the poorest areas. In the same period,



preventative services to support families have been cut, and many young children who are at risk of abuse or neglect do not come to the attention of services at all.

2. Changing patterns of poverty in early childhood. More than one in three (36%) children in families with a child under five in the UK are living in poverty, amounting to 2.2 million children. For children in families with three or more children, this figure rises to more than half (52%).

This rise in poverty is largely the result of changes to the benefits system, including the 'two-child limit' and the reduction of in-work support, but also

reflects the changing nature of work and family life, including the rise in insecure work and the growth of the private rental market.

3. The role of early childhood education and care in shaping life chances. Almost all children attend nurseries or childminders well before they start school, but despite significant public funding, there are inequalities of access and take-up, particularly for disadvantaged children. Services remain prohibitively expensive for some parents while being provided by a workforce that is poorly paid and undervalued.

More than one in three children in families with a child under five in the UK are living in poverty.

We called for a whole-system review of early childhood education and care, to inform a new strategy designed to deliver quality of provision for children, affordability for parents, improved training and pay for the workforce, and which makes a particular difference to the lives of disadvantaged children.

4. Are young children healthier than they were two decades ago? Progress in improving the health of children under five has stalled in the last five years and across some measures – particularly infant mortality and obesity – children’s health is getting worse.

While children under five are healthier today than 20 years ago, health inequalities between disadvantaged and advantaged children are increasing, with inequalities also evident between different regions and countries of the

UK and different ethnic groups. Poverty is a significant driver of poorer health outcomes across all seven indicators reviewed and has been rising particularly steeply for families with a child under five.

Early childhood engagement and impact

We convened a series of events to generate engagement with the series across different policy, practice and research audiences. During the year we held three public webinars to present findings from the reviews, hear responses from a range of specialists and to facilitate debate. The webinars were attended by over 750 people in total and received positive feedback. We also convened a series of four roundtables to facilitate more in-depth debate, with a focus on policy solutions and identifying



gaps for research. These conversations will inform the final report of the series, due for publication in July 2022, and shape our future funding priorities.

We have had good engagement with policy makers. For example, findings from our review on protecting young children at risk were submitted to the Independent Review of Children's Social Care and a member of the review team participated in our roundtable. Carey Oppenheim and Jordan Rehill were also invited to present findings to the Department for Education. Dr Nathan Archer, co-author of one of our reviews, was invited to give evidence to the All-Party Parliamentary Group on Early Education and Childcare. In partnership with the think tank Bright Blue, we convened a policy roundtable to engage key parliamentary, policy and third sector leaders with the series.

The reviews have also been referenced in Parliamentary debates. Debbie Abrahams MP cited our review on young children and poverty in a House of Commons debate on Universal Credit and Working Tax Credits. The Lord Bishop of Durham raised a question in the House of Lords to ask the government: *"What assessment they have made of the Nuffield Foundation's review 'Changing patterns of poverty in early childhood', and what steps they intend to take as a result, including in relation to the two-child limit for welfare benefits."* In response, Baroness Deborah Stedman-Scott, Parliamentary Under Secretary of State for Work and Pensions reported that: *"I am pleased to say we have read and analysed the report and note its recommendations."*

Following a briefing with Carey Oppenheim, Matt Rodda MP quoted evidence from our review on early childhood education and care in his private members bill and its associated House of Commons debate in October.

We were able to secure news coverage of the reviews and op-ed opportunities for the early childhood team. For example,

our poverty review was featured in *BBC* news coverage and was covered by the *Press Association*, resulting in widespread broadcast, print and online media coverage. Our health review was reported in the *British Medical Journal* amongst others. We have worked with the sector press to help ensure good engagement with practitioner audiences. All of the reviews were featured in *Community Care*, *Children & Young People Now* and *Nursery World*. Carey Oppenheim and Jordan Rehill also wrote opinion pieces for these outlets to expand on the messages for professionals working in services for young children. Over the course of the year, the series was referenced 260 times in print and online media and 117 times in broadcast media.

In addition to the evidence reviews themselves, we have commissioned a series of blogs to enable external commentators to respond to the series, interactive data stories to enable people to navigate through the data that underpins the reviews, and online summaries of the reviews. Together, online content for the series has attracted over 23,000 views.

Increasing our audience engagement

COVID-19 research

We have continued to develop the collective insights from the projects funded as part of our immediate response to the pandemic and to engage policy makers and practitioners with the new evidence. We convened a series of roundtables on four core themes, which brought together researchers from our COVID-19 projects with people working in relevant areas of policy and practice, as well as other researchers.

Strategic goal three

These discussions enabled us to identify priorities for research, and we have updated our funding criteria to invite applications that will continue to explore the medium and long-term effects of the pandemic.

In partnership with the Cabinet Office's Open Innovation Team, we convened a roundtable on Education System Recovery and Resilience. The Open Innovation team is a cross government unit that works with academics and others to generate analysis and ideas for longer-term policy. We were able to bring together researchers from all our education COVID-19 projects to discuss findings with Cabinet Office and DfE strategy colleagues to help shape thinking on future responses to pandemics. On a similar theme, we worked with Tortoise Media as knowledge partner for its annual Education Summit, which considered schooling after the pandemic.

Developing our digital content

We have continued to build a narrative about our work through publishing opinion pieces that draw out connections and common themes in our research. For example, we produced a mini-series of online content and engagement to develop collective insights from three individual projects that had in common an interest in subjective measures of well-being and the degree to which that is changing over time and affected by local experience. We commissioned blogs from each of the three research teams to explore connecting threads between the research within the current context of the pandemic, as well as from internal and external specialists. We were able to use the content to build audience interest in a webinar we convened on the same subject of well-being, people and places, which focused on policies for immigration, diversity and better neighbourhoods and was attended by 150 people.

In total we had over 424,458 visitors to the Foundation website, an 11% increase on the previous year. Visits to Ada website more than doubled in 2021, following the launch of a new website at the end of 2020. Across the Foundation, we have increased our Twitter following and subscriptions to our email newsletters.

Media profile and opportunities

Our media profile has increased again in 2021, suggesting that we are strengthening the association between the Foundation and the work that we fund, as well as reflecting our strategy to provide evidence-based comment. While a more prominent media profile is not a goal in itself, it is a useful mechanism for reaching a wider audience and generating further engagement with the increasing number of stakeholders who are familiar with our brand and our mission as a result. Over the course of the year the Foundation was mentioned 4,974 times in the media, 2,089 of which included quotes from our spokespeople.

Our Director of Education, Josh Hillman, wrote for Schools Week about the reception year language gap that will be addressed by the NELI. Josh was also interviewed for an i news feature on the lockdown-induced deterioration of children's language skills. Alex Beer was interviewed for a *Research Fortnight* funding spotlight with proved successful in promoting our Understanding Communities project. Other examples from across the Foundation, include Carly Kind, Director of Ada, being interviewed on BBC Radio 4's *Woman's Hour* on AI ethics and gender bias and Lisa Harker, Director of Nuffield FJO writing for *Children & Young People Now* about the rise of older children and teenagers involved in care proceedings in England.

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.

Nuffield Research Placements

For over 25 years, Nuffield Research Placements have supported students from across the UK to develop a wide range of research skills through an engaging, real-world placement experience. The programme is funded by the Nuffield Foundation, but from October 2020, Nuffield Research Placements have been managed and operated by STEM-Learning, the UK's leading provider of STEM education and careers support. Additional support for the programme is received from UK Research and Innovation.

Taking place in the summer holiday following Year 12 (or equivalent), the four to six week experience comprises some online preparatory study, followed by a two to three week supervised placement in a STEM or STEM-related field, and finally a range of optional webinars on topics such as university admissions and future study options. Disruption caused by COVID-19

caused most 2021 placements to be moved to a predominantly online model.

In 2021, 1001 students were supported to start a placement, hosted by 190 organisations. All students met at least one of the eligibility criteria in terms of living in a low-income household, being the first in their family to access higher education or having spent time in local authority care.

Evaluation of the 2020/21 cycle revealed highly positive feedback from students, teachers, and providers alike:

- **Overall satisfaction with the scheme is high:** 94% of students were satisfied with their placement experience.
- **Enhancing university and job applications:** At the end of Year 13, 98% of the 2020 alumni found that their applications had been supported by the Nuffield Research Placement experience.
- **Students are empowered:** Over 90% of teachers found that returning students had greater self-confidence and motivation.
- **Providers recommend the experience:** When asked if they would recommend Nuffield Research Placements to others, 95% of providers said they would.

- Making a difference: for 79% of providers, hosting a student fulfilled their workplace's public engagement, widening participation, or social responsibility goals.

Q-Step

Q-Step is a strategic programme designed to promote a step-change in undergraduate quantitative social science training in the UK, in order to respond to the systemic shortage of skills. Since 2013, 18 universities across the UK have been delivering new courses, work placements and pathways to postgraduate study. 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 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. Whilst 2021 was the final year of our funding, Centres have committed to continue their work for at least a further three years, supported by their universities. Many are likely to continue well beyond that.

In 2021 both the work of the Centres and student work placements continued to be heavily impacted by the pandemic. While there was a return to some face-to-face activity, much of the core teaching was conducted online, building on the development of remote delivery of masterclasses and training and professional development sessions from 2020.

We are working with SAGE Publications and the ESRC to construct and populate an online platform – *Research Methods Teaching* – for sharing teaching materials developed by the Q-Step Centres. This will enable us to extend the reach of the programme to other institutions, academics, and disciplines beyond the designated Q-Step Centres. It will also provide a critical mass of content upon which the teaching

staff at the Centres and in other institutions can build. The longer-term vision is of a global community of quantitative social science teachers, sharing free resources and cutting-edge methodology to support the proliferation of high-quality teaching. The platform will go live in 2022 and will form a key part of Q-Step's legacy.

The final stages of the independent evaluation of Q-Step, undertaken by Technopolis, were completed in 2021 and was published in Spring 2022. So while our funding for the Q-Step Centres ended in September 2021, *Research Methods Teaching* and the detailed evaluation report will ensure that universities and others 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).

Our 2021 Fellow, Faye Bolan co-authored a POSTnote briefing on distance learning, which provided an overview of current trends in distance learning, evidence on key challenges and opportunities and potential future developments. The briefing highlights the digital divide and the need for widespread access to digital devices, adequate connectivity and infrastructure as well as digital skills, for distance learning to be effective.



Grants awarded in 2021

	Principal investigator and institution	Project name	Value (£)	Term (months)
New Education projects funded in 2021				
	Dr Claudine Bowyer-Crane, National Institute of Economic and Social Research	The impact of COVID-19 on educational, language and socioemotional outcomes in Key Stage 1	498,661	44
	Professor Lindsey Macmillan, University College London	Inequalities in access to elite occupations	318,798	36
	Professor Sophie von Stumm, University of York	Language experiences and the transmission of family background inequality	295,314	26

Grants awarded in 2021

Dr Anna Weighall, The University of Sheffield	A modelling and feasibility study of a Positive Early Childhood Education (PECE)	260,198	20
Dr Rebecca Loader, Queen's University Belfast	Experiences of education among minority ethnic groups in Northern Ireland	246,496	20
Professor Paul Ramchandani, University of Cambridge	Transforming effective early educational interventions for virtual delivery	238,509	14
Dr Markus Klein, University of Strathclyde	Is school absenteeism harmful to education and labour market outcomes?	214,755	24
Professor Lee Elliot Major, University of Exeter	COVID-19 and social mobility: promoting life prospects in a post pandemic world	209,809	24
Professor Peter Urwin, University of Westminster	Analysis of post-16 education pathways that entrench social segregation	208,028	19
Professor Steve Gibbons, London School of Economics and Political Science	COVID-19 and the impact of school closure	151,813	24
Dr Christian Bokhove, University of Southampton	Inspecting the inspectorate: new insights into Ofsted inspections	150,777	24
Professor Simon Burgess, University of Bristol	Modifying school choice for more equitable outcomes in England	128,276	21
Dr Mona Sakr, Middlesex University	Developing early years leadership through digitally mediated professional learning	115,570	16
Dr Emma Sumner, UCL Institute of Education	Equitable chances for students with specific learning difficulties: investigating exam accommodations	107,535	14
Katie Blainey, RS Assessment from Hodder Education	A longitudinal analysis of the impact of COVID-19 on pupil attainment and well-being	97,360	12

Grants awarded in 2021

Emily Hunt, Education Policy Institute	From algorithmic bias to teacher bias? COVID-19 and the disadvantage gap	85,156	8	
Dr Angus Holford, University of Essex	The impacts of Universal Free School Meal schemes in England	57,165	15	
Dr Asma Benhenda, University College London	The medium-term impact of the COVID-19 pandemic on pupils with SEND education	38,098	16	
Faye Bolan, University of Manchester	POST Fellowship 2021: distance learning	7,000	3	
Katherine Davis, Imperial College London	POST Fellowship 2022: innovation in adult social care	7,000	3	
Susan Walker, University College London	POST Fellowship 2022: reforming the Mental Health Act White Paper (implications for children and adolescents)	7,000	4	
Additional funding for Education projects funded in previous years				
Caroline Sharp, National Foundation for Educational Research (NFER)	The impact of COVID-19: a survey of all mainstream schools in England	169,255	17	
Amy Skipp, ASK Research	COVID-19 mitigation measures, education provision and access to special schools	97,188	16	
Dr Sarah Cattam, Institute for Fiscal Studies	The effect of the COVID-19 pandemic on families' time-use and child development	89,982	33	
Jane Lewis, Centre for Evidence and Implementation Global (CEI)	Strengthening the English childcare system after COVID-19: a new role for local government?	33,520	20	
Dr Hannah Nash, University of Leeds	Using dynamic learning tasks to identify children at risk of reading disorder	29,401	48	
Dr Neil Harrison, University of Oxford	Care leavers' transition into the labour market in England	17,231	38	

Grants awarded in 2021

Dr Laura Shapiro, Aston University	How do reading ability and reading practice influence vocabulary growth?	14,596	52
Adrienne Burgess, Fatherhood Institute	Contemporary Fathers in the UK	6,825	48
Dr Jeanne Shinskey, Royal Holloway, University of London	Do infants learn new words from educational picture books?	2,084	45
Professor Tim Smith, Birkbeck, University of London	Parent-administered screen time intervention (PASTI): A feasibility and pilot RCT	1,807	31
Total Education grants		3,905,208	
New Welfare projects funded in 2021			
Professor Simeon Yates, University of Liverpool	Developing a minimum digital living standard for households with children	491,440	24
Paul Johnson, Institute for Fiscal Studies	IFS Green Budget 2022 – 2025	458,824	48
Dr Sarah Jewell, University of Reading	Maternal well-being and the conflict between infant feeding and return to work	362,006	36
Professor Christopher Lloyd, Queen's University Belfast	Trajectories of deprivation in the UK	318,247	24
Will Moy, Full Fact	Effective and proportionate evidence-based responses to misinformation	300,000	39
Professor Paul Hickman, Sheffield Hallam University	Understanding tenancy sustainment in the social rented sector	292,150	27
Emily Morrison, Young Foundation	Understanding family and community vulnerabilities in transition to net zero	250,521	17
Dr Peter Matthews, University of Stirling	Welfare access, assets and debts of LGBT+ people in the UK	233,450	18
Professor Michele Burman, University of Glasgow	Women working to support women in the welfare sphere: psychosocial challenges	214,282	20

Grants awarded in 2021

Dr Alison Wallace, University of York	Code encounters: algorithmic risk-profiling in housing	212,928	24
Professor Nava Ashraf, London School of Economics and Political Science	Long-term unemployment, volunteering and re-envisioning the nature of work	95,794	24
Peter Levell, Institute for Fiscal Studies	Saving, spending and financial resilience in the wake of the pandemic	85,819	12
Professor Jonathan Portes, King's College London	Fertility impacts of the two-child limit	18,646	12
Additional funding for Welfare funded in previous years			
Dr Daisy Fancourt, University College London	COVID-19 social study	191,170	36
Professor Simeon Yates, University of Liverpool	Me and my big data: developing citizens data literacy	110,055	33
Dr Ruth Patrick, University of York	COVID realities: families on low incomes during the pandemic	72,628	24
Dr Karen Bunning, University of East Anglia	Development of an assent-based process for the inclusion of adults with impairments of capacity and/or communication in ethically-sound research	69,003	54
Professor Sir Richard Blundell, Institute for Fiscal Studies	The IFS Deaton Review of Inequalities	39,500	60
Professor Birgitta Rabe, University of Essex	School availability, parental labour supply and family well-being	37,000	24
Helen Miller, Institute for Fiscal Studies	After Mirrlees: how to build pathways to a tax system fit for today's work patterns	21,693	42
Professor Dominic Abrams, University of Kent	Beyond 'us and them': societal cohesion in the context of COVID-19	5,000	23
Total Welfare grants		3,880,157	

Grants awarded in 2021

New Justice projects funded in 2021				
Professor Kate Morris, The University of Sheffield	Rethinking domestic abuse in child protection: responding differently	428,260	24	
Professor Naomi Creutzfeldt, University of Westminster	Delivering administrative justice after the pandemic: what can we learn about digitalisation and vulnerable groups?	197,766	18	
Professor Rick Hood, Kingston University	Studying the outcomes of different types of demand for children's social care	184,129	25	
Dr Robert Porter, University of Strathclyde	Section 25 in Scotland: Learning from use, understanding, and experience	162,243	24	
Dr Tara Mulqueen, University of Warwick	Understanding local legal needs and supporting early intervention through public legal education	144,559	18	
Dr Sariya Cheruvallil-Contractor, Coventry University	Expressions of self: race, religion and representation of care-experienced children and young people	108,169	18	
Beth Tarleton, University of Bristol	Substituted parenting: what does this mean in the family court context?	79,171	18	
Dr Maria Adams, University of Surrey	Developing family engagement models with front-line youth justice practitioners	74,444	30	
Additional funding for Justice funded in previous years				
Professor Karen Broadhurst, Lancaster University	Improving safe, ethical and effective practice when the state intervenes to protect newborn babies at birth: co-designing and testing an evidence informed guideline	29,921	36	

Grants awarded in 2021

Professor Richard Dorsett, University of Westminster	Youth custody: educational influences and labour market consequences	22,672	24
Professor Paul Bywaters, Coventry University	Identifying and understanding inequalities in child welfare intervention rates: comparative studies in four UK countries	16,718	80
Dr Jo Staines, University of Bristol	Discharge of care orders: a national study	15,660	31
Laurie Day, Ecorys UK	Growing up under COVID-19	14,811	22
Dr Julia Brophy, Coram BAAF	Guidance to judges on the anonymisation of children judgments	11,333	17
Renuka Jeyarajah-Dent, Coram	Visualising data in care proceedings	10,000	54
Dr Emma Hitchings, University of Bristol	Fair shares? Sorting out money and property on divorce	8,379	27
Dr Lisa Holmes, University of Oxford	Measuring outcomes for children's social care services	7,585	41
Hilary Woodward, University of Cambridge	Pensions on Divorce Interdisciplinary Working Group	5,460	44
Total Justice grants		1,521,280	
Strategic Fund			
Professor Leon Feinstein, University of Oxford	Local learning, national change: data and voice to improve children's lives	2,849,378	60
Jude Hillary, National Foundation for Educational Research (NFER)	The skills imperative 2035: essential skills for tomorrow's workforce	2,512,465	53
Professor Sir Christopher Pissarides, Institute for the Future of Work	The Pissarides Review into the future of work and well-being	1,833,572	40
Total Strategic Fund grants		7,195,415	

Future Plans

Nuffield Foundation

Our priorities for 2022 are to develop our research priorities and thematic projects in line with our strategy. This will include responding to significant policy developments in our fields of interest and to ensuring, where possible, that our research informs policy and practice decisions. We will also work to build an inclusive organisation with a shared identity, and to develop our audience engagement, both in relation to our funding opportunities and the outputs from the work we fund.

Synthesis and new funding opportunities

In 2022 we will award funding to projects developed through Understanding Communities, our research and policy collaboration with the British Academy designed to identify practical solutions to support local communities in the UK (see page 18). We will use what we have learned from this collaboration – and the relationships we have built – to help inform development of a new funding programme to award grants from the Commonwealth Relations Trust. This is a subsidiary fund of the Foundation restricted to ‘promoting a common understanding between the unity of ideals in the United Kingdom and other members of the British Commonwealth of Nations.’

In partnership with Versus Arthritis, we will fund a new collection of projects to improve the lives of people living with MSK conditions (see page 18). Within our Welfare domain, we will develop a new programme of research on ageing, focussing on quality of life in later years and at the end of life.

We will publish the final report from our *Changing face of early childhood* series in July (see page 36). The report will draw

on the collective insights from the series to provide recommendations for change that will make life better for young children and their families. We will host a conference to bring together policy, practice and research audiences to develop our ideas and build a consensus for change. The series has enabled us to identify important gaps in the research, which we will use to develop our funding priorities in the early years, working with the research community.

Our next large-scale synthesis project will focus on the theme of geographical inequalities. We have funded many research projects that examine such inequalities, including in early childhood, education and skills, work and social mobility, well-being and health, public spending and access to public services. We believe there is value in drawing on the evidence from these projects, both to enhance their policy impact – particularly in relation to the government’s Levelling Up programme – and to identify evidence gaps that our funding could help address. This synthesis work will inform development of our plans to encourage funding applications that will improve and broaden the evidence base relating to geographical inequalities in the longer-term.

Our work in Justice

Following the review of our Justice domain undertaken in 2021, we will begin a programme of work to implement its recommendations. Justice, broadly conceived, can be described as at the fulcrum of our work; a precondition of social well-being must be that those whose lives are constrained by inequality and disadvantage should have equal access to the same resources to seek redress and to resolve their problems. We will work with the research community to embed understanding of our new funding priorities in Justice, with a particular focus on increasing the diversity of disciplines and applicants and strengthening connections with our work in Education and Welfare. We will also develop the impact and capacity

of the research and researchers we fund, deploying our role as convenor to connect policy, practice and research audiences.

The applicant experience

We will begin a new project to improve the experience of people who apply to us for funding. The aims of this project are to encourage a broader range of applications, including to increase the diversity of research topics, research teams and type of institutions. We also want to encourage more involvement of early career researchers, more interdisciplinary research teams, and to support applicants to give greater consideration to the desired impact of their projects and how they will work to achieve it. This project will accompany a greater focus on outreach with potential applicants to better communicate the opportunities we have on offer, what makes a successful application, and to demonstrate the benefits of being funded by the Nuffield Foundation.

Developing our people

We will continue to build an inclusive organisation with a shared identity, underpinned by the principles of collaboration and autonomy. We will build stronger links between the component parts of the Foundation, facilitating opportunities for staff to collaborate across teams and identify new opportunities for joint working. As we come out of the pandemic, we will have a renewed focus on personal development for our people, who have spent much of the last two years working remotely and managing the many life and work challenges presented by the pandemic. We are keen to retain the aspects of flexible working that people have found beneficial, while also maximising the potential of our new offices to harness opportunities for collaboration. As a result, we have adopted a hybrid working model that provides staff with flexible working options.

We will develop a small number of research associate opportunities for early career

researchers that support our core research domains and forge links across the Nuffield Foundation. For example, initial plans include positions for research associates to work on education, AI and education and genetics/neuroscience. We will also fund additional fellowships at the POST, aligned with our research priorities.

Impact and evaluation

In 2022 we will complete the evaluation of our 2017–2022 strategy, which will identify the extent to which we have met our strategic goals for the period and provide us with an understanding of where our work has had the greatest impact. It will also identify the enablers and barriers to success. This in turn will help us embed a process for ongoing monitoring and evaluation of our impact, aligned with the principles set out in our Success Framework. The conclusions from the evaluation will inform the development of our next organisational strategy.

Nuffield Council on Bioethics

In 2022 the Nuffield Council on Bioethics will conduct a strategic review to feed into its funding proposal and strategy development for the next five years.

Throughout the year, the Council will be working with a range of partners and collaborators on different projects and outputs. For example:

- A Bioethics briefing note exploring the use of technology in mental health care informed by engagement with people with lived experience, co-produced with Rethink Mental Illness.
- A new project exploring artificial intelligence and genomics in partnership with Ada.

- A major public dialogue exploring views on genome editing in farmed animal breeding with Sciencewise and Biotechnology and Biological Sciences Research Council (BBSRC).

Towards the end of 2022, the Council will publish findings from its in-depth inquiry on the future of ageing. This inquiry links to the UK government's grand challenge to help meet the needs of an ageing society and will examine how technology can be used to support people to age well as opposed to managing the 'problem' of ageing. The Council will also be convening horizon-scanning workshops and scoping a potential new workstream on ethical preparedness.

Nuffield Family Justice Observatory

In the next year Nuffield FJO will continue to provide evidence and convene discussions to influence policy and practice relating to post-pandemic recovery, as well as support for separating families and infants who are subject to care proceedings.

Nuffield FJO will continue its spotlight on the experience of older children who come into contact with the family justice system and looking at complex issues such the deprivation of liberty of young people. It will also listen to the insights and experiences of care-experienced young people themselves.

Nuffield FJO will publish qualitative research exploring the experiences of separating families more closely, which will also inform new Ministry of Justice pilots testing new approaches to delivering family justice in private law proceedings. It will also investigate what data can tell us about the ethnicity of the children and families in the family justice system, using its connections to advocate for improved data where gaps are identified which impact on the system's ability to recognise and respond to inequalities.

Ada Lovelace Institute

In 2022 Ada will consolidate existing programmes of work and develop new pathways and partnerships. Significant outputs from its five work programmes will include:

- **Biometrics:** A final report from the programme will synthesise findings from the *Beyond Face Value?* survey, the Citizens Biometrics' Council and the Ryder Review, and will make a clear call to the UK government for new biometrics legislation.
- **The future of regulation:** Ada will publish an expert opinion and a policy briefing on the EU AI Act and hold a launch event in Brussels, which complements and informs further work with the Office of AI on the UK's approach to regulation. Ada will also publish *Rethinking data*, exploring radical ideas for the governance of data, and a policy briefing note reviewing evidence on public attitudes towards the regulation of data.
- **Ethics and accountability in practice:** Ada will publish reports on the ethics of recommendation systems and a report from the joint project with the Alan Turing Institute and Exeter University, exploring research ethics, integrity and societal impacts.
- **Public-sector use of data and algorithms:** Ada will publish a report examining the use of predictive analytics in a UK local authority.
- **Health data and COVID-19 technologies:** Ada will undertake further international comparative work, thematic analysis and developing lessons for policy and regulation. Ada will also publish the substantial findings of the joint project exploring data-driven impacts on health and social inequalities, with the Health Foundation.

Ada's pathfinder projects include a study of industry practices in public-engagement methodologies and ethics deep dives through case studies and engagements; as well as further evaluations and case

studies of algorithm accountability methods in the public and private sector, including transparency and carbon audits. The pathfinder projects also include exploring the ethical, legal, and socioeconomic impacts of emerging technologies, including large language models and AI in genomics.

Ada will also work with the Public Policy programme at the Alan Turing Institute to conduct a nationally representative survey about UK public attitudes towards AI. Ada will begin a mixed-methods evidence-building project to better understand how the people who design and build technology products define and navigate ethical challenges in their day-to-day work.

Diversity and inclusion

In 2020 we began a long-term programme of work to ensure diversity and inclusion principles are embedded in all aspects of what we do as a Foundation. We have three main objectives:

- To ensure that we are an inclusive employer, where our policies and practices encourage diversity, and where people can perform at their best.
- To ensure that the increasingly-diverse nature of society is reflected in how we work, the work and people we fund, and those with whom we engage.
- To leverage our influence as a funder or influencer to:
 - a. require that our grant-holders adopt similar good practice.
 - b. support capacity and opportunity building for under-represented groups, including in the research community.
 - c. recognise the importance of research reflecting the diversity of society.

In 2021 we focused on the first two of these objectives. We have implemented a new voluntary system of diversity and inclusion monitoring for our staff and for job applicants so that we can understand where we need to take further steps to ensure we are an inclusive employer. Table 1 presents data across four protected characteristics for Nuffield Foundation employees as of 31 December 2021. In 2022 we will expand this voluntary monitoring to include our Trustees and other members of our governance committees.

We have moved all recruitment to a new platform that aims to reduce bias in decision-making processes and have provided online diversity and unconscious bias training to all our staff. A group of staff also participated in an anti-oppression training workshop. During the year we have seen some positive changes in the diversity of people we have recruited, and we will build on this change in 2022, with a focus on gender and disability. We will hold a series of awareness-raising events for staff, pilot an apprenticeship or trainee role, and develop a new style guide for staff.

We want to ensure that our applicants and grant-holders reflect the diversity of society. To find out more about the people who apply for – and are awarded – funding, we have introduced voluntary diversity and inclusion monitoring of applicants, grant-holders and their teams. This monitoring will be ongoing, and we will report on it annually. Tables 2 and 3 below present data across four protected characteristics for Principal Investigators and Co-Investigators named in applications and those who were grant-holders in 2021. Data gathered will help inform our outreach work with the research community, so that we can take steps to ensure our funding opportunities are accessible to all potential applicants.

We are also working to increase the diversity of people to whom we give a platform, both directly through our own events and engagement, and indirectly by supporting grant-holders to do the same. We have introduced measures to make our content more accessible, for example closed captioning for online events. While we have made some improvements in this area, it will remain a priority for 2022.

Table 1:**Staff protected characteristics (%)**

Age	
29 or under	19.7%
30 – 39	30.3%
40 – 49	22.4%
50 – 59	21.1%
60+	6.5%
Prefer not to say	0
Ethnicity	
Asian or Asian British	6.6%
Black or Black British	6.6%
Mixed	1.3%
Other ethnic group	1.3%
White	76.3%
Prefer not to say	7.9%
Disability	
No	84.2%
Yes	6.6%
Prefer not to say	9.2%
Gender	
Women	71.1%
Men	28.9%
Use another term	0
Prefer not to say	0

Table 2:**Applicant protected characteristics (%)**

	Principal Investigator	Co-Investigator
Age		
29 or under	3	0
30 – 39	31	24
40 – 49	38	36
50 – 59	19	30
60+	8	8
Prefer not to say	0	2
Ethnicity		
Asian or Asian British	5	9
Black or Black British	1	0
Mixed	2	3
Other ethnic group	2	4
White	88	160
Prefer not to say	2	1
Disability		
No	85	83
Yes	10	15
Prefer not to say	5	2
Gender		
Women	55	93
Men	42	81
Use another term	2	2
Prefer not to say	1	1

Table 3:**Grant-holder protected characteristics (%)**

	Principal Investigator	Co-Investigator
Age		
29 or under	1	5
30 – 39	21	16
40 – 49	32	42
50 – 59	29	23
60+	17	12
Prefer not to say	1	3
Ethnicity		
Asian or Asian British	4	2
Black or Black British	0	1
Mixed	4	1
Other ethnic group	2	1
White	86	95
Prefer not to say	5	2
Disability		
No	87	81
Yes	13	15
Prefer not to say	0	5
Gender		
Women	62	61
Men	36	37
Use another term	1	2
Prefer not to say	1	0

Financial Review

In 2021 our two key financial metrics, annual charitable expenditure and the value of our investment portfolio, both reached new heights. Our charitable expenditure was £28.5 million (compared to £21.6 million in 2020); our investments exceeded £500 million during the year for the first time ever, with the value at the end of December 2021 being £542 million (compared to £466 million in December 2020).

In relation to our grant-making and the management of our 'in-house programmes', we are well on track 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 addition, during 2021 we took on the management of the large-scale roll-out of NELI to primary schools as part of the DfE-funded initiative to help young people in England catch up on lost learning due to the pandemic.

Our investment portfolio continued to deliver strong annual growth at 20.3%. 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.

In 2020 we thoroughly reviewed our investment strategy and how it interacts with our organisational planning and expenditure objectives. In 2021 we operationalised the key elements of the new ways of working identified through this review. The most important change within this period has been the further strengthening of our approach to responsible investing (see page 57).

Expenditure

In 2021 we continued to see growth in our expenditure commitment – at £28.5 million, our charitable spending is up 32% on 2020. We are using our financial resources to deliver the aspirations laid out in our strategy.

£4.3 million of this expenditure growth relates to the roll-out of NELI; other key expenditure components include:

- £7.2 million on three grants from our Strategic Fund, one of the cornerstones of our 2017 – 2022 Strategy. These are listed on page 49 of this report.

- £9.3 million of new research, development and analysis grants, which includes some additional funding for projects exploring the impacts of the pandemic on UK society. These grants are listed on pages 43 to 49 of this report.
- Increased expenditure for Ada (with growing third-party funding support such as from the Arts and Humanities Research Council), Nuffield FJO and the Nuffield Council on Bioethics.

We have formally extended our commitments for Ada and Nuffield FJO through to 2026. A strategic review of the Nuffield Council on Bioethics is currently underway, which will feed into a funding proposal for the next five years.

Investment management and governance

Our financial objectives 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.

Throughout 2021 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. We have begun to look at the opportunities offered by the investment outperformance to increase our rate of spending as a one-off over the five-year period beginning in 2023.

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

The portfolio return of 20.3% was comfortably ahead of our market-based benchmark of 17.8%, which is based on 90% in global equities and 10% in short dated gilts. Private Equity was the largest contributor to overall performance (+56%), while public equities returned 20.3%, slightly less than the MSCI ACWI index, which returned 20.3%. The individual performance of listed equity managers was mixed (as we plan for it to be through its style

diversification). At the end of the year we continued to be about 5% underweight Private Equity and overweight short dated gilts by a similar amount. We estimate that the total portfolio has c.82% of exposure to foreign currency which we consider to be defensive as a UK funder (should the UK's economic outlook deteriorate).

As part of our focus on integrating our values into how we invest we changed two managers and replaced them with others that have a specific sustainable strategy. This is an ongoing process which progresses slowly since we are determined to retain our exposure to all market styles by using uncorrelated managers, as far as is possible. During the year, we also made several new, direct commitments to high-calibre private equity funds as we continue to build our portfolio back to our 20% allocation target.

During the year we merged our 'de-risked assets' category into our Short-Term Gilts holdings as part of bringing the portfolio back into line with our strategic policy.

Key near-term issues we are watching closely are inflation and rising interest rates, which would affect us by increasing the rate at which the Chartered Management Institute (CMI) rises while potentially decreasing market values of our investments. The impact of this would be to reduce the amount of excess reserves that we are holding over the CMI target.

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

The Investment Committee continued to upgrade its approach to responsible investing by replacing two managers with others whose approach is better aligned with our values. We are also developing a reporting process to understand in detail how our managers exercise the moral judgements that we delegate to them. This is an annual assessment based on quantitative and qualitative data.

We routinely screen all new Private Equity and Venture Capital funds for potential business practices that we believe set out to exploit vulnerable people or operate in a manner that might conflict with our core objectives. Where we suspect unacceptable behaviour underpins

a business model, we will not invest. Otherwise, we ask for legal reassurance on Environmental, Social, and (Corporate) Governance (ESG) matters, in line with our policy.

Our full responsible investing policy is available on our website: <http://www.nuffieldfoundation.org/our-policies>

Asset allocation and ranges

Asset class	Target	2021 Actual
<i>Real assets</i>		
Global equities	70%	70%
Private assets	20%	15%
<i>Total real assets</i>	90%	85%
Short-dated gilts	10%	15%
<i>Total assets</i>	100%	100%

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 below.

Asset class	Manager
<i>Real assets</i>	
Global equities	Arrowstreet, Harding Loevner, GMO, Magellan, Maj Invest, Veritas
Private assets	Various illiquid funds
<i>Nominal assets</i>	
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	-

Investment performance				
Total returns (annualised %)	1 Year	3 Years	5 years	10 Years
Nuffield Foundation	20.3%	15.1%	11.2%	12.6%
Bespoke benchmark	17.8%	16.7%	11.6%	12.7%
Inflation (annual weekly earnings)	3.8%	3.8%	3.3%	2.7%
ARC Steady Growth Index	12.3%	10.4%	6.7%	7.9%
Key				
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

The primary focus of our reserves policy is to monitor the long-term health of the Nuffield Foundation's financial outlook. Our strategy is to preserve the endowment's value over the very long term while releasing the funds required to meet our short-term spending commitments.

As at 31 December 2021, the 'target value' of our endowment was £395 million, with an upper range of £458 million and lower range of £332 million. The actual value of the endowment was £542 million, comfortably in excess of what we consider to be the usual volatility range. This offers us the opportunity to look at accelerating our level of expenditure beyond our standard rate of 4.5%. During 2022 we are developing our plans for this acceleration.

The short-term reserves level (unrestricted expenditure reserve) is a secondary focus within our financial management. The nature of our expenditure is that we make commitments (either in grants to third parties or in the designation of funds for our in-house programmes) well in advance of the funds being drawn down, and so we expect this expenditure reserve to be negative. The December 2021 level is -£9.7 million. During 2021 we have made additional designations for the future funding of Ada and Nuffield FJO, so increasing the reported negative balance from -£6.3 million in December 2020.

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 and is a good indicator of our strategic intent.

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.

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

Strategic risk area	Status and key actions
Real assets	
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.
Do we have the staffing capacity and culture to deliver on our strategic commitments?	As we gradually emerge from lockdown, a smooth and measured return to our new office environment is central to re-establishing the face-to-face aspects of our collaborative culture.
Are we funding work of the quality and relevance required to advance our purpose?	We continue to make good progress in strengthening our approach to impact, evaluation and learning.
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. New funding streams such as the Strategic Fund and Understanding Communities, as well as the increasing profile of our sponsored entities (Ada, Nuffield FJO, Nuffield Council on Bioethics), are advancing our aspirations.
Does our funding have the appropriate impact on policy and practice over the short, medium and long term?	Our impact and evaluation work is improving our insight on this risk area. We continue to build our profile as a convener.
Does our reputation among key stakeholders reflect our purpose and enable us to build effective partnerships?	We have developed new partnerships and increased our association with the work we fund – this should strengthen understanding of us and the value we add.
Are we managing the Foundation's range of activities in a way that prevents exposure to undue reputational damage?	This was the subject of extensive discussion with Trustees in the year, recognising that our profile is increasing. We are satisfied that we are getting the balance right.
Are we reaching our key audiences effectively?	<p>We have increased our audience reach, for example through online webinars and our work on early years (including NELI).</p> <p>There remain some gaps in our audience reach and engagement that we are seeking to address.</p>
Is our current and long-term strategy adequately supported by our investment portfolio?	We have further integrated the connection between our strategy, our spending commitments and our investment portfolio. We have made a number of important enhancements to our responsible investing approach.
Do our systems, processes and environment facilitate and enable our work?	Having implemented a new suite of systems in recent years, our focus is on embedding them and optimising their use. This work is done in parallel with the office move (see below) which enables a different working environment.
Will the office move be accomplished without negative impacts?	The new office is now operational; the final steps in mitigating this risk come as we gradually return to office working in a hybrid fashion.

Is our governance fit for purpose, in line with best practice, and alert to the dangers of w'group think'?

We have recruited five new Trustees over the past two years through open and transparent processes, bringing fresh perspectives to the board. The governance environments for Ada, Nuffield FJO and the Nuffield Council on Bioethics are also functioning well.

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. The Trust Deed details the objects of the Foundation which include: the advancement of health; the advancement of social well-being; the advancement of education; the care and comfort of the aged poor; the relief of handicaps; the benefit of the Commonwealth and 'such other charitable purposes as shall be declared in writing by all the Trustees'.

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. We also have oversight boards for Ada, the Nuffield FJO and the Nuffield Council on Bioethics – these do not have formal fiduciary duties.

Committee/oversight board membership is as follows, with the following symbols used as abbreviations:

Italics – external to / independent of Nuffield Foundation
 + *Joined in year*
 # *Left in year*

	Remit	2021 Membership
Board sub-committees		
Audit and Risk	Responsible for the process leading to the preparation of the annual financial statements the control environment, and the oversight of risk management.	<i>Claire Brown</i> (Chair) Colette Bowe # John Pullinger
Finance	Oversight of financial planning and performance monitoring; oversees the management of significant initiatives.	Colette Bowe (Chair) # John Pullinger <i>Claire Brown</i>
Investment	Considers the Foundation's asset allocation and monitors investment performance; can appoint and dismiss investment managers.	Keith Burnett (Chair) James Banks John Pullinger <i>Neil Honebon</i> <i>Gary Steinberg</i>
Nominations and Governance	Examines the way the charity is governed and recommends changes to Trustees. It also identifies potential new Trustees.	Keith Burnett (Chair) Ash Amin Ernest Ryder
Staff and Remuneration	Oversight and development of the Foundation's staffing policies.	Keith Burnett (Chair) Ann Phoenix
Entity boards		
Ada	Lead the strategic development of Ada, responsible for securing long-term sustainability. Board members also play a leading role in identifying questions or projects relating to the use of data and AI for investigation and deliberation.	<i>Wendy Hall</i> (Chair) <i>Azeem Azhar</i> # <i>Francine Bennett</i> <i>Rocio Concha Galguera</i> <i>Alix Dunn</i> <i>Helen Margetts</i> <i>Huw Price</i> <i>Hetan Shah</i> <i>John Thornhill</i> <i>Chris Todd</i>
Nuffield Council on Bioethics	Responsible for reviewing and challenging the Nuffield Council on Bioethics' work, providing assurance that it is operating within its remit and committing expenditure in line with the terms of the funding grant and the goals of the Strategic Plan. (Note that the Council has a deliberative function, and with responsibility for developing the Nuffield Council on Bioethics' strategy).	<i>Brian Scott</i> (Chair) <i>Graham Hart</i> + <i>Stephen Holgate</i> <i>Vivienne Parry</i> <i>Dave Archard</i> , <i>Chair of Council</i>
Nuffield FJO	Provides independent oversight, ensuring that the work of the Nuffield FJO resonates with the wider family justice sector, reflects its England and Wales remit, and provides assurance to the funders on value for money and impact.	<i>James Munby</i> (Chair) <i>Clare Carter</i> + <i>Sally Jenkins</i> <i>Sophie Kershaw-Miller</i> <i>Lesley Newton</i> <i>Carey Oppenheim</i> <i>Andrew Powell</i> + <i>Rob Street</i> <i>Andrew Webb</i> <i>Theresa Williams</i>
Panel for Trustee Remuneration	Periodically reviews the principles and levels of remuneration of Trustees and other members of our governance environment and makes recommendations to the Chair of Trustees.	<i>Claire Brown</i> (Chair) <i>John Williams</i> +

In 2021, we conducted open and transparent recruitment processes for two new Trustees. The first, Professor Lorraine Dearden, joined the board on 1 May 2021 to succeed Professor Anna Vignoles. The second appointment, to succeed Dame Colette Bowe, was undertaken in late 2021, with Dame Clare Tickell joining the Board in April 2022.

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 Foundation.

Organisational structure and management of the Foundation

The Foundation employs 68 full-time equivalent staff (including staff of the Nuffield Council on Bioethics, Ada and the Nuffield FJO, 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, Ada has a Governing Board chaired by Dame Wendy Hall and the Nuffield FJO has a Governing Board chaired by Sir James Munby.

In 2021 we set up a wholly-owned subsidiary, Nuffield Foundation Education Ltd, as a ‘special purpose vehicle’ for the management of the grant from the DfE to roll out NELI. The results of the subsidiary have been consolidated into the group accounts.

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 pay band commensurate with the responsibility their post entails. Annual pay increases are agreed by the Staff and Remuneration Committee, taking inflation and national average earnings and any other relevant factors into account. We do not have a system of bonuses or other variable rewards, but will occasionally make additional payments to staff to recognise additional levels of responsibility or contribution.

Periodically, staff pay is independently benchmarked to external comparators. We undertook a full benchmarking exercise in the summer of 2021, to ensure that our remuneration remained in line with our external markets, and that there was appropriate internal parity.

This resulted in some changes to pay for a small number of roles in order to ensure internal parity and fairness and to allow us to recruit the skills and experience we require. It is recognised that there is some pressure on pay at this time due to increased costs of living, and we will keep our pay under review to ensure that we are still able to attract and retain talent. Details of senior staff pay are contained in note 4 to the accounts.

Pay gap reporting

Although we are not required to report on our gender and ethnicity pay gap due to our relatively small headcount, we have elected to do so in the interests of transparency and accountability. This is the first year we have reported on these figures publicly, having monitored the trends for the last two years. While conscious of how these figures are sensitive to fluctuation due to our small staff base, we recognise the importance of understanding what this may tell us about our recruitment and retention practices.

Gender pay gap

Our mean pay gap is 19.5% and median pay gap is 12.9%. Our overall staff base is 28% male / 72% female, with a 39% / 61% split in the upper quartile.

Ethnicity pay gap

Our mean pay gap is 15.0% and median pay gap is 5.3%. Of those disclosing, our overall staff base is 83% White / 17% other ethnic groups, with a 94% / 6% split in the upper quartile.

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.

Streamlined energy and carbon reporting

Although not required for charities of our size, we have elected to report our energy utilisation as a part of our wider commitment to responsible operations. 2021 is the first year that we have collected the data.

	2021
UK Energy Use (kWh)	227,021
Associated greenhouse gas emissions (Tonnes CO₂ equivalent)	44.97
Intensity ratio Emissions per square metre	0.03

UK energy use covers gas and electricity use across our UK offices plus the annual emissions from IT equipment.

Associated greenhouse gases have been calculated using the GHG Reporting Protocol and uses the 2021 Government emission conversion factors for greenhouse gas company reporting.

The bulk of our energy demand comes from our office use. As we have recently moved offices from a Grade 1-listed Georgian property to a much more modern working environment where energy efficiency is more feasible, we are confident that (notwithstanding the reduced office energy use during the lockdown) we will be able to focus, understand and manage our energy utilisation. We have also moved our technology to cloud-based and mobile solutions, so our in-house IT requirements (servers etc) have been reduced to a minimum.

During our office move we took the opportunity to clear out a significant amount of hard copy documentation, with the equivalent of 3.31 tonnes of CO₂ offset in the recycling process.

This is indicative of our shift to a much more paperless, carbon-light environment.

We have limited energy usage other than our office and IT commitments (Foundation travel is limited and is almost entirely by public transport). We have not attempted to calculate the power consumption of staff whilst working from home.

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; these are 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 including the roll-out of the NELI. The public benefit reaches beyond the individuals directly supported, for example by ultimately seeking to address the skills gaps needed for the UK to flourish.

Going concern

We monitor our going concern position throughout the year, with regular formal reviews.

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). Furthermore, as cash and gilt holdings are 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 judgments and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

These financial statements are published on the Foundation's website, in accordance with legislation in the UK 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 13 May 2022 and signed on their behalf by:



Sir Keith Burnett
Chair

4. Independent auditor's report

Independent Auditor's Report to the Trustees of Nuffield Foundation

Opinion

We have audited the financial statements of Nuffield Foundation (the 'Charity') and its subsidiary ('the Group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of [the group and the charity's affairs as at 31 December 2021 and of the group's income and receipts of endowments and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are 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 relating 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 or the group'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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 this gives rise to a material misstatement in the financial statements themselves. 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

In light of the knowledge and understanding of the group and charity and their environment obtained in the course of the audit, we have not identified material misstatements within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Trustees' responsibilities statement, 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 determine 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 and group'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

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other

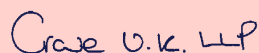
management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.


Crowe U.K. LLP

Statutory Auditor London

23 May 2022

Financial statements and notes



Consolidated statement of financial activities for the year ended 31 December 2021

	Note	Unrestricted Funds £000s	Restricted Funds £000s	Endowed Funds £000s	Total Funds 2021 £000s	Total Funds 2020* £000s
Income and endowments						
Donations and legacies	2	174	7,486	-	7,660	1,429
Charitable activities	2	65	351	-	416	642
Investment income	7	-	-	3,590	3,590	2,341
Other income	2	1	-	-	1	5
Total income		240	7,837	3,590	11,667	4,417
Expenditure on:						
Raising funds						
Investment management costs		-	-	1,633	1,633	1,135
Charitable activities						
Research, development and analysis		11,673	151	-	11,824	11,303
Student programmes		125	23	-	148	4,420
Nuffield Early Language Intervention		3	4,345	-	4,348	-
In-house programmes						
Ada Lovelace Institute		1,155	916	-	2,071	1,463
Nuffield Council on Bioethics		798	653	-	1,451	1,236
Nuffield Family Justice Observatory		1,115	-	-	1,115	866
Other in-house programmes		105	-	-	105	-
Total in-house programmes		3,172	1,569	-	4,741	3,565
Strategic and Other Funds						
Oliver Bird Fund		-	38	-	38	241
Strategic Fund		7,413	-	-	7,413	2,028
Commonwealth Relations Trust		-	-	-	-	-
Total strategic and other funds		7,413	38	-	7,451	2,269
Total charitable activities	3	22,386	6,126	-	28,512	21,557
Total expenditure		22,386	6,126	1,633	30,145	22,692
Net gain on investments		-	-	93,396	93,396	47,256
Net (expenditure)/income		(22,146)	1,711	95,353	74,918	28,981
Transfers between funds	14	15,616	1,821	(17,437)	-	-
Net (expenditure)/income after transfers		(6,530)	3,532	77,916	74,918	28,981
Reconciliation of funds:						
Total funds brought forward at 1 January		11,828	6,907	421,937	440,672	411,691
Total funds carried forward at 31 December	14	5,298	10,439	499,853	515,590	440,672

*Comparative information relates to the Charity only as the Nuffield Foundation was not part of a group during 2020.

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

*Comparative information relates to the Charity only as the Nuffield Foundation was not part of a group during 2020.

Consolidated and charity balance sheet for the year ended 31 December 2021

		Group 2021 £000s	Group 2020 £000s	Charity 2021 £000s	Charity 2020 £000s
	Note				
Fixed assets					
Tangible fixed assets	5	6,223	-	6,223	5,989
Intangible fixed assets	6	634	-	634	730
Investments	7	542,052	-	542,052	466,092
Programme related investments		85	-	85	85
		548,994	-	548,994	472,896
Current assets					
Debtors	8	3,257	-	3,680	1,946
Stock		11	-	-	-
Bank and cash		5,851	-	3,781	1,697
		9,119	-	7,461	3,643
Liabilities: amounts falling due within one year					
Grants payable	9	(21,120)	-	(21,120)	(19,624)
Creditors	10	(2,697)	-	(2,103)	(1,349)
		(23,817)	-	(23,223)	(20,973)
Net current liabilities		(14,698)	-	(15,762)	(17,330)
Liabilities falling due after one year					
Grants payable	9	(18,507)	-	(18,507)	(14,695)
Provisions	11	(199)	-	(199)	(199)
Net assets		515,590		514,526	440,672
Funds					
Unrestricted funds					
Designated fund	14	14,964	-	14,964	18,136
General fund	14	(9,666)	-	(9,666)	(6,308)
		5,298	-	5,298	11,828
Restricted funds	14	10,439	-	9,375	6,907
Endowed funds	14	499,853	-	499,853	421,937
Total funds		515,590		514,526	440,672

Notes 1 – 15 form part of these financial statements.

The surplus generated by the Charity in 2021 after gains and losses was £73,854k (2020: £28,981k).

These financial statements were approved and authorised for issue by the Trustees on 13 May 2022 and were signed on their behalf by:


 Professor Sir Keith Burnett
 Chair

Consolidated statement of cash flows

		2021	2020
	Note	£000s	£000s
Net cash flows from operating activities			
Net cash used in operating activities		(16,345)	(18,052)
Cash flows from investing activities			
Investment additions		(3,658)	(2,443)
Investment fees paid directly from portfolio		1,094	602
Investment cash withdrawals	7	20,000	20,400
Payments to acquire tangible fixed assets	5	(452)	(1,356)
Payments to acquire intangible fixed assets		(75)	(206)
Investment income	7	3,590	2,341
Net cash provided by investing activities		20,499	19,338
Reconciliation of cash and cash equivalents/net debt			
Cash and cash equivalents at 1 January		1,697	411
Cash and cash equivalents at 31 December		5,851	1,697
Change in cash and cash equivalents/net debt in the year		4,154	1,286
Reconciliation of net income to net cash flows from operating activities			
Net income for the year		74,918	28,981
Adjustments for:			
Depreciation	5	218	117
Amortisation	6	171	140
Investment income		(3,590)	(2,341)
(Gains) on investments		(93,396)	(47,256)
Increase in grant commitments		5,308	2,220
Increase in provisions		-	199
(Increase) in stock		(11)	-
Increase in creditors		1,348	615
(Increase) in debtors		(1,311)	(727)
Net cash outflows from operating activities		(16,345)	(18,052)

There is £20.5m of cash held in investments (2020: £22.3m) 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 Nuffield Foundation is a public benefit entity and is registered with the Charity Commission in England and Wales (Charity number: 206601).

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. Basis of consolidation

Consolidated accounts have been prepared which include the Foundation and its subsidiary company, Nuffield Foundation Education Ltd. The Nuffield Foundation Education Ltd is a private company limited by guarantee that was incorporated on 5 May 2021.

The consolidation is on a line-by-line basis. Amounts owed and owing between the entities have been eliminated from the consolidated balance sheet and consolidated statement of financial activities.

c. 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 2021 as this was marketed for sale.

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. The provision was recognised in 2020 and will be assessed regularly for fair value.

d. 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.

e. 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.

f. 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.

g. 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.

h. Taxation

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

No tax charge arose in the period.

i. Exchange gains and losses

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

j. 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.

k. Fixed assets (tangible and intangible)

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

l. Stock

Stock comprises of items provided to schools as part of the NELI programme. Stock is stated at the lower of cost and net realisable value.

m. 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.

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

n. 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.

o. Pension costs

The Foundation makes contributions into a defined contribution pension scheme for its employees. Pension costs are charged as they are incurred.

p. 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	2021			2020		
	Unrestricted £000s	Restricted £000s	Total £000s	Unrestricted £000s	Restricted £000s	Total £000s
Donations and legacies						
<i>Grants received in support of:</i>						
Nuffield Early Language Intervention	-	5,360	5,360	-	-	-
Nuffield Council on Bioethics	174	659	833	174	566	740
Ada Lovelace Institute	-	1,417	1,417	-	620	620
Oliver Bird	-	50	50	-	-	-
Nuffield Research Placements	-	-	-	-	69	69
	174	7,486	7,660	174	1,255	1,429
Charitable activities						
Sales, royalties and fee income	65	351	416	58	584	642
Other income	1	-	1	5	-	5
	240	7,837	8,077	237	1,839	2,076

3. Expenditure a. Charitable expenditure	Direct costs		Support and governance costs	Total 2021
	Grants £000s	Other £000s	£000s	£000s
Research, development and analysis				
Education	3,905	415	817	5,137
Welfare	3,880	385	779	5,044
Justice	1,521	257	494	2,272
<i>New grants commitment sub-total</i>	9,306	1,057	2,090	12,453
Cancelled grants	(629)	-	-	(629)
	8,677	1,057	2,090	11,824
Student programmes	(49)	181	16	148
Nuffield Early Language Intervention (NELI)	-	4,344	4	4,348
In-house programmes				
Ada Lovelace Institute	130	1,423	518	2,071
Nuffield Council on Bioethics	-	994	457	1,451
Nuffield Family Justice Observatory	7	891	217	1,115
Other in-house programmes	-	105	-	105
	137	3,413	1,191	4,741
Strategic and other funds				
Oliver Bird Fund	-	-	38	38
Strategic Fund	7,195	25	193	7,413
	7,195	25	231	7,451
Total charitable expenditure	15,960	9,020	3,532	28,512

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

b. Support and governance costs	Total 2021	Total 2020
	£000s	£000s
Staff costs	1,398	1,668
Office costs	1,575	1,212
Information technology	420	361
	3,393	3,241
Governance costs		
Auditors' remuneration (incl. VAT)	40	45
Trustees' remuneration	93	96
Trustees' expenses	2	9
Legal fees	4	94
	139	244
Total support and governance	3,532	3,485

See note 1e for basis of allocation

4. Personnel costs	2021	2020
	£000s	£000s
Wages and salaries	3,627	3,383
Social security costs	410	383
Other pension contributions	401	376
Redundancy and termination costs	-	13
	4,438	4,155
Average number of staff employed in year:	Number	Number
Grant-making	15.6	18.1
Ada Lovelace Institute	15.4	11.3
Family Justice Observatory	6.0	4.6
Nuffield Council on Bioethics	16.5	14.0
Support services	22.3	23.2
	75.8	71.2
<i>Average number of full-time equivalent staff in year</i>	68.0	65.6
Remuneration of higher paid staff		
Between £60,000 and £69,999	10	7
Between £70,000 and £79,999	2	1
Between £80,000 and £89,999	1	2
Between £90,000 and £99,999	4	4
Between £120,000 and £129,999	1	1
Between £140,000 and £149,999	1	1

Employer's pension contributions for higher paid staff were in total £162k (2020: £139k). There were no redundancy payments (2020: £13k) and no termination payments (2020: £nil) made during the year.

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 £1,284 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 £712k (2020: £702k). They received no benefits additional to those received by other staff.

5. Tangible fixed assets	Leasehold property	Other assets	Assets under Construction	Total
Group and Charity	£000s	£000s	£000s	£000s
Cost or valuation				
At 1 January	5,000	399	1,356	6,755
Additions	-	-	452	452
Disposals	-	(153)	-	(153)
Transfers	-	1,808	(1,808)	-
At 31 December	5,000	2,054	-	7,054
Depreciation				
At 1 January	429	337	-	766
Charge for year	71	147	-	218
Disposals	-	(153)	-	(153)
At 31 December	500	331	-	831
Net book value				
At 31 December	4,500	1,723	-	6,223
At 1 January	4,571	62	1,356	5,989

Assets under construction related to the fit out for the new office at 100 St John Street which opened once government lockdown restrictions allowed in May 2021.

All tangible fixed assets are held for continuing use in the Foundation's activities. The depreciated historic cost of the leasehold property is £1,033k. The lease expires on 24 December 2084 and was revalued on 10 October 2017 by Farebrother Chartered Surveyors.

The leasehold property at 28 Bedford Square is currently being marketed for sale at its carrying value of £4.5m. At the date of signing the accounts, a sale has been legally exchanged, with completion due within six months.

6. Intangible fixed assets	Software	Assets under Construction	Total
Group and Charity	£000s	£000s	£000s
Cost or valuation			
At 1 January	892	194	1,086
Additions	8	67	75
Disposals	(186)	-	(186)
Transfers	221	(221)	-
At 31 December	935	40	975
Amortisation			
At 1 January	356	-	356
Charge for year	171	-	171
Disposals	(186)	-	(186)
At 31 December	341	-	341
Net book value			
At 31 December	594	40	634
At 1 January	536	194	730

Assets under construction include the development of a cloud communication and marketing solution which came into use on 01/01/2022.

7. Investments	2021	2020
a. Investments at market values		
Group and Charity	£000s	£000s
Market value at 1 January	466,092	437,395
Purchases at cost	(326,327)	(81,938)
Sales at market value	326,102	81,743
Cash withdrawals	(20,000)	(20,400)
Other	2,786	2,036
Realised and unrealised gains	93,396	47,256
Market value at 31 December	542,052	466,092
Historic cost of listed investments at 31 December	437,334	380,461

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

b. Disposition of investments	2021		Movement			2020
		Purchases	Sales	Gains/ Losses	Other	
Group and Charity	£000s	£000s	£000s	£000s	£000s	£000s
Listed equities	381,309	(242,053)	237,342	61,559	336	324,125
Fixed income	58,852	(31,659)	29,029	(2,431)	1,446	62,467
Private equity	81,374	(21,244)	10,941	34,130	783	56,764
Hedge Funds	-	(421)	-	(5)	-	426
Currency hedging	-	-	-	-	-	-
Cash	20,517	(30,950)	48,790	143	(19,776)	22,310
Total	542,052	(326,327)	326,102	93,396	(17,211)	466,092
Total UK investments	63,260					136,080
Total overseas investments	478,792					330,012
Total	542,052					466,092

“Other” movements include cash withdrawals, fees and expenses paid directly from the investment portfolio, income received and accrued income charges.

c. Income from investments	2021	2020
Group and Charity	£000s	£000s
Global equities	1,101	463
UK government bonds	1,370	1,666
Private equity	1,124	200
Cash	(5)	12
	3,590	2,341

d. Illiquid assets and investment commitments

At the year end, the Foundation had undrawn commitments to private equity funds of £40,726k, which are expected to be called at various dates between 2022 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 £81,373k reported above represents the latest valuations of the funds at or prior to 31 December 2021 as provided by the relevant fund managers. However, it is not possible for the trustees to liquidate these investments prior to the future return of capital.

e. 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.

f. Investment in subsidiary

The Incorporated Trustees of the Nuffield Foundation is the sole subscriber of the Nuffield Foundation Education Ltd (a company limited by guarantee), which is registered in England and Wales (Company Number 13377195). Each member is liable

to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

The company's principal activity is delivering the NELI programme to schools with support via a grant from the Department of Education.

Nuffield Foundation Education Ltd Profit and Loss		2021
		£000s
Turnover		-
Loss after tax		(213)

Nuffield Foundation Education Ltd Profit Balance Sheet		
Net Assets		(213)

8. Debtors and prepayments	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£000s	£000s	£000s	£000s
Accrued income	2,234	-	960	1,519
Other debtors	1,023	-	1,023	427
Amounts owed by subsidiary	-	-	1,697	-
	3,257	-	3,680	1,946
Due within one year	3,257	-	3,680	1,946
	3,257	-	3,680	1,946

9. Grants payable	2021	2020
Group and Charity	£000s	£000s
Grants awarded but not paid at 1 January	34,319	32,099
Grants awarded in the year	16,639	14,495
Grants cancelled in the year	(679)	(1,014)
Grants paid in the year	(10,652)	(11,261)
Grants awarded but not paid at 31 December	39,627	34,319
Payables within one year	21,120	19,624
Payables after one year	18,507	14,695
	39,627	34,319

For a list of research, development and analysis grants awarded in the year please see pages 43 to 49 of the report.

10. Creditors falling due within one year	Group 2021 £000s	Group 2020 £000s	Charity 2021 £000s	Charity 2020 £000s
Income tax and National Insurance	132	-	132	136
Accruals	1,774	-	1,184	556
Other creditors (inc. trade creditors)	650	-	646	546
Deferred income	141	-	141	111
	2,697	-	2,103	1,349

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

11. Provisions for liabilities Group and Charity	2021 £000s	2020 £000s
At 1 January	199	-
Additions	-	199
At 31 December	199	199

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.

12. Commitments under Operating Leases	2021 £000s	2020 £000s
At 31 December 2021 the Foundation had the following future minimum payments under non- cancellable operating leases:		
Not later than one year	137	-
Later than one year and not later than five years	3,282	2,598
Later than five years	2,940	3,761
	6,359	6,359

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 £684,000 (2020: £285,000).

13. Statement of total return	Permanent endowments £000s	Expendable endowments £000s	Total £000s
Investment return			
Restricted and unrestricted investment income	-	3,446	3,446
Endowment investment income	145	-	145
Unrealised gains	3,762	89,633	93,395
Investment management costs	(66)	(1,567)	(1,633)
Total return for year	3,841	91,512	95,353
Less: application of return	(702)	(16,734)	(17,436)
Net total return for year	3,139	74,778	77,917
Unapplied total return			
At 1 January	9,534	224,090	233,624
As 31 December	12,673	298,868	311,541
'Preserved' value at 31 December 2003	7,581	180,731	188,312

14. Funds	Balance at	Income	Expenditure	Unrealised	Transfers		Balance at
a. Fund movements	1 January			gain			31 December
	2021						2021
	£000s	£000s	£000s	£000s	Endowment	Other	£000s
					£000s	£000s	
Endowments							
Permanent endowments							
Elizabeth Nuffield Fund	3,673	31	(14)	807	(151)	-	4,346
Commonwealth Relations Trust	13,442	114	(52)	2,955	(552)	-	15,907
	17,115	145	(66)	3,762	(703)	-	20,253
Expendable endowments							
Oliver Bird Fund	27,156	230	(105)	5,991	(1,118)	-	32,154
Main Fund	377,666	3,215	(1,462)	83,643	(15,616)	-	447,446
	404,822	3,445	(1,567)	89,634	(16,734)	-	479,600
Total endowed funds	421,937	3,590	(1,633)	93,396	(17,437)	-	499,853
Expenditure reserve							
Restricted funds							
Elizabeth Nuffield Fund	-	-	(151)	-	151	-	-
Commonwealth Relations Trust	2,954	-	-	-	552	-	3,506
Oliver Bird Fund	2,353	50	(38)	-	1,118	-	3,483
Ada Lovelace Institute	475	1,417	(916)	-	-	-	976
Nuffield Council on Bioethics	-	659	(653)	-	-	-	6
Nuffield Early Language Intervention	-	5,360	(4,296)	-	-	-	1,064
Student Programmes	1,125	351	(72)	-	-	-	1,404
Total restricted funds	6,907	7,837	(6,126)	-	1,821	-	10,439
Unrestricted funds							
Designated							
Strategic Fund	13,058	-	(7,413)	-	-	193	5,838
Ada Lovelace Institute	2,997	-	(1,155)	-	-	3,268	5,110
Nuffield Family Justice Observatory	1,347	-	(1,116)	-	-	3,095	3,326
Other	734	42	(86)	-	-	-	690
Total designated funds	18,136	42	(9,770)	-	-	6,556	14,964
General fund	(6,308)	198	(12,616)	-	15,616	(6,556)	(9,666)
Total unrestricted funds	11,828	240	(22,386)	-	15,616	-	5,298
Total expenditure reserve	18,735	8,077	(28,512)	-	17,437	-	15,737
Total funds	440,672	11,667	(30,145)	93,396	-	-	515,590

The transfer of £17,437k between the endowment and expenditure reserve is the total return distribution for 2021 (see note 13). This is comprised of £3,590k investment income from the permanent endowments plus £13,847k of capital gains.

Other transfers include a designation from the General Fund to the Ada Lovelace Institute (£2.75m) and the Nuffield Family Justice Observatory (£2.25m) for agreed funding extensions and plus £927k for designated funds support costs in year.

b. Analysis of funds – 2021	Unrestricted funds	Restricted funds	Expendable endowment	Permanent endowment	Total
	£000s	£000s	£000s	£000s	£000s
Investments	-	-	521,799	20,253	542,052
Other fixed assets	-	-	6,942	-	6,942
Net current assets/(liabilities)	5,298	10,439	(30,435)	-	(14,698)
Liabilities due after more than 1 yr	-	-	(18,706)	-	(18,706)
Total funds	5,298	10,439	479,600	20,253	515,590

Analysis of funds – 2020	Unrestricted funds	Restricted funds	Expendable endowment	Permanent endowment	Total
	£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 after more than 1 yr	-	-	(14,894)	-	(14,894)
Total funds	11,828	6,907	404,822	17,115	440,672

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.
- 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.
- 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.
- The Ada Lovelace Institute is funded both from restricted external funding and from unrestricted designated funds (Nuffield's commitment). It is an independent research and deliberative body tasked to ensure data and AI work for people and society.
- Nuffield Council on Bioethics is part-funded by The Wellcome Trust and by the Medical Research Council; this is managed as a restricted fund, held for the purpose of funding an independent body that informs policy and public debate about the ethical questions raised by biological and medical research.
- The Nuffield Early Language Intervention (NELI) is a restricted fund held for the purpose of delivering the NELI programme to schools and is solely funded by the Department of Education. Unspent income is not expected as this is claimed in arrears by DfE.
- Student Programmes is a restricted fund comprising commitments made to the Nuffield Research Placements, Q-Step and restricted royalties received for the Nuffield Early Language Intervention programme.

- 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 represents the Nuffield Foundation's designated commitment to further this work, as described above. Its funding was extended in 2021, and now covers the period to 2026 (8 years from inception).
- The Nuffield FJO 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. Its funding was extended in 2021, and now covers the period to 2026 (8 years from inception).
- Other designations include commitments made to co-funders for Q-Step and the Nuffield Council on Bioethics.
- For all restricted funds, unspent income is restricted to the purpose describe above.

15. Related party transaction

a. Transactions with Trustees

Each Trustee is entitled to an annual allowance by virtue of the provisions of the Trust Deed. During the year, Trustees received £11,000 and the chairman received £16,291, with the total paid to active Trustees during 2021 of £93,000. In addition, Trustee Indemnity Insurance was purchased during the year.

	2021 £000s	2020 £000s
Trustee remuneration	93	96
Expenses paid to the Trustees		
Travel expenses and accommodation	2	9
Number of Trustees receiving expenses	8	9

b. Transactions with subsidiary

No management charges have been made from the Nuffield Foundation to Nuffield Foundation Education Ltd.

	2021 £000s	2020 £000s
Working capital	1,500	-
Recharge of direct subsidiary costs charged to parent	197	-
Year end intercompany balance	1,697	-

Reference and administrative details

Trustees

Professor Sir Keith Burnett CBE, FRS, FAPS, FOSA,
FInstPhys, FLSW FRS (Chair)
Professor Ash Amin CBE, FBA, FACSS
Professor James Banks
Dame Colette Bowe DBE (to December 2021)
Professor Lorraine Dearden FACSS (from May 2021)
Professor Ann Phoenix FBA, FACSS
John Pullinger CB, CSTAT, FACSS
Rt Hon Sir Ernest Ryder TD, DL, FRSA (Deputy Chair)
Dame Clare Tickell DBE, FRSA, FCGI (from April 2022)

Senior staff

Tim Gardam, Chief Executive
James Brooke Turner, Investment Director
Deirdre Carty, Director of HR and Office Services
Mark Franks, Director of Welfare
Danielle Hamm, Director of the National Council on
Bioethics
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

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