



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.

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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.

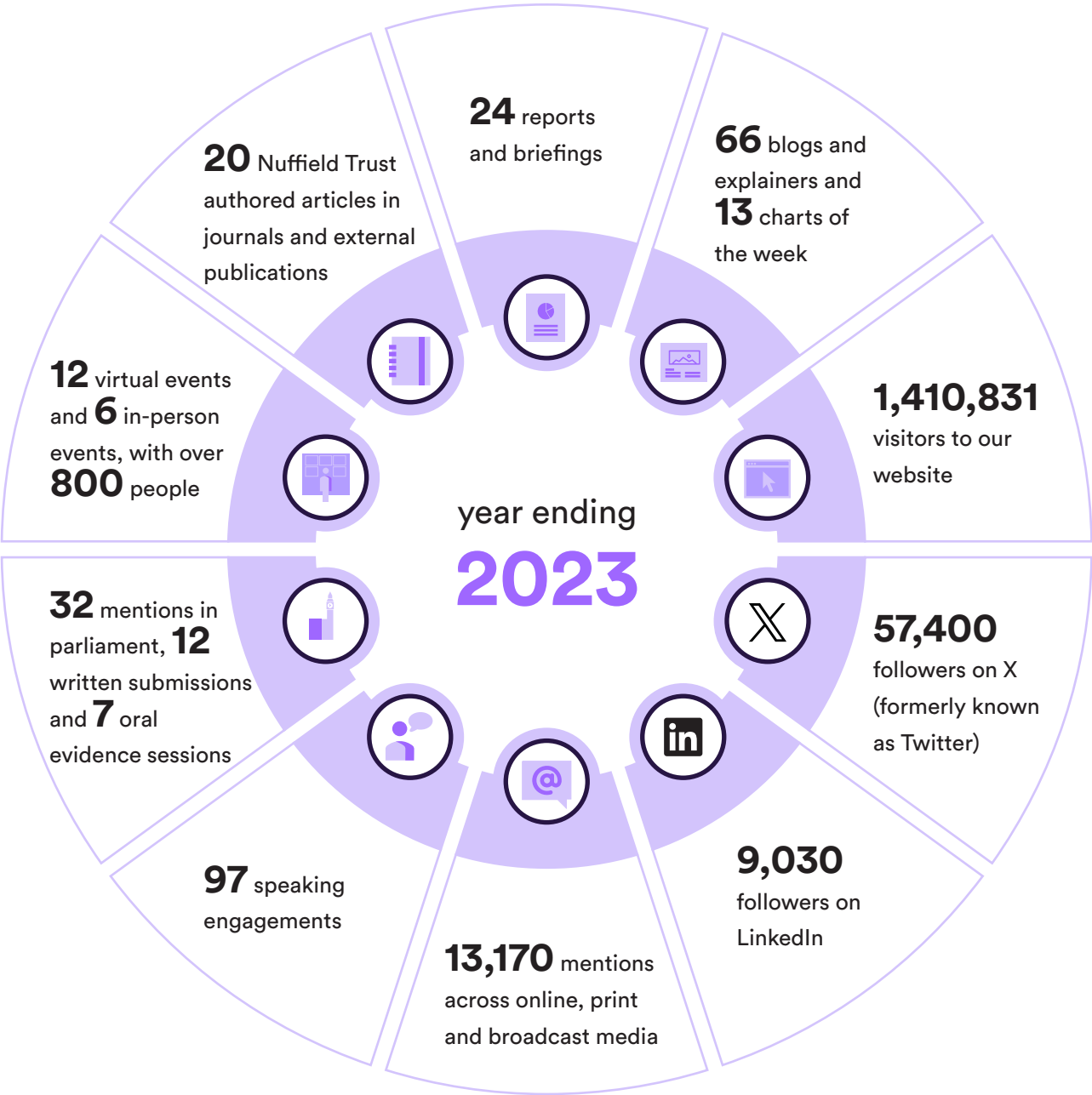
The Nuffield Trust has had another strong year, publishing high profile, innovative and impactful reports and analysis on health and social care. Specific examples of our impact across the year include our analysis of the British Social Attitudes survey and the views of the public on a range of health 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 Major'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.

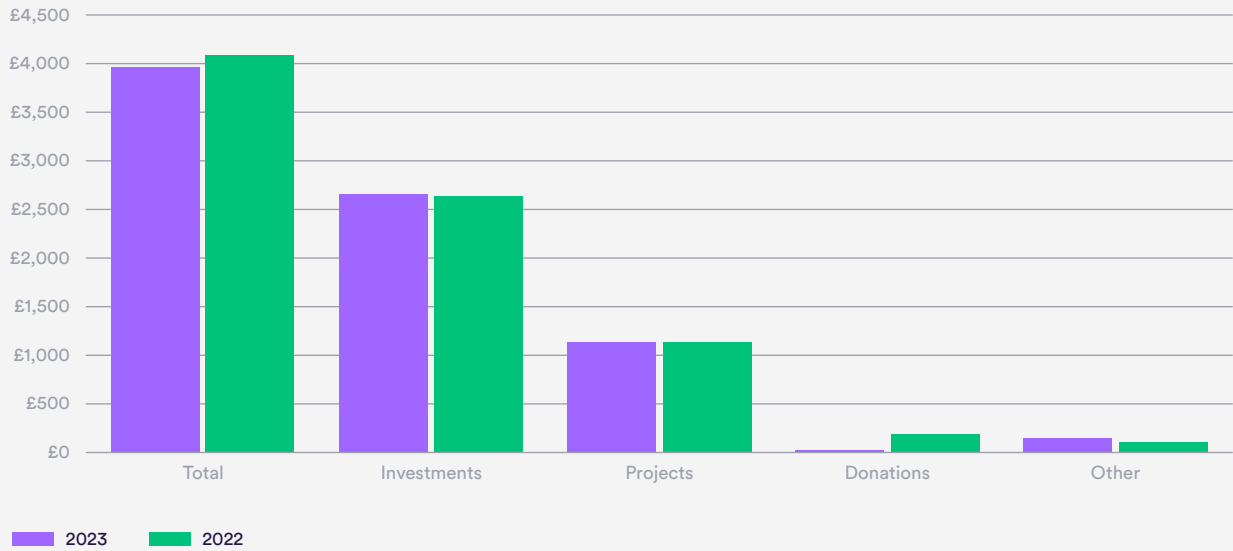
The Nuffield Trust benefits from an expendable endowment which is primarily held in an investment portfolio. On a long-term basis, and in line with our financial strategy and reserves policy, we aim to maintain the value of these investments (adjusted for inflation). We apply a total return approach 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.

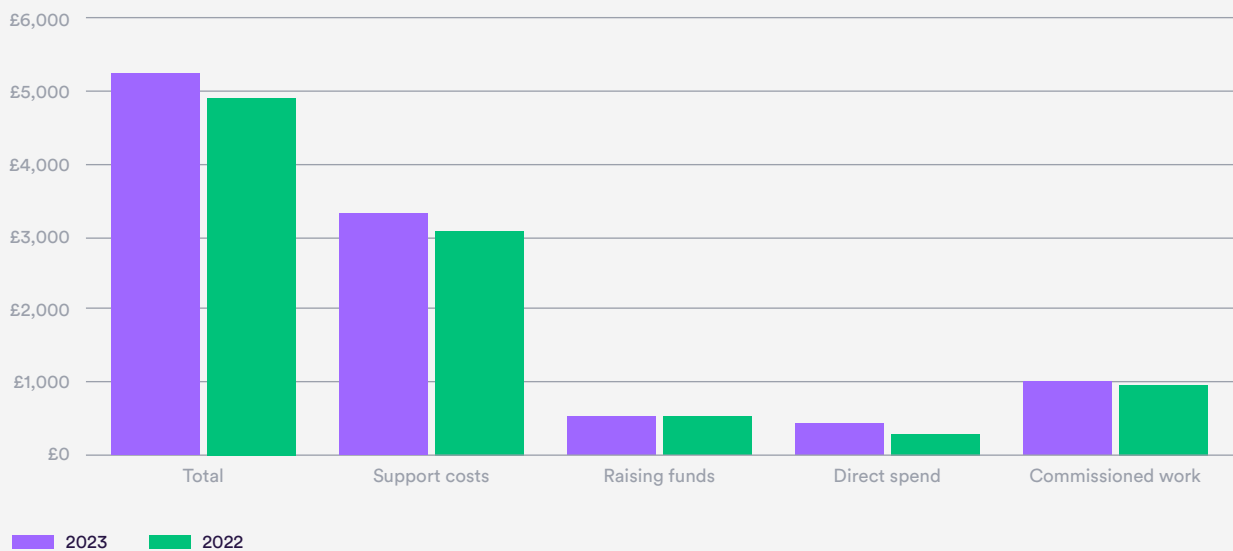
Income from charitable (project work) activities was unchanged between 2022 and 2023. Work on charitable project work may span more than one year with income and expenditure being recognised considering an assessment of proportion of work completed at the year-end.

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.

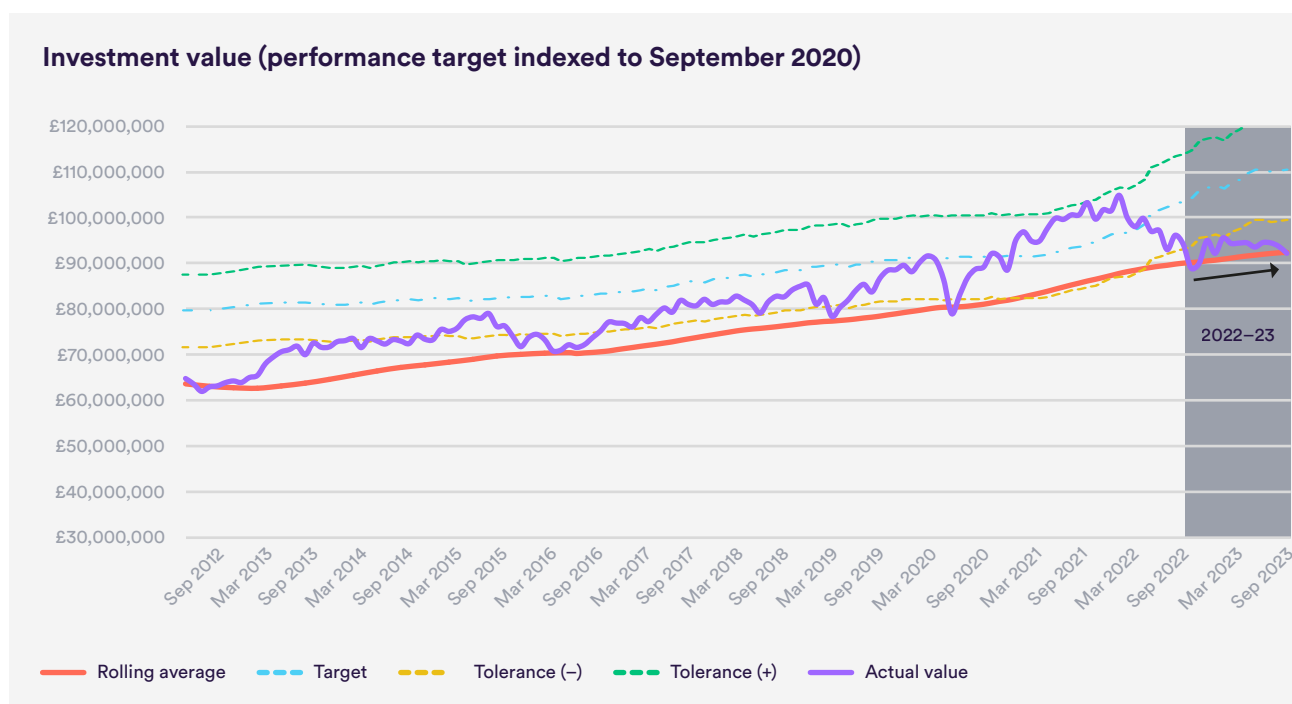
+4.5% per annum; designed to enable a drawdown of funds to support expenditure on charitable activities of 4% (based on a rolling average). Over shorter time periods, performance is measured against a bespoke benchmark based on the underlying strategic asset allocation.

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

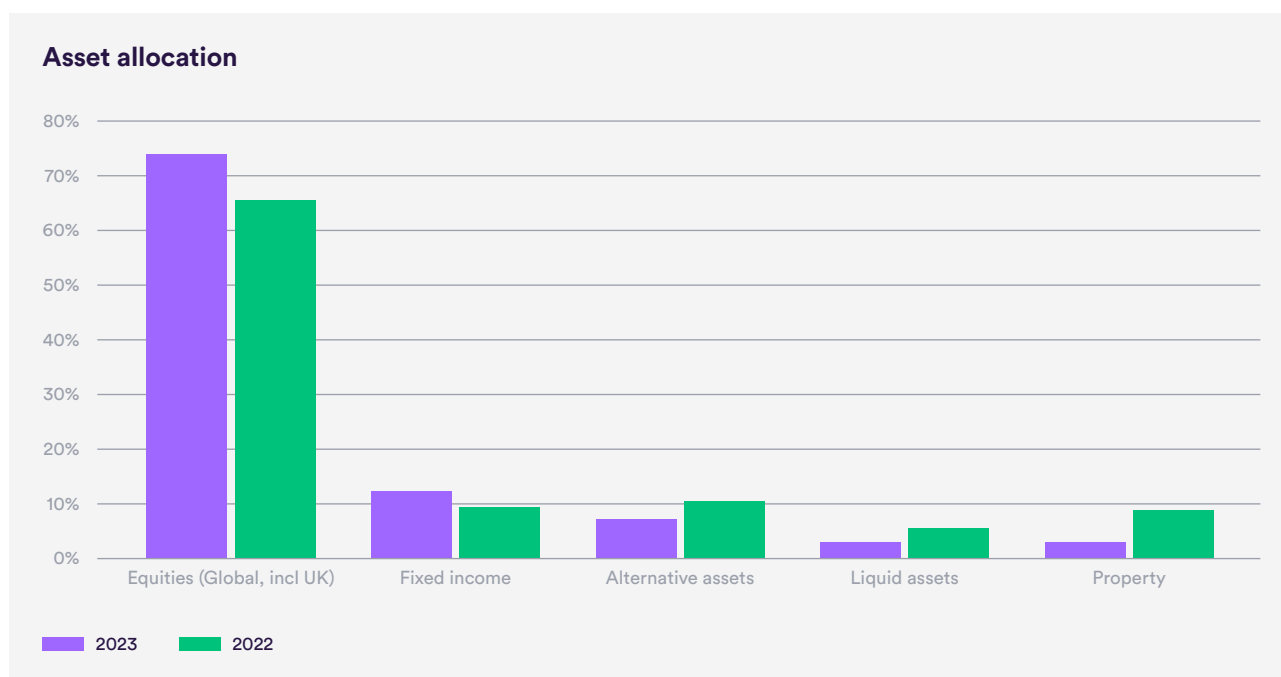


support charitable purpose and investment management fees. We index the performance target and actual values in the chart above to September 2020 allowing a medium to long term comparison to be achieved.

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.

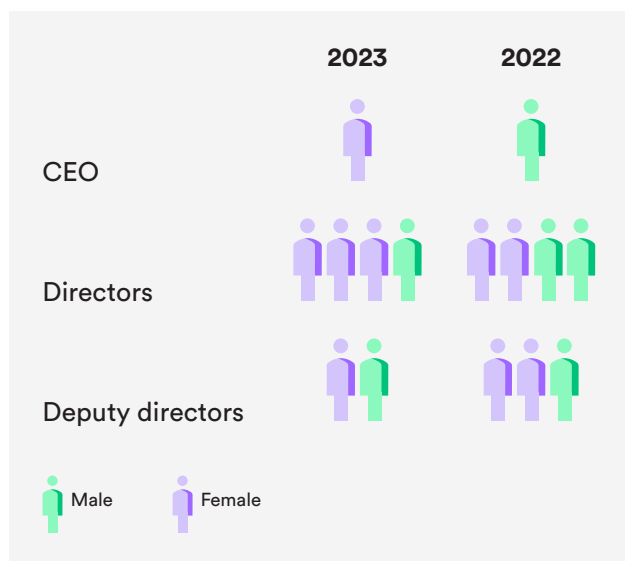
The Trustees appoint a Chief Executive, to whom they delegate the responsibility for realising the Trust's strategies and objectives and for the day-to-day management of the Trust. The Chief Executive is supported by a Leadership Team, to whom they delegate authority for financial and contractual decision, 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.	<ul style="list-style-type: none"> • Application of IT Security strategy across the Trust. • Staff training and awareness programme. • Technological controls. • Business continuity plans. 	<ul style="list-style-type: none"> • External assessments – ISO and Penetration Testing. • Real time threat reporting.
Levels of funding at the Trust are insufficient to support charitable activities.	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • Maintain our ISO 27001 accreditation, continually improve our approach to IG, and ensure access to relevant training. • Proactive approach to cyber security. 	<ul style="list-style-type: none"> • 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.

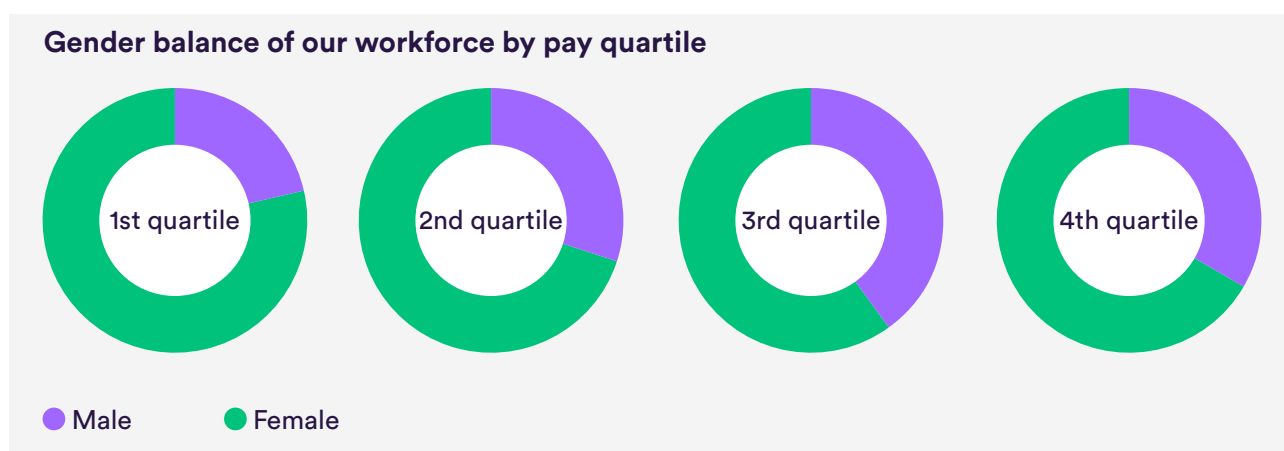
Organisations which employ more than 250 people are required to publish figures comparing men and women's pay. During

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 that reads "Martin Marshall". The signature is written in a cursive style with a large initial 'M'.

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.



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

17. Financial instruments

	2023	2022
	£'000	£'000

Financial assets

Financial assets measured at fair value through the statement of financial activities	92,203	88,926
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Financial assets that are debt instruments measured at amortised cost	2,632	2,724
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Financial liabilities

Financial liabilities measured at amortised cost	572	544
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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	Income	Expenditure	Transfers	Gains/Losses	Balance
	b/f					c/f
	£'000	£'000	£'000	£'000	£'000	£'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.

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