

THE NUFFIELD TRUST FOR RESEARCH AND POLICY STUDIES IN HEALTH SERVICES

England & Wales · Charity number 209169

Details

Other names	NUFFIELD HEALTH AND SOCIAL SERVICES FUND, NUFFIELD TRUST
Status	Registered
Legal form	Charitable company
Company number	00382452
Registered	1964-03-02
Register	View on the Charity Commission register

Contact

Address	59 New Cavendish Street London
Phone	02074620557
Email	info@nuffieldtrust.org.uk
Website	www.nuffieldtrust.org.uk

Activities

Objects: TO PROMOTE, CARRY OUT OR ADVANCE ANY CHARITABLE OBJECTS AND IN PARTICULAR THE PREVENTION OR RELIEF OF SICKNESS AND THE ADVANCEMENT OF HEALTH OF THE PEOPLE OF THE UNITED KINGDOM, IN PARTICULAR THROUGH THE PROMOTION OF IMPROVEMENTS IN THE QUALITY OF HEALTHCARE AND HEALTH POLICY.

Activities: The objects of The Nuffield Trust for Research & Policy Studies in Health Services are to promote, carry out or advance any charitable objects, and in particular the prevention or relief of sickness and the advancement of the health of the people of the United Kingdom, specifically through the promotion of improvements in the quality of healthcare and health policy.

Classification

- **How:** Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, The Advancement Of Health Or Saving Of Lives
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** NATIONAL
- Northern Ireland
- Scotland

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£3,974,000	£5,114,000	£107,922,000	45
2023-09-30	£3,964,000	£5,267,000	£95,959,000	49
2022-09-30	£4,087,000	£4,908,000	£92,853,000	46
2021-09-30	£3,687,000	£4,566,000	£103,501,000	48
2020-09-30	£3,821,000	£4,428,000	£95,174,000	47

Trustees

Name	Role	Appointed
Dr Crystal Elizabeth Oldman		2023-12-14
Dr Nnenna Osuji		2023-12-14
Dr Robert Edward Klaber		2023-12-14
JENNIFER BISHOP		2024-12-31
Muhammad Irshaad Amhad		2020-03-19
Professor David Oliver		2019-12-05
Professor Graham Paul Martin PhD		2023-12-14
Professor Martin Neil Marshall		2022-09-29
Samira Ben Omar		2022-06-23
Sarah Jane Pickup		2021-09-30
Sonja Marjanovic		2021-09-30
Tara Cline		2017-09-26

Accounts



Report and financial statements

The Nuffield Trust for Research and Policy Studies in Health Services
For the year ending 30 September 2024

The Nuffield Trust for Research and Policy Studies in Health Services (formerly The Nuffield Health and Social Services Fund) is a company limited by guarantee, registered in England and Wales as company number 00382452. It is registered with the Charity Commission for England and Wales as charity number 209169.

The Nuffield Trust is the working name of The Nuffield Trust for Research and Policy Studies in Health Services

Patron

Her Royal Highness The Princess Royal

Registered office

59 New Cavendish Street, London, W1G 7LP.

Contents

Board of trustees	2
Trustees' annual report	4
Foreword from Prof Martin Marshall, Chair	6
Foreword from Thea Stein, Chief Executive	7
The Nuffield Trust's year in numbers	8
1. Our strategic objectives	9
2. Our activity across the year	10
3. Our impact	18
4. Organisational development	22
5. A look forward to the year ahead – 2024/2025	23
Financial review	25
Structure, governance and management	33
Independent auditor's report to the members of The Nuffield Trust for Research & Policy Studies in Health Services	43
Statement of financial activities	49
Balance sheet	50
Notes on the financial statements	52

Board of trustees

Professor Martin Marshall (**Chair**)

Rupert Hill (**Chair of Finance Committee**)

Irshaad Ahmad

Tara Donnelly (**SID***)

Dr Bob Klaber (appointed Dec '23)

Sonja Marjanovic

Graham Martin (appointed Dec '23)

Dr Crystal Oldman (appointed Dec '23)

Professor David Oliver

Samira Ben Omar

Dr Nnenna Osuji (appointed Dec '23)

Sarah Pickup

Martin Marshall is the Chair of the **Governance and Remuneration Committee**, the other members are Rupert Hill, Tara Donnelly and Professor David Oliver.

Rupert Hill is the Chair of the **Finance Committee**. Other members are Martin Marshall, Irshaad Ahmad, and Sarah Pickup.

The Senior Independent Director (**SID**) is appointed by the Board. Further information regarding this role can be found on page 34.

Company secretary

Ben Willbond

Senior staff

Thea Stein, Chief Executive (K)
Helen Buckingham, Director of Strategy
(Leaver Apr 2024) (K)
Leonora Merry, Director of Communications
(K)
Dr Rebecca Fisher, Director of Research and
Policy (Appointed Jul 2024) (K)
Sarah Scobie, Deputy Director of Research
(K as Acting Director May 2023–Jul 2024)
Ben Willbond, Director of Finance
and Operations (K)
Rowan Dennison, Deputy Director of
Communications
Natasha Curry, Deputy Director of Policy

(K) denotes Key Management Personnel,
as defined by the Charities SORP (FRS 102).

Auditors

Sayer Vincent LLP, 110 Golden Lane,
London EC1Y 0TG

Bankers

CCLA, 80 Cheapside, London EC2V 6DZ
Coutts & Co, 440 Strand, London WC2R 0QS

Investment managers

Sarasin & Partners LLP, Juxon House,
100 St Paul's Churchyard, London EC4M 8BU

Legal advisers

Stone King LLP, 91 Charterhouse Street,
London EC1M 6HR

Charity number 209169

Senior associates and visiting fellows

John Appleby
Cono Ariti
Professor Sir Nick Black
Professor Richard Bohmer
Helen Buckingham
Dr Ronny Cheung
Richard Darch
Nigel Edwards
Professor Deirdre Heenan
Fiona Johnson
Sharon Lamb
Professor Alison Leary
Dr Richard Lewis
Professor Nicholas Mays
Dr Nadeem Moghal
Anne Marie Rafferty DBE
Veena Raleigh
Jonty Roland
Professor Judith Smith
Dr David Steel OBE
Nicholas Timmins

Trustees' annual report

The Trustees present their report and the financial statements of the charity for the year ending 30 September 2024. The Trustees have prepared the financial statements in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – Charities SORP (FRS102)* 2nd Edition and the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a director's report as required under company law.

The charitable objectives of The Nuffield Trust for Research and Policy Studies in Health Services (the Trust) are to promote, carry out or advance any charitable objects, and in particular the prevention or relief of sickness and the advancement of the health of the people of the United Kingdom, in particular through the promotion of improvements in the quality of health care and health policy.

Our 2022–2025 strategy contains the following statement of intent that guides all of our work:

The Nuffield Trust is an independent health think tank. We aim to help achieve a high-quality health and social care system that improves the health and care of people in the UK by providing evidence-based research and policy analysis and informing and generating debate.

We set out to do this by:

- improving the evidence base that leads to better care by undertaking rigorous applied research and policy analysis;
- using our independence to provide expert commentary, analysis and scrutiny of policy and practice; and
- bringing together policy-makers, practitioners and others to develop solutions to the challenges facing the health and social care system.

In everything we do we seek to be grounded in the practical implications of policy-making, working closely with NHS staff and policy-makers to identify solutions to real problems that affect how health and care services are delivered and the outcomes they achieve. Above all, we aim to be a trusted and respected voice at a time of unprecedented challenge to the NHS and social care system.

We strive to be:

- independent and free from vested interests;
- rigorous, robust and evidence-based in the work we undertake;
- relevant, supportive but also challenging when we need to be;
- open and engaging with all those we come into contact with; and
- an organisation that makes a difference to the quality of policy-making and practice in the UK.

Foreword from Prof Martin Marshall, Chair

The NHS and social care systems in the UK have always been mired in politics, though by any standards the impact of these politics over the past year has been exceptional. The consequences of the general election, industrial action, multiple inquiries and critical commentaries have been felt hard by systems under extreme financial pressure, struggling to meet need and demand, and with established ways of working under scrutiny like never before.

A new government brings an opportunity to think and act differently. When the new Secretary of State for Health and Social Care framed the NHS as ‘broken’, he sent a strong message to the public and those who provide and manage services. But the opportunity will only be realised if the message is followed by a substantive political commitment to fix the bad parts and not apply sticking plasters to, or throw away, the good ones. The challenges facing the new government and all stakeholders are daunting.

This is where the work of the Nuffield Trust over the past year has been so important. Our mission is to improve the health and care of people in the UK by promoting solutions

which are independent and free from vested interests, which are robust and based on the best possible research evidence and analysis, and which are innovative and challenging. We celebrate success and constructively challenge failure, presenting solutions in ways that generate debate and build consensus amongst stakeholders.

Over the past year we have made innovative contributions to long established, high profile policy challenges – funding, productivity, access and workforce. We have also used our independence to shine a light on issues which have traditionally had a lower profile, such as the collapse of NHS dentistry, the variable quality of end-of-life care and the challenges for the service of understanding and managing neurodiversity.

On behalf of the Board of Trustees I would like to thank all of our staff for their commitment and achievements over the last year. We are fortunate to attract the best people in their fields and under the inspiring leadership of Thea Stein, our Chief Executive, the Board is confident that over the next year the Nuffield Trust will continue to flourish and make a difference.

Foreword from Thea Stein, Chief Executive

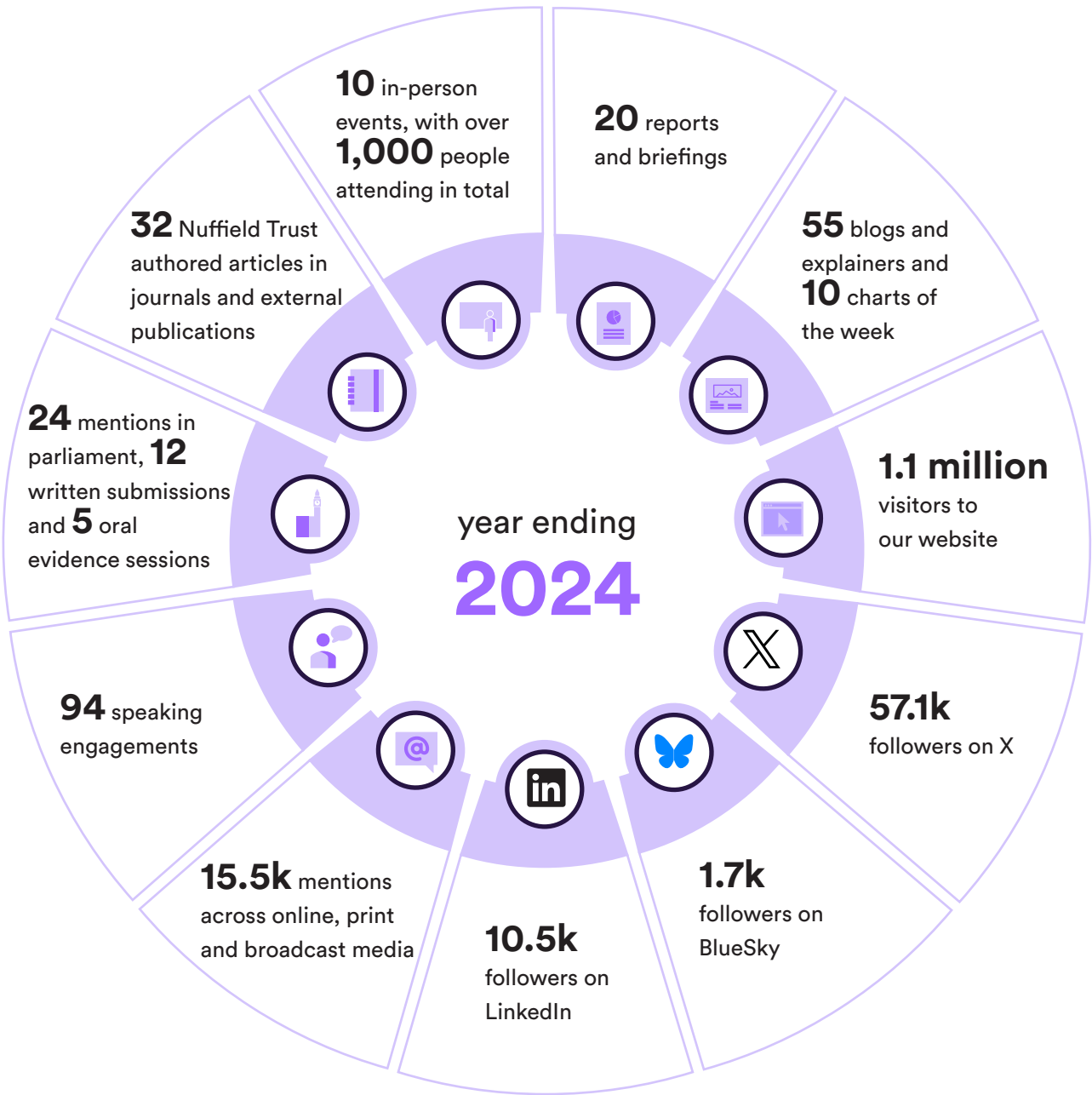
It has been a huge privilege to lead the Nuffield Trust during the last year. There has rarely been a more important time to be in an organisation that has the potential to influence health and social care across the four countries and, as the Chair has outlined, we have worked with focus and determination to do that.

Our work has been used by clinicians, by leaders in front line trusts and by ICBs, as well as at the highest levels of government to shape policy and to challenge thinking – and that is of critical importance to us. We are not corridor chatterers; we do not want to stand on the side lines making commentary but to be at the heart of thinking and debate shaping the future of health and care.

We have also spent some of the year looking at ourselves and ensuring that we are fit for the future. We have worked on a new strategy to launch in 2025, reflected on and refreshed our values and our commitment to EDI, both of which are key drivers to how we work. And we have been delighted to welcome Dr Rebecca Fisher to the role of Director of Research and Policy during the past year and new Trustees to the Board.

The last year was one in which staff across the organisation have produced a range of excellent work which our comms team has ensured has been in the public eye and in front of decision makers. It is always hard in a think tank to judge a ‘good year’, nevertheless, in terms of all our metrics of impact – the conversations we have sparked, the debates had, the directional impact at all levels – it has been a very strong year.

The Nuffield Trust's year in numbers



1. Our strategic objectives

The Nuffield Trust works to promote improvements in the quality of health care and health policy. In so doing, it seeks to improve patient care and health for all members of the public. All our charitable activities focus on health care policy and practice and are undertaken to further our charitable purpose for the public's benefit.

Our strategy to 2025 specifies three clear objectives for our work in pursuit of this public benefit:

- 1 To influence policy and practice by generating and synthesising information on health and social care that can facilitate both better policy and better practice.
- 2 To challenge and support those involved in planning and delivering health care to think more creatively and innovatively about how to adapt and redesign services to meet changing patient needs.

- 3 To provide information on the evidence, statistics, facts and research that politicians and policy makers use in their interventions in the health and care system in the UK.

These objectives have framed both the work we have undertaken (our activity) and the impact we have generated. We are currently developing our next five year strategy for 2025–2030.

2. Our activity across the year

The work programme through which we are delivering our corporate objectives has four priority areas: quality and equity; service delivery; innovation; and politics, funding and reform. This section outlines some of the key activities in each of these four work programmes – it is not a comprehensive list of every output or activity.

a. Quality and equity

Our QualityWatch project, a Nuffield Trust and Health Foundation work programme providing independent scrutiny into how the quality of health and social care is changing over time, and part-funded by The Health Foundation, is a key component of our work in this area. We secured a further two year extension to this programme, providing both in-depth and snapshot content to monitor the quality of health and social care. The programme has published regular updates on trends in the quality of care in different areas, including **suicide in mental health service users**, **A&E waiting times**, **cancelled operations** and **safety culture in the NHS** as well as many others. In April

this year we published our **QualityWatch Annual Statement**, presented as an interactive scrolling data story, which focused on whether cancer diagnosis is veering off course.

We have developed a more prominent voice on issues around autism and ADHD. Our QualityWatch analysis and commentary on **autism and ADHD waits** got extensive pick up across different commentary outlets and a front-page mention, as well as landing the attention of senior people at NHS England. Our most recent **report** on prisoner health research, funded by the Health Foundation, showed that missed appointments and admissions relating to violent incidents or self-harm are far more common among younger people in prisons, while support within the system for people with neurodivergent conditions remains a concern, with diagnoses of ADHD associated with higher hospital admissions for violence among young adult males.

We published a report on access to prevention, diagnosis and treatment for

people with a learning disability. We looked at a set of five key preventive health care services and functions to understand whether they are working as they should for people with a learning disability. This project presented an opportunity for us to establish a greater presence and stronger links in this field and we were delighted to secure an interview for our website with CBeebies presenter George Webster, who has Down's syndrome, reflecting on our work.

As part of a role in collaborating with the NHS and other health partners on behalf of all Londoners, the Mayor of London developed six tests to apply to major health care transformation and reconfiguration programmes in the capital. The Nuffield Trust has been involved in supporting the development of these tests, and the Mayor commissioned the Nuffield Trust to undertake a review of proposals by North Central London Integrated Care Board to consolidate maternity and neonatal care services within its geographic area. Our **report** set out our assessment of those proposals against the first four of the Mayor's tests.

We have built on our inequalities work through many different approaches. We were asked by the CQC to run a survey of ICBs to find out what approaches they are

taking to tackling health inequalities and to understand the challenges they face. This will feed into the CQC's annual State of Care report. We have also written multiple blogs across the year addressing different issues, **reflecting** that there are no easy answers to questions about prioritising scarce health care resources, and discussing **inequalities** in midwifery continuity of care during pregnancy. We started planning a roundtable, with support from NHS England, with the aim of identifying actions the NHS could take to improve children's oral health and to tackle seemingly intractable health inequalities in health care and access to health services. This will take place in early 2025.

Improvements in infant mortality rates in England have stalled since 2014, but our understanding of what is driving these trends and the part environmental factors might play remains limited. We published an **analysis** which applied a novel methodology to assess how local authority characteristics were associated with different rates of infant mortality in England in 2017, to support better local decision-making and the development of targeted policies to tackle infant mortality.

Our portfolio of projects on end-of-life care, which aims to improve the evidence base for policy makers and local systems, continues

to grow, widening the audiences for our work beyond the end of life and palliative care community. We published a series of blogs on end of life care, focusing on the **primary and community services received by people who die at home; end of life care for people who die in a care home; and how hospital services are used at the end of life**. These were included in the president of the Royal College of General Practitioners' newsletter and NHS Confederation's newsletter to Integrated Care Systems and Primary Care Networks. This work has become even more salient as assisted dying legislation is being debated in both England and Scotland and we are well positioned to inform the debate about the impact of this policy on end of life care.

b. Service delivery

We have started a number of different workforce projects during the year, which are due to launch in late 2024: a long-read analysis of age, trend and cohort differences in past NHS staff survey results, to inform the debate and discussion on future of NHS workforce; a new report commissioned by NHS Employers which will outline the key lessons and challenges around the increasing use of 'emerging roles' in delivering NHS services; and a piece of work which aims to ensure reforms to education and training for

the nursing and midwifery profession are informed by the highest quality evidence and fit-for-purpose in the modern health and care system and to harness policy-relevant, international learning which is transferrable to the UK context, funded by the Nursing and Midwifery Council and working in partnership with the Florence Nightingale Foundation.

A continued focus of our workforce programme this year has been to present and analyse evidence on different elements of the health and social care workforce in order to inform policy and practice. We have done this through regular updates to our **NHS workforce in numbers** page, which provides facts on staffing and staff shortages in England and our **staffing tracker**, which monitors and analyses key workforce targets and trends.

This past year has seen industrial action stop for some sections of the NHS workforce. Consultants in England voted overwhelmingly in favour of the revised offer from the government. We published a **long read** which broke down the key elements of the agreement and the potential ramifications for NHS staff and the pay review process. Before reaching an agreement, junior doctors took further strike action over the summer as part of their ongoing

disagreement over pay, and we published a **Chart of the Week** on how junior doctors' pay has changed over time. Our Chart of the Week series has covered a number of other workforce issues such as **NHS nurse numbers**, **changing experience levels of NHS staff** and **variation in NHS earnings**.

Alongside disputes over pay, there has also been criticism of the process by which pay is set. We published a **long read** exploring how the pay-setting process works in a selection of different health systems across the world and whether there are any lessons for England.

Ahead of the election, we published a series of briefings, part funded by the Nuffield Foundation, which challenged the NHS and social care manifesto commitments of UK political parties. The first in our series looked at **NHS staffing**, setting out a series of policy 'tests' that the next government must meet to address some of the longstanding issues to attracting, training and retaining the mix of staff needed to meet the needs of the population.

Changing our services so that more care is provided in community settings and people can leave hospital when they are fit for discharge has been an explicit policy aim for decades. We have looked at these issues in a number of ways this year, including an

explainer on patient-initiated follow-up, which describes more about what it is, the problems it could solve, and what is known so far about how well it works. We also published a **QualityWatch long read** which looked at the causes of backlogs through urgent and emergency care; and the fourth in our election briefing series, which looked at waiting times for health care and seven tests that must be met.

c. Innovation

Our annual rapid evaluation **conference**, organised in partnership with the Health Foundation, returned again to an in-person event. This was the sixth year of the conference, bringing together representatives from the rapid evaluation community, including analysts, users and commissioners to explore the theme of evidence-based decisions when budgets are tight: rapid evaluation and knowledge mobilisation. The feedback from delegates was incredibly positive.

The Remote by Default research collaboration, an NIHR-funded project conducted by researchers from the Nuffield Trust, the University of Oxford and the University of Plymouth drew to a close this year, with a published **briefing** to summarise the key findings and actions

required now from government and the NHS in order to get the best out of the new world of remote and digital general practice. We held a parliamentary roundtable at the House of Commons to explore actions that parliamentarians and policy makers can take to protect and improve patient care following the dramatic shift to remote general practice. We also published a number of journal articles on different aspects of the project, including **patient safety, training and learning methods, and access and triage.**

Our joint bid with UCL and the University of Cambridge for a further five-year contract for our Rapid Service Evaluation Team (RSET) was successful. The new phase of work began at the end of 2023. We published a **joint blog** to discuss the effect of the project's work so far and why the role of rapid evaluations will be just as important in the future. Our NIHR funded Rapid Service Evaluation Team conducted a **mixed-methods evaluation** of patient-initiated follow-up (PIFU) outpatient services in the English NHS to understand how it's working and what impact it's having on health care systems and the staff and patients involved.

Ongoing evaluations include an evaluation of **maternity and neonatal independent senior advocates** and an evaluation of using **artificial intelligence in chest diagnostics for lung disease.**

d. Politics, funding and reform

As the NHS sought to negotiate for additional funding to cover the cost of strikes, we emphasised the importance of long-term and sustainable funding for health care. We held two highly successful party conference events in conjunction with the IFS entitled: ***Can the Next Government Afford the NHS?*** Both were very well attended, led to follow-up interest from media and provided an excellent opportunity for stakeholder engagement.

We also published a number of original analyses of the NHS finances, looking at **progress against the spending plans** set out in the NHS Long-Term Plan, **the size of the deficit this financial year**, and **the ten-year pattern of spending compared to plans.** The latter two formed the first instalment of our finance tracker, part of our Nuffield Foundation funded pre-election work. These have been well received by officials within the Treasury, Department of Health and Social Care and NHS England, as well as journalists and commentators.

We were successful in receiving funding from the Nuffield Foundation for a series of General Election briefings and factual outputs, with the aim of improving the understanding and use of evidence in health

and care policy at the election among both political parties and the public, and providing parties with evidence and the analysis that lets them offer voters relevant, well-grounded policies to address the widespread failures in health and social care. Although the election was called earlier than many expected, we had a plan in place to rapidly publish work planned for much later in the year. Between March and June, we published a series of four briefings on **staffing, social care, general practice and dentistry, and access to treatment**. The primary care briefing was considered by Labour's health team as they drew up their manifesto and the access briefing fed through into the Darzi review.

Our **analysis** of the financial plans of each political party prompted particularly high-profile coverage – it featured as a core part of BBC Political Editor Laura Kuenssberg's interview with Wes Streeting. We also published our **health and care finance tracker**, which tracks the NHS's financial health and puts it into context with recent spending and funding trends.

We launched a major new **policy briefing** on the state of NHS dentistry and future policy actions. Our warnings in the report that NHS dentistry is at its most perilous point in 75 years and that universal access was likely gone for good led to it becoming the Daily

Mail's full front-page story, with prominent coverage across all print and broadcast media. On the day of launch, Prime Minister Rishi Sunak was questioned on dentistry policy in response to our warnings at the House of Commons liaison committee. We continue to develop our thinking and analysis on NHS dentistry.

Each year we partner with The King's Fund to ascertain the views of the public on a range of health and care related issues, as part of the British Social Attitudes survey run by NatCen. Earlier this year we published the **latest BSA survey** which revealed record low levels of satisfaction with the health service. The report garnered a lot of attention and the stats included were widely quoted and used – including two newspaper front pages and a whole spread of broadcast coverage – and formed part of the pre-election debate on the NHS. This work plays a vital role in putting the patient and service user perspective at the centre of our work and adds further gravitas to the public voice.

Another major area of political and policy focus is on the vexed question of NHS productivity. We published a number of blogs on this theme – **why our conversations about productivity in the NHS are not very productive** and **what's getting in the way**, as well as a **keynote talk** on the subject of

productivity at our Annual Summit. These were well-received and have prompted several follow-up conversations, positioning the Nuffield Trust as a key player in what is a complex and developing area. We will continue to publish analysis and opinion on this important topic.

Continuing to build on our reputation for incisive commentary and analysis on the impact of Brexit as part of our project funded by the Health Foundation, we published a number of different resources: a new **report** which looks at key trends in the supply of products needed for health, the life sciences, migration and the health and care workforce; and a **guest blog** on medicine shortages.

We published an **explainer** on NHS Continuing Healthcare (CHC) – care funded by the NHS, but provided outside of hospital for people with significant ongoing care needs – which explains how eligibility for CHC is decided, what the data tells us about eligibility and access over time, and what the impact on individuals, carers and families can be. We have now embarked on **further work** on the topic, part funded by the Nuffield Foundation, to explore variation and inequalities in relation to CHC in more detail.

Over the summer we published a **report** on national policy options to improve care worker pay in England. This piece of work sought to critically assess the different options that have been proposed for addressing low pay among care workers; to describe how pay is currently set in adult social care; identify potential policy measures, and to assess the impact these policy options might have on improving care workers' pay. This has resulted in invitations to present the findings to the workforce DHSC team. Skills for Care used our typology of policy options to structure their own workforce strategy. Our research was covered exclusively in the Guardian.

We once again returned to our in-person **Summit** in March and the delegate feedback was incredibly positive, with high-profile speakers from policy, political and clinical spheres, including the Secretary of State for Health and Social Care and the Chief Medical Officer, as well as our own staff speaking in various capacities. The sessions were wide-ranging and timely, covering issues such as shifting attitudes and expectations over work, productivity, risk in health care, health care inequalities and the emerging role of AI.

This year we have been provided evidence and analysis for different inquiries. We held a special informative seminar for the Covid-19 Inquiry team, to explain the social care systems of the UK to them. The first module from the public inquiry was published in July, looking at the preparedness and resilience of the NHS as the pandemic broke. The report referenced our submission and oral evidence, and we continue to work alongside them as they embark upon modules on impacts on the NHS, as well as planning for the module on social care. We were commissioned by the Thirlwall inquiry to undertake an analysis of questionnaires sent to NHS organisations with neonatal units and provided a written report on our analysis to the Inquiry.

3. Our impact

The public benefit of our work can clearly be seen in its impact. We define and measure our impact in three ways:

- **the reach that we have** so that the public, policy makers and those involved in delivering health care are better informed about health and social care in the UK and what can be done to improve it – this is reflected, for example, in our broadcast and print media count.
- **the influence that we have** in informing politicians, policy makers and health and social care practitioners about thinking on health and social care through analysis, pointing out lessons from the past and proposals based on research on how policy and practice can be improved for the benefit of the public – this is evidenced, for example, by our presentations to parliamentary committees, civil servants and ministers, as well as NHS boards and groups of health and care managers.
- **changes in policy or practice that result from our work** – although this can be

hard to measure, with policy change often the result of multiple influences and the exact journey from our activity to impact often unclear.

Looking at our three strategic objectives in turn, we can highlight some real examples of impact – and public benefit – in 2023/24 in each of these categories. This section does not attempt to provide a comprehensive list of all the areas in which we have achieved impact but it aims to capture the highlights.

3.1 Impact on policy and practice

A wide range of our work falls under this objective, which covers much of our ‘sense-making’ and explainer work, as well as in-depth analysis. Impact highlights from 2023/24 include the following:

- There has been significant impact from our portfolio of work on workforce: following publication of our work on the pay review process, we were invited to contribute to a specific strategy event

to improve the pay review bodies' work. Following our calls in different reports to rebalance the level of reimbursement for medical and non-medical training, the education and training tariffs were amended (shifting funding from medical to non-medical courses) for 2022–23 which has again been reflected in 2023–24 funding. A paper on delivering future health skills by Universities UK, Council of Deans of Health and Medical Schools Council draws heavily on our analysis and supported recommendations from our work on the supply of clinical staff to the NHS.

- A paper authored by former Number 10 advisor, and Harvard academic Baroness Cavendish, draws heavily from much of our work on other countries' social care systems and directly lifts our suggested principles for funding. Skills for Care used our typology of pay policy options as a core framework in their social care workforce strategy. The DHSC senior team and Number 10 actively approached us to run a 90 minute 'strategy session' on our social care research and to share our knowledge of other countries' systems.
- There has been considerable impact from our portfolio of work on prisoner health: the Prison Reform Trust produced a report which includes many citations from work that we have done in this

area. Findings from our work on women in prison were reported in the National Women's Prisons Health and Social Care Review. HM Prison and Probation Service approached us to inform their thinking around the number of staff escorts needed for prisoners' secondary care attendances and appointments.

- Our care worker pay report led to us being asked to present to the workforce DHSC team and an invitation to join panels at two high profile sector events run by the National Care Forum, as well as party conference events. Skills for Care used our typology of policy options to structure their own workforce strategy and they used our scoping materials for their cost modelling.
- We have continued to publish on end-of-life care, drawing on the OpenSAFELY dataset. We spoke at or chaired a range of events on this subject at the Party conferences due to the impact of this work.
- March and April were record months for volume of media coverage, with our work in this time period generating three front-page stories for the British Social Attitudes work, a front-page mention for our ADHD/Autism work and a Guardian front page for our report on medicines shortages.

3.2 Impact on service redesign

Much of our work aimed at informing health care managers, clinical leaders and policy makers falls under this objective. This includes our evaluations, our consultancy work for individual NHS organisations and also our convening and events work. Impact highlights from 2023/24 include the following:

- Our Annual Summit was hugely successful with high-profile speakers from policy, political and clinical spheres, including the Secretary of State for Health and Social Care and the Chief Medical Officer. Feedback has been universally positive and it remains ‘the best event in health policy’.
- A number of pieces of work and new relationships have developed since the Annual Summit: we were asked to present to DHSC on generational shifts in workforce following our presentation at the Summit; we hosted a dinner at the Nuffield Trust on the theme of openness and transparency in NHS communications which was prompted by a Summit session with Fiona Fox from the Science Media Centre on the theme of openness and transparency in NHS communications.
- We have been invited to present at a number of high-profile external events, including HSRUK, International Foundation for Integrated Care, International Young Carers Conference and Congres Medecins Generals in France.

3.3 Impact of our evidence to policy makers

The policy and public affairs work that we do is in pursuit of this objective, offering rigorous analysis to inform politicians from all four UK countries, policy makers in central and local government as well as within NHS arm’s-length bodies. Impact highlights from 2023/24 include the following:

- Following the Secretary of State’s announcement that Lord Ara Darzi would conduct a rapid ‘diagnostic’ review into the NHS we were asked to contribute our expert analysis and insight to this work, meeting with Lord Darzi and his team. We facilitated table discussions at two Expert Reference Group meetings. Much of this analysis was carried through into the final report itself, including our work on NHS spend when adjusted for population need, our insights around the NHS’s capacity compared to international comparators, analysis of workforce, targets and end-of-life care.

- On the day our NHS dentistry report launched, the then Prime Minister Rishi Sunak was questioned on dentistry policy in response to our warnings at the House of Commons liaison committee. The report publication has led to several other instances of impact: we briefed MPs ahead of an Opposition Day debate in parliament (which prompted several citations); have held meetings and discussions with stakeholders including the BDA, Healthwatch and National Voices; and have given evidence to the Health Select Committee.
- Our manifesto analysis looking at the financial plans of each political party prompted a front page on the Observer and BBC news bulletins. The analysis featured as a core part of BBC Political Editor Laura Kuenssberg's interview with Wes Streeting, leading coverage over the weekend with over 1,000 media mentions.
- Our research has been cited in the House of Commons 24 times – for example on general practice, Brexit, funding, NHS staffing, dentistry, NHS reform and community pharmacy. We were invited to give oral evidence at five committee sessions, including to the Health Select Committee on dentistry.

4. Organisational development

Together with staff we are clarifying our purpose and work on EDI in communications, research and policy.

We are also reviewing what it means to be an inclusive organisation from a facilities perspective. Working with the events team, we are considering a mix of minor changes, and more significant investments into the building that would make it more accessible to a diverse mix of visitors.

Our current strategy runs until 2025 so we are going through the process to refresh it for the next five years, with interviews with our trustees and workshops with staff over the past several months to debate and understand key areas. There is broad consensus that we are evolving our strategy, rather than a complete revolution, and we will publish the new strategy in early 2025.

We have undertaken work this year to refresh our internal values – values which guide our everyday work at the Nuffield Trust and which we can embed in appraisal and recruitment with a close link to our behaviours. Our aim was to make the values feel more relevant to our organisation and how we work together, easy to remember and to offer more utility. We have concluded the staff consultation and our new internal values are:

- We are **Bold**
- We combine **Rigour and Responsiveness** to achieve impact
- We are **Inclusive**
- We are **Curious**
- We are **Kind**

5. A look forward to the year ahead – 2024/2025

Through our **quality and equity** programme, we are building on our recent explainer on NHS Continuing Healthcare (CHC) to explore variation and inequalities in relation to CHC in more detail. We will look at the relationship between access to CHC and local characteristics, understand what action local systems are taking to assess user experience of CHC at a local level and to identify the implications and recommendations for the wider system.

Our QualityWatch programme, part-funded by The Health Foundation, is a key component of our work in this area. We will publish our annual statement – focusing on the health of women – in early 2025, and a rolling programme of analysis on key areas of care published as long reads and blogs.

We will continue to build on our portfolio of projects on end-of-life care, which aims to improve the evidence base for policy makers and local systems. We are scoping research to draw on international experience to understand the implications of assisted dying legislation for the UK. We aim to review

existing evidence on the impact of legislation on patients and their families, the health and care workforce, and how services are organised, and to identify lessons for the UK, drawing on experience in countries where assisted dying is already legal.

Through our **service delivery** programme, we are undertaking an analysis of age, trend and cohort differences in past NHS staff survey results in order to inform debate and discussion on the future of the NHS workforce. This may lead to other work focused on particular workforce groups. We have been commissioned by NHS Employers to outline the key lessons and challenges around the increasing use of ‘emerging roles’ in delivering NHS services. This is due to be published at the very beginning of 2025. We have also started a new project investigating models of supervision for non-doctor staff in general practice. We are also evaluating the 50K nurses programme – our research aims to evaluate how well initiatives in the three N50k work-streams are working and how the programme could be improved to expand the NHS nursing workforce. This research is

funded by the NIHR, in collaboration with the University of Southampton, King's College London, Edinburgh Napier University and the Institute for Employment Studies.

We started a new project, funded by the NIHR and in collaboration with the University of York, to ascertain the impact and effectiveness of the adult social care discharge fund (ASC-DF) on patient utilisation, intended and unintended outcomes for health and social care, and how the impact differs across patient groups in terms of clinical and demographic characteristics.

We are exploring learning from the last 20 years of contracting for GP services in England in order to draw lessons and make recommendations to guide development on the 2025 GP contract. This is due to be published in late 2024.

Within our **innovation** programme we started a project to understand the factors which influence NHS productivity and to unpick the conundrum of falling NHS productivity despite an increase in staff numbers in recent years. This work is due to report in early 2025.

Within our **politics, funding and reform** programme, we continue our partnership with the King's Fund on the 2024 British Social Attitudes survey – a survey run by NatCen to ascertain the views of the public on a range of health and care related issues – putting the patient and public perspective at the centre of our work. This research will report in March 2025.

At a half-day policy event in January in Westminster, we will bring together selected experts, successful leaders from the past and present, and key commentators to debate what it would really take to successfully move care from hospital to the community and what we can learn from the experience of other international health systems.

On specific **communications activities**, we will continue to develop our events sponsorship approach; explore the role of different social media approaches in how we communicate our work; review how we measure our impact; and explore the use of AI.

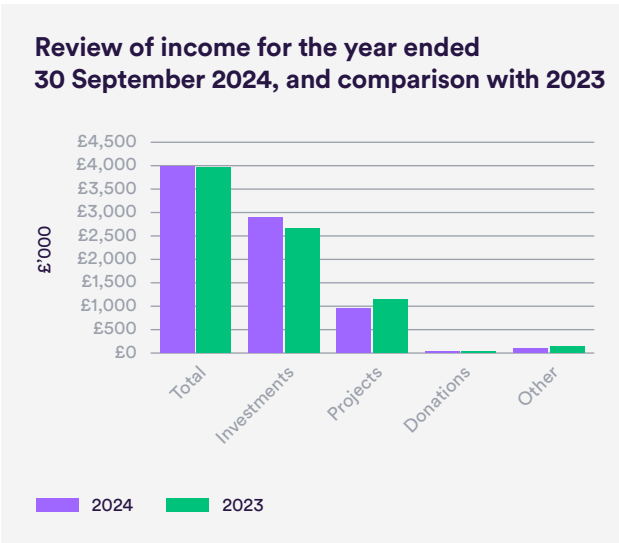
Financial review

Review of income and expenditure for the year ended 30 September 2024

We present the financial statements for the year to 30 September 2024.

The Nuffield Trust benefits from an expendable endowment which is primarily held in an investment portfolio. On a long-term basis, and in line with our financial strategy and reserves policy, we aim to maintain the value of these investments (adjusted for inflation). We apply a total return approach to investing, meaning that we do not differentiate between income and market gains (despite each being shown separately on our Income and Expenditure statement). Given the above, due to our treatment of market gains, in some years our annual report will show a significant surplus, while in others it will show a significant deficit. This year, investments have outperformed the performance target, and we show a surplus.

Total income for the year amounted to £3,974,000 (2023: £3,964,000), of which £960,000 (2023: £1,138,000) was generated from charitable project activities ('Projects' in the chart below) and £3,014,000 (2023: £2,826,000) was derived from other sources, namely investments, donations and other activities.



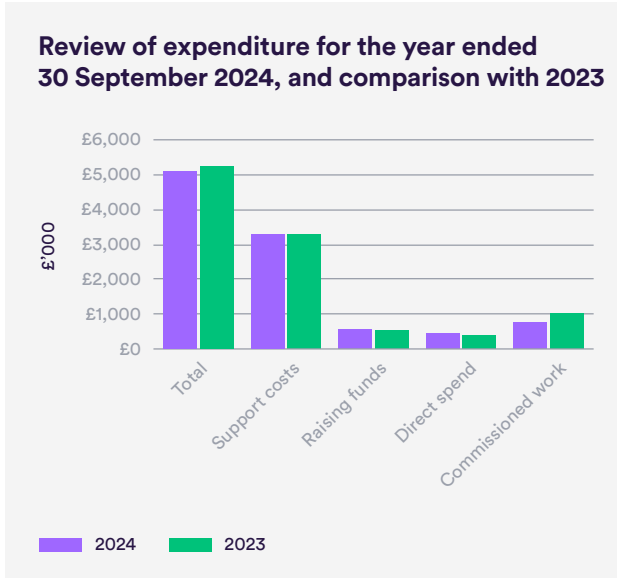
Income from charitable (project work) activities decreased between 2023 and 2024. Work on charitable project work may span more than one year with income and expenditure being recognised considering an

assessment of proportion of work completed at the year-end.

Income from other sources increased by £188,000 between 2023 and 2024 due to an increase of £231,000 in investment income, a decrease of £56,000 in other income and an increase of £13,000 in donations. These donations include a legacy of £25,000 that was gratefully received from the estate of late Dr Bharat Kumar Upadhyaya, plus the notional benefit of secondments to the Trust, made free of charge.

Total expenditure for the Trust for the year was £5,114,000 (2023: £5,268,000), of which £4,557,000 (2023: £4,731,000) related to charitable activities, which includes the costs of completing project work. Support costs in note 8 include costs of employing staff and providing the infrastructure to enable the work of the Trust to be completed. Direct spend on projects includes commissioning expertise; disseminating our work, including making it available through open access; and ensuring that our work is subject to appropriate peer review.

Expenditure on charitable activities decreased by £174,000 between 2023 and 2024 due to the net effect of a decrease in expenditure on commissioned charitable project work, an increase in spend attributable to Direct Spend on our internally



funded project activities, an increase in staff costs and an increase in other overhead expenditure. These overhead costs are driven in part by an increase in spend on our communications activities, demonstrating an investment in this area and the dissemination of our key messages.

Expenditure on raising funds increased by £21,000 between 2023 and 2024 due to investment management fees increasing by £13,000 as average funds under management have increased, and the staff costs allocated to generating funds increasing by £8,000.

Net gains on investments for the year were £13,103,000 (2023: £4,409,000). Further details on investment performance are below.

The net income for the year was £11,963,000 (2023: £3,106,000).

The Trust is nearly at the end of a five year strategy, covering the period 2020–2025, in which it lays out the plans for future periods. This five year strategy lays out the Trust’s core objectives in pursuit of achieving the charitable purpose of the organisation:

- To influence policy and practice through generating and synthesising information on health and social care to facilitate both better policy and better practice.
- To challenge and support those involved in planning and delivering healthcare to think more creatively and innovatively about how to adapt and redesign services to meet changing patient needs;
- To provide information on the evidence, statistics, facts and research which politicians and policymakers use in their interventions in the health and care system in the UK.

Further information can be found regarding the Trust’s approach to delivering the strategy and the specific measures of success on our website at www.nuffieldtrust.org.uk/about.

Net assets at 30 September 2024

The Trust’s consolidated net assets at 30 September 2024 were £107,922,000 (2023: £95,959,000). This represents an increase of £11,963,000 (12%) compared with the net assets at 30 September 2023, which was caused by an increase in the value of investment funds due to the net effect of positive performance and our normal annual drawdown.

Investment performance

The long-term investment performance objective for the combined portfolio is to achieve a total return, net of fees, of CPI +4.5% per annum; designed to enable a drawdown of funds to support expenditure on charitable activities of 4% (based on a rolling average). Over shorter time periods, performance is measured against a bespoke benchmark based on the underlying strategic asset allocation.

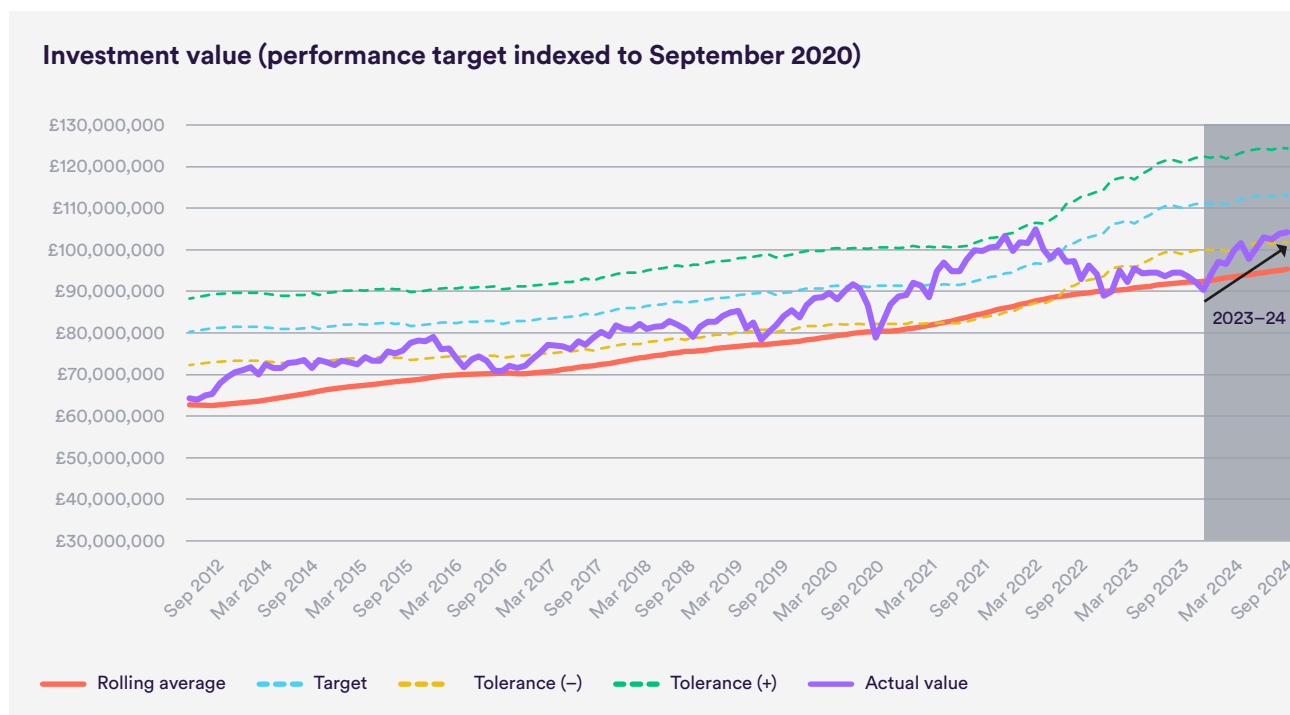
The overall return (before fees) on the total investment portfolio was £15,989,000 for 2024 (2023: £7,064,000). The portfolio of investments had a total value at 30 September 2024 of £104,155,000 (2023: £92,203,000).

When assessing performance against our long-term objectives, we look at the total value of the investment portfolio, after considering withdrawals to support charitable purpose and investment management fees. We index the performance target and actual values in the chart above to September 2020 allowing a medium to long term comparison to be achieved.

Using this approach, we assess that values have fallen behind inflation in the medium term, as measured by the consumer prices index, and therefore behind the Trust's agreed investment value target, currently set as CPI+0.5%, being the performance target (CPI+4.5%), less the agreed drawdown

(4%). The chart below presents the value of our investments in absolute monetary terms, which also captures the impact of periods where the total amount drawn from investment funds differed from the current 4% drawdown model, for example during periods of reduced activity or the reinvestment of surplus funds.

The tolerance bands in the chart above are used to quantify the expected volatility inherent in the agreed investment strategy and to help assess the level of risk in the portfolio at a given time. Risk, often measured in terms of equity risk, is monitored by management and can be presented in terms of comparative asset allocation. As might be



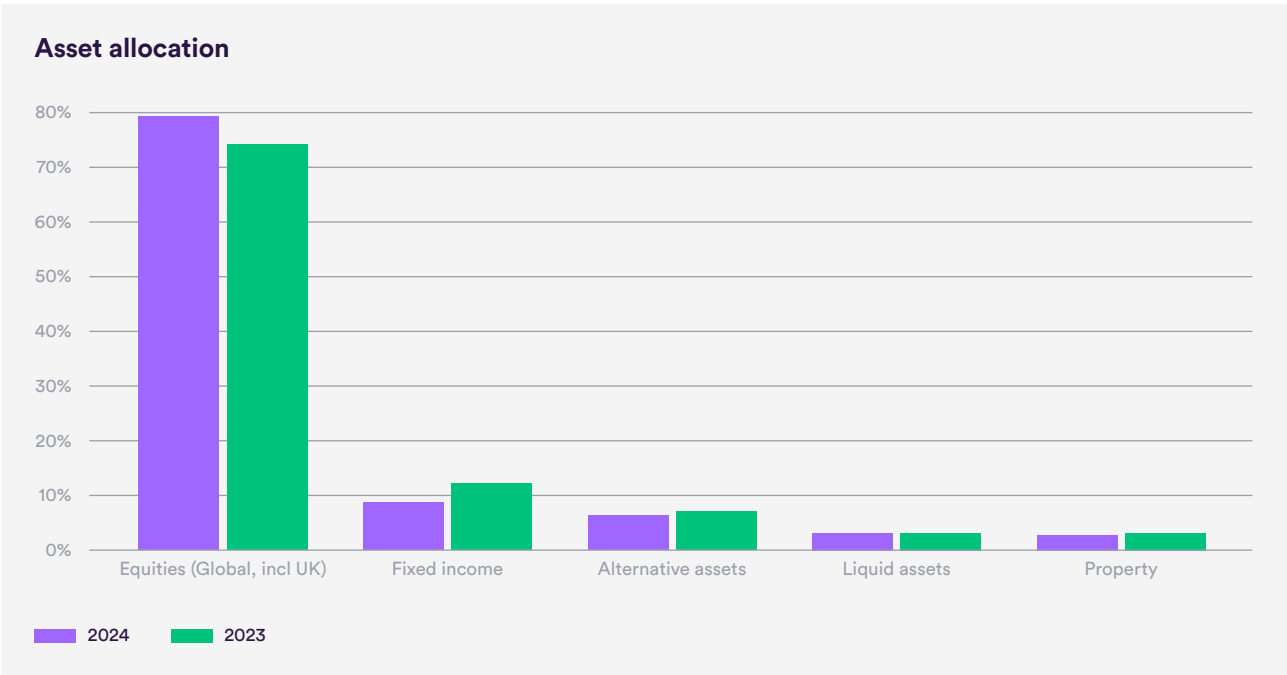
expected, external events may lead to tactical measures being taken to adjust the risk in the portfolio, such as in particularly volatile markets as we have seen in recent years. The combined effect of investment markets continuing to react to external factors, including the inflationary environment, have led to performance being below the expected lower tolerance. We monitor this closely with our investment managers although take some assurance that investments have performed closely to our scenario modelling used in planning for the year

For the 12 months to 30 September 2024 the total value of the investment portfolio has risen 11.3% (2023: -3.0%) ahead of inflation,

as measured by the consumer prices index, or 10.8% (2023: -3.5%) ahead of the inflation linked target, both after allowing for the drawdown.

During the year under review the investment assets of the Trust were managed by Sarasin and Partners LLP.

The funds managed by Sarasin and Partners LLP are invested in two funds which complement each other to achieve the approved investment strategy; the majority of funds are held in the pooled Endowments fund, a diversified multi-asset exempt fund for charities, with the remaining funds held in a segregated Global Equity Dividend



portfolio, allowing greater exposure to global equity assets. Both funds have an ethical investment policy that includes avoiding tobacco stocks (further details on our approach to responsible investment, including ethical restrictions can be found within Financial Strategy and Reserves). The individual income yields on the Endowments fund and Global Equity Dividend portfolios were 2.8% and 2.4%, respectively, and the combined weighted yield across the aggregated portfolios was 2.7% for the period to 30 September 2024 (2023: 2.9%).

Financial strategy and reserves

The Trust's strategy is guided by its policy on expenditure, reserves and investments.

The Trust's policy on expenditure is to ensure there are adequate funds in order to generate a sufficient return to fund both the current and future charitable activities of the Trust. The Trust generates income from a variety of activities that support its core purpose and make the best use of its resources. Where the money generated is insufficient to cover its total expenditure, a proportion is drawn from the investment capital. In agreeing the level of resources, Trustees are mindful of their responsibility for the long-term stewardship

of the Trust. Trustees take a risk-based approach, which aims to balance the Trust's ambition in meeting its charitable objectives; its ability to generate income; and its capacity to spend from investments, now and in the future.

The Trust's total reserves at 30 September 2024 were £107,922,000. As set out in note 19 to the accounts, the entire amount, £107,922,000 represents the expendable endowment.

The Trust's policy on reserves is based on ensuring that they are sufficient to support the long-term nature of its work and cope with fluctuations in annual income. The Trust's policy on 'free reserves' is based on a risk based modelling approach, assessing the impact and timing of key operational risks (as described below) and ensuring the level of reserves are sufficient to mitigate against likely events. 'Free Reserves' exclude both funds which can only be realised by disposing of tangible assets, and are distinct from funds assigned for other purposes, which in accordance with Charity Commission guidance, would also exclude the value of endowment funds. 'Free Reserves' have been agreed at a target level of £1,800,000, reviewable annually, and allowing a +/- 25% variance from this target before a recovery plan is required. We believe this approach

to be proportionate to the needs of the Trust and reduces the risk that we become unduly reactive to immaterial matters. Current 'free reserves' (being the total of 'Short term deposits' and 'Cash and bank and in hand') are £1,794,000 and are within the target band. The Trustees consider reserves to be at an appropriate level as these funds are sufficient to meet the foreseeable future activities and income fluctuations.

The Trust's policy on investments is to take a long-term approach, investing globally in a range of assets with the intention of preserving the value of the endowment in real terms after any drawdown to fund expenditure. Ethical restrictions in place limit direct investment in tobacco production and investment in companies that derive significant income (greater than 10%) from armaments, gambling, alcohol, adult entertainment or tobacco.



A review at the financial year end, indicates that exposure to these restricted areas amount to approximately 0.21% of our total holdings, up from 0.16% last year, or £220k, with the largest proportion being alcohol, through holdings in retail and leisure outlets. In addition, Trustees are committed to

reviewing the Trust's ethical investment restrictions at least annually.

Trustees are committed to continually reviewing the stance on Environmental, Social and Governance (ESG) issues. Previous improvements saw Trustees take a more sustainable approach to climate issues and to join an investor coalition, run by ShareAction called Long-term Investors in People's Health (LIPH). During this year, Trustees approved an approach to how the Trust engages with a range of public facing actions, mainly in the interests of protecting our reputation.

The Trust's investment strategy is to manage the portfolio on a total return basis, income and capital combined. The Trust has a strategic asset allocation that is geared towards equities because of their risk/return profile in the long term (based on historical performance). The Trustees recognise that the Trust may need to withdraw both investment income and some of the investment capital to fund annual drawdown. This is set annually as part of the budget process based on the average value of the investment fund over the last 20 quarters (at the point of setting the budget).

Going concern

In agreeing the planned activities for the coming 12 to 18 months, the Trust has implemented the following approaches to ensure that operations remain viable under the scenarios that are likely, given the recent instability caused by the wider economic conditions:

- In support of the Trust's strategic aims and to enable successful translation of activities to budget, the Trust has produced a forward look for the year ahead.
- The budget has been based on a reduced income target basis, having considered the risks presented by the current environment, modelled using financial scenario forecasts covering a period of five years. This results in an approved deficit budget for the year ahead.
- A commitment to review the external income environment, to assess the Trust's competitive position, the relative opportunities for impact generating funding compared to previous years, and the approach we take in exploiting these opportunities.
- Increased financial reporting to the Trustees and to Leadership Team to ensure timely information in support of strategic decision making.

More broadly, the Board regularly reviews forecasts and projections and, having considered this routine review and the information provided from above, has not identified any material uncertainty relating to the Trust's ability to continue as a going concern.

Structure, governance and management

The Trust is a company limited by guarantee, registered in England and Wales as company number 00382452. It is registered with the Charity Commission as charity number 209169.

The Trust's Articles of Association provide for a minimum of four Trustees, and a maximum of twelve. Trustees are appointed for an initial term of three years and may be reappointed for up to a third term, with a further extension of twelve months allowed in exceptional circumstances. Appointment as a Trustee is open to any suitably qualified member of the public. Newly appointed Trustees are provided with an induction programme, which sets out the activities of the Trust and their responsibilities as a Trustee.

Details of the Trust's current Trustees, and those who served during the year, are set out on page 2.

The Board of Trustees meets four times a year with the Chief Executive and the Leadership Team to handle business that has not been formally delegated to the Chief Executive

and to consider other matters related to the operations of the Trust. The Board also make time for private sessions with only the Chief Executive, with the Trust's auditors and as a group of Trustees only. The Board of Trustees has established two other standing committees to support it in its work.

The **Governance, Nominations and Remuneration Committee** assists the Trustees by overseeing: governance; nominations; succession planning; induction support and development of Board members (individually and collectively); human resource issues, including the remuneration packages for directors; and any other functions delegated by the Board.

The **Finance Committee** assists the Trustees by: overseeing all financial and investment aspects of the charity; overseeing systems of internal control; and monitoring risk management, so as to ensure the short and long-term viability of the Trust.

The membership of these committees is shown on page 2.

The Board has appointed a Senior Independent Director (SID). The Role of the SID is to provide support and advice to the Chair on any issue, to act as an intermediary between the Chair and other Trustees or the Chief Executive in the event of conflict, to assess performance of the Chair and to be a contact for staff in the event of whistleblowing or other issues.

Organisational structure and how decisions are made

The Trustees together constitute the Board of Trustees (the Board). Within the context of delivering the Trust's charitable Objects, the Board is responsible for setting the Trust's values, standards, strategy and objectives, for determining its budget and for the discharge of its functions. They monitor the Trust's performance; have overall responsibility for the Trust's work and ensure that it acts within its statutory and charitable remit.

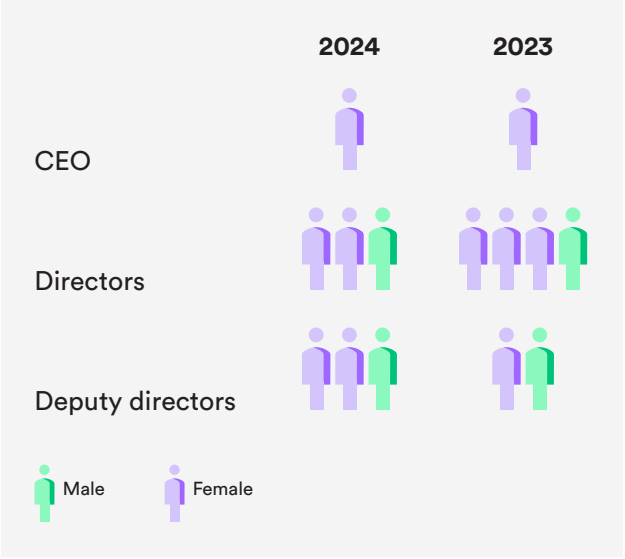
The Trustees appoint a Chief Executive, to whom they delegate the responsibility for realising the Trust's strategies and objectives and for the day-to-day management of the Trust. The Chief Executive is supported by a Leadership Team, to whom they delegate authority for financial and contractual decisions, as detailed in the 'Scheme of

Delegation of Financial and Contractual Authorities'. The corporate governance arrangements, including the scheme of delegation, are scheduled to be reviewed at least every two years. The last review and update was completed in the summer of 2024 and the next review is scheduled to be completed by the summer of 2026. This most recent review was delayed, in part due to personnel changes.

Directors work within the framework set by the strategic plan and annual operating plan approved by the Board. Work programmes are produced for the different areas of activities. Progress on these work programmes is reported regularly to the Board, and approval secured for changes where necessary. It monitors, reviews and takes action on strategic goals and work programmes. Details of the current Key Management Personnel and those who served during the year can be found on page 3.

Since extending the Leadership Team structure during 2021 to include deputy directors, the structure has been unchanged. The Leadership Team regularly review their working approach, modifying it as appropriate to ensure effectiveness, for example by adopting a more frequent meeting pattern during national lockdowns.

The Leadership Team structure for decision making is illustrated below (taken at 30th September 2024):



Our funding

The Nuffield Trust has an expendable endowment valued at £107,922,000 at 30 September 2024. This endowment provides the Trust with a valuable source of income (£2,886,000 in the current year). We also obtain funds by withdrawing a proportion of the investment capital each year, in line with our financial strategy.

These sources of funds are not adequate to fund all our activities but guarantee a consistent and completely unrestricted stream of funds. The sources of our other income, from charitable activities, donations

and others, is set out in the Consolidated Statement of Financial Activities.

The sources of our funding are diverse, with no single organisation contributing a sufficient proportion of the income to create reliance or significant risk to the organisation were it to be withdrawn. This provides reassurance that our objectivity and independence can be maintained.

Managing risk

The Trust’s risk management approach, governed by the Board of Trustees, is documented as the Corporate Risk Assessment and Management Framework. This framework describes the processes defining risk identification, assessment, recording, ownership, measurement and monitoring. A complete review of the approach to risk management was undertaken during 2023 and the recommended improvements have been applied this year.

Within the framework, there are three categories of risks: ‘static’, i.e. unlikely to require significant change in the short to medium term; ‘dynamic’, i.e. ever changing and with management controls that are under constant review; and ‘evolving’, low-level risks which may, in the right environment, convert into high-level risks

in the future, captured on a ‘watch list’. The review frequency of each category has been defined to ensure appropriate levels of focus and resource are applied.

The Trust’s Leadership Team is responsible for ensuring that the risk management approach is adequately applied and for reporting to Trustees based on risk category and the defined review frequency.

A summary of the Trust’s approach to mitigating the most significant risks is shown below.

Risk	Management response	
	Management approach/plan	Monitoring process
The Trust are successfully targeted in a cyber-attack.	• Application of IT Security strategy across the Trust. • Staff training and awareness programme. • Technological controls. • Business continuity plans.	• External assessments – ISO and Penetration Testing. • Real time threat reporting.
Levels of funding at the Trust are insufficient to support charitable activities.	• Continual development and review of external funding opportunities • Defined objectives and restrictions set for investment managers. • Use of financial modelling to predict the impact of economic events on investments.	• Regular review of potential funding opportunities and bids in the pipeline. • Regular review of investment manager performance, both against target and modelling.
The Trust’s independence is challenged.	• Ensure suitable editorial control arrangements. • Ensure suitable funding proportions (internal/external funding) and that the sources of funding would not jeopardise independence, whether perceived or actual. • Approach to managing intellectual property.	• Review of editorial control and IPR commitments at contractual stage, ensuring fit for purpose. • Regular review of funding sources.
There is a failing in Information Governance (IG) controls at the Trust.	• Maintain our ISO 27001 accreditation, continually improve our approach to IG, and ensure access to relevant training. • Proactive approach to cyber security.	• Internal and external audits of IG arrangements. Annual renewal of ISO/the NHS IG toolkit. • Annual network security assessments.
Difficulties in recruiting, retaining and developing staff.	• Review job design approach, ensuring accurate and realistic job descriptions. • Create opportunities for, and encourage, training and development.	• Conduct post-recruitment reviews. • Regular engagement with staff, including staff survey.

In addition to the above risks, other risks in respect of reputation, dissemination, HR planning, project management and data access are also captured and actively managed.

When assessing risks, we consider changes to the context of the organisation that might affect the risk likelihood or impact at a given time. This was evident during the Coronavirus pandemic when specific risks were heightened during the period, or, more recently, during the period of high inflation economic environment and political change we have seen during 2024.

Continuing from previous years, the Trust recognises that its employees' personal circumstances may have been impacted significantly, first by the pandemic and now due to events in the economy. We regularly review how we can best support our staff, starting with a commitment for an inclusive and equitable culture which drives developments in areas such as remuneration, learning and development, and flexible working (for more information, see Organisational Effectiveness on page 39).

Remuneration policy

The Trust aims to provide all staff with remuneration packages that are competitive, fair, equitable and sustainable within the available resources of the Trust. The pay and remuneration for directors is approved by the Governance, Nominations and Remuneration Committee. The pay and remuneration for all other staff is approved by the Chief Executive within the financial parameters approved by the Board upon recommendation from the Finance Committee. In reaching its recommendation, the Finance Committee considers key inflationary indicators (e.g. CPI) and the increases made by comparable organisations.

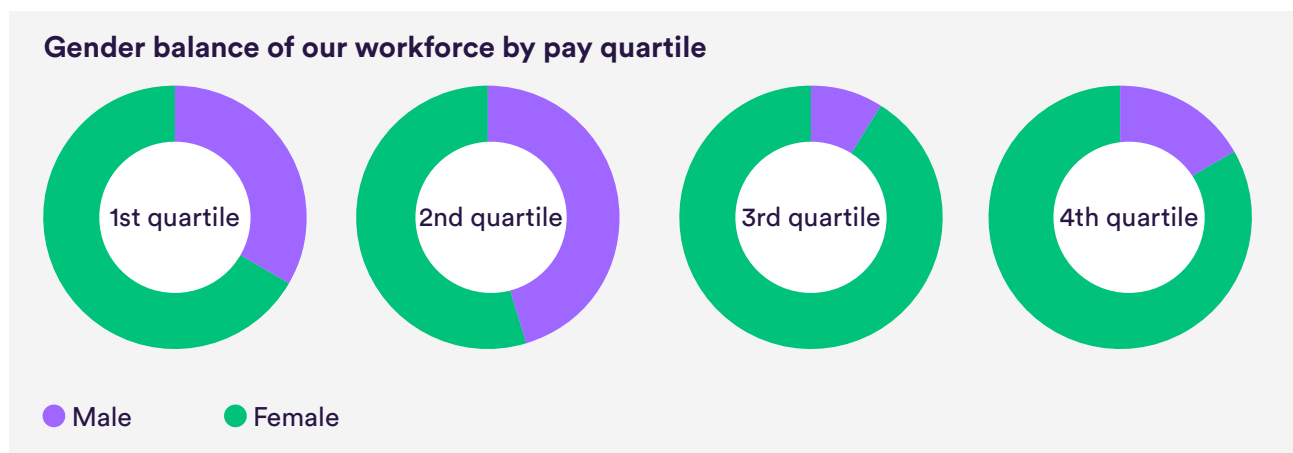
During the year, the Trust has continued to build on previous work around pay and progression. Having developed a competency framework to support the development of individuals and talent during 2020, implemented a renewed pay progression framework during 2023, and introducing a new learning and development framework during 2023. This year, the Trust has developed a Senior Management pay decision framework to ensure that decisions are made consistently, and the process is widely understood.

Organisations which employ more than 250 people are required to publish figures comparing men and women's pay. During 2023/24 the Trust had less than 50 individuals on the payroll, and is not therefore under a legal obligation to publish gender pay gap information.

In addition, given the small numbers of staff the figure can fluctuate significantly with small changes in personnel. However, Trustees have agreed that this is information which they wish to keep under review.

The graphic below shows the gender balance of the Trust workforce by pay quartile (1st = highest paid).

Overall, the workforce is predominantly female. Women have a higher representation across each quartile. This overrepresentation increases in the more junior levels, there are very few male staff in the 3rd and 4th quartile.



Fundraising policy

Section 162a of the Charities Act 2011 requires us to make a statement regarding fundraising activities. Although we do not undertake fundraising from the general public, the legislation defines fundraising as ‘soliciting or otherwise procuring money or other property for charitable purposes.’ Such amounts receivable could include grants which are presented in our accounts within ‘charitable activities’, or legacies and other donations which are presented within ‘donations’.

In relation to the above, we confirm that all solicitations are managed internally, without involvement of commercial participators, professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the Leadership Team, who are accountable to the Trustees. We are not subject to any regulatory scheme (voluntary or otherwise) or relevant codes of practice, nor have we received any complaints in relation to fundraising activities or consider it necessary to design specific procedures to monitor such activities.

Organisational effectiveness

The Trust strives for continuous improvement, looking both internally and externally for drivers for change. Looking internally, we actively seek to identify opportunities for improvement or gaps in existing process. We use formal gap analysis approaches and use forums to bring in staff opinion. We look externally for learning, including from industry best practice, similar organisations, and learning from the changing economic climate.

Our internal governance framework delegates certain decisions to the responsibility of the Leadership Team. In recent years we have developed a consultative approach, adding greater diversity to the process. We have developed staff representative groups where appropriate and provide a range of channels for staff to feed into the change process.

We have also agreed a strategic objective to improve the benefit gained from external networks. This is not only in relation to our research work, but also the operational aspects of the organisation. We bring in learning from other organisations where we can.

Staff development and pay

The Pay & Progression Framework, launched in January 2022, is now at the end of its 3rd financial year. During the year we have reviewed our approaches to recruitment and performance reviews. In recruitment activities, we have reviewed our language, advertising and application approach and have further strengthened our interview and selection methods. The Quarterly Review process has also been reviewed and updated ready for the process this year.

The biennial staff survey, conducted and analysed by an external provider, last run at the end of 2022, is being scoped for 2024. Historically, the findings have largely been positive, with some suggested areas of continued focus. Recommendations will be reviewed by both the Leadership Team and GNR committee, before an action plan is agreed.

Equity, Diversity and Inclusion (EDI)

The Trust is ambitious in its approach to equality, diversity and inclusion, taking a multifaceted approach, looking at this from the perspectives of our internal organisation and the experience of our staff, the research that we do, and the wider community with/in which we hold some influence. We also acknowledge the limitations of acting in isolation for an organisation of our size, but

aim to leverage our position by acting with partners to maximise our impact.

Internally, we have taken a continuous improvement approach to our recruitment process. We have made improvements to how we advertise, select and interview candidates. We have also done further work on neurodiversity leading to the development of a template to guide discussions about reasonable adjustments and access to any further available support. Our leadership team also took part in a series of workshops run by experts in this field as part of a cross-charity offering run by The Kings Fund.

Our research work considers EDI from several angles. Most significantly this is done through project design and we are improving how our EDI approach is best embedded in the project planning cycle. This work is evolving and will be iterated by Dr Becks Fisher over the coming year.

Externally, this year, the Trust again took a significant role in planning the annual Think Tank Outreach event, aiming to increase diversity in the world of research and policymaking by promoting a career in the sector to students from backgrounds that are traditionally underrepresented in think tanks. The Trust also took part in the Health Data Science Black Internship Programme,

for the second year, supporting one intern to develop their research skills and experience.

A member of the Trust's research and policy team also spoke at a panel event aimed at encouraging individuals from underrepresented communities to explore career opportunities in the think tank sector. We have built on relationships with EDI leads at other think tanks, allowing the trust to share staff support networks, including those for Black and ethnic minority groups, LGBTQ+, disability & carers networks. Finally, the construction of a permanent ramp at the front of the building has been completed, advancing our efforts to create a more accessible building.

Artificial Intelligence (AI)

With the recent rapid developments in AI, the Trust is positioning itself to exploit opportunities that exist, whilst establishing appropriate guard rails that will protect the organisation from unacceptable risk. In preparation, we have convened a cross-organisation working group to steer our approach. We expect this to deliver benefits to the organisation during the coming financial year.

As with many research organisations, we are particularly aware of the need to approach AI carefully in respect of our research activities. We have existing data governance and quality

assurance processes that will remain in force, being adapted where necessary.

Subsidiary undertaking

The Trust holds a wholly owned trading subsidiary, Nuffield Trading Limited, which historically carried out non-charitable trading activity for the Trust. At the end of the September 2019 financial year, the decision to absorb these activities into the Charity as non-primary purpose income was made and the subsidiary has since moved to a dormant status. Details are included in Notes 2 to the accounts.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Nuffield Trust for Research & Policy Studies in Health Services for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state

of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable

steps for the prevention and detection of fraud and other irregularities.

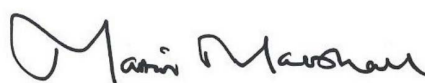
In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 12 December 2024 and signed on their behalf by



Martin Marshall
Chair, Nuffield Trust

Independent auditor's report to the members of The Nuffield Trust for Research and Policy Studies in Health Services

Opinion

We have audited the financial statements of The Nuffield Trust for Research and Policy Studies in Health Services (the 'charitable company') for the year ended 30 September 2024 which comprise the statement of financial activities, balance sheet, 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 FRS 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 charitable company's affairs as at 30 September 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 charitable company 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 Trust'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 other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except

to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or

- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the Trust's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the Trust operates in, focusing on those laws

and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the Trust from our professional and sector experience.

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

Date: 16 December 2024

for and on behalf of Sayer Vincent LLP,
Statutory Auditor

110 Golden Lane, London, EC1Y 0TG

Statement of financial activities (incorporating an income and expenditure account) for the year ended 30 September 2024

	Note	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	Expendable endowment fund 2024 £'000	Total funds 2024 £'000	Total funds 2023 £'000
Income and endowments						
Donations	3	38	–	–	38	25
Investment income	4	–	–	2,886	2,886	2,655
Charitable activities	5	603	357	–	960	1,138
Other		90	–	–	90	146
Total income and endowments		731	357	2,886	3,974	3,964
Expenditure						
Raising funds	6	–	–	557	557	536
Charitable activities	7	4,207	350	–	4,557	4,731
Total expenditure		4,207	350	557	5,114	5,267
Net gains on investment assets	12	–	–	13,103	13,103	4,409
Net income/(expenditure) before transfers		(3,476)	7	15,432	11,963	3,106
Transfers	10, 18	3,476	(7)	(3,469)	–	–
Net movement in funds		–	–	11,963	11,963	3,106
Reconciliation of funds						
balances brought forward		–	–	95,959	95,959	92,853
Balances carried forward		–	–	107,922	107,922	95,959

Movement in funds are disclosed in note 18 to the financial statements.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The notes on pages 52 to 73 form part of these financial statements.

Balance sheet at 30 September 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Tangible assets	11	1,637	1,696
Investments	12	104,155	92,203
		105,792	93,899
Current assets			
Debtors	13	866	744
Short term deposits	14	–	16
Cash at bank and in hand		1,794	2,018
		2,660	2,778
Creditors: amounts falling due within one year	15	(423)	(518)
Net current assets		2,237	2,260
Total assets less current liabilities		108,029	96,159
Provisions for liabilities	16	(107)	(200)
Net assets		107,922	95,959
Funds			
Expenditure endowment fund	18	107,922	95,959
Total funds		107,922	95,959

Approved by the Chair on behalf of the Trustees of Nuffield Trust and authorised for issue on 12th December 2024.



Martin Marshall
Chair, Nuffield Trust.

Company Number: 00382452

The notes on pages 52 to 73 form part of these financial statements.

Statement of cash flows for the year ended 30 September 2024

	Note	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Cash flows from operating activities					
Net income		11,963		3,106	
(Gains) on investments		(13,103)		(4,409)	
Depreciation of tangible fixed assets		72		76	
(Increase)/Decrease in debtors		(122)		152	
(Decrease)/increase in creditors		(94)		14	
(Decrease)/increase in provisions		(93)		14	
Investment portfolio income		(2,812)		(2,617)	
Cash used in operating activities			(4,189)		(3,664)
Cash flows from investing activities					
Dividends and interest from investment portfolio		2,811		2,617	
Purchase of tangible fixed assets		(14)		(25)	
Proceeds from sale of investments		13,412		10,679	
Purchase of investments		(12,260)		(9,547)	
Cash generated by investing activities			3,949		3,724
(Decrease)/increase in cash and cash equivalents			(240)		60
Cash and cash equivalents at the beginning of the year			2,034		1,974
Cash and cash equivalents at the end of the year			1,794		2,034
Analysis of cash and cash equivalents					
Short term deposits	14		–		16
Cash at bank and in hand			1,794		2,018
Total cash and cash equivalents			1,794		2,034

No reconciliation of net debt has been prepared as the Trust holds only cash and cash equivalents. The net change in cash or cash equivalent funds during the period was a decrease of £240,000 (2023: an increase of £60,000).

Notes on the financial statements

1. Accounting policies

The Nuffield Trust is an incorporated charity registered in England and Wales with the Charity Commission. The address of the registered office is given on the opening page of this document and the nature of its operations is set out in the report of the directors. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies.

Key judgements that the charity has made which have a significant effect on the accounts include; those involving estimations regarding the income attributable to the partial delivery of funded projects and, in determining the correct treatment of our obligations in relation to the USS Pension Scheme.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern and have prepared these financial statements on a going concern basis. Evidence considered whilst making this assessment include the value of our investments, secured future operational funding levels and the levels of our free cash reserves.

Basis of consolidation

The subsidiary entity was dormant for the entire reporting period and therefore its activities are not material to giving a true and fair view. In accordance with the Charities SORP (FRS102), the Trustees are not required to prepare consolidated accounts and have chosen not to do so.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income – Donations of services

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Investment income

Dividends and interest are included on an accruals basis.

Dividends and interest are stated inclusive of the relevant tax claim as the Trust has activities that are not liable to income tax.

Income from charitable activities

For consistency, all income from grants and contracts is recognised on a performance related basis. Revenue is recognised only when funds have been utilised to carry out the activity stipulated in the agreement. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs. An annual appraisal is performed to consider where this is not appropriate and an adjustment may be necessary.

Expenditure

These comprise costs of raising funds and charitable expenditure.

Costs of generating funds comprises expenses relating to the governance and management of the charity's investments.

Direct charitable expenditure comprises commissioned work and expenditure on performance-related charitable contracts

directly relating to the objects of the charity. Commissioned work is allocated and recognised as expenditure in full in the year of approval from the General Fund on the basis of the anticipated expenditure during the tenure of each piece of commissioned work. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources and including the associated costs of publication and dissemination. Expenditure on performance-related contracts is recognised only when the activity stipulated in the agreement has been completed. This is generally equivalent to the proportion of the relevant recognised income during the year.

Support costs include those relating to business support (including human resource and general administration expenses), executive management, and governance (including trustee recruitment costs, and audit fees), finance, and information systems. The details of support costs are shown under note 8.

Fixed assets

Items of equipment are capitalised where the purchase price exceeds £4,000.

Furniture and equipment acquisitions have been capitalised and depreciation provided for at 25% on an annual straight line basis.

The leasehold premises (originally acquired by The Nuffield 1940 Trust in 1992) are depreciated over the remainder of the lease, currently 60 years. Straight line depreciation of 5% per annum is applied to capital additions, including any leasehold improvements. The Trustees consider whether there has been any impairment of the property on an annual basis.

Gains and losses on Investments (Realised and Unrealised)

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

Staff pensions

During the year the Trust operated a Group Personal Pension scheme administered by Royal London. This is a defined contribution scheme. The Trust is not a member of any other pension schemes. Accordingly, due to the nature of the schemes, the accounting charge for the period under FRS102 represents the employer contributions payable.

Funds

The expendable endowment fund was created by a donation from The Nuffield 1940 Trust. The income from this fund is on the terms equivalent to the objects of the Trust and is therefore not restricted. The terms of the fund allow the income to be accumulated and the capital to be spent as the Trustees determine. Being unrestricted, these funds can be used to supplement expenditure from other unrestricted or restricted funds.

Designated funds are funds that have been set aside by the Trustees for a specific purpose, with the balance constituting the charity's expendable endowment. During the period, no designated funds were held.

Restricted funds are established where a specific trust exists under charity law. These trusts are established on the substance of the funding arrangement and may not be explicitly declared in the terms of the funding. An analysis of restricted funds is provided in note 18. The allocation of costs to restricted funds is done on either a directly incurred basis, or on an apportionment basis based on the funding agreement.

Unrestricted Funds are spent at the discretion of our Trustees to further the charity's purposes. These funds capture income and expenditure not falling within the other

funds and are free to be used to supplement expenditure made from restricted funds.

Financial instruments

The charity has both basic and non-basic financial assets and financial liabilities. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details are given in the financial instruments note.

Fixed assets investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities.

Derivative financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being

reported in the Statement of Financial Activities. Outstanding derivatives at reporting date are included under the appropriate format heading, depending on the nature of the derivative.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Contingent Liabilities

A contingent liability is disclosed where there is a possible obligation, arising from past events, which will only be triggered by the occurrence of one or more uncertain future events not wholly within the trustees' control. In accordance with the Charities SORP, contingent liabilities are disclosed in the notes to the accounts, unless the possibility of their existence is remote. The note includes a brief description of each contingent item and, where practical, an estimate of the financial effect.

Investment in Subsidiaries

Investments in subsidiaries are at cost.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. Subsidiary

The Trust owns the whole of the issued capital amounting to £1 (one ordinary share of £1 each) of Nuffield Trading Limited, a company registered in England and Wales with number 06898100. As previously noted, Nuffield Trading Limited has been dormant for the entirety of both the current and prior financial years and consolidated accounts are not prepared.

3. Donations income

	2024 £'000	2023 £'000
Donation income – Legacy received and seconded staff	38	25

Legacy received

The Trust gratefully acknowledges a legacy of £25,000 during the year from the estate of the late Dr Bharat Kumar Upadhyaya. These funds will be used in delivering our core charitable work programme.

Secondments and placements

The Trust has benefitted throughout the year from 3 secondments. The Trust gratefully acknowledges the support and has estimated that the value is £13,000 (2023: 1 secondments, £25,000).

4. Investment income

Investment income recognised in the year was made up as follows:

	2024 £'000	2023 £'000
Investment portfolio	2,811	2,617
Bank interest	75	38
	2,886	2,655

All the investment income was attributable to the expendable endowment.

5. Charitable activities

	2024 £'000	2023 £'000
Income from projects	960	1,138

Of the income from charitable project activities, £603,000 in 2024 was related to unrestricted funds (2023: £772,000) and £357,000 was related to restricted funds (2023: £366,000).

6. Raising funds

	2024 £'000	2023 £'000
Investment management fees charged	325	312
Support costs (note 8)	232	224
	557	536

All the expenditure from raising funds is related to the expendable endowments fund.

7. Charitable expenditure

The objects of the Trust are to promote, carry out or advance any charitable objects, and in particular the prevention or relief of sickness and the advancement of the health of the people of the United Kingdom, in particular through the promotion of improvements in the quality of health care and health policy. All the activities of the charity are managed through a single structure with the impact of activities reported against the strategic objectives. Below is an analysis of this expenditure:

	Restricted £'000	Unrestricted £'000	2024 £'000	2023 £'000
Externally funded projects				
Direct expenditure	–	65	65	200
Allocation of staff costs	261	275	536	607
Allocation of support costs	89	96	185	212
Total spend on externally funded projects	350	436	786	1,019
Internally funded projects				
Direct expenditure	–	165	165	173
Allocation of staff costs	–	209	209	174
Allocation of support costs	–	73	73	61
Total spend on internally funded projects	–	447	447	408
Charitable activity support costs (as shown in note 8)	–	3,324	3,324	3,304
	350	4,207	4,557	4,731

Of the charitable expenditure of £4,557,000 in 2024, £4,207,000 was related to unrestricted funds (2023: £4,127,000) and £350,000 was related to restricted funds (2023: £604,000).

7a. Comparative table (2023)

	Restricted £'000	Unrestricted £'000	2023 £'000
Commissioned work			
Direct expenditure	60	140	200
Allocation of staff costs	403	204	607
Allocation of support costs	141	71	212
Total spend on externally funded projects	604	415	1,019
Internally funded projects			
Direct expenditure	–	173	173
Allocation of staff costs	–	174	174
Allocation of supports costs	–	61	61
Total spend on internally funded projects	–	408	408
Charitable activity support costs (as shown in note 8)	–	3,304	3,304
	604	4,127	4,731

8. Allocation of support costs

Support costs allocated to different activities are set out below, showing the basis of the allocation.

	Raising funds 2024 £'000	Charitable activities 2024 £'000	Restricted Project activities 2024 £'000	Unrestricted Project activities 2024 £'000	Total allocated 2024 £'000	Total 2023 £'000
Staff time (nature of the charge)	191	2,801	–	–	2,992	2,951
Notional cost of seconded staff (nature of the charge)	–	13	–	–	13	25
Premises costs (use of area)	10	129	23	43	205	243
IT and telephone costs (staff time)	16	190	33	63	302	326
Travel and hospitality (staff time)	–	4	1	1	6	5
Professional fees (staff time)	1	10	2	3	16	12
Communications and PR (staff time)	6	63	11	21	101	82
General costs including irrecoverable VAT (staff time)	8	99	17	33	157	133
Governance fees (nature of the charge)	–	15	2	5	22	24
	232	3,324	89	169	3,814	3,801

Trustees' expenses included in general costs above amount to £3,000 (2023: £3,000), in relation to two trustees for travelling and subsistence expenditure.

Governance fees include audit fees of £19,000 net of VAT, which forms the remuneration of the auditor (2023: £19,000).

9. Staff emoluments

	2024 £'000	2023 £'000
Salaries costs	2,795	2,795
Social security costs	303	308
Pension costs	390	389
Other staff costs	249	240
	3,737	3,732

The key management personnel of the charity, as defined by SORP, comprise the Trustees and the Directors within Senior Staff as listed on page 2. The total employee benefits of the Trustees was nil for both 2024 and 2023, for Senior Staff during the year it totalled £761,000 (2023: £781,000), this includes termination and settlement costs of £5,000 (2023: nil).

During the year, staff were recruited or assigned to specific projects or other income streams, or have had costs allocated on time spent basis to our project activities. The costs of these colleagues are included in direct project expenditure.

	2024 £'000	2023 £'000
Staff costs, allocated as direct costs to Commissioned Charitable Projects	536	607
Staff costs, allocated as direct costs to Internally funded Charitable Projects	209	174
Allocated as support costs	2,992	2,951
	3,737	3,732

The average number of employees employed during the year was, by headcount 45 (2023: 49), by full time equivalent 42 (2023: 45).

Higher paid employees

The numbers of employees for whom remuneration exceeded £60,000 were:

	2024	2023
£60,000 to £70,000	4	6
£70,000 to £80,000	4	3
£80,000 to £90,000	4	3
£90,000 to £100,000	2	1
£100,000 to £110,000	–	2
£110,000 to £120,000	1	–
£120,000 to £130,000	1	1
£180,000 to £190,000	1	–
£190,000 to £200,000	–	1

10. Transfer between funds

Under the terms of the expendable endowment, any shortfall in unrestricted or restricted funds can be transferred from the expendable endowment.

	2024 £'000	2023 £'000
Net expenditure for the year from unrestricted charitable activities	(3,476)	(3,181)
Net (income)/expenditure for the year from restricted charitable activities	7	(241)
Transfer from expendable endowment to unrestricted and restricted funds	(3,469)	(3,422)

Transfers from restricted charitable activities to unrestricted funds represent a reversal of project expenditure allocation previously funded from unrestricted activities.

11. Tangible fixed assets

	Leasehold properties £'000	Leasehold property Improvement £'000	Furniture and equipment £'000	Total £'000
Cost				
At 1 October 2023	1,900	376	278	2,554
Additions	–	–	14	14
Disposals	–	–	(50)	(50)
At 30 September 2024	1,900	376	242	2,518
Depreciation				
At 1 October 2023	(403)	(219)	(237)	(859)
Provision during the year	(26)	(19)	(27)	(72)
Disposals	–	–	50	50
At 30 September 2024	(429)	(238)	(214)	(881)
Net book value				
At 30 September 2024	1,471	138	28	1,637
At 30 September 2023	1,497	157	42	1,696

The leasehold properties were transferred from The Nuffield 1940 Trust on 30 November 2007 at deemed cost.

12. Fixed asset investments

	2024 £'000	2023 £'000
Fair value at 30 September 2023	91,515	87,698
Additions	12,260	9,547
Proceeds	(14,241)	(10,139)
Unrealised gains	9,982	2,102
Realised gains	3,121	2,307
Net gain	13,103	4,409
Fair value at 30 September 2024	102,637	91,515
Short term deposits (Cash and Cash Equivalents)	1,404	769
Market value of forward foreign exchange transactions	114	(81)
Total investments at 30 September 2024	104,155	92,203
The geographical split of investments is as follows:		
UK	86,307	77,028
Overseas	17,848	15,175
	104,155	92,203

13. Debtors

	2024 £'000	2023 £'000
Prepayments	211	149
Other debtors	655	595
Amounts owed by subsidiary company	–	–
	866	744

14. Short-term deposits

	2024 £'000	2023 £'000
Coutts Bank 90 day Deposit accounts	–	16
	–	16

15. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Tax and social security	87	89
Commissioned work commitment	3	93
Accruals and other creditors	306	287
Deferred Income	27	49
	423	518

16. Provision for liabilities

	2024 £'000	2023 £'000
Leasehold obligations	107	200

17. Financial instruments

Financial instruments may be analysed as follows:

	2024 £'000	2023 £'000

Financial assets

Financial assets measured at fair value through the statement of financial activities

102,637	91,514

Financial assets that are debt instruments measured at amortised cost

4,178	3,467

Financial liabilities

Financial liabilities measured at amortised cost

531	718

Financial assets measured at fair value
comprise investments.

Financial assets measured at amortised cost
comprise debtors, short-term deposits and
cash at bank and in hand.

Financial liabilities measured at amortised
cost comprise creditors and provisions.

Information regarding the group's exposure
to and management of credit risk, liquidity
risk, market risk, cash flow and interest
rate risk is included in the Trustees'
annual report.

Included within financial assets at fair value
are a number of derivative instruments,
including swaps and forward purchase
arrangements, which form part of the
organisation's overall investment strategy. As
at 30 September 2024 the fair value of these
derivatives was £114,000 (2023: -£80,000).

18. Funds

Fund name	Balance b/f £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/Losses £'000	Balance c/f £'000
Expendable endowment	95,959	2,886	(557)	(3,469)	13,103	107,922
Unrestricted funds	–	731	(4,207)	3,476	–	–
Restricted funds	–	357	(350)	(7)	–	–
Total Funds	95,959	3,974	(5,114)	0	13,103	107,922

Details of the fund transfers are included in note 10.

The expendable endowment fund was originally created by a gift from Viscount Nuffield in June 1940 to The Nuffield 1940 Trust.

Restricted funds are established where a specific trust exists under charity law. These trusts are established on the substance of the funding arrangement and may not be explicitly declared in the terms of the funding. These restricted funds are associated with defined research activities. The allocation of costs to restricted funds is done on either a directly incurred basis, or on an apportionment basis based on the funding agreement.

Unrestricted Funds are spent at the discretion of our Trustees to further the charity's purposes. These funds capture normal operating income and expenditure not falling within the other funds and are free to be used to supplement expenditure made from restricted funds.

19. Analysis of net assets between funds

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Long Term Liabilities & Provisions £'000	Total £'000
Expendable endowment fund	1,637	104,155	2,237	(107)	107,922
Unrestricted funds	–	–	–	–	–
Restricted funds	–	–	–	–	–
Total funds	1,637	104,155	2,237	(107)	107,922

* Comparative table shown in note 24(a).

20. Staff pensions

The Trust is not a current member of a defined benefit pension scheme. Historically it was a contributing member of the Universities Superannuation Scheme (USS) defined benefit pension scheme.

The total pension charge for the period for all schemes was £390,000 (2023: £389,000).

Nuffield Group Personal Pension Plan

The Trust established the Nuffield Group Personal Pension Plan (NGPPP) on 1 April 2009. This is a defined contribution pension scheme, previously administered by Legal & General (until February 2021), now administered by Royal London (since March 2021).

Employees are required to contribute a minimum of 4% of salary and the Trust contributes 14%. All staff, by headcount 45 (2023: 49) employees are members of the scheme.

21. Commitments under operating leases

The charity had minimum lease payments under non-cancellable operating leases as set out below:

	2024 £'000	2023 £'000
Not later than 1 year	36	36
Later than 1 year and not later than 5 years	144	144
Later than 5 years	1,950	1,986
Total	2,130	2,166

22. Contingent liability

USS Pension Scheme

The USS is a funded multi-employer scheme. Following the departure of the Nuffield Trust's last remaining employee in the USS pension scheme in May 2015, an employer S.75 debt liability was triggered and became due in May 2016. During our work to quantify this liability it was identified that the Trust had two separate liabilities to the USS pension scheme. The first liability being the S75 liability related to former employees and the second arising as guarantor under an 'Approved Withdrawal Agreement' which the Trust entered into in October 2007.

During the 2018 financial year, the Trust settled the liability in respect of the Section 75 debt.

The 'Approved Withdrawal Agreement' has clearly defined 'trigger events', which, following legal advice, the Trust does not envisage occurring in the foreseeable future. Any liability will be calculated as at the date of the 'triggering event'. As such there is insufficient probability, as to both the timing and amount, of any liability due to USS to enable us to make a provision for this. In accordance with chapter 21 of Financial Reporting Standard 102, this potential liability is therefore disclosed as a contingent liability.

To ensure the Trust was meeting its obligations as a guarantor to the scheme, Counsel's opinion was sought on the matter. Counsel's opinion confirmed the legal advice which had already been received; that the liability was not yet due and that the USS were exceeding the bounds of the scheme rules in making such a demand.

During October 2020, The Pensions Regulator became involved in this matter, having been contacted by USS Pensions requesting that they issue a payment notice in respect of the Approved Withdrawal Agreement. The Trust co-operated fully with the Regulator. The Regulator confirmed they have no intention to issue a payment notice at this time, acknowledging and supporting the approach taken in assuring USS of our capacity to pay the liability should it become due.

The Trust continues to communicate with USS on this matter. No significant changes have occurred during the financial year.

Following legal advice throughout the process the Trust maintains that there is insufficient probability as to both the amount and timing, which is calculated at the date of the ‘triggering event’, to enable the Trust to make a provision for any liability due to the USS pension scheme. The value of the liability is calculated at the point that it is triggered, therefore it is not practical to estimate the financial effect of this contingent item.

23. Related party transactions

In accordance with SORP (FRS102), the Trust’s transactions with Nuffield Trading Limited are set out below.

	2024 £'000	2023 £'000
Sales	–	–
Amounts due from Nuffield Trading Limited	–	–

There were no other related party transactions or donations from related parties during the year.

24. Comparative statements

24a. Comparative Analysis of net assets between funds (2023)

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Long Term Liabilities & Provisions £'000	Total £'000
Expendable endowment fund	1,696	92,203	2,260	(200)	95,959
Unrestricted funds	–	–	–	–	–
Restricted funds	–	–	–	–	–
Total funds	1,696	92,203	2,260	(200)	95,959

24b. Comparative Analysis of movement between funds (2023)

Fund name	Balance b/f £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/Losses £'000	Balance c/f £'000
Expendable endowment	92,853	2,655	(536)	(3,422)	4,409	95,959
Unrestricted funds	–	946	(4,127)	3,181	–	–
Restricted funds	–	363	(604)	241	–	–
Total Funds	92,853	3,964	(5,267)	–	4,409	95,959

24c. Consolidated statement of financial activities (2023)

	Note	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Expendable endowment fund 2023 £'000	Total funds 2023 £'000	Total funds 2022 £'000
Income and endowments						
Donations	3	25	–	–	25	194
Investment income	4	–	–	2,655	2,655	2,643
Charitable activities	5	775	363	–	1,138	1,138
Other		146	–	–	146	112
Total income and endowments		946	363	2,655	3,964	4,087
Expenditure						
Raising funds	6	–	–	536	536	531
Charitable activities	7	4,127	604	–	4,731	4,377
Total expenditure		4,127	604	536	5,267	4,908
Net gains/(losses) on investment assets	12	–	–	4,409	4,409	(9,828)
Net income/(expenditure) before transfers		(3,181)	(241)	6,528	3,106	(10,649)
Transfers	10	3,181	241	(3,422)	–	–
Net movement in funds		–	–	3,106	3,106	(10,649)
Reconciliation of funds – balances brought forward		–	–	92,853	92,853	103,502
Balances carried forward		–	–	95,959	95,959	92,853

Following a review of our accounting policies we have identified a number of grant funded projects which should have been recognised as restricted. There has been no change to income, expenditure or the net movement in funds as a result of this.

24d. Allocation of support costs (2023)

	Raising funds 2023 £'000	Charitable activities 2023 £'000	Restricted Project activities 2023 £'000	Unrestricted Project activities 2023 £'000	Total allocated 2023 £'000
Staff time (nature of the charge)	184	2,767	–	–	2,951
Notional cost of seconded staff (nature of the charge)	–	25	–	–	25
Premises costs (use of area)	12	151	41	39	243
IT and telephone costs (staff time)	16	202	56	52	326
Travel and hospitality (staff time)	–	3	1	1	5
Professional fees (staff time)	1	7	2	2	12
Communications and PR (staff time)	4	51	14	13	82
General costs including irrecoverable VAT (staff time)	7	82	23	21	133
Governance fees (nature of the charge)	–	16	4	4	24
	224	3,304	141	132	3,801

Nuffield Trust is an independent health and social care think tank. We aim to improve the quality of health care and social care in the UK by providing evidence-based research and policy analysis and informing and generating debate.

**59 New Cavendish Street
London W1G 7LP
Telephone: 020 7631 8450
www.nuffieldtrust.org.uk
Email: info@nuffieldtrust.org.uk**

Published by the Nuffield Trust.
© Nuffield Trust 2024. Not to be reproduced
without permission.

Accounts



Report and financial statements

For the year ending 30 September 2023

The Nuffield Trust for Research and Policy Studies in Health Services (formerly The Nuffield Health and Social Services Fund) is a company limited by guarantee, registered in England and Wales as company number 00382452. It is registered with the Charity Commission for England and Wales as charity number 209169.

Patron

Her Royal Highness The Princess Royal

Registered office

59 New Cavendish Street, London, W1G 7LP.

Contents

Board of trustees	2
Trustees' annual report	4
Foreword from Prof Martin Marshall, Chair	6
The Nuffield Trust's year in numbers	7
1. Our strategic objectives	8
2. Our activity across the year	9
3. Our impact	17
4. Organisational development	22
5. A look forward to the year ahead – 2023/2024	23
Financial review	25
Structure, governance and management	34
Independent auditor's report to the members of The Nuffield Trust for Research & Policy Studies in Health Services	45
Statement of financial activities	51
Balance sheet	52
Notes on the financial statements	54

Board of trustees

Martin Marshall (**Chair**)

Irshaad Ahmad

Samira Ben Omar

Sonja Marjanovic

Thea Stein
(resigned 31 Aug '23)

Rupert Hill (**Chair of the
Finance Committee**)

Dr Rosie Benneyworth
(resigned 30 Sep '23)

Tara Donnelly (**SID***)

Professor David Oliver

Sarah Pickup

Martin Marshall is the Chair of the **Governance and Remuneration Committee**, the other members are Rupert Hill, Tara Donnelly and Professor David Oliver.

Rupert Hill is the Chair of the **Finance Committee**. Other members are Irshaad Ahmad and Sarah Pickup. Other members during the period were Dr Rosie Benneyworth (until 30 September 2023)

The Senior Independent Director (**SID**) is appointed by the Board. Further information regarding this role can be found on page 35.

Company secretary

Ruth Hallesy
(resigned 11 September 2023)

Ben Willbond
(appointed 28 September 2023)

Senior staff

Nigel Edwards, Chief Executive (resigned 8 September 2023) (K)
Thea Stein, Chief Executive (appointed 18 September 2023) (K)
John Appleby, Director of Research and Chief Economist (resigned 27 April 2023) (K)
Helen Buckingham, Director of Strategy (K)
Leonora Merry, Director of Communications (K)
Sarah Scobie, Acting Director of Research (appointed 1 May 2023) (K, from 1 May 2023)
Ben Willbond, Director of Finance and Operations (K)
Rowan Dennison, Deputy Director of Communications
Natasha Curry, Deputy Director of Policy

(K) denotes Key Management Personnel, as defined by the Charities SORP (FRS 102).

Auditors

Sayer Vincent LLP, 108-114 Golden Lane, London, EC1Y 0TL

Bankers

CCLA, 80 Cheapside, London EC2V 6DZ
Coutts & Co, 440 Strand, London WC2R 0QS

Investment managers

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London EC4M

Legal advisers

Stone King LLP, 91 Charterhouse Street, London, EC1M 6HR

Charity number 209169

Senior associates and visiting fellows

John Appleby
Nigel Edwards
Professor Sir Nick Black
Professor Richard Bohmer
Dr Ronny Cheung
Fiona Johnson
Richard Darch
Professor Deirdre Heenan
Jason Frerich
Veena Raleigh
Bob Klaber
Sharon Lamb
Dr Richard Lewis
Professor Nicholas Mays
Dr Nadeem Moghal
Anne Marie Rafferty DBE
Dr Geoffrey Rivett
Professor Judith Smith
Dr David Steel OBE
Jonty Roland
Nicholas Timmins
Sylvia Wyatt

Trustees' annual report

The Trustees present their report and the financial statements of the charity for the year ending 30 September 2023. The Trustees have prepared the financial statements in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – Charities SORP (FRS102)* 2nd Edition and the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a director's report as required under company law.

The charitable objectives of The Nuffield Trust for Research and Policy Studies in Health Services (the Trust) are to promote, carry out or advance any charitable objects, and in particular the prevention or relief of sickness and the advancement of the health of the people of the United Kingdom, in particular through the promotion of

improvements in the quality of health care and health policy.

Our 2022–2025 strategy contains the following statement of intent that guides all of our work:

The Nuffield Trust is an independent health think tank. We aim to help achieve a high-quality health and social care system that improves the health and care of people in the UK by providing evidence-based research and policy analysis and informing and generating debate.

We set out to do this by:

- improving the evidence base that leads to better care by undertaking rigorous applied research and policy analysis;
- using our independence to provide expert commentary, analysis and scrutiny of policy and practice; and
- bringing together policy makers, practitioners and others to develop solutions to the challenges facing the health and social care system.

In everything we do we seek to be grounded in the practical implications of policy making, working closely with NHS staff and policy makers to identify solutions to real problems that affect how health and care services are delivered and the outcomes they achieve. Above all, we aim to be a trusted and respected voice at a time of unprecedented challenge to the NHS and social care system.

We strive to be:

- independent and free from vested interests;
- rigorous, robust and evidence-based in the work we undertake;
- relevant, supportive but also challenging when we need to be;
- open and engaging with all those we come into contact with; and
- an organisation that makes a difference to the quality of policy making and practice in the UK.

Foreword from Prof Martin Marshall, Chair

It is not an exaggeration to say that the past year has been one of the most challenging ever for the NHS and social care system. As staff and services continued to recover from the pandemic, we approached the most difficult winter in history for those who use services and for those who provide them, set against a backdrop of a cost-of-living crisis and ongoing industrial action.

Independent, rigorous and evidence-based analysis and research has never been so important in these circumstances, and I am enormously proud of the role that the Nuffield Trust has played in critiquing, influencing and stimulating better policy and practice in health and social care.

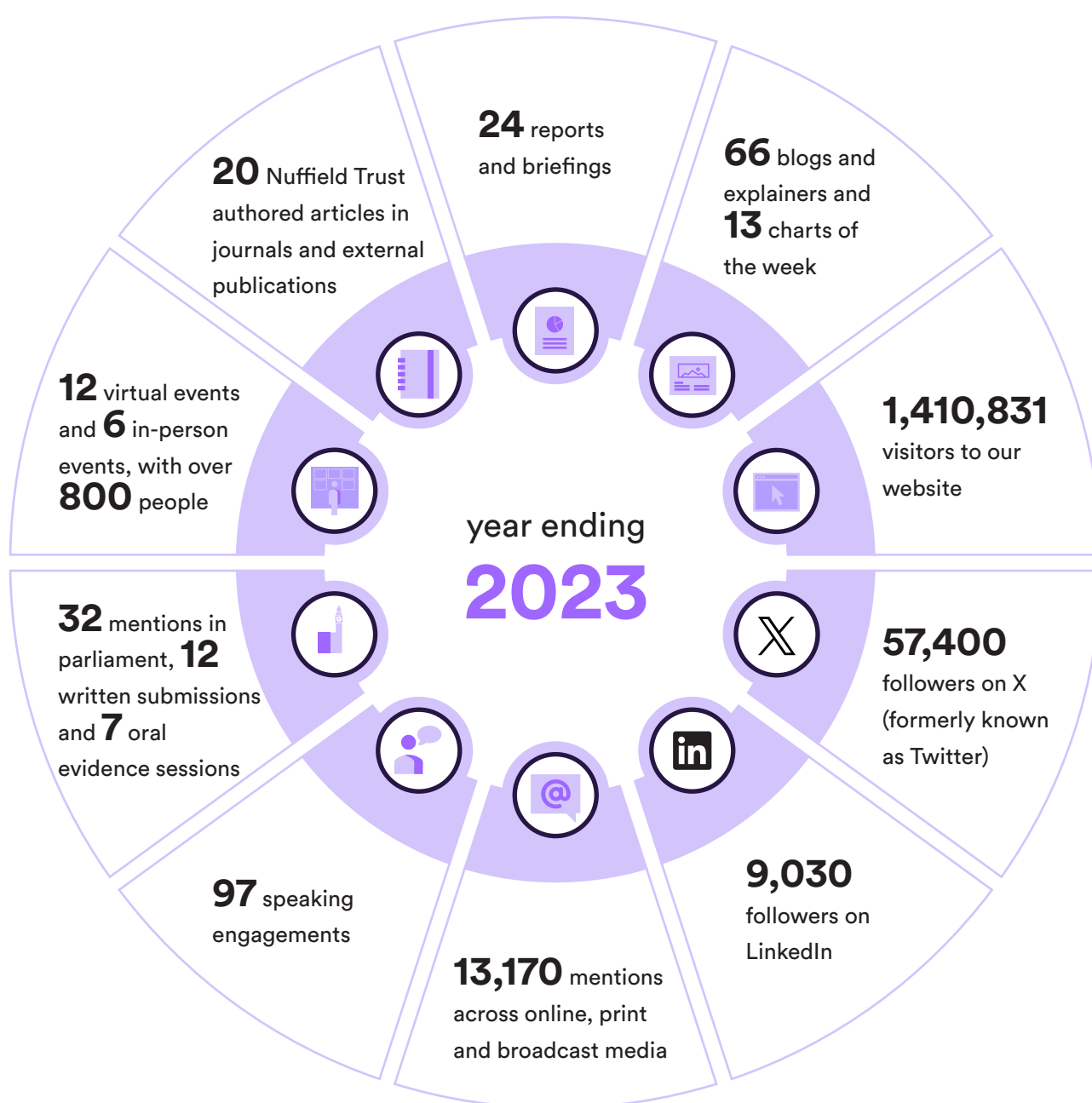
The Nuffield Trust has had another strong year, publishing high profile, innovative and impactful reports and analysis on health and social care. Specific examples of our impact across the year include our analysis of the British Social Attitudes survey and the views of the public on a range of health and care related issues; our annual Summit; our workforce programme; our analysis on health inequalities with the Greater London Authority; and our RSET programme.

The Trust remains a robust organisation, staff have fully settled into a hybrid working pattern, and our office and corporate services have adapted well to the ever-changing challenges presented to them.

I would like to thank our staff for their hard work and achievements over the past year – they enable the Nuffield Trust to have the impact it does. I particularly want to thank Nigel Edwards for his leadership of the Nuffield Trust for the last nine years. We have gone from strength to strength under his guidance and it has been a privilege to work with him. I am hugely excited to welcome Thea Stein as our new Chief Executive and the Trustees look forward to working with her and seeing the organisation continue to flourish.

I anticipate another impactful year ahead as we approach a general election – improving the understanding and use of evidence in health and care policy has never been so vital.

The Nuffield Trust's year in numbers



1. Our strategic objectives

The Nuffield Trust works to promote improvements in the quality of health care and health policy. In so doing, it seeks to improve patient care and health for all members of the public. All our charitable activities focus on health care policy and practice and are undertaken to further our charitable purpose for the public's benefit.

Our strategy to 2025 specifies three clear objectives for our work in pursuit of this public benefit:

- 1 To influence policy and practice by generating and synthesising information on health and social care that can facilitate both better policy and better practice.
- 2 To challenge and support those involved in planning and delivering health care to think more creatively and innovatively about how to adapt and redesign services to meet changing patient needs.

- 3 To provide information on the evidence, statistics, facts and research that politicians and policy makers use in their interventions in the health and care system in the UK.

These objectives have framed both the work we have undertaken (our activity) and the impact we have generated.

2. Our activity across the year

The work programme through which we are delivering our corporate objectives has four priority areas: quality and equity; service delivery; innovation; and politics, funding and reform. The section below outlines some of the key activities in each of these four work programmes – it is not a comprehensive list of every output or activity.

a. Quality and equity

Our QualityWatch programme, funded by The Health Foundation, is a key component of our work in this area. The programme has published regular updates on trends in the quality of care in different areas, including mixed-sex hospital accommodation, cancer survival rates, access to GP appointments and maternity care. Earlier this year we published our **QualityWatch Annual Statement** which focused on how the ability of the state to provide quality social care that older people can access is changing for the worse.

Our partnership with the NHS Race and Health Observatory (RHO) enabled us to

extend the range and reach of our work in this programme and to bring a wider perspective to the Trust's work. We jointly published a **report** with the RHO which found that large variations in rates of hospital care in England for different ethnic groups existed before the pandemic.

We were commissioned by the Greater London Authority (GLA) to review the Mayor of London's health inequalities test – the first of six 'tests' expected to be met when considering major health care reconfigurations in the capital. We published a **report** which reviewed recent evidence of health care inequalities in the NHS in England and highlighted ways the tests can acknowledge a changing understanding of the way inequalities arise. The Greater London Authority published our review, alongside an accompanying blog from the Mayor's health advisor and the Mayor's letter to the NHS setting out the changes to the test. The recommendations have been adopted in full, with very positive feedback on the work from key stakeholders working on health inequalities. This led to a further commission

from the Mayor of London to undertake a **review of the North-West London elective orthopaedic surgery reconfiguration proposals**, against his six tests.

Our portfolio of projects on end-of-life care, which aims to improve the evidence base for policy makers and local systems, has expanded this year. Our use of novel research methods led us to publish the results of our analysis of the OpenSAFELY platform to understand the service **impact of the shift in place of death during the Covid-19 pandemic**. This was well received, and we are continuing to disseminate our findings and insights among ICBs and other stakeholders. To bring out the service user perspective in our work more clearly, we produced a set of resources summarising the research findings from the perspective of patients and families and shared it with charities.

We have also recently embarked on a new project to develop the evidence base on the **quality and inequality of end-of-life care**. Our deaths at home research laid the foundations for this work – we now plan to extend our analysis of what has happened to service use, quality of care and inequalities in the recovery period. The project will address significant gaps in evidence about the quality and inequality of end-of-life care and produce information for national and

local organisations to use to improve end of life care.

We are continuing to build on previous prisoner health research work, funded by the Health Foundation. We have published new analysis this year focusing on the **health care needs of older prisoners** in England, as well as work focusing on younger prisoners which was published in October 2023.

Building on our inequalities work, we analysed data collected as part of the 2021 Census to display in a **Chart of the week**. It revealed some stark findings, with people from the most deprived areas of the country experiencing significantly poorer health than those in better off areas.

b. Service delivery

This year has been punctuated by public sector strikes from large chunks of the NHS workforce, including nurse, consultant, junior doctor and ambulance staff strikes. This has provided a febrile backdrop to our work, with a record number of media enquiries relating to industrial action at the start of 2023.

We published two high-profile exclusive workforce stories with the BBC on staff sickness and NHS consultant pay, in time with the publication of the Government's

long-awaited NHS long-term workforce plan. These have both provided excellent reach and profile for our workforce expertise and our NHS sickness data analysis was widely referenced by media and stakeholders.

We published a new **report** in September 2023 which sets out the scale of NHS attrition and puts forward a 10-point plan to improve retention, including a policy proposal to gradually write off clinicians' student debt over 10 years. The research was covered across a broad range of national, local and trade publications.

A continued focus of our workforce programme this year has been to present and analyse evidence on different elements of the health and social care workforce in order to inform policy and practice. We have done this through regular updates to our **NHS staffing tracker** and our Chart of the Week series which has covered **NHS staff pay** with further analysis [here](#) (which has been widely referenced and we have been interviewed by the Times about NHS pay and working conditions); **the use of agency staff in older adult care homes** and what a **new pay settlement** for NHS staff means, each of which has been very well received.

As well as commentary and analysis on the NHS workforce as a whole, we have carried

out two specific analyses on staff groups: a **report** commissioned by the Nursing and Midwifery Council published earlier in 2023 set out the key considerations on whether advanced clinical practice in nursing and midwifery should be regulated; and a review, commissioned by the NHS Confederation's Mental Health Network, looking at progress made on **mental health nurse education**, following our original report in 2020.

We completed a project which explored the challenges facing those with parental or caring responsibilities in pursuing a career in surgery, in order to raise awareness of any barriers found, identify key challenges and explore what policy and implementation opportunities there are. Our **report** was covered exclusively in a BMJ cover story and editorial, and we held a BMJ-led breakfast session at the Summit which was recorded and released as a BMJ podcast.

We have built on earlier work to cement our reputation for expert analysis and commentary on the role that smaller hospitals and services play in health care delivery, highlighting the unique challenges these services face and offering solutions to some of these challenges. We published a **report** exploring factors which drove the reconfiguration of acute medical and emergency services in smaller hospitals

during the Covid-19 pandemic and what the wider lessons are for service change. This formed a core part of the evidence we submitted to the Hallet Inquiry into the Covid-19 pandemic.

Changing our services so that more care is provided in community settings and people can leave hospital when they are fit for discharge has been an explicit policy aim for decades. Over the year we have looked at these issues in a number of ways, including why there are rising numbers of patients facing **delays in leaving hospital**; what we can learn from other countries in building up more **health and care community capacity** (with which we secured an exclusive and front-page story with the Financial Times); delayed discharges from **community hospitals** and preparing for **discharge pressures** next winter.

c. Innovation

Earlier this year the Nuffield Trust and the King's Fund were commissioned by Community Pharmacy England to develop a vision for community pharmacy that will underpin a strategy for the sector and support Community Pharmacy England in its leadership role. In September 2023 we published a **new report** which outlines that vision, the scale of ambition for community

pharmacy, and explores the barriers which have held progress back in the past. Community Pharmacy England hosted a parliamentary event alongside the launch which was well received by stakeholders.

We have been strengthening our links with the WHO and international comparisons work. We started a new project in partnership with the European office of the WHO to identify factors that support and hinder the emergence of primary care services delivered at scale and to develop a case for change that can be used by European primary care policy makers.

Work with the Universities of Oxford and Plymouth on an Economic and Social Research Council-funded project 'Remote-by-Default Care in the COVID-19 Pandemic' continues in phase two. This research will inform a more fit-for-purpose remote-by-default model in general practice, considering a number of different themes. We have run a couple of workshops focused on quality and safety and training and support to deliver fit-for-purpose remote consultations, both of which have been very well attended by policy and NHS stakeholders alike.

Our NIHR funded **Rapid Service Evaluation Team** has completed multiple evaluations this year including an **evaluation of youth violence intervention programme** and remote home monitoring methods – also known as virtual wards – for Covid-19 patients. This project involved two phases – **phase 1** explored staff experience of using models, the use of data for monitoring progress, and documented how staffing and resource allocation can affect the success of these models. **Phase 2** assessed the use of these models during the second wave of the pandemic while taking on board lessons from the first phase and the **final report** was published this summer.

Ongoing evaluations include **innovations in outpatient services, peer support initiatives for adult social care in prisons and centralisation of specialist health care services**. We published **phase 1 of our evaluation of patient-initiated follow-ups**, which evaluated the impact of patient-initiated follow-up as it develops and to understand some of the potential benefits and drawbacks that can arise with service delivery changes of this nature. The second phase of our evaluation of the use of patient-initiated follow-up (PIFU) pathways to manage outpatient services drew to a close this year. We were commissioned by NHSE to run a workshop on PIFU to engage NHS

organisations in the programme and have contributed to a number of national events run by NHSE and RCP.

We are delighted that our joint bid with UCL and the University of Cambridge for a further five-year contract for our Rapid Service Evaluation Team (RSET) was successful and the project will begin later in the year.

After two virtual years, our **annual rapid evaluation conference**, organised in partnership with the Health Foundation, returned this year to an in-person event. The conference focused on the vital contribution that rapid evaluation can make to support a system under pressure. The feedback from delegates has been very positive. The following month we also held a very successful **in-person workshop** specifically to share and explore experiences, learning and best practice in rapid evaluation from BRACE and RSET's five years as NIHR-funded rapid service evaluation teams.

d. Politics, funding and reform

We partnered once again with The King's Fund to ascertain the views of the public on a range of health and care related issues, as part of the British Social Attitudes survey

run by NatCen. Our press conference was attended by most major news outlets and coverage followed in all national print and broadcast media. **The findings**, detailing the lowest levels of NHS satisfaction on record, are widely cited in most policy documents on the state of the NHS and have received a large number of mentions in parliament. This year we pre-released the social care findings with a story in the Observer and accompanying **blog**, which gave much needed visibility to these important and often overlooked insights, from Professor Sir John Curtice. This work plays a vital role in putting the patient and service user perspective at the centre of our work and adds further gravitas to the public voice.

The past year has once again provided many opportunities to contribute to the ongoing social care policy debate. Our high profile and relevant work has placed us well to comment on the large number of social care policy developments and participate in parliamentary business, as well as meet with senior officials at the Department of Health and Social Care to discuss social care reform priorities and encourage a longer-term perspective.

We published the first output from our NIHR funded work looking at **the impact of Covid-19 on the social care sector**.

This report, looking at the experience in England, sets the scene for future work looking internationally.

Over the summer we ran two events – one with the Health Service Journal (HSJ) and the National Care Forum (NCF) – to bring together leaders from across the health and social care system to identify concrete solutions that system leaders can put in place now to be better prepared for discharge pressures next winter, further detailed in **a blog**. The **other event**, in collaboration with the Centre for Care, brought together stakeholders from across the four countries to discuss shared challenges in implementing social care reform and the lessons we can learn from each other.

We published a **set of explainers** which take a closer look at social care across all four countries of the UK, and shed light on where the systems diverge and the direction that each country is now taking.

We were asked to submit written evidence to Module 1 (pandemic planning, preparedness and resilience) of the Covid-19 Inquiry, via a Rule 9 Order. Drawing on our extensive body of work on health system resilience pre-pandemic and work published since 2020 looking internationally or retrospectively at preparedness and planning, we were able to bring together a large amount of insight from

colleagues over the years. Nigel Edwards also gave oral evidence to the Covid-19 Inquiry in July, focusing on the resilience of the health and social care systems going into Covid-19. This was featured in BBC Radio 4's Today programme weekly roundup of the Inquiry.

Our **joint letter** with the Health Foundation and the King's Fund generated significant profile for our organisations as the NHS turned 75. In it we argued that political leaders should make the upcoming general election a decisive break point and end years of short-termism in policy making.

In March the return to our **in-person Summit** was particularly well received. Combining the latest evidence, analysis and thought-provoking discussion, the Summit allowed leaders from across the health and care fields to come together to discuss how best to respond to the major challenges facing the NHS and social care, bridging the gap between evidence and action, policy and delivery. The sessions were wide-ranging and timely, covering issues including health inequalities, staff burnout, community services and NHS politics and policy.

In response to a growing sense of concern about the future of the NHS and the model behind it, our Chief Executive Nigel Edwards wrote a **series of** well received articles on

common tropes and misconceptions on the NHS, examining the evidence behind these ideas and exploring what practical things the Government should be doing.

Our discussions around the mythbusting blog series led to the development of a new series of open, online events to tackle some of the commonly held assumptions behind the solutions that are proposed for the NHS. The **first workshop** in the series looked at whether there are downsides to the drive to employ new types of staff to help doctors and nurses, and the **second event** explored whether the NHS really needs to steer more money to the front line and spend less on administration. We are now planning the next event in the series.

Building on our reputation for incisive commentary and analysis on Brexit, as part of our project on the impact of Brexit funded by the Health Foundation, we published a number of different resources looking at the impact of Brexit: a **new, updated report** which considers the impact of Brexit on health to date in total across three major areas: workforce, medicines, and the economy; a **guest blog** following this report which focuses on the largest health professional labour market – nurses; a **blog** which discusses the Retained EU

Law Bill and the problems it may create for health in the UK; and a **long-read** which looks at how Brexit has affected the UK's medical workforce.

We also published **new analysis of carers policy** in England which explored how far we have come in improving support for unpaid carers. To further tease out the experiences of service users, we also published a case study interview with an unpaid carer to understand her experience of support services and what could be improved.

We have been successful in receiving funding from the Nuffield Foundation for a series of General Election briefings and factual outputs. Our aim is to improve the understanding and use of evidence in health and care policy at the next election among both political parties and the public and provide parties with evidence and the analysis that lets them offer voters relevant, well-grounded policies to address the widespread failures in health and social care. The first briefings are due at the end of this year.

3. Our impact

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The public benefit of our work can clearly be seen in its impact. We define and measure impact in three ways:

- **the reach that we have** so that the public, policy makers and those involved in delivering health care are better informed about health and social care in the UK and what can be done to improve it – this is reflected, for example, in our broadcast and print media counts.
- **the influence that we have** in informing politicians, policy makers and health and social care practitioners about thinking on health and social care through analysis, pointing out lessons from the past and proposals based on

research on how policy and practice can be improved for the benefit of the public – this is evidenced, for example, by our presentations to parliamentary committees, civil servants and ministers, as well as NHS boards and groups of health and care managers.

- **changes in policy or practice that result from our work** – although this can be very hard to measure, with policy change often the result of multiple influences and the exact journey from our activity to impact often unclear.

Looking at our three strategic objectives in turn, we can highlight some real examples of impact – and public benefit – in 2022/23 in each of these categories. This section does not attempt to provide a comprehensive list of all the areas in which we have achieved impact. Rather, it aims to capture the highlights of another seismic year in health and social care.

3.1 Impact on policy and practice

A wide range of our work falls under this objective, which covers much of our ‘sense-making’ and explainer work, as well as in-depth analysis. Impact highlights from 2022/23 include the following:

- We were asked to present findings and recommendations from our review of the Mayor’s health inequalities test to NHS England’s acute care reconfigurations team and they are considering updating the NHS England test to bring it closer into line with the Mayor’s new test, which follows our recommendations. We also presented to the DHSC Independent Reconfiguration Panel who recommended it as reading for impending reconfigurations nationally as insight into good practice.
- Our work on ethnicity coding continues to be widely used and cited as part of calls to improve ethnicity coding, for example, by the Health Data Research UK Diversity in data group, and ethnicity coding is now featured in NHS England’s Core20PLUS5 work programme.
- Our Chart of the week analysis on deprivation has been widely circulated within the DHSC and has been a significant influence on the approach taken in the Major Conditions Strategy. The Office for Health Improvement and Disparities has since requested the data used in the chart as they plan to include it in an interim report on the strategy.
- Our findings from the PIFU evaluation Phase 1 study helped to inform NHSE’s new approach to PIFU targets this year.
- Following our work on child obesity, the children and young people’s transformation lead at NHSE requested the infographics developed for the report for use in their presentations.
- Key statistics from our prisoner health work have been published on the Office for Health Improvement and Disparities inclusion health spotlight.
- Our analysis of the British Social Attitudes survey, detailing the lowest levels of satisfaction with the NHS on record, achieved sustained and national coverage. The findings are widely cited in most policy documents on the state of the NHS and have received a large number of mentions in parliament, as well as significant pick up on social media and amongst stakeholders and others.
- Our RSET outpatients project has been well-placed to influence outpatient

policy – we are engaging closely with the Outpatient Transformation Team at NHS England; we have presented at a NHSE “Action on Outpatients” webinar and have been invited to and attended the sequence of joint RCP/ NHSE Future on Outpatient Care summits which are expected to lead to major policy recommendations.

- We have published two high-profile exclusive workforce stories with the BBC on staff sickness and NHS consultant pay, in time with the publication of the Government’s long-awaited NHS long-term workforce plan. These have both provided excellent reach and profile for our workforce expertise and our NHS sickness data analysis was widely referenced by media and stakeholders.
- The key messages from our report on improving support for unpaid carers have been used in the national toolkit developed by ADASS on actions for ICB leaders.

3.2 Impact on service redesign

Much of our work aimed at informing health care managers, clinical leaders and policy makers falls under this objective. This includes our evaluations, our consultancy work for individual NHS organisations and also our convening and events work. Impact highlights from 2022/23 include the following:

- The Interim National Clinical Director for palliative and end of life care is using the findings from our project on deaths at home during Covid-19 to inform the Quality and Outcomes Framework for the revised GP contract.
- Following our work in rural Northern Ireland relating to the design of hospital acute medicine and emergency services, our recommendations have been taken forward and we have been in discussions with the Northern Ireland Department of Health about hospitals under threat in rural areas.
- Following the launch of our work on the challenges facing those with parental or caring responsibilities in pursuing a career in surgery, we were approached by group of anaesthetists who want to replicate the study for their workforce

group. We have also been invited to join the GLA Anchor Network Task and Finish Group on childcare.

- Our social care work fed into the Archbishop's social care commission with many of the principles identified in our work showcased in the recommendations.
- The Glasgow medical director has drawn on our work on social care in the four countries to inform recommendations around the Scottish National Care Service.
- We have been invited to present at a number of high-profile external events, including HSRUK, HFMA, the Ireland National Health Summit and ConfedExpo.

3.3 Impact of our evidence to policy makers

The policy and public affairs work that we do is in pursuit of this objective, offering rigorous analysis to inform politicians from all four UK countries, policy makers in central and local government as well as within NHS arm's-length bodies. Impact highlights from 2022/23 include the following:

- Drawing on our extensive body of work on health system resilience pre-pandemic and work published since 2020 looking internationally or retrospectively at

preparedness and planning, we were invited to submit written evidence to Module 1 of the Covid-19 Inquiry, via a Rule 9 Order. This was followed by an invitation to provide oral evidence to the inquiry. We also had several meetings and sessions with the Covid-19 public inquiry, including being asked to run a "teach-in" session about the NHS to staff on the Inquiry.

- We have been invited to give oral evidence at seven committee sessions, for example to the Lords Public Services Committee on emergency services; the Lords EU Sub-Committee on the Northern Ireland Protocol; the Lords Special Inquiry on the integration of primary and community care; and the Health Select Committee on digital change. Key points from our written evidence on digital change were very widely cited in the subsequent report from the HSC Expert Panel inquiry into digital consultation. We were also cited extensively in the Health and Social Care Select Committee's report on dentistry.
- Our research has been cited in the House of Commons 32 times – for example on our workforce data and numbers around the strikes, NHS funding, Brexit analysis of trends in EU doctors on the medical register, general practice and hospital buildings. The Prime Minister and

Secretary of State for Health and Social Care quoted Nigel Edwards' views on GP reforms announced by Labour, and the Health Select Committee Chair Steve Brine quoted our workforce data.

- There has been significant impact from our work on social care. Our experts have met with the Secretary of State for Health and Social Care, the Minister of State for Care, the Shadow Care minister and Liberal Democrat health advisors to discuss social care policy, as well as regular meetings with the director for adult social care reform at the DHSC. Our work on long-term care during Covid-19 landed very well with the care minister and led to a meeting with senior civil servants to discuss the findings further.
- Our age-adjusted analysis of health spending over time was referenced in Michael Marmot's evidence to the Covid-19 Inquiry, as well as an episode of "The Rest is Politics" podcast with Rory Stewart and Alastair Campbell.
- We have worked in partnership with the National Care Forum to provide masterclasses to civil servants, ICB leads and NHSE staff on the workings of the social care system in England, to raise awareness and understanding of the social care system in order to aid integrated working.

4. Organisational development

Hybrid working policy

We implemented a new hybrid working policy last year, encouraging people back into the office for some of their time, whilst supporting them to work effectively and productively at home when they choose to do so. This approach has matured over the past year, with a new desk booking system in place to track office use and record who is onsite. Staff have developed their own natural rhythm to the working week.

Strengthening our networks and external relationships

Our more systematic approach to stakeholder engagement has resulted in a wealth of new project related contacts. Significant progress had been made in building connections with particular organisations and stakeholders, as well as supporting more junior staff to develop their own contacts.

Website structural update and site design refresh

After a long development phase, we successfully launched an updated website, which involved a complete migration of the site to a new and future-proof content management system. The new site is organised around 10 key topics that we believe are most vital to improving health and care now and in the future. The updated design incorporates photography; showcases our video content more effectively; and signposts readers on a page to other work we have carried out in that area. Feedback on the site, both internally and externally, has been positive and we believe it will help Nuffield Trust's work to achieve greater profile and impact in the coming years.

5. A look forward to the year ahead – 2023/2024

Through our **quality and equity** programme, we are building on our recent research on end-of-life care by widening the audiences for our work beyond the end of life and palliative care community, using the OpenSAFELY platform. The project stakeholder group includes members who are able to provide a service user perspective on the research, enabling us to bring a wider perspective to the Nuffield Trust's work.

Our **QualityWatch** programme, funded by The Health Foundation, is a key component of our work in this area. We will publish our annual statement – focusing on cancer services – in early 2024, and as well as a rolling programme of analysis on key areas of care published as long reads and blogs, we are developing our reporting of NHS monthly performance statistics into a more useful and interactive data dashboard format.

Through our **service delivery** programme, we are evaluating the 50k nurses programme with the aim to understand how well initiatives in the three N50k work-streams are working and how the programme

could be improved to expand the NHS nursing workforce.

Our project to understand the causes of poor child health and developmental outcomes in the UK is approaching the final stages – we will shortly publish a report looking at the associations between different local authority characteristics and infant mortality rate.

Within our **innovation** programme we have started a new project to understand the factors which influence NHS productivity and to unpick the conundrum of falling NHS productivity despite an increase in staff numbers in recent years. This work is due to report in 2024.

Our RSET programme, funded by the NIHR, continues to undertake evaluations of innovative practice in health care delivery. A new five-year project started this year.

Within our **politics, funding and reform** programme, we are continuing to partner with the King's Fund on the 2023 British Social Attitudes survey – a survey run by

NatCen to ascertain the views of the public on a range of health and care related issues – putting the patient and public perspective at the centre of our work. This research will report in March 2024.

We have begun a new project to critically assess the different options that have been proposed for addressing low pay among care workers and to understand the impact these policy options might have on improving care workers' pay. This project has already secured interest in it at ministerial level as well as among senior policy makers and the opposition.

We have been successful in receiving funding from the Nuffield Foundation for a series of General Election briefings and factual outputs. The first briefings are due at the end of 2023 and cover finances, workforce, social care, general practice and NHS activity.

We are continuing with our successful Brexit programme, to track the impact of Brexit on health, health care and social care over a period of years using different methodologies, and to develop policy positions and a shared understanding for the health sector on the key decisions in trade and UK-EU policy.

On specific **communications activities**, we will explore opportunities for using audio and video technology in-house; utilise new opportunities for online report launch events; review how we measure our impact; and review our events sponsorship approach.

Financial review

Review of income and expenditure for the year ended 30 September 2023

We present the financial statements for the year to 30 September 2023.

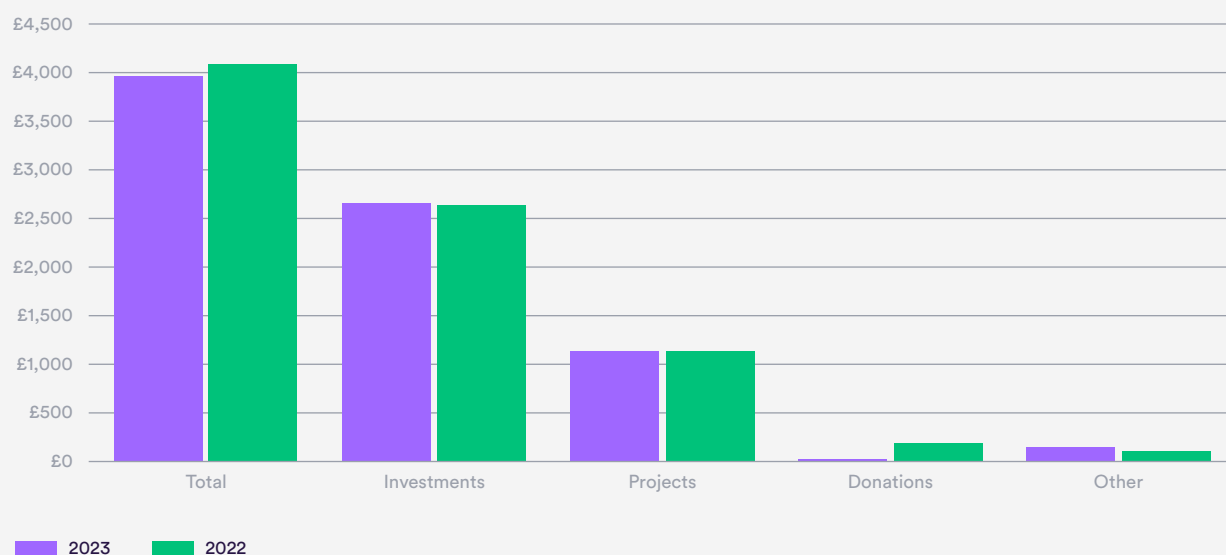
The Nuffield Trust benefits from an expendable endowment which is primarily held in an investment portfolio. On a long-term basis, and in line with our financial strategy and reserves policy, we aim to maintain the value of these investments (adjusted for inflation). We apply a total return approach to investing, meaning that we do not differentiate between income and market gains (despite each being shown separately on our Income and Expenditure statement). Given the above, due to our treatment of market gains, in some years our annual report will show a significant surplus, while in others it will show a significant deficit. This year, despite underperforming the investment performance target, investments have performed positively, and we show a surplus.

Total income for the year amounted to £3,964,000 (2022: £4,087,000), of which £1,138,000 (2022: £1,138,000) was generated from charitable project activities ('Projects' in the chart below) and £2,826,000 (2022: £2,949,000) was derived from other sources, namely investments, donations and other activities.

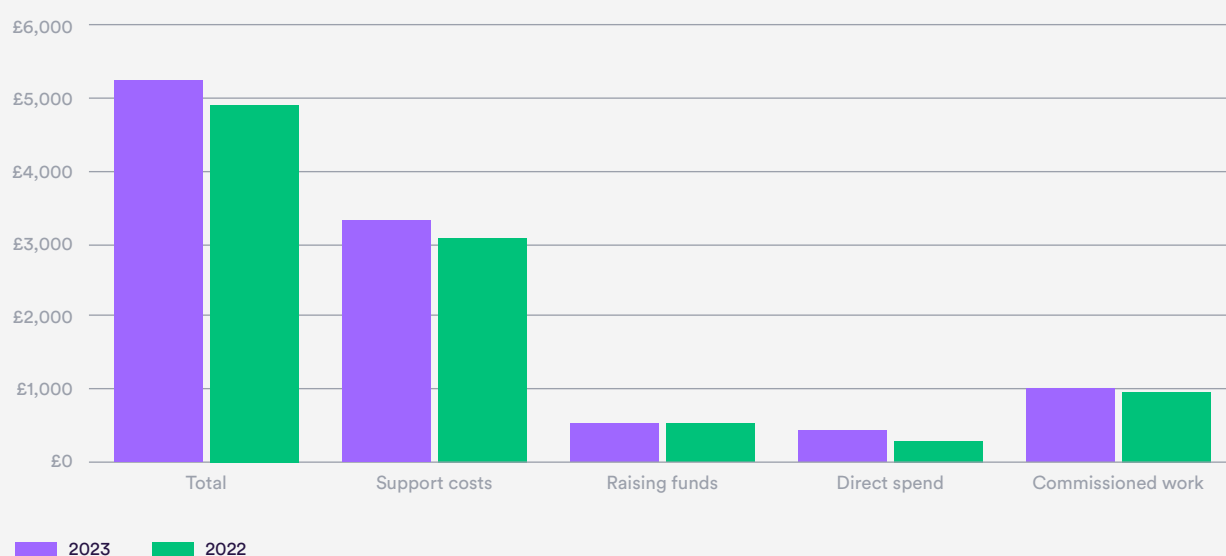
Income from charitable (project work) activities was unchanged between 2022 and 2023. Work on charitable project work may span more than one year with income and expenditure being recognised considering an assessment of proportion of work completed at the year-end.

Income from other sources decreased by £123,000 between 2022 and 2023 due to a £12,000 increase in investment income, an increase of £34,000 in other income and a decrease of £169,000 in donations. These donations are the notional benefit of secondments to the Trust, made free of charge.

Review of income for the year ended 30 September 2023, and comparison with 2022



Review of expenditure for the year ended 30 September 2023, and comparison with 2022



Total expenditure for the Trust for the year was £5,267,000 (2022: £4,908,000), of which £4,731,000 (2022: £4,377,000) related to charitable activities, which includes the costs of completing project work. Support costs in note 8 include costs of employing staff and providing the infrastructure to enable the work of the Trust to be completed. Direct spend on projects includes commissioning expertise; disseminating our work, including making it available through open access; and ensuring that our work is subject to appropriate peer review.

Expenditure on charitable activities increased by £354,000 between 2022 and 2023 due to the net effect of an increase in expenditure on commissioned charitable project work, an increase in spend attributable Direct Spend on our internally funded project activities, a planned decrease in staff costs and an increase in other overhead expenditure. These overhead costs are driven in part by an increase in spend on our IT systems, demonstrating an investment in this area since the pandemic.

Expenditure on raising funds increased by £5,000 between 2022 and 2023 due to investment management fees decreasing by £6,000 as average funds under management have decreased, and the staff costs allocated to generating funds increasing by £11,000.

Net gains on investments for the year were £4,409,000 (2022: Loss -£9,828,000). Further details on investment performance are below.

The net income for the year was £3,106,000 (2022: Loss -£10,649,000).

The Trust is nearly four years into a 5 year strategy, covering the period 2020–2025, in which it lays out the plans for future periods. This five year strategy lays out the Trust’s core objectives in pursuit of achieving the charitable purpose of the organisation:

- To influence policy and practice through generating and synthesising information on health and social care to facilitate both better policy and better practice.
- To challenge and support those involved in planning and delivering healthcare to think more creatively and innovatively about how to adapt and redesign services to meet changing patient needs;
- To provide information on the evidence, statistics, facts and research which politicians and policy makers use in their interventions in the health and care system in the UK.

Further information can be found regarding the Trust’s approach to delivering the strategy and the specific measures of success on our website at www.nuffieldtrust.org.uk/about.

Net assets at 30 September 2023

The Trust's consolidated net assets at 30 September 2023 were £95,959,000 (2022: £92,853,000). This represents an increase of £3,106,000 (3%) compared with the net assets at 30 September 2022, which was caused by an increase in the value of investment funds due to the net effect of positive performance and our normal annual drawdown.

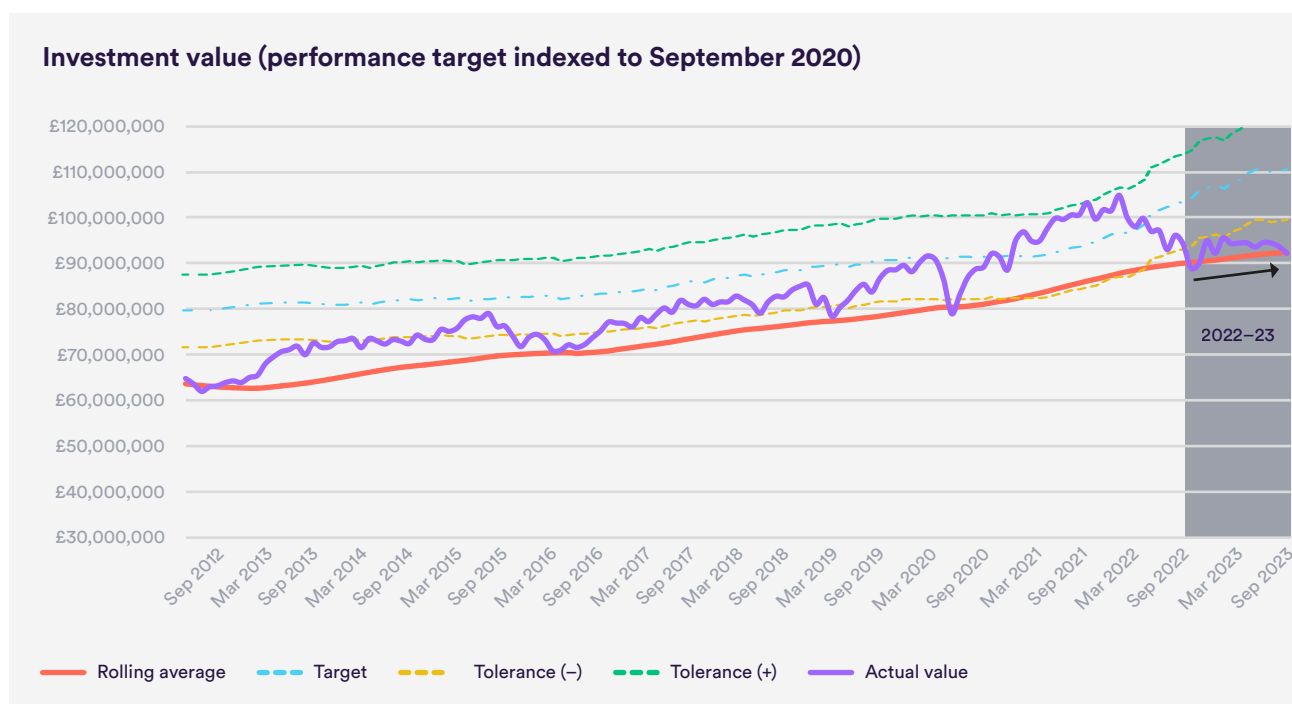
+4.5% per annum; designed to enable a drawdown of funds to support expenditure on charitable activities of 4% (based on a rolling average). Over shorter time periods, performance is measured against a bespoke benchmark based on the underlying strategic asset allocation.

The overall return (before fees) on the total investment portfolio was £7,064,000 for 2023 (2022: Loss -£7,185,000). The portfolio of investments had a total value at 30 September 2023 of £92,203,000 (2022: £88,926,000).

Investment performance

The long-term investment performance objective for the combined portfolio is to achieve a total return, net of fees, of CPI

When assessing performance against our long-term objectives, we look at the total value of the investment portfolio, after taking into account withdrawals to

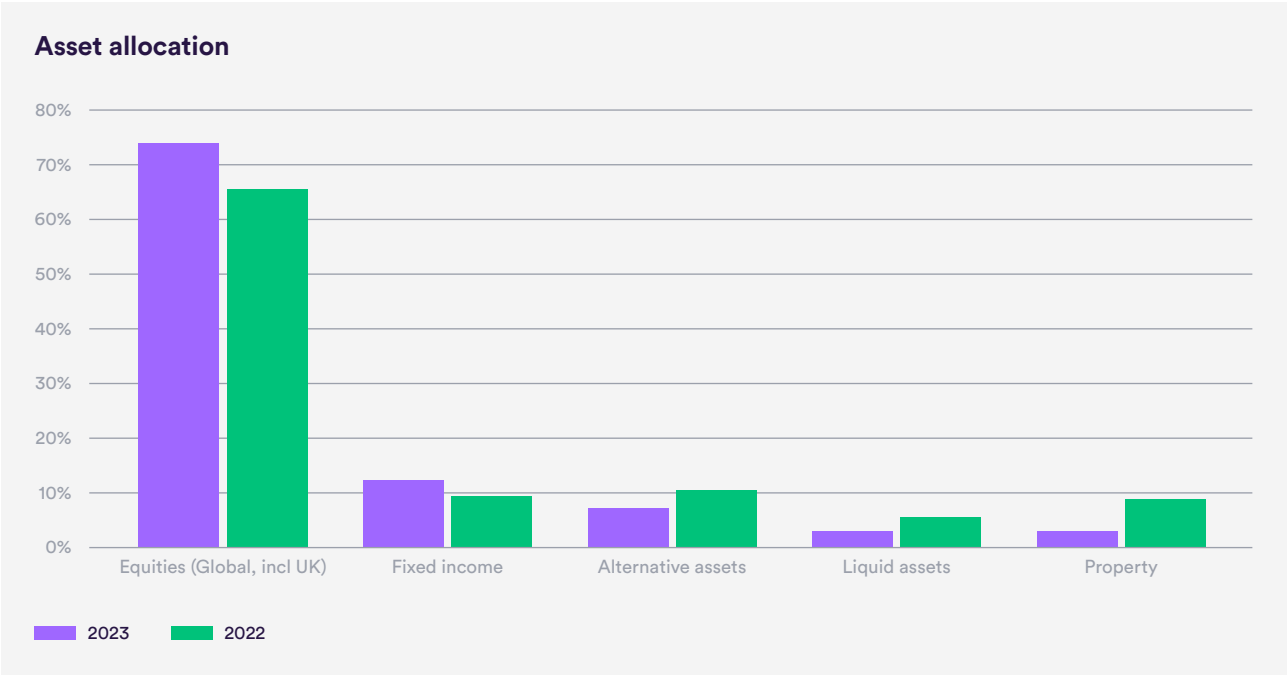


support charitable purpose and investment management fees. We index the performance target and actual values in the chart above to September 2020 allowing a medium to long term comparison to be achieved.

Using this approach, we assess (as could be expected in the prevailing economic climate) that values have fallen behind inflation in the medium term, as measured by the consumer prices index, and therefore behind the Trust’s agreed investment value target, currently set as CPI+0.5%, being the performance target (CPI+4.5%), less the agreed drawdown (4%). The chart above presents the value of our investments in absolute monetary terms, which also captures the impact of periods where the total amount drawn from investment funds

differed from the 4% drawdown model, for example during periods of reduced activity or the reinvestment of surplus funds.

The tolerance bands in the chart above are used to quantify the expected volatility inherent in the agreed investment strategy and to help assess the level of risk in the portfolio at a given time. Risk, often measured in terms of equity risk, is monitored by management and can be presented in terms of comparative asset allocation. As might be expected, external events may lead to tactical measures being taken to adjust the risk in the portfolio, such as in particularly volatile markets as we have seen in recent years. The combined effect of investment markets continuing to react to external factors, including the inflationary environment have



led to performance being below the expected lower tolerance. We monitor this closely with our investment managers although take some assurance that investments have performed within our scenario analysis used in planning for the year.

For the 12 months to 30 September 2023 the total value of the investment portfolio has fallen -3.0% (2022: -20.9%) behind of inflation, as measured by the consumer prices index, or -3.5% (2022: -21.4%) behind of the inflation linked target, after allowing for the drawdown.

During the year under review the investment assets of the Trust were managed by Sarasin and Partners LLP, with a small amount of funds invested in a J P Morgan Property Fund which is now fully liquidated.

The funds managed by Sarasin and Partners LLP are invested in two funds which complement each other to achieve the approved investment strategy; the majority of funds are held in the pooled Endowments fund, a diversified multi-asset exempt fund for charities, with the remaining funds held in a segregated Global Equity Dividend portfolio, allowing greater exposure to global equity assets. Both funds have an ethical investment policy that includes avoiding tobacco stocks (further details on

our approach to responsible investment, including ethical restrictions can be found within Financial Strategy and Reserves). The individual income yields on the Endowments fund and Global Equity Dividend portfolios were 2.9% and 2.9%, respectively, and the combined weighted yield across the aggregated portfolios was 2.9% for the period to 30 September 2023 (2022: 3.0%).

The Trust also held investment in JP Morgan Asset Management's European Property Fund, a closed and illiquid asset in the final stage of liquidation. These funds were held separately from the assets managed by Sarasin. At 30 September 2023, the fair value placed on this investment, after taking account of redemptions of £13,000 (2022: £nil) received in the year, including cash held against currency hedge, was £nil (2022: £16,000).

Financial strategy and reserves

The Trust's strategy is guided by its policy on expenditure, reserves and investments.

The Trust's policy on expenditure is to ensure there are adequate funds in order to generate a sufficient return to fund both the current and future charitable activities of the Trust.

The Trust generates income from a variety of activities that support its core purpose and make the best use of its resources. Where the money generated is insufficient to cover its total expenditure, a proportion is drawn from the investment capital. In agreeing the level of resources, Trustees are mindful of their responsibility for the long-term stewardship of the Trust. Trustees take a risk-based approach, which aims to balance the Trust's ambition in meeting its charitable objectives; its ability to generate income; and its capacity to spend from investments, now and in the future.

The Trust's total reserves at 30 September 2023 were £95,959,000. As set out in note 19 to the accounts, the entire amount, £95,959,000 represents the expendable endowment.

The Trust's policy on reserves is based on ensuring that they are sufficient to support the long-term nature of its work and cope with fluctuations in annual income. The Trust's policy on 'free reserves' is based on a risk based modelling approach, assessing the impact and timing of key operational risks (as described below) and ensuring the level of reserves are sufficient to mitigate against likely events. 'Free Reserves' exclude both funds which can only be realised by disposing of tangible assets, and are distinct from funds assigned for other purposes, which

in accordance with Charity Commission guidance, would also exclude the value of endowment funds. "Free Reserves" have been agreed at a target level of £1,750,000, reviewable annually, and allowing a +/- 25% variance from this target before a recovery plan is required. We believe this approach to be proportionate to the needs of the Trust and reduces the risk that we become unduly reactive to immaterial matters. Current "free reserves" (being the total of "Short term deposits" and "Cash and bank and in hand") are £2,034,000 and are within the target band. The Trustees consider reserves to be at an appropriate level as these funds are sufficient to meet the foreseeable future activities and income fluctuations.

In planning for the activities during this year, Trustees agreed a deficit budget and therefore the utilisation of excess reserves held as we entered the year. This was a carefully considered approach intended to maintain levels of activity and impact in a challenging economic environment. With underperforming investments, our drawdown for the year (based upon our drawdown approach) reduced as a proportion of our operational expenditure. This was considered appropriate action at the time, although we acknowledge this is not sustainable long-term. Management were successful in reducing the budgeted deficit in

the year, and have maintained a position of having excess free reserves.

The Trust's policy on investments is to take a long-term approach, investing globally in a range of assets with the intention of preserving the value of the endowment in real terms after any drawdown to fund expenditure. Ethical restrictions in place limit direct investment in tobacco production and investment in companies that derive significant income (greater than 10%) from armaments, gambling, alcohol, adult entertainment or tobacco.

A review at the financial year end, indicates that exposure to these restricted areas amount to approximately 0.16% of our total holdings, up from 0.07% last year, or £144k, with the largest proportion being alcohol, through holdings in retail and leisure outlets. In addition, Trustees are committed to reviewing the Trust's ethical investment restrictions at least annually.

Trustees are committed to continually reviewing the stance on Environmental, Social and Governance (ESG) issues.

Previous improvements saw Trustees take a more sustainable approach to climate issues and to join an investor coalition, run by ShareAction called Long-term Investors in People's Health (LIPH). In our next review, we intend to review our priorities in this area, considering also decision making and measurement against our objectives.

The Trust's investment strategy is to manage the portfolio on a total return basis, income and capital combined. The Trust has a strategic asset allocation that is geared towards equities because of their risk / return profile in the long term (based on historical performance). The Trustees recognise that the Trust may need to withdraw both investment income and some of the investment capital to fund annual drawdown. This is set annually as part of the budget process based on the average value of the investment fund over the last 20 quarters (at the point of setting the budget).



Going concern

In agreeing the planned activities for the coming 12 to 18 months, the Trust has implemented the following approaches to ensure that operations remain viable under the scenarios that are likely, given the future uncertainty caused by the wider economic conditions:

- In support of the Trust's strategic aims and to enable successful translation of activities to budget, the Trust has produced a forward look for the year ahead.
- The budget has been based on business as usual basis, having considered the risks presented by the current environment, modelled using financial scenario forecasts covering a period of five years.
- Increased financial reporting to the Trustees and to Leadership Team to ensure timely information in support of strategic decision making.

More broadly, the Board regularly reviews forecasts and projections and, having considered this routine review and the information provided from above, has not identified any material uncertainty relating to the Trust's ability to continue as a going concern.

Structure, governance and management

The Trust is a company limited by guarantee, registered in England and Wales as company number 00382452. It is registered with the Charity Commission as charity number 209169.

The Trust's Articles of Association provide for a minimum of four Trustees, and a maximum of twelve. Trustees are appointed for an initial term of three years and may be reappointed for up to a third term, with a further extension of twelve months allowed in exceptional circumstances. Appointment as a Trustee is open to any suitably qualified member of the public. Newly appointed Trustees are provided with an induction programme, which sets out the activities of the Trust and their responsibilities as a Trustee.

Details of the Trust's current Trustees, and those who served during the year, are set out on page 2.

The Board of Trustees meets four times a year with the Chief Executive and the Leadership Team to handle business that has not been formally delegated to the Chief Executive

and to consider other matters related to the operations of the Trust. The Board also make time for private sessions with only the Chief Executive, with the Trust's auditors and as a group of Trustees only. The Board of Trustees has established two other standing committees to support it in its work.

The **Governance, Nominations and Remuneration Committee** assists the Trustees by overseeing: governance; nominations; succession planning; induction support and development of Board members (individually and collectively); human resource issues, including the remuneration packages for directors; and any other functions delegated by the Board.

The **Finance Committee** assists the Trustees by: overseeing all financial and investment aspects of the charity; overseeing systems of internal control; and monitoring risk management, so as to ensure the short- and long-term viability of the Trust.

The membership of these committees is shown on page 2.

The Board has appointed a Senior Independent Director (SID). The Role of the SID is to provide support and advice to the Chair on any issue, to act as an intermediary between the Chair and other Trustees or the Chief Executive in the event of conflict, to assess performance of the Chair and to be a contact for staff in the event of whistleblowing or other issues.

Organisational structure and how decisions are made

The Trustees together constitute the Board of Trustees (the Board). Within the context of delivering the Trust's charitable Objects, the Board is responsible for setting the Trust's values, standards, strategy and objectives, for determining its budget and for the discharge of its functions. They monitor the Trust's performance; have overall responsibility for the Trust's work and ensure that it acts within its statutory and charitable remit.

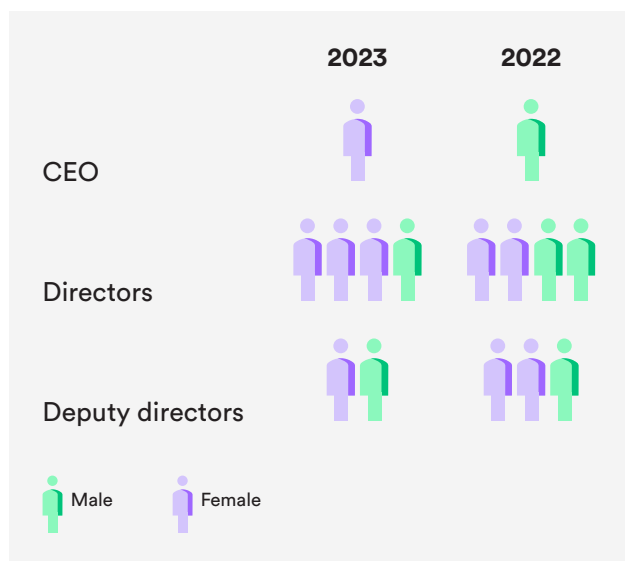
The Trustees appoint a Chief Executive, to whom they delegate the responsibility for realising the Trust's strategies and objectives and for the day-to-day management of the Trust. The Chief Executive is supported by a Leadership Team, to whom they delegate authority for financial and contractual decision, as detailed in the 'Scheme of

Delegation of Financial and Contractual Authorities'. The corporate governance arrangements, including the scheme of delegation, are reviewed at least every two years. The last review and update was completed in June 2023 and the next review is scheduled to be completed by the summer of 2025.

Directors work within the framework set by the strategic plan and annual operating plan approved by the Board. Work programmes are produced for the different areas of activities. Progress on these work programmes is reported regularly to the Board, and approval secured for changes where necessary. It monitors, reviews and takes action on strategic goals and work programmes. Details of the current Key Management Personnel and those who served during the year can be found on page 3.

Since extending the Leadership Team structure during 2021 to include deputy directors, the structure has been unchanged. The Leadership Team regularly review their working approach, modifying it as appropriate to ensure effectiveness, for example by adopting a more frequent meeting pattern during national lockdowns.

The Leadership Team structure for decision making is illustrated below (taken at 30 September 2023):



Our funding

The Nuffield Trust has an expendable endowment valued at £95,959,000 at 30 September 2023. This endowment provides the Trust with a valuable source of income (£2,655,000 in the current year). We also obtain funds by withdrawing a proportion of the investment capital each year, in line with our financial strategy.

These sources of funds are not adequate to fund all our activities but guarantee a consistent and completely unrestricted stream of funds. The sources of our other

income, from charitable activities, donations and others, is set out in the Consolidated Statement of Financial Activities.

The sources of our funding are diverse, with no single organisation contributing a sufficient proportion of the income to create reliance or significant risk to the organisation were it to be withdrawn. This provides reassurance that our objectivity and independence can be maintained

Managing risk

The Trust's risk management approach, governed by the Board of Trustees, is documented as the Corporate Risk Assessment and Management Framework. This framework describes the processes defining risk identification, assessment, recording, ownership, measurement and monitoring. A complete review of the approach to risk management was undertaken during 2022 and the recommended improvements have been applied this year.

Within the framework, there are three categories of risks: 'static', i.e. unlikely to require significant change in the short to medium term; 'dynamic', i.e. ever changing and with management controls that are under constant review; and 'evolving',

low-level risks which may, in the right environment, convert into high-level risks in the future, captured on a 'watch list'. The review frequency of each category has been defined to ensure appropriate levels of focus and resource are applied.

The Trust's Leadership Team is responsible for ensuring that the risk management approach is adequately applied and for reporting to Trustees based on risk category and the defined review frequency.

A summary of the Trust's approach to mitigating the most significant risks is shown below.

Risk	Management response	
	Management approach/plan	Monitoring process
The Trust are successfully targeted in a cyber-attack.	• Application of IT Security strategy across the Trust. • Staff training and awareness programme. • Technological controls. • Business continuity plans.	• External assessments – ISO and Penetration Testing. • Real time threat reporting.
Levels of funding at the Trust are insufficient to support charitable activities.	• Continual development and review of external funding opportunities • Defined objectives and restrictions set for investment managers. • Use of financial modelling to predict the impact of economic events on investments.	• Regular review of potential funding opportunities and bids in the pipeline. • Regular review of investment manager performance, both against target and modelling.
The Trust's independence is challenged.	• Ensure suitable editorial control arrangements. • Ensure suitable funding proportions (internal/external funding) and that the sources of funding would not jeopardise independence, whether perceived or actual. • Approach to managing intellectual property.	• Review of editorial control and IPR commitments at contractual stage, ensuring fit for purpose. • Regular review of funding sources.
There is a failing in Information Governance (IG) controls at the Trust.	• Maintain our ISO 27001 accreditation, continually improve our approach to IG, and ensure access to relevant training. • Proactive approach to cyber security.	• Internal and external audits of IG arrangements. Annual renewal of ISO/the NHS IG toolkit. • Annual network security assessments.

In addition to the above risks, other risks in respect of reputation, dissemination, staff retention and HR planning, project management and data access are also captured and actively managed.

When assessing risks, we consider changes to the context of the organisation that might affect the risk likelihood or impact at a given time. This was evident during the Coronavirus pandemic when specific risks were heightened during the period, or, more recently, during the high inflation and increasing interest economic environment we have seen during 2023.

Unmitigated, the environment of high inflation, increasing interest rates and poor investment market performance has the potential to materially affect the Trust's activity levels in the short to medium term. The Trust has existing financial structures that serve to protect activity from short term economic shifts. These are widely understood, regularly reviewed and approved by the Finance Committee.

Given recent economic uncertainty, we have applied additional mitigations and enhanced our monitoring approach. We have developed a model to test a variety of possible scenarios, providing an indication of the long term (five year) impact to our

budget using historic levels of activity and will monitor actual movements through the coming months. We also agree to reduce expenditure at every reasonable opportunity until the level of uncertainty reduces.

Continuing from previous years, the Trust recognises that its employees' personal circumstances may have been impacted significantly, first by the pandemic and now due to events in the economy. We regularly review how we can best support our staff, starting with a commitment for an inclusive and equitable culture which drives developments in areas such as remuneration, learning and development, and flexible working (for more information, see Organisational Effectiveness on page 40).

Remuneration policy

The Trust aims to provide all staff with remuneration packages that are competitive, fair, equitable and sustainable within the available resources of the Trust. The pay and remuneration for directors is approved by the Governance, Nominations and Remuneration Committee. The pay and remuneration for all other staff is approved by the Chief Executive within the financial parameters approved by the Board upon recommendation from the Finance Committee. In reaching its recommendation, the Finance Committee

considers key inflationary indicators (e.g. CPI) and the increases made by comparable organisations and the NHS.

During the year, the Trust has continued to build on previous work around pay and progression. Having developed a competency framework to support the development of individuals and talent during 2020, and implemented a renewed pay progression framework during 2022. We have finalised a new learning and development framework which defines roles, responsibilities and routes to access development opportunities. This framework will be in the process of being implemented, with further work planned in the year ahead.

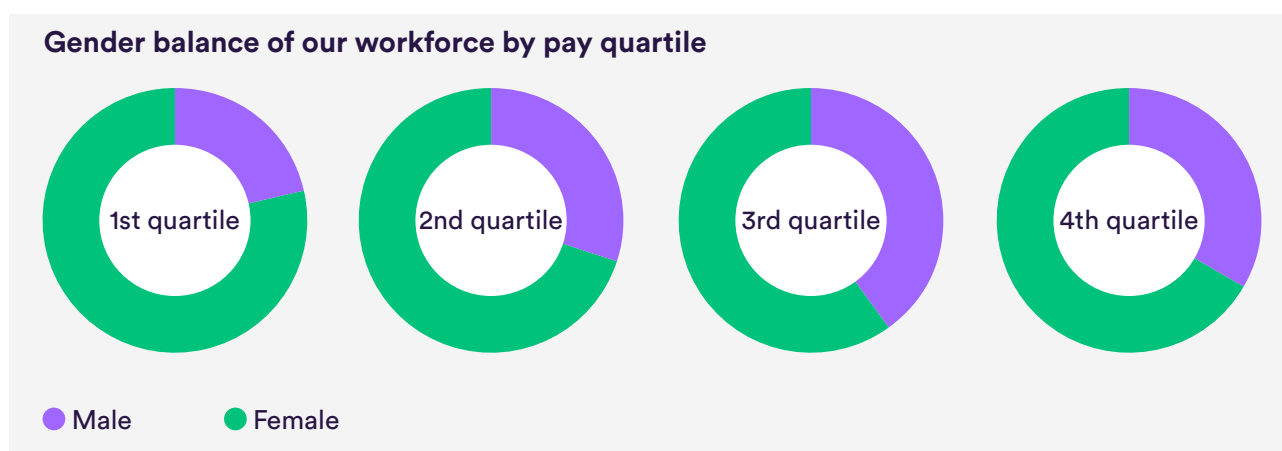
Organisations which employ more than 250 people are required to publish figures comparing men and women's pay. During

2022/23 the Trust had less than 50 individuals on the payroll, and is not therefore under a legal obligation to publish gender pay gap information.

In addition, given the small numbers of staff the figure can fluctuate significantly with small changes in personnel. However, Trustees have agreed that this is information which they wish to keep under review.

The graphic below shows the gender balance of the Trust workforce by pay quartile (1st = highest paid).

Overall, the workforce is predominantly female. Women have a higher representation across each quartile. This overrepresentation falls in the more junior levels, there are very few male staff in the 3rd and 4th quartile.



Fundraising policy

Section 162a of the Charities Act 2011 requires us to make a statement regarding fundraising activities. Although we do not undertake fundraising from the general public, the legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes.” Such amounts receivable could include legacies and grants and are presented in our accounts within ‘charitable activities’.

In relation to the above, we confirm that all solicitations are managed internally, without involvement of commercial participators, professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the Leadership Team, who are accountable to the Trustees. We are not subject to any regulatory scheme (voluntary or otherwise) or relevant codes of practice, nor have we received any complaints in relation to fundraising activities or consider it necessary to design specific procedures to monitor such activities.

Organisational effectiveness

The Trust strives for continuous improvement, looking both internally and externally for drivers for change. Looking internally, we actively seek to identify opportunities for improvement or gaps in existing process. We use formal gap analysis approaches and use forums to bring in staff opinion. We look externally for learning, including from industry best practice, similar organisations, and learning from the changing economic climate.

Our internal governance framework delegates certain decisions to the responsibility of the Leadership Team. In recent years we have developed a consultative approach, adding greater diversity to the process. We have developed staff representative groups where appropriate and provide a range of channels for staff to feed into the change process.

We have also agreed a strategic objective to improve the benefit gained from external networks. This is not only in relation to our research work, but also the operational aspects of the organisation. We bring in learning from other organisations where we can.

Staff development and pay

The Pay & Progression Framework, launched in January 2022, was further reviewed. This now includes clear behaviour and competency frameworks to further support transparency around decision making. Clearly documented expectations across the organisation aim to support consistent and fair approaches to recruitment and performance reviews. The Quarterly Review process was also reviewed and updated in line with these frameworks to support increased employee effectiveness, better analysis of training needs and, ultimately, greater organisational effectiveness. The probation period objective setting and review process was updated to promote clarity of expectations and support, and to ensure that it aligns with the ongoing review process.

The biennial staff survey, conducted and analysed by an external provider, was run again at the end of 2022, with results presented early in 2023. The findings were largely positive, with some suggested areas of continued focus. The recommendations were reviewed in detail by both the Leadership Team and the Employee Forum with actions agreed.

Equity, Diversity and Inclusion

The Trust again took a significant role in planning the annual Think Tank Outreach

event, aiming to increase diversity in the world of research and policymaking by promoting a career in the sector to students from backgrounds that are traditionally underrepresented in think tanks. The Trust took part in the Health Data Science Black Internship Programme, for the second year, supporting two interns to develop their research skills and experience. Further work on neurodiversity at work had led to the development of a template to guide discussions about reasonable adjustments and any further available support.

Intellectual Property

Building on work last year, we have extended out thinking on Intellectual Property. Last year we developed and implemented guiding principles that would help to protect our independence and therefore ability to generate public benefit through our work. We recognise intellectual property as an important asset, not only to the Trust but also our employees.

As with many research organisations, we appreciate that our staff bring with them a career of structured thinking and developed ideas on topics relevant to our work. With this often comes collections of structured data that, when unencumbered by third party intellectual property rights we welcome into our work and value greatly. In return, we

commit to supporting our staff to continue to protect and maintain any intellectual property introduced, and make assurances regarding the future ownership beyond employment with the Trust.

Operations Team effectiveness review

The Operations Team provide essential support to the other functions of the Trust. Continuing from the previous years, during the year we have reviewed how effective these support functions are, thus assessing the ability of the team to add value to the activities of the Trust. We use this regular review to identify areas where we might improve, triggering an improvement plan to be delivered against over the coming 12 months.

Resource deployment

We have an established resource deployment framework, setting expectations on how staff time will be deployed in achieving the charity's strategic aims. This includes how time is allocated to delivering projects and expected business activities, like management, but also aims to ensure space for learning and development and contributing to the benefits that a social element brings to the workplace.

We continue to review the components parts of this framework and have identified

room for improvement in protecting time for learning and development. There are several factors to consider, and we plan to hold some workshops with staff in the near future.

Future ways of working

The Trust's Hybrid Working Policy was implemented from January 2022. This policy describes the working arrangements that apply to those who opt to work in a hybrid manner. Hybrid working is recognised as an important element of both our strategy for adapting to, and thriving in, the new working environment; and commitment to supporting staff to achieve a positive life balance. Staff continue to have regular opportunities to feed back their experience of hybrid working, which informs policy reviews.

Since the implementation of formal flexible working arrangements for our staff last year, we have seen an increase in flexible working arrangements and see this as a positive impact to both our work and our staff's wellbeing.

Subsidiary undertaking

The Trust holds a wholly owned trading subsidiary, Nuffield Trading Limited, which historically carried out non-charitable trading activity for the Trust. At the end of the September 2019 financial year, the decision to absorb these activities into the Charity as

non-primary purpose income was made and the subsidiary has since moved to a dormant status. Details are included in Notes 2 to the accounts.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Nuffield Trust for Research & Policy Studies in Health Services for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 14 December 2023 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Martin Marshall'. The signature is fluid and cursive, with the first name 'Martin' and the last name 'Marshall' clearly distinguishable.

Martin Marshall

Chair, The Nuffield Trust

Independent auditor's report to the members of The Nuffield Trust for Research & Policy Studies in Health Services

Opinion

We have audited the financial statements of The Nuffield Trust for Research & Policy Studies in Health Services (the 'charitable company') for the year ended 30 September 2023 which comprise the statement of financial activities, balance sheet, 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 FRS 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 charitable company's affairs as at 30 September 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 charitable company 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 Trust'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 other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except

to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or

- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the Trust's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the Trust operates in, focusing on those laws

and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the Trust from our professional and sector experience.

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Sayer Vincent LLP".

Joanna Pittman (Senior statutory auditor)

Date: 15 December 2023

for and on behalf of Sayer Vincent LLP,
Statutory Auditor

Invicta House, 108-114 Golden Lane,
London, EC1Y 0TL

Statement of financial activities (incorporating an income and expenditure account) for the year ended 30 September 2023

	Note	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Expendable endowment fund 2023 £'000	Total funds 2023 £'000	Total funds 2022 £'000
Income and endowments						
Donations	3	25	–	–	25	194
Investment income	4	–	–	2,655	2,655	2,643
Charitable activities	5	775	363	–	1,138	1,138
Other		146	–	–	146	112
Total income and endowments		946	363	2,655	3,964	4,087
Expenditure						
Raising funds	6	–	–	536	536	531
Charitable activities	7	4,127	604	–	4,731	4,377
Total expenditure		4,127	604	536	5,267	4,908
Net gains/(losses) on investment assets	12	–	–	4,409	4,409	(9,828)
Net income/(expenditure) before transfers		(3,181)	(241)	6,528	3,106	(10,649)
Transfers	10	3,181	241	(3,422)	–	–
Net movement in funds		–	–	3,106	3,106	(10,649)
Reconciliation of funds						
balances brought forward		–	–	92,853	92,853	103,502
Balances carried forward		–	–	95,959	95,959	92,853

Movement in funds are disclosed in note 18 to the financial statements.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The notes on pages 54 to 73 form part of these financial statements.

Balance sheet at 30 September 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	11	1,696	1,747
Investments	12	92,203	88,926
		93,899	90,673
Current assets			
Debtors	13	744	750
Short term deposits	14	16	1,003
Cash at bank and in hand		2,018	971
		2,778	2,724
Creditors: amounts falling due within one year	15	(518)	(358)
Net current assets		2,260	2,366
Total assets less current liabilities		96,159	93,039
Provisions for liabilities	16	(200)	(186)
Net assets		95,959	92,853
Funds			
Expenditure endowment fund	19	95,959	92,853
Total funds		95,959	92,853

Approved by the Chair on behalf of the Trustees of The Nuffield Trust and authorised for issue on 14 December 2023.



Martin Marshall
Chair, The Nuffield Trust.

Company Number: 00382452

The notes on pages 54 to 73 form part of these financial statements.

Statement of cash flows for the year ended 30 September 2023

	Note	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Cash flows from operating activities					
Net Income/(expenditure)		3,106		(10,649)	
(Gains)/losses on investments		(4,409)		9,828	
Depreciation of tangible fixed assets		76		86	
Decrease/(Increase) in debtors		152		(117)	
Increase in creditors		14		101	
Increase in provisions		14		29	
Investment portfolio income		(2,617)		(2,638)	
Cash used in operating activities			(3,664)		(3,360)
Cash flows from investing activities					
Dividends and interest from investment portfolio		2,617		2,638	
Purchase of tangible fixed assets		(25)		(83)	
Proceeds from sale of investments		10,679		9,074	
Purchase of investments		(9,547)		(8,121)	
Cash generated by investing activities			3,724		3,508
Increase in cash and cash equivalents			60		148
Cash and cash equivalents at the beginning of the year			1,974		1,826
Cash and cash equivalents at the end of the year			2,034		1,974
Analysis of cash and cash equivalents					
Short term deposits	14		16		1,003
Cash at bank and in hand			2,018		971
Cash and cash equivalents			2,034		1,974

No reconciliation of net debt has been prepared as the Trust holds only cash and cash equivalents. The net change in cash or cash equivalent funds during the period was £60,000 (2022: £148,000).

Notes on the financial statements

1. Accounting policies

The Nuffield Trust is an incorporated charity registered in England and Wales with the Charity Commission. The address of the registered office is given on the opening page of this document and the nature of its operations is set out in the report of the directors. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies.

Key judgements that the charity has made which have a significant effect on the accounts include; those involving estimations regarding the income attributable to the partial delivery of funded projects and, in determining the correct treatment of our obligations in relation to the USS Pension Scheme.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern and have prepared these financial statements on a going concern basis. Evidence considered whilst making this assessment include the value of our investments, secured future operational funding levels and the levels of our free cash reserves.

Basis of consolidation

The subsidiary entity was dormant for the entire reporting period and therefore its activities are not material to giving a true and fair view. In accordance with the Charities SORP (FRS102), the Trustees are not required to prepare consolidated accounts and have chosen not to do so.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income – Donations of services

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Investment income

Dividends and interest are included on an accruals basis.

Dividends and interest are stated inclusive of the relevant tax claim as the Trust has activities that are not liable to income tax.

Income from charitable activities

For consistency, all income from grants and contracts is recognised on a performance related basis. Revenue is recognised only when funds have been utilised to carry out the activity stipulated in the agreement. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs. An annual appraisal is performed to consider where this is not appropriate and an adjustment may be necessary.

Expenditure

These comprise costs of raising funds and charitable expenditure.

Costs of generating funds comprises expenses relating to the governance and management of the charity's investments.

Direct charitable expenditure comprises commissioned work and expenditure on performance-related charitable contracts

directly relating to the objects of the charity. Commissioned work is allocated and recognised as expenditure in full in the year of approval from the General Fund on the basis of the anticipated expenditure during the tenure of each piece of commissioned work. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources and including the associated costs of publication and dissemination. Expenditure on performance-related contracts is recognised only when the activity stipulated in the agreement has been completed. This is generally equivalent to the proportion of the relevant recognised income during the year.

Support costs include those relating to business support (including human resource and general administration expenses), executive management, and governance (including trustee recruitment costs, and audit fees), finance, and information systems. The details of support costs are shown under note 9.

Fixed assets

Items of equipment are capitalised where the purchase price exceeds £4,000.

Furniture and equipment acquisitions have been capitalised and depreciation provided for at 25% on an annual straight line basis.

The leasehold premises (originally acquired by The Nuffield 1940 Trust in 1992) are depreciated over the remainder of the lease, currently 60 years. Straight line depreciation of 5% per annum is applied to capital additions, including any leasehold improvements. The Trustees consider whether there has been any impairment of the property on an annual basis.

Gains and losses on Investments (Realised and Unrealised)

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

Staff pensions

During the year the Trust operated a Group Personal Pension scheme administered by Royal London. This is a defined contribution scheme. The Trust is not a member of any other pension schemes. Accordingly, due to the nature of the schemes, the accounting charge for the period under FRS102 represents the employer contributions payable.

Funds

The expendable endowment fund was created by a donation from The Nuffield 1940 Trust. The income from this fund is on the terms equivalent to the objects of the Trust and is therefore not restricted. The terms of the fund allow the income to be accumulated and the capital to be spent as the Trustees determine. Being unrestricted, these funds can be used to supplement expenditure from other unrestricted or restricted funds.

Designated funds are funds that have been set aside by the Trustees for a specific purpose, with the balance constituting the charity's expendable endowment. During the period, no designated funds were held.

Restricted funds are established where a specific trust exists under charity law. These trusts are established on the substance of the funding arrangement and may not be explicitly declared in the terms of the funding. An analysis of restricted funds is provided in note 18. The allocation of costs to restricted funds is done on either a directly incurred basis, or on an apportionment basis based on the funding agreement.

Unrestricted Funds are spent at the discretion of our Trustees to further the charity's purposes. These funds capture income and expenditure not falling within the other

funds and are free to be used to supplement expenditure made from restricted funds.

Financial instruments

The charity has both basic and non-basic financial assets and financial liabilities. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details are given in the financial instruments note.

Fixed assets investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities.

Derivative financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in the Statement of Financial

Activities. Outstanding derivatives at reporting date are included under the appropriate format heading, depending on the nature of the derivative.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Contingent Liabilities

A contingent liability is disclosed where there is a possible obligation, arising from past events, which will only be triggered by the occurrence of one or more uncertain future events not wholly within the trustees' control. In accordance with the Charities SORP, contingent liabilities are disclosed in the notes to the accounts, unless the possibility of their existence is remote. The note includes a brief description of each contingent item and, where practical, an estimate of the financial effect.

Investment in Subsidiaries

Investments in subsidiaries are at cost.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. Subsidiary

The Trust owns the whole of the issued capital amounting to £1 (one ordinary share of £1 each) of Nuffield Trading Limited, a company registered in England and Wales with number 06898100. As previously noted, Nuffield Trading Limited has been dormant for the entirety of the financial year and consolidated accounts are not prepared.

3. Donations income

	2023 £'000	2022 £'000
Donation income – seconded staff	25	194

Secondments and placements

The Trust has benefitted throughout the year from 4 secondments. The Trust gratefully acknowledges the support and has estimated that the value is £25,000 (2022: 4 secondments, £194,000).

4. Investment income

Investment income recognised in the year was made up as follows:

	2023 £'000	2022 £'000
Investment portfolio	2,617	2,638
Bank interest	38	5
	2,655	2,643

All the investment income was attributable to the expendable endowment.

5. Charitable activities

	2023 £'000	2022 £'000
Income from projects	1,138	1,138

Of the income from charitable project activities, £775,000 in 2023 was related to unrestricted funds (2022: £772,000) and £363,000 was related to restricted funds (2022: £366,000).

6. Raising funds

	2023 £'000	2022 £'000
Investment management fees charged	312	318
Support costs (note 9)	224	213
	536	531

All the expenditure from raising funds is related to the expendable endowments fund.

7. Charitable expenditure

The objects of the Trust are to promote, carry out or advance any charitable objects, and in particular the prevention or relief of sickness and the advancement of the health of the people of the United Kingdom, in particular through the promotion of improvements in the quality of health care and health policy. All the activities of the charity are managed through a single structure with the impact of activities reported against the strategic objectives. Below is an analysis of this expenditure:

	Restricted £'000	Unrestricted £'000	2023 £'000	2022 £'000
Commissioned work				
Direct expenditure	60	140	200	91
Allocation of staff costs	403	204	607	651
Allocation of support costs	141	71	212	228
Total spend on externally funded projects	604	415	1,019	970
Direct spend				
Direct expenditure	–	173	173	47
Allocation of staff costs	–	174	174	216
Allocation of support costs	–	61	61	48
Total spend on internally funded projects	–	408	408	311
Charitable activity support costs (as shown in note 8)	–	3,304	3,304	3,096
	604	4,127	4,731	4,377

Of the charitable expenditure of £4,731,000 in 2023, £4,127,000 was related to unrestricted funds (2022: £3,886,000) and £604,000 was related to restricted funds (2022: £492,000).

7a. Comparative table (2022)

	Restricted £'000	Unrestricted £'000	2022 £'000
Commissioned work			
Direct expenditure	56	35	91
Allocation of staff costs	323	328	651
Allocation of support costs	113	115	228
Total spend on externally funded projects	492	479	970
Direct spend			
Direct expenditure	–	47	47
Allocation of staff costs	–	216	216
Allocation of support costs	–	48	48
Total spend on internally funded projects	–	311	311
Charitable activity support costs (as shown in note 8)	–	3,096	3,096
	492	3,886	4,377

8. Allocation of support costs

Support costs allocated to different activities are set out below, showing the basis of the allocation.

	Raising funds 2023 £'000	Charitable activities 2023 £'000	Restricted Project activities 2023 £'000	Unrestricted Project activities 2023 £'000	Total allocated 2023 £'000	Total 2022 £'000
Staff time (nature of the charge)	184	2,767	–	–	2,951	2,599
Notional cost of seconded staff (nature of the charge)	–	25	–	–	25	194
Premises costs (use of area)	12	151	41	39	243	265
IT and telephone costs (staff time)	16	202	56	52	326	238
Travel and hospitality (staff time)	–	3	1	1	5	3
Professional fees (staff time)	1	7	2	2	12	22
Communications and PR (staff time)	4	51	14	13	82	87
General costs including irrecoverable VAT (staff time)	7	82	23	21	133	148
Governance fees (nature of the charge)	–	16	4	4	24	29
	224	3,304	141	132	3,801	3,585

Trustees' expenses included in general costs above amount to £3,000 (2022: £nil), in relation to two trustees for travelling and subsistence expenditure.

Governance fees include audit fees of £19,000 net of VAT, which forms the remuneration of the auditor (2022: £25,000).

9. Staff emoluments

	2023 £'000	2022 £'000
Salaries costs	2,795	2,595
Social security costs	308	292
Pension costs	389	363
Other staff costs	240	217
	3,732	3,467

The key management personnel of the charity, as defined by SORP, comprise the Trustees and the Directors within Senior Staff as listed on page 4. The total employee benefits of the Trustees was nil for both 2023 and 2022, for Senior Staff during the year it totalled £781,000 (2022: £658,000).

During the year, staff were recruited or assigned to specific projects or other income streams, or have had costs allocated on time spent basis to our project activities. The costs of these colleagues are included in direct project expenditure.

	2023 £'000	2022 £'000
Staff costs, allocated as direct costs to Commissioned Charitable Projects	607	651
Staff costs, allocated as direct costs to Internally funded Charitable Projects	174	216
Allocated as support costs	2,951	2,599
	3,732	3,466

The average number of employees employed during the year was, by headcount 49 (2022: 46), by full time equivalent 45 (2022: 43).

Higher paid employees

The numbers of employees for whom remuneration exceeded £60,000 were:

	2023	2022
£60,000 to £70,000	6	5
£70,000 to £80,000	3	4
£80,000 to £90,000	3	–
£90,000 to £100,000	1	2
£100,000 to £110,000	2	1
£120,000 to £130,000	1	1
£180,000 to £190,000	–	1
£190,000 to £200,000	1	–

10. Transfer between funds

Under the terms of the expendable endowment, any shortfall in unrestricted or restricted funds can be transferred from the expendable endowment.

	2023 £'000	2022 £'000
Net expenditure for the year from unrestricted charitable activities	(3,181)	(2,807)
Net expenditure for the year from restricted charitable activities	(241)	(126)
Transfer from expendable endowment to unrestricted and restricted funds	(3,422)	(2,933)

11. Tangible fixed assets

	Leasehold properties £'000	Leasehold property Improvement £'000	Furniture and equipment £'000	Total £'000
Cost				
At 1 October 2022	1,900	351	278	2,529
Additions	–	25	–	25
Disposals	–	–	–	–
At 30 September 2023	1,900	376	278	2,554
Depreciation				
At 1 October 2022	(378)	(200)	(204)	(782)
Provision during the year	(25)	(19)	(32)	(76)
Disposals	–	–	–	–
At 30 September 2023	(403)	(219)	(236)	(858)
Net book value				
At 30 September 2023	1,497	157	42	1,696
At 30 September 2022	1,523	151	73	1,747

The leasehold properties were transferred from The Nuffield 1940 Trust on 30 November 2007 at deemed cost.

12. Fixed asset investments

	2023 £'000	2022 £'000
Fair value at 1 October 2022	87,698	98,577
Additions	9,547	8,121
Disposals	(7,832)	(7,520)
Unrealised gains	2,102	(11,480)
Fair value at 30 September 2023 (Listed Investments)	91,515	87,697
Cash and Cash Equivalents*	689	1,228
Total investments at 30 September 2023	92,204	88,925
Historical cost of assets held at 30 September 2023	69,914	68,886
The geographical split of investments is as follows:		
UK	77,028	75,280
Overseas	15,175	13,645
	92,203	88,925

* Includes market value of forward foreign exchange transactions.

Realised and unrealised gains/(losses) on investments

	2023 £'000	2022 £'000
Unrealised gains	2,102	(11,481)
Realised gains	2,307	1,653
	4,409	(9,828)

13. Debtors

	2023 £'000	2022 £'000
Prepayments	149	186
Other debtors	595	564
	744	750

14. Short-term deposits

	2023 £'000	2022 £'000
Coutts Bank 90 day Deposit accounts	16	1,003
	16	1,003

15. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Tax and social security	89	–
Commissioned work commitment	93	39
Accruals and other creditors	287	228
Deferred Income	49	90
	518	357

16. Provision for liabilities

	2023 £'000	2022 £'000
Leasehold obligations	200	186

17. Financial instruments

	2023 £'000	2022 £'000

Financial assets

Financial assets measured at fair value through the statement of financial activities

92,203	88,926

Financial assets that are debt instruments measured at amortised cost

2,632	2,724

Financial liabilities

Financial liabilities measured at amortised cost

572	544

Financial assets measured at fair value comprise investments.

Financial assets measured at amortised cost comprise debtors, short-term deposits and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise creditors and provisions.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow and interest rate risk is included in the Trustees' annual report.

Included within financial assets at fair value are a number of derivative instruments, including swaps and forward purchase arrangements, which form part of the organisation's overall investment strategy. As at 30 September 2023 the fair value of these derivatives was -£80,000 (2022: -£228,000).

18. Funds

Fund name	Balance b/f £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/Losses £'000	Balance c/f £'000
Expendable endowment	92,853	2,655	(536)	(3,422)	4,409	95,959
Unrestricted funds	–	946	(4,127)	3,181	–	–
Restricted funds	–	363	(604)	241	–	–
Total Funds	92,853	3,964	(5,267)	–	4,409	95,959

Details of the fund transfers are included in note 10.

The expendable endowment fund was originally created by a gift from Viscount Nuffield in June 1940 to The Nuffield 1940 Trust.

Restricted funds are established where a specific trust exists under charity law. These trusts are established on the substance of the funding arrangement and may not be explicitly declared in the terms of the funding. These restricted funds are associated with defined research activities. The allocation of costs to restricted funds is done on either a directly incurred basis, or on an apportionment basis based on the funding agreement.

Unrestricted Funds are spent at the discretion of our Trustees to further the charity's purposes. These funds capture normal operating income and expenditure not falling within the other funds and are free to be used to supplement expenditure made from restricted funds.

19. Analysis of net assets between funds

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Long Term Liabilities & Provisions £'000	Total £'000
Expendable endowment fund	1,696	92,203	2,260	(200)	95,959
Unrestricted funds	–	–	–	–	–
Restricted funds	–	–	–	–	–
Total funds	1,696	92,203	2,260	(200)	95,959

* Comparative table shown in note 24(a).

20. Staff pensions

The Trust is not a current member of a defined benefit pension scheme. Historically it was a contributing member of the Universities Superannuation Scheme (USS) defined benefit pension scheme.

The total pension charge for the period for all schemes was £389,000 (2022: £363,000).

Nuffield Group Personal Pension Plan

The Trust established the Nuffield Group Personal Pension Plan (NGPPP) on 1 April 2009. This is a defined contribution pension scheme, previously administered by Legal & General (until February 2021), now administered by Royal London (since March 2021).

Employees are required to contribute a minimum of 4% of salary and the Trust contributes 14%. All staff, by headcount 49 (2022: 46) employees are members of the scheme.

21. Commitments under operating leases

The charity had minimum lease payments under non-cancellable operating leases as set out below:

	2023 £'000	2022 £'000
Not later than 1 year	36	36
Later than 1 year and not later than 5 years	144	144
Later than 5 years	1,986	2,022
Total	2,166	2,202

22. Contingent liability

USS Pension Scheme

The USS is a funded multi-employer scheme. Following the departure of the Nuffield Trust's last remaining employee in the USS pension scheme in May 2015, an employer S.75 debt liability was triggered and became due in May 2016. During our work to quantify this liability it was identified that the Trust had two separate liabilities to the USS pension scheme. The first liability being the S75 liability related to former employees and the second arising as guarantor under an 'Approved Withdrawal Agreement' which the Trust entered into in October 2007.

During the 2018 financial year, the Trust settled the liability in respect of the Section 75 debt.

The 'Approved Withdrawal Agreement' has clearly defined 'trigger events', which, following legal advice, the Trust does not envisage occurring in the foreseeable future. Any liability will be calculated as at the date of the 'triggering event'. As such there is insufficient probability, as to both the timing and amount, of any liability due to USS to enable us to make a provision for this. In accordance with chapter 21 of Financial Reporting Standard 102, this potential liability is therefore disclosed as a contingent liability in note 26.

To ensure the Trust was meeting its obligations as a guarantor to the scheme, Counsel's opinion was sought on the matter. Counsel's opinion confirmed the legal advice which had already been received; that the liability was not yet due and that the USS were exceeding the bounds of the scheme rules in making such a demand.

During October 2020, The Pensions Regulator became involved in this matter, having been contacted by USS Pensions requesting that they issue a payment notice in respect of the Approved Withdrawal Agreement. The Trust co-operated fully with the Regulator. During the financial year, the Regulator have confirmed they have no intention to issue a payment notice at this time, acknowledging and supporting the approach taken in assuring USS of our capacity to pay the liability should it become due.

The Trust continues to communicate with USS on this matter.

Following legal advice and despite recent events disclosed above, the Trust maintains that there is insufficient probability as to both the amount and timing, which is calculated at the date of the ‘triggering event’, to enable the Trust to make a provision for any liability due to the USS pension scheme. The value of the liability is calculated at the point that it is triggered, therefore it is not practical to estimate the financial effect of this contingent item.

23. Related party transactions

In accordance with SORP (FRS102), the Trust’s transactions with Nuffield Trading Limited are set out below.

	2023 £'000	2022 £'000
Sales	–	–
Amounts due from Nuffield Trading Limited	–	–

There were no other related party transactions or donations from related parties during the year.

24. Comparative statements

24a. Comparative Analysis of net assets between funds (2022)

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Long Term Liabilities & Provisions £'000	Total £'000
Expendable endowment fund	1,747	88,926	2,366	(186)	92,853
Unrestricted funds	–	–	–	–	–
Restricted funds	–	–	–	–	–
Total funds	1,747	88,926	2,366	(186)	92,853

24b. Comparative Analysis of movement between funds (2022)

Fund name	Balance b/f £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/Losses £'000	Balance c/f £'000
Expendable endowment	103,502	2,643	(531)	(2,933)	(9,828)	92,853
Unrestricted funds	–	1,078	(3,886)	2,807	–	–
Restricted funds	–	366	(492)	126	–	–
Total Funds	103,502	4,087	(4,908)	–	(9,828)	92,853

24c. Consolidated statement of financial activities (2022)

	Note	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Expendable endowment fund 2023 £'000	Total funds 2022 £'000
Income and endowments					
Donations	4	194	–	–	194
Investment income	5	–	–	2,643	2,643
Charitable activities	6	772	366	–	1,138
Other		112	–	–	112
Total income and endowments		1,078	366	2,643	4,087
Expenditure					
Raising funds	7	–	–	531	531
Charitable activities	8	3,886	492	–	4,377
Total expenditure		3,886	492	531	4,908
Realised and unrealised gains on investment assets	13	–	–	(9,828)	(9,828)
Net income/(expenditure) before transfers		(2,807)	(126)	(7,716)	(10,649)
Transfers	11	2,807	126	(2,933)	–
Net movement in funds		–	–	(10,649)	(10,649)
Reconciliation of funds – balances brought forward		–	–	103,502	103,502
Balances carried forward		–	–	92,853	92,853

Following a review of our accounting policies we have identified a number of grant funded projects which should have been recognised as restricted. There has been no change to income, expenditure or the net movement in funds as a result of this.

24d. Allocation of support costs (2022)

	Raising funds 2022 £'000	Charitable activities 2022 £'000	Restricted Project activities 2022 £'000	Unrestricted Project activities 2022 £'000	Total allocated 2022 £'000
Staff time (nature of the charge)	174	2,425	–	–	2,599
Notional cost of seconded staff (nature of the charge)	–	194	–	–	194
Premises costs (use of area)	13	159	38	55	265
IT and telephone costs (staff time)	12	143	34	49	238
Travel and hospitality (staff time)	–	2	–	1	3
Professional fees (staff time)	1	13	3	5	22
Communications and PR (staff time)	4	52	12	18	87
General costs including irrecoverable VAT (staff time)	8	88	21	30	147
Governance fees (nature of the charge)	–	19	4	6	29
	213	3,096	113	163	3,585

Nuffield Trust is an independent health think tank. We aim to improve the quality of health care in the UK by providing evidence-based research and policy analysis and informing and generating debate.

**59 New Cavendish Street
London W1G 7LP
Telephone: 020 7631 8450
www.nuffieldtrust.org.uk
Email: info@nuffieldtrust.org.uk**

Published by the Nuffield Trust.
© Nuffield Trust 2023. Not to be reproduced
without permission.

Accounts



Report and financial statements

For the year ending 30 September 2022

The Nuffield Trust for Research and Policy Studies in Health Services (formerly The Nuffield Health and Social Services Fund) is a company limited by guarantee, registered in England and Wales as company number 00382452. It is registered with the Charity Commission as charity number 209169.

Nuffield Trading Limited is a company registered in England and Wales as company number 06898100.

Patron

Her Royal Highness The Princess Royal

Registered office

59 New Cavendish Street, London, W1G 7LP.

Contents

Board of trustees	2
Trustees' annual report	4
Chair and Chief Executive forewords	6
The Nuffield Trust's year in numbers	9
1. Our strategic objectives	10
2. Our activity in 2021–2022	11
3. Our impact	18
4. Organisational development	22
5. A look forward to the year ahead – 2022/2023	23
Financial review	25
Structure, governance and management	34
Independent auditor's report to members of the Nuffield Trust	45
Notes on the financial statements	54

Board of trustees

Martin Marshall (**Chair**)
(appointed 29 September 2022)

Irshaad Ahmad

Samira Ben Omar
(appointed 23 June 2022)

Professor David Oliver

Andrew McKeon CBE (**former Chair**)
(resigned 30 September 2022)

Dr Rosie Benneyworth

Rupert Hill (**Chair of the
Finance Committee**)

Tara Donnelly

Sonja Marjanovic

Sarah Pickup

Thea Stein

Martin Marshall is the Chair of the Governance and Remuneration Committee, the other members are Rupert Hill, Tara Donnelly and Professor David Oliver. Other members during the period were Andrew McKeon CBE who was the Chair (until 30 September 2022).

Rupert Hill is the Chair of the Finance Committee. Other members are Irshaad Ahmad, Dr Rosie Benneyworth and Sarah Pickup. Other members during the period were Andrew McKeon CBE (until 30 September 2022).

Non-Trustee Member of the Finance Committee: Kim Lim, resigned February 2022.

Company secretary
Ruth Hallesy

Senior staff

Nigel Edwards, Chief Executive
John Appleby, Director of Research and
Chief Economist
Helen Buckingham, Director of Strategy
Leonora Merry, Director of Communications
Ben Willbond, Director of Finance
and Operations
Rowan Dennison (Deputy Director
of Communications)
Natasha Curry (Deputy Director of Policy)
Sarah Scobie (Deputy Director of Research)

Auditors

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

Bankers

CCLA, 80 Cheapside, London EC2V 6DZ
Coutts & Co, 440 Strand, London WC2R 0QS

Investment managers

Sarasin & Partners LLP, Juxon House,
100 St Paul's Churchyard, London EC4M 8BU

Legal advisers

Stone King LLP, 91 Charterhouse Street,
London, EC1M 6HR

Charity number 209169

Senior associates and visiting fellows

Professor Sir Nick Black
Professor Richard Bohmer
Dr Ronny Cheung
Richard Darch
Steve Dunn
Jason Frerich
Professor Deirdre Heenan
Fiona Johnson
Bob Klaber
Sharon Lamb
Dr Richard Lewis
Professor Nicholas Mays
Dr Nadeem Moghal
Anne Marie Rafferty DBE
Veena Raleigh
Dr Geoffrey Rivett
Jonty Roland
Professor Judith Smith
Dr David Steel OBE
Nicholas Timmins
Sylvia Wyatt

Trustees' annual report

The Trustees present their report and the financial statements of the charity for the year ending 30 September 2022. The Trustees have prepared the financial statements in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – Charities SORP (FRS102)* 2nd Edition and the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The charitable objectives of The Nuffield Trust for Research and Policy Studies in Health Services (the Trust) are to promote, carry out or advance any charitable objects, and in particular the prevention or relief of sickness and the advancement of the health of the people of the United Kingdom, in particular through the promotion of improvements in the quality of health care and health policy.

Our 2020–2025 strategy contains the following statement of intent that guides all of our work:

The Nuffield Trust is an independent health think tank. We aim to help achieve a high-quality health and social care system that improves the health and care of people in the UK by providing evidence-based research and policy analysis and informing and generating debate.

We set out to do this by:

- improving the evidence base that leads to better care by undertaking rigorous applied research and policy analysis;
- using our independence to provide expert commentary, analysis and scrutiny of policy and practice; and
- bringing together policy-makers, practitioners and others to develop solutions to the challenges facing the health and social care system.

In everything we do we seek to be grounded in the practical implications of policy-making, working closely with NHS staff and policy-makers to identify solutions to real problems that affect how health and care services are delivered and the outcomes they achieve. Above all, we aim to be a trusted and respected voice at a time of unprecedented challenge to the NHS and social care system.

We strive to be:

- independent and free from vested interests;
- rigorous, robust and evidence-based in the work we undertake;
- relevant, supportive but also challenging when we need to be;
- open and engaging with all those we come into contact with; and
- an organisation that makes a difference to the quality of policy-making and practice in the UK.

Chair and Chief Executive forewords

Foreword from Andy McKeon CBE, outgoing Chair

This is my last act as outgoing chair of the Nuffield Trust. I am pleased and proud to have been part of the Nuffield Trust for over a decade and to have been chair for the last six years.

The Nuffield Trust has had another strong year, publishing important and impactful reports and analysis on health and social care in England and more widely across the United Kingdom. Its corporate services have risen well to the post-Covid-19 challenges. And, although the endowment has been buffeted by the general global market turmoil, it remains in a strong financial position.

The organisation has been very ably led by Nigel Edwards and the wider leadership team, but it has also been blessed with strong staff throughout the organisation. It is they who enable the Nuffield Trust to have the impact it does which is reflected in this, and previous, annual reports.

The Nuffield Trust was founded by Lord Nuffield in 1940, an astounding act of confidence. Its purpose was evidence based and it was designed to make a difference. These last two values have and will continue to underpin the Nuffield Trust's work. It will need to draw on its well of confidence and knowledge as the pressures on health and social care grow ever greater and even more intense.

Finally, I must thank my fellow trustees who have provided high quality support and guidance to me. They hold Nigel and the wider leadership team effectively to account but also encourage and help them and staff generally to maximise the quality of the Nuffield Trust's work and its impact to improve health and social care across the United Kingdom.

Foreword from Prof Martin Marshall, incoming Chair

It is such a privilege to be taking over from Andy McKeon as Chair of the Nuffield Trust at a time when its high-quality analysis, independence and objectivity has never been more needed. The impact of the Nuffield Trust's work over the last year, as detailed in this report, is testament to the role it plays in conducting rigorous research and analysis and providing informative commentary on health and social care.

I want to highly commend the Nuffield Trust's staff on their achievements this year and I look forward to supporting the organisation in its mission to improve policy, practice and public understanding in this area.

Foreword from Nigel Edwards, Chief Executive

This is the third year of the Nuffield Trust's 2020–2025 strategy. Following the dominance of Covid-19 and associated challenges for the past two years, this year has seen the future of health and care services firmly back on the policy agenda. Set against a challenging economic backdrop and at times a fraught political climate, we have been well positioned to provide insightful commentary and analysis on the relentless NHS and social care pressures that have been present all year.

Standing independent both of the health and care system and of politics, we are funded predominantly by our own endowment and can act nimbly in response to the health policy environment. Policy discussions have increasingly focused on major issues or events that long pre-date the Covid-19 pandemic, with much of our analysis and commentary achieving significant impact. We have continued to play a role in explaining, informing and educating on the various elements of health and social care. We responded to the Johnson administration's commitment to a new health and care levy by focusing on the lack of urgency and scale of funding to be raised to support social care

reform which achieved extensive national coverage and a letter placed in the Times. Our work on the Health and Care Bill has positioned us well to influence and inform debate on issues such as integration, the role of the Secretary of State in reconfigurations, the social care cap and the need for adequate workforce data.

Partnerships with different organisations have enabled our work to reach a significantly wider audience. Our analysis of the NatCen British Social Attitudes Survey in partnership with The King's Fund, which showed a striking drop in satisfaction with the NHS, received widespread print and online media coverage. Two collaborations with the BBC on regional variation in GP numbers and waiting times in Wales enabled us to speak to some of the biggest questions facing the NHS at present. We have also been well placed to inform the Health Select Committee's work on the NHS workforce, providing bespoke analysis on vacancy numbers which featured at the centre of a well-publicised report, as well as membership of the Committee's Expert Group to assess progress against the government's stated targets on cancer, maternity and mental health.

This report details the activity we have generated and the impact we have secured for this past year, as well as the financial

and organisational work underpinning our charity. I am very proud of the impact we have achieved over the past year – that is down to the exceptionally high-quality work our staff have delivered and I look forward to working with staff over the coming year.

Finally, this marks the last year with Andy McKeon as our chair. I would like to thank Andy for his enormous contribution as our chair, challenging us to continue to provide high-quality research and insights at an immensely important time for health and social care. We wish him all the best for the future.

The Nuffield Trust's year in numbers



1. Our strategic objectives

The Nuffield Trust works to promote improvements in the quality of health care and health policy. In so doing, it seeks to improve patient care and health for all members of the public. All our charitable activities focus on health care policy and practice and are undertaken to further our charitable purpose for the public's benefit.

Our strategy to 2025 specifies three clear objectives for our work in pursuit of this public benefit:

- 1 To influence policy and practice by generating and synthesising information on health and social care that can facilitate both better policy and better practice.
- 2 To challenge and support those involved in planning and delivering health care to think more creatively and innovatively about how to adapt and redesign services to meet changing patient needs.

- 3 To provide information on the evidence, statistics, facts and research that politicians and policy-makers use in their interventions in the health and care system in the UK.

These objectives have framed both the work we have undertaken (our activity) and the impact we have generated.

2. Our activity in 2021–2022

This financial year marked a shift in government, policy and parliamentary activity away from pandemic reactive policies towards the emergence of a busy post-Covid-19 policy agenda on critical issues pre-dating the pandemic, although the long-term impact of Covid-19 remained the ever-present backdrop. Key Nuffield Trust outputs from the beginning of the year focused on overseas recruitment and the factors that attract or deter nurses from choosing to work in the UK; RSET analysis of remote monitoring for Covid-19 patients; health care access challenges for prisoners; and the impact of the pandemic on children and young people's access to health care services.

The iterative process of researching themes for our annual Summit began in earnest at the start of the financial year, which we had planned to run as a virtual series once again given the uncertainty around a winter event during Covid-19. Early on we finalised themes around recovery, integration and reform of the health and care system, tying into the overall external narrative, with

policy makers, service leaders and politicians beginning to wrestle with the long-term consequences of Covid-19, and policy attention turned to the subject of health and care reform.

This fertile policy environment continued into the middle of the year, leading to significant appetite for cogent and relevant analysis of health and social care policy. Key analysis during this period centred around the British Social Attitudes survey and the views of the public on a range of health and care related issues; four country analysis on integration; international comparisons of Covid-19 recovery; and analysis of hospice services.

A period of major political turbulence towards the end of this financial year moved the government away from policymaking into a form of stasis, yet the appetite from policy and media stakeholders for understanding and interpreting the unfolding challenges in health and social care remained high. Over the last few months, we have provided analysis on regional variation in GP numbers;

performance analysis of waiting times in Wales; bespoke analysis for the Health Select Committee on the NHS workforce; and were commissioned by the Northern Ireland Fiscal Council to conduct an evaluation of Northern Ireland's health service.

The work programme through which we are delivering our corporate objectives has four priority areas: quality and equity; service delivery; innovation; and politics, funding and reform. The section below outlines some of the key activities in each of these four work programmes – it is not a comprehensive list of every output or activity.

a. Quality and equity

Our **QualityWatch** programme, funded by The Health Foundation, is a key component of our work in this area. The programme has published regular updates on trends in the quality of care in different areas, including **public health, long-term conditions and vulnerable groups, mental health and safety**.

We secured a new **QualityWatch** contract with the Health Foundation earlier in the year – the programme builds on the already successful model providing both in-depth and snapshot content to monitor the quality of health and social care. Earlier this year

we published our **QualityWatch Annual Statement** which focused on the significant and concerning impact of Covid-19 on the delivery of routine services for children and young people and was very well received. The BBC exclusively covered the work, which consisted of a briefing and animated scrolling data story. This coverage helped to illustrate the stories behind the numbers. The report was mentioned by Baroness Merron in the House of Lords in a spoken question.

Our expanding portfolio of projects on end-of-life care, to improve the evidence base for policy makers and local systems, has led to partnerships with new organisations. We published a **new analysis of hospice services**, based on a survey carried out by Hospice UK, to better understand how these services are being delivered, the issues they are grappling with, and how the pandemic has changed those services. This project and new partnership with Hospice UK represented a good opportunity to improve the organisation's growing knowledge of and reputation in the end-of-life care sector.

We are also continuing to build on previous prisoner health research work, funded by the Health Foundation. We have published new analysis this year focusing on **women prisoners' use of secondary care and access challenges for prisoners**, to identify

policy and practice recommendations. Our next phase of the work explores older and younger prisoners' use of secondary care.

We are shortly due to publish two projects which build on our inequalities work: one project, funded by the NHS Race and Health Observatory, considers whether there are ethnic differences in access to treatment and in waiting times; the other project, commissioned by the Greater London Authority, reviews the health inequalities test to ensure that NHS and partner organisations undertaking the test can readily see how it applies to them and the services and changes they are planning, and how they have the agency to effect relevant change. Both of these projects will report at the end of 2022.

One of the Nuffield Trust's objectives is to focus on policy areas that are relatively neglected, yet of clear significance to the health and care sector. To that end, we have started a new project looking at the policy challenges and future directions for NHS dentistry, which will provide much-needed analysis of this neglected and deteriorating area of health care. This work has already generated impact, through involvement in a BBC documentary on access to NHS dentistry in August, resulting in significant media coverage.

b. Service delivery

We have built on earlier work to cement our reputation for expert analysis and commentary on the role that smaller hospitals and services play in health care delivery, highlighting the unique challenges these services face and offering solutions to some of these challenges. One ongoing project is exploring which factors were important in driving reconfiguration of acute medical and emergency services in smaller hospitals during the Covid-19 pandemic and whether there are wider lessons for service change. This is due to report at the end of 2022.

Concern within the health service over the future of the workforce is at its highest for years. We published a report which explored the **business case for overseas recruitment** and looked at the factors that attract or deter nurses from choosing to work in the UK. The work contributed to a commitment of additional funding to support NHS trusts in their recruitment from overseas. We were commissioned by NHS Employers to **examine the representation of under-served groups** in the NHS workforce and provide a set of recommendations for change as the NHS strives to become an exemplar of equality, diversity and inclusion.

Regional variation in NHS staffing levels can lead to inequalities in health outcomes, care quality and people's ability to access services. We published a report that **explores supplementary payments** (recruitment and retention premia), which have been used by NHS organisations across England over the last few decades and present an opportunity to ensure a fairer distribution of staff. The work has received very positive feedback from key stakeholders, and we have been approached for some initial discussions on evaluating the impact of a GP retention scheme, as well as evaluating clinical impact awards for consultants.

A continued focus of our workforce programme this year has been to present and analyse evidence on different elements of the health and social care workforce in order to inform policy and practice. We have done this through regular updates to our **NHS staffing tracker** and our **Chart of the Week** series which has covered **staffing targets**, **nurse recruitment**, nurse retention and leaving rates, and **NHS staff sickness absences**, each of which has been very well received and covered widely in media.

We started a new project to understand the service and patient impact of the shift in place of death during the Covid-19 pandemic. We are using for the first time

the OpenSAFELY platform – an open-source software platform for analysis of electronic health records data – to understand what services were provided to patients who died over the course of the pandemic, compared with pre-pandemic, and how service use varied between sub-groups of patients. We have set up a patient and public representative panel to ensure the validity of our findings and the conclusions being drawn. This work is due to report in early 2023.

c. Innovation

Some of our digital work has sought to understand what progress the four countries of the UK have made in **achieving digital transformation** in health and social care. The insights of this have fed into the Select Committee inquiry submission on digital transformation and ongoing engagement with the Digital Health and Care Plan; the **impact of digital primary care on equalities**, which attracted the attention of senior figures in NHS England; and what the **NHS can learn about digital health care from other European countries** which was conducted in partnership with World Health Organization's (WHO) European Observatory on Health Systems and Policies and supported by Optum. This has led to further commissioned work in this area by WHO Europe.

We published a report as part of the work with the Universities of Oxford and Plymouth on an Economic and Social Research Council-funded project 'Remote-by-Default Care in the COVID-19 Pandemic'. It explored the opportunities, challenges and risks associated with the technological shift towards remote consulting, and the practical and policy implications of recent learning. This was a very timely piece of analysis as the debate over appropriate levels of face-to-face and remote appointments continues across media and the government. The programme has now entered phase two, which will inform a more fit-for-purpose remote-by-default model in general practice, considering a number of different themes. We are running a series of workshops focused on these themes which have been very well attended by policy and NHS stakeholders alike.

With increased demand, staff burnout and patient dissatisfaction threatening the stability of general practice, we published a set of linked blogs which examined what might be done to improve matters, focusing on **the problems, what reform might look like and what's needed to implement change**.

Our longer-term research work continues to shed light on some fascinating areas. Earlier this year, as part of our evaluation of **Care**

City, a 'test bed' in East London focused on using new technologies to support people with long-term conditions, we published a report on patient engagement with digital health care, with recommendations for ensuring digital health innovations are applied in the best way for the people using them.

Our NIHR funded **Rapid Service Evaluation Team** has carried out multiple evaluations this year including an evaluation of **remote monitoring models** during the Covid-19 pandemic in the UK; and an analysis evaluating the costs, benefits and implications to staff and patients of **patient-initiated follow-ups** for outpatient services which was well received by NHSE/I. Ongoing work within the RSET programme includes an evaluation of **adult social care in prisons**; an evaluation of **youth violence intervention programme**; and an extension to the patient initiated follow-up project which will explore the impact of PIFU on service use.

We held our second virtual **Rapid Evaluation Conference** over two days in January, organised in partnership with the Health Foundation, BRACE and RSET. The conference looked beyond the Covid-19 pandemic, thinking about the role of evaluation in the NHS recovery towards building a sustainable health care service.

We had over 500 registrations and an average of 100 people watched the sessions live. The feedback from delegates has been very positive.

d. Politics, funding and reform

We partnered once again with The King's Fund to ascertain the views of the public on a range of health and care related issues, as part of the British Social Attitudes survey run by NatCen. Our analysis received widespread media coverage, detailing a striking drop in satisfaction with the NHS and particularly concerning findings on GP services. This work plays a vital role in putting the patient and service user perspective at the centre of our work and adds further gravitas to the public voice.

We have continued to engage with parliamentarians as the Health and Social Care Bill progresses through the legislative process. We have provided close scrutiny of it through briefings for MPs and Peers which were cited by Shadow Minister Baroness Wheeler in the House of Lords. The Lords and Commons Ministers thanked us for engagement in speeches in Parliament. Our top priority, reducing the breadth of Secretary of State powers over reconfiguration, saw

a positive amendment limiting the scope of control.

We published a report comparing policy and progress of integrating health and social care across the four countries of the UK at the end of last year. The report achieved very good engagement with key stakeholders and led to a follow-up meeting with the DHSC team to inform their thinking on the integration white paper.

In September, the Northern Ireland Fiscal Council, an independent body created in March 2021 to bring greater transparency and scrutiny to NI's public finances, published its first annual assessment of the sustainability of NI's public finances. As part of this major review, the Nuffield Trust was commissioned to carry out a review of sustainability in the health system, the Executive's biggest budget item. We looked at health and care funding, productivity, service performance and spending projections in Northern Ireland relative to other countries of the UK, with a focus on comparisons with the English NHS. The report was widely reported across Irish media outlets, as well as the BBC.

In March, we held our second virtual Summit series over a one-week period. The Summit drew a very broad audience, with an average of 150-200 watching the live

sessions. Amanda Pritchard spoke in the opening session of the Summit in what was one of her first big outings as CEO of NHSE/I. The sessions were wide-ranging and timely, covering issues around recovery, integration and reform of the health and social care system, and through an international lens.

On that theme, we launched a new report at the Summit on the **Covid-19 recovery**, drawing on international experience to assess how the NHS has fared compared to other countries, which was commissioned by NHS England and Improvement. The report examined national Covid-19 recovery plans and strategies for how other health systems are working to enhance resiliency and recover services as we move beyond the pandemic. It was covered by the Financial Times and there has been very positive reaction from stakeholders. We were also invited to present the analysis at the NHS ConfedExpo event in the summer.

Building on our reputation for incisive commentary and analysis on Brexit, as part of our project on the impact of Brexit funded by the Health Foundation, we published a number of different resources looking at the impact of Brexit: a **roundtable** with leaders and health experts in Northern Ireland about how they are seeing the UK's departure from the EU, and the related political debates

over the Ireland/Northern Ireland Protocol, play out for health; a **video** examining what impact Brexit has had on the health and care system in the UK, five years after the UK delivered its letter to begin the official Brexit process; and a **blog** discussing what the benefits of Brexit may realistically be. We also published a **report** which considers the impact of leaving the EU and changing international relations for health.

The past year has provided many opportunities for intervention on social care reform. We contributed to the ongoing social care policy debate with a series of different resources: we published two explainers in June on the fair **cost of care policy** and **Scotland's new National Care Service**; and published a blog on the so-called '**down payment**'. Members of the social care team met with a large number of policy-makers and opinion-formers, including a regular meeting with the DHSC Social Care team.

3. Our impact

The public benefit of our work can clearly be seen in its impact. We define and measure impact in three ways:

- **the reach that we have** so that the public, policy-makers and those involved in delivering health care are better informed about health and social care in the UK and what can be done to improve it – this is reflected, for example, in our broadcast and print media counts.
- **the influence that we have** in informing politicians, policy-makers and health and social care practitioners about thinking on health and social care through analysis, pointing out lessons from the past and proposals based on research on how policy and practice can be improved for the benefit of the public – this is evidenced, for example, by our presentations to parliamentary committees, civil servants and ministers, as well as NHS boards and groups of health and care managers.
- changes in policy or practice that result from our work – although this can be very

hard to measure, with policy change often the result of multiple influences and the exact journey from our activity to impact often unclear.

Looking at our three strategic objectives in turn, we can highlight some real examples of impact – and public benefit – in 2021/22 in each of these categories. This section does not attempt to provide a comprehensive list of all the areas in which we have achieved impact. Rather, it attempts to capture the highlights of another seismic year in health and social care.

3.1 Impact on policy and practice

A wide range of our work falls under this objective, which covers much of our ‘sense-making’ and explainer work, as well as in-depth analysis. Impact highlights from 2021/22 include the following:

- Following our previous work which looked at the quality and consistency of ethnicity coding within health datasets,

the Race Disparity Unit (part of the Cabinet Office) drew very strongly on our recommendations for their final report on addressing Covid-19 inequalities. The CQC have also undertaken an analysis of mental health provider coding, following our analysis.

- Our QualityWatch Annual Statement, detailing the significant and concerning impact of Covid-19 on the delivery of routine services for children and young people, achieved sustained and national coverage. The BBC covered the research exclusively, highlighting the toll this has taken on children's access to both physical and mental health services.
- Our explainer content on Covid-19 has proved to be a very popular and authoritative resource – namely explainers on Covid-19 in the four countries and Covid-19 mortality published earlier in the year and which still account for a high proportion of web traffic.
- Our report with Hospice UK on activity in the hospice sector highlighted the importance of improving data collection from the sector and understanding the population served by hospices. We engaged with national bodies on action needed to improve the infrastructure for collecting hospice data, and galvanised hospices to address gaps in data.

3.2 Impact on service redesign

Much of our work aimed at informing health care managers, clinical leaders and policy-makers falls under this objective. This includes our evaluations, our consultancy work for individual NHS organisations and also our convening and events work. Impact highlights from 2021/22 include the following:

- The Royal College of Obstetricians and Gynaecologists have followed up on our work from 2019 where we recommended the need for greater support for rural and remote maternity services, and they have begun to put these recommendations into practice.
- Projects focusing on different staff groups within the NHS workforce have led to clear impact: our work on the mental health clinical support workforce was referenced throughout Health Education England's recently published toolkit for the mental health support workforce. Our work on psychology career paths led to an invitation from the British Association for Counselling and Psychotherapy to advise on their workforce research strategy.
- We have been invited to present at a number of high-profile external events,

including HSRUK, HIMSS-22 and ConfedExpo. In addition, we were invited to present to NHSX as just one of two case studies showing good learning and practice in the use of digital skills to support social care staff.

- Our work providing evidence for policy makers to understand the impacts of changes in access to primary care on a range of important outcomes has achieved much impact so far. This includes advising the NHSE Strategy lead on how to improve patient experience; and a presentation to the NHSE health inequalities network.
- We were asked by NHS England's Children and Young People (CYP) transformation team to advise them on how to best learn from the newly appointed ICS CYP integration test sites (12 sites across seven regions).
- The South East London Integrated Care Partnership commissioned us to help develop their integrated care strategy and a five-year plan. We have been advising on areas to explore, providing insight on issues such as population health and health inequalities, and refining the emerging strategy.

3.3 Impact of our evidence to policy makers

The policy and public affairs work that we do is in pursuit of this objective, offering rigorous analysis to inform politicians from all four UK countries, policy-makers in central and local government as well as within NHS arm's-length bodies. Impact highlights from 2021/22 include the following:

- We have been invited to give oral evidence at seven committee sessions. We were cited in the Migration Advisory Committee's statutory report into migration and adult social care, and it also references our four countries integration report. Our research was cited in the House of Commons 25 times – for example on the role of the private sector, for our examination of the Welsh health service, and on both workforce and access within general practice. We were also cited in the Levelling Up, Housing and Communities Committee's report on the long-term funding of social care, which particularly quoted our input on the provider market.
- There has been significant impact from our work on social care. Our experts in social care have been invited to sit on several DHSC advisory groups for the

social care reform white paper. We have been invited to give oral evidence to the Levelling Up, Housing and Communities Committee on social care and our previous work on social care in Japan was cited in the Integration White Paper.

- Our work on health care access challenges for prisoners, and how these have changed over time, has achieved great impact. It has received several mentions in parliament, including a written question tabled for Gillian Keegan by Lyn Brown MP in the House of Commons. Our work on prisoner health care has also been heavily referenced by the Core20PLUS5 Health and Justice team to evidence the need to address health care inequalities experienced by people in prison.
- We provided bespoke analysis for the Health Select Committee to inform their work on the NHS workforce. Our figures on vacancy numbers provided the key statistic for the launch of their work, with our analysis featuring prominently in the Executive Summary of the report and its media release. Our oral evidence was also mentioned several times in the report.
- We published an exclusive performance analysis of waiting times for BBC Wales. The work followed a request from BBC

Wales for us to review how waiting times in Wales compare with other UK countries and also with historic trends. The BBC also covered the Welsh health minister's reaction to our analysis.

4. Organisational development

Hybrid working policy

We implemented a new hybrid working policy from the 1st April, encouraging people back into the office for some of their time, whilst supporting them to work effectively and productively at home when they choose to do so. This approach is working well. Office utilisation has increased, both in absolute numbers and also in the variety of staff users.

Strengthening our networks and external relationships

This past year we have embedded a more systematic approach to stakeholder engagement, which has resulted in a wealth of new project related contacts. Significant progress had been made in strengthening key relationships with particular organisations, as well as supporting more junior staff to develop their own external contacts.

5. A look forward to the year ahead – 2022/2023

Through our **quality and equity** programme, as part of the QualityWatch 3 programme, we have been further developing our relationships with PPI organisations, for example by working with National Voices to gather broader feedback on the programme and bring a wider perspective to the Nuffield Trust's work.

Work has commenced looking at the policy challenges and future directions for NHS dentistry. This work will provide us with much-needed analysis of this neglected and deteriorating area of health care.

We have begun a new project on access to prevention, diagnosis and treatment for people with a learning disability. This work will help to establish the Nuffield Trust a greater presence in this field.

Our RSET programme, funded by the NIHR, continues to undertake evaluations of innovative practice in health care delivery. We have recently begun phase two of the RSET outpatients work which will explore how patient-initiated follow up is being

implemented and its impact on service use. We have also begun an evaluation of peer support initiatives across prisons in England and Wales to explore how these peer support schemes are used, the experiences of those delivering and receiving social care support and how we can measure the impact and cost of these schemes.

Our prisoner health programme continues to evolve, with new analysis in progress this year focusing on older and younger prisoners' use of secondary care. We will compare their use of hospital services with the non-prisoner population to identify policy and practice recommendations.

Through our **service delivery** programme, we are working with the Royal College of Surgeons in England to explore the challenges facing those with parental or caring responsibilities in pursuing a career in surgery and explore what policy and implementation opportunities there are.

Within our **innovation** programme we have extended work with the Universities

of Oxford and Plymouth on an Economic and Social Research Council funded project 'Remote-by-Default Care in the COVID-19 Pandemic'. This project will look at whether shifting primary care online will enable patients to have more equal access to care and what policy lessons can be learnt, helping to inform a more fit-for-purpose remote-by-default model in general practice, considering a number of different themes. Improving access to primary care has been an area of strategic policy focus consistently over the last decade so this will enable us to continue to take an active role in the debate.

Within our **politics, funding and reform programme**, we are once again partnering with the King's Fund on the 2022 British Social Attitudes survey – a survey run by NatCen to ascertain the views of the public on a range of health and care related issues – putting the patient and public perspective at the centre of our work.

We are continuing with our successful Brexit programme, the third stage of which will disseminate information on the impact of leaving the EU, on procurement, staffing, trade and areas of divergence with EU policy.

On specific **communications activities**, we will bring the Summit back in person for the first time in three years; develop our digital

strategy; utilise new opportunities for online report launch events; maintain an even balance of proactive/reactive media work; and implement our new public affairs plan.

Financial review

Review of income and expenditure for the year ended 30 September 2022

The financial statements for the year to 30 September 2022 have been presented as consolidated accounts for the two entities: The Nuffield Trust for Research and Policy Studies in Health Services and Nuffield Trading Limited (noting that Nuffield Trading Limited is currently dormant).

The Nuffield Trust benefits from an endowment which is primarily held in an investment portfolio. On a long-term basis, and in line with our financial strategy and reserves policy, we aim to maintain the value of these investments (adjusted for inflation). We apply a total return approach to investing, meaning that we do not differentiate between income and market gains. Given the above, due to our treatment of market gains, in some years our annual report will show a significant surplus, while in others it will show a significant deficit. This year, as would be expected with an inflation linked target,

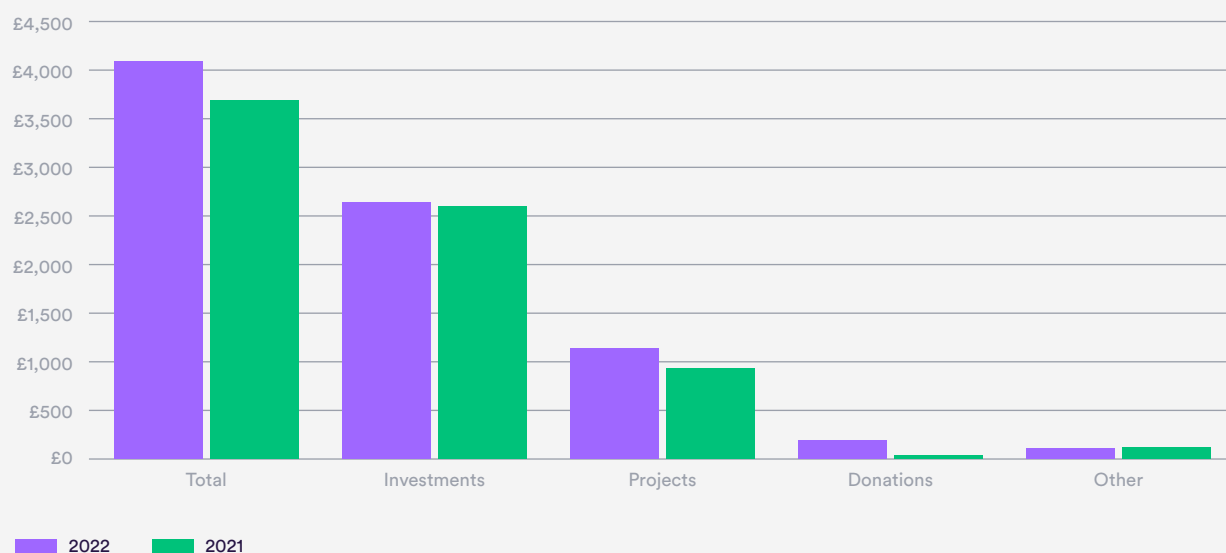
investments have underperformed against the target, so we are showing a deficit.

Total income for the year amounted to £4,087,000 (2021: £3,687,000), of which £1,138,000 (2021: £935,000) was generated from charitable activities and £2,949,000. (2021: £2,752,000) was derived from other sources, namely investments, donations and other trading activities.

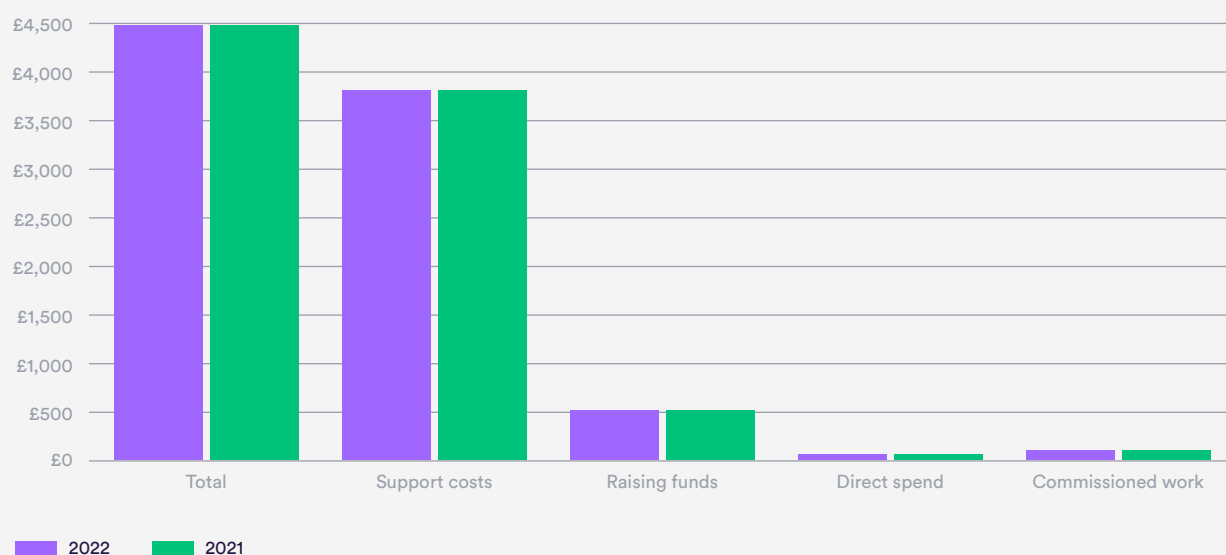
Income from charitable activities increased by £203,000 between 2021 and 2022 due to an increase in purely funded work, with more projects being externally funded by other organisations. Work on projects may span more than one year with income and expenditure being recognised considering an assessment of proportion of work completed at the year-end.

Income from other sources increased by £197,000 between 2021 and 2022 due to a £48,000 increase in investment income, a decrease of £8,000 in other income and an increase of £157,000 in donations.

Review of income for the year ended 30 September 2022



Review of expenditure for the year ended 30 September 2022



Total expenditure for the Trust for the year was £4,908,000 (2021: £4,566,000), of which £4,377,000 (2021: £4,056,000) related to charitable activities, which includes the costs of completing project work. Support costs in note 9 include costs of employing staff and providing the infrastructure to enable the work of the Trust to be completed. Direct spend on projects includes commissioning expertise; disseminating our work, including making it available through open access; and ensuring that our work is subject to appropriate peer review.

Expenditure on charitable activities increased by £321,000 between 2021 and 2022 due to the net effect of a decrease in expenditure on commissioned work, a decrease in spend attributable to income generating activities (Direct Spend on projects), a planned increase in staff costs and an increase in other overhead expenditure. These overhead costs are driven in part by a return to more in office working (see the section on Organisational Effectiveness for more on this).

Expenditure on raising funds increased by £21,000 between 2021 and 2022 due to investment management fees decreasing by £1,000 as funds under management have decreased, and the staff costs allocated to generating funds increasing by £22,000.

Net losses on investments for the year were -£9,828,000 (2021: gains £9,205,000). Further details on investment performance are below.

The net expenditure for the year was -£10,649,000 (2021: income £8,326,000).

The Trust is nearly three years into a 5 year strategy, covering the period 2021–2025, in which it lays out the plans for future periods. This five year strategy lays out the Trust’s core objectives in pursuit of achieving the charitable purpose of the organisation:

- To influence policy and practice through generating and synthesising information on health and social care to facilitate both better policy and better practice.
- To challenge and support those involved in planning and delivering healthcare to think more creatively and innovatively about how to adapt and redesign services to meet changing patient needs;
- To provide information on the evidence, statistics, facts and research which politicians and policymakers use in their interventions in the health and care system in the UK.

Further information can be found regarding the Trust’s approach to delivering the strategy and the specific measures of success on our website at www.nuffieldtrust.org.uk/about.

Net assets at 30 September 2022

The Trust's consolidated net assets at 30 September 2022 were £92,853,000 (2021: £103,501,000). This represents a decrease of £10,648,000 (10%) compared with the net assets at 30 September 2021, which was caused by a reduction in the value of investment funds due to negative performance and our normal annual drawdown.

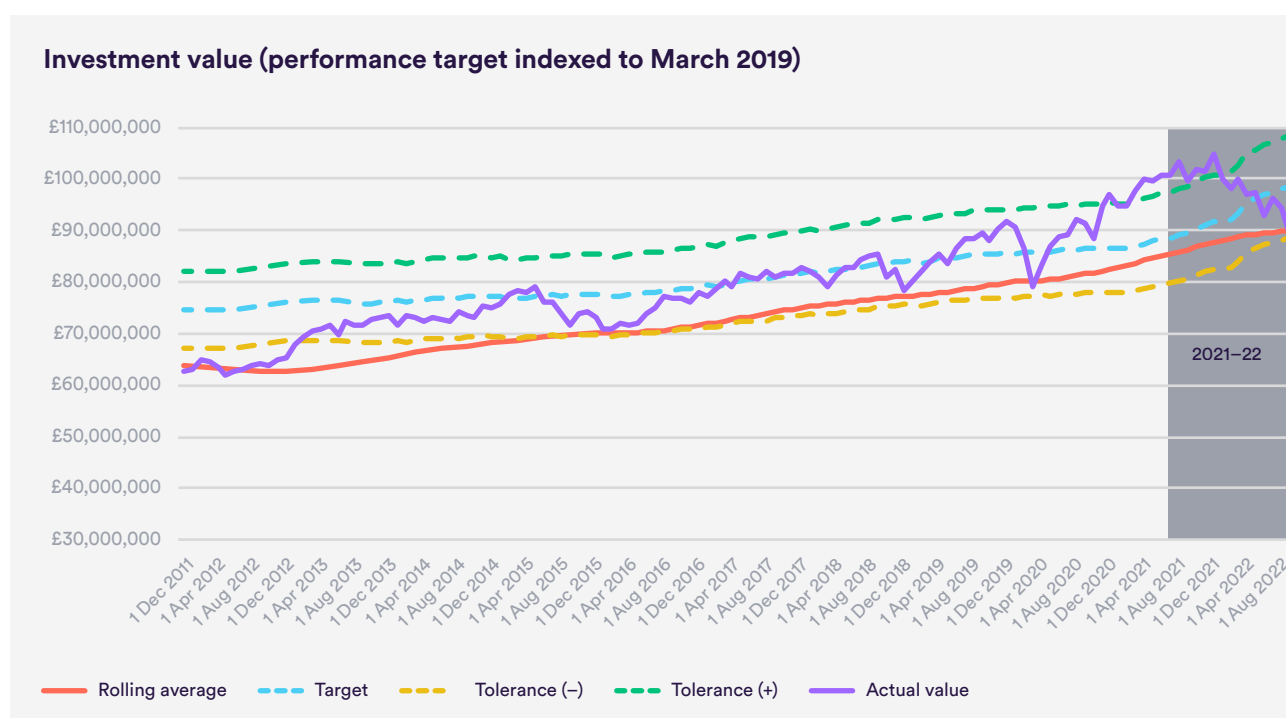
+4.5% per annum; designed to enable a drawdown of funds to support expenditure on charitable activities of 4% (based on a rolling average). Over shorter time periods, performance is measured against a bespoke benchmark based on the underlying strategic asset allocation.

The overall return (before fees) on the total investment portfolio was -£7,185,000 for 2022 (2021: £11,800,000). The portfolio of investments had a total value at 30 September 2022 of £88,926,000 (2021: £99,707,000).

Investment performance

The long-term investment performance objective for the combined portfolio is to achieve a total return, net of fees, of CPI

When assessing performance against our long-term objectives, we look at the total value of the investment portfolio, after taking into account withdrawals to

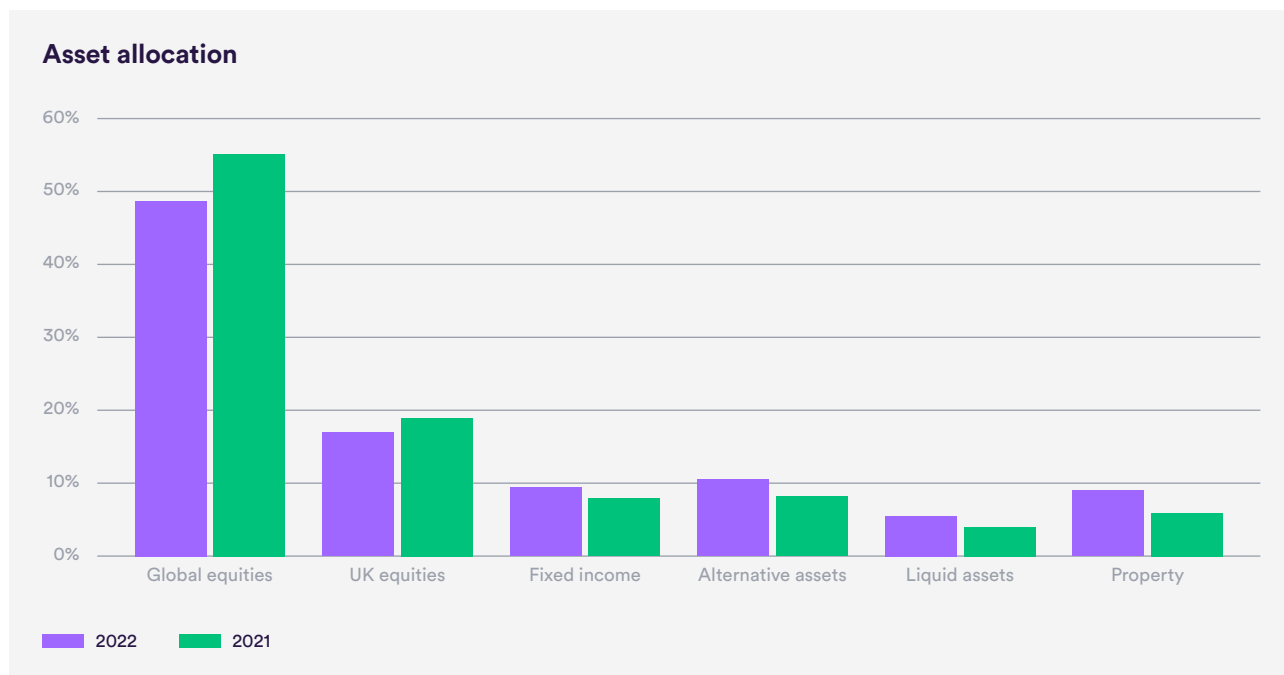


support charitable purpose and investment management fees. We index the performance target and actual values in the chart above to March 2019, allowing a medium to long term comparison to be achieved.

Using this approach, we assess that values have fallen behind inflation in the medium term, as measured by the consumer prices index, and therefore behind the Trust's agreed investment value target, currently set as $CPI+0.5\%$, being the performance target ($CPI+4.5\%$), less the agreed drawdown (4%). The chart above presents the value of our investments in absolute monetary terms, which also captures the impact of

periods where the total amount drawn from investment funds differed from the 4% drawdown model, for example during periods of reduced activity or the reinvestment of surplus funds.

The tolerance bands in the chart above are used to quantify the expected volatility inherent in the agreed investment strategy and to help assess the level of risk in the portfolio at a given time. Risk, often measured in terms of equity risk, is closely monitored by management and can be presented in terms of comparative asset allocation. As might be expected, external events may lead to tactical measures being taken to adjust the



risk in the portfolio, such as in particularly volatile markets as we saw during 2022.

For the 12 months to 30 September 2022 the total value of the investment portfolio has fallen -20.9% (2021: increase 1.5%) behind of inflation, as measured by the consumer prices index, or -21.4% (2021: increase 1.0%) behind of the inflation linked target, after allowing for the drawdown.

During the year under review the investment assets of the Trust were managed by Sarasin and Partners LLP, with a small amount of funds invested in a J P Morgan Property Fund which is in the process of liquidation.

The funds managed by Sarasin and Partners LLP are invested in two funds which complement each other to achieve the approved investment strategy; the majority of funds are held in the pooled Endowments fund (formerly, Alpha CIF for Endowments), a diversified multi-asset exempt fund for charities, with the remaining funds held in a segregated Global Equity Dividend fund, allowing greater exposure to global equity assets. Both funds have an ethical investment policy that includes avoiding tobacco stocks (further details on ethical restrictions can be found within Financial Strategy and Reserves). The individual income yields on the Endowments fund and Global Equity

Dividend portfolios were 3.0% and 3.1%, respectively, and the combined weighted yield across the aggregated portfolios was 3.0% at 30 September 2022 (2021: 2.7%).

The Trust also holds investment in JP Morgan Asset Management's European Property Fund, a closed and illiquid asset in the process of liquidation. These funds are held separately from the assets managed by Sarasin. At 30 September 2022, the fair value placed on this investment, after taking account of redemptions of £nil (2021: £11,000) received in the year, including cash held against currency hedge, was £16,000 (2021: £14,000).

Financial strategy and reserves

The Trust's strategy is guided by its policy on expenditure, reserves and investments.

The Trust's policy on expenditure is to ensure there are adequate funds in order to generate a sufficient return to fund both the current and future charitable activities of the Trust. The Trust generates income from a variety of activities that support its core purpose and make the best use of its resources. Where the money generated is insufficient to cover its total expenditure, a proportion is drawn from

the investment capital. In agreeing the level of resources, Trustees are mindful of their responsibility for the long-term stewardship of the Trust. Trustees take a risk-based approach, which aims to balance the Trust's ambition in meeting its charitable objectives; its ability to generate income; and its capacity to spend from investments, now and in the future.

The Trust's total reserves at 30 September 2022 were £92,853,000. As set out in note 20 to the accounts, the entire amount, £92,853,000 represents the expendable endowment.

The Trust's policy on reserves is based on ensuring that they are sufficient to support the long-term nature of its work and cope with fluctuations in annual income. The Trust's policy on 'free reserves' is based on a risk based modelling approach, assessing the impact and timing of key operational risks (as described below) and ensuring the level of reserves are sufficient to mitigate against likely events. 'Free Reserves' exclude both funds which can only be realised by disposing of tangible assets,

and are distinct from funds assigned for other purposes, which in accordance with Charity Commission guidance, would also exclude the value of endowment funds.

"Free Reserves" have been agreed at a target level of £1,750,000, reviewable annually, but allowing a +/- 25% variance from this target before a recovery plan is required. Current "free reserves" (being the total of "Short term deposits" and "Cash and bank and in hand") are £1,974,000 and are within the target band. The Trustees consider reserves to be at an appropriate level as these funds are sufficient to meet the foreseeable future activities and income fluctuations.

The Trust's policy on investments is to take a long-term approach, investing globally in a range of assets with the intention of preserving the value of the endowment in real terms after any drawdown to fund expenditure. Ethical restrictions in place limit direct investment in tobacco production and investment in companies that derive significant income (greater than 10%) from armaments, gambling, alcohol, adult entertainment or tobacco.



A review at the financial year end, indicates that exposure to these restricted areas amount to approximately 0.07% of our total holdings, down from 0.17% last year, or £60k, with the largest proportion being alcohol, through holdings in retail and leisure outlets. In addition, Trustees are committed to reviewing the Trust's ethical investment restrictions at least annually.

Trustees are committed to continually reviewing the stance on Environmental, Social and Governance (ESG) issues. Previous improvements saw Trustees agree to align investment activities to the Paris Climate pledges, resulting in improved understanding of investment holdings and the associated environmental impact.

During the year, Trustees have also agreed to join an investor coalition, run by ShareAction called Long-term Investors in People's Health (LIPH). By joining this initiative, we have committed to better align the investment activities with the strategic objectives of the Trust.

The Trust's investment strategy is to manage the portfolio on a total return basis, income and capital combined. The Trust has an asset allocation that is geared towards equities because of their higher expected returns in the long term (based

on historical performance). The Trustees recognise that the Trust will need to withdraw both investment income and some of the investment capital to fund the gap between its annual income and expenditure. This is set annually as part of the budget process based on the average value of the investment fund over the last 20 quarters.

Going concern

In agreeing the planned activities for the coming 12 to 18 months, the Trust has implemented a number of approaches to ensure that operations remain viable under the scenarios that are likely, given the future uncertainty caused by the wider economic conditions:

- In support of the Trust's strategic aims and to enable successful translation of activities to budget, the Trust has produced a 1 year business plan.
- The budget has been based on business as usual basis, having considered the risks presented by the current environment, modelled using financial scenario forecasts covering a period of five years.
- Increased financial reporting to the Trustees and to Leadership Team to ensure timely information in support of strategic decision making.

More broadly, the Board regularly reviews forecasts and projections and, having considered this routine review and the information provided from above, has not identified any material uncertainty relating to the Trust's ability to continue as a going concern.

Structure, governance and management

The Trust is a company limited by guarantee, registered in England and Wales as company number 00382452. It is registered with the Charity Commission as charity number 209169.

The Trust's Articles of Association provide for a minimum of four Trustees, and a maximum of twelve. Trustees are appointed for an initial term of three years and may be reappointed for up to a third term. Appointment as a Trustee is open to any suitably qualified member of the public. Newly appointed Trustees are provided with an induction programme, which sets out the activities of the Trust and their responsibilities as a Trustee.

Details of the Trust's current Trustees, and those who served during the year, are set out on page 2.

The Board of Trustees meets four times a year with the Chief Executive and the Leadership Team to handle business that has not been formally delegated to the Chief Executive and to consider other matters related to

the operations of the Trust. The Board of Trustees has established two other standing committees to support it in its work.

The **Governance, Nominations and Remuneration Committee** assists the Trustees by overseeing: governance; nominations; succession planning; induction support and development of Board members (individually and collectively); human resource issues, including the remuneration packages for directors; and any other functions delegated by the Board.

The **Finance Committee** assists the Trustees by: overseeing all financial and investment aspects of the charity; overseeing systems of internal control; and monitoring risk management, so as to ensure the short- and long-term viability of the Trust.

The membership of these committees is shown on page 2.

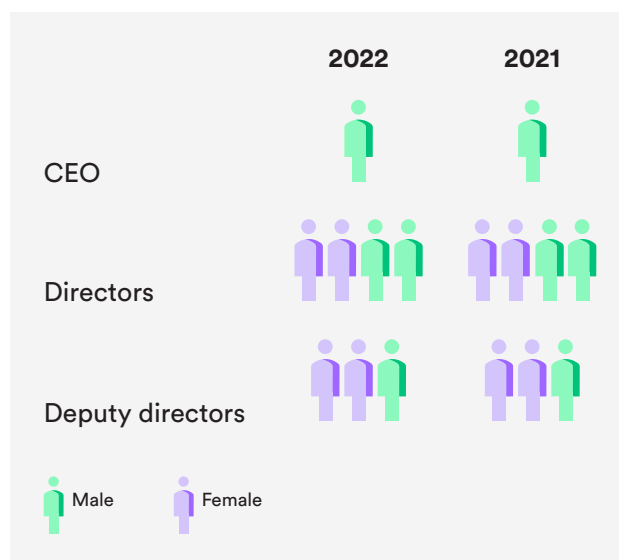
Organisational structure and how decisions are made

The Trustees appoint a Chief Executive, to whom they delegate the responsibility for realising the Trust's strategies and objectives and for the day-to-day management of the Trust. The Chief Executive is supported by a Leadership Team, to whom they delegate authority for financial and contractual decision, as detailed in the 'Scheme of Delegation of Financial and Contractual Authorities'. The corporate governance arrangements, including the scheme of delegation, are reviewed at least every two years. The last review and update was completed in June 2021 and the next review is scheduled to be completed by the summer of 2023.

Directors work within the framework set by the strategic plan and annual operating plan approved by the Board. Work programmes are produced for the different areas of activities. Progress on these work programmes is reported regularly to the Board, and approval secured for changes where necessary. It monitors, reviews and takes action on strategic goals and work programmes. Details of the current Key Management Personnel and those who served during the year can be found on page 2.

Since extending the Leadership Team structure during 2021, to include deputy directors, the structure has been unchanged. Since 2020 the Leadership Team regularly review their working approach, modifying it as appropriate to ensure effectiveness, for example by adopting a more frequent meeting pattern during national lockdowns.

The Leadership Team structure for decision making is illustrated below:



Our funding

The Nuffield Trust has an expendable endowment valued at £92,853,000 at 30 September 2022. This endowment provides the Trust with a valuable source of income (£2,643,000 in the current year). We also obtain funds by withdrawing a proportion of the investment capital each year, in line with our financial strategy.

These sources of funds are not adequate to fund all our activities but guarantee a consistent and completely unrestricted stream of funds. The sources of our other income, from charitable activities, donations and others, is set out in the Consolidated Statement of Financial Activities.

The sources of our funding are diverse, with no single organisation contributing a sufficient proportion of the income to create reliance or significant risk to the organisation were it to be withdrawn. This provides reassurance that our objectivity and independence can be maintained.

Managing risk

The Trust's risk management approach, governed by the Board of Trustees, is documented as the Corporate Risk Assessment and Management Framework.

This framework describes the processes defining risk identification, assessment, recording, ownership, measurement and monitoring. A complete review of the approach to risk management was undertaken during the year.

Within the framework, there are three categories of risks: 'static', i.e. unlikely to require significant change in the short to medium term; 'dynamic', i.e. ever changing and with management controls that are under constant review; and 'evolving', low-level risks which may, in the right environment, convert into high-level risks in the future, captured on a 'watch list'. The review frequency of each category has been defined to ensure appropriate levels of focus and resource are applied.

The Trust's Leadership Team is responsible for ensuring that the risk management approach is adequately applied and for reporting to Trustees based on risk category and the defined review frequency.

A summary of the Trust's approach to mitigating the most significant risks is shown below.

Risk	Management response	
	Management approach/plan	Monitoring process
The Trust are successfully targeted in a cyber-attack.	• Application of IT Security strategy across the Trust. • Staff training and awareness programme. • Technological controls. • Business continuity plans.	• External assessments – ISO and Penetration Testing. • Real time threat reporting.
Levels of funding at the Trust are insufficient to support charitable activities.	• Continual development and review of external funding opportunities • Defined objectives and restrictions set for investment managers. • Use of financial modelling to predict the impact of economic events on investments.	• Regular review of potential funding opportunities and bids in the pipeline. • Regular review of investment manager performance, both against target and modelling.
The Trust's independence is challenged.	• Ensure suitable editorial control arrangements. • Ensure suitable funding proportions (internal/external funding) and that the sources of funding would not jeopardise independence, whether perceived or actual. • Approach to managing intellectual property.	• Review of editorial control and IPR commitments at contractual stage, ensuring fit for purpose. • Regular review of funding sources.
There is a failing in Information Governance (IG) controls at the Trust.	• Maintain our ISO 27001 accreditation, continually improve our approach to IG, and ensure access to relevant training. • Proactive approach to cyber security.	• Internal and external audits of IG arrangements. Annual renewal of ISO/the NHS IG toolkit. • Annual network security assessments.
There is poor staff wellness or morale	• Improved review process to include specific focus on wellbeing • Regular engagement to ensure wellness and support under homeworking conditions • Renewed Employee Assistance Programme • Enhanced financial support for homeworking equipment	• Regular review of sickness data • Employee forum feedback • Regular surveys through the pandemic period, extended to pulse surveys more recently. • Biennial staff survey.

In addition to the above risks, other risks in respect of reputation, dissemination, staff retention and HR planning, project management and data access are also captured and actively managed.

During the Coronavirus pandemic, several risks were heightened in recognition of the increased likelihood of certain events occurring. As a result, the related mitigations were reviewed and improved. The severity of these specific risks and the effectiveness of the related mitigations has been closely monitored.

During the current year, specific concerns regarding Coronavirus have lessened, although we continue to monitor this. Focus has moved to economic matters and their effects on the Trust.

Unmitigated, the environment of high inflation, increasing interest rates and poor investment market performance has the potential to materially affect the Trust's activity levels in the short to medium term. The Trust has existing financial structures that serve to protect activity from short term economic shifts. These are widely understood, regularly reviewed and approved by the Finance Committee.

Given recent economic uncertainty, we have applied additional mitigations and enhanced our monitoring approach. We developed a model to test a variety of possible scenarios, providing an indication of the long term (five year) impact to our budget and will monitor actual movements through the coming months. We also agree to reduce expenditure at every reasonable opportunity until the level of uncertainty reduces.

Continuing from previous years, the Trust recognises that its employees' personal circumstances may have been impacted significantly, first by the pandemic and now due to events in the economy. We regularly review how we can best support our staff, starting with a commitment for an inclusive and equitable culture which drives developments in areas such as remuneration, learning and development, and flexible working (for more information, see Organisational Effectiveness on page 40).

Remuneration policy

The Trust aims to provide all staff with remuneration packages that are competitive, fair, equitable and sustainable within the available resources of the Trust. The pay and remuneration for directors is approved by the Governance, Nominations and Remuneration Committee. The pay and remuneration for all

other staff is approved by the Chief Executive within the financial parameters approved by the Board upon recommendation from the Finance Committee. In reaching its recommendation, the Finance Committee considers key inflationary indicators (e.g. CPI) and the increases made by comparable organisations and the NHS.

During the year, the Trust has continued to build on previous work around pay and progression. Having developed a competency framework to support the development of individuals and talent during 2020, we implemented a renewed pay progression framework during this year. We are also in the process of finalising a learning and development framework which will define roles, responsibilities and routes to access development opportunities.

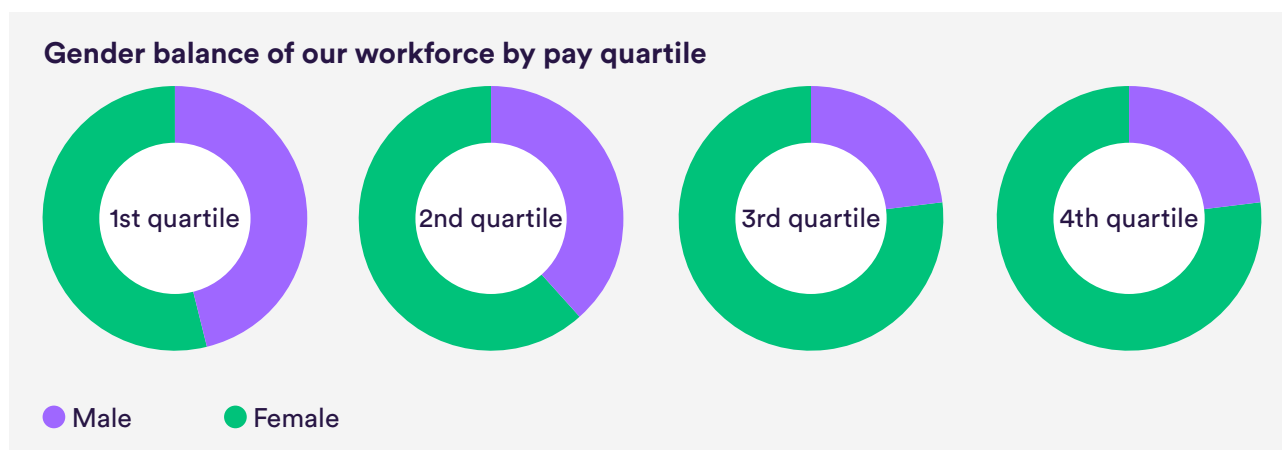
Organisations which employ more than 250 people are required to publish figures

comparing men and women's pay. During 2021/22 the Trust had less than 50 individuals on the payroll, and is not therefore under a legal obligation to publish gender pay gap information.

In addition, given the small numbers of staff the figure can fluctuate significantly with small changes in personnel. However, Trustees have agreed that this is information which they wish to keep under review.

The graphic below shows the gender balance of the Trust workforce by pay quartile (1st = highest paid).

Overall, the workforce is predominantly female. While women are generally well represented at senior levels, there are very few male staff in the 3rd and 4th quartile. During 2020 the Trust reviewed data on the gender, race and other protected characteristics of individuals



and how all people are recruited, managed, developed and rewarded and are making changes to ensure that our approach and processes are appropriately inclusive (for more information, see Organisational effectiveness).

Fundraising policy

Section 162a of the Charities Act 2011 requires us to make a statement regarding fundraising activities. Although we do not undertake fundraising from the general public, the legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes.” Such amounts receivable could include legacies and grants and are presented in our accounts within ‘charitable activities’.

In relation to the above, we confirm that all solicitations are managed internally, without involvement of commercial participators, professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the Leadership Team, who are accountable to the Trustees. We are not subject to any regulatory scheme (voluntary or otherwise) or relevant codes of practice, nor have we received any complaints in relation to fundraising activities or consider it necessary

to design specific procedures to monitor such activities.

Organisational effectiveness

The Trust strives for continuous improvement, looking both internally and externally for drivers for change. Looking internally, we actively seek to identify opportunities for improvement or gaps in existing process. We use formal gap analysis approaches and use forums to bring in staff opinion. We look externally for learning, including from industry best practice, similar organisations, and learning from the changing economic climate.

Our internal governance framework delegates certain decisions to the responsibility of the Leadership Team. In recent years we have developed a consultative approach, adding greater diversity to the process. We have developed staff representative groups where appropriate and provide a range of channels for staff to feed into the change process.

We have also agreed a strategic objective to improve the benefit gained from external networks. This is not only in relation to our research work, but also the operational

aspects of the organisation. We bring in learning from other organisations where we can.

Staff development and pay

A Pay & Progression Framework was developed, approved, and launched in January 2022. This outlines the Trust's approach to pay and progression decisions and how these are implemented. It includes the Trust's pay scale with all roles mapped to spine points, supporting the Trust's aim for pay equity and transparency relating to pay and progression.

In addition, a new Learning & Development Framework now combines all information relating to learning and development in one accessible document. This aims to support the Trust's commitment to providing a continuous learning environment where managers are supportive of learning and employees are motivated to transfer their learning back to the workplace and into their job.

Equity, diversity and inclusion

The staff led ED&I group continues to meet regularly, with an ongoing focus on ensuring all processes embed an equity, diversity and inclusion approach. This applies to our approach to recruitment, appointment and progression; to our approach to research; and

to communicating the outputs of research. The Trust took a significant role in planning the annual Think Tank Outreach event, aiming to increase diversity in the world of research and policymaking by promoting a career in the sector to students. The Trust also took part in the Health Data Science Black Internship Programme, supporting two interns to develop their research skills and experience. The programme aims to tackle the underrepresentation of Black people within the health data science sector. Relevant training is ongoing, with a recent focus on understanding and supporting neurodiversity in the workplace.

Intellectual Property

Acknowledging that intellectual property is the source of much of our impact, we have developed an improved approach. First, by defining a baseline expectation for intellectual property we produce when delivering funded work, which includes a framework for likely outputs. We also have a mechanism for agreeing intellectual property ownership not in accordance with this framework. This framework is now embedded into our template agreements.

Operations Team effectiveness review

The Operations Team provide essential support to the other functions of the Trust. Continuing from the previous year, during

the year we have reviewed how effective these support functions are, thus assessing the ability of the team to add value to the activities of the Trust. We use this regular review to identify areas where we might improve, triggering an improvement plan to be delivered against over the coming 12 months.

Resource deployment

We have an established resource deployment framework, setting expectations on how staff time will be deployed in achieving the charities strategic aims. This includes how time is allocated to delivering projects and expected business activities, like management, but also aims to ensure space for learning and development and contributing to the benefits that a social element brings to the workplace.

During the year we reviewed several aspects of this framework. We reviewed the benchmark time expectations that we have set and also how effective the framework was in its aims. The review triggered improvements which we will monitor in the coming year.

The impact of Coronavirus

The impact of the pandemic has decreased, with Coronavirus now being one of many external uncertainties for us as a business. We

continue to adapt to the changes that have occurred over the past two and a half years.

Future ways of working

The Trust's Hybrid Working Policy was implemented from January 2022. This policy describes the working arrangements that apply to those who opt to work in a hybrid manner. Hybrid working is recognised as an important element of both our strategy for adapting to, and thriving in, the new working environment; and commitment to supporting a positive work-life balance. Staff are given regular opportunities to feed back their experience of hybrid working, which informs policy reviews.

Flexitime had been operating informally across the organisation for some time. This has been explicitly included as a flexible working option for all staff. The Trust also supports the right to request flexible working from day one of employment.

Technology plays a central role in supporting how we work. A project to modernise our IT estate was successfully delivered during the spring of 2022 and we are working to maximise the value we gain from access to a new suite of tools available to us.

Subsidiary undertaking

The Trust operates a wholly owned trading subsidiary, Nuffield Trading Limited, which historically carried out non-charitable trading activity for the Trust. At the end of the September 2019 financial year, the decision to absorb these activities into the Charity as non-primary purpose income was made and the subsidiary has since moved to a dormant status. Details are included in Notes 2 and 22 to the accounts.

Responsibilities of the Trustees

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with the Companies Act 2006, and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable 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 show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this Trustees' Annual Report, advantage has been taken of the small companies' exemption.

Auditors

The current Trustees have taken all steps they ought to have to make themselves aware of any information needed by the Trust's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have indicated their willingness to continue in office and a resolution to reappoint them will be proposed at a meeting of the Board of Trustees.

Approved by the Chair on behalf of The Nuffield Trust

A handwritten signature in black ink, appearing to read 'Mami Marshall'. The signature is fluid and cursive, with the first name 'Mami' and the last name 'Marshall' clearly distinguishable.

Chair, The Nuffield Trust

Date: 15 December 2022

Independent auditor's report to members of the Nuffield Trust

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 30 September 2022 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Nuffield Trust for Research and Policy Studies in Health Services ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended

30 September 2022 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's report.

- We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion; adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or

Responsibilities of Trustees

As explained more fully in the Responsibilities of the Trustees statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company'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 Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in

accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks through our accumulated knowledge and consideration of sector information that is applicable to the Charitable Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice, the Charities Act 2011, the Companies Act 2006, Data Protection Act 2018, Bribery Act 2010 and tax legislation.
- We understood how the Charitable Company is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes.
- We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur by discussing with management where it is considered there was a susceptibility of fraud relating to management override of controls and improper income recognition. In addressing the risk of fraud, including the management

override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.

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

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

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company'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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

C9A7C7386A35456...

Laurence Elliott (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory
auditor Gatwick, UK

Date 20 December 2022

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

Consolidated statement of financial activities for the year ended 30 September 2022

		Unrestricted funds 2022 £'000	Expendable endowment fund 2022 £'000	Total funds 2022 £'000	Total funds 2021 £'000
	Note				
Income and endowments					
Donations	4	194	–	194	37
Investment income	5	–	2,643	2,643	2,595
Charitable activities	6	1,138	–	1,138	935
Other		112	–	112	120
Total income and endowments		1,444	2,643	4,087	3,687
Expenditure					
Raising funds	7	–	531	531	510
Charitable activities	8	4,377	–	4,377	4,056
Total expenditure		4,377	531	4,908	4,566
Realised and unrealised gains on investment assets	13	–	(9,828)	(9,828)	9,205
Net (expenditure)/income before transfers		(2,933)	(7,716)	(10,649)	8,326
Transfers	11	2,933	(2,933)	–	–
Net (expenditure)/income and net movement in funds		–	(10,649)	(10,649)	8,326
Reconciliation of funds – balances brought forward		–	103,502	103,502	95,175
Balances carried forward		–	92,853	92,853	103,502

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The notes on pages 54 to 72 form part of these financial statements.

Consolidated and charity (Company number 00382452) balance sheet at 30 September 2022

	Note	Consolidated 2022 £'000	Consolidated 2021 £'000	Charity 2022 £'000	Charity 2020 £'000
Fixed assets					
Tangible assets	12	1,747	1,748	1,747	1,748
Investments	13	88,926	99,707	88,926	99,707
		90,673	101,455	90,673	101,455
Current assets					
Debtors	14	750	633	750	633
Short term deposits	15	1,923	1,775	1,923	1,775
Cash at bank and in hand		51	51	51	51
		2,724	2,459	2,724	2,459
Creditors: amounts falling due within one year	16	(487)	(255)	(487)	(255)
Net current assets		2,237	2,204	2,237	2,204
Creditors: amounts falling due after one year	17	(57)	(157)	(57)	(157)
Net assets		92,853	103,501	92,853	103,501
Funds					
Expenditure endowment fund	20	92,853	103,501	92,853	103,501
Designated fund	20	–	–	–	–
Total funds		92,853	103,501	92,853	103,501

The deficit attributable to the Charity for the year ended 30 September 2022 was -£10,649,000 (2021: surplus £8,326,000).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Chair on behalf of the Trustees of The Nuffield Trust and authorised for issue on 15th December 2022.



Martin Marshall, Chair, The Nuffield Trust.

The notes on pages 54 to 72 form part of these financial statements.

Consolidated statement of cash flows for the year ended 30 September 2022

	Note	2022 £'000	2021 £'000	2021 £'000
Cash used in operating activities	24		(3,360)	(3,360)
Cash flows from investing activities				
Dividends and interest from investments		2,638		2,595
Purchase of tangible fixed assets		(83)		(29)
Proceeds from sale of investments		9,074		8,292
Purchase of investments		(8,121)		(7,406)
Cash generated by investing activities				
			3,508	3,452
Increase in cash and cash equivalents			148	92
Cash and cash equivalents at the beginning of the year			1,826	1,734
Cash and cash equivalents at the end of the year			1,974	1,826
Analysis of cash and cash equivalents				
Short term deposits	15		1,923	1,775
Cash at bank and in hand			51	51
Total funds			1,974	1,826

No reconciliation of net debt has been prepared as the Trust holds only cash and cash equivalents. The net change in cash or cash equivalent funds during the period was £148,000 (2021: £92,000).

Notes on the financial statements

1. Accounting policies

The Nuffield Trust is an incorporated charity registered in England and Wales with the Charity Commission. The address of the registered office is given on the opening page of this document and the nature of its operations is set out in the report of the directors. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies.

In the course of preparing the financial statements, judgements have been made in the process of applying the Charity's accounting policies; those involving estimations regarding the income attributable to the partial delivery of funded projects that have had a significant effect on the amounts recognised in the financial statements and, in determining the correct treatment of our obligations in relation to the USS Pension Scheme.

Management have prepared these financial statements on a going concern basis having obtained sufficient evidence to assess that a material uncertainty does not exist regarding the viability of operations in the foreseeable future.

Disclosure exemptions

In preparing the separate financial statements of the parent charity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent charity;

- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Basis of consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertaking, all of which were prepared to 30 September 2022. The trading results of the subsidiary undertaking as shown in note 22 are consolidated on a line-by-line basis within the consolidated statement of financial activities (SoFA). A separate SoFA for the charity is not presented as permitted by the Companies Act 2006.

Income

All income is recognised once the group and charity has entitlement to the resources, it is probable that the resources will be received, and the monetary value of the income can be measured with sufficient reliability.

Investment income

Dividends and interest are included on an accruals basis.

Dividends and interest are stated inclusive of the relevant tax claim as the Trust has activities that are not liable to income tax.

Income from charitable activities

Revenue from performance-related grants and contracts is recognised only when funds have been utilised to carry out the activity stipulated in the agreement. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs.

Expenditure

These comprise costs of raising funds and charitable expenditure.

Costs of generating funds comprises expenses relating to management of the charity's investments and all costs associated with the charity's subsidiary company.

Direct charitable expenditure comprises commissioned work and expenditure on performance-related charitable contracts directly relating to the objects of the charity. Commissioned work is allocated and recognised as expenditure in full in the year of approval from the General Fund on the basis of the anticipated expenditure during the tenure of each piece of commissioned work. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources

and including the associated costs of publication and dissemination. Expenditure on performance-related contracts is recognised only when the activity stipulated in the agreement has been completed. This is generally equivalent to the proportion of the relevant recognised income during the year.

Support costs include those relating to business support (including human resource and general administration expenses), executive management, and governance, finance, and information systems. The details of support costs are shown under note 9.

Fixed assets

Furniture and equipment acquisitions have been capitalised and depreciation provided for at 25% on an annual straight line basis.

The leasehold premises (originally acquired by The Nuffield 1940 Trust in 1992) are depreciated over the remainder of the lease, currently 61 years. Straight line depreciation of 5% per annum is applied to capital additions. The Trustees consider whether there has been any impairment of the property on an annual basis.

Fixed assets investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and

losses arising on revaluation and disposal throughout the year.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

Staff pensions

During the year the Trust operated a Group Personal Pension scheme administered by Royal London. This is a defined contribution scheme. The Trust is not a member of any other pension schemes. Accordingly, due to the nature of the schemes, the accounting charge for the period under FRS102 represents the employer contributions payable.

Funds

The expendable endowment fund was created by a donation from The Nuffield 1940 Trust. The income from this fund is on the terms equivalent to the objects of the Trust and is therefore not restricted. The terms of the fund allow the income to be

accumulated and the capital to be spent as the Trustees determine.

Designated funds are funds that have been set aside by the Trustees for a specific purpose, with the balance constituting the charity's expendable endowment. An analysis of designated funds is provided in note 20.

Derivative financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in the Statement of Financial Activities. Outstanding derivatives at reporting date are included under the appropriate format heading, depending on the nature of the derivative.

Contingent Liabilities

A contingent liability is disclosed where there is a possible obligation, arising from past events, which will only be triggered by the occurrence of one or more uncertain future events not wholly within the trustees' control. In accordance with the Charities SORP, contingent liabilities are disclosed in the notes to the accounts, unless the possibility of their existence is remote. The note includes a brief description of each contingent item and, where practical, an estimate of the financial effect.

2. Subsidiary

The Trust owns the whole of the issued capital amounting to £1 (one ordinary share of £1 each) of Nuffield Trading Limited, a company registered in England and Wales with number 06898100. Its principal activity is non-charitable trading activity not covered by the Trust's main objectives. Nuffield Trading Limited gift aids its entire profit to the Trust. As previously noted, Nuffield Trading Limited has been dormant for the entirety of the financial year.

3. Basis of consolidation

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

4. Donations income

	2022 £'000	2021 £'000
Donation income – seconded staff (note 9)	194	37

5. Investment income

Investment income received in the year was made up as follows:

	2022 £'000	2021 £'000
Investment portfolio	2,638	2,595
Bank interest	5	0
	2,643	2,595

All the investment income of £2,643,000 in 2022 was related to the expendable endowment fund (2021: £2,595,000).

6. Charitable activities

	2022 £'000	2021 £'000
Income from projects	1,138	935

All the income from charitable activities of £1,138,000 in 2022 was related to unrestricted funds (2021: £935,000).

7. Raising funds

	2022 £'000	2021 £'000
Investment management fees charged	318	319
Support costs (note 9)	213	191
	531	510

All the expenditure from raising funds of £531,000 in 2022 was related to the expendable endowment fund (2021: £510,000).

8. Charitable expenditure

The objects of the Trust are to promote, carry out or advance any charitable objects, and in particular the prevention or relief of sickness and the advancement of the health of the people of the United Kingdom, in particular through the promotion of improvements in the quality of health care and health policy. All the activities of the charity are managed through a single structure with the impact of activities reported against the strategic objectives. Below is an analysis of this expenditure:

	2022 £'000	2021 £'000
Commissioned work	91	130
Direct spend	126	123
Support costs (as shown in note 9)	4,160	3,803
	4,388	4,056

All the charitable expenditure of £4,377,000 in 2022 was related to unrestricted funds (2021: £4,056,000).

9. Allocation of support costs

Support costs allocated to different activities are set out below, showing the basis of the allocation.

	Raising funds	Charitable activities	Total allocated costs	Total
	2022	2022	2022	2021
	£'000	£'000	£'000	£'000
Staff time (nature of the charge)	174	3,213	3,387	3,188
Notional cost of seconded staff (nature of the charge)	–	194	194	37
Premises costs (use of area)	13	252	265	243
IT and telephone costs (staff time)	12	226	238	261
Travel and hospitality (staff time)	0	3	3	1
Professional fees (staff time)	1	21	22	17
Communications and PR (staff time)	5	82	87	94
General costs including irrecoverable VAT (staff time)	8	139	147	121
Governance fees (nature of the charge)	–	29	29	32
	213	4,160	4,373	3,994

Trustees' expenses included in general costs above amount to £nil (2021: £nil). Governance fees include audit fees of £25,000 (2021: £25,000) and for the charity only £25,000 (2021: £25,000).

Secondments and placements

The Trust has benefitted throughout the year from 4 secondments. The Trust gratefully acknowledges the support and has estimated that the value is £194,000 (2021: 1 person, £37,000).

10. Staff emoluments

	2022 £'000	2021 £'000
Salaries costs	2,595	2,481
Social security costs	292	271
Pension costs	363	351
Other staff costs	217	150
	3,467	3,253

The key management personnel of the charity, as defined by SORP, comprise the Trustees and the Directors within Senior Staff as listed on page 2. The total employee benefits of the Trustees was nil for both 2022 and 2021, for Senior Staff during the year it totalled £690,000 (2021: £642,000).

During the year, staff were recruited or assigned to specific projects or other income streams. The costs of these colleagues are included in direct project expenditure.

	2022 £'000	2021 £'000
Project staff costs, allocated as direct project costs	80	65
Allocated as support costs	3,387	3,188
	3,467	3,253

The average number of employees employed by the group during the year was, by headcount 46 (2021: 48), by full time equivalent 43 (2021: 44). All were employed by the charity.

Higher paid employees – Group and Charity

The numbers of employees for whom remuneration exceeded £60,000 were:

	2022 £'000	2021 £'000
£60,000 to £70,000	5	5
£70,000 to £80,000	2	4
£80,000 to £90,000	1	–
£90,000 to £100,000	2	2
£100,000 to £110,000	1	–
£120,000 to £130,000	1	1
£180,000 to £190,000	1	1

Contributions were made to the Nuffield Trust's Defined Contribution pension scheme for 13 (2021: 13) higher paid employees. .

11. Transfer between funds

Under the terms of the expendable endowment, any shortfall in unrestricted funds and the costs of meeting project commitments can be transferred from the expendable endowment.

	2022 £'000	2021 £'000
Net expenditure for the year from unrestricted charitable activities	(2,933)	(2,964)
Designated funds expended in the year	–	45
Transfer from expendable endowment to unrestricted funds	(2,933)	(2,919)

12. Tangible fixed assets

Consolidated and parent charity

	Leasehold properties £'000	Furniture and equipment £'000	Total £'000
Cost			
At 1 October 2021	2,222	224	2,446
Additions	30	54	84
Disposals	–	–	–
At 30 September 2022	2,252	278	2,529
Depreciation			
At 1 October 2021	(536)	(162)	(698)
Provision during the year	(42)	(43)	(85)
Disposals	–	–	–
At 30 September 2022	(578)	(205)	(783)
Net book value			
At 30 September 2022	1,674	73	1,747
At 30 September 2021	1,686	62	1,748

The leasehold properties were transferred from The Nuffield 1940 Trust on 30 November 2007 at deemed cost.

13. Fixed asset investments

Consolidated and parent charity

	2022 £'000	2021 £'000
Market value at 1 October 2021	98,577	89,975
Additions	8,121	7,406
Disposals	(7,520)	(5,616)
Unrealised (losses)/gains	(11,480)	6,812
Market value at 30 September 2022 (Listed Investments)	87,698	98,577
Short term deposits (Cash and Cash Equivalents)	1,228	1,129
Total investments at 30 September 2022	88,926	91,706
Historical cost of assets held at 30 September 2022	68,886	68,073
The geographical split of investments is as follows:		
UK	75,281	83,926
Overseas	13,645	15,781
	88,926	99,707

Realised and unrealised (losses)/gains on investments

	2022 £'000	2021 £'000
Unrealised (losses)/gains	(11,480)	6,811
Realised gains	1,652	2,394
	(9,828)	9,205

14. Debtors

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Prepayments	186	105	186	105
Other debtors	564	528	564	528
Amounts owed by subsidiary company	–	–	0	0
	750	633	750	633

15. Short-term deposits

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Coutts Bank Deposit accounts	1,823	1,675	1,823	1,675
CCLA Term Deposit	100	100	100	100
	1,923	1,775	1,923	1,775

16. Creditors: amounts falling due within one year

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Tax and social security	–	(0)	–	(0)
Commissioned work commitment	39	66	39	66
Accruals and other creditors	319	189	319	189
Leasehold obligations	129	–	129	–
	487	255	487	255

17. Debtors

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Leasehold obligations	57	157	57	157

18. Financial instruments

The group's financial instruments may be analysed as follows:

	Group 2022 £'000	Group 2021 £'000
Financial assets		
Financial assets measured at fair value through the statement of financial activities	88,926	99,707
Financial assets that are debt instruments measured at amortised cost	2,724	2,458
Financial liabilities		
Financial liabilities measured at amortised cost	544	412

Included within financial assets at fair value are a number of derivative instruments, including swaps and forward purchase arrangements, which form part of the organisation's overall investment strategy. As at 30 September 2022 the fair value of these derivatives was -£228,000 (2021: £41,000).

Financial assets measured at fair value comprise investments.

Financial assets measured at amortised cost comprise debtors, short-term deposits and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise creditors.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow and interest rate risk is included in the Trustees' annual report.

19. Funds

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2020 £'000
Expendable endowment				
Balance at 1 October 2021	103,502	95,130	103,502	95,130
Excess of expenditure over income from financial activities	(7,716)	11,290	(7,705)	11,290
Transfer (to) designated funds	(2,933)	(2,919)	(2,933)	(2,919)
Balance as at 30 September 2022	92,853	103,502	92,853	103,502
Designated fund				
Balance at 1 October 2021	–	45	–	45
Excess of expenditure over income from financial activities	(2,933)	(2,964)	(2,933)	(2,964)
Transfer from expendable endowment	2,933	2,919	2,933	2,919
Balance as at 30 September 2022	–	–	–	–
Total funds				
Balance at 1 October 2021	103,502	95,175	103,502	95,175
Excess of expenditure over income from financial activities	(10,649)	8,326	(10,649)	8,326
Balance as at 30 September 2022	92,853	103,502	92,853	103,502

The expendable endowment fund was originally created by a gift from Viscount Nuffield in June 1940 to The Nuffield 1940 Trust.

20. Analysis of net assets between funds

	Tangible fixed assets £'000	Investments £'000	Other net assets £'000	Total £'000
Expendable endowment fund	1,747	88,926	2,180	92,853
Designated fund	–	–	–	–
Total funds	1,747	88,926	2,180	92,853

* Comparative table shown in note 28(a)

21. Summarised results for the Trust

Of the group deficit for the year of -£10,649,000 (2021: surplus of £8,326,000), the income and expenditure relating to the Trust is as follows:

	2022 £'000	2021 £'000
Total income	4,087	3,622
Total expenditure	(4,908)	(4,501)
Net expenditure before other gains	(821)	(879)
Realised and unrealised gains on investment assets	(9,828)	9,205
Net movement in funds	(10,649)	8,326

22. Summarised results for subsidiary entity

Of the group deficit for the year of -£10,649,000 (2021: surplus of £8,326,000), the income and expenditure relating to the Charity's wholly-owned subsidiary entity, Nuffield Trading Limited, is as follows:

	2022 £'000	2021 £'000
Total income	–	–
Total expenditure	–	–
Net income before other gains	–	–
Qualifying distribution under deed of covenant to parent	–	–
Retained funds	–	–
Net movement in funds	–	–
Net assets	–	–

23. Staff pensions

The Trust is not a current member of a defined benefit pension scheme. Historically it was a contributing member of the Universities Superannuation Scheme (USS) defined benefit pension scheme.

USS Pension Scheme

The USS is a funded multi-employer scheme. Following the departure of the Nuffield Trust's last remaining employee in the USS pension scheme in May 2015, an employer S.75 debt liability was triggered and became due in May 2016. During our work to quantify this liability it was identified that the Trust had two separate liabilities to the USS pension scheme. The first liability being the S75 liability related to former employees and the second arising as guarantor under an 'Approved Withdrawal Agreement' which the Trust entered into in October 2007.

During the 2018 financial year, the Trust settled the liability in respect of the Section 75 debt.

The 'Approved Withdrawal Agreement' has clearly defined 'trigger events', which, following legal advice, the Trust does not envisage occurring in the foreseeable future. Any liability will be calculated as at the date of the 'triggering event'. As such there is insufficient probability, as to both the timing

and amount, of any liability due to USS to enable us to make a provision for this. In accordance with chapter 21 of Financial Reporting Standard 102, this potential liability is therefore disclosed as a contingent liability in note 26.

To ensure the Trust was meeting its obligations as a guarantor to the scheme, Counsel's opinion was sought on the matter. Counsel's opinion confirmed the legal advice which had already been received; that the liability was not yet due and that the USS were exceeding the bounds of the scheme rules in making such a demand.

During October 2020, The Pensions Regulator became involved in this matter, having been contacted by USS Pensions requesting that they issue a payment notice in respect of the Approved Withdrawal Agreement. The Trust co-operated fully with the Regulator. During the financial year, the Regulator have confirmed they have no intention to issue a payment notice at this time, acknowledging and supporting the approach taken in assuring USS of our capacity to pay the liability should it become due.

The Trust's will continue to communicate with USS on this matter.

Nuffield Group Personal Pension Plan

The Trust established the Nuffield Group Personal Pension Plan (NGPPP) on 1 April 2009. This is a defined contribution pension scheme, previously administered by Legal & General (until February 2021), now administered by Royal London (since March 2021).

Employees are required to contribute a minimum of 4% of salary and the Trust contributes 14%. All staff, by headcount 46 (2021: 48) employees are members of the scheme.

The total pension charge for the period for all schemes was £363,000 (2021: £351,000).

24. Reconciliation of net movement in funds to net cash flow from operating activities

Consolidated

	2022 £'000	2021 £'000
Net Income	(10,649)	8,326
Losses/(gains) on investments	9,828	(9,205)
Depreciation of tangible fixed assets	86	76
(Increase)/Decrease in debtors	(117)	105
Increase/(Decrease) in creditors	130	(67)
Investment income	(2,638)	(2,595)
Cash used in operating activities	(3,360)	(3,359)

25. Commitments under operating leases

Lessee – The charity had minimum lease payments under non-cancellable operating leases as set out below:

	2022 £'000	2021 £'000
Not later than 1 year	36	36
Later than 1 year and not later than 5 years	144	144
Later than 5 years	2,022	2,058
Total	2,202	2,238

26. Contingent liability

As detailed in note 23, the Trust has a liability as guarantor to the Universities Superannuation Scheme (USS) under the 'Approved Withdrawal Agreement' dated October 2007. Following legal advice and despite recent events disclosed in note 23, the Trust maintains that there is insufficient probability as to both the amount and timing, which is calculated at the date of the 'triggering event', to enable the Trust to make a provision for any liability due to the USS pension scheme. The value of the liability is calculated at the point that it is triggered, therefore it is not practical to estimate the financial effect of this contingent item.

27. Related party transactions

The Trust owns the whole of the issued capital amounting to £1 (one ordinary share of £1 each) of Nuffield Trading Limited, a company registered in England and Wales with number 06898100. In accordance with SORP (FRS102), the Trust's transactions with Nuffield Trading Limited are set out below.

	2022 £'000	2021 £'000
Sales	–	–
Amounts due from Nuffield Trading Limited	–	–

There were no other related party transactions during the year.

28. Comparative Statements

28a. Comparative Analysis of net assets between funds (2021)

	Tangible fixed assets £'000	Investments £'000	Other net assets £'000	Total £'000
Expendable endowment fund	1,748	99,707	2,046	103,501
Designated fund	–	–	–	–
Total funds	1,748	99,707	2,046	103,501

28b. Consolidated statement of financial activities (2021)

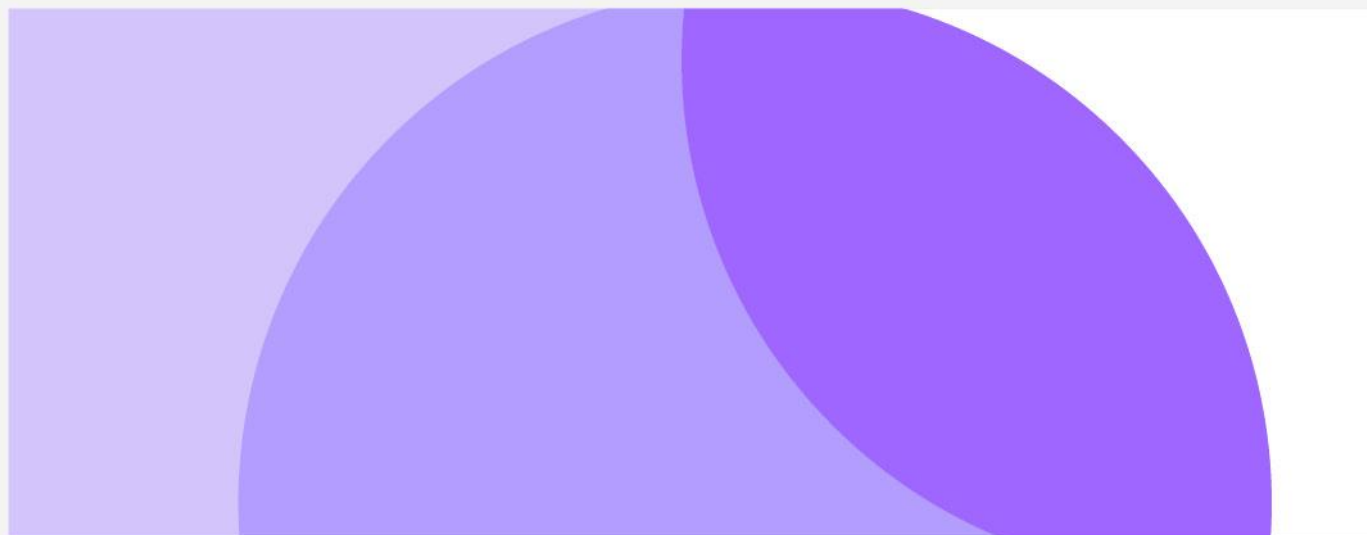
	Note	Unrestricted funds 2021 £'000	Expendable endowment fund 2021 £'000	Total funds 2021 £'000	Total funds 2020 £'000
Income and endowments					
Donations	4	37	–	37	11
Investment income	5	–	2,595	2,595	2,739
Charitable activities	6	935	–	935	943
Other		120	–	120	128
Total income and endowments		1,092	2,595	3,687	3,821
Expenditure					
Raising funds	7	–	510	510	496
Charitable activities	8	4,056	–	4,056	3,932
Total expenditure		4,056	510	4,566	4,428
Realised and unrealised gains on investment assets	13	–	9,205	9,205	2,664
Net income/(expenditure) before transfers		(2,964)	11,290	8,326	2,057
Transfers	11	2,919	(2,919)	–	–
Net income/(expenditure) and net movement in funds		(45)	8,371	8,326	2,057
Reconciliation of funds – balances brought forward		45	95,130	95,175	93,117
Balances carried forward		–	103,501	103,501	95,175

Nuffield Trust is an independent health think tank. We aim to improve the quality of health care in the UK by providing evidence-based research and policy analysis and informing and generating debate.

**59 New Cavendish Street
London W1G 7LP
Telephone: 020 7631 8450
www.nuffieldtrust.org.uk
Email: info@nuffieldtrust.org.uk**

Published by the Nuffield Trust.
© Nuffield Trust 2022. Not to be reproduced
without permission.

Accounts



Report and financial statements

For the year ending
30 September 2021

**The Nuffield Trust for Research and Policy Studies
In Health Services**

Charity number: 209169

Company number: 00382452

The Nuffield Trust
59 New Cavendish Street, London W1G 7LP

nuffieldtrust

The Nuffield Trust

The Nuffield Trust for Research and Policy Studies in Health Services (formerly The Nuffield Health and Social Services Fund) is a company limited by guarantee, registered in England and Wales as company number 00382452. It is registered with the Charity Commission as charity number 209169.

Nuffield Trading Limited is a company registered in England and Wales as company number 06898100.

Patron

Her Royal Highness The Princess Royal

Registered office

59 New Cavendish Street, London, W1G 7LP.

Contents

The Nuffield Trust..... 2

Contents..... 3

Board of trustees

Andrew McKeon CBE (Chair)	Rupert Hill (Chair of the Finance Committee)
Irshaad Ahmad	Dr Rosie Benneyworth
Tara Donnelly	Sonja Marjanovic (appointed 30 September 2021)
Professor David Oliver	Sarah Pickup (appointed 30 September 2021)
Thea Stein	
Dr Jocelyn Cornwell (appointment ended 31 May 2021)	Julia Palca (appointment ended 31 August 2021)
Dr Christian van Stolk (resigned 30 September 2021)	

Andrew McKeon is the Chair of the Governance and Remuneration Committee, the other members are Rupert Hill, Tara Donnelly (from 30 June 2021) and Professor David Oliver. Other members during the period were Dr Jocelyn Cornwell (until 31 May 2021), Julia Palca (until 31 August 2021).

Rupert Hill is the Chair of the Finance Committee. Other members are Andrew McKeon, Christian van Stolk, Irshaad Ahmad and Dr Rosie Benneyworth.

Non-Trustee Member of the Finance Committee: Kim Lim.

Company secretary

Ruth Hallesy

Senior staff

Nigel Edwards, Chief Executive

John Appleby, Director of Research and Chief Economist

Helen Buckingham, Director of Strategy & Operations

Leonora Merry (Director of Communications)

Rowan Dennison (Acting Director of Communications from April 2021, Deputy Director of Communications before)

Natasha Curry (Deputy Director of Policy)

Sarah Scobie (Deputy Director of Research)

Ben Willbond (Deputy Director of Finance and Operations)

Senior associates and visiting fellows

Professor Sir Nick Black

Professor Richard Bohmer

Dr Ronny Cheung

Fiona Johnson

Richard Darch

Professor Deirdre Heenan

Jason Frerich

Bob Klaber

Sharon Lamb

Dr Richard Lewis

Professor Marcus Longley

Professor Nicholas Mays

Dr Nadeem Moghal

Anne Marie Rafferty DBE

Dr Geoffrey Rivett

Professor Judith Smith

Dr David Steel OBE

Jonty Roland

Nicholas Timmins

Sylvia Wyatt

Veena Raleigh

Auditors

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

Bankers

CCLA, 80 Cheapside, London EC2V 6DZ

Coutts & Co, 440 Strand, London WC2R 0QS

Investment managers

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Legal advisers

Stone King LLP, 91 Charterhouse Street, London, EC1M 6HR

Charity number

209169

Trustees' annual report

The Trustees present their report and the financial statements of the charity for the year ending 30 September 2021. The Trustees have prepared the financial statements in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – Charities SORP (FRS102) 2nd Edition* and the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The charitable objectives of The Nuffield Trust for Research and Policy Studies in Health Services (the Trust) are to promote, carry out or advance any charitable objects, and in particular the prevention or relief of sickness and the advancement of the health of the people of the United Kingdom, in particular through the promotion of improvements in the quality of health care and health policy.

Our 2020-2025 strategy contains the following statement of intent that guides all of our work:

The Nuffield Trust is an independent health think tank. We aim to help achieve a high-quality health and social care system that improves the health and care of people in the UK by providing evidence-based research and policy analysis and informing and generating debate.

We set out to do this by:

- improving the evidence base that leads to better care by undertaking rigorous applied research and policy analysis;
- using our independence to provide expert commentary, analysis and scrutiny of policy and practice; and
- bringing together policy-makers, practitioners and others to develop solutions to the challenges facing the health and social care system.

In everything we do we seek to be grounded in the practical implications of policy-making, working closely with NHS staff and policy-makers to identify solutions to real problems that affect how health and care services are delivered and the outcomes they achieve. Above all, we aim to be a trusted and respected voice at a time of unprecedented challenge to the NHS and social care system.

We strive to be:

- independent and free from vested interests;
- rigorous, robust and evidence-based in the work we undertake;
- relevant, supportive but also challenging when we need to be;
- open and engaging with all those we come into contact with; and
- an organisation that makes a difference to the quality of policy-making and practice in the UK

Chair and Chief Executive forewords

Foreword from Andy McKeon CBE, Chair

The past year has been the most challenging ever for the health and care system. The impact of Covid-19 on the way health and care are delivered and on people's day to day lives has been immeasurable. We have just passed the 18-month anniversary of the WHO declaring Covid-19 outbreak a pandemic. The vaccination campaign – the largest in the NHS's history – has had a monumental impact on public health, but coronavirus is here to stay. Policy makers, service leaders and politicians are now wrestling with the long-term consequences for the health and care system.

I have been very proud of the role that the Nuffield Trust has played in providing evidence-based analysis, and concise and informative commentary on Covid-19 to improve policy and public understanding in this area, alongside rigorous research and analysis. Our work has also gone beyond Covid-19 to include amongst other areas the financing of the NHS, social care reforms, the health and care workforce and prisoner health. The Trust continues to be as much in demand as ever and we remain highly respected for our independence and research rigour.

The working environment has changed significantly, demanding new approaches and ways of support but The Nuffield Trust remains on solid foundations. Its investments too are in a robust position, considering the continued economic impact of Covid-19.

I am proud of what the Trust's staff have achieved over the past year. I want to thank them all for their hard work and commend them for working so admirably under the toughest of conditions. There will no doubt be more challenges to overcome, but the way in which the Trust and its staff have more than managed over the past year gives me a definite sense of hope and optimism for the future.

Foreword from Nigel Edwards, Chief Executive

This is the second year of the Nuffield Trust's five-year strategy 2020-2025. The pandemic and halting recovery has continued to dominate people's thoughts, and we have been well positioned to provide insightful commentary and analysis on the impact of the Covid-19 pandemic.

Standing independent both of the NHS and of politics, we are funded predominantly by our own endowment and can act nimbly in response to the health policy environment. Our pivot towards "sense-making" commentary around Covid-19 has proved resilient in this context, with our Chart of the Week series being very impactful.

Policy discussions have also increasingly focused on major issues or events that long pre-date the pandemic and much of our analysis and commentary has focused around these, generating significant impact. Following publication of a Government White Paper on the reform of the NHS, we closely scrutinised the Bill – through MP briefings, stakeholder meetings and media commentary. After plans for an additional £12 billion per year for health and social care over the next three years were announced by the Prime Minister, we offered expert commentary on what this means for the social care sector. As concern about the future of the health and care workforce grew to perhaps its highest for years – evidenced by the NHS staff survey results – we provided evidence-based analysis on the many facets of the workforce, most notably in our Chart of the Week series which has continued to provide a useful outlet for this. We have also been well placed to inform on the major implications for health policy, following publication of a Brexit trade deal in December last year.

This report details the activity we have generated and the impact we have secured, as well as the financial and organisational work underpinning our charity. I have been enormously impressed by the resilience and goodwill of our staff, who have continued to deliver exceptionally high-quality work during such difficult circumstances. I am incredibly proud of the impact we have had over the past year and am hopeful for what we can achieve over the next 12 months as we emerge the other side of the Covid-19 pandemic.

The Nuffield Trust's year in numbers

19 reports and briefings

60 blogs and explainers and **34** charts of the week

997,616 visitors to our website

56k followers on Twitter, an increase of **2.3k** on the previous year

3,628 unique mentions across print and broadcast media

12 mentions in parliament, **12** written submissions and **4** oral evidence sessions

120 speaking engagements, an increase of nearly 50 on the previous year

14 virtual events (12 roundtables and 2 conferences), with over 1000 people attending in total

28 Nuffield Trust authored articles in journals and external publications

1. Our strategic objectives

The Nuffield Trust works to promote improvements in the quality of health care and health policy. In so doing, it seeks to improve patient care and health for all members of the public. All our charitable activities focus on health care policy and practice and are undertaken to further our charitable purpose for the public's benefit.

Our strategy to 2025 specifies three clear objectives for our work in pursuit of this public benefit:

1. To influence policy and practice by generating and synthesising information on health and social care that can facilitate both better policy and better practice.
2. To challenge and support those involved in planning and delivering health care to think more creatively and innovatively about how to adapt and redesign services to meet changing patient needs.
3. To provide information on the evidence, statistics, facts and research that politicians and policy-makers use in their interventions in the health and care system in the UK.

These objectives have framed both the work we have undertaken (our activity) and the impact we have generated. These are set out in more detail in sections 3 and 4.

2. Our activity in 2020/21

The work programme through which we are delivering our corporate objectives has had six priority areas since 2020: workforce; technology and digital; primary care; small, remote and rural services; quality and equity; and politics, funding and reform.

At the beginning of our financial year, the Covid-19 pandemic continued to dominate headlines, creating a challenging environment for non-pandemic-related research and analysis. So, as with last year, our work adapted too. Our initial focus turned to Covid-19 recovery interventions as the country faced up to a devastating second wave; insights on how the pandemic affected the Brexit fallout; and research on how rural and remote health care services were coping. And we were among the earliest organisations providing understanding on how digital and remote forms of health care were expanding as a result of Covid-19 – all while continuing to provide vital commentary on cases, mortality and rising waiting lists.

As the second wave took hold and then gradually eased, the focus across the middle of our year returned to broad questions of health and social care policy reform, with Covid-19 as the ever-present backdrop. Key outputs included a comprehensive look at our ailing social care provider market; attempts to gauge the depth and nature of inequalities in the NHS through ethnicity pay gap and data coding work; and a Covid-19 self-isolation policy proposal – again all the while keeping an eye on the spiralling elective waiting lists.

The last few months have seen discussions over major legislative, financial and structural changes in health and social care systems come to the fore – and perhaps a return to health policy in earnest. We have provided constructive advice and challenge to these developments, addressing long-term policy reform questions through critiquing of the Health and Social Care Bill; commentary on the new health and social care levy; and practical solutions and recommendations to the unfolding mental health workforce crisis through the lens of different staff groups (nurses, clinical support staff, and psychology as a career).

The section below outlines the key activities in each of these six work programmes. It is not a comprehensive list of every output or activity. Furthermore, the strategy was always intended to be dynamic, and our understanding of how it fits together has also recently been adapted, so these priority areas will be adjusted slightly in next year's report (see the section 'A look forward to the year ahead' for more on this).

2.1 Workforce

Concern within the health service over the future of the workforce is at perhaps its highest for years – and morale is wavering following the second Covid-19 wave and debates over staff pay, as evidenced by the NHS staff survey results.

Alongside reactive commentary to these issues we have been working hard to provide the vital evidence base needed in ongoing analysis of the many facets of the workforce – most visibly in our [Chart of the Week](#) series, which has covered staff pay, work-related stress and ethnicity and diversity in NHS recruitment over the last quarter, each of which has been very well received.

We published a research report on the [ethnicity pay gap in the English NHS](#) earlier this year which applied new analysis to examine the differences in basic pay between ethnic minority staff and White staff employed by the NHS – by occupation, pay system and band. The report was received favourably by the NHS Race and Observatory board. A couple of months later, we launched a [report](#) which looked at the quality and consistency of ethnicity coding within health datasets, and was supported by the Race and Health Observatory.

A continued focus of our workforce programme this year has been to present and analyse evidence on different elements of the health and social care workforce in order to inform policy and practice, through regular updates to our [NHS staffing tracker](#).

Given the scale and seriousness of the problem, we have zoomed in on different areas that are in crisis to provide workable solutions from the ground up in various disciplines and specialties. For example, we have undertaken analysis for NHS Employers and the Mental Health Network to look at ways more people might be attracted to apply to [study mental health nursing](#) – and reasons why numbers are currently limited; the National Workforce Skills Development Unit on the roles, responsibilities and diversity of [mental health clinical support staff](#); and for the British Psychological Society on the [pipeline for psychologists](#).

2.2 Technology and digital

Technology in the NHS has the potential to transform health services and patient experience. But getting it right can be challenging. Our work looks at the opportunities, barriers to success and how technological change can be successfully implemented.

The biggest piece of ongoing work under our technology and digital work programme has been our [evaluation of Care City](#), a ‘test bed’ in East London focused on using new technologies to support people with long-term conditions. The evaluation ran for 20

months and drew on quantitative and qualitative methods to evaluate impacts on patients, the workforce and the health care system. We have published a [summary report](#) drawing out the main findings from the study to go alongside the full evaluation report.

In addition, we have published a further two Care City reports specific to implementing technology in social care. [One report](#) outlines key considerations to optimise effective implementation of technologies within the unique domiciliary care setting. [The other report](#) considers the potential of digital technologies to develop and empower staff working in social care.

Work has continued with the World Health Organization's (WHO) European Observatory on Health Systems and Policies, funded by Optum, to produce an overview of national policy levers that have been used internationally to support digitisation across health sectors. While progress was slowed due to the Covid-19 pandemic, it is due to report at the end of 2021.

2.3 Primary care

Work with the Universities of Oxford and Plymouth on an Economic and Social Research Council funded project called *Remote-by-Default Care in the COVID-19 Pandemic*, is continuing at pace. It will examine the benefits, disadvantages and pitfalls of the rapid changes that have taken place in general practice such as video and online consulting, and remote assessment, so as to improve their use. It draws on a blend of data from a series of virtual workshops and wider study findings. This will be a very timely piece of analysis as the debate over appropriate levels of face-to-face and remote appointments continues across media and the government.

The 2021 GP patient survey showed a worrying trend of people staying away from health services during the pandemic. We took a closer look at the results in our [QualityWatch](#) analysis to understand how access to GP practices has changed over time. Our '[Chart of the Week](#)' highlighted that people from the most deprived areas were less likely to report their needs being met or had a poorer overall experience.

A set of linked blogs examined the [practical challenges](#) of introducing different roles into primary care and the [key issues](#) which should shape the expansion of multi-professional teamwork in general practice.

2.4 Small, remote and rural services

Throughout the year we built on earlier work to cement our reputation for expert analysis and commentary on the role that smaller hospitals and services play in health care

delivery, highlighting the unique challenges these services face and offering solutions to some of these challenges.

We were commissioned by the National Centre for Rural Health and Care to write a report looking at the unique challenges presented by Covid-19 and rurality. This [briefing](#), published at the end of 2020, explored the impact the pandemic has had on the delivery of rural and remote health services in England, highlighting the underlying challenges faced by these services – and outlining how the challenges faced are different for rural areas in comparison with more urban areas.

The full NIHR Medical Generalism study was published this year, through the [NIHR journal](#). We published a [blog](#) outlining the 12 key lessons from the study which was well received. We have recently embarked on a project looking at the factors which were important in driving reconfiguration of acute medical and emergency services in smaller hospitals during the Covid-19 pandemic.

Our work under this programme has also included a number of bespoke advisory projects for leaders in different health systems, including giving evidence to the Labour party on rural health services.

2.5 Quality and equity

A great deal of our work on quality and equity is firmly aimed at achieving our first and third objectives: to generate and synthesise information on health and social care to facilitate better policy and practice; and to provide information on the evidence, statistics, facts and research used by politicians and policy-makers.

Our [QualityWatch](#) programme, funded by The Health Foundation, is a key component of this, through which we published regular updates on trends in the quality of care in different areas, including [primary care](#), care for [children and young people](#), [urgent and emergency care](#) and [social care](#).

The [QualityWatch annual statement](#), published in December last year as an innovative scrolling data story, focused on the rapid adoption of digital technology for delivering NHS care during the pandemic. The Covid-19 pandemic has dramatically changed the way patients access general practice and outpatient appointments, with far more telephone and video appointments being offered. Given the continued relevance of an independent, comprehensive and ongoing review of health and social care quality as the country recovers from Covid-19, we are in discussions with the Health Foundation to renew and develop the project further.

Our work on prisoner health, funded by The Health Foundation, is another key component of this work programme. Later this year we will publish a report exploring changes in prisoners' use of secondary care over time and comparing use of hospital services with the non-prisoner population. A second briefing due to report in 2022 will look at the impact of Prison healthcare in Wales.

Since 2016 we have sought to use our position as a research organisation to add to the evidence base around the health of children and young people. We published a briefing which looked at the changes in emergency admissions for the under 5s, exploring differences by groups and whether changes to service provision are influencing emergency admission numbers. Later this year we will publish a report exploring the causes of poor child health and developmental outcomes in the UK, with a focus on infant mortality and obesity. Our support and advice to the Nuffield Foundation for their early year's health chapter – the changing face of early childhood in Britain – has led to developing a joint round table with them to discuss some of the findings and the implications for ICS and place-based strategy for children and young people.

We are developing new relationships with stakeholders with a shared interest in end of life and palliative care, and have been commissioned to research use of services with Hospice UK, and evidence for specialist community palliative care with NHSE/I.

Our longer-term research work continues to shed light on some fascinating areas, with our NIHR funded Rapid Service Evaluation Teams analysis of Covid-19 virtual wards being particularly well-received within NHS E&I. Phase 2 of RSET and BRACE's study of remote monitoring models for Covid-19 patients – exploring the second wave of the pandemic – has begun.

We held our first virtual Rapid Evaluation Conference over three days in January, organised by the Nuffield Trust and the Health Foundation, in association with BRACE and RSET. This was our first virtual conference and we had 460 registrations for the conference with over 100 delegates watching the live stream on each day.

2.6 Politics, funding and reform

The unfolding Covid-19 crisis saw continued interest in our role as an organisation providing evidence-based analysis and commentary to help commentators, policy makers and others make sense of the situation. Our Charts of the Week have continued to provide a useful outlet for this, covering issues such as Covid-19 in prisons, weekly mortality figures, critical care beds, length of stay and the regional pattern of the vaccine roll-out. Our media commentary on mortality and elective recovery in particular has been very prominent over the last year as well.

Although concern over the pandemic remains high, over recent months there has been a sense that policy issues and discussion are firmly back on the table, with lively policy discussion in several key areas of health and care reform that Nuffield Trust has been well placed to contribute effectively to. One longer-term issue generated significant activity over the year in particular: social care.

Over the summer we contributed to the ongoing social care policy debate with a series of [blogs](#) on the pressing need for social care reform. We launched a report summarising the [problems in the English social care provider market](#) which generated a lot of interest within government and beyond. Members of the social care team presented to and met with a large number of policy-makers and opinion-formers, including the DHSC markets team, who asked us to present our work directly to the care minister Helen Whately, and DG Michelle Dyson.

The past year has provided many opportunities for intervention on social care reform. Our [statement](#) following the Prime Minister's announcement of an additional £12 billion per year for health and social care over the next three years was widely quoted, and the social care team were in great demand fielding media queries. A [blog for the BMJ](#) explored what it really meant for the social care sector – that the package presented falls short of the comprehensive reform that social care so badly needs.

The new Health and Care Bill, the biggest legislative overhaul of NHS for a decade, made its way through Parliament this year and we have provided close scrutiny of it through [briefings for MPs](#), stakeholder meetings and media commentary, making clear our concerns about a ministerial power grab, the risk of undermining trust in NHS processes and the possibility that some powers may ultimately be unwanted. We published a blog titled "[Will the new Health and Care Bill privatise the NHS?](#)" after some expressed concerns that it could lead to 'privatising' the NHS.

Building on our reputation for incisive commentary and analysis on Brexit, our Brexit leads published a series of blogs looking at the impact of Brexit on many areas, including the [development, supply and rollout of Covid-19 vaccines](#); [supply of drugs to UK patients](#); [the UK's scientific successes](#); impact of a [Pacific trade deal on the NHS](#); and [medicines shortages](#).

We launched two Brexit reports in this financial year – a [briefing](#) which assessed how Brexit may affect the UK's response to Coronavirus, and a [report](#), commissioned by the Health Foundation, which mapped out the health areas that will be affected by our decisive exit from the Union. Five years on from the Brexit vote, in a blog we looked back at the [main](#)

claims that were made about the NHS before the referendum took place to see which have been proven right and which have proven to be unfounded.

In March, we held our first ever fully virtual Summit series over a two-week period. The sessions were wide-ranging and timely, covering the interaction between scientific advice, evidence and policymaking; reflections on whether health services need a restoration or revolution following the pandemic; and the tension between centralisation and localism that is characteristic of health care in this country. The Summit presented a timely opportunity to reflect on the pressing issues facing the NHS and social care, especially what has changed since the Covid-19 pandemic and stimulate and challenge the audience to think outside of their usual fields and expertise.

Our work on Covid-19 also saw us deliver new events and develop new partnerships to support the NHS's efforts in response to the outbreak. In partnership with the Resolution Foundation, we put together a fully costed policy proposal for financially supporting people to self-isolate during the pandemic, providing real policy solutions to the issues of the day. This led to strong media coverage and the Prime Minister's spokesperson being questioned about the issue by journalists.

We also partnered with the Institute for Fiscal Studies for a widely-attended online event looking at the impact Covid-19 has had on healthcare, which involved Nigel Edwards speaking at an event alongside Carol Propper of Imperial College and Paul Johnson of the IFS.

3. Our impact

The public benefit of our work can clearly be seen in its impact. We define and measure impact in three ways:

- **the reach that we have** so that the public, policy-makers and those involved in delivering health care are better informed about health and social care in the UK and what can be done to improve it – this is reflected, for example, in our broadcast and print media counts;
- **the influence that we have** in informing politicians, policy-makers and health and social care practitioners about thinking on health and social care through analysis, pointing out lessons from the past and proposals based on research on how policy and practice can be improved for the benefit of the public – this is evidenced, for example, by our presentations to parliamentary committees, civil servants and ministers, as well as NHS boards and groups of health and care managers;

- **changes in policy or practice that result from our work** – although this can be very hard to measure, with policy change often the result of multiple influences and the exact journey from our activity to impact often unclear.

Looking at our three strategic objectives in turn, we can highlight some real examples of impact – and public benefit – in 2020/21 in each of these categories. This section does not attempt to provide a comprehensive list of all the areas in which we have achieved impact. Rather, it attempts to capture the highlights of another seismic year in health and social care.

3.1 Impact on policy and practice

A wide range of our work falls under this objective, which covers much of our ‘sense-making’ and explainer work, as well as in-depth analysis. Impact highlights from 2020/21 include the following:

- Our ethnicity coding report, which looked at the quality and consistency of ethnicity coding within health datasets, and was supported by the Race and Health Observatory, was received very positively by the data and research community;
- Explainer and commentary on measuring Covid-19 mortality – this has proved to be a highly popular, objective and authoritative resource which been widely read and updated as the pattern of Covid-19 deaths has changed during the pandemic;
- Our NHS workforce in numbers and QualityWatch analysis on hospital bed occupancy were referenced in Keir Starmer’s pamphlet [‘The Road Ahead’](#);
- The NHSE/I strategy team drew on our QualityWatch work in providing a briefing for the new Secretary of State and NHSE/I Chief Executive;
- Our chart of the week on cases of Covid-19 in prisons was cited in a letter drafted to the *Joint Committee on Vaccination and Immunisation* and Matt Hancock regarding prioritisation of prisoners and prison staff for vaccination.

3.2 Impact on service redesign

Much of our work aimed at informing health care managers, clinical leaders and policy-makers falls under this objective. This includes our evaluations, our consultancy work for individual NHS organisations and also our convening and events work. Impact highlights from 2020/21 include the following:

- Following previous work on continuity and access in primary care, Rebecca Rosen won one of five C6 Health Foundation awards for improving continuity in general practice, applying findings from the project in her own GP practice. Furthermore, at the advisory

group of the National Access Review – which has taken on a higher level of importance following Boris Johnson’s opening speech – our continuity report was referred to by NHSE/I during the meeting as setting the context for the inquiry and providing a range of insights about access and continuity. They are drawing on its findings and have internalised our recommendations about the possibility of delivering access without letting go of continuity;

- Our ongoing analysis on the feasibility of managing patients with Covid-19 in the community rather than in hospitals by giving them oximeters to keep track of their own oxygen levels at home, under the Rapid Service Evaluation Team (RSET) project, has had feedback from a GP lead at NHSE/I that the RSET team played an essential role in enabling the national roll out of Covid-19 oximetry at home;
- Our work on hospital re-design and delivery with the Velindre NHS University Trust provoked genuinely new thinking among the leaders in the area;
- We have been invited to present at a number of high-profile external events, including the European Healthcare Design 2020 conference and the NHS Confederation’s Primary Care Network Conference;
- NHSE South East region commissioned us to help them think about how ICSs will work in the future. This has led to us providing further support on ICS development in the East of England region and the future of commissioning.

3.3 Impact of our evidence to policy makers

The policy and public affairs work that we do is in pursuit of this objective, offering rigorous analysis to inform politicians from all four UK countries, policy-makers in central and local government as well as within NHS arm’s-length bodies. Impact highlights from 2020/21 include the following:

- There has been significant impact from our work on social care. The Migration Advisory Committee are establishing a [social care expert advisory group](#) as they have been commissioned by the Minister for Future Borders and Immigration to undertake an independent review of adult social care and the impact of ending freedom of movement on the sector. The committee drew heavily on our social care briefings as references in documents for the committee and to understand more how social care works in the four countries;
- There have been multiple citations in the media and parliament, following announcement of the Health and Social Care Levy; following a number of social care reform proposals, including a proposed hike to National Insurance as a funding mechanism, we engaged in several broadcast interviews, including BBC R4’s The World This Weekend; we made a timely intervention via a joint letter on social care which was published in the Times;

- Our social care provider market report generated a lot of interest within government and beyond and there has been huge demand for our social care team to speak at a range of external events and attend meetings, including discussion with Number 10 Downing Street. We presented it to over 80 senior civil servants from across DHSC, MHCLG and Cabinet Office. We have also separately briefed the markets team and they have asked us to present our work directly to the care minister, Helen Whately and DG, Michelle Dyson. We were told by the directorate of the Markets team that it had been ‘referred to constantly’ in conversations with the DHSC. In a presentation during a DHSC engagement session with the sector, our work was referenced and it has influenced the department’s framing of the issues;
- We circulated a briefing for the Second Reading of the Health and Care Bill, and were cited by the Minister of State Edward Argar in the debate. We joined forces with the King's Fund and the Health Foundation to draft a letter on workforce planning and the NHS Bill to the Secretary of State and Jeremy Hunt. Both this letter and our formal submission in the previous quarter were widely quoted and cited in the Health Select Committee report on the NHS Bill;
- We have been invited to give oral evidence at four committee sessions. We submitted written evidence to the Public Accounts Committee inquiry into digital change in the NHS, drawing on our recent briefing, and were cited in their final report. We were extensively cited in the House of Lords’ Public Services Committee report on Covid-19, including on funding disparities, health inequalities, social care, and technological innovation. We were cited in the House of Commons in debates about trade deals, and for our work on the Scottish NHS and social care in the four countries;
- Our work with the Resolution Foundation on better financial support for self-isolation achieved great impact, notably national media coverage in the Guardian and the Prime Minister's spokesperson was questioned about the issue at the lobby briefing on the day of launch;
- Our Brexit tracker project, funded by the Health Foundation and involving a collaboration with leading academics, was completed in December and published as the “will they/ won’t they” politics continued on the deal. It was well-received within Whitehall and the Arms’ Length bodies, and received widespread media coverage;
- A thread from Helen Buckingham providing clarification over privatisation concerns with regards to the Health and Care Bill captured a huge amount of attention from our Twitter audience. The original blog is the most popular blog content we have published this year;
- Following our report on international long-term care Covid-19 learning, an international evidence summary on mandatory vaccination for social care staff was published and cited by the SAGE working group on social care.

4. Organisational development

Hybrid working policy

Covid-19 continues to produce an environment of uncertainty and staff wellbeing is paramount. We have therefore remained cautious in our approach to the office re-opening, while working hard to keep pace with external changes. Although office utilisation was lower over the summer months, we are now seeing utilisation increase, both in absolute numbers and also variety of staff users. We are preparing a new hybrid working policy which will form the foundation for working at the Trust in the future.

Strengthening our networks and external relationships

We conducted a review of our networks and external relationships last autumn to capture a better picture of the range of external contacts held by Nuffield Trust staff; the strength of working relationships; and areas for development. We gathered evidence from surveys and qualitative interviews with Nuffield Trust staff and Trustees. A number of recommendations have been taken forward to strengthen our existing relationships and networks.

5. A look forward to the year ahead

We have re-focused our priority areas of work to four key areas:

- Quality and equity
- Service delivery
- Innovation
- Politics, funding and reform

Each priority area of work is quite broad in its focus, and many of our projects will fall within more than one area of work.

Work planned for 2021/22

In our **quality and equity** programme, we are developing a portfolio of projects on end of life care, to improve the evidence base for policy makers and local systems. A project commissioned by Hospice UK will focus on the scale and nature of service provision by hospices from April 2018-March 2021. We have also started work on a project on access to prevention, diagnosis and treatment for people with a learning disability.

We will continue to develop our prisoner health research work, building on our previous work as well as extending into new areas. In the next phase we will be directly involving

people with lived experience of prison, who will take part in discussions regarding measures of care quality amenable to identification in hospital data, as well as workshops to develop practical policy recommendations based on the research findings. We will also be producing targeted outputs on the Wales prison estate for the first time.

Through our **service delivery** programme, following on from the Medical Generalism study, we will lead a review of the impact of Covid-19 and organisational change in smaller hospitals using the same cohort of hospitals. This will assess which factors were important in driving reconfiguration of acute medical and emergency services in smaller hospitals during the Covid-19 pandemic and whether there are wider lessons for service change.

Improving access to primary care has been an area of strategic policy focus consistently over the last decade. We have launched a new project which will look at whether shifting primary care online will enable patients to have more equal access to care and what policy lessons can be learnt.

In relation to integrated care, we are working with the Policy Innovation Research Unit (PIRU) to understand how integrated care systems in Italy, the Netherlands and Scotland are implementing their recovery plans post Covid-19. We are also preparing a briefing comparing the approaches to integrated care across the four nations of the UK. This will focus on policy and outcomes relating to integrated care and the challenges of delivering services to an increasingly multi-morbid population.

Within our **innovation** programme we have two ongoing projects reviewing digitisation in health – one with an international perspective undertaken in partnership with the WHO European Observatory and a second internal project considering the development of digital policy and the impact of Covid-19 across the four nations of the UK.

Our RSET programme continues to undertake evaluations of innovative practice in health care delivery, with a number of new evaluations in progress this year including: peer supported social care in prisons, innovations in outpatient services, youth violence intervention programmes and centralisation of specialist health care services.

Within our **politics, funding and reform** programme, we have launched a project on international comparisons of health system recovery from Covid-19 with NHS England and Improvement. This will assess national Covid-19 recovery plans and synthesise strategies for how other health systems are working to enhance resiliency and recover services as we move into later stages of the pandemic. We will also partner again with the King's Fund to ascertain the views of the public on a range of health and care related issues, as part of the British Social Attitudes survey run by NatCen.

We will continue to take opportunities to engage with the development of Integrated Care Systems. We are a member of a consortium of organisations which has recently won a £6 million contract from NHS England to support the development of place-based partnerships across all 7 regions, which will offer us significant learning opportunities. We will also continue to engage with parliamentarians as the Health and Social Care Bill progresses through the legislative process.

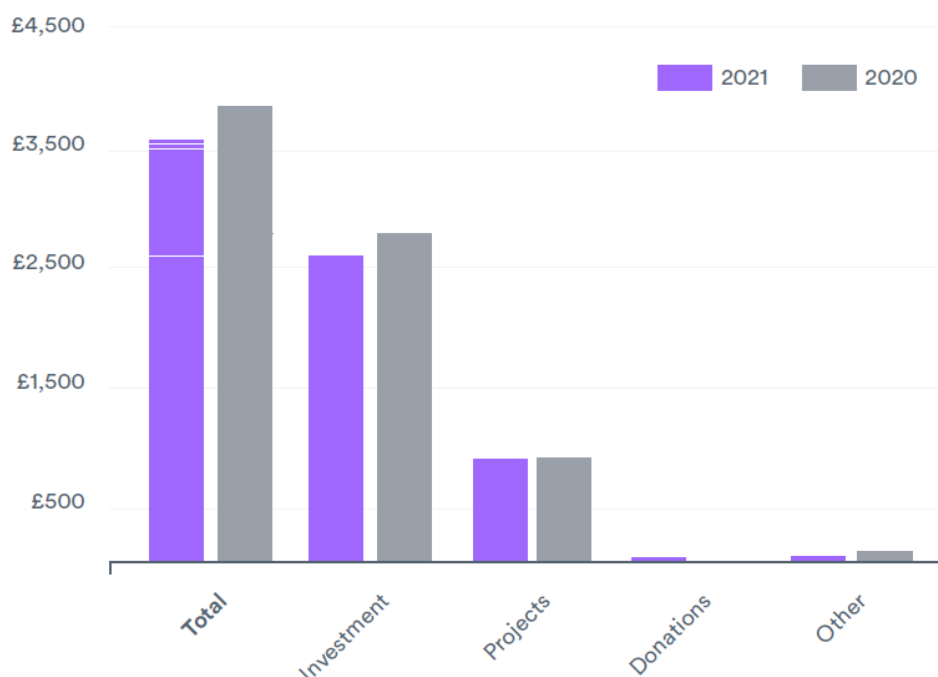
Financial review

Review of income and expenditure for the year ended 30 September 2021

The financial statements for the year to 30 September 2021 have been presented as consolidated accounts for the two entities: The Nuffield Trust for Research and Policy Studies in Health Services and Nuffield Trading Limited.

The Nuffield Trust benefits from an endowment which is primarily held in an investment portfolio. On a long-term basis, and in line with our financial strategy and reserves policy, we aim to maintain the value of these investments (adjusted for inflation). Given the above, in some years our annual report will show a significant surplus, while in others it will show a significant deficit. This year, as was the case last year, investments have performed ahead of target, so we are showing a surplus.

Income



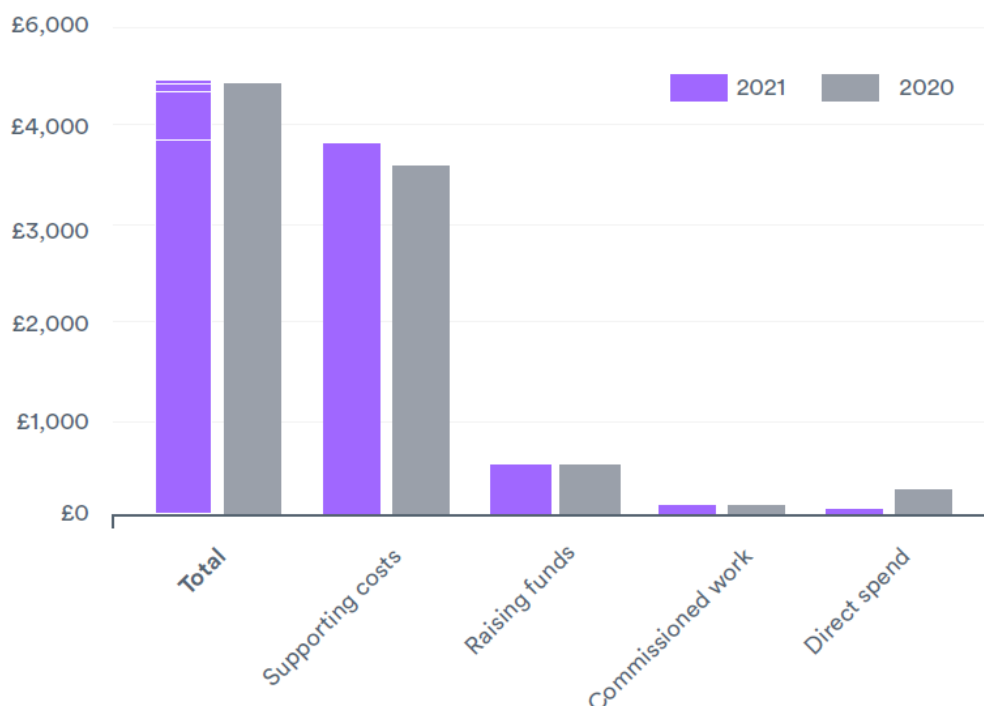
Total income for the year amounted to £3,687,000 (2020 - £3,822,000), of which £935,000 (2020 - £943,000) was generated from charitable activities and £2,752,000

(2020 - £2,879,000) was derived from other sources, namely investments, donations and other trading activities.

Income from charitable activities decreased by £8,000 between 2020 and 2021 due to a reduction in purely funded work, with more projects being either internally funded or delivered with a joint funding approach between the Trust and other partnering organisations. Work on projects may span more than one year and income and expenditure are recognised taking into account an assessment of proportion of work completed at the year-end.

Income from other sources decreased by £127,000 between 2020 and 2021 due to a £144,000 decrease in investment income, a decrease of £8,000 in other income and an increase of £26,000 in donations.

Expenditure



Total expenditure for the Trust for the year was £4,566,000 (2020 - £4,428,000), of which £4,056,000 (2020 - £3,932,000) related to charitable activities, which includes the costs of completing project work. Support costs in note 9 include costs of employing staff

and providing the infrastructure to enable the work of the Trust to be completed. Direct spend on projects includes commissioning expertise; disseminating our work, including making it available through open access; and ensuring that our work is subject to appropriate peer review.

Expenditure on charitable activities increased by £124,000 between 2020 and 2021 due to the net effect of a decrease in expenditure on commissioned work, a decrease in spend attributable to income generating activities (Direct Spend on projects), a planned increase in staff costs and an increase in other overhead expenditure. These overhead costs are the reversal of cost savings seen due to the extraordinary impact of the Coronavirus, primarily whilst the office was closed.

Expenditure on raising funds increased by £14,000 between 2020 and 2021 due to investment management fees increasing by £9,000 as funds under management increased, and the staff costs allocated to generating funds increasing by £5,000 .

Net gains on investments for the year were £9,205,000 (2020 - £2,664,000). Further details on investment performance are below.

The net income for the year was £8,326,000 (2020 - £2,057,000).

The Trust is nearly two years into a 5 year strategy, covering the period 2020-2025, in which it lays out the plans for future periods. This five year strategy lays out the Trust's core objectives in pursuit of achieving the charitable purpose of the organisation:

- To influence policy and practice through generating and synthesising information on health and social care to facilitate both better policy and better practice.
- To challenge and support those involved in planning and delivering healthcare to think more creatively and innovatively about how to adapt and redesign services to meet changing patient needs;
- To provide information on the evidence, statistics, facts and research which politicians and policymakers use in their interventions in the health and care system in the UK.

Further information can be found regarding the Trust's approach to delivering the strategy and the specific measures of success on our website at www.nuffieldtrust.org.uk/about.

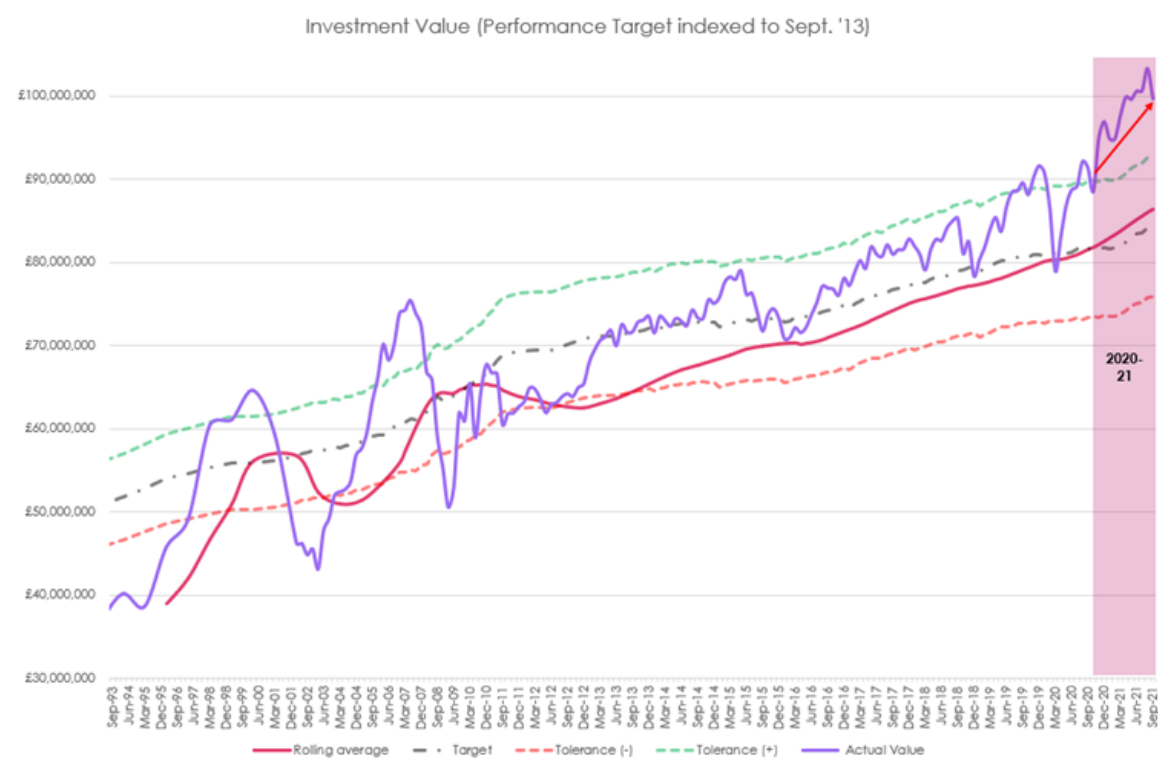
Net assets at 30 September 2021

The Trust's consolidated net assets at 30 September 2021 were £103,501,000 (2020 - £95,174,000). This represents an increase of £8,327,000 (9%) compared with the net assets at 30 September 2020, which was caused by growth in the value of investment funds.

Investment performance

The long-term investment performance objective for the combined portfolio is to achieve a total return, net of fees, of CPI +4.5% per annum; designed to enable a drawdown of funds to support expenditure on charitable activities of 4% (based on a rolling average). Over shorter time periods, performance is measured against a bespoke benchmark based on the underlying strategic asset allocation.

The overall return (before fees) on the total investment portfolio was £11,800,000 for 2021 (2020 - £5,402,000). The portfolio of investments had a total value at 30 September 2021 of £99,707,000 (2020 - £91,386,000).

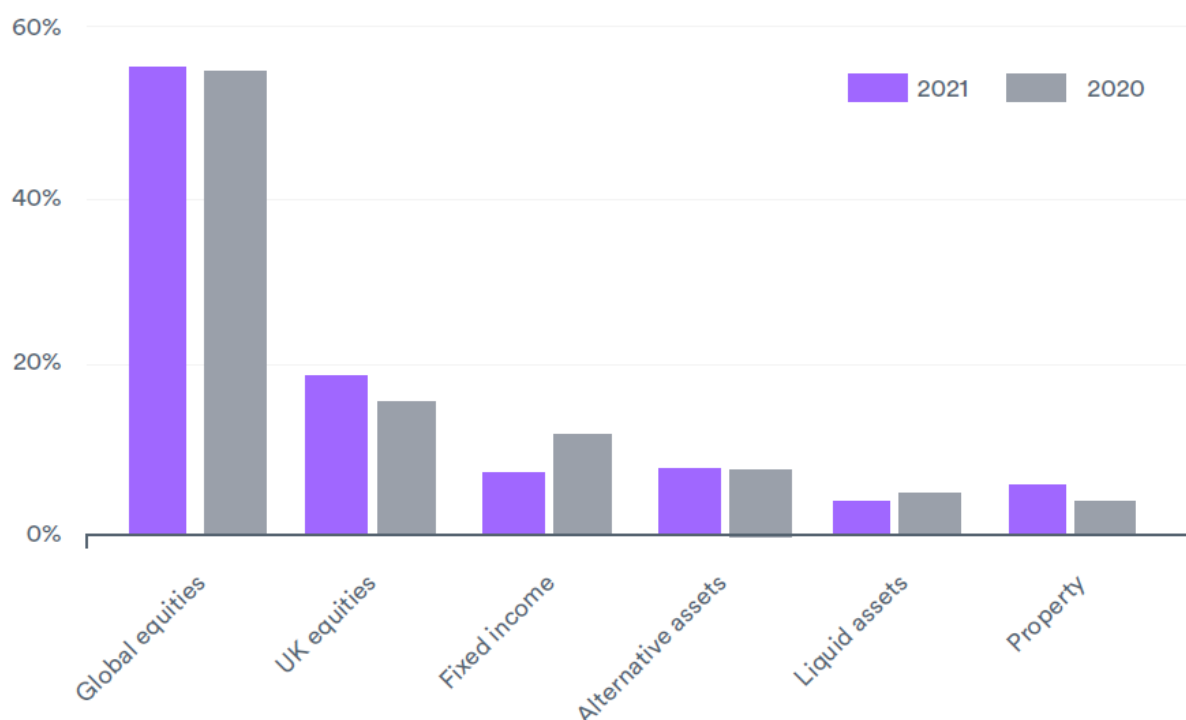


Long-term analysis of available data above (March 1992 to September 2021) shows that the total value of the investment portfolio, after taking into account withdrawals to support charitable purpose and investment management fees, has risen ahead of inflation, as measured by the consumer prices index, and ahead of the Trust's agreed investment value target, currently set as CPI+0.5%, being the performance target (CPI+4.5%), less the agreed drawdown (4%). The chart above presents the value of our investments in absolute monetary terms, which also captures the impact of periods where the total amount drawn

from investment funds differed from the 4% drawdown model, for example during periods of reduced activity or the reinvestment of surplus funds.

The tolerance bands in the chart above are used in order to quantify the expected volatility inherent in the agreed investment strategy and to help assess the level of risk in the portfolio at a given time. Risk, often measured in terms of equity risk, is closely monitored by management and can be presented in terms of comparative asset allocation. As might be expected, external events may lead to tactical measures being taken to adjust the risk in the portfolio, such as in particularly volatile markets as we saw during 2020.

Asset allocation



For the 12 months to 30 September 2021 the total value of the investment portfolio has risen 6.0% (2020 – 1.5%) ahead of inflation, as measured by the consumer prices index, or 5.5%(2020 – 1.0%) ahead of the inflation linked target.

During the year under review the investment assets of the Trust were managed by Sarasin and Partners LLP, with a small amount of funds invested in a J P Morgan Property Fund which is in the process of liquidation.

The funds managed by Sarasin and Partners LLP are invested in two funds which complement each other to achieve the approved investment strategy; the majority of funds are held in the pooled Endowments fund (formerly, Alpha CIF for Endowments), a diversified multi-asset exempt fund for charities, with the remaining funds held in a segregated Global Equity Dividend fund, allowing greater exposure to global equity assets. Both funds have an ethical investment policy that includes avoiding tobacco stocks (further details on ethical restrictions can be found within Financial Strategy and Reserves). The individual income yields on the Endowments fund and Global Equity Dividend portfolios were 2.8% and 2.1%, respectively, and the combined weighted yield across the aggregated portfolios was 2.7% at 30 September 2021 (2020 – 3.0%).

The Trust also holds investment in JP Morgan Asset Management’s European Property Fund, another closed and illiquid asset in the process of liquidation. These funds are held separately from the assets managed by Sarasin. At 30 September 2021, the fair value placed on this investment, after taking account of redemptions of £11,000 (2020 - £21,000) received in the year, including cash held against currency hedge, was £14,000 (2020 - £27,000).

Financial strategy and reserves

The Trust’s strategy is guided by its policy on expenditure, reserves and investments.

The Trust’s policy on expenditure is to ensure there are adequate funds in order to generate a sufficient return to fund both the current and future charitable activities of the Trust. The Trust generates income from a variety of activities that support its core purpose and make the best use of its resources. Where the money generated is insufficient to cover its total expenditure, a proportion is drawn from the investment capital. In agreeing the level of resources, Trustees are mindful of their responsibility for the long-term stewardship of the Trust. Trustees take a risk-based approach, which aims to balance the Trust’s ambition in meeting its charitable objectives; its ability to generate income; and its capacity to spend from investments, now and in the future.

The Trust’s total reserves at 30 September 2021 were £103,501,000 . As set out in note 20 to the accounts, the entire amount, £103,501,000 represents the expendable endowment.

The Trust’s policy on reserves is based on ensuring that they are sufficient to support the long-term nature of its work and cope with fluctuations in annual income. The Trust’s policy on ‘free reserves’ is based on a risk based modelling approach, assessing the impact and timing of key operational risks (as described below) and ensuring the level of reserves are sufficient to mitigate against likely events. ‘Free Reserves’ exclude both funds which

can only be realised by disposing of tangible assets, and are distinct from funds assigned for other purposes, which in accordance with Charity Commission guidance, would also exclude the value of endowment funds. “Free Reserves” have been agreed at a target level of £1,750,000, reviewable annually, but allowing a +/- 25% variance from this target before a recovery plan is required. Current “free reserves” (being the total of “Short term deposits” and “Cash and bank and in hand”) are £1,825,000 and are within the target band. The Trustees consider reserves to be at an appropriate level as these funds are sufficient to meet the foreseeable future activities and income fluctuations.

The Trust’s policy on investments is to take a long-term approach, investing globally in a range of assets with the intention of preserving the value of the endowment in real terms after any drawdown to fund expenditure. Ethical restrictions in place limit direct investment in tobacco production and investment in companies that derive significant income (greater than 10%) from armaments, gambling, alcohol, adult entertainment or tobacco.



A review at the financial year end, indicates that exposure to these restricted areas amount to approximately 0.17% of our total holdings, or £165k, with the largest proportion being alcohol, through holdings in retail and leisure outlets. In addition, Trustees are committed to reviewing the Trust’s ethical investment restrictions at least annually.

A review of the stance on Environmental, Social and Governance (ESG) issues during the year has led to improvements. In targeting a more environmentally friendly and sustainable approach, Trustees agreed to align investment activities to the Paris Climate pledges. This has resulted in improved understanding of investment holdings and the associated environmental impact. This is considered the first step in a pathway to a greener and more sustainable organisation.

The Trust’s investment strategy is to manage the portfolio on a total return basis, income and capital combined. The Trust has an asset allocation that is geared towards equities because of their higher expected returns in the long term (based on historical performance). The Trustees recognise that the Trust will need to withdraw both investment income and some of the investment capital to fund the gap between its annual income and expenditure. This is set annually as part of the budget process based on the average value of the investment fund over the last 20 quarters.

Going Concern

In agreeing the planned activities for the coming 12 months, the Trust has implemented a number of approaches to ensure that operations remain viable under the scenarios that are likely, given the future uncertainty caused by coronavirus:

- In support of the Trust's strategic aims and to enable successful translation of activities to budget, the Trust has produced a 1 year business plan.
- The budget has been based on business as usual basis, having considered the risks presented by the current environment.
- Increased financial reporting to the Trustees and to Leadership Team to ensure timely information in support of strategic decision making.

More broadly, the Board regularly reviews forecasts and projections and has not identified any material uncertainty relating to going concern.

Structure, governance and management

The Trust is a company limited by guarantee, registered in England and Wales as company number 00382452. It is registered with the Charity Commission as charity number 209169.

The Trust's Articles of Association provide for a minimum of four Trustees, and a maximum of twelve. Trustees are appointed for an initial term of three years and may be reappointed for up to a third term. Appointment as a Trustee is open to any suitably qualified member of the public. Newly appointed Trustees are provided with an induction programme, which sets out the activities of the Trust and their responsibilities as a Trustee.

Details of the Trust's current Trustees, and those who served during the year, are set out on page 4.

The Board of Trustees meets four times a year with the Chief Executive and the Leadership Team to handle business that has not been formally delegated to the Chief Executive and to consider other matters related to the operations of the Trust. The Board of Trustees has established a number of standing committees to support it in its work.

The **Governance, Nominations and Remuneration Committee** assists the Trustees by overseeing: governance; nominations; succession planning; induction support and development of Board members (individually and collectively); human resource issues, including the remuneration packages for directors; and any other functions delegated by the Board.

The **Finance Committee** assists the Trustees by: overseeing all financial and investment aspects of the charity; overseeing systems of internal control; and monitoring risk management, so as to ensure the short- and long-term viability of the Trust.

The membership of these committees is shown on page 4.

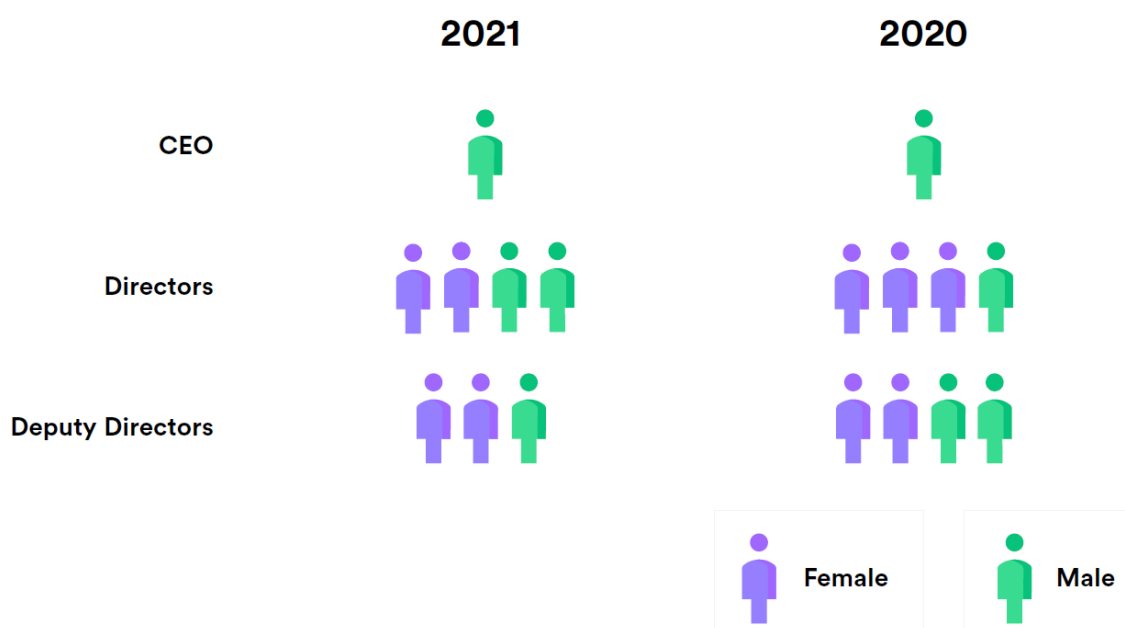
Organisational structure and how decisions are made

The Trustees appoint a Chief Executive, to whom they delegate the responsibility for realising the Trust's strategies and objectives and for the day-to-day management of the Trust. The Chief Executive is supported by a Leadership Team, to whom they delegate authority for financial and contractual decision, as detailed in the 'Scheme of Delegation of Financial and Contractual Authorities'. The corporate governance arrangements, including the scheme of delegation, are reviewed at least every two years. The last review and update was completed in June 2021 and the next review is scheduled to be completed by the summer of 2023.

Directors work within the framework set by the strategic plan and annual operating plan approved by the Board. Work programmes are produced for the different areas of activities. Progress on these work programmes is reported regularly to the Board, and approval secured for changes where necessary. It monitors, reviews and takes action on strategic goals and work programmes. Details of the current Key Management Personnel and those who served during the year can be found on page 4.

Since extending the Leadership Team structure during 2020, extending it to include deputy directors, the structure has been unchanged. During the periods of national lockdown, the Leadership Team modified their working approach, adopting a more frequent meeting pattern.

The Leadership Team structure for decision making is illustrated below:



Our funding

The Nuffield Trust has an expendable endowment valued at £103,501,000 at 30 September 2021. This endowment provides the Trust with a valuable source of income (£2,595,000 in the current year). We also obtain funds by withdrawing a proportion of the investment capital each year, in line with our financial strategy.

These sources of funds are not adequate to fund all our activities but guarantee a consistent and completely unrestricted stream of funds. The sources of our other income, from charitable activities, donations and others, is set out in the Consolidated Statement of Financial Activities.

The sources of our funding are diverse, with no single organisation contributing a sufficient proportion of the income to create reliance or significant risk to the organisation were it to be withdrawn. This provides reassurance that our objectivity and independence can be maintained.

Managing risk

The Trust's risk management approach, governed by the Board of Trustees, is documented as the Corporate Risk Assessment and Management Framework. This framework describes the processes defining risk identification, assessment, recording, ownership, measurement and monitoring. A complete review of the approach to risk management was undertaken during the year.

Within the framework, there are three categories of risks: 'static', i.e. unlikely to require significant change in the short to medium term; 'dynamic', i.e. ever changing and with management controls that are under constant review; and 'evolving', low-level risks which may, in the right environment, convert into high-level risks in the future, captured on a 'watch list'. The review frequency of each category has been defined to ensure appropriate levels of focus and resource are applied.

The Trust's Leadership Team is responsible for ensuring that the risk management approach is adequately applied and for reporting to Trustees based on risk category and the defined review frequency.

A summary of the Trust's approach to mitigating the most significant risks is shown below.

Management response		
Risk	Management approach/plan	Monitoring process
The Trust are successfully targeted in a cyber-attack.	• Application of IT Security strategy across the Trust. • Staff training and awareness programme. • Technological controls. • Business continuity plans.	• External assessments - ISO and Penetration Testing. • Real time threat reporting.
Levels of funding at the Trust are insufficient to support charitable activities.	• Continual development and review of external funding opportunities • Defined objectives and restrictions set for investment managers.	• Regular review of potential funding opportunities and bids in the pipeline. • Regular review of investment manager performance.
The Trust's independence is challenged.	• Ensure suitable editorial control arrangements. • Ensure suitable funding proportions (internal/ external funding) and that the sources of funding would not jeopardise independence, whether perceived or actual	• Review of editorial control and IPR commitments at contractual stage, ensuring fit for purpose. • Regular review of funding sources.
There is a failing in Information Governance (IG) controls at the Trust.	• Maintain our ISO 27001 accreditation, continually improve our approach to IG, and ensure access to relevant training. • Proactive approach to cyber security.	• Internal and external audits of IG arrangements. Annual renewal of ISO/the NHS IG toolkit. • Annual network security assessments.
There is poor staff wellness or morale	• Improved review process to include specific focus on wellbeing • Regular engagement to ensure wellness and support under homeworking conditions • Renewed Employee Assistance Programme • Enhanced financial support for homeworking equipment	• Regular review of sickness data • Employee forum feedback • Regular surveys through the pandemic period.

In addition to the above risks, other risks in respect of reputation, dissemination, staff retention and HR planning, project management and delays to data access are also captured and actively managed.

As a direct result of the Coronavirus pandemic, a number of risks were heightened in the previous year. The Trust recognised that an impact of the pandemic was the increased likelihood of a number of risks occurring and, following best practice, the related mitigations were reviewed and improved. The severity of these specific risks and the effectiveness of the related mitigations has been closely monitored.

Specifically, three risks were heightened; Information Governance; Cyber Security; and Employee Wellbeing.

During this year, these risks have been reviewed and remain heightened and are under constant review.

Risks relating to Information Governance and Cyber Security are closely linked. With increased homeworking due to national social restrictions and a drive for employees to work from home if they can, the Trust recognises that the control environment has changed and that additional precautions have been necessary.

In addition, the Trust recognises that its employees' personal circumstances have been impacted significantly by the pandemic and have developed a programme of support to ensure staff have the tools to do their work, managers who are engaged and a culture that is inclusive in order that individuals can maintain a balance and are able to voice issues as they arise (for more information, see Organisational Effectiveness on page 38).

Remuneration policy

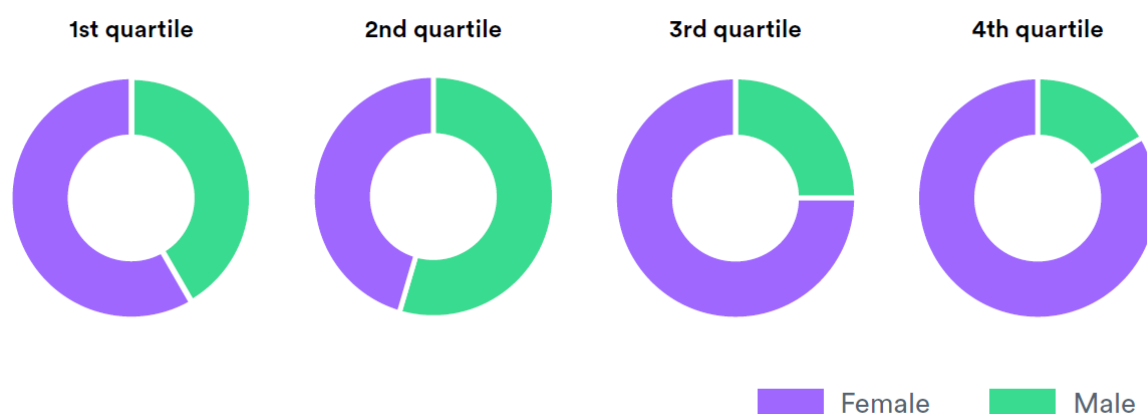
The Trust aims to provide all staff with remuneration packages that are competitive, fair, equitable and sustainable within the available resources of the Trust. The pay and remuneration for directors is approved by the Governance, Nominations and Remuneration Committee. The pay and remuneration for all other staff is approved by the Chief Executive within the financial parameters approved by the Board upon recommendation from the Finance Committee. In reaching its recommendation, the Finance Committee considers key inflationary indicators (e.g. CPI) and the increases made by comparable organisations and the NHS.

During the year, the Trust has continued to build on previous work around pay and progression. Having developed a competency framework to support the development of individuals and talent last year, a review of the pay progression framework is underway, with a new structure expected by the end of 2021.

Organisations which employ more than 250 people are required to publish figures comparing men and women's pay. During 2020/21 the Trust had less than 50 individuals on the payroll, and is not therefore under a legal obligation to publish gender pay gap information.

In addition, given the small numbers of staff the figure can fluctuate significantly with small changes in personnel. However, Trustees have agreed that this is information which they wish to keep under review.

The graphic below shows the gender balance of the Trust workforce by pay quartile (1st = highest paid).



Overall the workforce is predominantly female. While women are generally well represented at senior levels, there are very few male staff in the 3rd and 4th quartile. During 2020 the Trust reviewed data on the gender, race and other protected characteristics of individuals and how all people are recruited, managed, developed and rewarded and are making changes to ensure that our approach and processes are appropriately inclusive (for more information, see Organisational Effectiveness on page 38).

Fundraising policy

Section 162a of the Charities Act 2011 requires us to make a statement regarding fundraising activities. Although we do not undertake fundraising from the general public, the legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes.” Such amounts receivable could include legacies and grants and are presented in our accounts within ‘charitable activities’.

In relation to the above, we confirm that all solicitations are managed internally, without involvement of commercial participators, professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the Leadership Team, who are accountable to the Trustees. We are not subject to any regulatory scheme (voluntary or otherwise) or relevant codes of practice, nor have we received any complaints in relation to fundraising activities or consider it necessary to design specific procedures to monitor such activities.

Organisational effectiveness

The Trust has continued to adapt systems and policies in response to the impact of Coronavirus, but this has not been the catalyst for every improvement drive during the year. We look both internally and externally for drivers for change, including our relative positioning against peers, economic pressure, staff sentiment and opinion.

Decision making remains the responsibility of the Leadership Team, however, recent years have seen a move to a more consultative approach, adding greater diversity to the process. We have developed staff representative groups where appropriate and provide a range of channels for staff to feed into the change process.

We have also agreed a strategic objective to improve the benefit gained from external networks. This is not only in relation to our research work, but also the operational aspects of the organisation. We bring in learning from other organisations where we can.

Staff Development and pay

Our quarterly review framework continues. This more frequent approach to appraisal, allows management to provide the best support and development opportunities to staff. Further to this, the existing pay framework is currently under review and we hope to complete the overall review of our approach to staff development and pay by the end of December 2021.

Equity, Diversity and Inclusion

The importance of diversity is well evidenced in improving outcomes. The staff group established last year which takes a lead on equity, diversity and inclusion, making recommendations to the Leadership Team has been a success. We have developed additional processes that embed an equity, diversity and inclusion approach to the

research projects we undertake. This new approach ensures consideration is given at the planning stage of a project, improving the potential impact we can achieve.

We have also been actively seeking to improve the representation across a spectrum of characteristics in our stakeholders. Not only targeting a more diverse Trustee board and employee base, but looking at the networks that we benefit from as an organisation.

In addition, all staff, Trustees and the Leadership Team have received training on diversity in the workplace.

Control Environment

Since the beginning of the pandemic, we have reviewed the control environment to ensure that it is both effective in its aims and acts to enable an efficient and effective administrative approach. In practice, this means a greater use of technology to support remote working, decision making and approvals.

Quality Assurance

We have developed an improved approach to quality assurance in our research work. The benefits of this are twofold: more robust checks provided enhanced protection from data governance failings; and with improved peer review we are able to maximise the impact of our outputs, therefore improving the public benefit of our work.

Operations Team effectiveness review

The Operations Team provide essential support to the other functions of the Trust. During the year we have reviewed how effective these support functions are, thus assessing the ability of the team to add value to the activities of the Trust. The review identified several areas where we might improve and has triggered an improvement plan to be agreed. Delivery of this plan is underway and effectiveness will be reassessed in early 2022.

The Impact of Coronavirus

We continue to be affected by Coronavirus. Like many others, we spent extended periods with little or very limited access to the offices, continuing almost all meetings on virtual platforms.

Much was learned during last year and we have continued to function well as an organisation. We have maintained regular contact with our staff, keeping up with the important pre-pandemic communications that keep us well connected.

An area of focus has been how we support our staff. Line managers have received additional training. IT systems and support processes have been improved.

Future ways of Working

Remote working during the pandemic has had its benefits. However, we expect that more of our staff will return to the office in the future. We are developing plans to retain the benefits of remote working, combined with the valuable aspects of having staff present in a central location.

Technology will play a central role, leading to changes in how we structure and consume IT systems. Organisational culture will also play an important role. To support this change, we have developed a new hybrid working policy which will take effect from January 2022. In it, we set an expectation that most staff will work in a hybrid manner in the future, spending some of their time both in the office and working remotely.

Subsidiary undertaking

The Trust operates a wholly owned trading subsidiary, Nuffield Trading Limited, which historically carried out non-charitable trading activity for the Trust. At the end of the September 2019 financial year, the decision to absorb these activities into the Charity as non-primary purpose income was made and the subsidiary has since moved to a dormant status. Details are included in Notes 2 and 22 to the accounts.

Responsibilities of the Trustees

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with the Companies Act 2006, and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent

- state whether applicable 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 show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

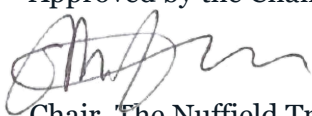
In preparing this Trustees' Annual Report, advantage has been taken of the small companies' exemption.

Auditors

The current Trustees have taken all steps they ought to have to make themselves aware of any information needed by the Trust's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have indicated their willingness to continue in office and a resolution to reappoint them will be proposed at a meeting of the Board of Trustees.

Approved by the Chair on behalf of The Nuffield Trust



Chair, The Nuffield Trust

Date: 16 December 2021

Report and financial statements for year ended 30 September 2021 / www.nuffieldtrust.org.uk

Independent auditor's report to members of the Nuffield Trust

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 30 September 2021 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Nuffield Trust for Research and Policy Studies in Health Services ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 30 September 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's report.

- We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion; adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Responsibilities of the Trustees statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company'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 Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks through our accumulated knowledge and consideration of sector information that is applicable to the Charitable Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice, the Charities Act 2011, the Companies Act 2006, Data Protection Act 2018, Bribery Act 2010 and tax legislation.
- We understood how the Charitable Company is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes.
- We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur by discussing with management where it is considered there was a susceptibility of fraud relating to management override of controls and improper income recognition. In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.

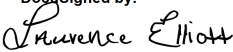
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by,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

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

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

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company'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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

C9A7C7386A35456...

Laurence Elliott (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Gatwick, UK

Date 17 December 2021

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

Consolidated statement of financial activities for the year ended 30 September 2021

	Note	Unrestricted funds 2021 £'000	Expendable endowment fund 2021 £'000	Total funds 2021 £'000	Total funds 2020 £'000
Income and endowments					
Donations	4	37	-	37	11
Investment income	5	-	2,595	2,595	2,739
Charitable activities	6	935	-	935	943
Other		120	-	120	128
Total income and endowments		1,092	2,595	3,687	3,821
Expenditure					
Raising funds	7	-	510	510	496
Charitable activities	8	4,056	-	4,056	3,932
Total expenditure		4,056	510	4,566	4,428
Realised and unrealised gains on investment assets	13	-	9,205	9,205	2,664
Net income / (expenditure) before transfers		(2,964)	11,290	8,326	2,057
Transfers	11	2,919	(2,919)	-	-
Net income / (expenditure) and net movement in funds		(45)	8,371	8,326	2,057
Reconciliation of funds – balances brought forward		45	95,130	95,175	93,117
Balances carried forward		-	103,501	103,501	95,175

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The notes on pages 56 to 79 form part of these financial statements.

Consolidated and charity (Company Number: 00382452) balance sheet at 30 September 2021

	Note	Consolidated 2021 £'000	Consolidated 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Fixed assets					
Tangible assets	12	1,748	1,795	1,748	1,795
Investments	13	99,707	91,386	99,707	91,386
		101,455	93,181	101,455	93,181
Current assets					
Debtors	14	633	738	633	737
Short term deposits	15	1,775	1,683	1,775	1,683
Cash at bank and in hand		51	51	51	51
		2,459	2,472	2,459	2,472
Creditors: amounts falling due within 1 year	16	(255)	(351)	(255)	(351)
Net current assets		2,204	2,122	2,204	2,121
Creditors: amounts falling due after 1 year	17	(157)	(128)	(157)	(128)
Net assets		103,501	95,175	103,501	95,174
Funds					
Expendable endowment fund	20	103,501	95,129	103,501	95,129
Designated fund	20	0	45	0	45
Total funds		103,501	95,174	103,501	95,174

The surplus attributable to the Charity for the year ended 30 September 2021 was £8,326,000 (2020 - £2,057,000).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Chair on behalf of the Trustees of The Nuffield Trust and authorised for issue on 16th December 2021.



Andrew McKeon
Chair, The Nuffield Trust.

The notes on pages 50 to 72 form part of these financial statements.

Consolidated statement of cash flows for the year ended 30 September 2021

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Cash used in operating activities	24		(3,360)		(3,556)
Cash flows from investing activities					
Dividends and interest from investments		2,595		2,735	
Purchase of tangible fixed assets		(29)		(36)	
Proceeds from sale of investments		8,292		7,120	
Purchase of investments		(7,406)		(6,271)	
Cash generated by investing activities			3,452		3,548
Increase/(Decrease) in cash and cash equivalents			92		(7)
Cash and cash equivalents at the beginning of the year			1,734		1,741
Cash and cash equivalents at the end of the year			1,826		1,734
Analysis of cash and cash equivalents					
Short term deposits	15		1,775		1,683
Cash at bank and in hand			51		51
Total funds			1,826		1,734

No reconciliation of net debt has been prepared as the Trust holds only cash and cash equivalents.

Notes on the financial statements

1. Accounting policies

The Nuffield Trust is an incorporated charity registered in England and Wales with the Charity Commission. The address of the registered office is given on the opening page of this document and the nature of its operations is set out in the report of the directors. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies.

In the course of preparing the financial statements, judgements have been made in the process of applying the Charity's accounting policies; those involving estimations regarding the income attributable to the partial delivery of funded projects that have had a significant effect on the amounts recognised in the financial statements and, in determining the correct treatment of our obligations in relation to the USS Pension Scheme.

Management have prepared these financial statements on a going concern basis having obtained sufficient evidence to assess that a material uncertainty does not exist regarding the viability of operations in the foreseeable future.

Disclosure exemptions

In preparing the separate financial statements of the parent charity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent charity;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and

- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Basis of consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertaking, all of which were prepared to 30 September 2021. The trading results of the subsidiary undertaking as shown in note 22 are consolidated on a line-by-line basis within the consolidated statement of financial activities (SoFA). A separate SoFA for the charity is not presented as permitted by the Companies Act 2006.

Income

All income is recognised once the group and charity has entitlement to the resources, it is probable that the resources will be received, and the monetary value of the income can be measured with sufficient reliability.

Investment income

Dividends and interest are included on an accruals basis.

Dividends and interest are stated inclusive of the relevant tax claim as the Trust has activities that are not liable to income tax.

Income from charitable activities

Revenue from performance-related grants and contracts is recognised only when funds have been utilised to carry out the activity stipulated in the agreement. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs.

Expenditure

These comprise costs of raising funds and charitable expenditure.

Costs of generating funds comprises expenses relating to management of the charity's investments and all costs associated with the charity's subsidiary company.

Direct charitable expenditure comprises commissioned work and expenditure on performance-related charitable contracts directly relating to the objects of the charity. Commissioned work is allocated and recognised as expenditure in full in the year of approval from the General Fund on the basis of the anticipated expenditure during the tenure of each piece of commissioned work. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources and including the associated costs of publication and dissemination. Expenditure on performance-related

contracts is recognised only when the activity stipulated in the agreement has been completed. This is generally equivalent to the proportion of the relevant recognised income during the year.

Support costs include those relating to business support (including human resource and general administration expenses), executive management, and governance, finance, and information systems. The details of support costs are shown under note 9.

Fixed assets

Furniture and equipment acquisitions have been capitalised and depreciation provided for at 25% on an annual straight line basis.

The leasehold premises (originally acquired by The Nuffield 1940 Trust in 1992) are depreciated over the remainder of the lease, currently 62 years. Straight line depreciation of 5% per annum is applied to capital additions. The Trustees consider whether there has been any impairment of the property on an annual basis.

Fixed assets investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposal throughout the year.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

Staff pensions

During the year the Trust operated a Group Personal Pension scheme administered by Royal London. This is a defined contribution scheme. The Trust is not a member of any other pension schemes. Accordingly, due to the nature of the schemes, the accounting charge for the period under FRS102 represents the employer contributions payable.

Funds

The expendable endowment fund was created by a donation from The Nuffield 1940 Trust. The income from this fund is on the terms equivalent to the objects of the Trust and is therefore not restricted. The terms of the fund allow the income to be accumulated and the capital to be spent as the Trustees determine.

Designated funds are funds that have been set aside by the Trustees for a specific purpose, with the balance constituting the charity's expendable endowment. An analysis of designated funds is provided in note 20.

Derivative financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in the Statement of Financial Activities.

Outstanding derivatives at reporting date are included under the appropriate format heading, depending on the nature of the derivative.

Contingent Liabilities

A contingent liability is disclosed where there is a possible obligation, arising from past events, which will only be triggered by the occurrence of one or more uncertain future events not wholly within the trustees' control. In accordance with the Charities SORP, contingent liabilities are disclosed in the notes to the accounts, unless the possibility of their existence is remote. The note includes a brief description of each contingent item and, where practical, an estimate of the financial effect.

2. Subsidiary

The Trust owns the whole of the issued capital amounting to £1 (one ordinary share of £1 each) of Nuffield Trading Limited, a company registered in England and Wales with number 06898100. Its principal activity is non-charitable trading activity not covered by the Trust's main objectives. Nuffield Trading Limited gift aids its entire profit to the Trust. As previously noted, Nuffield Trading Limited has ceased trading activity prior to the beginning of the financial year.

3. Basis of consolidation

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

4. Donations income

	2021 £'000	2020 £'000
Donation income – seconded staff (note 9)	37	11

5. Investment income

Investment income received in the year was made up as follows:

	2021 £'000	2020 £'000
Investment portfolio	2,595	2,736
Bank interest	0	3
	2,595	2,739

All the investment income of £2,595,000 in 2021 was related to the expendable endowment fund (2020 - £2,739,000).

6. Charitable activities

	2021 £'000	2020 £'000
Income from projects	935	943

All the income from charitable activities of £935,000 in 2021 was related to unrestricted funds (2020 - £943,000).

7. Raising funds

	2021 £'000	2020 £'000
Investment management fees charged	319	310
Support costs (note 9)	191	186
	510	496

All the expenditure from raising funds of £510,000 in 2021 was related to the expendable endowment fund (2020 - £496,000).

8. Charitable expenditure

The objects of the Trust are to promote, carry out or advance any charitable objects, and in particular the prevention or relief of sickness and the advancement of the health of the people of the United Kingdom, in particular through the promotion of improvements in the quality of health care and health policy. All the activities of the charity are managed through a single structure with the impact of activities reported against the strategic objectives. Below is an analysis of this expenditure:

	2021 £'000	2020 £'000
Commissioned work	130	98
Direct spend	123	264
Support costs (as shown in note 9)	3,803	3,570
	4,056	3,932

All the charitable expenditure of £4,056,000 in 2021 was related to unrestricted funds (2020 - £3,932,000).

9. Allocation of support costs

Support costs allocated to different activities are set out below, showing the basis of the allocation.

	Raising funds 2021 £'000	Charitable activities 2021 £'000	Total allocated 2021 £'000	Total 2020 £'000
Staff time (nature of the charge)	154	3,034	3,188	3,093
Notional cost of seconded staff (nature of the charge)	-	37	37	11
Premises costs (use of area)	12	231	243	231
IT and telephone costs (staff time)	13	248	261	189
Travel and hospitality (staff time)	0	1	1	2
Professional fees (staff time)	1	16	17	13
Communications and PR (staff time)	5	89	94	82
General costs including irrecoverable VAT (staff time)	6	115	121	113
Governance fees (nature of the charge)	-	32	32	22
	191	3,803	3,994	3,756

Trustees' expenses included in general costs above amount to £nil (2020 - £nil).

Governance fees include audit fees of £25,000 (2020 - £22,000) and for the charity only £25,000 (2020 – £22,000).

Secondments and placements

The Trust has benefitted throughout the year from 4 secondments. The Trust gratefully acknowledges the support and has estimated that the value is £37,000 (2020 – 1 person, £11,000).

10. Staff emoluments

	2021 £'000	2020 £'000
Salaries costs	2,481	2,485
Social security costs	271	255
Pension costs	351	320
Other staff costs	150	150
	3,253	3,210

The key management personnel of the charity, as defined by SORP, comprise the Trustees and the Directors within Senior Staff as listed on page 4. The total employee benefits of the Trustees was nil for both 2021 and 2020, for Senior Staff during the year it totalled £642,000 (2020 - £670,000).

During the year, staff were recruited or assigned to specific projects or other areas of income generating work. The costs of these colleagues are included in direct project expenditure.

	2021 £'000	2020 £'000
Project staff costs, allocated as direct project costs	65	117
Allocated as support costs	3,188	3,093
	3,253	3,210

The average number of employees employed by the group during the year was, by headcount 48 (2020 – 47), by full time equivalent 44 (2020 - 42). All were employed by the charity.

Higher paid employees – Group and Charity

The numbers of employees for whom remuneration exceeded £60,000 were:

	2021 £'000	2020 £'000
£60,000 to £70,000	5	5
£70,000 to £80,000	4	2
£80,000 to £90,000	-	2
£90,000 to £100,000	2	1
£120,000 to £130,000	1	1
£180,000 to £190,000	1	1

Contributions were made to the Nuffield Trust's Defined Contribution pension scheme for 13 (2020 - 12) higher paid employees.

11. Transfer between funds

Under the terms of the expendable endowment, any shortfall in unrestricted funds and the costs of meeting project commitments can be transferred from the expendable endowment.

	2021 £'000	2020 £'000
Net expenditure for the year from unrestricted charitable activities	(2,964)	(2,850)
Designated funds expended in the year	45	103
Transfer from expendable endowment to unrestricted funds	(2,919)	(2,747)

12. Tangible fixed assets

Consolidated and parent charity

	Leasehold properties £'000	Furniture and equipment £'000	Total £'000
Cost			
At 1 October 2020	2,222	195	2,417
Additions	-	29	29
Disposals	-	-	-
At 30 September 2021	2,222	224	2,446
Depreciation			
At 1 October 2020	(494)	(128)	(622)
Provision during the year	(42)	(34)	(76)
Disposals	-	-	-
At 30 September 2021	(536)	(162)	(698)
Net book value			
At 30 September 2021	1,686	62	1,748
At 30 September 2020	1,728	67	1,795

The leasehold properties were transferred from The Nuffield 1940 Trust on 30 November 2007 at deemed cost.

13. Fixed asset investments

Consolidated and parent charity

	2021 £'000	2020 £'000
Market value at 1 October 2020	89,975	88,575
Additions	7,406	6,271
Disposals	(5,616)	(6,768)
Unrealised gains	6,812	1,897
Market value at 30 September 2021 (Listed Investments)	98,577	89,975
Short term deposits (Cash and Cash Equivalents)	1,129	1,411
Total investments at 30 September 2021	99,706	91,386
Historical cost of assets held at 30 September 2021	68,073	66,408
<i>The geographical split of investments is as follows:</i>		
UK	83,926	77,759
Overseas	15,781	13,627
	99,707	91,386

Realised and unrealised gains on investments

	2021 £'000	2020 £'000
Unrealised gains	6,811	1,897
Realised gains	2,394	767
	9,205	2,664

14. Debtors

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Prepayments	105	90	105	90
Other debtors	528	648	528	648
Amounts owed by subsidiary company	-	-	0	0
	633	738	633	739

15. Short-term deposits

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Coutts Bank Deposit accounts	1,675	1,583	1,675	1,583
CCLA Term Deposit	100	100	100	100
	1,775	1,683	1,775	1,683

16. Creditors: amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Tax and social security	(0)	-	(0)	(0)
Commissioned work commitment	66	92	66	92
Accruals and other creditors	189	259	189	259
Leasehold obligations	-	-	-	-
	255	351	255	351

17. Creditors: amounts falling due after one year

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Leasehold obligations	157	128	157	128

18. Financial instruments

The group's financial instruments may be analysed as follows:

	Group 2021 £'000	Group 2020 £'000
Financial assets		
Financial assets measured at fair value through the statement of financial activities	99,707	91,386
Financial assets that are debt instruments measured at amortised cost	2,458	2,471
Financial liabilities		
Financial liabilities measured at amortised cost	412	479

Financial assets measured at fair value comprise investments.

Financial assets measured at amortised cost comprise debtors, short-term deposits and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise creditors.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow and interest rate risk is included in the Trustees' annual report.

Included within financial assets at fair value are a number of derivative instruments, including swaps and forward purchase arrangements, which form part of the organisation's overall investment strategy. As at 30 September 2021 the fair value of these derivatives was £41,000 (2020 – £41,000).

19. Funds

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Expendable endowment				
Balance at 1 October 2020	95,130	92,969	95,130	92,969
Excess of expenditure over income from financial activities	11,290	4,907	11,290	4,907
Transfer (to) designated funds	(2,919)	(2,747)	(2,919)	(2,747)
Balance as at 30 September 2021	103,501	95,130	103,501	95,130
Designated fund				
Balance at 1 October 2020	45	148	45	148
Excess of expenditure over income from financial activities	(2,964)	(2,850)	(2,964)	(2,850)
Transfer from expendable endowment	2,919	2,747	2,919	2,747
Balance as at 30 September 2021	0	45	0	45
Total funds				
Balance at 1 October 2020	95,175	93,117	95,175	93,117
Excess of expenditure over income from financial activities	8,326	2,057	8,326	2,057
Balance as at 30 September 2021	103,501	95,174	103,501	95,174

The expendable endowment fund was originally created by a gift from Viscount Nuffield in June 1940 to The Nuffield 1940 Trust. A designated fund is held to provide for the external costs of completing internally funded activities for which, through past actions, there is a constructive obligation at the year end.

20. Analysis of net assets between funds

	Tangible fixed assets £'000	Investments £'000	Other net assets/ £'000	Total £'000
Expendable endowment fund	1,748	99,707	2,046	103,501
Designated fund	-	-	-	-
Total funds	1,748	99,707	2,046	103,501

* - Comparative table shown in note 28(a)

21. Summarised results for the Trust

Of the group surplus for the year of £8,326,000 (2020 – surplus of £2,057,000), the income and expenditure relating to the Trust is as follows:

	2021 £'000	2020 £'000
Total income	3,687	3,821
Total expenditure	(4,566)	(4,428)
Net expenditure before other gains	(879)	(607)
Realised and unrealised gains on investment assets	9,205	2,664
Net movement in funds	8,326	2,057

22. Summarised results for subsidiary entity

Of the group surplus for the year of £8,326,000 (2020 – surplus of £2,057,000), the income and expenditure relating to the Charity’s wholly-owned subsidiary entity, Nuffield Trading Limited, is as follows:

	2021 £'000	2020 £'000
Total income	-	-
Total expenditure	-	-
Net income before other gains	-	-
Qualifying distribution under deed of covenant to parent	-	-
Retained funds	-	-
Net movement in funds	-	-
Net assets	-	-

23. Staff pensions

The Trust is not a current member of a defined benefit pension scheme. Historically it was a contributing member of the Universities Superannuation Scheme (USS) defined benefit pension scheme.

USS Pension Scheme

The USS is a funded multi-employer scheme. Following the departure of the Nuffield Trust’s last remaining employee in the USS pension scheme in May 2015, an employer S.75 debt liability was triggered and became due in May 2016. During our work to quantify this liability it was identified that the Trust had two separate liabilities to the USS pension scheme. The first liability being the S75 liability related to former employees and the second arising as guarantor under an ‘Approved Withdrawal Agreement’ which the Trust entered into in October 2007.

During the 2018 financial year, the Trust settled the liability in respect of the Section 75 debt.

The 'Approved Withdrawal Agreement' has clearly defined 'trigger events', which, following legal advice, the Trust does not envisage occurring in the foreseeable future. Any liability will be calculated as at the date of the 'triggering event'. As such there is insufficient probability, as to both the timing and amount, of any liability due to USS to enable us to make a provision for this. In accordance with chapter 21 of Financial Reporting Standard 102, this potential liability is therefore disclosed as a contingent liability in note 26.

To ensure the Trust was meeting its obligations as a guarantor to the scheme, Counsel's opinion was sought on the matter. Counsel's opinion confirmed the legal advice which had already been received; that the liability was not yet due and that the USS were exceeding the bounds of the scheme rules in making such a demand.

Since October 2020, The Pensions Regulator been involved in this matter, having been contacted by USS Pensions requesting that they issue a payment notice in respect of the Approved Withdrawal Agreement. The Trust co-operated fully with the Regulator and we are awaiting further communication. The last substantive communication was in January 2021.

The Trust's legal advice remains that the liability is not yet due.

Nuffield Group Personal Pension Plan

The Trust established the Nuffield Group Personal Pension Plan (NGPPP) on 1 April 2009. This is a defined contribution pension scheme, previously administered by Legal & General (until February 2020), now administered by Royal London (since March 2020).

Employees are required to contribute a minimum of 4% of salary and the Trust contributes 14%. All staff, by headcount 48 (2020 - 47) employees are members of the scheme.

The total pension charge for the period for all schemes was £351,000 (2020 - £320,000).

24. Reconciliation of net movement in funds to net cash flow from operating activities

Consolidated

	2021 £'000	2020 £'000
Net Income	8,326	2,057
(Gains) on investments	(9,205)	(2,664)
Depreciation of tangible fixed assets	76	65
Decrease / (Increase) in debtors	105	(85)
(Decrease) in creditors	(67)	(193)
Investment income	(2,595)	(2,735)
Cash used in operating activities	(3,360)	(3,556)

25. Commitments under operating leases

Lessee - The charity had minimum lease payments under non-cancellable operating leases as set out below:

	2021 £'000	2020 £'000
Not later than 1 year	36	36
Later than 1 year and not later than 5 years	144	144
Later than 5 years	2,058	2,094
Total	2,238	2,274

26. Contingent liability

As detailed in note 23, the Trust has a liability as guarantor to the Universities Superannuation Scheme (USS) under the 'Approved Withdrawal Agreement' dated October 2007. Following legal advice and despite recent events disclosed in note 23, the Trust maintains that there is insufficient probability as to both the amount and timing, which is calculated at the date of the 'triggering event', to enable the Trust to make a provision for any liability due to the USS pension scheme. The value of the liability is calculated at the point that it is triggered, therefore it is not practical to estimate the financial effect of this contingent item.

27. Related party transactions

The Trust owns the whole of the issued capital amounting to £1 (one ordinary share of £1 each) of Nuffield Trading Limited, a company registered in England and Wales with number 06898100. In accordance with SORP (FRS102), the Trust's transactions with Nuffield Trading Limited are set out below.

	2021 £'000	2020 £'000
Sales	-	-
Amounts due from Nuffield Trading Limited	-	-

There were no other related party transactions during the year.

28. Comparative Statements

28a. - Comparative Analysis of net assets between funds (2020)

	Tangible fixed assets £'000	Investments £'000	Other net assets/ (liabilities) £'000	Total £'000
Expendable endowment fund	1,795	91,386	1,948	95,129
Designated fund	-	-	45	45
Total funds	1,795	91,386	1,993	95,174

28b. – Consolidated statement of financial activities (2020)

	Note	Unrestricted funds 2020 £'000	Expendable endowment fund 2020 £'000	Total funds 2020 £'000	Total funds 2019 £'000
Income and endowments					
Donations	4	11	-	11	45
Investment income	5	-	2,739	2,739	2,675
Charitable activities	6	943	-	943	994
Other		128	-	128	6
Total income and endowments		1,082	2,739	3,821	3,720
Expenditure					
Raising funds	7	-	496	496	549
Charitable activities	8	3,932	-	3,932	3,967
Total expenditure before historic pension costs		3,932	496	4,428	4,516
Historic pension costs	23	-	-	-	-
Total expenditure		3,932	496	4,428	4,516
Realised and unrealised gains on investment assets	13	-	2,664	2,664	4,463
Net (expenditure)/income before transfers		(2,850)	4,907	2,057	3,667
Transfers	11	2,747	(2,747)	-	-
Net (expenditure)/income and net movement in funds		(103)	2,160	2,057	3,667
Reconciliation of funds – balances brought forward		148	92,969	93,117	89,450
Balances carried forward		45	95,129	95,174	93,117

Accounts



Report and financial statements

For the year ended
30 September 2020

**The Nuffield Trust for Research and Policy Studies
In Health Services**

Charity number: 209169

Company number: 00382452

The Nuffield Trust
59 New Cavendish Street, London W1G 7LP

nuffieldtrust

The Nuffield Trust

The Nuffield Trust for Research and Policy Studies in Health Services (formerly The Nuffield Health and Social Services Fund) is a company limited by guarantee, registered in England and Wales as company number 00382452. It is registered with the Charity Commission as charity number 209169.

Nuffield Trading Limited is a company registered in England and Wales as company number 06898100.

Patron

Her Royal Highness The Princess Royal

Registered office

59 New Cavendish Street, London, W1G 7LP

Contents

The Nuffield Trust	4
Governance.....	6
Introduction to the Trustees' annual report and financial statements	9
Chair and Chief Executive forewords	11
1. The Nuffield Trust's year in numbers	14
2. Our strategic objectives	15
3. Our activity in 2019/20	16
4. Our impact.....	24
5. A look forward to the year ahead	28
Financial review	31
Structure, governance and management	40
Independent auditor's report to members of the Nuffield Trust.....	50
Consolidated statement of financial activities for the year ended 30 September 2020	55
Consolidated and charity (company number 00382452) balance sheet at 30 September 2020.....	56
Consolidated statements of cash flows for the year ended 30 September 2020	57
Notes on the financial statements.....	58

The Nuffield Trust

Board of Trustees

Andrew McKeon CBE (Chair)

Dr Jocelyn Cornwell

Rupert Hill (Chair of the Finance Committee)

Julia Palca

Irshaad Ahmad (from March 2020)

Tara Donnelly

Kathryn Matthews (to January 2020)

Thea Stein (from December 2019)

Dr Rosie Benneyworth

Dr Navina Evans CBE (appointed and resigned March 2020)

Professor David Oliver (from December 2019)

Dr Christian van Stolk

Andrew McKeon CBE is the Chair of the Governance, Nominations and Remuneration Committee. The other members are Jocelyn Cornwell, Rupert Hill, David Oliver and Julia Palca.

Rupert Hill is the Chair of the Finance Committee. The other trustee members are Andrew McKeon CBE, Christian van Stolk, Irshaad Ahmad and Rosie Benneyworth. Kim Lim is a non-trustee member of the Finance Committee.

Company secretary

Ruth Hallesy

Senior staff

Nigel Edwards, Chief Executive

John Appleby, Director of Research and Chief Economist

Helen Buckingham, Director of Strategy & Operations

Fiona Johnson (Director of Communications to February 2020; Joint Director of Communications from February to September 2020)

Leonora Merry (Joint Director of Communications from February 2020)

Natasha Curry (Deputy Director of Policy)

Rowan Dennison (Deputy Director of Communications from July 2020)

Sarah Scobie (Deputy Director of Research)

Ben Willbond (Deputy Director of Finance and Operations)

Senior associates and visiting fellows

Professor Sir Nick Black

Amy Caldwell-Nichols

Richard Darch

Professor Deirdre Heenan

Sharon Lamb

Professor Marcus Longley

Dr Nadeem Moghal

Dr Geoffrey Rivett

Professor Judith Smith

Nicholas Timmins

Sylvia Wyatt

Professor Richard Bohmer

Dr Ronny Cheung

Jason Frerich

Bob Klaber

Dr Richard Lewis

Professor Nicholas Mays

Anne Marie Rafferty

Jonty Roland

Dr David Steel OBE

John Wilderspin

Auditors

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

Bankers

CCLA, 80 Cheapside, London EC2V 6DZ

Coutts & Co, 440 Strand, London WC2R 0QS

Scottish Widows, 69 Morrison Street, Edinburgh EH3 8YF

Investment managers

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Ruffer LLP, 80 Victoria Street, London SW1E 5JL

Legal advisors

Stone King Sewell LLP, 91 Charterhouse Street, London EC1M 6HR

Charity number

209169

Governance

The Trustees meet as a Board four times a year and consider all matters relating to the governance of the organisation and their responsibilities as Trustees.

In addition to the full Trustee Board, there are two Trustee committees.

The Governance, Nominations and Remuneration Committee typically meets four times a year and has a remit to consider matters relating to the appointment of Trustees and Board development, governance issues for the organisation, and human resources including the remuneration of senior executives.

The Finance Committee meets at least four times a year and has responsibility for overseeing the financial functions of the Trust. This includes: recommending the budget to the Board; appraising certain projects and contracts; and monitoring the risk and investment management processes. It takes the lead in monitoring cybersecurity on behalf of the Board.

New Trustees follow an induction programme to gain familiarity with the Trust's work, governance procedures and ethos. The Trust maintains a Register of Interests for Trustees and staff.

Day-to-day management of the Trust's functions is the responsibility of the Chief Executive and the Leadership Team, who operate within discretionary powers and protocols delegated by the Board.

The Chair of the Board of Trustees and of the Governance, Nominations and Remuneration Committee is Andrew McKeon CBE (formerly a career public servant with the Department of Health and the Audit Commission) and the Chair of the Finance Committee is Rupert Hill (Global Head of Pharmaceuticals and Head of European Healthcare at Investment Bank Greenhill). Other Trustees who served during the year are:

- Irshaad Ahmad (Independent Consultant)
- Dr Rosie Benneyworth (Chief Inspector of Primary Medical Services and Integrated Care at the Care Quality Commission)
- Dr Jocelyn Cornwell (Chief Executive and Founder of The Point of Care Foundation)
- Tara Donnelly (Chief Digital Officer at NHSX)
- Dr Navina Evans (Chief Executive of East London NHS Foundation Trust)
- Kathryn Matthews (Director of Barclays Bank UK plc, Pandal Group Ltd and J.P. Morgan Chinese Investment Trust)
- Professor David Oliver (Consultant at the Royal Berkshire NHS Foundation Trust, Trustee of the Royal College of Physicians and Visiting Fellow at The King's Fund)
- Julia Palca (Chair of City, University of London)
- Thea Stein (Chief Executive of Leeds Community Healthcare NHS Trust)
- Christian van Stolk (Vice President at RAND Europe)

None of the Trustees or non-trustee members of the Finance Committee has received any payment, other than the reimbursement of expenses.

Senior associates

As well as our permanent staff, we are fortunate in being able to call on the expertise of our senior associates. Senior associates are nationally known academics, clinicians, managers and policy-makers who contribute time and input to our work programme, serve on advisory panels overseeing aspects of the Trust's work, and offer expert peer review to our publishing programme. We gratefully acknowledge their support.

Public benefit

The Trustees have considered the Charity Commission's general guidance on public benefit and have taken it into account when reviewing the Trust's aims and objectives, and assessing its current and future activities. In particular, the Trustees have considered how activities will contribute to the aims and objectives they have set. The main activities and beneficiaries are described in this report.

The Trust works to promote improvements in the quality of health care and health policy. In doing so, it seeks to improve the health and care of all members of the public.

All our charitable activities focus on health and care policies and practice and are undertaken to further our charitable purpose for the public's benefit. The Trustees confirm, in light of the guidance, that the aims of the Trust fully meet the public benefit test and that the activities described in this report have been undertaken in pursuit of its aims.

Introduction to the Trustees' annual report and financial statements

The Trustees present their report and the financial statements of the charity for the year ended 30 September 2020. The Trustees have prepared the financial statements in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)* (effective 1 January 2015) – Charities SORP (FRS102), 2nd edition.

The charitable objectives of The Nuffield Trust for Research and Policy Studies in Health Services (the Trust) are to promote, carry out or advance any charitable objects, and in particular the prevention or relief of sickness and the advancement of the health of the people of the United Kingdom (UK), in particular through the promotion of improvements in the quality of health care and health policy.

Our 2020–25 strategy contains the following statement of intent that guides all of our work:

The Nuffield Trust is an independent health think tank. We aim to help achieve a high-quality health and social care system that improves the health and care of people in the UK by providing evidence-based research and policy analysis and informing and generating debate.

We set out to do this by:

- improving the evidence base that leads to better care by undertaking rigorous applied research and policy analysis;
- using our independence to provide expert commentary, analysis and scrutiny of policy and practice; and
- bringing together policy-makers, practitioners and others to develop solutions to the challenges facing the health and social care system.

In everything we do we seek to be grounded in the practical implications of policy-making, working closely with NHS staff and policy-makers to identify solutions to real problems that affect how health and care services are delivered and the outcomes they achieve. Above all, we aim to be a trusted and respected voice at a time of unprecedented challenge to the NHS and social care system.

We strive to be:

- independent and free from vested interests;
- rigorous, robust and evidence-based in the work we undertake;
- relevant, supportive but also challenging when we need to be;
- open and engaging with all those we come into contact with; and
- an organisation that makes a difference to the quality of policy-making and practice in the UK.

Chair and Chief Executive forewords

Foreword from Andy McKeon CBE, Chair

When the Board of Trustees of the Nuffield Trust signed off our 2020–25 corporate strategy in December 2019, few would have predicted the extraordinary and turbulent time just around the corner. The impact of Covid-19 on health, the economy and citizens' everyday lives has been seismic: health care has been thrust into the spotlight in a way not seen in living memory; the role of the state has altered significantly; and changes to working life have been profound.

The Nuffield Trust has also been tested. Our work as a bridge between the worlds of health policy, practice, management, academia and journalism has been as in demand as ever as the impact of Covid-19 on the day-to-day running of health and care services has been unfolding at speed. While some projects were paused or changed due to Covid-19, most of them have continued, adjusting parameters to account for the new post-pandemic world and generating significant impact, as this report details.

Organisationally, staff managed exceptionally well in moving entirely to homeworking for the second half of our financial year. Meetings, events and social events now take place almost entirely online and this report is testament to the excellent work that has continued throughout, including providing help and support to NHS England and NHS Improvement. I personally want to thank all staff for their hard work and good humour.

Our finances too have held up well, thanks to the dedication of our finance team and investment advisors. While the continued economic impact of Covid-19 remains daunting, I am pleased that the Nuffield Trust and its investments are in a robust and sustainable position.

As I write, health and care services are being confronted by a second wave of Covid-19. These troubling times have demonstrated not only that the NHS is widely valued but also why it should be so, not just in the current crisis but for the long term as well. Its principles and values are touchstones for the country. We have and will continue to play our part in championing those principles and values by showing through rigorous independent research how health and care services in the UK can be improved and supporting those involved to do so.

Foreword from Nigel Edwards, Chief Executive

This year has been the first of the Nuffield Trust's new five-year strategy. This has positioned us well to provide incisive commentary and analysis on the impact of the extraordinary turbulence generated by the Covid-19 pandemic, the UK's departure from the European Union, significant workforce shortages in health and social care and the consequences of public sector austerity.

Standing independent both of the NHS and of politics, we are funded largely by our own endowment and are small enough to respond quickly to the volatile political and policy environment. We have carried out important work looking primarily at six key areas of health and care: workforce; technology and digital; primary care; small, remote and rural services; quality and equity; and politics, funding and reform.

Much of our analysis has been punctuated by some of the major external events in UK public life. As the country went to the polls in December, we published briefings and analysis to inform public debate on the NHS and social care. As the Covid-19 pandemic set in, we pivoted towards explaining and making sense of the explosion of health care data, highlighting shortcomings and gaps in the data where needed. As concern grew about the NHS's ability to restore non-Covid-19 services and grapple with the continued presence of the virus, we offered expert commentary and analysis on how services could adjust and what barriers they may face.

Our work has generated significant impact – from informing a change in the way that data on pregnant prisoners are recorded, to influencing thinking at the highest level of government on social care. We have engaged with thousands of people within health and care services, public policy and the media to bring clarity and analysis to what are often fraught political and ethical debates, supporting health care leaders in how to run services in rural areas, setting the UK's health care response to Covid-19 in international context, and providing much-needed analysis on the impact of Brexit on health and health care in the UK.

Our staff have risen very well to the challenges posed by remote working. I have been enormously impressed by their adaptability to these unusual circumstances, with many staff balancing significant child care or other commitments with continuing to deliver high-quality work.

This report details both the activity we have generated and the impact we have secured, as well as the vital financial and organisational work underpinning our charity at this time of great uncertainty. I am proud of what we have achieved over the past year and

humbled by what remains to be done as the UK's health and care institutions eventually emerge from the Covid-19 pandemic.

1. The Nuffield Trust's year in numbers

19 reports and briefings

66 blogs and explainers and **19** charts of the week

865,222 visitors to our website

53.7k followers on Twitter, an increase of **4.1k** on the previous year

7,872 unique mentions across print and broadcast media

17 mentions in parliament, **9** written submissions and **5** oral evidence sessions

71 speaking engagements

7 events (3 virtual roundtables, 2 in-person workshops and 2 conferences)

18 Nuffield Trust authored articles in journals and external publications

2. Our strategic objectives

The Nuffield Trust works to promote improvements in the quality of health care and health policy. In so doing, it seeks to improve patient care and health for all members of the public. All our charitable activities focus on health care policy and practice and are undertaken to further our charitable purpose for the public's benefit.

Our new strategy to 2025 specifies three clear objectives for our work in pursuit of this public benefit:

1. To influence policy and practice by generating and synthesising information on health and social care that can facilitate both better policy and better practice.
2. To challenge and support those involved in planning and delivering health care to think more creatively and innovatively about how to adapt and redesign services to meet changing patient needs.
3. To provide information on the evidence, statistics, facts and research that politicians and policy-makers use in their interventions in the health and care system in the UK.

These objectives have framed both the work we have undertaken (our activity) and the impact we have generated. These are set out in more detail in sections 3 and 4.

3. Our activity in 2019/20

Our work towards our strategic objectives has six priority areas in our 2020–25 corporate strategy: workforce; technology and digital; primary care; small, remote and rural services; quality and equity; and politics, funding and reform.

The Covid-19 pandemic struck at the mid-way point of our financial year, causing us to redefine and refocus a number of ongoing pieces of work. Most of our six work programmes have taken on a Covid-19 lens, whether that is in how the pandemic has affected the way in which patients and staff interact with the health service, or how the health and social care systems can recover from the pandemic. However, many of the significant questions that were of interest to us before the pandemic continue to be relevant, notwithstanding that learning from this period may influence our future recommendations.

We paused or halted some projects because of the pandemic, but on the whole the pandemic caused an increase in our outputs and activity, including:

- an intense period of media work explaining and analysing the impact of Covid-19 on the NHS;
- the development of a new ‘Chart of the Week’ series of ‘data stories’;
- a series of policy briefings looking at the impact of Covid-19 on the NHS and its recovery;
- a move to host events online using videoconferencing software; and
- joining an analytical collaborative with other research institutes to analyse and understand the impact of the outbreak on health and care.

This section outlines the key activities in each of our six work programmes (with Covid-19 work covered in the politics, funding and reform programme). It is not a comprehensive list of every output or activity.

3.1 Workforce

A major focus of our workforce programme this year has been to present, analyse and synthesise evidence on different elements of the health and social care workforce in order to inform policy and practice. Central to this has been the publication of our [NHS staffing tracker](#) in June, which aims to provide transparency on progress against important national ambitions, including the numbers of GPs, mental health staff and nurse vacancies, and which will be updated as new data become available.

We focused on the impact of immigration on the NHS workforce in our policy analysis before the December 2019 general election, with our briefing [Stopping the staff we need? Migration choices in the 2019 general election](#) containing new figures to show that one in four hospital staff were born outside the UK.

We have also published a number of ‘explainers’ or ‘data stories’ on the [social care workforce across the four UK countries](#), [NHS staff pay over time](#), the [underrepresentation of Black staff in NHS management](#), [sickness absence rates](#) and more.

We have also pursued research into specific sections of the health and social care workforce, undertaking analysis for the National Workforce Skills Development Unit on attitudes to mental health careers, as well as work on mental health nursing, and the pipeline for psychologists.

Our workforce experts have presented at events including the Council of Deans of Health annual conference and have been members of advisory groups including steering committee meetings for the NHS People’s Plan, a South-East London trust’s Workforce and Education Advisory Board and Health Education England’s All England Plan for Mental Health Nurses.

3.2 Technology and digital

The biggest piece of ongoing work under our technology and digital work programme has been our [evaluation of Care City](#), a ‘test bed’ in East London focused on using new technologies to support people with long-term conditions. Despite a delay caused by the Covid-19 pandemic and associated barriers to accessing interviewees, the project is due to report to the funder by the end of 2020 and will strengthen the evidence base on the practical implications of digital initiatives.

We have also been engaged in a project looking at trends and variation in the vital signs of patients on admission to hospital, with a particular focus on patients who have been admitted in an emergency. The purpose is to understand patient flow, changes in patients being admitted and how patients’ vital signs change during their stay in hospital. This novel analysis is being carried out using electronically captured vital signs data (VitalPAC) and will report in 2021.

Work began on a project with the World Health Organization’s (WHO) European Observatory on Health Systems and Policies and funded by Optum to produce an overview of national policy levers that have been used internationally to support digitisation across

health sectors. While progress was slowed due to the Covid-19 pandemic, it is due to report in 2021.

In March we published [*Achieving scale and spread: Learning for innovators and policy-makers*](#), commissioned by the National Innovation Accelerator, which identified the practical steps that eight innovators took to achieve scale and spread across the health service, which others might adopt.

As the Covid-19 pandemic took hold and the adoption of digital technology in the NHS took off at pace, we published [*The impact of Covid-19 on the use of digital technology in the NHS*](#), a briefing exploring the recent seismic changes to patients' experiences of health services, what enabled these changes to happen, what risks and downsides there are, and what role technology may play in the NHS's future.

3.3 Primary care

At the start of the financial year, we published two briefings looking at different aspects of primary care policy focusing specifically on GP services: [*Delivering general practice with too few GPs*](#), which examined the shortage of GPs and how policy-makers should respond; and [*Primary care networks: A pre-mortem to identify potential risks*](#), which explored some of the potential pitfalls ahead for this new model of primary care. Both papers drew on the expertise and knowledge of a wide range of stakeholders we convened at workshops and were firmly aimed at the second of our strategic objectives: to support those involved in planning and delivering health care to think more creatively and innovatively about service redesign.

In spring 2020, the Covid-19 pandemic struck, bringing with it an unprecedented change in the way primary care services were being delivered. Consequently, we shifted the focus of our outputs on primary care towards our first and third objectives: to generate and synthesise information on health and social care to facilitate better policy and practice; and to provide information on the evidence, statistics, facts and research that politicians and policy-makers use. This included [*an analysis of the alarming drop in GP referrals*](#) as a result of the pandemic and [*an analysis of appointments data*](#) to understand how patients have been using their GP services.

We have undertaken an analysis of the GP Patient Survey to investigate unmet need for two aspects of care for people with long-term conditions. We also began work with the Universities of Oxford and Plymouth on an Economic and Social Research Council funded

project called *Remote-by-Default Care in the COVID-19 Pandemic*, to examine the benefits, disadvantages and pitfalls of the rapid changes that have taken place in general practice such as video and online consulting, and remote assessment, so as to improve their use.

3.4 Small, remote and rural services

Throughout the year we built on earlier work to cement our reputation for expert analysis and commentary on the role that smaller hospitals and services play in health care delivery, highlighting the unique challenges these services face and offering solutions to some of these challenges.

Our Senior Clinical Fellow, Dr Louella Vaughan, guest-edited the February edition of the Royal College of Physicians' *Future Hospital Journal*. This was a special edition focused on the future of the small hospital, including an editorial by Louella entitled '[Why bigger isn't always better: Caring for patients in smaller, rural and remote hospitals](#)' and a jointly authored piece with our Chief Executive, Nigel Edwards, entitled '[The problems of smaller, rural and remote hospitals: Separating facts from fiction](#)'.

As the Covid-19 pandemic took hold, much attention was given to the Nightingale hospitals. Louella wrote in the [British Medical Journal](#) on the need to consider solutions involving smaller hospitals, arguing that the response to the coronavirus pandemic cannot be 'one size fits all'. We were commissioned by the National Centre for Rural Health and Care to write a report looking at the unique challenges presented by Covid-19 and rurality, which will report in winter 2020.

Our work under this programme has also included a number of bespoke advisory projects for leaders in different health systems, including advice to the leaders of hospitals in East Kent, Dorset and the Isle of Man. We have also carried out analysis for NHS England and NHS Improvement on their review of rural dispensing. In August we published a briefing looking at [maternity services in smaller hospitals](#).

3.5 Quality and equity

A great deal of our work on quality and equity is firmly aimed at achieving our first and third objectives: to generate and synthesise information on health and social care to

facilitate better policy and practice; and to provide information on the evidence, statistics, facts and research used by politicians and policy-makers.

Our [QualityWatch](#) programme, funded by The Health Foundation, is a key component of this, through which we published updates on trends in the [quality of care for older people](#) and for people with [long-term conditions](#), trends in the quality of [cancer care](#) and trends in [access and waiting times](#).

The [QualityWatch annual statement](#), published in January as an innovative scrolling data story, focused on the association between deprivation in the area in which a patient lives and quality of care. It revealed that people living in the most deprived areas of England experience the worst quality of care on almost every indicator examined, with the gap in quality widening as services come under increased pressure. A later 'Chart of the Week' told a similar story in terms of deaths from Covid-19.

Our work on prisoner health, funded by The Health Foundation, is another key component of this work programme. In November 2019 we published an [early preview](#) of data on pregnant prisoners to coincide with a newspaper article on the same topic. In February 2020 our full research report, [Locked out? Prisoners' use of hospital care](#) was published; and our project lead was in demand for a number of speaking engagements, including at the Royal College of General Practitioners' (RCGP) Justice conference in November 2019 and the Nuffield Trust summit in February 2020.

We also drew on the expertise gathered throughout our prisoner health project to inform commentary on the impact of [Covid-19 on prisoners](#). We secured further funding from The Health Foundation to take this project into its next phase, with outputs planned for 2021 and beyond.

Since 2016 we have sought to use our position as a research organisation to add to the evidence base around the health of children and young people. This year we have strengthened this through a number of partnerships and advisory roles, including through participating in a health policy influencing group convened by the National Children's Bureau and providing input into a British Academy review of childhood policies and the Royal College of Paediatrics and Child Health's *State of child health 2020* report. Recently we have been asked to support the Nuffield Foundation's work on 'The changing face of early childhood in Britain'. We have also published [analysis on childhood obesity in Wales](#) and the [impact of the Covid-19 lockdown on children's use of emergency care](#).

In its second year, our Rapid Service Evaluation Team (RSET), a collaboration with University College London and funded by the National Institute for Health Research

(NIHR), carried out evaluations of [special measures for quality improvement](#) (a specific Care Quality Commission designation for trusts with persistent quality issues, which then receive quality improvement interventions) and virtual wards for monitoring Covid-19 patients' blood oxygen levels. A further separately funded follow-up project for NHS England and NHS Improvement examining trusts in special measures for financial reasons was also completed.

The British Heart Foundation commissioned us to undertake analysis exploring the impact of Covid-19 on cardiovascular services, which will report later in the year.

We have demonstrated how Covid-19 has exposed wide inequalities in society through our 'Chart of the Week' analyses, with charts covering [death rates by deprivation levels](#), [shielded people by geography](#), [regional variations in the Covid-19 recovery in the summer of 2020](#) and [death rates by different setting](#).

3.6 Politics, funding and reform

As some of the work under the 'politics, funding and reform' theme responds to the immediate external environment, much activity under this programme split largely – but not exclusively – into two time periods, each driven by a major external event: the run-up to, and aftermath of, the general election of December 2019; and the Covid-19 crisis.

Mindful of our third strategic objective to provide information on the evidence, statistics, facts and research that politicians and policy-makers use in their interventions in the health and care system in the UK, we focused our efforts during and after the general election campaign on publishing a range of fact-based outputs. These included: two briefings, [Social care: The action we need](#) and [Stopping the staff we need? Migration choices in the 2019 general election](#); a [slidepack of key facts and figures](#) on NHS and social care aimed at journalists; blogs on 'hot topics' from [privatisation](#) to [waiting times](#), [health spending](#) and [NHS reorganisation](#); and the issuing of [real-time responses](#) to election announcements.

Our annual summit in late February took place as Covid-19 was emerging as a significant threat to public health. The event was not specifically Covid-19 focused – we hosted discussions on topics ranging from [health inequalities](#), [lessons from US health care reform](#), [integrated care](#) and [variation and equity](#) to [digital innovations](#), and our Chief Executive delivered a [keynote speech](#) on the NHS's long history of reform and reorganisation. However, the timing of our event and our keynote speeches from [Secretary of State for Health, Matt Hancock](#), and [Chief Medical Officer, Chris Whitty](#), and our In Conversation with

[NHS England's Chief Executive, Sir Simon Stevens](#), provided a high-profile opportunity to get the latest on the fast-moving picture.

Shortly after the summit, with the significance of Covid-19 for health and social care services becoming apparent, we pivoted much of our work programme to the outbreak, offering [informed commentary](#) on the [NHS and social care system's readiness](#) for the pandemic, analysis of the impact of the outbreak through our [blogs and Charts of the Week](#) and – as national lockdown began to be eased – investigation of the implications for non-Covid-19 NHS care and particularly for future services. We published three Covid-19 focused briefings – [Here to stay? How the NHS will have to learn to live with coronavirus](#), [Recovering from Covid-19: The international picture](#) and [The impact of Covid-19 on the use of digital technology in the NHS](#) – as well as analysis on the [Test and Trace system](#), [deaths in care homes](#), [mortality data](#) and [the impact of the pandemic on Accident & Emergency \(A&E\)](#).

Our work on Covid-19 also saw us deliver new events and plan new partnerships to support the NHS's efforts in response to the outbreak. We held a virtual roundtable just after the first wave of the pandemic, at which we asked *What has Covid-19 revealed about the UK's health policy and institutions?*, and were joined by a range of academics, journalists and policy-makers including former Department of Health Permanent Secretary, Una O'Brien, and Imperial College London's Professor Neil Ferguson. We also began a series of virtual roundtables looking at risk management across primary and secondary care in the context of the continued presence of Covid-19.

On partnerships, we joined forces with The Health Foundation, The King's Fund, The Strategy Unit and Imperial College Health Partners to [provide additional analytical support](#) to the NHS nationally in its overall response to Covid-19, resulting in research on changes in activity over the pandemic, future impact on waiting times, and differential impacts across rural and urban areas. Two of our senior communications staff were seconded to NHS England during the peak of the outbreak to help with external communications. We also developed a partnership with the WHO on Covid-19, contributing content for its Health System Response Monitor site on social care and analysing different countries' approaches to protecting care homes.

While much of our activity during the period was focused on the general election and Covid-19, we also carried out work on other important longer-term issues, including: health care reform through our [independent assessment for the Greater London Authority of major hospital reconfiguration proposals](#) measured against the Mayor of London's six tests; and public attitudes to health and social care through our [joint analysis of the British Social Attitudes Survey](#) with The King's Fund.

An important part of our new 2020–25 strategy is a focus on the history of the NHS to ensure that past lessons on health policy are not forgotten. We created a dedicated area on our website for Dr Geoffrey Rivett’s book [The history of the NHS](#) and a revamped interactive [NHS reform timeline](#), and published reports looking at lessons from the history of [strategic health authorities](#) in the NHS and lessons from the [history of NHS hospital building projects](#).

Two other longer-term issues generated significant activity over the year: Brexit and social care.

On Brexit, we provided expert commentary and analysis through media briefings for outlets from the BBC’s *Newsnight* to CNN, [blogs](#), [articles](#) for the *British Medical Journal* and oral evidence at two parliamentary committees. Building on our reputation for incisive commentary and analysis on Brexit, we secured funding from The Health Foundation for a five-month project to work with a team of academics to set up a monitoring process looking at the impact of Brexit on health, social care and the NHS.

On social care, we contributed to ongoing policy debate around the pressing need for reform, with members of the team presenting to and meeting with a large number of policy-makers and opinion-formers, including No. 10 Downing Street, the Minister of State for Social Care, Helen Whately, and Shadow Minister, Liz Kendall, as well as a number of MPs interested in social care reform. Drawing on previous analyses of social care in Germany and Japan, as well as our policy analysis of key principles for reform, we published articles on issues including the [future of the social care workforce](#) and the need for proper reform to [sit alongside a cap on social care costs](#). In the spring of 2020 we published a [new series of explainers](#) setting out how social care provision, funding and workforce compares across the UK’s four countries.

We have continued to take an interest in the way in which the NHS organises itself to deliver integrated care. We have been working with NHS England and NHS Improvement in several regions to understand and inform debate on the development of integrated care systems and integrated care providers, and this will continue into 2020/21.

4. Our impact

The public benefit of our work can clearly be seen in its impact. We define and measure impact in three ways:

- **the reach that we have** so that the public, policy-makers and those involved in delivering health care are better informed about health and social care in the UK and what can be done to improve it – this is reflected, for example, in our broadcast and print media counts;
- **the influence that we have** in informing politicians, policy-makers and health and social care practitioners about thinking on health and social care through analysis, pointing out lessons from the past and proposals based on research on how policy and practice can be improved for the benefit of the public – this is evidenced, for example, by our presentations to parliamentary committees, civil servants and ministers, as well as NHS boards and groups of health and care managers;
- **changes in policy or practice that result from our work** – although this can be very hard to measure, with policy change often the result of multiple influences and the exact journey from our activity to impact often unclear.

Looking at our three strategic objectives in turn, we can highlight some real examples of impact – and public benefit – in 2019/20 in each of these categories.

Some of these are high profile and our influence is clearly stated or acknowledged; some are stories that are less well-told. Some are examples where our impact has been generated quickly as a result of targeted and tailored interventions; some are the result of years of work by the Nuffield Trust. This section does not attempt to provide a comprehensive list of all the areas in which we have achieved impact. Rather, it attempts to capture the highlights of a seismic year in health and social care.

4.1 Impact achieved through our work generating and synthesising information on health and social care that can facilitate both better policy and better practice

A wide range of our work falls under this objective, which covers much of our ‘sense-making’ and explainer work, as well as in-depth analysis. Impact highlights from 2019/20 include the following:

- Two clear examples of impact from our [prisoner health](#) project are as follows:
 - The analysis contributed to the Ministry of Justice publishing new and regular figures regarding the number of pregnant women in custody and births in prison,

- with our research highlighted in the Ministry of Justice's review and the policy highlighted as a key recommendation in our work.
 - The work is being used at HMP Wandsworth to enable advice and guidance for patients with clinical needs.
- Some excellent impact from our Chart of the Week series includes the following:
 - Our Chart of the Week analysis of Test and Trace data was replicated with permission by the Office for Statistics Regulation in [correspondence](#) to the Department of Health and Social Care as an example of best practice regarding the presentation of the data.
 - Sir Michael Marmot shared our first chart on health inequalities on social media, achieving an additional 360 retweets and he has reproduced the chart in an [academic publication](#).
- Our work for the Greater London Authority looking at North Central London's proposals for major hospital reconfiguration directly influenced the Mayor of London's response to the proposals, including highlighting previously under-explored issues around health inequalities.
- Research findings from our analysis of childhood obesity in Wales were used by the Welsh government to inform the Public Health Wales Obesity Strategy.

4.2 Impact achieved through our work challenging and supporting those involved in planning and delivering health care to think more creatively and innovatively about how to adapt and redesign services to meet changing patient needs

Much of our work aimed at informing health care managers, clinical leaders and policy-makers falls under this objective. This includes our evaluations, our consultancy work for individual NHS organisations and also our convening and events work. Impact highlights from 2019/20 include the following:

- Our work with Health Navigators, York Teaching Hospitals and the Vale of York Clinical Commissioning Group was Highly Commended in the 2019 HSJ Partnership Awards. This project draws on Nuffield Trust data assurance to use artificial intelligence to identify patients at risk of becoming high-intensity health service users, who are then referred to the company's telephone-based proactive health coaching service. It is now deployed at seven sites across England.
- Our work commissioned by the National Workforce Skills Development Unit looking at attitudes towards mental health careers has been directly used by Health Education England to inform promotional campaigns. Our advice also led to a change in the descriptions used on the Mental Health Careers [website](#).
- We have had numerous approaches to present to NHS provider boards and senior teams about our work on smaller hospitals, including East Kent, Dorset and the Isle of Man. Our guest editorial on smaller and remote hospitals in the *Future Hospital Journal* was the fastest downloaded article in the journal's history (more than 1,200 times in under a month).
- Following our briefing looking at [maternity services in smaller hospitals](#), our Senior Fellow has been appointed an advisor to the National Centre for Rural Health and Care and

Rural England Community Interest Company in developing a toolkit to help people who are managing public services to better account for rural challenges.

- Our analysis of the special measures for quality improvement carried out under the Rapid Service Evaluation Team (RSET) project led to the project team presenting findings to senior staff at the Department of Health and Social Care and NHS England and NHS Improvement's joint strategic oversight group. It also led to NHS England commissioning work from the Nuffield Trust on financial special measures.
- Our previous work on commissioning led to NHS England asking us to help them develop and refine their approach to specialised commissioning through facilitating four workshops on neurology and neurosurgery.
- Our paper on lessons from the history of strategic health authorities directly led to our Chief Executive being asked to facilitate a regular group meeting of the seven Regional Directors of NHS England.
- The Comprehensive Geriatric Assessment project, completed in 2018, aimed to help commissioners and hospitals improve care for frail older people. This work continues to have widespread clinical and service impact. In particular, the hospital frailty risk score developed by our team, in collaboration with academic colleagues, has been adapted for use worldwide and is used in England to plan service improvements and evaluate outcomes for frail older people.
- Nuffield Trust work dating back several years on risk stratification continues to be influential, with the integrated care systems under development building in the risk stratification approaches we created, which use linked person-level data to identify patients most likely to have unplanned future hospital admissions.

4.3 Impact achieved through our work providing information on the evidence, statistics, facts and research that politicians and policy-makers use in their interventions in the health and care system in the UK

The policy and public affairs work that we do is in pursuit of this objective, offering rigorous analysis to inform politicians from all four UK countries, policy-makers in central and local government as well as within NHS arm's-length bodies. Impact highlights from 2019/20 include the following:

- Our 2019 joint report with The King's Fund and The Health Foundation, [*Closing the gap: Key areas for action on the health and care workforce*](#), led to us participating in a number of steering groups within NHS England and NHS Improvement for the development of the NHS People Plan. The *People plan* was eventually published in 2020, taking on board many of the recommendations from *Closing the gap*. In addition, the influence of this work was evident in several follow-up announcements, including on apprenticeships and international recruitment.
- There has been significant impact from our work on social care, including:
 - There have been multiple citations in the media and parliament, including during an Opposition Day Debate and a debate on the Immigration Bill. Following a telephone briefing between our social care lead and the Shadow Minister for Health and Social Care, Liz Kendall, she tabled a [question at Prime Minister's](#)

[Questions](#) on the need for a special migration category for people wanting to work in social care. Media highlights included the BBC's *Newsnight*, Radio 4's *The Westminster Hour*, the news platform Tortoise and *The Times*.

- Presentations and meetings took place with a wide range of groups, including: 60 MPs interested in social care reform; Andy Burnham (the Mayor of Greater Manchester) and a group of former care ministers; the Prime Minister's health advisor; and the Cabinet Office.
- Senior briefings from government and leaked to national newspapers have indicated immense government interest in the lessons from the German and Japanese social care systems following our earlier work on these.
- There has been a widespread profile on and interest in our Covid-19 briefings [Here to stay?](#) and [Recovering from Covid-19: The international picture](#) including: media coverage on the BBC's *Newsnight*, BBC radio bulletins, *Times Radio*, *The Guardian*, the *Financial Times* and *The Independent*; a significant response to the themes of *Here to stay?* from the Health Select Committee; invitations for the authors to present to the board of a leading London hospital and the NHS England Strategy Team respectively; and a further piece of work for the European Observatory on Health Systems and Policies exploring themes from the research.
- There have been invitations to give oral evidence at five committee sessions: twice to the Health Select Committee (on finances and the Covid-19 recovery respectively); the new House of Lords Public Services Committee inquiry on lessons from coronavirus for the future of public services; the Lords International Agreements Sub-Committee about the impact of a US trade deal on the NHS; and the Welsh Assembly's External Affairs and Additional Legislation Committee on Brexit. We also submitted nine pieces of written evidence, with our evidence to the Migration Advisory Committee cited in their final report.
- In addition to the impact generated by our Covid-19 international comparisons work, we have had continued impact for previous analyses of health care in international comparisons and four-UK country comparisons, including being appointed a rapporteur for the European Observatory on Health Systems and Policies and in contributions to ongoing debate over the health service in Northern Ireland through prominent participation in the BBC's *Spotlight* programme.
- Over the summer of 2020 we were asked to give our expertise to the Prime Minister's Health and Social Care Taskforce and participated in meetings on public health, pandemic resilience and primary care.

5. A look forward to the year ahead

We are at a time of significant uncertainty in the external environment. The Covid-19 pandemic and the associated turbulence it has created has had a very significant impact both on the Trust and on the health and care system our work sets out to improve.

However, the areas of interest and the approaches we outlined in our five-year strategy for 2020–25 remain highly relevant, notwithstanding that the findings and recommendations of our work will necessarily be influenced by learning from the pandemic.

The year ahead will present a number of challenges to the nation's care systems as it seeks to recover from the impact of Covid-19. There are likely to be long-term changes as a result of this and the Nuffield Trust is well placed to make a positive contribution to these changes before and as they happen.

The foundation to the coming year has been to confidently maintain budgets at a level that allows us to deliver at least pre-Covid-19 levels of activity. Supported by the recently reviewed Reserves Policy, and using scenario planning models, the budget for the year ahead has been agreed at business as usual levels; this will be key to achieving the impact and public benefit we are targeting.

Work planned for 2020/21

In our **workforce** programme, we will publish work on mental health nursing and the training pipeline for psychologists and continue to update our NHS tracker to offer insights into how to achieve the government's commitments around staffing.

Our **technology and digital** programme will see us publish the Care City evaluation, which will strengthen the evidence base on the practical implications of digital initiatives. We will also complete our international comparative analysis of health care digitalisation policies in partnership with the European Observatory on Health Systems and Policies.

Through our **primary care** programme, we will focus on the impact of a rapid adoption of new models of primary care that are 'remote by default', through our partnership with the Universities of Oxford and Plymouth. We will also examine the quality of primary care using patient experience data from the General Practice Patient Survey (GPPS).

In our **small, remote and rural services** programme, we will undertake a piece of work to assess which factors have been important in driving the reconfiguration of acute medicine and emergency services in hospitals during the Covid-19 pandemic. We will also

continue to build on our work on medical generalism and acute medicine in small hospitals.

Our **quality and equity** programme will see us publish our QualityWatch annual data story asking ‘What is the impact of the shift to remote care for patients?’, examining the impact of Covid-19 changes on care quality. Through QualityWatch we will also track the overall quality and performance of health and care services as they grapple with the aftermath of Covid-19. We will track prisoners’ hospital use and develop a novel approach to identifying a matched sample in the non-prisoner population.

Our **politics, funding and reform** programme will see us exploring the resource implications of government spending commitments and population demand for health care, looking at the implications of the Covid-19 pandemic for NHS resourcing and funding. We will build on our reputation for first-rate analysis of social care reform through analyses of the UK provider market, China’s long-term care reforms, and the impact of Covid-19 on long-term care in other countries. We will also deliver our Brexit Health Tracker programme to comprehensively map out how Brexit is likely to affect health and social care.

Communications plans

We will develop a communications strategy to complement the corporate strategy, focusing on:

- improved understanding and benchmarking of our audiences;
- refreshing and updating our website;
- training and diversifying our spokespeople;
- refining the suite of tools for disseminating our work;
- working out new ways to understand and measure impact;
- developing our online and in-person events; and
- reviewing our communications approaches to our work on service redesign (our second strategic objective).

Organisational development

To enable our staff to deliver our ambitious programme of work, they need to be well supported, have the tools that enable them to work effectively and efficiently and continue to develop and share the skills that are critical to delivering the aims of the organisation.

Staff wellbeing is paramount in these uncertain times; the Nuffield Trust will be conducting its biennial staff survey this winter. Smaller surveys have been carried out

during 2020 and this will be an opportunity to consolidate the understanding of how our culture has developed, not only since Covid-19, but since the last survey in 2018.

Remote working has become a staple for all of our work. Embracing the changes that have already been seen, we are developing an infrastructure that will build on these recent innovations, with aspirations to create a seamless working environment whether working in the Nuffield Trust's offices or from other remote locations.

More remote working will provide opportunities to use the existing office space more effectively. Plans are in motion to review the future working model and reconfigure the available space to support more collaboration, create and develop partnerships and ensure that the office environment supports the culture we have developed.

Financial review

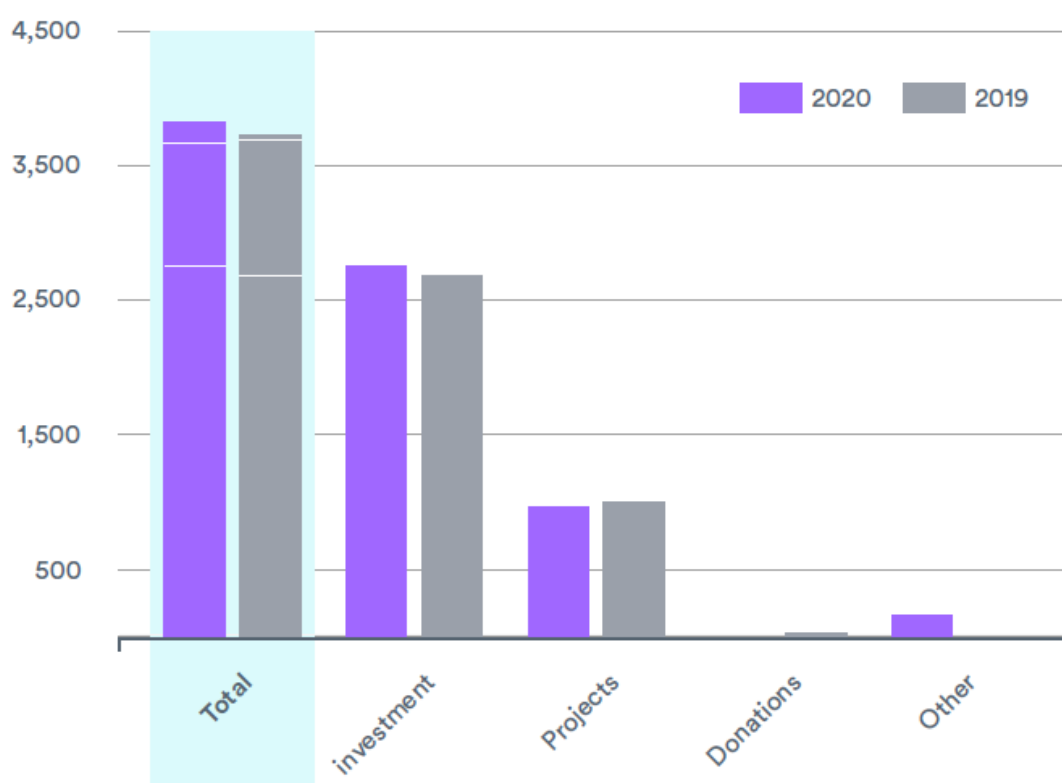
Review of income and expenditure for the year ended 30 September 2020

The financial statements for the year to 30 September 2020 have been presented as consolidated accounts for the two entities: The Nuffield Trust for Research and Policy Studies in Health Services and Nuffield Trading Limited.

The Nuffield Trust benefits from an endowment, which is primarily held in an investment portfolio. On a long-term basis, and in line with our financial strategy and reserves policy, we aim to maintain the value of these investments (adjusted for inflation). Given the above, in some years our annual report will show a significant surplus, while in others it will show a significant deficit. This year, as was the case last year, investments have performed ahead of target, so we are showing a surplus.

Total income for the year amounted to £3,821,000 (2019 – £3,720,000), of which £943,000 (2019 – £994,000) was generated from charitable activities and £2,878,000 (2019 – £2,726,000) was derived from other sources, namely investments, donations and other trading activities.

Income

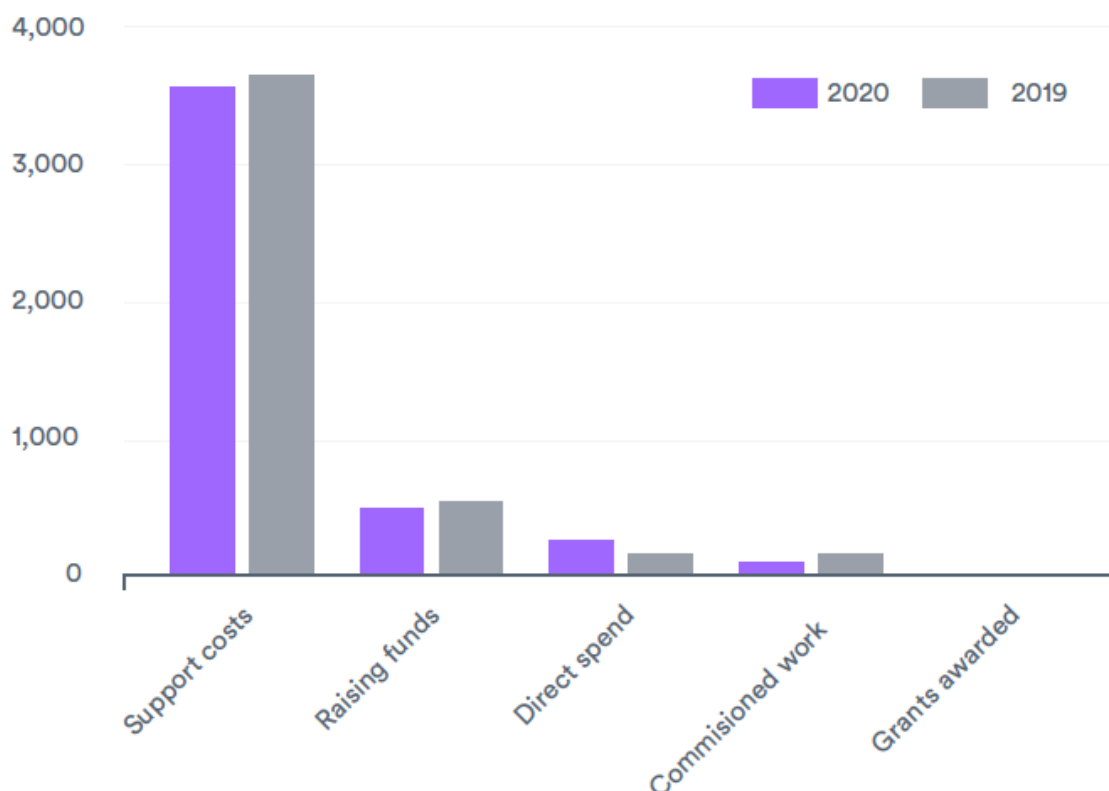


Income from charitable activities decreased by £51,000 between 2019 and 2020 due to a reduction in purely funded work, with more projects being either internally funded or delivered with a joint funding approach between the Trust and other partnering organisations. Work on projects may span more than one year, and income and expenditure are recognised taking into account an assessment of the proportion of work completed at the year end.

Income from other sources increased by £152,000 between 2019 and 2020, due to a £64,000 increase in investment income, an increase of £122,000 in other income and a decrease of £34,000 in donations.

Total expenditure for the Trust for the year was £4,428,000 (2019 – £4,516,000), of which £3,932,000 (2019 – £3,967,000) related to charitable activities, which includes the costs of completing project work. Support costs in note 9 in ‘Notes on the financial statements’ (page 64) include the costs of employing staff and providing the infrastructure to enable the work of the Trust to be completed. Direct spend on projects includes commissioning expertise; disseminating our work, including making it available through open access; and ensuring that our work is subject to appropriate peer review.

Expenditure



Expenditure on charitable activities decreased by £35,000 between 2019 and 2020 due to the net effect of a decrease in expenditure on commissioned work, an increase in spend attributable to income generating activities (direct spend on projects) and a planned increase in staff costs. This increase in staff costs has enabled increased capacity for the delivery of charitable activities, contributing to increased impact. These have been offset by cost savings seen due to the extraordinary impact the coronavirus pandemic has had on both premises' expenses and general costs during the year, primarily through the saving of costs while the office was closed.

Expenditure on raising funds decreased by £53,000 between 2019 and 2020 due to investment management fees decreasing by £57,000, and the staff costs allocated to generating funds increasing by £4,000.

The net gain on investments for the year was £2,664,000 (2019 – £4,463,000). Further details on investment performance are given below.

The net income for the year was £2,057,000 (2019 – £3,667,000).

The Trust has developed a new five-year strategy, covering the period 2020–25, in which it lays out the plans for future periods. This strategy sets out the Trust’s core objectives in pursuit of achieving the charitable purpose of the organisation:

- to influence policy and practice through generating and synthesising information on health and social care to facilitate both better policy and better practice;
- to challenge and support those involved in planning and delivering health care to think more creatively and innovatively about how to adapt and redesign services to meet changing patient needs;
- to provide information on the evidence, statistics, facts and research that politicians and policy-makers use in their interventions in the health and care system in the UK.

Further information regarding the Trust’s approach to delivering the strategy and the specific measures of success can be found on our website at:

www.nuffieldtrust.org.uk/about.

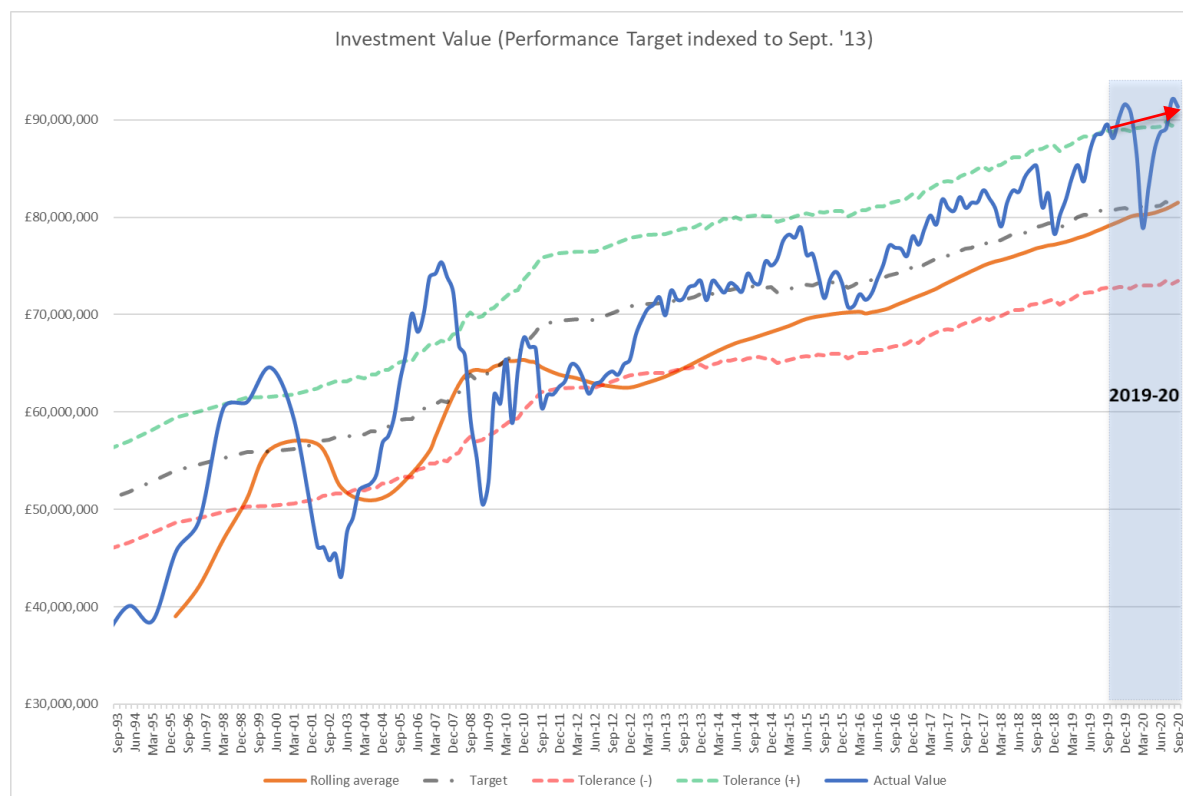
Net assets at 30 September 2020

The Trust’s consolidated net assets at 30 September 2020 amounted to £95,174,000 (2019 – £93,117,000). This represents an increase of £2,057,000 (2.2%) compared with the net assets at 30 September 2019, which was caused by growth in the value of investment funds.

Investment performance

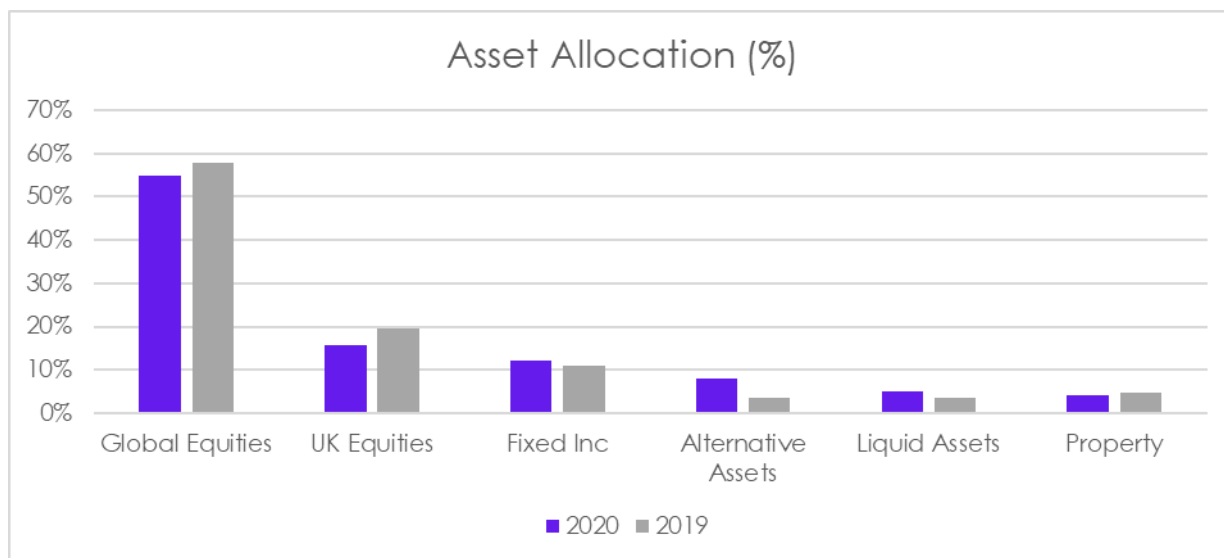
The long-term investment objective for the combined portfolio is to achieve a total return, net of fees, of the Consumer Price Index (CPI) + 4.5% a year; designed to enable a drawdown of funds to support expenditure on charitable activities. Over shorter time periods, performance is measured against a bespoke benchmark based on the underlying strategic asset allocation.

The overall return (before fees) on the total investment portfolio was £5,402,000 for 2020 (2019 – £7,138,000). The portfolio of investments had a total value at 30 September 2020 of £91,386,000 (2019 – £89,571,000).



Long-term analysis of the available data shown in the chart above (March 1992 to September 2020), shows that the total value of the investment portfolio, after taking into account withdrawals to support charitable purpose and investment management fees, has risen ahead of inflation, as measured by the CPI, and ahead of the Trust's agreed investment performance targets, currently set as CPI + 0.5%. The chart above presents the value of our investments in absolute monetary terms, which would capture the impact of periods where the total amount drawn from investment funds differed from the 4% drawdown model, for example during periods of reduced activity or the reinvestment of surplus funds.

The tolerance bands in the chart above are used in order to quantify the expected volatility inherent in the agreed investment strategy and to help assess the level of risk in the portfolio at a given time. Risk, often measured in terms of equity risk, is closely monitored by management and can be presented in terms of comparative asset allocation. As might be expected, in particularly volatile markets, as seen recently, the equity weighting of the portfolio reduced compared with the same time last year.



For the 12 months to 30 September 2020, the total value of the investment portfolio has risen 1.5% (2019 – 3.2%) ahead of inflation, as measured by the CPI, or 1.0% (2019 – 2.7%) ahead of the inflation linked target.

During the year under review, the investment assets of the Trust were managed by Sarasin and Partners LLP, with a small amount of funds invested in a J.P. Morgan Property Fund, which is in the process of liquidation. Funds previously invested with Ruffer LLP have been liquidated and re-invested under the Sarasin and Partners LLP mandate.

The funds managed by Sarasin and Partners LLP are invested in two funds, which complement each other to achieve the approved investment strategy: the majority of funds are held in the pooled Endowments fund (formerly, Alpha CIF for Endowments), a diversified multi-asset exempt fund for charities; and the remaining funds are held in a segregated Global Equity Dividend fund, allowing greater exposure to global equity assets. Both funds have an ethical investment policy that includes avoiding tobacco stocks (further details on ethical restrictions can be found in the next subsection ‘Financial strategy and reserves’). The individual income yields on the Endowments and Global Equity Dividend portfolios were 3.1% and 2.6%, respectively, and the combined weighted yield across the aggregated portfolios was 3.0% at 30 September 2020 (2019 – 3.1%).

Following the 2017 investment review and the movement of all available funds to management under Sarasin and Partners LLP, Ruffer LLP has ceased to hold any funds (2019 – £344,000), previously held in closed-end assets that were due to liquidate in accordance with their predetermined end dates.

The Trust also holds investment in J.P. Morgan Asset Management's European Property Fund, another closed and illiquid asset in the process of liquidation. These funds are held separately from the assets managed by Sarasin and Ruffer. At 30 September 2020, the fair value placed on this investment, after taking account of redemptions of £21,000 (2019 – £56,000) received in the year, including cash held against currency hedge, was £27,000 (2019 – £45,000).

Financial strategy and reserves

The Trust's strategy is guided by its policy on expenditure, reserves and investments.

The Trust's policy on expenditure is to ensure there are adequate funds in order to generate a sufficient return to fund both the current and future charitable activities of the Trust. The Trust generates income from a variety of activities that support its core purpose and make the best use of its resources. Where the money generated is insufficient to cover its total expenditure, a proportion is drawn from the investment capital. In agreeing the level of resources, Trustees are mindful of their responsibility for the long-term stewardship of the Trust. Trustees take a risk-based approach, which aims to balance the Trust's ambition in meeting its charitable objectives; its ability to generate income; and its capacity to spend from investments, now and in the future.

The Trust's total reserves at 30 September 2020 amounted to £95,174,000. As set out in note 20 in 'Notes on the financial statements' (page 75), £95,129,000 of this represents the expendable endowment, with the balance of £45,000 in a designated fund to meet external costs related to self-funded projects that the Trust has committed to undertake.

The Trust's policy on reserves is based on ensuring that they are sufficient to support the long-term nature of its work and cope with fluctuations in annual income. The Trust's policy on 'free reserves' is based on a risk-based modelling approach, assessing the impact and timing of key operational risks (as described below) and ensuring the level of reserves is sufficient to mitigate against likely events. Free reserves exclude funds that can only be realised by disposing of tangible assets, and are distinct from funds assigned for other purposes, which in accordance with Charity Commission guidance, would also exclude the value of endowment funds. Free reserves have been agreed at a target level of £1,750,000, reviewable annually, but allowing a +/- 25% variance from this target before a recovery

plan is required. Current free reserves (being the total of ‘short-term deposits’ and ‘cash at bank and in hand’) are £1,734,000 and are within the target band. The Trustees consider reserves to be at an appropriate level as these funds are sufficient to meet the foreseeable future activities and income fluctuations.

The Trust’s policy on investments is to take a long-term approach, investing globally in a range of assets with the intention of preserving the value of the endowment in real terms after any drawdown to fund expenditure. Having reviewed the stance on Environmental, Social and Governance (ESG) issues, the Trust has recently extended the breadth of its investment restrictions, previously only restricting to direct investment in tobacco. The restrictions now also include any organisation generating greater than 10% of annual revenues from armaments, gambling, alcohol and adult entertainment. In addition, Trustees are committed to reviewing the Trust’s ethical investment restrictions at least annually.



The Trust’s investment strategy is to manage the portfolio on a total return basis, income and capital combined. The Trust has an asset allocation that is geared towards equities because of their higher expected returns in the long term (based on historical performance). The Trustees recognise that the Trust will need to withdraw both investment income and some of the investment capital to fund the gap between its annual income and expenditure. This is set annually as part of the budget process, based on the average value of the investment fund over the last 20 quarters.

Going concern

In agreeing the planned activities for the coming 12 months, the Trust has implemented a number of approaches to ensure that operations remain viable under the scenarios that are likely, given the future uncertainty caused by coronavirus:

- In support of the Trust’s strategic aims and to enable successful translation of activities to budget, the Trust has produced a one-year business plan.
- The budget is based on a risk-based, scenario planning approach. Within this approach there are a number of triggers and measures that will enable the Trust to monitor performance and plan appropriate action should triggers not be met.

- There will be increased financial reporting to the Trustees and to the Leadership Team to ensure timely information in support of strategic decision-making.

More broadly, the Board regularly reviews forecasts and projections and has not identified any material uncertainty relating to going concern.

Structure, governance and management

The Trust is a company limited by guarantee, registered in England and Wales as company number 00382452. It is registered with the Charity Commission as charity number 209169.

The Trust's Articles of Association provide for a minimum of four Trustees, and a maximum of 12. Trustees are appointed for an initial term of three years and may be reappointed for up to two further terms, each of three years. Appointment as a Trustee is open to any suitably qualified member of the public. Newly appointed Trustees are provided with an induction programme, which sets out the activities of the Trust and their responsibilities as a Trustee. During the financial year, the Trust reviewed the Memorandum and Articles of Association, making minor changes to administrative clauses; the amendments have been accepted by Companies House and the Charity Commission.

Details of the Trust's current Trustees, and those who served during the year, are set out on page 4.

The Board of Trustees meets four times a year with the Chief Executive and the Leadership Team to handle business that has not been formally delegated to the Chief Executive and to consider other matters related to the operations of the Trust. The Board of Trustees has established a number of standing committees to support it in its work.

The **Governance, Nominations and Remuneration Committee** assists the Trustees by overseeing: governance; nominations, succession planning, induction support and development of Board members (individually and collectively); human resource issues, including the remuneration packages for directors; and any other functions delegated by the Board.

The **Finance Committee** assists the Trustees by: overseeing all financial and investment aspects of the charity; overseeing systems of internal control; and monitoring risk management, so as to ensure the short- and long-term viability of the Trust.

The membership of these committees is shown on page 4.

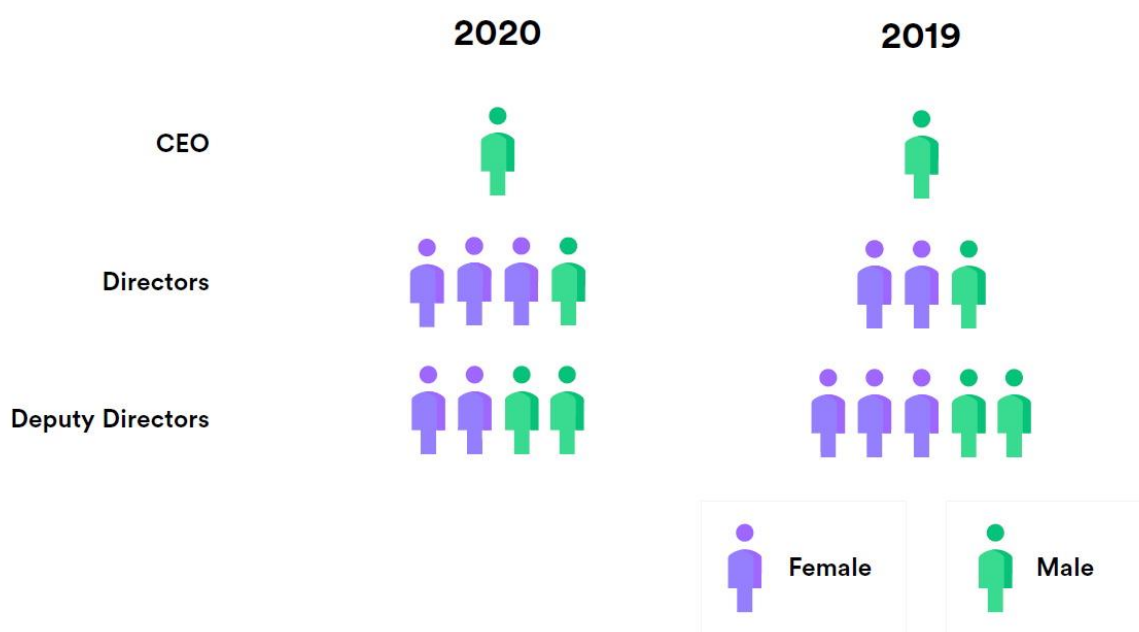
Organisational structure and how decisions are made

The Trustees appoint a Chief Executive, to whom they delegate the responsibility for realising the Trust's strategies and objectives and for the day-to-day management of the Trust. The Chief Executive is supported by a Leadership Team, to whom they delegate authority for financial and contractual decisions, as detailed in the 'Scheme of Delegation of Financial and Contractual Authorities'. The corporate governance arrangements, including the Scheme of Delegation, are reviewed at least every two years. The last review and update was completed in June 2019 and the next review is scheduled to be completed by the spring of 2021.

Directors work within the framework set by the strategic plan and annual operating plan approved by the Board. Work programmes are produced for the different areas of activities. Progress on these work programmes is reported regularly to the Board, and approval secured for changes where necessary. The Board monitors, reviews and takes action on strategic goals and work programmes. Details of the current key management personnel and those who served during the year can be found on page 4.

Although the Directors retain ultimate management responsibility, during the year, responsibility for decision-making was extended to include the departmental Deputy Directors; extending the Trust's Leadership Team compared with previous years.

The Leadership Team structure for decision-making is illustrated below:



Our funding

The Nuffield Trust has an expendable endowment valued at £95,129,000 at 30 September 2020. This endowment provides the Trust with a valuable source of income (£2,738,000 in the current year). We also obtain funds by withdrawing a proportion of the investment capital each year, in line with our financial strategy.

These sources of funds are not adequate to fund all our activities but guarantee a consistent and completely unrestricted stream of funds. The sources of our other income, from charitable activities, donations and others, are set out in the ‘consolidated statement of financial activities’ (see page 55).

The sources of our funding are diverse, with no single organisation contributing a sufficient proportion of the income to create reliance or significant risk to the organisation were it to be withdrawn. This provides reassurance that our objectivity and independence can be maintained.

Managing risk

The Trust’s risk management approach, governed by the Board of Trustees, is documented as the ‘Corporate Risk Assessment and Management Framework’. This framework describes the processes defining risk identification, assessment, recording, ownership, measurement and monitoring. A complete review of the approach to risk management was undertaken during the year.

Within the framework, there are three categories of risk:

- ‘static’ – that is, unlikely to require significant change in the short to medium term;
- ‘dynamic’ – that is, ever changing and with management controls that are under constant review; and
- ‘evolving’ – that is, low-level risks that may, in the right environment, convert into high-level risks in the future, captured on a ‘watch list’.

The review frequency of each category has been defined to ensure appropriate levels of focus and resource are applied.

The Trust’s Leadership Team is responsible for ensuring that the risk management approach is adequately applied and for reporting to Trustees based on risk category and the defined review frequency.

A summary of the Trust's approach to mitigating the most significant risks is given in the table below.

Risk	Management response	
	Management approach/plan	Monitoring process
The Trust is successfully targeted in a cyber-attack	• Application of IT security strategy across the Trust • Staff training and awareness programme • Technological controls • Business continuity plans	• External assessments – ISO and Penetration Testing • Real-time threat reporting
Levels of funding at the Trust are insufficient to support charitable activities	• Continual development and review of external funding opportunities • Defined objectives and restrictions set for investment managers	• Regular review of potential funding opportunities and bids in the pipeline • Regular review of investment manager performance
The Trust's independence is challenged	• Ensure suitable editorial control arrangements • Ensure suitable funding proportions (internal/external funding) and that the sources of funding would not jeopardise independence, whether perceived or actual	• Review of editorial control and IPR commitments at contractual stage, ensuring fit for purpose • Regular review of funding sources
There is a failing in information governance (IG) controls at the Trust	• Maintain our ISO 27001 accreditation, continually improve our approach to IG, and ensure access to relevant training • Proactive approach to cybersecurity	• Internal and external audits of IG arrangements • Annual renewal of ISO/the NHS IG toolkit • Annual network security assessments
There is poor staff wellness or morale	• Improved review process to include specific focus on wellbeing • Regular engagement to ensure wellness and support under homeworking conditions • Renewed Employee Assistance Programme • Enhanced financial support for homeworking equipment	• Regular review of sickness data • Employee forum feedback • Regular surveys throughout the pandemic period

In addition to the risks highlighted in the above table, other risks in respect of reputation, dissemination, staff retention and HR planning, project management and delays to data access are also captured and actively managed.

As a direct result of the coronavirus pandemic, a number of risks were heightened following a mid-year assessment. The Trust recognised that an impact of the pandemic was the increased likelihood of a number of risks occurring and, following best practice, the related mitigations were reviewed and improved. The severity of these specific risks and the effectiveness of the related mitigations have been closely monitored.

Specifically, three areas have been under increased monitoring: information governance, cybersecurity and employee wellbeing.

Risks relating to information governance and cybersecurity are closely linked. With increased homeworking due to national social restrictions and a drive for employees to work from home if they can, the Trust recognises that the control environment has changed and that additional precautions have been necessary.

In addition, the Trust recognises that its employees' personal circumstances have been significantly affected by the pandemic and has developed a programme of support to ensure staff have the tools to do their work, managers who are engaged and a culture that is inclusive in order that individuals can maintain a balance and are able to voice issues as they arise. (For more information, see the section 'Organisational effectiveness' on page 46.)

Remuneration policy

The Trust aims to provide all staff with remuneration packages that are competitive, fair, equitable and sustainable within the available resources of the Trust. The pay and remuneration for directors are approved by the Governance, Nominations and Remuneration Committee. The pay and remuneration for all other staff are approved by the Chief Executive within the financial parameters approved by the Board upon recommendation from the Finance Committee. In reaching its recommendation, the Finance Committee considers key inflationary indicators (for example the CPI) and the increases made by comparable organisations and the NHS.

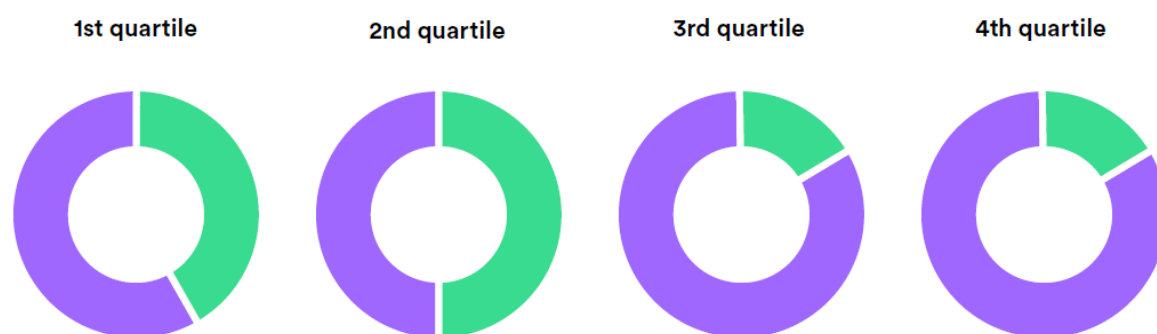
During the year, the Trust has continued to build on previous work around pay and progression and is developing a competency framework to support the decision-making

process and aid the targeting of activities around the development of individuals and talent.

Organisations that employ more than 250 people are required to publish figures comparing men and women's pay. During 2019/20, the Trust had fewer than 50 individuals on the payroll, and is not therefore under a legal obligation to publish gender pay gap information.

In addition, given the small numbers of staff, the proportion of male/female members of staff can fluctuate significantly with small changes in personnel. However, Trustees have agreed that this is information which they wish to keep under review.

The graphic below shows the gender balance of the Trust's workforce by pay quartile (1st quartile = highest paid). Purple indicates female and green indicates male.



Overall, the workforce is predominantly female. While women are generally well represented at senior levels, there are very few male staff in the 3rd and 4th quartiles. During 2020, the Trust reviewed data on the gender, race and other protected characteristics of individuals and how all people are recruited, managed, developed and rewarded. We are making changes to ensure that our approach and processes are appropriately inclusive. (For more information, see the section 'Organisational effectiveness' on page 46.)

Fundraising policy

Section 162a of the Charities Act 2011 requires us to make a statement regarding fundraising activities. Although we do not undertake fundraising from the general public, the legislation defines fundraising as 'soliciting or otherwise procuring money or other property for charitable purposes'. Such amounts receivable could include legacies and grants and are presented in our accounts within 'charitable activities'.

In relation to the above, we confirm that all solicitations are managed internally, without the involvement of commercial participators, professional fundraisers or third parties. The day-to-day management of all income generation is delegated to the Leadership Team, who are accountable to the Trustees. We are not subject to any regulatory scheme (voluntary or otherwise) or relevant codes of practice, nor have we received any complaints in relation to fundraising activities or consider it necessary to design specific procedures to monitor such activities.

Organisational effectiveness

The Trust has maintained a focus on its effectiveness, from Board level through the entire organisation. A key component of this has been the impact of coronavirus on the way we work together, make decisions, provide assurance and support the wider organisation. However, not all initiatives that have been implemented have been driven by coronavirus; a number of activities were already in train before the pandemic began.

Performance and appraisal

We have instituted a new framework for Quarterly Reviews for staff, which builds on our previous annual appraisal framework. The output from the reviews informs the Trust's learning and development programme for staff, as well as feeding into decisions on formal progression for staff where that is appropriate. In that context, we are also continuing to develop the pay and progression framework established in 2018 by refining the organisational competency matrix to better understand and communicate the different skills that we need as an organisation, how they are valued and how they are required across the range of roles at different levels.

Staff pension scheme

In late 2019, the Trust undertook a pension provider market review, which resulted in the decision to move our pension plan to Royal London. The new pension scheme replaced the existing Legal & General scheme from 1 March 2020. The new scheme results in an enhanced benefit to staff at no additional cost to the Trust.

We also implemented a salary exchange arrangement for personal contributions. For most employees, this change resulted in an improvement in take-home pay compared with the current method of making pension contributions.

Employee Assistance Programme (EAP)

Following a review of Employee Assistance Programme (EAP) providers, the Trust terminated the existing contract, moving to LifeWorks.

LifeWorks offers a more comprehensive and interactive experience to employees, with a wide range of resources to support both physical and mental health and wellbeing. Categories of support and resources available include family, health, life, money and work. The types of support include helplines, blogs, videos, toolkits, learning programmes and assessments.

In addition, the Administration Dashboard provides instant feedback on employees' use of the website (those who have signed up and those who haven't, as well as anonymised data on access to the 'perks' available for online shopping).

Diversity and inclusion

Following a number of discussions at all staff meetings, a staff-led Diversity and Inclusion Group has been formed. The group is leading the development of a set of commitments on actions to improve the Trust's approach to diversity and inclusion, both as an employer and in our research.

Response to coronavirus

The second half of the year was of course dominated by changing our working practices in response to the coronavirus pandemic. The office was closed to all staff from 17 March 2020 and staff have been supported to work remotely since. In late May we surveyed all staff to understand their wishes and concerns with regard both to reopening the office and to continuing to work from home.

All staff have completed a display screen equipment (DSE) self-assessment in relation to homeworking, and the organisation has funded the purchase of relevant IT and office furniture as required on a case-by-case basis.

In accordance with government requirements, the Trust conducted a comprehensive risk assessment before partially reopening the office in September, with appropriate adjustments to ensure that it remains Covid-secure. Early indications are that the available capacity is meeting demand.

IT has been a key factor in keeping staff working and will continue to be so. The Trust has been working towards a seamless experience between homeworking and office working, with the purchase of hardware for the office, such as webcams for every desk and the installation of video communications software. We anticipate that meetings and communications will continue to be held primarily over video conferencing platforms for a considerable part of 2020/21.

Subsidiary undertaking

The Trust operates a wholly owned trading subsidiary, Nuffield Trading Limited, which historically carried out non-charitable trading activity for the Trust. At the end of the 2018/19 financial year in September 2019, the decision to absorb these activities into the charity as non-primary purpose income was made and the subsidiary has since moved to a dormant status. Details are included in notes 2 and 22 in the 'Notes on the financial statements' (see pages 61 and 76).

Responsibilities of the Trustees

The Trustees are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 2006, and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 show and explain the charity's transactions, disclose with reasonable accuracy at any time the

financial position of the charity, and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this Trustees' annual report, advantage has been taken of the small companies exemption.

Auditors

The current Trustees have taken all steps they ought to have to make themselves aware of any information needed by the Trust's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have indicated their willingness to continue in office and a resolution to reappoint them will be proposed at a meeting of the Board of Trustees.

Approved by the Chair on behalf of the Nuffield Trust:



Chair, Nuffield Trust

Date: 17 December 2020

Independent auditor's report to members of the Nuffield Trust

Opinion

We have audited the financial statements of The Nuffield Trust for Research and Policy Studies in Health Services (“the Parent Charitable Company”) and its subsidiary (“the Group”) for the year ended 30 September 2020, which comprise the Consolidated statement of financial activities, the Consolidated and charity balance sheet, the Consolidated statement of cash flows and notes on the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 30 September 2020 and of the Group's income and expenditure and the Parent Charitable Company's income 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 Companies Act 2006.

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 and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

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

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Trustees' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Responsibilities of the Trustees statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the Parent Charitable Company'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 Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

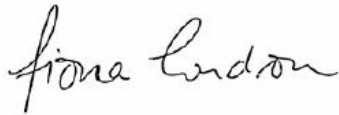
A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

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

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken

so that we might state to the Charitable Company'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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "fiona condron". The signature is written in a cursive, lowercase style.

Fiona Condron (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Gatwick

Date: 14 January 2021

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

Consolidated statement of financial activities for the year ended 30 September 2020

	Note	Unrestricted funds 2020 £000s	Expendable endowment fund 2020 £000s	Total funds 2020 £000s	Total funds 2019 £000s
Income and endowments					
Donations	4	11	-	11	45
Investment income	5	-	2,739	2,739	2,675
Charitable activities	6	943	-	943	994
Other		128	-	128	6
Total income and endowments		1,082	2,739	3,821	3,720
Expenditure					
Raising funds	7	-	496	496	549
Charitable activities	8	3,932	-	3,932	3,967
Total expenditure before historic pension costs		3,932	496	4,428	4,516
Historic pension costs	23	-	-	-	-
Total expenditure		3,932	496	4,428	4,516
Realised and unrealised gains on investment assets	13	-	2,664	2,664	4,463
Net (expenditure)/income before transfers		(2,850)	4,907	2,057	3,667
Transfers	11	2,747	(2,747)	-	-
Net (expenditure)/income and net movement in funds		(103)	2,160	2,057	3,667
Reconciliation of funds – balances brought forward		148	92,969	93,117	89,450
Balances carried forward		45	95,129	95,174	93,117

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The notes on pages 58 to 81 form part of these financial statements.

Consolidated and charity (company number 00382452) balance sheet at 30 September 2020

	Note	Consolidated 2020 £000s	Consolidated 2019 £000s	Charity 2020 £000s	Charity 2019 £000s
Fixed assets					
Tangible assets	12	1,795	1,823	1,795	1,823
Investments	13	91,386	89,571	91,386	89,571
		93,181	91,394	93,181	91,394
Current assets					
Debtors	14	738	653	738	704
Short-term deposits	15	1,683	1,639	1,683	1,639
Cash at bank and in hand		51	102	51	51
		2,472	2,394	2,472	2,394
Creditors: amounts falling due within 1 year	16	(351)	(572)	(351)	(572)
Net current assets		2,121	1,822	2,121	1,822
Creditors: amounts falling due after 1 year	17	(128)	(99)	(128)	(99)
Net assets		95,174	93,117	95,174	93,117
Funds					
Expendable endowment	20	95,129	92,969	95,129	92,969
Designated fund	20	45	148	45	148
Total funds		95,174	93,117	95,174	93,117

The surplus attributable to the Charity for the year ended 30 September 2020 was £2,057,000 (2019 – £3,667,000).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Chair on behalf of the Trustees of the Nuffield Trust and authorised for issue on 17 December 2020.



Andrew McKeon CBE
Chair, Nuffield Trust

The notes on pages 58 to 81 form part of these financial statements.

Consolidated statement of cash flows for the year ended 30 September 2020

	Note	2020 £000s	2020 £000s	2019 £000s	2019 £000s
Cash used in operating activities	24		(3,555)		(3,542)
Cash flows from investing activities					
Dividends and interest from investments		2,735		2,675	
Purchase of tangible fixed assets		(36)		(91)	
Proceeds from sale of investments		7,120		6,845	
Purchase of investments		(6,271)		(6,673)	
Cash generated by investing activities			3,548		2,756
Decrease in cash and cash equivalents			(7)		(786)
Cash and cash equivalents at the beginning of the year			1,741		2,527
Cash and cash equivalents at the end of the year			1,734		1,741
Analysis of cash and cash equivalents					
Short-term deposits	15		1,683		1,639
Cash at bank and in hand			51		102
Total funds			1,734		1,741

No reconciliation of net debt has been prepared as the Trust holds only cash and cash equivalents.

Notes on the financial statements

1. Accounting policies

The Nuffield Trust is an incorporated charity registered in England and Wales with the Charity Commission. The address of the registered office is given on the opening page of this document and the nature of its operations is set out in the report of the Directors. The financial statements have been prepared in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)* (effective 1 January 2015) – Charities SORP (FRS102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charity's accounting policies.

In the course of preparing the financial statements, no judgements have been made in the process of applying the charity's accounting policies, other than those involving estimations regarding the income attributable to the partial delivery of funded projects that have had a significant effect on the amounts recognised in the financial statements.

Management have prepared these financial statements on a going concern basis, having obtained sufficient evidence to assess that a material uncertainty does not exist regarding the viability of operations in the foreseeable future.

Disclosure exemptions

In preparing the separate financial statements of the parent charity, advantage has been taken of the following disclosure exemptions available in FRS102:

- no cash flow statement has been presented for the parent charity;
- disclosures in respect of the parent company's financial instruments have not been presented, as equivalent disclosures have been provided in respect of the group as a whole; and

- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Basis of consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertaking, all of which were prepared to 30 September 2020. The trading results of the subsidiary undertaking as shown in note 22 in 'Notes on the financial statements' are consolidated on a line-by-line basis within the consolidated statement of financial activities (SoFA). A separate SoFA for the charity is not presented as permitted by the Companies Act 2006.

Income

All income is recognised once the group and charity have entitlement to the resources, it is probable that the resources will be received, and the monetary value of the income can be measured with sufficient reliability.

Investment income

Dividends and interest are included on an accruals basis.

Dividends and interest are stated inclusive of the relevant tax claim as the Trust has activities that are not liable to income tax.

Income from charitable activities

Revenue from performance-related grants and contracts is recognised only when funds have been utilised to carry out the activity stipulated in the agreement. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs.

Expenditure

Expenditure comprises costs of raising funds and charitable expenditure.

Costs of generating funds comprise expenses relating to management of the charity's investments and all costs associated with the charity's subsidiary company.

Direct charitable expenditure comprises commissioned work and expenditure on performance-related charitable contracts directly relating to the objects of the charity. Commissioned work is allocated and recognised as expenditure in full in the year of approval from the General Fund on the basis of the anticipated expenditure during the tenure of each piece of commissioned work. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources and including

the associated costs of publication and dissemination. Expenditure on performance-related contracts is recognised only when the activity stipulated in the agreement has been completed. This is generally equivalent to the proportion of the relevant recognised income during the year.

Support costs include those relating to business support (including human resource and general administration expenses), executive management, and governance, finance and information systems. The details of support costs are shown in note 9 in 'Notes on the financial statements' (page 64).

Fixed assets

Furniture and equipment acquisitions have been capitalised and depreciation provided for at 25% on an annual straight line basis.

The leasehold premises (originally acquired by The Nuffield 1940 Trust in 1992) are depreciated over the remainder of the lease, currently 63 years. Straight line depreciation of 5% a year is applied to capital additions. The Trustees consider whether there has been any impairment of the property on an annual basis.

Fixed assets investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposal throughout the year.

Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

Staff pensions

During the year and following a market review, the Trust moved its primary pension scheme from the Nuffield Group Personal Pension Plan (NGPPP), a defined contribution pension scheme administered by Legal & General, to a similar Group Personal Pension scheme administered by Royal London. The Trust is not a member of any other pension schemes. Accordingly, due to the nature of the schemes, the accounting charge for the period under FRS102 represents the employer contributions payable.

Funds

The expendable endowment fund was created by a donation from The Nuffield 1940 Trust. The income from this fund is on the terms equivalent to the objects of the Trust and is therefore not restricted. The terms of the fund allow the income to be accumulated and the capital to be spent as the Trustees determine.

Designated funds are funds that have been set aside by the Trustees for a specific purpose, with the balance constituting the charity's expendable endowment. An analysis of designated funds is provided in note 20.

Derivative financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique, with any gains or losses being reported in the statement of financial activities. Outstanding derivatives at reporting date are included under the appropriate format heading, depending on the nature of the derivative.

2. Subsidiary

The Trust owns the whole of the issued capital amounting to £1 (one ordinary share of £1 each) of Nuffield Trading Limited, a company registered in England and Wales with number 06898100. Its principal activity is non-charitable trading activity not covered by the Trust's main objectives. Nuffield Trading Limited gift aids its entire profit to the Trust. As previously noted, Nuffield Trading Limited had ceased trading activity before the beginning of the financial year.

3. Basis of consolidation

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

4. Donations income

	2020 £000s	2019 £000s
Donation income – for seconded staff (see note 9)	11	45

5. Investment income

Investment income received in the year was made up as follows:

	2020 £000s	2019 £000s
Investment portfolio	2,736	2,671
Bank interest	3	4
	2,739	2,675

All the investment income of £2,739,000 in 2020 was related to the expendable endowment fund (2019 – £2,675,000).

6. Charitable activities

	2020 £000s	2019 £000s
Income from projects	943	994

All the income from charitable activities of £943,000 in 2020 was related to unrestricted funds (2019 – £994,000).

7. Raising funds

	2020 £000s	2019 £000s
Investment management fees charged	310	367
Support costs (see note 9)	186	182
	496	549

All the expenditure from raising funds of £496,000 in 2020 was related to the expendable endowment fund (2019 – £549,000).

8. Charitable expenditure

The charitable objectives of the Trust are to promote, carry out or advance any charitable objects, and in particular the prevention or relief of sickness and the advancement of the health of the people of the UK, in particular through the promotion of improvements in the quality of health care and health policy. All the activities of the charity are managed through a single structure, with the impact of activities reported against the strategic objectives. Below is an analysis of this expenditure:

	2020 £000s	2019 £000s
Commissioned work	98	164
Direct spend	264	163
Support costs (as shown in note 9)	3,570	3,640
	3,932	3,967

All the charitable expenditure of £3,932,000 in 2020 was related to unrestricted funds (2019 – £3,967,000).

9. Allocation of support costs

Support costs allocated to different activities are set out below, showing the basis of the allocation.

	Raising funds 2020 £000s	Charitable activities 2020 £000s	Total allocated 2020 £000s	Total 2019 £000s
Staff time (nature of the charge)	154	2,939	3,093	2,980
Notional cost of seconded staff (nature of the charge)	-	11	11	45
Premises costs (use of area)	12	219	231	254
IT and telephone costs (staff time)	9	180	189	190
Travel and hospitality (staff time)	-	2	2	12
Professional fees (staff time)	1	12	13	49
Communications and PR (staff time)	4	78	82	102
General costs including irrecoverable VAT (staff time)	6	107	113	166
Governance fees (nature of the charge)	-	22	22	24
	186	3,570	3,756	3,822

Trustees' expenses included in the general costs in the table above amount to £nil (2019 – £nil). Governance fees include audit fees of £22,000 (2019 – £19,600) and for the charity only £22,000 (2019 – £19,600).

Secondments and placements

The Trust has benefitted throughout the year from one secondment. The Trust gratefully acknowledges the support and has estimated that the value is £11,000 (2019 – three people, £45,000).

10. Staff emoluments

	2020 £000s	2019 £000s
Salaries costs	2,485	2,146
Social security costs	255	234
Pension costs	320	261
Other staff costs	150	347
	3,210	2,988

The key management personnel of the charity, as defined by the Statement of Recommended Practice (SORP), comprise the Trustees and the Directors within senior staff as listed on page 4. The total employee benefits of the Trustees was nil for both 2020 and 2019; for senior staff during the year it totalled £670,000 (2019 – £651,000).

During the year, staff were recruited or assigned to specific projects or other areas of income-generating work. The costs of these colleagues are included in direct project expenditure.

	2020 £000s	2019 £000s
Project staff costs, allocated as direct project expenditure	117	8

Allocated as support costs	3,093	2,980
	3,210	2,988

The average number of employees employed by the group during the year was, by headcount, 47 (2019 – 42) and by full-time equivalent, 42 (2019 – 38). All were employed by the charity.

Higher-paid employees – group and charity

The numbers of employees for whom remuneration exceeded £60,000 were:

	2020	2019
£60,000 to £70,000	5	4
£70,000 to £80,000	2	2
£80,000 to £90,000	2	2
£90,000 to £100,000	1	1
£120,000 to £130,000	1	-
£180,000 to £190,000	1	-
£190,000 to £200,000	-	1

Contributions were made to the Nuffield Trust's defined contribution pension scheme (Legal & General up to February 2020, Royal London since March 2020) for 12 (2019 – 9) higher-paid employees.

11. Transfer between funds

Under the terms of the expendable endowment, any shortfall in unrestricted funds and the costs of meeting project commitments can be transferred from the expendable endowment.

	2020 £000s	2019 £000s
Net expenditure for the year from unrestricted charitable activities	(2,850)	(2,922)
Designated funds expended in the year	103	29
Transfer from expendable endowment to unrestricted funds	(2,747)	(2,893)

12. Tangible fixed assets

Consolidated and parent charity

	Leasehold properties £000s	Furniture and equipment £000s	Total £000s
Cost			
At 1 October 2019	2,218	283	2,501
Additions	4	32	36
Disposals	-	(120)	(120)
At 30 September 2020	2,222	195	2,417
Depreciation			
At 1 October 2019	(453)	(225)	(678)
Provision during the year	(41)	(23)	(64)
Disposals	-	120	120
At 30 September 2020	(494)	(128)	(622)
Net book value			
At 30 September 2020	1,728	67	1,795
At 30 September 2019	1,765	58	1,823

The leasehold properties were transferred from The Nuffield 1940 Trust on 30 November 2007 at deemed cost.

13. Fixed asset investments

Consolidated and parent charity

	2020 £000s	2019 £000s
Market value at 1 October 2019	88,575	84,279
Additions	6,271	6,673
Disposals	(6,768)	(5,716)
Unrealised gains	1,897	3,339
Market value at 30 September 2020	89,975	88,575
Short term deposits	1,411	996
Total investments at 30 September 2020	91,386	89,571
Historical cost of assets held at 30 September 2020	66,408	66,606
<i>The geographical split of investments is as follows:</i>		
UK	77,759	75,594
Overseas	13,627	13,977
	91,386	89,571

There were no assets representing more than 5% by market value of the total portfolio as at 30 September 2020.

Realised and unrealised gains on investments

	2020 £000s	2019 £000s
Unrealised gains	1,897	3,339
Realised gains	767	1,124
	2,664	4,463

14. Debtors

	Group 2020 £000s	Group 2019 £000s	Charity 2020 £000s	Charity 2019 £000s
Prepayments	90	81	90	81
Other debtors	648	572	648	572
Amounts owed by subsidiary company	-	-	-	51
	738	653	738	704

15. Short-term deposits

	Group 2020 £000s	Group 2019 £000s	Charity 2020 £000s	Charity 2019 £000s
Coutts Bank Deposit accounts	1,583	732	1,583	732
CCLA Term Deposit	100	100	100	100
Scottish Widows Bank Term Deposit	-	807	-	807
	1,683	1,639	1,683	1,639

16. Creditors: amounts falling due within one year

	Group 2020 £000s	Group 2019 £000s	Charity 2020 £000s	Charity 2019 £000s
Tax and social security	-	74	-	74
Commissioned work commitment	92	73	92	73
Accruals and other creditors	259	400	259	400
Leasehold obligations	-	25	-	25
	351	572	351	572

17. Creditors: amounts falling due after one year

	Group 2020 £000s	Group 2019 £000s	Charity 2020 £000s	Charity 2019 £000s
Leasehold obligations	128	99	128	99

18. Financial instruments

The group's financial instruments may be analysed as follows:

	Group 2020 £000s	Group 2019 £000s
Financial assets		
Financial assets measured at fair value through the statement of financial activities	91,386	89,571
Financial assets that are debt instruments measured at amortised cost	2,471	2,394
Financial liabilities		
Financial liabilities measured at amortised cost	479	671

Financial assets measured at fair value comprise investments.

Financial assets measured at amortised cost comprise debtors, short-term deposits and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise creditors.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow and interest rate risk is included in the Trustees' annual report.

Included within financial assets at fair value are a number of derivative instruments, including swaps and forward purchase arrangements, which form part of the organisation's overall investment strategy. As at 30 September 2020, the fair value of these derivatives was £41,000 (2019 – negative £75,000).

19. Funds

	Group 2020 £000s	Group 2019 £000s	Charity 2020 £000s	Charity 2019 £000s
Expendable endowment				
Balance at 1 October 2019	92,969	89,273	92,969	89,273
Excess of expenditure over income from financial activities	4,907	6,589	4,907	6,589
Transfer (to) designated funds	(2,747)	(2,893)	(2,747)	(2,893)
Balance as at 30 September 2020	95,129	92,969	95,129	92,969
Designated fund				
Balance at 1 October 2019	148	177	148	177
Excess of expenditure over income from financial activities	(2,850)	(2,922)	(2,850)	(2,922)
Transfer from expendable endowment	2,747	2,893	2,747	2,893
Balance as at 30 September 2020	45	148	45	148
Total funds				
Balance at 1 October 2019	93,117	89,450	93,117	89,450
Excess of expenditure over income from financial activities	2,057	3,667	2,057	3,667
Balance as at 30 September 2020	95,174	93,117	95,174	93,117

The expendable endowment fund was originally created by a gift from Viscount Nuffield in June 1940 to The Nuffield 1940 Trust. A designated fund is held to provide for the external costs of completing internally funded activities for which, through past actions, there is a constructive obligation at the year end.

20. Analysis of net assets between funds

	Tangible fixed assets £000s	Investments £000s	Other net assets/ (liabilities) £000s	Total £000s
Expendable endowment fund	1,795	91,386	1,948	95,129
Designated fund	-	-	45	45
Total funds	1,795	91,386	1,993	95,174

21. Summarised results for the Trust

Of the group surplus for the year of £2,057,000 (2019 – surplus of £3,667,000), the income and expenditure relating to the Trust is as follows:

	2020 £000s	2019 £000s
Total income	3,821	3,720
Total expenditure	4,428	4,516
Net expenditure before other gains	(607)	(796)
Realised and unrealised gains on investment assets	2,664	4,463
Net movement in funds	2,057	3,667

22. Summarised results for subsidiary entity

Of the group surplus for the year of £2,057,000 (2019 – surplus of £3,667,000), the income and expenditure relating to the charity’s wholly-owned subsidiary entity, Nuffield Trading Limited, is as follows:

	2020 £000s	2019 £000s
Total income	-	43
Total expenditure	-	21
Net income before other gains	-	22
Qualifying distribution under deed of covenant to parent	-	22
Retained funds	-	-
Net movement in funds	-	-
Net assets	-	-

23. Staff pensions

The Trust is not a current member of a defined benefit pension scheme. Historically it was a contributing member of the Universities Superannuation Scheme (USS) defined benefit pension scheme.

USS pension scheme

The USS is a funded multi-employer scheme. Following the departure of the Nuffield Trust’s last remaining employee in the USS pension scheme in May 2015, an employer Section 75 debt liability was triggered and became due in May 2016. During our work to quantify this liability it was identified that the Trust had two separate liabilities to the USS pension scheme. The first liability being the Section 75 liability related to former employees and the second arising as guarantor under an ‘Approved Withdrawal Agreement’, which the Trust entered into in October 2007.

During the 2018 financial year, the Trust settled the liability in respect of the Section 75 debt.

The Approved Withdrawal Agreement has clearly defined ‘trigger events’, which, following legal advice, the Trust does not envisage occurring in the foreseeable future. Any liability will be calculated as at the date of the ‘triggering event’. As such there is insufficient probability, as to both the timing and amount, of any liability due to USS to enable us to make a provision for this. In accordance with chapter 21 of FRS102, this potential liability is therefore disclosed as a contingent liability in note 26.

To ensure the Trust was meeting its obligations as a guarantor to the scheme, Counsel’s opinion was sought on the matter. Counsel’s opinion confirmed the legal advice which had already been received: that the liability was not yet due and that the USS was exceeding the bounds of the scheme rules in making such a demand.

Since the reporting date, 30 September 2020, The Pensions Regulator has communicated to the Trust that USS Pensions have requested that they issue a payment notice in respect of the Approved Withdrawal Agreement. The Trust’s legal advice remains that the liability is not yet due and the Trust is co-operating with The Pensions Regulator’s investigation.

Nuffield Group Personal Pension Plan

The Trust established the Nuffield Group Personal Pension Plan (NGPPP) on 1 April 2009. This is a defined contribution pension scheme, previously administered by Legal & General (until February 2020), now administered by Royal London (since March 2020).

Employees are required to contribute a minimum of 4% of salary and the Trust contributes 14%. All staff, by headcount 47 (2019 – 42), are members of the scheme.

The total pension charge for the period for all schemes was £320,000 (2019 – £261,000).

24. Reconciliation of net movement in funds to net cash flow from operating activities

Consolidated

	2020 £000s	2019 £000s
Net income	2,057	3,667
(Gains) on investments	(2,664)	(4,463)
Depreciation of tangible fixed assets	65	60
(Increase) in debtors	(85)	(202)
(Decrease)/increase in creditors	(193)	71
Investment income	(2,735)	(2,675)
Cash used in operating activities	(3,555)	(3,542)

25. Commitments under operating leases

The charity had minimum lease payments under non-cancellable operating leases as set out below:

	2020 £000s	2019 £000s
Not later than 1 year	36	36
Later than 1 year and not later than 5 years	144	144
Later than 5 years	2,094	2,130
Total	2,274	2,310

26. Contingent liability

As detailed in note 23, the Trust has a liability as guarantor to the Universities Superannuation Scheme (USS) under the 'Approved Withdrawal Agreement' dated October 2007. Following legal advice and despite recent events disclosed in note 23, the Trust maintains that there is insufficient probability as to both the amount and timing, which is calculated at the date of the 'triggering event', to enable the Trust to make a provision for any liability due to the USS pension scheme.

27. Related party transactions

The Trust owns the whole of the issued capital amounting to £1 (one ordinary share of £1 each) of Nuffield Trading Limited, a company registered in England and Wales with number 06898100. In accordance with the Statement of Recommended Practice (SORP) (FRS102), the Trust's transactions with Nuffield Trading Limited are set out below.

	2020 £000s	2019 £000s
Sales	-	20
Amounts due from Nuffield Trading Limited	-	51

There were no other related party transactions during the year.

28. Comparative statements

28a. Comparative analysis of net assets between funds (2019)

	Tangible fixed assets £000s	Investments £000s	Other net assets/ (liabilities) £000s	Total £000s
Expendable endowment fund	1,823	89,571	1,575	92,969
Designated fund	-	-	148	148
Total funds	1,823	89,571	1,723	93,117

Comparative statements continued

28b. Consolidated statement of financial activities (2019)

	Note	Unrestricted funds 2019 £000s	Expendable endowment fund 2019 £000s	Total funds 2019 £000s	Total funds 2018 £000s
Income and endowments					
Donations	4	45	-	45	144
Investment income	5	-	2,675	2,675	2,542
Charitable activities	6	994	-	994	1,160
Other		6	-	6	6
Total income and endowments		1,045	2,675	3,720	3,852
Expenditure					
Raising funds	7	-	549	549	583
Charitable activities	8	3,967	-	3,967	3,810
Total expenditure before historic pension costs		3,967	549	4,516	4,393
Historic pension costs	23	-	-	-	(62)
Total expenditure		3,967	549	4,516	4,331
Realised and unrealised gains on investment assets	13	-	4,463	4,463	4,220
Net (expenditure)/income before transfers		(2,922)	6,589	3,667	3,741
Transfers	11	2,893	(2,893)	-	-
Net (expenditure)/income and net movement in funds		(30)	3,697	3,667	3,741
Reconciliation of funds – balances brought forward		177	89,273	89,450	85,709
Balances carried forward		148	92,969	93,117	89,450

