

CENTRE DIRECTOR'S ANNUAL REPORT 2013/14

Reporting Period	1 April 2013 to 31 March 2014
Name of Centre:	Centre for the Microeconomic Analysis of Public Policy
Director's Name	Richard Blundell
Start and End Date	1 October 2010 to 30 September 2015
Year of Operation	4
Cash limit	£7,048,719

Introduction

The last 12 months have again been an extremely active and exciting period for *ESRC Centre for the Microeconomic Analysis of Public Policy (CPP)* research at IFS.

Over the course of the year, researchers at CPP have made extensive scientific contributions and engaged in numerous activities delivering both academic and policy impact. We have contributed a series of new results across the broad range of areas covered by the Research Centre. We have continued to place emphasis on the dissemination of our research to both academic and policy audiences in the UK and abroad. We have also retained our focus on capacity building through the training of young researchers in the skills of empirically founded policy research. We have secured new co-funding and laid the groundwork for the research that we hope to develop over the course of the next year.

As growth has slowly returned to the economy over the last year, there has been a heightened interest in the reform of the tax and welfare system and a huge demand for our expertise in the policy debate. This has resulted in extensive research at CPP on the modelling of households, consumers and firms and the way they react to policy. We have now also established a substantial international dimension to our work, with scientific research and policy analysis extending to Europe, Asia and North America as well as many developing country regions.

We do not have space in this report to detail the extensive impact we had on the day-to-day debate on the design, reform and operation of policy, which this year spanned all areas of government economic policy including direct taxes and benefits, indirect taxes, corporate taxes and government spending. Full details are well documented in the outputs and KPI sections of this report.

Impact and highlights

Research progress

Among other research advances, economists have developed a life-cycle model incorporating household consumption and family labour supply decisions to elucidate the links between wage inequality and consumption inequality (ECB working paper 1656), and defined new ways of understanding the impact of tax credits and income support by determining their effect on female education choice, employment, hours and human capital accumulation (NBER working paper 19007). Highlights include:

Production functions for cognitive and socio-emotional skills in early childhood

We have estimated production functions for cognitive and socio-emotional skills in early childhood, drawing on detailed data from an early childhood intervention that Centre researchers ran in Colombia. This found strong evidence that a child's current stock of skill fosters the development of future skills, and that parental investments and parental human capital are complementary in the production of future skills. We have used the framework to understand the channels through which the elements of the intervention boosted the cognitive and socio-emotional skills of treated children. The work has been presented at many seminars and conferences, including at the NBER and Oxford University.

'What can wages and employment tell us about the UK's productivity puzzle?' (Economic Journal, forthcoming)

Richard Blundell, Claire Crawford and Wenchao Jin's analysis of productivity and wages in the UK was presented at a special session at RES in 2013. Work using firm-level productivity data was also published in a special issue of *Fiscal Studies* in June (Crawford et al 2013). We have continued to look at recent trends in the labour market and of productivity in the UK as well as internationally (with David Green from Vancouver School of Economics). Some of this work has fed into presentations by Richard Blundell and Paul Johnson at various conferences.

Scientific impact

This year, CPP has had a significant scientific impact. Research in peer-reviewed publications has included work on: test scores, subjective assessment and stereotyping of ethnic minorities (*Journal of Labor Economics*); school preferences and school choice (*Economic Journal*); the drivers of month-of-birth differences (*Journal of the Royal Statistical Society*); and non-parametric bounds on the behavioural and welfare effects of price changes (*American Economic Journal*). Highlights include:

'Income dynamics and life-cycle inequality: mechanisms and controversies' (Economic Journal, forthcoming)

This paper focuses on the transmission of inequality over the working life. A model of constrained intertemporal choice is used to provide structure to the distributional dynamics of wages, earnings, income and consumption. The mechanisms used to insure labour market shocks are examined in a partial insurance setting where the manner of and scope for insurance depend on the access to credit, the information available to consumers and the durability of income shocks. Drawing on recent research, family labour supply, the credit market and the tax

system are all shown to play a key role. These mechanisms vary in importance across different points of the life cycle and the business cycle.

'Bounding quantile demand functions using revealed preference inequalities' (Journal of Econometrics, 2014, 179, 112–27)

This work develops a new approach to the estimation of consumer demand models with unobserved heterogeneity subject to revealed preference inequality restrictions. Particular attention is given to non-separable heterogeneity. The inequality restrictions are used to identify bounds on counterfactual demand. A non-parametric estimator for these bounds is developed and asymptotic properties are derived. An empirical application using data from the UK Family Expenditure Survey illustrates the usefulness of the methods.

Economic and societal impact

This year, researchers have had significant impact in the media, government and civil society for their work on: marriage and cohabitation; reforms to the school financial system; the impact of month of birth on child outcomes; and ownership of intellectual property and corporate taxation. Highlights include:

Labour supply modelling and Universal Credit

In September 2013, IFS held a conference in Westminster focused on welfare reform, Universal Credit and labour supply. Researchers launched a briefing note analysing the effect of the coalition government's welfare reforms on financial work incentives, and presented estimates of possible responses to those incentives based on labour supply models developed in other Centre-funded research. Fran Bennett (Women's Budget Group and University of Oxford) discussed the design of Universal Credit's assessment, claims and payments process, while Stephen Brien (DWP) presented a government perspective. The event was well attended and received much media coverage, including a leading article in the *Daily Mail*.

Single-tier pension policy engagement

Centre researchers have been significantly involved in providing commentary on government proposals for a single-tier flat-rate pension. Analysts met numerous times with Treasury officials and DWP at their request, to discuss the implications of the proposed reforms. Researchers set out independent analysis of the impact of the single-tier pension in written and verbal evidence to the Parliamentary Work and Pensions Select Committee. Centre staff also published a full report on the implications of the bill. The Centre's independent analysis provided much-needed clarity for government officials, enabling them to give a more realistic picture of the winners and losers from the reform. The research also informed the wider public, as evidenced by attendees at the report's launch event, who included representatives from academia, the press, the charity sector and the private sector. The report has been downloaded over 17,000 times since its publication.

Knowledge exchange

Knowledge exchange is an important part of research development and dissemination at the Centre. Over the past year, researchers have worked closely with: the Institute of Education and NFER on the costs and benefits of different teacher training routes; HM Treasury and ONS on public sector pay; and the Department for Business, Innovation and Skills on student loan repayments. The Centre has also supported four secondments, as detailed on page 19 of the KPI section. Two highlights of our collaborative work are:

Collaborations on administrative data linkage

We have worked closely with other ESRC-funded researchers to push forward the use of administrative data in social research. We have collaborated with the Institute of Education to help link three large cohort studies to data from HMRC and DWP. We also formed part of the successful bid to set up the Administrative Data Research Centre for England. Drawing on CPP researchers' expertise in fiscal policy, we will be collaborating with colleagues at four other institutions, bringing together high-level multidisciplinary expertise to ensure a wide range of administrative data can be safely and effectively used in research. Together with the Centre for Longitudinal Studies, we have also developed survey questions to measure quantitatively the key drivers of young people's education decisions. These include expected returns, risk and time preferences, and dislike of school. We have successfully piloted these questions and many of them now look highly likely to be included in the age-14 Millennium Cohort Study survey.

Understanding choice and competition in the NHS

IFS is collaborating with the Nuffield Trust on a joint project focusing on the role of privately-owned hospital providers in treating NHS patients. The Nuffield Trust has a high profile in healthcare analysis in the UK and an extensive network of contacts, which has helped ensure that our research has been informed by and informs a wide audience – including practitioners, policymakers, academics and private sector providers. In 2013–14, we published two research reports and held two events. We also had meetings with Monitor, the Competition Commission and the Cabinet Office to discuss findings and provide advice.

International

CPP seeks to maximise its impact both nationally and internationally. Centre staff have presented work on tax design in Turkey, were awarded funding to analyse the WaterAid Nigeria programme, disseminated research on child health in Malawi in North America, and hosted Nobel Prize winner James Heckman at a conference on human capital. Highlights are:

Award of two Strategic Impact Evaluation Fund (SIEF) grants from the World Bank

Following the completion of research conducted in the previous year, which was awarded second prize for outstanding international impact by the ESRC, Centre researchers were awarded a SIEF grant to conduct a follow-up survey in Colombia to evaluate medium-term effects of an early childhood stimulation and micronutrient supplementation intervention. A second SIEF grant was awarded for a study of the links and interactions between low sanitation and health insurance in India.

Facilitating longer working lives

In April 2013, CPP hosted a meeting (in conjunction with the NBER and the Sloan Foundation) of international experts to consider issues surrounding 'Facilitating Longer Working Lives'. This brought together economists from the US, Europe, Japan and China to consider what is known about the variety of factors – on the employee and employer side, at the micro and macro level – that lead to early retirement. The meeting also sought to improve the future supply of data and evidence in this area by involving the lead economists from many of the major interdisciplinary ageing studies (HRS, ELSA, SHARE, JSTAR, CHARLS) and including a dedicated discussion of what more could and should be measured and what more could be done to harmonise the surveys. A follow-up meeting is planned for April 2014.

CPP researchers also represent the UK as one of 12 developed countries in an international project – with funding from the National Institute on Aging – to model the effect of ill health and entitlement to disability insurance on the labour supply of older people. The research has been presented internationally and will be published in a volume by Chicago University Press.

Progress against objectives

Research

Wages, skills and education

- Paper estimating the labour supply elasticity of NHS nurses submitted to a journal.
- Working paper on female labour supply and human capital formation published and submitted to *Econometrica*.
- Analytic framework and methodological strategies finalised for the validation project 'The ERA experiment: lessons for non-experimental methods'. Data are being obtained from DWP.
- Remit for 'Matching (and related) methods for causal analysis: a practitioner's companion' significantly expanded incorporating very recent advances in theory and software. Underlying software will be updated to include new features as a result.
- Paper 'Dealing with randomisation bias in a social experiment exploiting the randomisation itself: the case of ERA' submitted to *Journal of Econometrics* but 'hesitantly rejected'. Other options are being explored.
- Preliminary findings of research to design, develop and test questions to measure some potential drivers of young people's education choices (with Centre for Longitudinal Studies) presented at Essex University in March.
- Report and three working papers launched with significant policy and media interest on the impact of month of birth on child outcomes. One paper accepted in *JRSS*.
- Paper on parents' preferences for schools in England accepted in *Economic Journal*.
- Report launched investigating the socio-economic gaps in higher education outcomes.
- Two publications prepared as part of a project to update and improve simulations of graduate lifetime earnings profiles and the way these profiles are linked to individuals and institutions. Advice given to analysts at BIS responsible for government's estimates of the RAB charge.
- Paper published in *Fiscal Studies* on UK's experience of the Great Recession. Results publicised at a well-attended launch event which received good media coverage.
- Two papers published on the productivity puzzle in the UK, one in *Fiscal Studies*, the other in *Economic Journal* (forthcoming). Research received wide media coverage.
- Work with ISER on childcare published as interim report and in the IFS Green Budget.
- Several harmonised measures of educational attainment produced in collaboration with CLOSER and ALSPAC.
- Analysis of public-private wage differential presented to our steering group. Observation also published in response to new OBR forecasts. Final report to be published in Summer 2014.
- Briefing note published on the public sector workforce – the first publication of the project.

- Report for Sutton Trust comparing mix of students at grammar schools with mix in local area.
- Research on effects of teacher pay on pupil attainment presented at PEUK conference in June 2013. Working paper published in February 2014 alongside an IFS observation.
- National Pupil Database data linked to MCS teacher survey to significantly enhance NPD. Cleaning of national assessment data for each cohort member and creation of a school-level data set has improved MCS.
- Results from estimated production functions for cognitive and socio-emotional skills in early childhood presented at seminars and conferences in UK and internationally.

Labour supply, health and retirement

- Contributed to public debate of government tax and spending policy by publishing regular monthly press releases, holding public briefings following the Budget and Autumn Statement, and publishing a comprehensive assessment of the options facing the Chancellor in the Budget.
- Analysed profile of tax revenues and public spending across the constituent countries of the UK and constructed a long-run model for the public finances of the UK and Scotland. Results published in briefing notes and launched at public events, including a large public event held in Edinburgh in November 2013.
- Published assessment of impact of government's benefit reforms (especially Universal Credit) on work incentives for different groups and how labour supply might respond.
- Analysed nature of responses in taxable income to the higher rate of income tax.
- Discussed empirical analysis of relationship between National Insurance contributions and distribution of earnings with international partners at workshops in Paris and Berlin.

Savings, housing and consumer behaviour

- Estimated individuals' state pension entitlements under alternative pension systems using linked administrative and survey data. Continued analysis of how the state pension system affects distribution of income across individuals' lifetimes and between individuals.
- Used administrative earnings data linked to household survey data to estimate a life-cycle model of retirement wealth accumulation, with heterogeneous earnings processes. Work submitted to several conferences over the next year.
- Published report on single-tier pension proposals in July 2013; launched at an event attended by delegates from varied sectors. Evidence given to Work and Pensions Select Committee.
- Adapted and extended existing microsimulation model of the pensioner population and income distribution to project the likely future level and distribution of pensioner incomes up to 2025.
- Published assessment of how cuts to local housing allowance have been shared between tenants and landlords using administrative data on new claimants of LHA.
- Extended microsimulation model of the future distribution of economic outcomes among pensioners, incorporating more recently available data and new policy announcements.

Firms and corporate behaviour

- Published work comparing diet and nutrition across UK, US and France in *American Economic Review*.
- Progressed evaluation of Healthy Start voucher scheme on purchases of fruit and vegetables and presented work at several conferences.
- Developed research modelling firms' and consumers' choices between national brands and retailer own-brands.
- Had paper on the impact of corporate taxes on firm behaviour accepted in *Journal of Public Economics*.
- Published briefing note on UK policy options for reducing alcohol consumption.
- Presented, at major international conferences and workshops (EEA, CEPR, Boston), ongoing work on understanding impacts of firm advertising and government information provision on consumer decision-making.
- Continued work modelling how consumer food purchasing behaviour altered over the recession and published briefing note describing changes in diet over this period.
- Presented work understanding how trends in food purchasing behaviour and physical activity fit with rising obesity over the past 30 years at numerous conferences. Published briefing note.
- Hosted Festival of Social Science event on 'Understanding Changes in the British Diet' showcasing work on changes in food purchasing behaviour.
- Published descriptive evidence on the role of public and independent hospitals in providing publicly-funded operations in a joint report with the Nuffield Trust, launched at a public event in May 2013.

Capacity building

Recruited 7 new research economists (4 on short-term one-year contracts); hosted 6 summer students; supervised 4 PhDs; hosted 56 visiting scholars; held a public economics day in London with panel session on

careers in economics; gave lectures in public economics in London, Oxford and Cambridge; held 23 work-in-progress seminars for internal and external speakers; held 12 public economics seminars (with STICERD).

Communication and engagement strategy

Held 1 in-house broadcast training day; had regular meetings of IFS communications committee; sent out 4 quarterly newsletters; presented 218 papers at conferences or seminars; hosted 61 events; sent 96 tweets; wrote 18 web observations; wrote 6 impact vignettes, which were published online, illustrating the impact of Centre-funded research.

Summary of performance against Key Performance Indicators (KPIs)

During the year, 21 refereed journal articles were published or forthcoming and 41 working papers were produced. Centre staff presented 218 papers at conferences or seminars. We wrote 25 non-academic pieces (observations and briefing notes), 14 non-technical reports and 9 public finance bulletins. We also wrote 10 newspaper articles.

Centre researchers gave 261 broadcast interviews during the period (with 2,773 broadcast mentions of IFS work). Researchers were cited around 2,127 times in the printed media. We had 1.5m visits to the website over the past year. IFS has increased its following on Twitter from just under 9.5k to over 11.7k; see <http://twitter.com/theifs>.

KPI targets related to Literature, Capacity Building, Collaborations, Financials and Public Lectures/Seminars were all broadly met.

ESRC general indicators for reporting to government

Name of Investment	
Indicator	<i>(Please complete this column)</i>
A: Number of activities and events involving the general public	10
B: Number of grants attracted by the investment (involving leveraged funding and/ or in-kind contributions)	105
C: Number of public policy/business/civil society orientated seminars and workshops	41
D:	
(i) How many non-academic users have worked within the investment on a formal basis to complete a specific programme of work?	1
(ii) How many researchers have the investment placed in user organisations on a formal basis to complete a specific programme of work?	3
<i>NB – placements funded through ESRC placement schemes should not be included.</i>	

E: Number of non-academic users on the investment’s Advisory Committee	
(i) Total number of Advisory Committee members:	(i) 10
(ii) Total number of non-academic user members:	(ii) 4
<i>Including:</i>	
Number of private sector members:	Private sector: 1
Number of public sector members:	Public sector: 2
Number of civil society members:	Civil society: 1

Indicator A: Activities and events involving the general public

Complete the Table for each activity or event:

Title	Date	Format	Total number of participants	Number of general public participants
Living standards, poverty and inequality in the UK: 2013	14/06/2013	Briefing	109	
IFS Briefing on the Spending Round 2015–16	27/06/2013	Briefing	159	
The economics of inequality and human development: a lecture by James Heckman (Chicago)	03/09/2013	Lecture	275	
IFS Annual Lecture by Professor Stephen Machin (UCL)	15/10/2013	Lecture	257	
Are we heading towards a corporate tax system fit for the 21st century? A lecture by Michael Devereux (Oxford)	30/10/2013	Lecture	179	
The fiscal implications of an independent Scotland	18/11/2013	Briefing (Edinburgh)	163	

Autumn Statement 2013: IFS analysis	06/12/2013	Briefing	198	
IFS Public Economics Lectures 2013	16/12/2013	Lectures	78	
IFS Green Budget 2014	05/02/2014	Briefing	592	
IFS Post-Budget Briefing 2014	20/03/2014	Briefing	49	

Indicator B: Grants attracted by the investment (involving leveraged funding and/ or in-kind contributions)

For each grant please complete a separate row of the following table:

Name of grant	Name of organisation providing funding	Start date	End date	Total value of grant* (if in-kind contributions please report this and state their nature)	Amount of funding in 2012/13 (estimated by allocating funding by financial year)	Specify whether private, public or civil society funding / in-kind contribution
Evaluating the impact of alternative CCT modalities in Macedonia	3ie	31/03/2013	31/03/2015	170,000	31,854	Public
Evaluation of Centres for Infant Development: an early years intervention in Colombia	3ie	15/04/2013	31/12/2015	203,100	30,499	Public
Alternative models of early child education	3ie	01/06/2010	31/01/2014	683,000	2,493	Public
Health risks and migration	AFD	01/11/2009	31/10/2013	128,000	12,659	Public
Visiting lecturer Charles Manski	British Academy	01/03/2013	31/03/2013	2,994	2,994	Public
Tax Law Review Committee 2012–15	Consortium	01/04/2012	31/03/2015	103,000	6,462	Private

Pensions Consortium (3) 2013–15	Consortium	15/05/2013	14/05/2015	110,000	26,040	Private/Public
Estimating the long-term impacts of EPPE	Dept for Education	01/10/2012	01/12/2013	57,550	33,697	Public
CAYT: Centre for the Analysis of Youth Transitions	Dept for Education	01/01/2010	31/03/2014	1,460,000	243,539	Public
CUBeC: Centre for Understanding Behaviour Change	Dept for Education	01/03/2010	31/03/2014	528,000	27,545	Public
16–19 Bursary Fund evaluation (via IoE)	Dept for Education	01/04/2012	31/10/2014	54,148	18,430	Public
Low birth weight in South Asia: a study into cost-effective intervention	DfID	01/07/2012	31/12/2014	40,196	2,500	Public
Child Development Grants Nigeria	DfID	01/07/2013	31/12/2017	111,500	35,432	Public
LPO impact assessment	Dept for Work and Pensions	01/03/2012	31/01/2013	3,250	3,250	Public
Housing benefit evaluation	Dept for Work and Pensions	01/04/2011	31/01/2014	147,570	39,443	Public
HBAI checking 2012–15: year 1	Dept for Work and Pensions	01/07/2012	30/06/2013	54,650	19,272	Public
Universal credit: feasibility study for ex post evaluation	Dept for Work and Pensions	12/12/2012	31/03/2013	38,425	38,702	Public
HBAI checking 2012–15: year 2	Dept for Work and Pensions	01/07/2013	30/06/2014	59,835	4,130	Public
Early childhood development in villages near Sambalpur, Odisha, India	Donation	01/06/2011	31/05/2013	73,905	19,669	Private
Evaluating the use of incentives in disadvantaged schools in England	Education Endowment Foundation	03/07/2012	31/08/2014	48,530	3,264	Public
Evaluation of the LIT programme	Education Endowment	01/07/2012	31/12/2013	70,973	74,238	Public

	Foundation					
Evaluation of the I CAN language programme	Education Endowment Foundation	01/01/2013	31/12/2014	55,930	2,634	Public
Evaluation of Reading Intervention and Reading for Meaning (aka REACH)	Education Endowment Foundation	01/01/2013	31/12/2014	59,282	4,984	Public
An independent assessment of government policy towards energy use	Esmée Fairbairn Foundation	01/10/2012	31/12/2013	65,075	49,666	Civil Society
Sustainable Lifestyles Research Group: price responsiveness of demand in energy and transport	ESRC	01/03/2010	20/12/2013	221,673*	64,857	Public
Understanding external determinants of the effectiveness of conditional cash transfers: a benchmarking investigation	ESRC	01/06/2010	31/05/2013	124,830*	16,160	Public
Developing robust methods for evaluating policies in the markets for food and nutrition	ESRC	01/04/2011	31/03/2014	750,295	271,935	Public
Programme Evaluation for Policy Analysis (PEPA) node	ESRC	01/10/2011	31/03/2015	1,789,935	507,049	Public
Public finances analysis 2011–13	ESRC	01/08/2011	31/07/2013	20,000	3,213	Public
Impact of school resources and teacher pay across local authorities: a regression discontinuity design	ESRC	05/03/2012	04/03/2013	92,235	13,370	Public
Marriage and consumption	ESRC	01/02/2012	31/01/2014	93,423	41,712	Public
Improving productivity in developing countries: identifying bottlenecks and obstacles to investments and technology adoption	ESRC	01/03/2012	28/02/2015	359,815	29,414	Public
IT infrastructure upgrade and contribution to research	ESRC	01/08/2012	30/09/2015	260,000**	103,705	Public
The effect of free childcare on maternal labour supply and child development (via ISER)	ESRC	01/10/2012	31/03/2014	41,821*	6,122	Public
NCRM: using survey data to enhance administrative data for policy-relevant research	ESRC	01/10/2012	30/09/2014	29,449*	(deferred to 2014)	Public
Characterising informal risk sharing in family networks	ESRC	01/10/2012	30/09/2015	204,767	66,460	Public
The impact of social security contributions on earnings	ESRC	01/09/2012	31/08/2015	541,164	34,516	Public
Scottish independence: fiscal options and constraints	ESRC	01/12/2012	30/11/2013	198,495	153,232	Public
The economics of energy policy in the UK	ESRC	01/10/2012	30/09/2013	72,230	56,973	Public
What drives the education decisions of young people in the UK	ESRC	01/01/2013	31/12/2013	89,372	67,428	Public
Education, labour supply and marriage	ESRC	01/05/2013	30/04/2016	332,124	26,520	Public

ESRC–HMRC Tax Administration Centre	ESRC	01/01/2013	31/12/2017	814,860*	62,165	Public
TAXBEN	ESRC	01/04/2013	31/03/2014	30,000**	198	Public
Retirement resources in Britain: evidence and prospects for the future (KE programme)	ESRC	01/04/2013	31/03/2015	110,000**	25,808	Public
The accumulation of human capital in developing countries	ESRC	01/07/2013	30/06/2016	822,007	77,541	Public
Celebrating Impact prize	ESRC	01/06/2013	31/05/2014	5,000**	(deferred to 2014)	Public
Combining micro- and macro-economic approaches to fiscal policy evaluation	ESRC	01/10/2013	30/09/2015	251,687	16,357	Public
ELSA GWAS (via UCL)	ESRC	01/10/2012	30/04/2014	52,219*	32,980	Public
Public finances analysis 2013–15	ESRC	01/09/2013	31/08/2015	20,168**	4,065	Public
Festival of Social Sciences 2013	ESRC	01/08/2013	31/12/2013	1,844**	1,844	Public
CLOSER – Cohort and Longitudinal Studies Enhancement Resources	ESRC	01/10/2012	30/09/2016	225,389	15,049	Public
TAXUD: VAT 2	European Commission	01/12/2012	31/08/2013	18,215	18,728	Public
Exiting long-run poverty: the determinants of asset accumulation in developing countries	European Research Council	01/07/2010	31/12/2013	614,881	146,613	Public
Microeconomic analysis of prices, food and nutrition (MAPFAN)	European Research Council	01/10/2010	30/09/2015	1,301,010	248,876	Public
Welfare state in a complex world	European Research Council	01/04/2011	31/03/2016	1,957,487	255,850	Public
Analysis of the Colombian strategy against extreme poverty (UNIDOS)	Fedesarrollo	01/01/2013	30/06/2014	24,500	16,705	Civil society
Grand Challenges: ECD Colombia (via Penn)	Grand Challenges Canada	01/07/2013	30/06/2014	34,375	2,849	Public
Comparison of instruments to measure early childhood development in children 6–42 months	IADB	01/05/2012	31/07/2013	6,250	3,298	Public
The outlook for living standards and poverty in later life	Joseph Rowntree Foundation	20/02/2012	20/07/2014	332,120	156,391	Civil society

The public sector workforce: changing fortunes	Joseph Rowntree Foundation	01/12/2012	28/02/2014	117,250	44,999	Civil society
Poverty and inequality in the UK (HBAI report 2013)	Joseph Rowntree Foundation	01/03/2013	16/08/2013	27,380	27,380	Civil society
Bob Buist Memorial Fund	Legacy	01/01/2013	31/12/2015	15,000	2,942	Private
Visiting professorship: David Green	Leverhulme Trust	01/07/2013	15/12/2013	19,084	17,266	Civil society
The impact of the NMW regime on firm investment and labour hoarding during the recent recession	Low Pay Commission	01/03/2012	31/01/2013	24,615	8,215	Public
Payment by results pilot programme	Ministry of Justice	11/06/2012	15/02/2013	50,667	43,634	Public
MRC visiting fellowship: Dr von Hinke Kessler Scholder	MRC	01/01/2013	31/08/2013	27,725	27,725	Public
English Longitudinal Study of Ageing 2010–14	NIA, UK Govt	01/08/2010	31/07/2014	495,353	154,523	Public
Early childhood development for the poor: impacting at scale	NIH	01/06/2013	31/05/2018	263,580	51,702	Public
Housing price risk: merit award extension	NIH	01/05/2011	30/04/2016	47,766	20,720	Public
International differences in health, longevity and SES	NIH	01/09/2011	31/08/2016	62,000	41,955	Public
Health and economic status in older populations (Hurd extension)	NIH	01/07/2013	30/06/2018	303,145	19,574	Public
To what extent do those on high incomes respond to changes in marginal tax rates?	Nuffield Foundation	01/07/2012	31/12/2014	100,913	24,589	Civil society
Redistribution and insurance across the life cycle: the effects of the UK tax and benefit system	Nuffield Foundation	01/01/2013	31/12/2014	296,413	83,208	Civil society
Green Budget 2013	Nuffield Foundation	01/12/2012	28/02/2013	131,010	54,194	Civil society
Assessing the impact of the increase in the female state pension age on employment and earnings (2)	Nuffield Foundation	01/04/2013	31/03/2014	22,213	15,800	Civil society
The costs and benefits of different teacher training routes: the recruitment, training and retention of trainee teachers in England	Nuffield Foundation	01/05/2013	31/03/2015	189,234	20,075	Civil society
Impact of the month of birth on the development of cognitive and non-cognitive skills throughout childhood	Nuffield Foundation	01/10/2009	31/03/2011	94,834	11,166	Civil society
Births out of wedlock and cognitive and social development throughout childhood: a quantitative analysis	Nuffield Foundation	01/10/2009	31/03/2013	101,286	33,968	Civil society

Understanding the mechanisms of in-work benefits	Nuffield Foundation	01/10/2012	30/06/2014	106,320	24,697	Civil society
Behavioural economics and public policy: understanding the implications and an application to UK smoking data	Nuffield Foundation	01/05/2011	31/03/2013	96,437	28,632	Civil society
Higher education funding and access	Nuffield Foundation	01/07/2011	30/06/2013	96,011	32,564	Civil society
Healthcare markets programme	Nuffield Trust	01/10/2011	30/09/2014	225,000	75,649	Civil society
Poverty in Northern Ireland from 2011 to 2020: the impact of Universal Credit	OFMD/FMNI	01/04/2012	31/07/2014	131,384	32,804	Public
Easing constraints for small firm expansion in Uganda: measuring indirect spillovers through inter-firm networks	PEDL/DfID	01/04/2013	31/03/2016	348,600	52,241	Public
Article preparation charges	RCUK/ESRC	01/04/2013	31/03/2015	193,378	17,309	Public
Early childhood education and care (Research Council of Norway)	Research Council of Norway	01/10/2012	30/09/2015	75,000	22,990	Public
Evaluation of Aspiring Professionals and Investment Bank Residential programmes	Social Mobility Foundation	19/11/2012	31/03/2018	34,256	787	Civil society
Consequences of recent HE finance reforms for graduate incomes	Sutton Trust	01/02/2013	28/02/2014	29,575	9,966	Civil society
Characteristics of grammar schools	Sutton Trust	01/01/2013	30/06/2013	16,380	16,380	Civil society
A comparison of commonly used socio-economic indicators and their relationship with educational disadvantage	Teach First	18/06/2012	18/09/2012	9,810	4,524	Civil society
Future scenarios for BIS and higher education spending	Universities UK	23/04/2013	31/01/2014	60,500	9,717	Public
Understanding social influences in household sanitation uptake and usage in India	Waste	01/08/2013	31/03/2014	15,000	(deferred to 2014)	Civil society
Sustainable Total Sanitation in Nigeria	WaterAid/Gates Foundation	20/11/2013	31/03/2014	150,000	14,865	Civil society/Private
Evaluation of Sustainable Sanitation, Nigeria (Phase 1)	WaterAid/Gates	02/04/2013	31/10/2013	25,110	25,110	Civil society/Private

	Foundation					
ECD in the slums of Sambalpur	Waterloo Foundation	01/12/2012	31/12/2015	85,000	38,578	Private
The impact of the UK government's welfare reform on labour supply in Wales	Welsh Assembly Government	10/07/2012	31/01/2013	56,020	23,436	Public
Welsh public services 2025	WLGA	01/07/2013	30/09/2013	20,035	20,035	Public
Conditional cash transfer programme in Kazakhstan	World Bank	01/10/2010	31/07/2013	26,000	6,445	Public
Incentivising sanitation uptake and sustainable usage through micro health insurance	World Bank	01/01/2013	31/03/2016	15,500	4,247	Public
The medium-term effects of a home-based early childhood intervention in Colombia	World Bank	01/06/2013	31/12/2014	15,500	3,298	Public
A manual of MEXTAX-LATAX	World Bank	01/11/2012	20/12/2012	8,000	1,409	Public
Evaluation of the rapid results approach to improve child nutrition in Nepal	World Bank	06/05/2013	30/05/2013	5,000	3,355	Public
Incentivising Sanitation Uptake and Sustainable Usage through Micro Health Insurance impact evaluation	World Bank	03/02/2014	31/03/2017	131,906	10,155	Public
Does a home visiting programme in early childhood have sustained effects on development two years after it ends? Evidence from Colombia	World Bank	01/08/13	31/12/2014	142,856	33,306	Public
Taxation and corporate innovation	ZEW	01/05/2012	30/04/2013	12,500	12,441	Private

* When the grant is calculated on fEC basis please provide the 100% fEC figure and note what level it is funded at

All grants from ESRC are calculated on fEC basis and funded at 86% fEC, with the exception of those starred * which are funded at 80% fEC and those starred ** which are funded at 100% fEC. Income is calculated on the IFS financial year which is the calendar year.

Indicator C: Public policy/business/civil society orientated seminars and workshops

Complete the Table for each activity or event:

Title	Date	Target audience	Number of participants
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Universal pre-school childcare	08/05/2013	Public and private sectors and civil society	123
The impact of month of birth on child development	10/05/2013	Public and private sectors and civil society	60
Competition for care: understanding the changing NHS market and the role of independent care providers	20/05/2013	Public and private sectors and civil society	153
Aligning learning incentives of students and teachers	30/05/2013	Public and private sectors and civil society	45
Informing policy for development	31/05/2013	Public and private sectors and civil society	78
Methods for ex ante and ex post policy evaluation	03/06/2013	Public and private sectors and civil society	54
A workshop on evaluating the impact of youth programmes	03/06/2013	Public and private sectors and civil society	69
Fiscal Studies journal event: labour productivity and wages over the course of the recession	12/06/2013	Public and private sectors and civil society	99
Living standards, poverty and inequality in the UK: 2013	14/06/2013	Public and private sectors and civil society	109
Advances in empirical policy evaluation	19/06/2013	Public and private sectors and civil society	70
Recent advances in programme evaluation	20/06/2013	Public and private sectors and civil society	65
IFS briefing on the Spending Round 2015–16	27/06/2013	Public and private sectors and civil society	159
Single-tier pension event	11/07/2013	Public and private sectors and civil society	58

Corporate members' breakfast with Edward Troup	24/07/2013	Public and private sectors and civil society	9
The economics of inequality and human development: a lecture by James Heckman (Chicago)	03/09/2013	Public and private sectors and civil society	275
Universal Credit	11/09/2013	Public and private sectors and civil society	173
Competition and market mechanisms in healthcare	13/09/2013	Public and private sectors and civil society	30
Where next for tax? 2015 and beyond (Liberal Democrat party conference fringe event)	17/09/2013	Public and private sectors and civil society	50
Where next for tax? 2015 and beyond (Labour party conference fringe event)	24/09/2013	Public and private sectors and civil society	46
Where next for tax? 2015 and beyond (Conservative party conference fringe event)	01/10/2013	Public and private sectors and civil society	62
Robust inference and policy evaluation	09/10/2013	Public and private sectors and civil society	90
Simulation methods and robust inference for clustered data (day 1)	10/10/2013	Public and private sectors and civil society	64
Simulation methods and robust inference for clustered data (day 2)	11/10/2013	Public and private sectors and civil society	63
IFS Annual Lecture by Professor Stephen Machin (UCL)	15/10/2013	Public and private sectors and civil society	257
Dynamics of labour market policy prescription and evaluation	25/10/2013	Public and private sectors and civil society	78
Dynamic economics in practice	28/10/2013	Public and private sectors	26

		and civil society	
Are we heading towards a corporate tax system fit for the 21st century? A lecture by Michael Devereux (Oxford University Centre for Business Taxation)	30/10/2013	Public and private sectors and civil society	179
Energy use policies and carbon pricing in the UK	01/11/2013	Public and private sectors and civil society	78
Understanding changes in the British diet	04/11/2013	Public and private sectors and civil society	79
The fiscal implications of an independent Scotland	18/11/2013	Public and private sectors and civil society	163
OECD event: pensions at a glance 2013	26/11/2013	Public and private sectors and civil society	49
Autumn Statement 2013: IFS analysis	06/12/2013	Public and private sectors and civil society	198
Leverhulme Lecture organised by IFS–STICERD: David Green (UBC)	11/12/2013	Public and private sectors and civil society	43
IFS Public Economics Lectures 2013	16/12/2013	Students	78
A workshop on evaluating the impact of youth programmes	18/12/2013	Public and private sectors and civil society	71
Tom Sargent: fiscal discriminations in three wars	21/01/2014	Public and private sectors and civil society	70
IFS Green Budget 2014	05/02/2014	Public and private sectors and civil society	592
Introduction to impact assessment 2014	06/03/2014	Third sector	36

Policy evaluation methods – March 2014	18/03/2014	Public and private sectors and civil society	26
IFS post-Budget briefing 2014	20/03/2014	Public and private sectors and civil society	49
Survival analysis: modelling time-to-event data	24/03/2014	Public and private sectors and civil society	18

Indicator D: Placements: (i) non-academic users hosted and (ii) researchers placed in user organisations

NB – Placements funded through ESRC placement schemes should not be included.

For each placement please complete the Table below:

Name	Hosted [Where from?]	Placed [Where to?]	Dates	Placement duration (weeks / months)	Purpose:
Katy Heald	HM Treasury	IFS	6 January – 5 July 2014	6 months	Research and knowledge exchange
Helen Miller	IFS	Bank of England	1 March – 30 June 2013	4 months	Research and knowledge exchange
James Browne	IFS	HM Treasury	6 January – 5 July 2014	6 months	Research and knowledge exchange
Marta Rubio-Codina	IFS	IADB	15 October 2013 – 31 August 2015	22.5 months	Research and knowledge exchange

Collaborative activities with other ESRC investments

Centre researchers work informally with members of other investments, particularly the Centre for Microdata Methods and Practice at IFS and those based at UCL and LSE. Collaborative activities with other ESRC investments during the period include:

- Joint project with Institute of Education (IoE) and the cohort studies, linking NCDS/MCS to HMRC/DWP data. Draws on IFS expertise on tax/benefits/pensions to enhance the analysis of economic administrative data.
- Joint project on wages, the labour market and the productivity puzzle with the ESRC Centre for Economic Performance (CEP). Resulting in a special session at the 2013 Royal Economic Society (RES) conference and a set of three forthcoming papers in *Economic Journal*.
- Collaboration with Southampton/UCL/IoE/LSHTM, forming part of the new Administrative Data Research Centre for England – a consortium funded by the ESRC, focusing on providing access to government data for academic research. Draws on IFS expertise on tax/benefits/pensions to enhance the analysis of economic administrative data.
- Contributed to a special issue of *National Institute Economic Review* on the potential implications of Scottish independence as part of the collaborative ESRC project on Scotland. This work will be presented at a special session at the RES annual conference in April 2014.
- Carl Emmerson is on the advisory board of the ESRC Research Centre on Micro-Social Change (MISOC).
- Participation in CLOSER, a joint ESRC and MRC project. Collaboration with researchers from the Centre for Longitudinal Studies (CLS) at IoE and the ALSPAC team in Bristol to harmonise measures of socio-economic circumstances across a range of data sets. We are also coordinating closely with researchers at the MRC Unit for Lifelong Health and Ageing.
- Collaboration with CLS, collecting data on young people's risk and time preferences.
- Work with researchers from CMPO on parents' preferences for schools. Paper accepted in *Economic Journal* (with Simon Burgess, Anna Vignoles and Deborah Wilson).

Annex 1: Key Performance Indicators

Indicator	KPI	Impact within the Public, policy and practice world			Academic world and scientific quality			Total		
		Target 13/14	Actual 13/14	Target 14/15	Target 13/14	Actual 13/14	Target 14/15	Target 13/14	Actual 13/14	Target 14/15
Targets		Target 13/14	Actual 13/14	Target 14/15	Target 13/14	Actual 13/14	Target 14/15	Target 13/14	Actual 13/14	Target 14/15
Literature - Value placed upon incentives for generation of impact										
Conference papers										
*L1	Please indicate how many conference papers your award has produced (directly attributable to your ESRC research grant)				90	218	100			
L1Q	Inclusive of lectures at national and international conferences, presentations and seminars.									
Books										
L2	Please indicate how many books your award has produced (directly attributable to your ESRC research grant)	n/a	n/a	n/a	3	0	1	3	0	1
L2Q	NB Annual printed publications including the <i>Green Budget</i> and <i>Living Standards, Poverty and Inequality</i> are counted as part of the IFS report series.									
Book chapters										
*L3	Please indicate how many book chapters your award has produced (directly attributable to your ESRC research grant)	n/a	n/a	n/a	10	20	10	10	20	10
L3Q										
Refereed journal papers										

*L4	Please indicate how many academic journal papers your award produced (directly attributable to your ESRC research grant)				30	21	20			
L4Q										
	Other publications (inc Working Papers, Research Briefings, Newsletters)									
L5	Please count all <u>other</u> publications (directly attributable to your ESRC research grant)							70	125	80
L5Q	The 'actual' number includes working papers (41), reports (14), briefing notes (7), observations (18), newspaper articles (10) and public finance bulletins (9).									

Indicator	KPI	Impact within the <u>Public, policy and practice world</u>			<u>Academic world and scientific quality</u>			Total		
		Target 13/14	Actual 13/14	Target 14/15	Target 13/14	Actual 13/14	Target 14/15	Target 13/14	Actual 13/14	Target 14/15
Targets										
Capacity building										
	PhD students (ESRC funded/ other)									
*CA1	How many PhD students are attached to your grant (ESRC funded/ other)				4	4	6			
CA1Q	3 ESRC funded over the period (Arun Advani, Vittorio Bassi and Jose Forero); 1 non-ESRC funded (Michael Graber). During 2014–15, we expect to host 4 ESRC-funded and 2 non-ESRC-funded PhD students.									
	Post-Doc Fellows									

CA2Q	How many Post-Doc fellows are attached to your grant				n/a	n/a	n/a			
CA3 Qual	Destination of staff									
CA4 Qual	Staff development	<p>Staff at all levels are encouraged to improve their skills through formal and informal systems. An individual annual review system provides a formal structure for staff to identify areas for development; just as importantly, researchers work in small teams in open-plan offices, where junior staff interact with senior staff and Research Fellows and are encouraged to put forward their own ideas and to take on increasingly responsible roles in projects. Tailored in-house media training is offered periodically to new (and more experienced) staff; the most recent training day was held in December 2013. Almost half of the IFS staff participate in the IFS Budget and Green Budget briefings, including the Director, programme directors, senior research economists and research economists at the start of their careers. The Budget analysis also gives an opportunity for Centre staff to work backstage at the BBC, briefing journalists on the potential impacts of the measures proposed. In addition, we provide an induction programme for new starters to familiarise them with IFS work, communication strategy and the research environment.</p>								
Collaborations - Two way interactions between researchers and users										
Overseas / UK visitors (including visiting fellows)										
*C01	Please indicate how many visiting fellows you have hosted				20/3	17/3	20/3			
C01Q										
Knowledge Exchange engagement – staff members in placements										
C02	Please indicate how many staff members are involved in formal placement schemes, i.e. you may have staff members who spend a day a week working in the public / private / or civil society.							1	4	2

CO2Q	<p>Following the successful four-month secondment of Senior Research Economist Helen Miller to the Bank of England, IFS has organised a number of secondments to develop the expertise of both individual researchers and the Institute as a whole. In January 2014, Katy Heald from the Personal Tax, Welfare and Distributional Analysis group at HM Treasury, began work at IFS on the 'Pensioner Prospects' project, forecasting pensioner incomes to 2022 to analyse pensioner poverty. Her secondment will be for six months. Senior Research Economist James Browne was seconded to the Labour Markets and Distributional Analysis team at HM Treasury in her place. Marta Rubio-Codina, Senior Research Economist, began a 22-month secondment in 2013 at the IADB, providing technical assistance to the Social Protection and Health division in the design of home-visiting programmes for under-3-year-olds, and the identification of adequate measuring tools.</p>	
CO3 Qual	<p>Partner collaborations – industry, business, civil society</p>	<p>Please use this space to indicate any partner collaborations you may have with industry, business or the civil society. Perhaps you have collaborated on a piece of work, or spoken at stakeholder events etc.</p> <p>Collaborative events and research include:</p> <ul style="list-style-type: none"> • Retirement Saving Consortium (including DWP, Treasury, FSA, NAPF , Investment Management Association, Association of British Insurers) • Tax Administration Research Centre (HMRC/HMT/ESRC) • Green Budget 2014 (with analysis from Oxford Economics) • Administrative Data Research Centre (Southampton/UCL/IOE/LSHTM) • Role of privately-owned hospital providers in treating NHS patients (Nuffield Trust) • Facilitating longer working lives (HRS, ELSA, SHARE, JSTAR, CHARLS)

Indicator	KPI	Impact within the <u>Public, policy and practice world</u>			<u>Academic world and scientific quality</u>			Total		
		Target 13/14	Actual 13/14	Target 14/15	Target 13/14	Actual 13/14	Target 14/15	Target 13/14	Actual 13/14	Target 14/15
Financials - Injections of financial support, dedicated staff infrastructure										
	Funding from ESRC other than your core funding (£)									
*F1	Please indicate other sources of income from the ESRC i.e. Festival of Social Science.							1m	1.7m	1.8m
F1Q	Funding includes open research grants, NCRM node funding, Festival of Social Science, IT infrastructure support and specific programme calls.									
	External funding (£) - from outside ESRC and Host institution									
*F2	Please indicate the level of funding that you have successfully leveraged from external sources (details of which you state in Section 5 Indicator B)							3.2m	2.8m	3.3m
F2Q	European Research Council grants account for £651k in 2013; other sources include charitable foundations, government departments, the World Bank, and other international funders. Some income has been deferred from 2013 to 2014.									
	Funding applications made / funding applications secured									
*F3	Please indicate the number of funding applications made and secured							80/30	71/33	70/30
F3Q										

K1 Qual	Membership of significant committees	Please indicate which significant committees your staff are members of in the public, private and civil society. Please do not count ESRC, RCUK or internal university committees.								
Substantial advice and consultancy										
*K2	Please indicate how many times your grant has provided advice and consultancy. This could include: government enquiries, government consultation submissions, ministerial briefing meetings etc.	95	68	60						
K2Q										

International collaborative research projects participated in										
*K3	Please indicate the number of international research projects that staff members have participated in				10	10	10			
K3Q	<ul style="list-style-type: none"> • Hosted Susana Martínez-Restrepo, from Fedesarrollo in Colombia to do some joint analysis on ‘Impact evaluation of the strategy for the reduction of extreme poverty, Juntos’ and to provide her with technical expertise on impact evaluation methods. • Convened a one-day workshop for WaterAid Nigeria staff on impact evaluation methodologies, presenting on upcoming evaluation work EDePo is conducting with WaterAid in Nigeria. • Collaborated with Helen Baker-Henningham (School of Psychology, Bangor University) and Joanna Maselko (Duke Global Health Institute) to contribute a chapter on ‘Early childhood investments for the development of human capital’ to the 11-chapter report on <i>Tackling African Youth Unemployment</i>, presented at the 5th Tokyo International Conference on African Development in June 2013. • International presentation of work on child nutrition, information and household responses in Malawi including at the North East Universities Development Consortium Conference at the Harvard Kennedy School, and at a PEPA workshop on conducting inference in evaluation studies. • Appointment of Cormac O’Dea, David Phillips and Ian Preston as advisors to a World Bank group examining the distributional effects of taxation and public spending in a range of developing countries including Ethiopia, Indonesia and Sri Lanka. • Participation in a workshop to advise the Mexican government on the 2014–18 evaluation agenda of the CCT Oportunidades. • Collaboration with researchers at the Centre for Early Childhood Education & Development (CECED) at Ambedkar University in Delhi and at ASER-Pratham Delhi on the design and evaluation of a psychosocial stimulation package, including a nutrition education component, to be delivered via home visits or in group sessions. • Collaboration with David Green from the Vancouver School of Economics looking at employment and wages by education. • NBER international social security project: CPP represented the UK as one of 12 developed countries in this international project. • Facilitating longer working lives project: CPP hosted a meeting of international experts to consider issues surrounding this research area. 									

Indicator	KPI	Impact within the Public, policy and practice world			Academic world and scientific quality			Total		
		Target 13/ 14	Actual 13/ 14	Target 14/ 15	Target 13/ 14	Actual 13/ 14	Target 14/ 15	Target 13/ 14	Actual 13/ 14	Target 14/ 15
	Written policy briefings									
K4	Please indicate the number of policy briefs that you have produced	30	39	30						
K4Q	Briefing notes (7), reports (14), observations (18).									
Communications - Communications/ increasing accessibility of research										
	Media coverage – newspapers									
*CS1	Please indicate how many times the grant has been mentioned in the press	1800	2127	2000						
CS1Q	Covers the period April 2013 – February 2014 inclusive.									
	Media coverage – radio and TV									
CS2	Please indicate how many times the grant has been mentioned on television and radio	1700	2773	2000						
CS2Q	IFS gave 261 interviews on TV and radio including on The Today Programme, Newsnight, The Daily Politics Programme, and BBC, ITV, Channel 4 and Sky News (TV and radio).									

Internet visits (unique visitors)										
CS3	Please indicate how many unique internet visitors your grants website has received							1.3m	1.5m	1.3m
CS3Q										
Public lectures / seminars										
*CS4	Please indicate how many public lectures / seminars you have organised (do not include those attended). This could include for example, Festival of Social Science events	40	61	40						
CS4Q	Festival of Social Science (1), STICERD events (12), other events (48).									
Blog subscribers										
CS5	If your grant has a blog, how many people subscribe	9450	11.7k	11.7k	n/a	n/a	n/a	9450	11.7k	11.7k
CS5Q	NB. This is not a blog, but indicates the number of followers IFS has on Twitter. We sent out 96 tweets during the period.									

Annex 2: Confidential report on concerns and difficulties

N/A

Annex 3: Risk management

The Centre's risk register has been reviewed and no risks have been escalated, nor have any mitigating actions to address existing risks been necessary.

We are currently preparing to comply with the requirements of ISO27001 and have carried out a risk assessment of IT security as part of this project. We have put in place a number of policies relating to IT to improve security. As well as technical and logistical improvements to security, we have formalised processes such as reporting, recording and reviewing security incidents and requiring written confirmation from any third parties as to their security arrangements.

We do not intend at this stage to apply for formal certification for ISO27001 but we will comply with the requirements and will carry out internal audits to ensure that this is the case.