



Trustees' Report

Year ended 31 December 2023

Institute for Fiscal Studies



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Company information

Company registered office

7 Ridgmount Street

London

WC1E 7AE

Company registered number

00954616 (Incorporated in England and Wales)

Registered charity

258815

Company bankers

National Westminster Bank plc

City of London Office

1 Princes Street

London EC2R 8BP

Auditor

Moore Kingston Smith LLP

9 Appold Street

London EC2A 2AP

Introduction from the Chair of Trustees

I am pleased to present the Trustees' report of the activities of IFS in 2023. Over the year, IFS published research findings on a wide range of topics. At the core of this is our ESRC-funded research institute, now complemented by a large research grant focusing on productivity and work.



The Trustees were delighted to hear about two large new programmes of work that are beginning at IFS, expanding the areas of expertise of our researchers. The first, funded by the ESRC, investigates economic opportunities across racial and ethnic groups in the UK, focusing on five interlinked themes: identity, education, crime and justice, labour market, and wealth and inheritance. The project is headed by our Research Director, Imran Rasul, in partnership with colleagues at the London School of Economics. The work aims to transform our understanding of economic inequalities within and between the UK's ethnic minority groups.

The second programme will focus on the interplay of social change and policy reforms. With funding from the Nuffield Foundation, IFS researchers are setting out to develop both depth and breadth of expertise on justice within IFS, and with partner institutions, such that there is a group of independent experts who can support, challenge and communicate about developments in justice policy and spending in the public domain. Just as, over the past two decades, we have developed such capacity in education, childcare and health, we aim to do so in the justice domain.

The first phase of the Deaton Review of Inequalities is almost complete, and will see the many studies that have contributed to it published during 2024 by Oxford University Press. The Review has brought together leading academics both in economics and in other disciplines; researchers involved in the Review have also been looking at aspects of inequality caused or exacerbated by the pandemic.

The academic excellence of the Institute's research and researchers has continued to underpin our mission to inform the public debate and support policymakers in understanding the choices they face. IFS researchers are frequently called upon by the media, especially around fiscal events. Our improved website allows us to make new materials available to the public, including a series of new explainer videos, using chart animations and graphics to illustrate key research findings, and the podcast series, 'IFS Zooms In'. IFS has also launched a new microsite, TaxLab, a repository of facts, figures, data and tools, created to provide better access to impartial information about how the UK tax system works, the effects it has on different people and businesses, and the options for reform. Everything on the site is either a verifiable fact or a conclusion drawing on the best possible evidence.

This report highlights these achievements along with a small selection of the research and activities that took place over the year.

Careful scrutiny of the finances of IFS is an important part of the Trustees' work; as ever, this has been helped by clear and timely presentation of the facts to the committee by IFS officials. Whilst we, in common with other organisations that seek funding for academic research, face challenges in raising the finances to cover our ambitious programme of work, I am reassured that our financial position is healthy. In 2020, IFS's ESRC Centre – which has attained 'Institute status' – received a further five years of Research Council funding. This contributes greatly to future stability. The Institute has again been successful in gaining 'impact acceleration' funding from the ESRC to broaden and deepen the impact of its research, and this funding is used to invest in digital expansion and public engagement. We have continued with this programme during 2023, expanding the digital materials available on our website and our research information system, as well as designing and running a series of online events and podcasts.

On behalf of the Trustees, I thank all the staff at IFS for their tireless work, continuing to produce and disseminate excellent research of the highest standard. I would like to thank my fellow Trustees for giving their time and expertise so generously throughout the year.

Michael Ridge

Michael Ridge

Chair of Trustees

Institute for Fiscal Studies

Objectives and activities

The objects of the Institute

The objects of IFS are the advancement of education, for the benefit of the public, by promotion on a non-political basis of the study and discussion of, and the exchange and dissemination of information and knowledge concerning, the economic and social effects and influences of:

- existing taxes;
- proposed changes in fiscal systems; and
- other aspects of public policy,

in each case whether in the United Kingdom (UK) or elsewhere in the world.

So as to advance these objectives, it is IFS's policy to retain the right to publish its reports openly in order to inform public debate and policymaking.

Public benefit

The Members of the Board of Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 and have taken due regard of the Charity Commission's general guidance on public benefit. Examples of how the Institute has

aimed to meet its public benefit are given in the review of 2022, where the Institute's achievements are reported.

Strategic framework

IFS operates within a strategic framework agreed by the Board of Trustees; the Board meets every year to discuss strategy with IFS staff, discuss issues, opportunities and difficulties, and agree on objectives. These discussions cover maintaining excellence in research, preserving independence and impartiality in policy analysis, engaging with a wide range of stakeholders, financial viability and good management, good governance, and supporting Institute.

How has the Institute tried to further these aims?

During the year, the Institute has carried out a wide range of research and has publicised the resulting findings as widely as possible through publications and conference participation, on its own website and in the media. Success lies in the scientific quality of our research and the efficacy with which our findings have informed the public debate. The following pages outline how this has been done.



Review of 2023

In 2023, IFS continued to undertake rigorous research to inform public understanding of crucial policy issues. IFS research spans a broad spectrum of topics and is presented to, and discussed with, audiences from academics at international conferences to UK policymakers to undergraduate students.

Alongside work on our ambitious programme of academic research, focused on the key themes of our CPP Institute, IFS researchers were called upon during 2023 to analyse and explain a number of policy changes and discussions that accompanied the political and economic upheavals.

Academic excellence

In recognition of the contribution made by IFS research and researchers to the advancement of economic understanding, a number of members of staff and associates received awards and honours for their work.

- CPP Director Imran Rasul was elected as the next Vice-President (President-Elect in 2025 and President in 2026) of the European Economic Association.
- IFS Director Paul Johnson was awarded an honorary doctorate from the University of York.
- IFS NHS waiting lists calculator won the 2022 Harding Prize for Trustworthy Communication.
- IFS Deaton Review contributor Claudia Goldin won the Nobel Prize in economics.
- A paper by IFS Associate Director Anne Brockmeyer was awarded the 2023 ADB-IEA Innovative Policy Research Award.
- IFS International Research Fellow Olympia Bover won the Rei Jaume I Prize.

IFS research is funded through research grants, from the UK Research Councils, charitable trusts such as the Nuffield Foundation, and elsewhere (see financial review on page 20 for details). During 2023, IFS was notified of the outcome of 42 research proposals, of which 25 were approved for funding (60% success rate). Fewer proposals were assessed than in 2022 (47) and the success rate was a little lower (77% in 2022); but the value of awards made was greater as IFS was successful with a number of large grants

(£10.0 million in 2023 compared with £7.4 million in 2022). A total of 101 funded research projects were active in 2023, which is very similar to 2022 (100). Selected ongoing and new research projects from 2023 are outlined below.

Centre for the Microeconomic Analysis of Public Policy (CPP)

CPP has been at the heart of IFS research and its dissemination over the past 30 years. In recognition of the role this research has played in the UK social sciences, the Economic and Social Research Council (ESRC) elevated the Centre to Institute status, with a new tranche of funding starting in October 2020.

The core objective of the ESRC Institute at IFS is to inform and improve the quality of public debates around economic policy in the UK and internationally. We do this by conducting world-class research, acting as a national resource by collaborating with a wide range of researchers in the UK and abroad, engaging with policymakers and practitioners, and building capacity through training new generations of researchers. We are strongly committed to bringing the high-quality and rigorous insights from our research, and the research of others, to bear on issues of current public interest through many forms of media and communication.

Our research agenda is ambitious and will yield policy-relevant academic research that makes important scientific advances and is published in the most prestigious peer-reviewed journals. This agenda is driven by our core areas of expertise, covers a broad spectrum of interrelated topics and is designed to address major challenges the UK and other economies face in ensuring the resilience of households, firms and the broader economy. It will continue to evolve in response to the changing policy landscape and wider economic environment.

Our agenda is organised around five interconnected themes:

- inequalities and living standards;
- tax and benefit reform;
- human capital and productivity;
- the challenges of an ageing population;
- demands on public expenditure and public services.

The economics of race and ethnicity

Funded by the ESRC, this ambitious new programme of work investigates economic opportunities across racial and ethnic groups in the UK, focusing on five interlinked domains: identity, education, crime and justice, labour market, and wealth and inheritance. The project, headed by Imran Rasul, IFS Research Director, and co-led by Monica Costa Dias (IFS and Bristol) and Lucinda Platt (London School of Economics), aims to transform

understanding of economic inequalities within and between the UK's ethnic minority groups.

The UK is increasingly ethnically diverse. There have been significant improvements in the economic, and especially educational, success of some ethnic minorities in recent years. But not all have shared in this success. Substantial ethnic inequalities in multiple domains across the life course persist, and many continue across generations. The experience of minority groups has been quite different in terms of how far their economic outcomes have become similar to or different from those of the majority. There have been equally important differences within minority groups, between men and women and by social class background.

Even as the extent of ethnic inequalities is recognised to be of public and political salience, the causes and solutions remain contested. Despite an important body of existing qualitative and quantitative research from multiple disciplines, substantial gaps remain in knowledge and robust policy recommendations.

The ambition of this project is to establish new, authoritative and policy-relevant evidence and understanding in this contested area. We will do so by providing a detailed account of how ethnic economic inequalities emerge, evolve and are maintained across the life course at a level of detail and in ways not previously possible. We will use newly available administrative and linked data, tracking different life stages, alongside longitudinal survey data and primary data collection. Developing an integrated programme of work across domains allows robust conclusions to be drawn about what drives disadvantage for different ethnic groups, and for men and women and different social classes within groups.

Inequalities in the 21st century

The first stage of this wide-ranging, international and interdisciplinary programme of research, funded by the Nuffield Foundation, is now complete. Altogether, 18 studies, along with commentaries, have been produced by an interdisciplinary and international group of experts. The studies contain much new work, as well as summarising the current state of thinking in each area. They are to be published by Oxford University Press in the summer of 2024, freely available through Open Access as part of the journal, *Oxford Open Economics*. In addition, a series of country studies focus on particular countries and provide comparative data.

The studies cover these areas:

- What's wrong with inequality?
- Attitudes to inequality
- Trends in economic inequality
- History of inequality
- Political inequality

- Gender
- Race and ethnicity
- Immigration
- Health
- Geography
- Families
- Early childhood
- Education
- The labour market
- Firms
- Trade and globalisation
- Top income inequality and tax policy
- Benefits and public services

Work is under way on the second volume of the Review, which will draw on the key findings and themes to produce a book accessible to a much wider audience. This is likely to be published in autumn 2024.

Cross-country studies of inequalities

Alongside the Deaton Review, IFS researchers are taking part in an international project looking at differences and commonalities in inequality in 17 countries.

The impact of the COVID-19 pandemic on earnings, education, skills and jobs raises key challenges for inequality and the design of policy responses. The aim of this project is to examine a broad set of inequalities in employment, human capital, earnings and family income over the last five decades in a coherent framework across North America and Europe. It will provide a major source for comparative research on inequality trends and on how the pandemic has affected them. There are 17 country-based research teams involved, with extensive experience researching economic inequalities. Each team is responsible for their country-specific data, which will draw on household surveys and administrative records, but all analyses are coordinated across countries to provide harmonious treatment of variables and estimation.

The project is composed of four related research strands. The first is to understand changes in a wide range of economic inequalities before and during the COVID-19 pandemic. The second examines labour market inequalities in detail. The third highlights the role of education and training for those who do not go to university and focuses on the differences in educational systems and the impact on inequality. The final strand looks at the tax and welfare systems and their effectiveness at addressing family income inequality.

The key outputs of this project are a set of country-specific papers on the evolution and drivers of income inequalities

pre- and post-pandemic, two cross-country synthesis papers, and a policy brief for each country. We are organising an international conference for academics and policymakers to conclude the project. The project highlights key differences and commonalities across 17 economies, deepens our understanding of the drivers of inequality and the impact of the pandemic, and provides evidence needed to design appropriate policy responses to inequality in the post-pandemic world.

Tax in developing countries

The Foreign, Commonwealth and Development Office (FCDO) has renewed funding for The Centre for Tax Analysis in Developing Countries (TaxDev) for seven years, working in collaboration with the Overseas Development Institute.

TaxDev was originally established in 2016 to support governments in low- and middle-income countries (L&MICs) to develop evidence-based tax policies which help them to achieve their revenue, poverty reduction and growth objectives. To date, the programme has worked with partners in Tax Policy Units in Ethiopia, Ghana, Rwanda and Uganda to provide high-quality analysis at critical points in the policymaking process, and increase the demand for, and use of, evidence by senior policymakers. It has also generated important new research on the impact of taxes in L&MICs.

TaxDev's recent activities have included support for the embedding of systematic policy appraisal and costing in budget processes; in-depth reviews of major taxes (such as customs and VAT); support for the publication of tax expenditure reports to increase transparency around spending through the tax system; and the development of medium-term revenue strategies to help partner governments to plan and deliver on their longer-term policy priorities.

Complementing the work with partners, TaxDev's research has sought to answer large policy questions which are core to our broader understanding of how tax systems operate in L&MICs. How might the taxation of formal sector employees in Africa be simpler, fairer and more progressive? Is the VAT really regressive in the presence of high levels of informality, and could VAT exemptions be better targeted? How would different households, businesses and industries be affected by carbon pricing? And how can governments increase property tax revenues without reducing welfare?

TaxDev's work over the next seven years will include:

- an expanded network of partnerships in six countries, and increased emphasis on ensuring the sustainability of data resources, analytical tools and skills;
- research at the frontier of the study of public finance in L&MICs, complemented by high-quality analysis of emerging policy issues – e.g. changes in the global corporate tax system, increasing digitalisation, and the design of environmental taxes;
- strong linkages between TaxDev and its partners,

researchers and wider tax policy networks to maximise the impact of training tools, resources and research.

Quality of higher education provision

The overall objective of this project is to set out options for making use of graduate earnings data to support the Office for Students' regulation of the higher education sector. For this purpose, we aim to develop indicators of graduates' earnings outcomes that will be informative about higher education providers' success, or otherwise, in equipping graduates with skills that are useful for them in the labour market.

Education Maintenance Allowance

The Education Maintenance Allowance (EMA) is a government programme designed to improve lifetime outcomes by reducing the numbers of young people leaving school without basic academic qualifications in the UK. The scheme pays 16- to 19-year-olds up to £30 per week for continuing their education, targeting students from poorer households due to their particularly high dropout rates.

While early evidence shows the EMA boosted post-16 education participation and reduced youth crime, evidence of its effect on subsequent educational attainment is incomplete, and there is no evidence on its long-term effects on crime and labour market outcomes. As improving later-life outcomes was the ultimate aim of the policy, this represents a crucial gap in our knowledge. This project will exploit the staggered roll-out of the EMA across the UK in 2004 to investigate its effects on labour market outcomes, education outcomes and crime, at various ages up to 30. It will also consider how these effects vary by gender, prior attainment and – sample size permitting – ethnicity. The project will provide evidence for policymakers on whether the EMA improves longer-term outcomes and on whether it delivers value for money. More broadly, the project will provide additional evidence on whether policies that reduce school dropout improve longer-term outcomes.

Minimum wages and cash transfers

Tackling high rates of inequality and in-work poverty has become central to public policy agendas in many developed countries. Policymakers have often turned to two particular tools: cash transfers (sometimes called 'tax credits') from the government to low-income workers or firms that hire them, and minimum wages. But the impacts of these policies, and in particular their role in reducing poverty and increasing living standards, cannot be adequately understood independently from one another.

Understanding how these key tools combine, and how their effects are shaped by the wider economic and policy environment, is crucial for building the mix of policies that is best targeted at boosting living standards for low-income workers. With funding from the ESRC, this project seeks to enhance our understanding of such policies in several dimensions, and across three countries: France, Germany and the UK.



Job opportunities

The COVID-19 pandemic brought about unprecedented changes to the labour market. Job opportunities in sectors such as hospitality disappeared overnight, whilst opportunities expanded in other sectors such as driving and healthcare.

This radical restructuring of the economy called for a new way of measuring the labour market prospects facing individuals that captured their widely varying ability to adapt to the shock by moving into alternative lines of available work. The aim of this project is to take a newly developed approach to measuring job opportunities, allowing for detailed characterisation of how opportunities vary across individuals, and to embed it in research practice in three ways:

- by refining and extending it, which will include accounting for competition that workers face from other jobseekers, and grounding it within a widely used theoretical framework;
- by demonstrating its usefulness in applied research, by applying it to answer topical empirical questions relating to inequalities in job opportunities and wage growth, and the mismatch between supply and demand for different skills;
- finally, by researchers disseminating it, and gaining feedback on how to maximise its potential, among both the research and policymaking communities.

Healthcare workforce shortages

IFS Associate Director, George Stoye, has received a British Academy postdoctoral Fellowship to carry out a programme of research into shortages in the healthcare workforce.

Governments around the world are facing shortages in health and long-term care staff. However, we know relatively little about how these shortages have fed through to patient outcomes, in part due to a lack of high-quality data on workers in these areas linked to patient outcomes. This research uses new individual administrative data on health and long-term care workers in England, linked to patient records at the provider level.

The work will exploit three natural sources of variation in the availability of staff: changes in the number and experience of hospital and nursing home staff following the 2016 EU referendum; disruptions to the composition of hospital doctor teams; and changes in the nature of the labour markets that nursing homes hire workers from. This will allow researchers to study the impact of these disruptions on the number and characteristics of workers in the affected sectors, and the health consequences for patients.

Pensions Review

The Pensions Review – led by the Institute for Fiscal Studies and funded by abrdn Financial Fairness Trust – is an ambitious, 2½-year, project that is comprehensively assessing the consequences of current pension policy, the economic environment and individual behaviour for the future of living standards in retirement. It will provide recommendations for reform to improve outcomes for future generations of pensioners across the UK.

The time is ripe for a comprehensive review of pensions policy. The economic and policy environment is hugely different from when Lord Turner's Pensions Commission reported in 2005. The UK has seen a global financial crisis, a COVID-19 pandemic

and, most recently, the highest levels of inflation in almost 40 years. Interest rates (at least until mid 2022) have been at historically low levels, homeownership rates have fallen, and there has been a large rise in self-employment with the growth of the gig economy. All of these have consequences for how people are – or should be – saving for retirement.

The Review is led by a team of three Directors at IFS: Paul Johnson, Carl Emmerson and Jonathan Cribb. We are guided by a highly qualified steering group: David Gauke (former Secretary of State for Work and Pensions) and Joanne Segars (former CEO of the Pensions and Lifetime Savings Association). This steering group will provide high-level strategic advice on the direction of the Review and on the merits and drawbacks of policy options that emerge from our work, and will assist with disseminating our findings and recommendations to policymakers and the pensions industry.

The Review was launched at a public event in April 2023, with preliminary findings to be published throughout the following two years: the first main report was released in autumn 2023. We will publish our key findings and recommendations for reform at launch events in London and Edinburgh in early summer 2025.

Communication and stakeholders

IFS receives UKRI funding, in the form of a renewed Impact Acceleration Account (IAA), specifically to enhance the impact of our research. This has been and will continue to be used to develop our relationships with key stakeholders – business, central government, and local and devolved governments – and to improve the resources available to the public to aid their

understanding of economic issues.

UKRI has renewed this funding stream, to cover the period from 2023 to 2028. The key aims to increase the impact of our work are set out below.

- Widen our networks and develop new, stronger – and more varied – strategic partnerships with business, central and local government, the nations and regions. We know through our previous IAA that building strong partnerships and networks is key to impact, providing us with invaluable insights into 'real-world' public policy challenges. We will invest to build stronger relationships with Northern Irish, Scottish and Welsh governments, civil society and policymakers, resulting in increasingly strong impact on policy and debate in the devolved nations.
- Improve knowledge, capability and policy design at local and national levels. With IAA support, in recent years we have developed new skills to build tools, resources and clear, tailored briefings that stakeholders can use to better assess and respond to public policy challenges (e.g. NHS waiting times and local government finances). We have also started working with select councils to evaluate service delivery and impact, and have worked with and advised central government departments and the devolved governments across a range of policy issues. We will build on this using, for example, round-table events, targeted training and co-produced tools. In 2023, our student loans calculator and related briefings influenced the decision to cap interest rates on student loans, for example.
- Train and develop IFS research and support staff at all career stages, promoting a strong impact culture and enabling effective and ambitious knowledge exchange



and impact. Building enthusiasm and capability is key to achieving genuine and enduring impact. The ultimate objective is to ensure the sustainability of our impact capacity and that we build on our past successes in creating new generations of researchers who can go on to influential positions in academia and public policy, where they can have long-term positive impact on policy and public understanding.

- During the year, our communications team and researchers were able to use a combination of in-person and online events to communicate research findings, using experience gained during the pandemic. We also continued our fortnightly podcast, IFS Zooms In, dealing with a range of topical themes from pensions to the tax system, to childcare and the NHS, and involving IFS researchers alongside external experts. In 2023, 22 episodes (2022: 18) were recorded; series 4 received over 78,000 listens (2022: 43,000), with persistently high consumption rates (80%+ completion). During the year, we also released a four-part mini-series as part of the IFS Deaton Review of Inequalities, with host Soumaya Keynes (Financial Times) speaking to key figures in the review. These episodes were listened to over 25,000 times.

Conferences and lectures

Our events in 2023 were a mixture of in-person, online and hybrid events. Our event videos from 2023 were watched over 28,000 times (2022: 32,000).

Some highlights are listed below.

- Our analysis of the Spring Budget 2023 had the highest online viewing numbers of any IFS live event so far (previously held by the Autumn Statement 2022), with 594 viewers watching the live-stream and over 3,750 subsequent views on YouTube. Our online event analysing the Autumn Statement 2023 was also popular, with 565 live viewers.
- Our Annual Lecture, delivered by Professor Nick Bloom (Stanford), was held in-person only, with a recording made available afterwards, for the second year in a row. 158 people attended in person, and the talk was watched over 2,600 times on YouTube.
- The 2023 Green Budget launch was spread out over six events: three online early releases, an online press briefing, an in-person invite-only launch event and a public online launch event. In total, almost 700 people watched at least one of these events live, and the videos have had over 5,600 views on YouTube subsequently. The in-person launch event was particularly successful, with the audience including senior civil servants, political party advisers (including special advisers to the Conservative, Labour and Liberal Democrat treasury teams), researchers from NGOs and City economists.

- We held the IFS biennial Residential Conference in March on 'Taxing top incomes'. Part-sponsored by the Chartered Institute of Taxation (CIOT), the event was attended by 105 people from government, business and research.
- As part of the ESRC Festival of Social Science, we co-organised a day conference for A-level students. More than 700 students from 38 schools (25 state-funded, 13 private) attended.
- We held three joint debates (one online, two hybrid) with CIOT ('Carbon border adjustment' on 24 May; 'Where next for income tax?' on 26 June; and 'How should non-doms be taxed?' on 29 November), as well as two hybrid events at the party conferences (on tax and public finance challenges). Total attendance at these five events was over 850, with the online event on non-doms setting a record for the most people watching an IFS-CIOT event (460 live viewers).

Research findings and reports

A key strength of IFS is that its analysis of policy and its contributions to the public debate are grounded in rigorous empirical research. IFS researchers and Fellows published 82 (2022: 81) journal articles during the year, including six (2022: three) in the top five economics journals and 11 (2022: 21) in the leading field journals. The IFS journal, *Fiscal Studies*, which is published by Wiley, curated symposia of papers on: global minimum taxes; welfare economics; tax equity around the world; and the Understanding Society panel dataset.

Journal paper highlights included the following:

- Abramovsky, L., Augsburg, B., Lührmann, M., Oteiza, F. and Rud, J. P. (May 2023), 'Community matters: heterogeneous impacts of a sanitation intervention', *World Development*, <https://doi.org/10.1016/j.worlddev.2023.106197>
- Arellano, M., Blundell, R., Bonhomme, S. and Light, J. (Jun 2023), 'Heterogeneity of consumption responses to income shocks in the presence of nonlinear persistence', *Journal of Econometrics*, <https://doi.org/10.1016/j.jeconom.2023.04.001>
- Augsburg, B., Baquero, J. P., Gautam, S. and Rodriguez-Lesmes, P. (Jun 2023), 'Sanitation and marriage markets in India: evidence from the Total Sanitation Campaign', *Journal of Development Economics*, <https://doi.org/10.1016/j.jdeveco.2023.103092>
- Augsburg, B., Caeyers, B., Giunti, S., Malde, B. and Smets, S. (May 2023), 'Labeled loans and human capital investments', *Journal of Development Economics*, <https://doi.org/10.1016/j.jdeveco.2023.103053>
- Augsburg, B., Olorenshaw, H. and Malde, B. (May 2023), 'To invest or not to invest in sanitation: the role of intra-household gender differences in perceptions and bargaining power', *Journal of Development Economics*,

- <https://doi.org/10.1016/j.jdeveco.2023.103074>
- Bandiera, O., Burgess, R., Deserranno, E., Morel, R., Sulaiman, M. and Rasul, I. (Feb 2023), 'Social incentives, delivery agents, and the effectiveness of development interventions', *Journal of Political Economy Microeconomics*, <https://doi.org/10.1086/722898>
 - Banks, J. and Brockmeyer, A. (Sep 2023), 'Symposium: tax equity around the world – introduction', *Fiscal Studies*, <https://doi.org/10.1111/1475-5890.12343>
 - Black, M. M., Walker, S. P., Attanasio, O., Rubio-Codina, M., Meghir, C., Hamadani, J. D., Fernald, L. C. H., Kowalski, A. and Grantham-McGregor, S. (May 2023), 'Promoting childhood development globally through caregiving interventions', *Pediatrics*, <https://doi.org/10.1542/peds.2023-060221b>
 - Blundell, R. (Mar 2023), 'Reflections on Journal of Econometrics', *Journal of Econometrics*, <https://doi.org/10.1016/j.jeconom.2023.01.013>
 - Blundell, R. and Bond, S. (Mar 2023), 'Initial conditions and Blundell–Bond estimators', *Journal of Econometrics*, <https://doi.org/10.1016/j.jeconom.2023.01.020>
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 - Brockmeyer, A. and Phillips, D. (Sep 2023), 'Tax equity around the world: a discussion', *Fiscal Studies*, <https://doi.org/10.1111/1475-5890.12342>
 - Cattan, S., Lereya, S., Yoon, Y., Gilbert, R. and Deighton, J. (Oct 2023), 'The impact of area level mental health interventions on outcomes for secondary school pupils: evidence from the HeadStart programme in England', *Economics of Education Review*, <https://doi.org/10.1016/j.econedurev.2023.102425>
 - Chen, Y., Bandosz, P., Stoye, G., Liu, Y., Lobanov-Rostovsky, S., French, E., Liao, J. and Brunner, E. (Dec 2023), 'Downward dementia trend goes into reverse in England and Wales? English Longitudinal Study of Aging 2002 to 2019', *Innovation in Aging*, <https://doi.org/10.1093/geron/igad104.0646>
 - Cribb, J., Joyce, R. and Wernham, T. (Jul 2023), 'Twenty-five years of income inequality in Britain: the role of wages, household earnings and redistribution', *Fiscal Studies*, <https://doi.org/10.1111/1475-5890.12331>
 - Crossley, T., Fisher, P., Levell, P. and Low, H. (Jan 2023), 'Stimulus payments and private transfers', *Economics Letters*, <https://doi.org/10.1016/j.econlet.2022.110944>
 - Das, S., Gadenne, L., Nandi, T. and Warwick, R. (Aug 2023), 'Does going cashless make you tax-rich? Evidence from India's demonetization experiment', *Journal of Public Economics*, <https://doi.org/10.1016/j.jpubeco.2023.104907>
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Researchers published reports relating to a broad spectrum of important policy areas. Some of the more significant reports are mentioned below.

The IFS annual report on living standards, poverty and inequality examined how material living standards – most commonly measured by households' incomes – have changed for different groups in the UK, and the consequences that these changes have for income inequality and for measures of deprivation and poverty. This 23rd such annual report by IFS authors explored how material living standards have changed since the beginning of the pandemic, based on household incomes as well as other indicators. The report had a particular focus on cost-of-living payments and housing. A further report looked particularly at the impact of the COVID-19 pandemic on living standards. In addition, most of the studies for the Deaton Review of Inequalities were finished during the year and made available on the Review's website; these will be published during 2024 by Oxford University Press as part of its Open Access journal, *Oxford Open Economics*.

Researchers produced the sixth IFS annual report on education spending, funded by the Nuffield Foundation, which sought to provide a clear and consistent comparison of the level and changes in spending per student across different stages of education. Following on from cuts to most areas of education spending during the 2010s, the government has provided additional funding at successive spending reviews between 2019 and 2021. However, rising levels of inflation and cost pressures have dampened the effects of extra funding. The government also has high ambitions for education to play a major role in 'levelling up' poorer areas of the country. Our report therefore focused on geographical differences in education spending across each stage of education, as well as the extent to which education spending is targeted at pupils from more disadvantaged backgrounds.

Publications were also launched around key political and fiscal events. Following the Spring Statement and Autumn mini-Budget, IFS researchers helped to explain the implications by answering questions from journalists from all the national papers, as well as conducting interviews on the BBC, ITV and other major broadcasters. In addition, as ever, research was disseminated via local radio and newspapers and through a range of online media outlets. Analysis was presented to journalists and key civil servants on the day after the Chancellor's statements, to explain the implications for the public finances, businesses and households. Similar analysis was carried out around the Scottish Budget in February.

The IFS Green Budget 2023 was published in October with a detailed analysis of the issues and challenges facing the Chancellor. The areas covered by IFS researchers, and partners at Citi, were: the global economic outlook; the UK economic outlook; the outlook for the public finances; policy risks to the fiscal outlook; Chancellors' responses to economic news; public sector net worth as a fiscal target; inheritance tax reform; implications of the NHS workforce plan; investment in training and skills; and full expensing and the corporation tax base.

Other reports published during the year covered topics including: the future of the state pension; benefits and the labour market; health, health inequalities, spending on healthcare and staff diversity in the NHS; corporation tax; local government and the geographical distribution of spending; and geography and the labour market.

Engagement with stakeholders

IFS staff and centre directors give evidence to a wide range of committees each year and also meet with senior policymakers to discuss policy developments and ideas, as well as briefing them on IFS research.

IFS work was cited 352 times in UK policy documents in 2023 (277 in 2022; 333 in 2021). The numbers show just how influential we are in informing policies, briefings to policymakers and debates. IFS was mentioned in 97 (157 in 2022; 187 in 2021) Select Committee published briefings, 35 (62 in 2022; 64 in 2021) official government documents from departments, commissions and committees (excluding select committees) and 25 (29 in 2022; 38 in 2021) research briefings from the House of Commons Library and Scottish Parliament.

Staff gave evidence to parliamentary committees 21 times in 2023 (17 in 2022; 12 in 2021; 15 in 2020; 9 in 2019). In 2023, staff have given evidence to:

- Treasury Select Committee (3)
- Work and Pensions Select Committee (2)
- Education Select Committee (3)
- Scottish Finance Committee (3)
- Welsh Government's Cost of Living Experts Group (2)
- All-Party Parliamentary Group for Students (1)
- House of Lords Education Committee (1)
- Senedd Finance Committee (1)
- London Assembly Economy Committee (1)
- Public Services Committee (1)
- Northern Ireland Affairs Committee (1)
- Levelling Up, Housing and Communities Committee (1)
- All-Party Parliamentary Group on Single Parent Families (1)

Significant contributions by IFS staff to committees, commissions and policy reviews in 2023 included:

- Jonathan Cribb – member of the Pensions Policy Institute Model Review Board (2023–ongoing), member of the Centre for Longitudinal Studies Scientific Advisory Network (2023–ongoing)
- Carl Emmerson – member of Social Security Advisory Committee (2022–ongoing), member of Advisory Board of the Office for Budget Responsibility (2011–23), member of the UK Statistics Authority Methodological Assurance Review Panel (2023–ongoing)
- Paul Johnson – member of the Financial Services Culture Board (2015–23), member of the Climate Change Committee (2012–ongoing), member of the Times Health Commission (2023–ongoing)
- Robert Joyce – member of the Department for Work and Pensions Expert Advisory Group (2023–ongoing), member of the Economic and Social Research Institute steering group in Dublin (2022–ongoing)
- Heidi Karjalainen – member of the ONS Household Financial Statistics Transformation Expenditure Steering Group (2023)
- Peter Levell – member of the ONS Technical Advisory Panel on Consumer Prices (2017–ongoing)
- Helen Miller – member of the Advisory Group for the Tax Justice Network (2023–ongoing), member of the Advisory Group for the Fairness Foundation (2023–ongoing), member of the Advisory Group for the Green Alliance on Green Taxes (2023)
- David Phillips – Expert Advisor to Northern Ireland Fiscal Commission (2022–ongoing), member of the Welsh Government Cost of Living Expert Group (2023–ongoing)
- George Stoye – member of Expert Advisory Board for the development of the ONS Health Index for England (2021–ongoing)

Through our website, social media and press activity, we communicate the results of our research directly to the public, to enhance understanding of economics and policymaking. Our primary social media channel (because it reflects our main stakeholder groups) is Twitter (now known as X), where we have over 59,200 followers on our main @TheIFS account, up from 56,200 at the end of 2022. We have seen growth of 5.3% in 2023. Director Paul Johnson's account has also grown and now has over 62,490 followers, up 9.0% from 57,300 followers at the end of 2022. His tweets reached 16,694,000 total impressions in 2023 (compared with 29,252,000 in 2022).

YouTube continues to be central to our digital strategy – it hosts our explainer videos, event videos, podcasts and other video content. This gives us an exceptional opportunity to reach younger audiences. In 2023, around 50% (2022: 63%) of our YouTube audience was aged between 18 and 34. YouTube

remains a key place to reach younger audiences, though we are now reaching an older demographic on YouTube than before. This is likely due to demographic changes on the platform itself. During the year, we had around 177,600 views (2022: 174,000) on YouTube.

In November, we launched our TikTok channel, where we primarily share clips from our podcast, short-form explainers and event clips. In the first two months of operation, we had over 1,045,000 views and reached over 827,000 people with our content.

TikTok is a high-engagement platform. Our videos generated nearly 3,000 comments, were shared over 3,000 times and were liked nearly 24,000 times. This is our highest-engagement social media channel. We added 4,414 followers in the first two months; 63% of them are aged between 25 and 44 and 97% of them are based in the UK. Crucially, our follower base is geographically distributed, with only 5.7% from London.

The number of website users (individual visitors) remained steady at about 1.5 million between 2022 and 2023.

Since the new version of the IFS website was launched in 2022, with improved ease of navigation and improved accessibility, the communications team has been working on curating existing content and producing new materials to showcase our research. In 2023, we continued filming our rapid-response explainer videos for major fiscal announcements. Our videos around the Spring Budget and Autumn Statement had around 36,000 views across platforms. We have continued developing our longer explainer videos. In 2023, we produced two explainer videos on pensions, which together gained over 3,000 views.

Video production also allows us to give young researchers exposure to the production process for digital content and a chance to build skills in this area. The videos are hosted in a dedicated explainer section on our website, as well as on



YouTube, Twitter and Facebook. These social media platforms allow us to reach new viewers via algorithmic distribution.

Capacity building

IFS contributes to the UK social science environment by training excellent economists – both our own researchers and those working elsewhere. IFS researchers who move on typically take up positions in academia, or in the civil service or the media where they will put into practice the research and communication skills they have learned at the Institute.

We continued to improve our training programme for staff during the year. During 2023, in-house training for research staff included research skills, media training, writing and presentation skills, Stata and R coding and other analytical skills, while there was training for professional services staff in social media, design, membership management and other communication skills. Most of the training can now be carried out in-person again, although we have made a habit of recording a number of core training sessions so that those who cannot attend are able to view them.

Five new graduate economists were taken on in 2023 (2022: three), as well as five postdoctoral researchers (2022: two).

The Institute also runs a summer internship programme. In 2023, three students (2022: four) were taken on for six-week placements, working with research teams on projects that gave them a taste of the type of work undertaken by new research economists.

In order to encourage diversity and openness in our recruitment process, we continued to look at our recruitment materials to ensure that they are accessible, to provide information to demystify the recruitment and interview process, and to advertise our vacancies widely, in line with our Equality, Diversity and Inclusion policy. For the third year in a row, we held our own virtual recruitment event designed to give prospective applicants an introduction to IFS and an opportunity to ask questions directly to researchers. Around 170 students attended the Zoom meeting, representing universities across the country.

IFS researchers and communications staff are involved in the Royal Economic Society initiative, #DiscoverEconomics, which aims to attract more women, students from minoritised ethnic groups and students from state schools and colleges to study the subject at university. IFS has also been working with a range of think tanks and social policy research organisations to run recruitment events aimed at minority and potentially disadvantaged groups. During the summer of 2023, we hosted four sixth-form students, via a programme run by the Nuffield Foundation to offer experience of quantitative research to young people from under-represented backgrounds.

Each year, IFS holds a day of talks on issues in public economics of interest to undergraduates in economics and related

disciplines. The aim is to focus on the policy implications of research carried out at the Institute. The day also includes a session with IFS researchers talking about their careers in order to promote both IFS recruitment opportunities and working as an economist in public policy more generally.

In 2023, we held five courses (2022: four) under the auspices of the Centre for Microdata Methods and Practice, a joint enterprise with University College London. We also ran two masterclasses (2022: two) and five workshops (2022: five). The courses were held online, and the other events in-person.

Governance

Strategic oversight

A senior team comprising the Director, Deputy Directors, Deputy Research Directors, and Heads of Finance and Operations (and ICT when needed) meets fortnightly, in-person or remotely, to coordinate and track progress on governance issues and matters relating to staff, the research programme and finances. A wider management group – comprising the above group and all research team leaders and the heads of communications and research services – meets approximately six times a year in order to ensure that issues relating to individual projects and staffing are picked up.

Staff welfare and working practices

The organisation's policy on home working has remained the same since the resumption of office working after the pandemic: staff are based mostly in our offices, but with the opportunity for some home working for many roles.

The organisation has continued to monitor, and implement policies to safeguard, staff mental health. We are also gauging attitudes to equality, diversity and inclusion amongst staff and introducing discussions of key issues around the running of the organisation at all-staff meetings.

Technology review

We carried out a thorough review, with the help of external experts, on our ICT infrastructure and use of technology. Over the coming years, IFS will be updating many of its internal systems, to ensure that cutting-edge technology can be harnessed for our research, in particular for analysis of data; to improve efficiency of everyday working practices; and to increase data security measures across all areas of the operation.

2023 in numbers

IFS impact in 2023

46

top five journal articles
past decade (2014–23)

131

top field journal articles
past decade

144

front pages
(259 in 2022; 165 in 2021)

304

press interviews
(492 in 2022; 249 in 2021)

206

Hansard mentions
(216 in 2022; 149 in 2021)

Academic and policy publications and events	2023	2022	2021	2020	2019
Journal articles	82	81	48	39	34
Top five*	6	3	3	3	3
Top field journals [†]	11	21	13	9	7
Working papers	72	105	67	73	64
IFS reports and briefing notes	70	55	44	63	44
Comments [‡]	95	79	42	43	35

* *American Economic Review (AER)*, *Econometrica (ECMA)*, *Journal of Political Economy (JPE)*, *Quarterly Journal of Economics (QJE)*, *Review of Economic Studies (ReStud)*

[†] *Journal of Health Economics*, *Journal of Labor Economics*, *Journal of Human Resources*, *Review of Economic Dynamics*, *Journal of Public Economics*, *Journal of Econometrics*, *RAND Journal of Economics*, *Review of Economics and Statistics*, *Journal of Economic Literature*, *Economic Journal*, *Journal of the European Economic Association*, *European Economic Review*, *Journal of Monetary Economics*, *Quantitative Economics*

[‡] A new research information platform for tracking publications has made it possible to discover a greater number of publications by staff and associates.

‡ The 2022 and 2023 figures are for Comments, a new format that replaces the former categories Observations, newspaper articles and blogs. Figures for earlier years are for Observations only.

Type	2023	2022	2021	2020	2019
Press releases	107	100	56	62	32
Newspaper articles and comment pieces	41	41	35	35	61
Broadcast mentions	6,694	14,193	6,969	5,952	8,492
Print mentions	2,955	3,663	3,189	3,268	3,272
Front pages	144	259	165	218	129
Online mentions	26,058	30,191	19,771	15,851	20,479
Interviews given	304	492	249	282	180
Website visitors	1,464,381	1,537,145	1,243,755	1,270,998	710,570
Twitter/X impressions (monthly average)	1,210,917	1,310,083	1,361,750	837,500	738,000
IFS events	43	45	49	46	40
Event attendance	6,702	5,955	5,821	6,909	3,900
Views of event videos	28,300	32,300	28,500	53,000	N/A
Hansard mentions	206	216	149	186	165
Evidence given	21	17	12	15	9

Priorities for 2024 and beyond

Academic excellence

As mentioned above, the ESRC Centre for the Microeconomic Analysis of Public Policy (CPP) at IFS has received funding for five years, starting from October 2020. CPP will continue to underpin the full research programme at IFS, as well as supporting postdoctoral researchers and PhD students to work at the Institute and collaborate with researchers.

Key new research grants for 2024

A number of the research programmes mentioned above will be continuing into 2024 and beyond. In addition, the following specific new projects are already funded and due to begin during the year.

Transforming justice: the interplay of social change and policy reforms

A well-functioning justice system underpins an inclusive society and trust in the state. It serves as a cornerstone of the welfare state, ensuring rights underpinning economic security. The justice system in England and Wales has been transformed over the last decade through large-scale reductions in funding and a sequence of major procedural reforms. Despite the scale of change, there has been limited economic and quantitative analysis of impacts on access to justice, pathways through the justice system and wider effects on well-being for those experiencing the justice system. This reflects the underdeveloped state of economic, quantitative and evidence-based approaches to studying the justice system.

With funding from the Nuffield Foundation, this large-scale programme will go a long way to filling that gap, representing and leading a step change in how the justice system is understood. It will do so through an integrated set of research projects that will advance, using quantitative and economic analysis of new administrative datasets, our understanding of the consequences of changing demands for justice, access to justice, the effectiveness of the justice system, and impacts on the well-being and wider life chances of those experiencing the justice system. It will analyse how significant reforms to the procedures and funding of the justice system have affected actors within it, such as the police, prosecutors, legal representatives and courts. It will also investigate how the demands of individuals and families on the justice system have changed due to pressures originating from outside the system itself.

Led by Professor Imran Rasul, the project aims to develop a depth and breadth of expertise on justice within IFS, and with

partner institutions, such that there is a group of independent experts who can support, challenge and communicate about developments in justice policy and spending in the public domain. Just as, over the past two decades, we have developed such capacity in education, childcare and health, we aim to do so in the justice domain.

IFS has a long track record of using economic analysis to shape public debate and economic policy, and this programme will leverage its communication capacity and expertise to ensure our research shapes justice policy debates and priorities in the coming years. We will undertake a coordinated set of impact and engagement activities, working with policymakers and other relevant stakeholders.

The programme will build a cadre of researchers from across disciplines to tackle issues related to the justice system. It will do so by training legal researchers interested in employing economic and quantitative methods, and educating non-lawyers about the opportunities for empirical legal research. The programme will also advocate for further development of the data infrastructure related to the justice system itself. Ultimately, the programme will seek to drive cultural change, ensuring that economic and quantitative methods are better represented within the study of the justice system.

Causes of unhealthy body weight

Through a consortium led by UCL, IFS researchers have been working with the government for the past six years, providing evidence about what it is like to live with an unhealthy body weight (over- and under-weight) and testing strategies that can help.

With funding from the National Institute for Health and Care Research, we will continue working with the government, with a revamped and innovative team of world-class researchers from a wide range of backgrounds. We will use a mixture of methods and will work with individuals, communities and 'big data' to understand the causes of unhealthy weight and find solutions that work.

The aim is to understand how health and community settings, and life circumstances (such as age, income and ethnicity), may lead to people developing and suffering from unhealthy weight. Researchers will respond quickly and work flexibly with government departments to ensure our research meets the needs of policymakers in this area.

NHS workforce

The National Institute for Health and Care Research has launched a new set of Policy Research Units to undertake research to inform decision-making by government and

arm's-length bodies. King's College London is hosting the Policy Research Unit in Health and Social Care Workforce, in partnership with IFS, the London School of Economics and the University of Salford.

Of every 100 people working in England today, 13 of them work in health and social care jobs. Nearly £2 out of every £3 spent on the NHS goes on paying its staff. The Health and Social Care Workforce Policy Research Unit aims to help government by providing the answers to the workforce questions that affect both the quality and cost of health and social care services.

Researchers from the partner institutions will work as a Unit on a set of research questions agreed by government (the Department of Health and Social Care and its partner organisations). In particular, IFS research will focus on analysing recruitment and retention, using workforce administrative records, such as the Electronic Staff Record (ESR), and HR records from individual Acute Trusts.

UK general election

In preparation for the expected general election in 2024, IFS has secured funding from abrdn Financial Fairness Trust and the Nuffield Foundation, for researchers to engage with political parties and respond to policy proposals around living standards, taxes, benefits and public services crucial for those on low and middle incomes.

The aim is to promote good policymaking and informed debate in the run-up to the election. With living standards suffering,

taxes rising and public services under strain, fiscal and economic policies will be central to the upcoming election campaign. The election itself promises to be a highly significant one, coming as it does after the UK's departure from the EU, the dislocation of the pandemic and the fallout from Russia's invasion of Ukraine: the UK is not short of policy challenges in dire need of attention.

On too many occasions, across too many policy areas, the UK has ducked the big challenges and failed to face up to difficult choices and trade-offs. The upcoming election campaign is an opportunity to debate realistic policy options that stack up to the scale of the challenges at hand. There will be a longer run-up to the coming election than in 2017 or 2019, allowing for greater discussion and debate of the issues. During this period, there will be intense demand from the media and others for rigorous, evidence-based and demonstrably independent analysis of key policy issues in areas such as the public finances, living standards, working-age benefits, taxation and public services.

Members of the public will be seeking the tools to challenge and judge politicians and their promises. There will also be demand from the political parties themselves, as they seek to build an evidence base to inform their plans for government. IFS is in a unique position to fulfil this role. Through a wide set of outputs (including a dedicated website, press briefings, podcasts, public events, broadcast interviews, interactive online tools, and policy reports), we will raise the standard of debate. Through private meetings with senior MPs and their advisers, we will improve the quality of the policies put forward.



Communication and stakeholders

As an institute, our overarching aim is to conduct wide-ranging, high-quality microeconomic research to help inform evidence-based policymaking and improve the quality of public scrutiny and debate at local and national levels. Strengthening and extending our knowledge exchange and impact strategies and encouraging learning, development and innovation are therefore key to our success.

We will build on experiences during remote working to increase and improve the digital and online aspects of our communications strategy, even after a general return to office working. This will allow us to reach a wider audience.

Capacity building

As mentioned above, our aim is to train and develop research and support staff at all career stages.

We took on 12 new researchers in 2023 who will be trained and developed over the year. In the autumn of 2024, at least three new graduates will start work at IFS and will be trained in research and communication skills, working alongside more experienced researchers and Research Fellows and Associates, who are leaders in their fields from universities in the UK and overseas.

We plan to take on a further one or two postdoctoral fellows from September 2024 on one- or two-year contracts, as well as an additional one-year placement for a postdoctoral researcher at a UK institution, with funding from the ESRC to increase the skills and policy understanding of early-career researchers.

The Institute will also host a number of graduate students, who will work on PhDs under the supervision of senior staff, working alongside researchers whose research interests they share. The specific expertise of these individuals will feed into related research programmes and will enrich the knowledge of colleagues through frequent seminars and interchange of views. The students themselves will benefit from the stimulating intellectual environment at IFS and they are likely to go on to research or teaching posts in the future, where they will be able to apply what they have learned. We will also be offering annual placements for PhD students of between six months and a year, with the aim of enriching their PhD studies with policy research experience and allowing them to expand their networks.

Over the summer, we will host between six and eight economics students in paid internships. The students will work on projects with IFS researchers to give them a flavour of what policy-relevant research is like. We will also host work experience students in collaboration with the STEM Learning, as part of our commitment to diversity. Throughout our recruitment process, we will continue to look for ways to encourage diverse applicants to apply and to recruit staff from a range of backgrounds. We have developed a new Equality, Diversity and Inclusion policy, which feeds into our recruitment strategy.

Strategic Report

Financial review

The results for the year ended 31 December 2023 are presented in the statement of financial activities on page 29. Before net gains on investment, IFS surplus was £505,431 (2022: £428,782). This was primarily driven by a surplus on membership and donations/raising funds (£254,585) and investment (deposit) income (£124,215). Broadly speaking, research broke even financially for the year, with the overall deficit on restricted research funding (£328,138) being offset by the surplus in unrestricted research funding (£325,394).

The external high-inflation environment saw expenditure increase in total by £914,750 in the year, to £9,661,499 (2022: £8,746,749). This continued to adversely impact recovery on our long-term restricted funding (typically fixed in size), with

loss on restricted research funds in the year discussed above highlighting that.

Unrealised net gains on IFS's investment with CCLA of £208,639 for the year meant net income overall for the year was £714,070. Despite this, because of the rise in the overall cost base, General Fund reserves cover only increased marginally from 6.05 months to 6.26 months – remaining at the six-month target set by the Board of Trustees.

The Institute attempts to raise its research funds from a range of organisations so that it is not dependent upon a single source of funding. Although 46% of the income recognised in 2023 was provided by the Economic and Social Research Council (43% in 2022), this funding covers a wide range of projects and IFS continues to submit applications to new funders to widen the funding base.

	2023	2023	2023	2022	2022	2022
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Cash and cash equivalents	2,409,963	3,051,387	5,461,350	4,201,549	2,410,123	6,611,672
Less net grants received in advance	(202,787)	(2,256,814)	(2,459,601)	(386,638)	(1,923,841)	(2,310,479)
Cash holdings (excluding net project grants received in advance)	2,207,177	794,573	3,001,750	3,814,911	486,282	4,301,193
Other working capital	(436,097)	(794,573)	(1,230,670)	(163,002)	(486,282)	(649,284)
Investments	2,637,421	-	2,637,421	-	-	-
General Fund	4,408,501	-	4,408,501	3,651,909	-	3,651,909
No. of months of forecast expenditure (excluding direct project costs)	6.26	-		6.05	-	
Target level for the General Fund: (6 months' forecast expenditure, excluding direct project costs)	4,226,788	-		3,624,418	-	

General Fund	4,408,501	-	4,408,501	3,651,909	-	3,651,909
Fixed Asset Fund	62,800	-	62,800	58,819	-	58,819
Intangible Asset Fund	81,379	-	81,379	127,882	-	127,882
Total reserves	4,552,680	-	4,552,680	3,838,610	-	3,838,610

Reserves policy

The reserves policy is twofold: one, to hold funds for working capital purposes and as a contingency, should sufficient new funding not emerge or should existing contracts be cancelled; and two, to reflect the net book value of fixed and intangible assets.

In response to the significant impact of inflation on IFS's reserves, in November 2022 the Board of Trustees approved an investment of £2 million into CCLA's COIF Charities Investment Fund and established an Investment Committee to oversee performance. The purpose of the investment was defined as maintaining the real value of reserves as a whole over a 15- to 20-year time frame.

Following this initial investment, the Investment Committee also decided to annually consider to what extent to adjust the amount in the investment fund, particularly in light of the previous year's financial surplus. Assurance around the impact any further investment would have on reserves would be provided by the Audit Committee. In August 2023, it was decided to invest 2022's surplus of £428,782 in full.

As at 31 December 2023, the unrealised net gain on this investment was £208,639.

As at 31 December 2023, the Institute's total reserves were £4,552,680 (2022: £3,838,610), comprising the unrestricted General Fund of £4,408,501 (2022: £3,651,909), the unrestricted Fixed Asset Fund of £62,800 (2022: £58,819) and the unrestricted Intangible Asset Fund of £81,379 (2022: £127,882).

The General Fund reflects the Institute's net current assets and is considered to be the amount of reserves that could be easily converted to cash, should the need arise. The target is for the General Fund to be maintained at a level to cover up to six months' expenditure (excluding direct project costs). The Trustees wish to continue to raise modest surpluses so that the General Fund meets this target.

The Fixed Asset Fund was established in 2010 such that this fund would be equivalent in value to the net book value of the Institute's fixed assets. The value of IFS fixed assets was £4k higher at year-end than at the beginning of the year. The reserves policy is subject to active review in the light of prevailing circumstances.

The Intangible Asset Fund comprises IFS's investment in a new website, launched in 2022, which is being paid for out of the General Fund. Now the site has been launched, the value

of the asset, and this fund, will reduce on a straight-line basis over three years.

Principal risks and uncertainties

The Board of Trustees has overall responsibility for ensuring that the Institute has appropriate systems of control, both financial and operational. These systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Audit Committee reviews IFS' internal controls in detail and advises the Board where necessary.

During the year, the Board of Trustees continued to review the major financial and operational risks facing the Institute. This is done through regular review of movements in the risk register at Board meetings. The Audit Committee also regularly reviews the IFS risk register and receives detailed analysis of major risks, advising the Board where appropriate. Key organisational risks normally become a standing item at both meetings so that regular updates can be provided.

The key risks that have been considered by the Board of Trustees in 2023 are:

- Access to funding and changes to existing funders' policies – in particular, IFS relies on the ESRC for a large proportion of the Institute's research funds. However, this funding represents a mix of long-term and short-term funding, which reduces the immediate risk. During 2023, the IFS Audit Committee reviewed a paper outlining the risks in this area and were satisfied with mitigating steps IFS is taking. The Institute continues to seek to diversify its funding sources in order to spread the risk;
- Retention of key staff and staff satisfaction – human capital is crucial to IFS' long term success. The Board attach the highest priority to nurturing and retaining talent and receives updates on the results and action points arising from periodic staff surveys;
- Research quality – IFS's reputation for academic and intellectual excellence is of fundamental importance to fulfilling its charitable objectives and securing the support of funders. IFS has numerous quality assurance schemes in place, and as a key risk, the Audit Committee also receive periodic detailed risk assessments;
- Potential office lease expiration in June 2025 – this has the potential to temporarily disrupt research and place a greater long term financial burden on the IFS compared with the recent past. Guided by trusted consultants, IFS is continuing to explore all options;

- Network and data security - IFS is reliant on access to and use of data sources from a wide range of suppliers, a lot of which is confidential. Furthermore, as a high-profile public institution, IFS is, like other similar organisations, a potential target for cyber crime. These complex issues are currently managed by an internal information security forum that reports to IFS senior management and IFS Trustees. IFS is currently ISO 27001 compliant;
- Going concern risk and reserves – like most other organisations, recent wage and price inflation has put pressure on IFS's finances. In response the IFS has and will continue to explore options to increase income where possible whilst carefully managing costs.

Going concern

IFS has modelled and stress-tested its cash flows and this work concluded that it will have sufficient liquid resources (cash and investments that can be converted to cash) to continue to operate for at least 12 months from the date of approval of these financial statements. The Board of Trustees have reviewed this work and are happy with the methodology and conclusions. They thus remain of the view that there are no material uncertainties that call into doubt IFS's ability to continue. The financial statements have therefore been prepared on the basis that IFS is a going concern.

Governance and management

Constitution

The Institute for Fiscal Studies (IFS) was incorporated by guarantee on 21 May 1969. It is a private company limited by guarantee and has no share capital. It is a registered charity. The guarantee of each Company Law member ('Member') is limited to £1. The governing document is the Memorandum and Articles of Association of the Company and the members of the Board of Trustees are the Directors of the Company and the Trustees.

Company Law members consist of the IFS Council members. At the end of November 2023, the number of guarantors was 49 (50 at the end of November 2022), five of whom were elected by the IFS members. The Articles contain the provision that the IFS Council be expanded to no more than 50 persons and that it shall consist of 45 members elected by Council and five members elected by the wider IFS membership.

Members of the Board of Trustees

The Board of Trustees is established by the IFS Council: Trustees are elected by the Council from among themselves, and consist of at least seven and no more than twelve people, one of whom is the President of the Council. Trustees serve three-year terms, and will usually only serve a maximum of three terms. The Board of Trustees met five times during the year. Committee membership during 2023 was:

- Winnie Armah (joined November 2023);
- Jonathan Athow;
- James Bell;
- John F. Chown;
- Swati Dhingra (joined November 2023);
- David Gregson;
- Peter Kane;
- Caroline Mawhood;
- Orna NiChionna;
- Gus O'Donnell (President, IFS Council);
- Michael Ridge (Chair);
- Nicholas Timmins.

As part of the organisation's governance review (see below), the Board of Trustees set up two subcommittees during 2019 to help improve scrutiny of the Institute's operations – a Nominations Committee and an Audit Committee. An

Investment Committee was formed in 2023. The remits and memberships of the committees are as set out below.

Audit Committee

The Audit Committee's overall objective is to give advice to the Board of Trustees on:

- the overall processes for risk, control and governance;
- management assurances and appropriate actions from external audit and internal audit (if appropriate) findings, risk analysis and reporting undertaken;
- the financial control framework and supporting compliance culture;
- accounting policies and material judgements, the accounts and the annual report, and management's letter of representation to the external auditors;
- whistle-blowing arrangements for confidentially raising and investigating concerns over possible improprieties in the conduct of IFS business;
- processes to protect against fraud and corruption;
- the planned activity of internal audit (if appropriate) and external audit.

Membership during 2023: Jonathan Athow*, Peter Kane*, Caroline Mawhood* (Chair)

IFS staff attending: Carl Emmerson (Deputy Director), Slav Sikora-Sikorski (Head of Finance)

* Trustee

Nominations Committee

The Nominations Committee's objectives are:

- to develop and maintain rigorous and transparent procedures for appointments and re-appointments to the Council and the President, Trustees and its committees;
- to propose candidates for appointment to the Council and to the Board of Trustees;
- to formulate plans for succession and ensure that there is a transparent and fair procedure for the appointment of the President, Chair of Trustees, Honorary Officers, and members of the Council and Board of Trustees;
- to review regularly the composition of the Board and its committees (including their diversity, balance of skills, knowledge and experience) and make recommendations to the Board with regard to any adjustments that are

deemed necessary;

- to review the results of the Board performance evaluation process that relate to the composition of the Board.

Membership during 2023: Frances Cairncross§, David Gregson*, Orna NiChionna*, Michael Ridge*¥ (Chair)

IFS staff attending: Carl Emmerson (Deputy Director), Emma Hyman (Head of Operations)

* Trustee; ¥ Chair of Trustees; § Member of Council

Investment Committee

The Investment Committee's objectives are:

- to consider the investment strategy and policies;
- to oversee the execution of the agreed investment strategy;
- to review returns on excess cash and the appropriateness of existing and proposed cash;
- to manage facilities in the context of IFS liquidity requirements;
- to carry out other duties as may be determined from time to time by the Board.

Membership during 2023: David Gregson*, Peter Kane* (Chair), Orna NiChionna*

IFS staff attending: Slav Sikora-Sikorski (Head of Finance)

* Trustee

Induction and training of Trustees

New Trustees receive training and induction following their appointment. Trustees are kept up-to-date with IFS research by a rolling programme of research presentations made at each meeting of the Board of Trustees.

Remuneration policy

The salary of the Director is determined by the Board of Trustees when renewing his contract and is normally increased each year by a cost-of-living adjustment, in line with salaries across the Institute. The pay of all other staff is reviewed annually by the Director and, where appropriate, other members of senior management and is also usually increased by a cost-of-living adjustment. From time to time, IFS salary scales are benchmarked against comparable organisations. In 2023, the services of the Research Directors, Rachel Griffith, Fabien Postel-Vinay and Imran Rasul, were provided by the University of Manchester (Griffith) and UCL (Postel-Vinay and Rasul) under contracts that reimburse the universities for an agreed percentage of the individual's salary, National Insurance and pension costs. Further details on these amounts are included in note 8 to the accounts.

Organisational structure of the Institute and the decision-making process

The overall management of IFS is carried out by the Director, Paul Johnson, who reports to the Trustees on a quarterly basis. The Director is part of the senior management team of the Institute, which also comprises the Deputy Directors, Carl Emmerson, Robert Joyce and Helen Miller, the Deputy Research Directors, Monica Costa Dias and Sonya Krutikova, and the Research Directors, Professors Rachel Griffith, Fabien Postel-Vinay and Imran Rasul.

The Board of Trustees delegates the operational responsibilities of the Institute to the Director of the Institute via a 'Scheme of Delegation', and he in turn delegates various duties to senior staff.

In 2023, the Institute employed directly an average of 80 (2022: 73) full- and part-time staff usually based at its office in Ridgmount Street, London. Research staff are divided into sectors, and administrative staff provide support facilities.

The Institute also employed indirectly 10 (2022: 12) senior academic staff based at UK universities on a part-time basis. In addition, a number of other academics from both UK and overseas institutions work with the staff as Research Fellows and Research Associates on an ad hoc collaborative basis.

Statement of policy on fundraising

Section 162A of the Charities Act 2011 requires us to make a statement regarding fundraising activities. We do not undertake widespread fundraising activities with members of the public, although we do accept donations or offers from partners to contribute to work that we undertake. The legislation defines fundraising as 'soliciting or otherwise procuring money or other property for charitable purposes'. Such amounts receivable are presented in our accounts as 'donations and legacies'. We do not use professional fundraisers or 'commercial participators' or any other third parties to solicit donations. We are therefore not subject to any regulatory scheme or relevant codes of practice, nor have we received any complaints in relation to fundraising activities.

Charity Governance Code

In July 2017, the new Charity Governance Code was published setting out recommended practice. The Board of Trustees is supportive of the principles set out in the code and is keen to ensure that these are built into the governance of the organisation. To this end, during 2019, Trustees carried out a detailed review of its governance policies and procedures with reference to the code and agreed on a plan to put in place measures to comply where appropriate. The plan is now being implemented.

The Committee noted the updates made to the governance code in 2020, relating to integrity and to diversity. Integrity has always been central to the values of the Institute and a sine qua non for staff, Trustees and collaborators. The Trustees are satisfied that their procedures are in keeping with the revised code and are appropriate to uphold integrity to a high standard.

In the light of updated principles relating to diversity and inclusion, the Nominations Committee has considered these criteria when looking at the make-up of the Board of Trustees and of the Council. In particular, the Trustees are delighted that they have been able to increase both gender and ethnic diversity on the Council, a step that was much needed and a trend that they will strive to continue.

Trustees' responsibilities

The Trustees 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including income and expenditure, of the charity for the year. In preparing those financial statements, the Trustees are required:

- to select suitable accounting policies and then apply them consistently;
- to observe the methods and principles in the Charities SORP;
- to make judgements and accounting estimates that are reasonable and prudent; and
- to prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, to disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees at the time the report is approved are aware:

- there is no relevant audit information of which the auditor is unaware; and
- they have taken all the steps 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 charity's website. Legislation in the UK governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Approved and authorised for issue by the Board of Trustees and signed on their behalf by



Michael Ridge

Chair of Trustees

23 May 2024

Company registered number: 00954616

Registered Charity: 258815

Auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE FOR FISCAL STUDIES

Opinion

We have audited the financial statements of Institute for Fiscal Studies ('the company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement 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 31 December 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the 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 related to going concern

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

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

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

Other information

The other information comprises the information included in the 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 there is 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 25, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities,

outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.



James Saunders (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street

London

EC2A 2AP

Moore Kingston Smith LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

28 May 2024

Financial reports

Statement of financial activities

Year ended 31 December	2023		2023		2022	
	Unrestricted	Restricted	Total	Total	Total	Total
	£	£	£	£	£	£
Income from:						
Donations and legacies	2	349,819	-	349,819	305,620	305,620
Charitable activities	3	1,421,454	8,142,067	9,563,521	8,653,319	8,653,319
Investment income	4	124,215	-	124,215	22,341	22,341
Other income		129,375	-	129,375	194,251	194,251
Total income		2,024,863	8,142,067	10,166,930	9,175,531	9,175,531
Expenditure on:						
Raising funds	6	95,234	-	95,234	91,923	91,923
Charitable activities	6	1,096,061	8,470,204	9,566,265	8,654,826	8,654,826
Total expenditure		1,191,295	8,470,204	9,661,499	8,746,749	8,746,749
Net income before net gains on investment		833,568	(328,137)	505,431	428,782	428,782
Net gains on investment	11	208,639	-	208,639	-	-
Net income for the year		1,042,207	(328,137)	714,070	428,782	428,782
Transfers between funds	15	(328,137)	328,137	-	-	-
Net movement in funds		714,070	-	714,070	428,782	428,782
Reconciliation of funds:						
Total funds brought forward	16	3,838,610	-	3,838,610	3,409,828	3,409,828
Total funds carried forward	16	4,552,680	-	4,552,680	3,838,610	3,838,610

There were no other recognised gains or losses other than the net income for the year. All amounts relate to continuing operations.

Balance sheet

As at 31 December		2023	2022
		£	£
Fixed assets			
Tangible assets	10	62,800	58,819
Investments	11	2,637,421	-
Total fixed assets		2,700,221	58,819
Intangible assets			
Intangible assets	12	81,379	127,882
Total intangible assets		81,379	127,882
Current assets			
Debtors	13	1,809,490	1,683,373
Short-term deposits		4,047,049	1,255,269
Cash at bank and in hand		1,414,301	5,356,403
Total current assets		7,270,840	8,295,046
Liabilities:			
Creditors: amounts falling due within one year	14	(5,499,760)	(4,643,137)
Net current assets		1,771,080	3,651,909
Net assets		4,552,680	3,838,610
Total funds:			
Unrestricted funds			
- General Fund	15	4,408,501	3,651,909
- Fixed Asset Fund	15	62,800	58,819
- Intangible Asset Fund	15	81,379	127,882
		4,552,680	3,838,610
Restricted	15	-	-
Total		4,552,680	3,838,610

Approved and authorised for issue by the Trustees and signed on their behalf by

Michael Ridge

Michael Ridge, Chair of Trustees

Company registered number: 00954616

Registered Charity: 258815

23 May 2024

Statement of cash flows

Year ended 31 December	2023	2022
	£	£
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per the Statement of Financial Activities)	714,070	428,782
Adjustments for:		
Depreciation charges	38,220	40,903
Amortisation charges	46,503	11,626
Investment income	(124,215)	(22,341)
(Gains) on investments	(208,639)	-
(Increase) in debtors and accrued income	(126,115)	493,428
Increase in creditors and accrued expenses	661,879	82,815
Increase in grants received in advance of expenditure	194,743	51,378
Net cash (expended on)/ generated from operating activities	1,196,446	1,086,590
Interest on investments	124,215	22,341
Purchase of intangible assets	-	(71,327)
Purchase of tangible fixed assets	(42,201)	(37,346)
Purchase of investments	(2,428,782)	
Cash flows from investing activities	(2,346,768)	(86,331)
Change in cash and cash equivalents in the reporting period	(1,150,322)	1,000,259
Cash and cash equivalents at the beginning of the reporting period	6,611,672	5,611,413
Cash and cash equivalents at the end of the reporting period	5,461,350	6,611,672
Analysis of cash and cash equivalents		
	2023	2022
	£	£
Short-term deposits	4,047,049	1,255,269
Cash at bank and in hand	1,414,301	5,356,403
Total cash and cash equivalents	5,461,350	6,611,672

No net debt reconciliation has been presented as the Institute has no borrowings or external debt.

Notes to the accounts

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Institute for Fiscal Studies meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

IFS has modelled and stress-tested its cash flows and this work concluded that it will have sufficient liquid resources (cash and investments that can be converted to cash) to continue to operate for at least 12 months from the date of approval of these financial statements. The Board of Trustees have reviewed this work and are happy with the methodology and conclusions. They thus remain of the view that there are no material uncertainties that call into doubt IFS's ability to continue. The financial statements have therefore been prepared on the basis that IFS is a going concern.

b) Tangible fixed assets and depreciation

All tangible fixed assets costing more than £1,000 (excluding VAT) are capitalised and depreciated. Depreciation of fixed assets is calculated to write off the cost of each asset over the term of its estimated useful life.

The Trustees have determined that all costs relating to the refurbishment of the premises and any furniture be

depreciated over five years and all other assets depreciated over three years. Assets are written off on a straight-line basis commencing from the quarter after the date of purchase. Where the length of any remaining lease is less than five years, then any refurbishment costs are depreciated up to the end of the year in which the lease comes to an end.

c) Listed investments

Investments refers to single investment fund provided by a major fund manager in the charity sector. Purchases 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 on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

d) Intangible assets and amortisation

All intangible assets capitalised are amortised over three years from the point when they are brought into actual use.

e) Income – membership subscriptions and donations

Membership income is deferred to the extent that it relates to services to be provided in future periods. Donations are credited to the statement of financial activities at the date of receipt.

f) Income – publications

Royalty income receivable from the publisher of the IFS-owned journal, *Fiscal Studies*, is recognised on an accruals basis and in accordance with the substance of the publishing agreement.

g) Income – research activities

Income from research activities is recognised when the Institute has entitlement to the funds, when it is probable that the income will be received and the amount can be measured reliably.

The Institute is usually entitled to research income in stages over the course of a project, subject to performance-related conditions requiring a particular level of service or output, often approximating to when related expenditure is incurred. In such cases, research income is credited to the statement of financial activities when it falls due to be received to the extent that it is matched by related expenditure.

Where donations or grants are received without performance-related conditions, entitlement usually arises on receipt and research income is credited to the statement of financial activities when it falls due to be received.

h) Interest and dividends receivable

Interest on funds held on deposit and dividends on investments are included when receivable and the amount can be measured reliably.

i) Allocation of expenses

Direct and indirect expenses are included when incurred. The majority of expenses are directly attributable to specific activities. Indirect overhead costs (e.g. premises and administration) are allocated on a basis consistent with the use of the resource, usually on a per-capita basis. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Pension costs

The pension cost charge represents contributions payable by the Institute to employees' personal pension plans in respect of the year.

k) Operating leases

Leasing charges in respect of operating leases are charged to the statement of financial activities as they are incurred.

l) Current asset investments – short-term deposits

Current asset investments include cash on deposit and cash equivalents held for investment purposes rather than to meet short-term cash commitments as they fall due.

m) Foreign currency

The value of the balances in the Institute's Euro and US Dollar accounts at the end of the year was based on the exchange rate as at 31 December 2023. Transactions in foreign currencies are calculated at the exchange rate ruling at the date of the transaction and Institute-wide foreign exchange gains or losses made during the year are taken into account in arriving at the net income for the year.

n) Financial instruments

IFS only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

o) Critical accounting estimates and areas of judgement

Preparation of the financial statements requires some judgements and estimates to be made. The items in the financial statements where judgements and estimates are made include:

- judging the progress of multi-year research projects;
- estimating the useful economic life of tangible fixed assets;
- estimating the useful economic life of intangible assets; and
- estimates relating to the allocation of support costs across expenditure categories.

p) Funds

IFS maintains three internal funds, which include restricted and unrestricted funds.

Unrestricted – General Fund: these funds are derived from any unrestricted donations and grants received by IFS as well as from contracts for research that are unrestricted in nature. These are funds that can be used for any purpose within the charitable objects of IFS.

Unrestricted – designated Fixed Asset Fund: this fund represents resources set aside to cover future capital expenditure. The value of this fund at the year-end represents the net book value of tangible fixed assets and intangible assets.

Restricted – research funds: these funds represent grants and donations received to cover project expenditure on research projects. The restrictions are imposed by the funder, usually with respect to the specific research project being undertaken. The nature of the portfolio of research grants and contracts is such that in most cases income and expenditure are closely matched.

2. Membership and donations

	2023	2022
	£	£
Corporate membership	206,983	127,896
Individual membership	50,336	35,225
	257,319	163,120
Other donations	92,500	142,500
	349,819	305,620

Donations in the year totalling £620 were received from Trustees and their spouses.

3. Income from charitable activities

IFS frequently collaborates with universities and other research organisations. The income classification below is based on the ultimate funder of the research.

	2023	2023	2023	2022	2022	2022
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
ESRC	52,869	4,389,217	4,442,086	-	3,860,644	3,860,644
Charitable trusts and foundations	42,670	1,901,910	1,944,580	12,301	1,977,239	1,989,540
Government (or similar)	995,412	1,850,939	2,846,351	865,589	1,553,009	2,418,598
Other organisations	199,710	-	199,710	228,904	57,363	286,268
Event income	84,273	-	84,273	48,311	-	48,311
Publications	46,521	-	46,521	49,958	-	49,958
	1,421,454	8,142,067	9,563,521	1,205,064	7,448,255	8,653,319

IFS receives funds in the form of project grants, directly and indirectly, from the UK and other national governments, other governmental agencies and international governmental bodies. These funds are tied to specific research-related activities in the course of the standard charitable activities of IFS. IFS does not receive any funding in the form of general government grants or assistance. Therefore, it is not felt to be necessary, useful or practical to disclose further analysis within these accounts.

4. Investment income

All investment income arises from money held in interest-bearing deposits. IFS reinvests all dividends and other income earned on its investment fund and so takes no distributions to the Statement of Financial Activities.

5. Analysis of expenditure

Total costs include payments to third parties that work together with IFS on particular projects. Where the Institute is the lead organisation, it receives funding from the grant-giving body for all participating organisations for onward transmission. Gross receipts are reflected in the Institute's revenues and, depending on the types of project undertaken, may vary significantly from year to year.

	Total charitable activities £	Raising funds £	Governance costs £	Support costs £	2023 Total £	2022 Total £
Research collaborations & subcontracts	1,288,098	-	-	-	1,288,098	1,322,836
Data costs & data collection costs	322,039	-	-	-	322,039	282,549
IFS travel, accommodation & subsistence	242,429	-	-	-	242,429	131,173
Visitor travel, accommodation & subsistence	1,085	-	-	-	1,085	(800)
Event, publication & dissemination costs	465,303	-	-	52,529	517,832	328,565
Other direct costs	106,080	-	-	-	106,080	43,955
Premises	-	-	-	834,242	834,242	656,897
IT & office costs	-	-	-	339,527	339,527	274,115
Other staff costs	-	-	-	108,342	108,342	128,317
Insurance & professional fees	-	-	36,771	123,040	159,811	133,120
Other	-	-	-	65,834	65,834	48,228
Total costs (excl. staff costs)	2,425,035	-	36,771	1,523,513	3,985,319	3,348,957
Staff costs (universities)	664,927	-	-	-	664,927	875,028
Research Fellows & Research Associates	72,500	-	-	-	72,500	59,025
	737,427	-	-	-	737,427	934,053
IFS staff costs (research)	3,736,949	28,169	22,859	-	3,787,977	3,461,084
IFS staff costs (events & dissemination)	-	42,312	-	486,422	528,734	411,427
IFS staff costs (research services)	-	9,200	-	174,790	183,990	172,003
IFS staff costs (central)	-	2,703	20,563	414,786	438,051	419,224
	3,736,949	82,384	43,422	1,075,998	4,938,753	4,463,739
Total staff costs (incl. Fellows & Associates)	4,474,376	82,384	43,422	1,075,998	5,676,180	5,397,792
Total expenditure	6,899,411	82,384	80,193	2,599,511	9,661,499	8,746,749
Allocation of support costs (including governance)	2,666,853	12,850	(80,193)	(2,599,511)	-	-
Total expenditure	9,566,265	95,234	-	-	9,661,499	8,746,749

Analysis of expenditure 2022	Total charitable activities £	Raising funds £	Governance costs £	Support costs £	2022 total £
Research collaborations and subcontracts	1,322,836	-	-	-	1,322,836
Data costs and data collection costs	282,549	-	-	-	282,549
IFS travel, accommodation and subsistence	131,173	-	-	-	131,173
Visitor travel, accommodation and subsistence	(800)	-	-	-	(800)
Event, publication and dissemination costs	281,948	-	-	46,617	328,565
Other direct costs	43,955	-	-	-	43,955
Premises	-	-	-	656,897	656,897
IT and office costs	-	-	-	274,115	274,115
Other staff costs	-	-	-	128,317	128,317
Insurance and professional fees	-	-	44,435	88,685	133,120
Other	-	-	-	48,228	48,228
Total costs (excluding staff costs)	2,061,662	-	44,435	1,242,860	3,348,957
Staff costs (universities)	875,028	-	-	-	875,028
Research Fellows and Research Associates	59,025	-	-	-	59,025
	934,053	-	-	-	934,053
IFS staff costs (research)	3,412,051	27,478	21,555	-	3,461,084
IFS staff costs (events and dissemination)	-	31,110	-	380,318	411,427
IFS staff costs (research services)	-	17,200	-	154,803	172,003
IFS staff costs (central)	-	2,488	9,951	406,785	419,224
	3,412,051	78,276	31,506	941,906	4,463,739
Total staff costs (including Fellows and Associates)	4,346,104	78,276	31,506	941,906	5,397,792
Total expenditure	6,407,766	78,276	75,941	2,184,766	8,746,749
Allocation of support costs (including governance)	2,247,060	13,647	(75,941)	(2,184,766)	-
Total expenditure	8,654,826	91,924	-	-	8,746,749

6. Expenditure

2023	Unrestricted £	Restricted £	2023 total £	2022 total £
Cost of raising funds				
Direct costs (membership programme)	-	-	-	-
Staff costs (direct)	82,384	-	82,384	78,276
Support and governance costs (allocation)	12,850	-	12,850	13,647
	95,234	-	95,234	91,923
Charitable activities				
Project costs	119,607	2,305,428	2,425,035	2,061,662
Staff costs (total)	764,865	4,828,931	5,593,796	5,319,516
Support and governance costs (allocation)	211,588	1,335,846	1,547,434	1,273,647
	1,096,061	8,470,204	9,566,265	8,654,826
Total expenditure	1,191,295	8,470,204	9,661,499	8,746,749

2022	Unrestricted £	Restricted £	2022 total £
Cost of raising funds			
Direct costs (membership programme)	-	-	-
Staff costs (direct)	78,276	-	78,276
Support and governance costs (allocation)	13,647	-	13,647
	91,923	-	91,923
Charitable activities			
Project costs	137,736	1,923,927	2,061,662
Staff costs (total)	683,181	4,636,335	5,319,516
Support and governance costs (allocation)	163,573	1,110,074	1,273,647
	984,490	7,670,336	8,654,826
Total expenditure	1,076,413	7,670,336	8,746,749

IFS initially identifies the costs of its support functions. It then identifies the costs that relate to governance. The remaining support costs together with the governance costs are apportioned between charitable activities and the cost of raising funds.

The cost of raising funds includes costs related to the IFS membership programme and costs related to activities focused on seeking funding. These include some direct costs and direct staff time, as well as an allocation of support costs. Support costs are allocated on the basis of staff time.

Governance costs include the costs of external audit. Other governance costs relate primarily to costs associated with the AGM and Annual Lecture and dinner. No expenses were claimed by the Trustees during the year (2022: £0).

7. Net income

Net income is stated after charging:

	2023	2022
	£	£
Depreciation	38,220	40,903
Amortisation	46,503	11,626
Auditor's remuneration		
- Audit fees	24,750	39,000
Operating lease rentals – property	409,453	375,000

Audit fees are stated net of VAT and disbursements.

8. Analysis of staff costs and key management personnel

	2023	2022
	£	£
Wages and salaries	4,237,900	3,808,654
Social security costs	447,781	416,472
Pension costs	253,072	238,613
	4,938,753	4,463,739
Comprising:		
Researchers	3,787,977	3,461,084
Support staff	1,150,776	1,002,655
IFS payroll staff	4,938,753	4,463,739
Staff costs (universities)	664,927	875,028
Research Fellow and Research Associate payments	72,500	59,025
	5,676,180	5,397,792

IFS has agreements in place with several universities/institutions for the provision of an agreed proportion of the working time (typically 5–50%) of, during 2023, on average 10 (2022:12) named, highly skilled individuals to carry out specific research duties at IFS in their areas of academic excellence. In 2023, £50,000 (2022: £67,500) of the amount for Research Fellows and Research Associates relates to these individuals.

During 2023 the Institute's senior management team included: the Director, Paul Johnson, and the Research Directors, Professors Rachel Griffith, Fabien Postel-Vinay and Imran Rasul. In 2023, the total compensation for these key management personnel, including amounts due to universities under contractual arrangements for the provision of an agreed amount of the Research Directors' time, was £571,186 (1.85 FTE) (2022: £530,936 (1.85 FTE)).

8. Analysis of staff costs and key management personnel (cont.)

The numbers of employees whose emoluments (excluding pension contributions) were in excess of £60,000 are shown in the ranges below. In addition, pension contributions were paid by the Institute on behalf of these employees. The total sum of these contributions was £185,631 (for 31 employees) (2022: £133,566 for 22 employees).

	2023 Number	2022 Number
£60,001-£70,000	12	6
£70,001-£80,000	6	5
£80,001-£90,000	7	7
£90,001-£100,000	3	1
£100,001-£110,000	-	1
£110,001-£120,000	1	-
£120,001-£130,000	-	1
£130,001-£140,000	1	-
£230,001-£240,000	-	1
£250,001-£260,000	1	-
	31	22

9. Staff numbers

	2023 FTE	Average number	2022 FTE	Average number
Research staff				
Permanent contracts	33.9	37.8	34.0	37.8
Fixed-term contracts	12.9	16.3	9.5	11.8
Variable-hours contracts	1.6	4.5	0.3	4.5
	48.4	58.6	43.8	54.1
Central staff				
Events, publications, dissemination	9.2	10.8	7.2	8.2
Finance, HR, IT, central support	7.8	8.3	7.5	8.1
Research services	2.8	2.8	2.5	2.8
	19.8	21.9	17.2	19.0
Total	68	80.4	61	73.1
Full-time		54.3		50.3
Part-time		26.1		22.8

10. Tangible fixed assets

	Fixtures and improvements to short leasehold premises	Office equipment	Total
	£	£	£
Cost			
At 1 January 2023	781,607	372,686	1,154,293
Additions	-	42,201	42,201
Disposals and assets no longer in use	-	(5,399)	(5,399)
At 31 December 2023	781,607	409,487	1,191,094
Depreciation			
At 1 January 2023	774,819	320,654	1,095,473
Charge for the year	5,834	32,386	38,220
Disposals and assets no longer in use	-	(5,399)	(5,399)
At 31 December 2023	780,653	347,641	1,128,294
Net book value			
As at 31 December 2023	954	61,846	62,800
As at 31 December 2022	6,788	52,031	58,819

11. Investments

	2023	2022
	£	£
Fair value at the start of the year	-	-
Additions at cost	2,428,782	-
Disposal proceeds	-	-
Net gain in fair value	208,639	-
Fair value at the end of the year	2,637,421	-

At 31 December 2023 the total investment holding was in CCLA's COIF Charities Investment Fund.

12. Intangible assets

	IFS website £	Total £
Cost		
At 1 January 2023	139,508	139,508
At 31 December 2023	139,508	139,508
Amortisation		
At 1 January 2023	11,626	11,626
Charge for the year	46,503	46,503
At 31 December 2023	58,129	58,129
Net book value		
As at 31 December 2023	81,379	81,379
As at 31 December 2022	127,882	127,882

All contracted costs associated with the build of IFS's new website, in line with FRS 102 requirements.

13. Debtors

	Unrestricted £	Restricted £	2023 £	2022 £
Accrued income	220,023	866,599	1,086,622	1,040,999
Trade debtors	244,776	70,871	315,647	340,825
Other debtors	4,292	-	4,292	7,047
Prepayments	366,648	36,281	402,929	294,501
	835,739	973,751	1,809,490	1,683,373

14. Creditors

	Unrestricted £	Restricted £	2023 £	2022 £
Amounts falling due within one year				
Trade payables	355,473	91,806	447,279	206,955
Taxation and social security	129,598	-	129,598	110,011
VAT	41,942	-	41,942	57,387
Accruals	561,079	773,639	1,334,718	917,305
	1,088,092	865,445	1,953,537	1,291,658
Deferred income				
Balance at 1 January 2023	500,679	2,850,801	3,351,480	3,300,101
Amount released to income	(371,925)	(2,705,917)	(3,077,842)	(3,034,422)
Amount deferred in the year	294,056	2,978,529	3,272,585	3,085,800
Balance at 31 December 2023	422,810	3,123,413	3,546,223	3,351,480
Total creditors: amounts falling due within one year	1,510,902	3,988,858	5,499,760	4,643,137

As at 31 December 2023, total deferred income was £3,546,223 (2022: £3,351,480). This includes amounts received on multi-year projects, where the timing of the related expenditure may be more than 12 months from the balance sheet date. A proportion of this deferred income may therefore not be released to income until 2025.

Included in accruals is a provision for dilapidations of £333,414 (2022: £138,106). The estimated future costs of dilapidations are reviewed annually and adjusted as appropriate.

15. Analysis of movement in funds

2023	At 1 Jan 2023	Income	Expenditure	Net gains on investment	Transfers	At 31 Dec 2023
	£	£	£	£	£	£
Unrestricted funds						
General Fund	3,651,909	2,024,863	(1,191,295)	208,639	(285,616)	4,408,501
Fixed Asset Fund	58,819	-	-	-	3,981	62,800
Intangible Asset Fund	127,882	-	-	-	(46,503)	81,379
	3,838,610	2,024,863	(1,191,295)	208,639	(328,137)	4,552,680
Restricted funds						
Research funds	-	8,142,067	(8,470,204)	-	328,137	-
Total funds	3,838,610	10,166,930	(9,661,499)	208,639	-	4,552,680

2022	At 1 Jan 2022	Income	Expenditure	Transfers	At 31 Dec 2022
	£	£	£	£	£
Unrestricted funds					
General Fund	3,279,270	1,727,276	(1,076,414)	(278,224)	3,651,909
Fixed Asset Fund	62,377	-	-	(3,558)	58,819
Intangible Asset Fund	68,181	-	-	59,701	127,882
	3,409,828	1,727,276	(1,076,414)	(222,081)	3,838,610
Restricted funds					
Research funds	-	7,448,255	(7,670,336)	222,081	-
Total funds	3,409,828	9,175,531	(8,746,750)	-	3,838,610

Amounts have been transferred from the General Fund to restricted research funds to cover the overall deficit arising on the restricted research grants that completed during the year. This deficit was driven primarily by the effects of inflation on projects with multi-year budgets, and the lack of full overhead recovery on many of these projects.

Within restricted research funds are funds relating to projects where the agreement with the funder requests that the project funding is separately disclosed in the financial statements. During 2023, the income and expenditure on these grants was as set out below.

2023

Project name	Funder	Start date	End date	2023 income £	Accrued/(Deferred) income as at 31 Dec 2023 £
The Centre for Tax Analysis in Developing Countries – Phase 2 (TAXDEV II)	Foreign, Commonwealth & Development Office	11/11/18	30/04/23	433,392	-
The Centre for Tax Analysis in Developing Countries – Phase 3 (TAXDEV III)	Foreign, Commonwealth & Development Office	01/05/23	31/03/30	735,278	307,641
Taxation of Pensions	abrDn Financial Fairness Trust	01/07/21	28/02/23	47,218	-
Pensions Commission	abrDn Financial Fairness Trust	01/01/23	30/06/27	149,104	(100,466)
General Election policy proposal analysis	abrDn Financial Fairness Trust	01/01/24	31/12/24	0	(30,000)
Evaluating the Two-Child Limit	Nesta	01/12/22	31/03/24	59,834	(40,166)
UK 2040: Options – Taxation and Public Finance	Nesta	01/06/23	30/04/24	60,511	50,511

2022

Project name	Funder	Start date	End date	2022 income £	Accrued/(Deferred) income as at 31 Dec 2022 £
The Centre for Tax Analysis in Developing Countries – Phase 2 (TAXDEV II)	Foreign, Commonwealth & Development Office	11/11/18	31/10/22	1,033,938	355,746
Changing Patterns of Work in Later Life	Centre for Ageing Better	01/06/20	20/08/22	114,415	-
Taxation of Pensions	abrDn Financial Fairness Trust	01/07/21	28/02/23	99,060	6,782
Vocational Training, On the Job Training, and Resilience to the Covid-19 Shock	Massachusetts Institute of Technology	01/01/21	30/06/22	25,925	820

16. Analysis of net assets between funds

	2023	2023	2023	2022	2022	2022
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Tangible fixed assets	62,800	-	62,800	58,819	-	58,819
Investments	2,637,421	-	2,637,421	-	-	-
Intangible assets	81,379	-	81,379	127,882	-	127,882
Cash at bank and in hand	2,409,963	3,051,387	5,461,350	4,201,549	2,410,123	6,611,672
Net current assets/(liabilities)	(638,884)	(3,051,387)	(3,690,271)	(549,640)	(2,410,123)	(2,959,763)
Net assets at 31 December	4,552,680	-	4,552,680	3,838,610	-	3,838,610

17. Operating lease commitments

The total of future minimum lease payments under non-cancellable operating leases is set out below for each of the following periods.

	2023	2022
	£	£
One year	375,000	375,000
Two to five years	179,795	554,795

18. Pension scheme

The total pension cost to IFS for contributions to employees' pension schemes under IFS's group personal pension plans with Scottish Widows was £238,054 (2022: £223,853). In addition, two members of staff (2022: two) participated in other personal pension schemes, of their own choice, to which the Institute contributed £15,018 (2022: £14,650)

	2023	2022
	£	£
Scottish Widows	238,054	223,853
Other	15,018	14,650
	253,072	238,503

19. Related party transactions

None

20. Comparative information: Statement of financial activities for the year to 31 December 2022

Year ended 31 December	2022	2022	2022	2021
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Income from:				
Donations and legacies	305,620	-	305,620	123,537
Charitable activities	1,205,064	7,448,255	8,653,319	8,647,483
Investment income	22,341	-	22,341	704
Other income	194,251	-	194,251	-
Total income	1,727,277	7,448,255	9,175,531	8,771,724
Expenditure on:				
Raising funds	91,923	-	91,923	57,140
Charitable activities	984,490	7,670,336	8,654,826	8,418,979
Total expenditure	1,076,413	7,670,336	8,746,749	8,476,119
Net income	650,863	(222,081)	428,782	295,605
Transfers between funds	(222,081)	222,081	-	-
Net movement in funds	428,782	-	428,782	295,605
Reconciliation of funds:				
Total funds brought forward	3,409,828	-	3,409,828	3,114,223
Total funds carried forward	3,838,610	-	3,838,610	3,409,828

There were no other recognised gains or losses other than the net income for the year. All amounts relate to continuing operations.

