



# **IDS Annual Report and Financial Statements 2020-21**

**Institute of Development Studies**  
**Annual Report and Financial Statements**  
**31 March 2021**

Company Limited by Guarantee Registration Number 877338  
(England and Wales)

Charity Registration Number 306371

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**Trustees\***

A Ablo  
M Anderson~^  
Dr A Cheema=  
N Clayton+~  
K Frost +~  
Dr A Joshi^=  
Prof J Kydd Resigned (31 July 2020)  
Professor M Leach^=  
T Manuh=  
E McIntosh=~  
Professor D Nayyar+~^=(Chairman)  
(Appointed 31 July 2020)  
  
M Roberts=  
Professor F Stewart^=  
Professor A Tickell  
N Toyo=  
  
+Member of the Resources, Audit  
and Risk Committee  
~Member of the Remuneration  
Committee  
^Member of the Nominations and  
Governance Committee  
=Member of the Programme Review  
and Advisory Committee

**Company Secretary**

T Catherall

**Strategic Leadership  
Group**

Professor M Leach (Director)

T Catherall  
J Georgalakis  
P Karalus  
I Pearce  
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SLG as at 31 March 2021

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<b>Charity registration number</b>	306371
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## Chair's introduction

It is not possible to reflect on the past year without thinking of the incredible disruption wrought by Covid-19 not only in economy, polity and society but also in every aspect of our daily lives. The pandemic has deepened existing inequalities and accentuated exclusion. At this juncture, the work of the Institute of Development Studies in its quest for equitable societies is more important than ever before. For me, as the new Chair of the Board of Trustees, it is both a challenge and an opportunity.

The backdrop of volatility and disruption, particularly in the way the Institute secures and sustains funding, made it imperative that there was renewed focus on operational resilience through 2020-21. This included work to strengthen financial management, governance, policies, and above all, excellence in teaching and learning.

These efforts contributed to the Institute being ranked first for development studies by QS University Rankings for the fifth consecutive year and number one for international development policy in 2020 by the Go To Think Tank Index Report. This recognition of the Institute's position as the world leading centre for development research, learning and partnership is a tribute to the hard work of the entire IDS community in a year when every aspect of teaching, learning and research changed so profoundly.

The commitment to excellence prompted a review of policies relating to people and values, with steps taken to secure the organisation's position as an 'employer of choice' by developing approaches to foster equality, diversity, and inclusivity. Among the immediate outcomes was a commitment to remove barriers to attracting a diverse field of applicants for the 2020 Fellow recruitment campaign, while launching a mentoring pilot programme to encourage skills development and career progression.

In line with its strategic vision and commitment to the communities in which it operates, the Institute completed an audit of its environmental impact. This led to definition of an action plan to improve the sustainability of the IDS, including maintaining the Carbon Emission savings seen during 2020-21 due to reduced fieldwork travel.

The robust approach taken by IDS to financial management enabled the Institute to mitigate some of the worse effects of changes in the wider environment, including Brexit and the UK Government aid spending cuts. At the end of the financial year, overall financial performance was positive. Unrestricted reserves increased by £0.67 million with a forecast of a balanced budget.

This achievement reflects the success of the organisation in translating funding proposals into contracted projects alongside the operational efficiencies achieved during the past year. A review of how the Institute works with funders and suppliers alongside work to strengthen due diligence and mitigate risk is directly contributing to a more secure financial position.

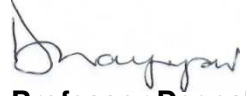
However, as we look forward, significant risks and worrisome uncertainties remain. The decision by the UK Government to reduce aid spending from 0.7 to 0.5 per cent of GDP is hugely damaging and heralds a new era of financial uncertainty for IDS and its partners. This uncertainty is compounded by the ongoing effects of the revaluation of the USS Pension Scheme and impact on student numbers due to both Covid-19 and Brexit.

Navigating this uncertainty and remaining vibrant, as the future unfolds, relies on our continued, collective effort. The successes achieved in this extraordinary year, ranging from operational efficiency to research impact, demonstrate the strength of the IDS community, as well as its resilience when confronted with exogenous economic, environmental, and social

INSTITUTE OF DEVELOPMENT STUDIES

Chair's introduction

shocks. It is the reason why I am confident about the continued success of IDS even in these difficult times.



**Professor Deepak Nayyar**

Chair of the Board of Trustees

## Trustees' report

The Trustees, who are also the Directors for the purposes of company law, present their Annual Report together with the financial statements of the Institute of Development Studies (IDS) for the year ended 31 March 2021, prepared under the Charities Act 2011 and the Companies Act 2006 (the report comprises the Directors' Report and Strategic Report under the 2006 Act).

The financial statements have been prepared in accordance with the accounting policies on pages 46 to 49 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws, and the requirements of the Charities SORP FRS102.

### 3.1 Structure, governance and management

#### Constitution

IDS is a registered charity and company limited by guarantee and does not have share capital. The Trustees have no financial interest in the Institute's income funds or assets and receive no remuneration for acting as Trustees. Trustees who are employees only receive remuneration for their service as employees. The Board of Trustees is constituted as follows:

- The Vice-Chancellor of the University of Sussex (ex-officio).
- The Director (ex-officio).
- Not more than two Fellows of the Institute.
- Not more than one employee of the Institute (who is not a Fellow, an Honorary Fellow or Visiting Fellow).
- Not more than 16 persons in total.

IDS is governed by its Articles of Association as approved by its Board of Trustees in December 2020.

#### Trustees' liability

In the event of the charity being wound up, Trustees and those within one year of ceasing to be a Trustee are required to contribute an amount not exceeding £1.

#### Trustees

New Trustees are appointed by the members based on nominations received from employees and current Trustees as well as responses to public advertisements. The Nominations Committee is responsible for screening candidates and making recommendations to the Board of Trustees. The Board has agreed that the Trustees should reflect the diversity of the Institute's objectives and geographical remit and have relevant skills and knowledge and aims to make appointments on that basis.

New Trustees undergo an induction process to familiarise themselves with the Institute's work and their legal responsibilities and duties. Appropriate training is provided to Trustees on an ongoing basis.

#### Statement of Trustees' responsibilities

The Trustees are also directors of IDS for the purposes of company law. They are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

resources and application of resources, including the income and expenditure, of the charity for that period.

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 the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Each of the Trustees confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware.
- The Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.
- This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

### **Organisation**

The IDS Board of Trustees meets three times a year or more often if required. The Board has established the following sub-committees:

**Resources, Audit and Risk Committee** (RARC) meets three times a year or more often if required and has responsibility for oversight of finance, administrative matters, and strategic HR issues, reviewing the results from internal audit work and maintaining an overview of the risk and control environment. The Constitution of the Resources, Audit and Risk Committee allows for three non-trustee members who bring additional expertise and experience.

**Nominations Committee** meets as necessary and is responsible for identifying potential Trustee candidates and making recommendations to the Board of Trustees on potential appointments.

**Remuneration Committee** meets as necessary and is responsible for maintaining an overview of senior staff remuneration; determining the remuneration of the Director and senior staff.

**Programme Advisory and Review Committee (PARC)** meets twice a year and is responsible for maintaining an overview of the academic health and performance of the Institute; providing assurance to the Board that mechanisms and systems are in place for effective management and delivery of research, teaching and knowledge activity; and for scrutinising and advising the Board on progress towards the relevant strategic goals and key themes.

The day-to-day running of the Institute is delegated to the Director who leads the Strategic Leadership Group (SLG). During 2020-2021 the SLG met monthly. Membership comprises the Director, the Director of Finance and Operations/Company Secretary, the Director of Research, the Director of Teaching and Learning, the Director of Communications and Impact and the Joint Directors of Human Resources.

### **Employees**

The charity strives to be an equal opportunities employer and aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation. The Board currently includes two Staff Trustees and there is provision for three. They are appointed by the Board following a staff election to nominate them for consideration for appointment.

### **Remuneration**

The IDS Remuneration Committee described above meets as necessary. The Committee takes account of data on national pay trends. It benefits from the contribution of a senior independent member with significant relevant experience in Higher Education reward.

IDS operates a 10 grade salary scale, with a mixture of automatic incremental progression for the lower grades and performance-related pay. Department and Team Heads, Cluster Leaders and the Director are responsible for agreeing performance-related incremental progression within the scale for each grade. IDS is currently reviewing its reward framework to ensure it is fit for purpose. We also commission regular salary surveys to benchmark against other organisations and markets, and an equal pay review.

The salaries of the key management personnel of IDS are disclosed in note 5 to the financial statements. The members of the Strategic Leadership Group (SLG) are considered to be the key management personnel of the Institute.

### **Relationship with the University of Sussex**

IDS is based in a building on the University of Sussex campus. We have a partnership arrangement with the University and there are a number of shared services.

The Vice-Chancellor is an ex-officio member of the Board of Trustees and we have representation on subcommittees of the Board of Trustees from Sussex.

Related party transactions are disclosed in note 16 to the financial statements.

## 3.2 Strategic summary

### Our Vision and strategy

We want a more equitable and sustainable world, where people everywhere can live their lives free from poverty and injustice.

Our commitments:

- Upholding climate and environmental justice
- Reducing extreme inequities
- Fostering healthy and fulfilling lives
- Nurturing inclusive, democratic and accountable societies

We will transform the knowledge, action and leadership needed through our world-class research, learning and teaching.

Our priorities:

- Collaborating across sciences, sectors and communities to do research that brings about progressive change.
- Building future leadership for development.
- Championing the use of evidence for social and environmental justice.
- Working with partners to expand international research and mutual learning networks for development.
- Creating a sustainable, resilient and equitable institution.

We are now one year into the implementation of our Strategy 2020–25 *Transforming knowledge, transforming lives*. Although developed pre-Covid, its emphasis on responding to the disruptions and shocks of our era is proving remarkably salient in the context of today.

For more about who we are and what we do, see: [www.ids.ac.uk/about](http://www.ids.ac.uk/about)

## 3.3 Progress against strategic priorities

Below, we set out a selection of our key achievements from the past year that showcase contributions towards our strategic priorities. Not surprisingly, many of our key impacts this year relate to the pandemic, and this section is prefaced with a short summary of our work to support recovery and 'build back better'. Other stories highlight exciting impacts such as large-scale successes in pedagogical advancement in Africa through equitable partnerships, and addressing digital exclusion that is affecting the most marginalised communities in our home city, Brighton, in the UK. We also marked 50 years of collaborative research with pastoralists, whose insights are prompting some major, and timely, rethinking of approaches to land management and climate change.

### Responding to Covid-19

Within days of Covid-19 being declared a pandemic, IDS rose to the challenges of meeting demands for its expert research on response and recovery and of rapidly shifting operations online. We adapted with speed to new ways of sharing information, collaborating and coming together as an IDS community.

Every aspect of IDS has moved to remote working since March 2020. All teaching and learning went online and fieldwork was either curtailed or completed remotely. This huge and rapid transformation was made possible through strengthened IT systems and a community-wide commitment to maintain learning and research excellence.

IDS is a social sciences 'partner of choice' for natural and health sciences, renowned for our interdisciplinary work through the STEPS Centre, Global Challenges Research Fund hubs, and on epidemics like Ebola. This made IDS the natural home for specialist social perspectives, knowledge and partnerships to shape the response and help 'build back better' from Covid-19.

*Responding swiftly: SSHAP, handwashing and K4D*

The crisis brought an increased and accelerating need for research and evidence. IDS researchers joined the World Health Organization's Social Science Expert Group. The Social Science in Humanitarian Action Platform (SSHAP) was extended and focused on Covid-19. Building on the earlier, widely praised Ebola Response Anthropology Platform (ERAP), SSHAP mobilised social scientists and produced 23 research briefs on the social dimensions of the pandemic. SSHAP met requests from the UK Foreign, Commonwealth and Development Office (FCDO) for ten briefs incorporated into Research and Evidence Division updates. It provided evidence on public health and social measures for UNICEF in East and Southern Africa and the Middle East and North Africa. The Africa Centre for Disease Control and Protection invited SSHAP to co-convene webinar roundtables on Covid-19 response in Africa, attended by more than 150 stakeholders.

The Sanitation Learning Hub swiftly developed the Handwashing Compendium for Low-Resource Settings – downloaded more than 10,000 times since launching in April 2020. The Compendium has been cited 23 times in policy documents, including by the World Health Organization and Centers for Disease Control.

The Knowledge, Evidence and Learning for Development (K4D) helpdesk for UK Government, channelled through the FCDO, responded comprehensively to multiple requests for evidence syntheses and learning journeys on various aspects of the pandemic. (See impact story, for more details.)

*Responding collaboratively: Covid Collective, IDRC, Irish Aid*

IDS is collaborating with more than 50 partners worldwide on Covid-related programmes. Among these are the UK Government-funded 'Covid Collective' that is coordinated by IDS, for research, scenario and foresight work for systemic transformations, and the IDS-led knowledge translation support for IDRC's Covid-19 Responses for Equity programme (CORE). These projects are rapidly mobilising evidence to improve understanding of the socioeconomic impacts of the pandemic, improve existing responses, and generate better policy options for recovery.

To inform Irish Aid's strategic interventions, we provided research and analysis insights on health response, social protection, governance, food systems, and gender. IDS convened four events for Irish Aid's global community, attended by 56 practitioners from nine countries, with debates to inform a series of Strategic Positioning papers launched in September 2020. This collaboration continued with a special edition of the IDS *Bulletin*, 'Building a better world – the crisis and opportunity of Covid-19' in March 2021, with authors from IDS, Irish Aid and affected countries.

*Responding globally: health and social systems*

Our work on global pandemic responses included the Redesigning Health Systems for universal health coverage during Covid-19 and beyond (Health Systems Global); the Global Symposium on Health Systems Research (HSR2020); and the Wellcome Trust-funded Pandemic Preparedness Project, bringing an anthropological lens to disease threats, preparedness and response in Africa.

IDS helped to organise a high-level panel discussion on 'Social Divides and how we address this in times of Covid-19' for the 2020 Virtual Victoria Forum. The session, co-hosted by IDS

and the University of Victoria, attracted 150 participants and created a globally accessible research platform on areas such as food systems, social protection and gender equality.

### **Strategic priority 1: Collaborating across sciences, sectors and communities on research for progressive change**

We collaborate innovatively in order to make a difference to people's lives. Whether across social, natural, medical or other sciences, with arts and humanities, with governments, organisations, civil society or people in communities – we collaborate widely to generate knowledge, evidence and insights to address current challenges. There has been no shortage of challenges to face in the past year. With Covid-19 forcing so many services online, our Digital and Technology Cluster team has forged new research relationships to highlight the degree to which digital exclusion is affecting the most marginalised communities. We have taken stock of 50 years of collaborative research with pastoralists, whose insights are prompting a rethink on approaches to land management and climate change. Our Tax and Development researchers have connected with residents in Sierra Leone's capital to help create a fairer property tax, which is now raising more revenue for their local services.

#### **Impact story: Collaborating to reform Freetown's property tax system**

Researchers from the IDS-based International Centre for Tax and Development (ICTD) worked with the city council of Sierra Leone's capital Freetown and the International Growth Centre to create a more equitable, efficient property tax system. Revenue potential has since increased fivefold, helping to fund critical local services for residents.

The city's colonial-era property tax system was obsolete and regressive – with area-based valuation meaning a tin shack could pay the same amount as a three-storey brick building. When Yvonne Aki-Sawyerr was elected mayor of Freetown in 2018, she made revenue mobilisation – particularly property taxation – central to her agenda to 'Transform Freetown'. She reached out to the ICTD, which was working on these issues through its African Property Tax Initiative (APTI).

ICTD researchers introduced the Council to a fairer and more practically feasible points-based property valuation method. After a successful pilot the Council approved the new system, and the project was scaled up to cover the whole city, with funding from the UK's Foreign, Commonwealth and Development Office in Sierra Leone.

By April 2020, 95 per cent of properties in Freetown were mapped and valued – doubling the number in the register. The partners built a new IT system to manage the entire process from data collection to billing, and enabled payments to be made via banks. The new system is much more progressive, with tax payable on the top quintile of properties more than tripling and that on the bottom quintile more than halving.

#### *Overcoming challenges to reform*

In May 2020 distribution of tax bills began, but a month later the central government called for the project to be paused in order to review national guidelines for property tax reform. The project partners responded by working with stakeholders across government, and other local councils, to make the case for the Freetown reform model, and avoid new guidelines that would undercut it. Those efforts enabled the Mayor, six months later, to press ahead with the reform.

Meanwhile, staff at the Freetown City Council began to call for greater ownership and control over the project. Over the past year, the project team has worked closely with local government officials to design new administrative structures and provide training in order to effectively handover the project and ensure its sustainability. In documenting these experiences and processes, the researchers are generating substantial new insights into

how to implement large-scale reforms.

*Local success, international recognition*

Since February 2021, demand notices have been delivered to every property in Freetown. In just the first two months of the year, more than \$537,000 was collected, compared to the total annual revenue potential of about \$800,000 under the old system.

The programme included an intensive public outreach campaign and participatory town hall meetings to allow taxpayers to discuss and vote on priority public services to deliver. The Mayor committed to allocating 20 per cent of revenue from property taxation to participatory budgeting each year. So far the process has been successfully implemented in 30 city wards.

The Freetown reform attracted significant attention: it was published as a 'top story' by African Arguments, featured in The Economist, and presented at the African Union and African Tax Administration Forum High-Level Tax Policy Dialogue, and the World Bank's annual tax conference.

Local governments in The Gambia, Nigeria, Senegal, Cameroon and elsewhere are now exploring similar reforms with the ICTD, and a new partnership with UN-HABITAT is in the works. The Centre has also secured funding from several new donors to build on the success of the APTI and launch an expanded Local Government Revenue Initiative.

**Impact story: Research on pastoralism highlights new directions for development**

IDS marked 50 years of research on climate, the environment and pastoralism in 2020, offering a chance to explore how insights from this body of work have challenged conventional thinking about environmental change and led to wide-reaching impacts in practice and policy.

IDS research on pastoralism has involved many major collaborations and ongoing initiatives over the years. These include the PASTRES (pastoralism, uncertainty, resilience) programme, currently working in China, Ethiopia, Kenya, India, Italy and Tunisia; the pastoralism theme of the Future Agricultures Consortium in the Greater Horn of Africa and research in Ethiopia, Mali, and Zimbabwe on crop–livestock integration.

Pastoralism provides food and livelihoods for millions of people in more than 100 countries, in some of the harshest conditions on the planet. Pastoralists tend livestock (camels, cattle, yaks, sheep, goats and other animals) on rangelands that cover 25 to 40 per cent of the world's surface.

Long before human-influenced climate change was identified, pastoralists were adapting to climate variability. Drawing from long-term fieldwork across Africa, Asia and Europe, our research has shown that there is much to learn from – not just for those working in development, but also those in health, finance and infrastructure.

*Shaping rangeland management in Africa*

Cumulatively, our research has helped to reframe thinking about land degradation and desertification, influencing UN agencies and national governments in how rangeland management is approached.

IDS is a close active collaborator with the Food and Agriculture Organization's knowledge hub on pastoralism, helping to foster debates among multiple actors about pastoralism and drylands.

Our inputs build on years of collaborations on pastoralism – such as that with Mohamed Elmi, who moved from working with Oxfam to become the Minister of State for Development of Northern Kenya and other Arid Lands. His reflective work with Future Agricultures on policy processes around pastoralism showed the importance of sustained research.

IDS has also consulted on field projects – notably on a substantial and influential field programme with Oxfam in dryland pastoral areas of Africa for many years. We have worked in policy reform supported by the UK's aid programme, FAO and the World Bank, where IDS contributed to the framing and implementation of development activities on the ground.

### *Learning to embrace uncertainty*

Much IDS research over the years has highlighted the importance of uncertainty – where we don't know and can't predict the probability of outcomes. Responding to uncertainty is a central theme of the European Research Council-funded PASTRES programme. Pastoralists live with uncertainty, exploiting variability and, through skilled herding, making use of highly challenging environments – whether dryland plains subject to frequent droughts or mountain systems, where snowfall events are unpredictable.

Uncertainty needs to be placed at the centre of the development debate, and inspiration can be drawn from research on pastoralism. From this, fundamental new directions can emerge for how development is framed and practised – moving from linear management approaches that assume a singular direction and vision of progress towards ones that embraces uncertainty and complexity to build resilience.

The Covid-19 pandemic has underlined the need to embrace and not deny uncertainty. The recent STEPS Centre book *The Politics of Uncertainty: Challenges of Transformation* shows how living with uncertainty is as relevant for those working in financial systems, migration policy or pandemic disease preparedness, as it is for pastoralists.

### **Impact story: Connecting the digitally disconnected**

Covid-19 has highlighted more than ever the great importance of digital connectivity. Yet, as research by the IDS Digital and Technology Cluster shows, persistent digital inequalities in the UK and the US threaten to exclude the most marginalised.

Services and activities across many areas of social and economic life were already shifting online before the pandemic began. But the past year has provided a snapshot of the reality of a 'hyper-digital' society. People with digital skills can obtain well-paid remote work and support. Those who are less educated with fewer formally recognised skills are less likely to be online, more likely to work in vulnerable low-paying, unstable gig work and more likely to lack the digital skills needed to obtain key welfare support.

Fundamental questions about our future working lives are raised by this rapid digitisation of services and support – questions that the Digital Futures at Work Research Centre was set up to answer. The University of Sussex co-leads the centre, known as Digit, which began work in January 2020 with a five-year investment from the Economic and Social Research Council and which includes IDS among its research co-leaders.

### *IDS explores digitisation impacts*

As part of Digit's Research Track 4, 'Reconnecting the disconnected: new channels of voice and representation', researchers from the IDS Digital and Technology Cluster have been conducting research in Brighton, Barking and Dagenham (London), and New York to understand the impact of digitised services on communities with intermittent and poor digital connectivity.

Their findings show that people face significant barriers, both in accessing social protection systems online and in looking for work. Intersecting forms of exclusion – such as disability or migration status – are resulting in deeper exclusion for members of some communities.

The research found that meaningful connectivity is not just about device ownership and getting online – the challenges that people face are often caused by a lack of basic digital skills and the cost of data. This includes people who are forced to apply for jobs online yet who lack the skills to do so because they did not use digital tools in their previous work.

### *Supporting economic development*

The economic impacts of the pandemic mean that more and more people are likely to need to claim welfare benefits and apply for jobs online. To understand better the experience of those who are disconnected, the IDS Digital and Technology Cluster partnered with [Digital Brighton and Hove](#) and Citizens Online in July 2020 to help people with limited or no digital skills. The project provided tablet computers and assistance to use these through tailored, one-to-one technical help from digital champions. It was funded through the UKRI Higher Education Innovation Fund Covid-19 Response at the University of Sussex, and was part of the work for Research Track 4.

The project is enabling people who are digitally disconnected and who are referred through job centres and employment initiatives to access skills training, job sites and state welfare, with help from Digital Brighton and Hove. According to analysis published by Lloyds Bank in 2019, compared to the UK average, unemployed individuals are 64 per cent more likely to lack adequate '[Essential Digital Skills](#)' for life.

### **Strategic priority 2: Building future leadership for development**

We work to build leadership capabilities among students, professionals, partners and peers to respond to global development challenges and opportunities – with Covid-19 impacts now adding to the mix. This year, our world-renowned postgraduate degrees, PhD research programme, and professional development courses moved entirely online, in a mammoth and innovative undertaking by staff and students alike. In one of the year's highlights, a former IDS student – now His Excellency the President of Costa Rica, Carlos Alvarado Quesada – gave the IDS Annual Lecture in October 2020, asking how young leaders and development practitioners can help build back better from the pandemic. Elsewhere, the inclusive, transformative attributes of female leadership were reflected in the wide-scale success of the Pedagogical Leadership in Africa (PedaL) partnership. Participants worldwide accessed the newly launched, highly successful short course for professionals on social protection, which has fast become a core part of our building leadership work.

### **Impact story: Strengthening leadership through pedagogical reform in Africa**

A case study on inclusive, transformative attributes of female leadership shone a light on the wide-scale success of the [Pedagogical Leadership in Africa \(PedaL\)](#) partnership for higher education reform. IDS is a partner, alongside universities in Ghana, Kenya, Nigeria, Tanzania and Uganda.

PedaL focuses on transforming social sciences teaching in African universities. Its student-centred pedagogical training for educators encourages the use of participatory, gender-sensitive, teaching methods that are orientated towards developing skills of real world problem-solving and that move away from approaches where the lecturer tells the class what they need to know.

Since it began in 2018, PedaL has enhanced the teaching and facilitation skills of 2,000 educators from more than 80 universities across ten African countries. It has as a result influenced the learning experience for literally thousands of students across the continent.

The partnership is led by Dr Beatrice Muganda of the Partnership for African Social and Governance Research (PASGR) in Nairobi. Her insights on female leadership – and those of IDS' Director of Teaching and Learning – became the basis for a revealing recent [case study into the leadership attributes required in contexts where gender inequality is systemic, and where complex gender dynamics need to be navigated at multiple levels.](#)

### *A 'power reversal'*

Dr Muganda's insights stem from her own approach to PedaL and its work. She describes her leadership role with PedaL as being the person who 'shares the direction, and who carries others along'. She makes herself available to others, achieves buy-in from others, and prompts 'a subtlety of thought' to grow her team and trainers.

The case study set out to highlight that female leadership attributes – such as those embodied by Dr Muganda – can lead to inclusive, transformative change, precisely because female leadership approaches often have to contend with power from a position of disadvantage. The case study challenges assumptions about what to expect from women in leadership.

The PedaL approach is having an impact both for women and men, and, at an institutional level in terms of how the partnership is led – with IDS taking a more backseat role. 'There is this sense of power reversal. Black women are being heard, they are leading, the room is predominantly black. It's amazing!' Dr Waldman, IDS Director of Teaching and Learning, said in the case study.

### *Impact at scale*

The PedaL model fosters capacity-building at scale, notably through its 'training of trainers' approach. Core resource people lead workshops and support promising participants to become trainers themselves. They then teach others beyond their country of residence. From an original proposal to train staff at five universities, the model has now reached staff in more than 90 universities. Those staff have also redesigned course modules, influencing the learning of an estimated 200,000 students across Africa.

With many African universities moving to distance learning due to the Covid-19 pandemic, in June 2020 PedaL also successfully launched a series of month-long online courses for educators on strategies for planning, designing, facilitating and assessing learning online. This aligned with the programme's overall efforts to promote access to and use of open education resources, tools and technologies such as Moodle.

PedaL's wide-ranging impact is attributed to its structure, reputable members, African values and transformational leadership. IDS's role is to support PedaL's pedagogical approach and to help maintain quality and rigour in activities.

According to Dr Muganda, 'the partnership stands out as one with a deep level of shared values, including resilience, patience, appreciation, selflessness and working within constraints'.

PedaL is part of the UK-Aid-funded Strategic Partnerships for Higher Education Innovation and Reform (SPHEIR) programme.

### **Impact story: Online learning about social protection, for everyone everywhere**

Even before Covid-19 prompted our shift to online teaching, IDS was already exploring the potential for broadening access for a wider range of participants through online learning. Launched in June 2020, 'Social Protection: A Primer' was a timely short course offered to professionals – and has become a core part of our building leadership work in this field.

Aimed at practitioners and policymakers in social protection, the free-to-access course was developed by the IDS Centre for Social Protection and the Knowledge Impact and Policy Cluster, and is supported by Irish Aid as part of our partnership with them. Such has been its

success, the course will run at least until early 2022.

The impetus for 'A Primer' came from our growing awareness that in-person short courses were not reaching those without travel and training budgets – often those who work on the ground or in lower levels of social protection. Market analysis highlighted this gap and a desire for online learning about the basics of social protection.

The impacts of Covid-19 threw into stark relief the vulnerability of many people who live in poverty and the vital role of social protection in helping them to cope. Almost every country has expanded or introduced programmes to meet rising needs. Aside from fast-response interventions, the pandemic has underlined the need for long-term strengthening of social protection systems.

### *Course builds capacity*

Achieving effective short and long-term responses – whether to Covid-19 or to other shocks and crises – rests on capacity-building. Those who devise and implement interventions need a solid understanding of social protection, from basic principles to innovations happening in the field.

Participant numbers for the course have far exceeded the early ambitions of course developers Keetie Roelen and Alistair Scott of attracting 100 participants. During its first year, more than 2000 people from around the world took the course.

Feedback has been extremely positive, with several participants sharing how the course has helped to build their individual and their team capacity. Senior staff in World Vision and UNICEF Lebanon recommended it to their staff for capacity-building and development of their approach to social protection. Team managers in Terre des Hommes Bangladesh included it in training for all their social workers and community mobilisers to build stronger links between their work and social protection.

One participant described the course as 'extremely detailed, but also not filled with overly-technical and complicated terms', adding: 'I have acquired valuable knowledge on social protection, and better understand the need for the protection of vulnerable communities.' Another spoke of learning 'so much about social protection and the role it could play towards ending poverty'.

### *A wider online offer*

With limited resources, Keetie and colleagues took the approach of building a modest but well-made course, where concepts could be understood and learned without human interaction. A specific module on social protection and Covid-19 was added later.

Care was also taken to ensure course content complemented that of partners' existing offers. So the course works as a primer for subscribers to the e-TRANSFORM course, run by SocialProtection.org, with whom the Centre for Social Protection has long-standing links. It was also a prelude to the Economic Policy Research Institute (EPRI) South Africa Social Protection course in October 2020.

This is just one of the short courses for professionals that IDS runs online. Others include Shaping Policy with Evidence, Participatory Monitoring and Evaluation for Learning, and Pathways to Sustainability. In March 2020, IDS delivered its first Online Distance Learning (ODL) module, as part of the University of Sussex's MSc in Sustainable Development. This online degree, launched in July 2019, has been attracting very high student numbers.

### **Impact story: Supporting our learners through the pandemic**

We remain as committed as ever to transforming development knowledge, action and leadership through our teaching and learning programmes. During the Covid-19 crisis a huge range of new measures were put in place to continue this work while adapting and responding in the best interests of our students and wider learning community.

Since the beginning of the Covid-19 pandemic, our focus has been to balance safety, quality education and equity. We know that many students have responded positively to our online teaching which, while not the same as face-to-face, has in many cases exceeded expectations.

While the past year has been different, we wanted the IDS experience to be as valuable as it has always been. With this in mind, we focussed on providing a full range of activities to complement learning and encourage students to build the connections that are so important to feeling part of our vibrant community, and to their future lives and work. Examples included a student-led TEDxIDS session that explored 'What does post-COVID development look like?' and a popular and hard-hitting online debate series.

Alongside, we maintained regular contact with our postgraduate students through weekly email updates, monthly all IDS Community Fora and a series of online social activities. These were well received, helping students and staff feel part of the community despite being remote.

During the year, it became clear that mental health support was a particular area of need for our learners. We responded by highlighting the Mental Health First Aider scheme with volunteers on hand to speak to anyone struggling.

IDS Alumni Network instigated Virtual Connections, a project to connect IDS master's students with alumni in order to practice networking and informational interview skills. For alumni it was a chance to support IDS without a significant time commitment and increased their awareness of the alumni network online mentoring and advice service. The project was a huge success with 361 alumni, students and PhD Researchers taking part. Students commented they on how helpful it was to find out about alternative career paths and hear alumni stories.

In 2020-21 we offered the following postgraduate degrees:

- MA Development Studies
- MA Food and Development
- MA Gender and Development
- MA Globalisation, Business and Development
- MA Governance, Development and Public Policy
- MA Poverty and Development
- MA Power, Participation and Social Change
- MSc Climate Change, Development and Policy
- MSc Sustainable Development (online)
- PhD Development Studies by Published Works
- PhD Development Studies by Research

For more information on our postgraduate degrees and professional development opportunities visit: [www.ids.ac.uk/learn](http://www.ids.ac.uk/learn)

### **Strategic priority 3: Championing the use of evidence for social and environmental justice**

We strive to generate and use evidence to shape policies and practices that have the best impacts on people's lives. Our research, learning and teaching programmes underline the

value of evidence in decision-making, and reveal how politics and power can influence the creation and use of evidence. The Covid-19 pandemic produced an urgent demand for evidence and learning – one that we were well placed to meet. The IDS-led K4D programme responded swiftly to calls for evidence summaries and learning services for the UK's Foreign, Commonwealth and Development Office. Evidence-gathering by the Coalition for Religious Equality and Inclusive Development (CREID) galvanised action from international policymakers over discrimination of religious minorities. Partnerships with local communities in South Asia's Sundarbans delta as part of the TAPESTRY project provided new ideas to help vulnerable communities live with uncertainty.

### **Impact story: Informing UK international development policy**

The IDS-led K4D programme had an active year informing health provision, boosting understanding of water security, reacting rapidly to calls for evidence on Covid-19 – and providing evidence and learning to help optimise the UK's international development policymaking.

K4D – the Knowledge, Evidence and Learning for Development Programme – has worked with thousands of policymakers and programme staff across government ministries, in the UK and in country offices. K4D provides evidence and learning services on development issues and processes, to enable staff to innovate and respond more effectively to rapidly changing and complex development challenges.

Due to the pandemic, K4D moved entirely online in 2020, providing flexible and responsive services to meet the changing demands of the UK Foreign, Commonwealth and Development Office (FCDO), the primary recipient of K4D expertise.

#### *Swift response with Covid-19 evidence*

In early 2020, K4D developed new rapid Covid-19 Evidence Summaries, filtering and condensing the proliferation of resources from around the world. By the end of 2020, K4D had produced 106 Health Evidence Summaries (daily and weekly), 27 Conflict and Governance summaries (weekly and fortnightly), and 13 Demography summaries (fortnightly). These were shared with FCDO staff and uploaded online to the K4D Covid-19 Resource Hub, K4D Covid-19 Evidence Search interface, and tweeted.

Feedback from FCDO rated the summaries 'very good', with 87 per cent reporting them beneficial to their work, especially on Covid-19 response and programming. The summaries also fed into weekly reports produced by the Covid-19 Chief Scientific Advisor team, were shared across government and with partners like the World Bank.

Publication of the summaries and social media sharing helped to attract much greater public engagement with K4D. Between April and June 2020, K4D's total twitter impressions increased by 228 per cent and engagements by 112 per cent from the previous quarter.

#### *Mental health learning journey*

Perhaps unsurprisingly given the turbulence of the year, the most accessed single K4D resource in 2020 was the Mental Health Topic Guide with more than 6,500 downloads. This output emerged from the Mental Health Learning Journey.

K4D learning journeys are collaboratively designed, with spaces to enable discussion, peer and interdisciplinary learning, and reflection on implications and opportunities for everyday work. By the end of 2020, K4D had 35 learning journeys complete or in progress.

Other impacts of the Mental Health Learning Journey included FCDO Syria and FCDO Yemen exploring approaches and partners for integrating mental health into their work, following a series of closed-door consultations. FCDO and the World Health Organization collaborated on a guidance note for humanitarian advisers. FCDO Ghana was reported to be confident in proceeding with a new £38m programme, of which £11m was for mental health and disability rights.

#### *Galvanising action on water security*

In August 2020, K4D facilitated the UK government's session at World Water Week at Home as part of the Water Security Learning Journey. The webinar event was headed by UK Government Minister Zac Goldsmith, whose speech drew on K4D's rapid assessment evidence, which was described as robust and comprehensive.

The event's reach has spread beyond the participants who joined it live. It has been shared through policy and practitioner newsletters and blogs, gathering more than 400 views by the end of August 2020. It sparked a new hashtag, #WaterAtCOP26, which partners are using to highlight work on water security in the run-up to the Glasgow climate negotiations in 2021.

Feedback has been positive generally on moving the learning journeys online. Participants of the MENA (Middle East and North Africa) Scenarios Learning Journey, for instance, felt the scenarios facilitated through the Mural online tool will play a key part in the process of drafting a MENA strategy.

#### **Impact story: Achieving climate justice in South Asia's Sundarbans delta**

An IDS research project in the Sundarbans delta of South Asia is showing how partnerships with local communities can yield new knowledge and ideas for more climate-resilient livelihoods. This year, the TAPESTRY project offered lessons for policymakers, practitioners, researchers and civil society groups on how marginalised communities are forming alliances to respond to uncertainty.

Straddling the border of India and Bangladesh, the Sundarbans mangrove forest delta is one of three vulnerable coastal areas (along with Mumbai and Kutch) that are the focus of TAPESTRY. Islanders in the Sundarbans are battling sea-level rise, salinity intrusion and cyclones, including the devastating Amphan supercyclone of May 2020.

Previous state-dominated development pathways did not address the dynamic nature of the delta, or the multi-layered needs of its inhabitants. Like other people living in coastal areas, inhabitants of the Sundarbans face a range of 'cascading' uncertainties, including those from climate change, and most recently from the Covid-19 pandemic.

#### *Co-producing ideas for scaling up and out*

TAPESTRY's research on climate uncertainties in marginal environments has demonstrated how initiatives built on partnerships between local communities (farmers, fishers and pastoralists), civil society and researchers can respond to uncertainties, support more reliable livelihoods and living conditions, build collective agency and engage with legal and decision-making processes.

Instead of 'top-down' solutions, the alliances involved in the TAPESTRY project are co-producing knowledge and ideas for socially just and ecologically sound alternatives that are based on local people's understandings of what positive transformation entails. Our focus is on 'patches of transformation' – sites where hybrid alliances, and their innovative

initiatives, reimagine sustainable development and inspire transformative societal changes that can be scaled up and out.

Residents of Kultoli block (India) and Shyamnagar sub-district (Bangladesh) of the Sundarbans are working on 'hybrid' innovations, such as the trialling of salinity resistant indigenous rice varieties. The project is working to show how these can help to enhance food security, livelihood security and local wellbeing. The new initiatives offer hope for livelihoods, which could reduce outward migration.

Despite the constraints of the pandemic, the work has been shared in webinars, policy fora and academic conferences in order to provide bottom-up perspectives regarding pathways to sustainability in areas that are at the frontline of climate change.

#### *Highlighting challenges for women and young people*

As part of previous work in the Sundarbans, 80 women from religious minorities across three areas in the Sundarbans documented the challenges they face using photo stories and advocated for change.

The current project also uses the Photo Voice method to document people's own visions and stories of the uncertainties, along with artworks produced by young people in schools on the theme of climate change and the pandemic.

To link research with action, the project is holding smaller consultations with local people and agencies on transformative practical action in the Sundarbans. These will feed into a series of round tables in 2021-22 that will focus on the policies and relationships that are needed to sustain local wellbeing, place-based identities and livelihoods and allow bottom-up transformations to flourish. The events will highlight connections between the different sites of Kutch, Mumbai and the Sundarbans, and how grassroots alliances in these different regions can learn from each other.

Working across both India and Bangladesh also offers a much needed transboundary perspective on the Sundarbans. Given that there are so many cultural and ecological similarities, national boundaries have prevented such cross-border action to ensure sustainable and climate just futures for the delta.

TAPESTRY is run through a transnational and cross-disciplinary consortium funded by the NORFACE and Belmont Forum Transformations to Sustainability (T2S) research programme. The project will run until 2022.

#### **Impact story: Religious inequalities evidence cited in UN and UK policy spaces**

This past year, the IDS-led Coalition for Religious Equality and Inclusive Development (CREID) has established strong relationships with policy influencers in the UK and the United Nations. We also provided much-needed evidence on the poorly documented discrimination of religious minority groups – notably on online hate speech, Covid-19 impacts, and targeting and abuse of women.

Although Freedom of Religion or Belief (FoRB) is recognised by the Universal Declaration of Human Rights, discrimination on the basis of religion or belief is widespread around the world. It can result in lack of access to basic services, experiences of verbal, emotional or physical violence and abuse, and exclusion from social and political processes. CREID provides research and practical programmes to redress the impact of such discrimination.

### *Alerting UN Special Rapporteur on FoRB*

CREID's work includes monitoring online hate speech against religious minorities. In spring 2020, local partners identified a spike in hate speech on social media linked to senior public figures in Pakistan, targeting the Ahmadiyya community, which is already stigmatised, socially and economically alienated, and experiencing hate-based violence. CREID rapidly mobilised to alert international stakeholders, including the UN Special Rapporteur on FoRB, Ahmed Shaheed, who subsequently wrote a letter to the Pakistani government condemning the situation.

Mr Shaheed also referenced CREID evidence on how Covid-19 has exacerbated religious inequalities in his October 2020 report to the UN General Assembly – and, as a follower of CREID on Twitter, he has tweeted links to CREID papers.

### *Shaping UK Government policy*

In the UK, CREID also works closely with parliamentarians shaping government policy on FoRB. In autumn 2020, Rehman Chishti MP, the former Prime Minister's Special Envoy on FoRB, consulted CREID Director, IDS Fellow Mariz Tadros, to prepare his speech in a parliamentary debate on the persecution of Christians and FoRB, in which he referenced CREID evidence.

Current Special Envoy, Fiona Bruce MP, also quoted CREID research in a parliamentary debate on the impact of Covid-19 on FoRB. Earlier, CREID research was cited by Lord Alton, another FoRB advocate, in a written parliamentary question on ideologically motivated sexual abuse, and was reiterated in the reply from the government minister Baroness Sugg.

### *Much-needed evidence on minority women's experiences*

Mariz Tadros presented evidence on the intersection of religious marginality, economic exclusion, and gender inequality at the UK FoRB Forum (of which CREID is an active member). This is chaired by the Bishop of Truro, whose report on religious minority persecution forms a key plank of UK policy on FoRB.

A major report by the UK All-Party Parliamentary Group (APPG) on FoRB, published in February 2021, references CREID outputs, especially on Iraq and Pakistan, where CREID has several projects. Its discussion on the experiences of Pakistan's Hazara Shia women, a minority within a minority, draws almost exclusively on our work – showing how CREID is raising issues not covered elsewhere.

CREID partners also provided written and oral evidence to the Pakistani Minorities APPG's inquiry into forced conversions and forced marriages of religious minority girls, conducted in closed hearings with activists and families who have been directly affected. This evidence drew on innovative participatory research by CREID partners with women from religious minorities in Pakistan, published in a special collection of papers. These were launched at an event on International Day for the Elimination of Violence Against Women, opened by the UN Special Rapporteur on Cultural Rights, Karima Bennouna. CREID continues to raise this matter, most recently in a Briefing Note for UK parliamentarians on the case of Kavita Oad, a 13-year-old Hindu girl abducted in March 2021.

### **Strategic priority 4: Expanding international research and mutual learning networks**

We are strengthening ways to ensure that a wider range of perspectives shape development thinking, practice, policy and learning. Through equitable and sustainable partnerships, we work with universities, research bodies, governments, civil society, communities and the

private sector to generate new research and learning agendas. Our network has evolved substantially in the past year through our International Initiatives – a programme to form mutual learning hubs in places at the forefront of development thinking and practice. The Initiatives now running in Brazil, China, Ghana, Pakistan and Europe are sharing reflections on development themes, notably 'building back better' from Covid-19. We also continued our work as the UK Anchor Institution for the China International Development Research Network as part of forging stronger links between researchers in the UK and China to encourage better understanding, knowledge-sharing and collaboration on China's international development policies.

### **Impact story: Building regional networks for development**

In 2020 IDS launched the International Initiatives, a network of partnerships that facilitate research and collaboration to strengthen mutual learning for development. The network spans places at the leading edge of development thinking and practice, due to accelerating geopolitical change.

The Initiatives launched as pilots in Brazil, China, Europe, Ghana and Pakistan. The ambition is that the network expands further according to research and partnership priorities. While the Initiatives promote global cooperation across the network, each is designed for the context in which it exists, with local environments and partnerships defining the research focus and operation. The concept maps directly to our Strategy and commitment on creating research and mutual learning hubs.

#### *Enriching and creating equitable partnerships*

The first year of the programme had an immediate impact on fostering equitable partnerships. IDS has 12 Memoranda of Understanding (MoUs) with partners across the five geographies, enabling collaborative research, teaching, policy engagement and learning activities.

With our Brazilian partner, Articulação Sul, IDS is scoping a trilateral development cooperation collaboration between the UK, Brazil and African countries to help the latter meet the challenges and harness the potential of rapidly growing populations. The collaboration engages with and learns from Brazil's world-leading ecosystem of institutions to generate, analyse and operationalise data in national planning and poverty reduction policy. It involves the UK Foreign, Commonwealth and Development Office, the African Union Development Agency (AUDA-NEPAD) and the Brazilian Cooperation Agency.

The Initiatives in Europe and Pakistan created platforms to share practical reflections on ways to 'build back differently' from Covid-19. Globally prominent academics, practitioners and policymakers took part in two webinar series – Youth Employment and Politics coordinated by the European Engagement Initiative, and the Mahbub ul Haq Distinguished Lecture Series coordinated by the Pakistan Hub.

#### *Mobilising knowledge for impact*

Events and co-authored publications linked to the International Initiatives are helping to promote the use of evidence in development practice and policymaking. More than 2,300 people accessed our related news and opinion pieces, and more than 113,000 viewed or attended our public events virtually.

Our event 'State–citizen trust through Covid-19' with partners from China, Pakistan, Brazil and the UK advocated shared learning across contexts to strengthen institutional trust during the pandemic and beyond.

The event '[Building ahead from Brazil's pandemic](#)' on agri-food systems was coordinated with Instituto Ibirapitanga, the Federal Rural University of Rio de Janeiro, and the Open University. Participants and panellists gave positive feedback. A dedicated repository of 80-plus [Brazil IDS Initiative outputs](#) was created to promote our collaborative work, such as on agri-food systems, to a global audience.

The Agricultural Policy Research in Africa programme pivoted its activities to assess the [impact of Covid-19 on food systems and livelihoods in southwestern Ghana](#), with recommendations on building resilience among vulnerable groups.

### *Co-constructing research agendas*

The Initiatives convened a series of events with eminent thinkers to co-develop research agendas towards transformative change. These included a gender and cities roundtable between IDS and Lahore University of Management Sciences (LUMS) that will contribute to the co-development of the South Asia Human Development Report in 2021.

New funded research projects began this year, including a collaboration with LUMS on the informal economy in Pakistan; and a [project](#) mapping China's experience of promoting sustainable urbanisation and exploring their relevance to Ghanaian and Kenyan cities.

Find out more about our partnerships at [www.ids.ac.uk/partnerships](http://www.ids.ac.uk/partnerships)

### **Impact story: Strengthening UK–China connections for knowledge-sharing and learning**

As the [UK Anchor Institution](#) for the [China International Development Research Network](#) (CIDRN), IDS has continued activities this year on China's development engagement, with co-created research outputs, a virtual forum, professional training and seminars.

China has the potential for transformative impact in global development due to its strategic importance, role in the global South and commitment to [development](#). As such, stronger links are needed between researchers in the UK and China to encourage better understanding, knowledge-sharing and collaboration – hence the formation of the CIDRN.

Funded by the Foreign, Commonwealth and Development Office and supported by the Ministry for Commerce, China, the CIDRN is a three-year project to open connections and forge new partnerships among British and Chinese research centres, institutes and university departments. These are generating research to inform China and the UK's international development policy and progress towards the UN Global Goals.

### *Engaging policy through research*

Significant outputs this year included the development of a series of [knowledge, evidence and policy recommendations](#) in IDS Policy Briefings, published in partnership with UK and other research institutions. IDS Fellow and Programme lead Jing Gu was also invited to join the advisory panel contributing to the Center for Global Development policy [paper](#), which calls for a renewed strategy with China for effective bilateral development cooperation in the aftermath of Covid-19.

IDS and other UK researchers have contributed to high-level UK–China government discussions throughout the project. Most recently, IDS Director Melissa Leach joined global policymakers, development specialists and business leaders at the virtual [UK–China Development Forum](#) held over two days in December 2020.

Earlier in the project, IDS joined a high-level summit in 2019 on the [Belt and Road Initiative](#) in Beijing, and coordinated visits by Chinese officials to IDS and other UK institutes. IDS also

hosted a visit in 2019 of the Chinese State Taxation Administration and the China International Development Cooperation Agency to build understanding of the UK foreign aid programme legislation and management of aid programmes.

### *Enabling mutual learning*

Activities facilitated by IDS to stimulate knowledge-sharing and mutual learning included the China Global Development Knowledge Network (CGDN) website launched in January 2021 and a dedicated China and Global Development [Seminar Series](#) on critical global challenges, with opportunities for informal dialogue.

Seminar themes debated so far include [Chinese perspectives](#) and [African perspectives](#) on green energy transition, which generated significant attendance, including from NGOs and government organisations globally but especially those based in the UK, Africa and China.

Further related webinars were planned with partners such as the African Economic Research Consortium, the CIDRN, the Southern Think Tank Network (NeST), and the United Nations Department of Economic and Social Affairs, focusing on strengthening global solidarity through development cooperation against Covid-19.

In July 2020, IDS ran a ten-day [Global Development Policy and Perspective professional development](#) course for young researchers and development professionals from UK and Chinese organisations. This encouraged development cooperation and contributed to developing the skills of future leaders.

### *A platform for growth*

The programme has been further strengthened and supported by the [IDS China Centre](#), part of the [IDS International Initiatives](#). The programme will encourage further collaboration that will contribute to providing the evidence needed to inform Chinese development policy, strengthening the UK's role as a global actor.

Already, considerable new research has been generated on critical development topics such as aid for trade and bilateral export upgrading; the role of technological innovation in improving governance effectiveness; the internationalisation of Chinese NGOs under the Belt and Road Initiative; China's role in global agricultural governance; and China's role in the new aid architecture for international development.

## **Strategic priority 5: Creating a sustainable, resilient and effective organisation**

We aim to run our operations and treat our people in a way that reflects our commitments to equity and sustainability. As for most organisations, the Covid-19 pandemic forced a radical change in how we work. Our travel was hugely reduced, all but a few staff worked from home, and all our interactions went online. Throughout, IDS has sought to be accommodating, supportive and flexible as an employer, while remaining financially sustainable and continuing to deliver excellence in our work. In rising to the challenges, we see opportunities ahead for embedding new practices into how we function long-term – not least as this reinforces our determination to live our values on combating climate change. With Black Lives Matter stirring debate for us as well as more broadly, we have also continued to strengthen the equality, diversity and inclusivity agenda for those who work at IDS.

### **Impact story: Fostering equality, diversity and inclusion in IDS**

Events of 2020 have in many ways underlined the importance of our activities to strengthen the equality, diversity and inclusivity agenda for those who work or study at IDS – and which continued on course despite the challenges during the year.

Activities spanned different strands, and were spearheaded by the IDS Equalities Champions Group, with volunteers from across the organisation. Progress will be consolidated thanks to a ring-fenced budget of £20,000 to allow for investment in the year ahead.

#### *Decolonising agenda*

The Black Lives Matter (BLM) campaign produced significant internal debate at IDS – not least because of its acute relevance to this strategic priority. There is a clear opportunity to overlap and apply some of our thinking to how we as an organisation operate, engaging with debates and practices around decolonising, and building on our longstanding experience with participatory and inclusive methodologies.

We added our support to the BLM campaign and renewed our commitment to act against racism with an [updated statement](#). We also committed to the Race at Work Charter and to ethnicity (as well as gender) pay gap reporting.

A working group of students and staff developed and published the Decolonise IDS Manifesto. Sessions on IDS teaching, and an exploration of ways to open up discussions of power dynamics and understand more about the lived experiences of staff and students are being developed in light of this agenda. Tailored questions on the staff wellbeing survey offered initial insights into the extent people felt their experience of working at IDS aligned with our ambitions.

#### *Ambitious Action Plan*

The Action Plan for taking forward equality, diversity and inclusion is wide ranging and ambitious. At the heart of our approach is the regular collection, analysis and review of staff equality and diversity data. This was shared and discussed at a dedicated equalities session at the October IDS annual staff retreat (held online)

The data gave a benchmark to chart progress but also identified possible systemic issues and barriers. Analysis showed that whilst the majority of staff in IDS are women, and we promote men and women in similar proportions, we have a gender pay gap that reflects us having more men in senior positions. A key challenge in our recruitment is addressing the need for visa sponsorship for some candidates. Both the benchmark and the Action Plan will be used for ongoing measurement and evaluation of change.

We took action to remove barriers to attracting a diverse field of applicants for the 2020 Fellow recruitment campaign. This included our commitment as a disability-confident employer to guarantee interviews to applicants with a disability who meet a role's essential criteria. Unconscious bias training was offered to all IDS staff including those involved in recruitment. We also revised the wording in recruitment materials using a gender decoder and made information about flexible working and the support and funding available for immigration purposes clear and more prominent.

### *Inclusive and flexible employer*

Being inclusive of difference and supporting career progression at IDS are important parts of our desire to attract and retain talent. We are developing a reverse mentoring pilot programme to encourage mutual learning between the Strategic Leadership Group and new or early career staff.

Our flexible working policy is also being reviewed to better reflect different needs among our staff and to develop the option of hybrid working, with the pandemic demonstrating the need for our own operational flexibility on this. We began scoping a comprehensive Rewards Review to ensure that our reward structures reflect our values and deliver our strategic aims, with a working group launched in February 2021.

### **Impact story: Action on climate change**

Addressing climate and environmental change forms both a major part of our research work and a central plank in our strategy, in terms of our values and how we as an organisation operate. We are determined to 'walk the talk' on climate action, as activities over the past year demonstrate.

The first greenhouse gas emissions (GHG) audit methodology for IDS was developed in 2020, revealing our current emissions profile and setting a baseline for monitoring future emissions. A sub-group of the IDS Climate Action Task Force pursued this work, building on discussions at the 2019 IDS Annual Retreat.

Reducing air travel was shown to be the single most important contribution that IDS can make to cutting emissions. More than three-quarters of IDS's emissions came from flights: in 2019-20 62.5 per cent of our total emissions were from flights for work trips, and the remainder was for staff and students commuting by plane and participants travelling to attend short courses.

Vital to the success of this work has been the resourcing support from the Strategic Leadership Group (SLG). Their support has also been essential in communicating with donors and partners to promote a shared agenda on reducing emissions as a sector. Through 2021, more focus group discussions with staff will outline plans for acting on the audit recommendations and setting realisable ambitions.

### *UN Global Compact commitment*

Early in 2020, IDS submitted its first Communication on Engagement (COE) to the UN Global Compact. This voluntary initiative is based on organisations' commitments to implement universal sustainability principles and to take steps to support the UN Sustainable Development Goals. It is part of our recognition that our activities may have an adverse impact on the environment and that we will take steps to minimise those impacts.

The Covid-19 lockdown brought rapid changes to how we work – such as reduced travel and a swift upgrade to our use of digital technologies like video conferencing to convene and interact with global partners. We are now actively seeking to embed these changes long term to help reduce our environmental impacts and boost our future sustainability plans.

The Climate Action Taskforce, set up at the 2019 Retreat, continues to develop and implement policies and procedures that minimise waste and conserve energy, and that promote sustainable modes of transport.

This work is all in line with our 2020–25 strategy, which commits us to reducing our carbon footprint and our institutional environmental impacts. We are finding and modelling new and innovative ways to work, and embedding understanding of climate and environmental challenges and opportunities among all our staff and students. We aim to manage our activities, buildings, and estates to promote sustainability goals and to bring about a continual improvement in our environmental performance.

### **Impact story: Enhancing our financial sustainability**

We ended the year in a strong financial position, despite a highly competitive funding environment and the disruptions brought by Covid-19.

At the end of March 2021, we had an operating surplus of £3,293k of which £822k relates to unrestricted funds.

Our contribution to the financial reserves has again exceeded our budgeted figure which puts us in a strong financial position as we enter a challenging financial year.

#### *Brexit and UK Government aid funding*

In the past year, we faced considerable financial uncertainty particularly because of the UK Government cuts to UK Aid but also more broadly from the ongoing challenge around the USS Pension Scheme and forecast student numbers both due to Covid-19 and Brexit.

The announcement by UK government at the end of 2020 that UK Aid spending was to be cut from 0.7 to 0.5 per cent of GDP has created significant challenge. The full extent of the cuts has now been communicated and a revised budget has been produced which reflects all the reductions in income.

Steps were also taken to manage financial risk, including a review of our procurement processes to ensure we provide value for money for funders and maximise impact while remaining open, fair and transparent. This included identifying ways of reducing spend, including managing expenses and monitoring exceptional costs.

Beyond Covid and funding disruption, we also had to plan ahead for the impact of Brexit on staff and students. This included implementing new immigration processes as required by the Home Office and providing additional HR and legal support to those colleagues based in Europe.

At year end, our operational resilience demonstrates our continued ability to adapt our systems and processes to external change. This will continue to be vital into the years ahead.

#### *Transparency*

We are committed to ensuring the highest level of accountability and transparency regarding the funding we seek and receive, as set down in our funding ethics policy. Transparify has recognised this commitment in their global rating of the financial transparency of major think tanks. IDS currently holds the highest five-star transparency rating that Transparify awards.

### **3.4 Future plans**

As highlighted earlier, we are now one year into the implementation of 2020–25 Strategy, *Transforming knowledge, transforming lives*, which was launched in June 2020.

#### **Strategic Goals**

The strategy sets out five priorities. These will continue to help us respond to the unprecedented disruptions and shocks of our era, whether in the form of epidemics or those that are environmental, economic, political, social and technological in nature. They are:

## **Collaborating across sciences, sectors and communities to do research that brings about progressive change**

The way in which research is undertaken matters. We will collaborate innovatively across social, natural, medical and other sciences, as well as with governments, non-governmental organisations, civil society and communities to generate and apply evidence in ways that ultimately make a difference to people's lives.

We are committed to:

- **Promoting the value that social science perspectives can bring to tackling global challenges.** We will bring insights into the cultural, social, economic and political realities that, for example, enable or prevent people from acting on health advice, benefitting from improved public services, or holding decision makers to account through new mobile technologies.
- **Strengthening our engagement with the Arts and Humanities.** We will actively seek to bring creative and historical-based perspectives to our efforts to engage research with policy and practice and ensure that they are underpinned by the lessons of what works.
- **Extending our legacy around participatory research methods.** We will collaborate with the most marginalised to shape the solutions intended to ensure they are not left behind. We will also develop and share tools and guidelines for researchers and practitioners working in fragile and conflict-affected settings to help them navigate complex political and ethical challenges.
- **Fostering new knowledge, leadership and action on emergent global challenges.** We will deliver strategic research initiatives that bridge academia, policy and practice and help define what is required to tackle issues including:
  - Building climate and environmental justice.
  - Upholding gender and social justice in the context of closing civic space.
  - Ensuring decent work and political inclusion for young people.
  - Achieving social justice and sustainable livelihoods in a digital age.
  - Transforming knowledge and action on global food equity
  - Responding to displacement and migration resulting from chronic crises.

## **Building future leadership for development**

To respond to global challenges, we need new generations of informed and knowledgeable leaders and champions - from Presidents and Ambassadors to intellectuals and activists to entrepreneurs and journalists. We will strengthen, expand and extend the opportunities for learning through our world-renowned postgraduate degrees, PhD research programme, and professional development courses for development practitioners and decision makers.

We are committed to:

- **Strengthening the capabilities of partners, peers, staff and students to critically reflect and act on addressing major global challenges using evidence to influence and shape change.** We will actively seek and support PhD researchers with the potential to contribute to equitable and sustainable development globally. We will continue to offer development professionals, including our own staff, alumni, students and partners, the opportunity to strengthen and reflect on their practice through our professional development and learning programme and investment in our staff learning and training.
- **Ensuring excellence and equity in our learning and teaching.** We will seek to continue to provide a world-ranked learning experience. We will further enhance the diversity of our student body and professional learners through scholarships and

collaborations with partners to develop training opportunities in international research and mutual learning hubs in Brazil, China, South Asia and West Africa. We will strengthen our teaching methods and practices for shaping change and work to ensure that our course materials include a wide diversity of global perspectives.

- **Innovating in teaching delivery.** We will embrace and invest in technology to expand the reach, excellence and equity of our learning and teaching. We will also collaborate with the University of Sussex in the provision of new online distance learning.

### **Championing the use of evidence for social and environmental justice**

We will redouble our efforts to underline the value of evidence in decision-making in this post-truth era, and in bringing evidence to bear on policy and practice in ways that improve people's lives. Across our research, learning and teaching programmes, we will build on our well-established approaches to understanding how power and politics shape the generation and use of evidence.

We are committed to:

- **Engaging evidence more effectively with the politics of policy and practice.** We will collaborate globally to cultivate approaches and methods that effectively engage evidence with the realities of how change happens. We seek to establish ourselves as a global centre of excellence in this area through innovative research agendas and an expanded professional development and learning programme.
- **Challenging views of how change happens and is measured.** Through international collaborations, we will seek to influence donors, academics, governments and civil society to promote social justice and good governance through the equitable co-production of inclusive and interdisciplinary evidence. We will pioneer new approaches that bring together different perspectives on how change happens and counter power relations and inequities in how evidence is generated and used. We will work to shape new impact agendas that recognise the importance of behaviours, attitudes and capacities in the way change happens.
- **Pioneering and developing cutting-edge evaluation.** We will seek to improve the quality and use of evidence produced by evaluation, in a way that will ultimately help improve lives. We will pioneer rigorous, complexity-aware approaches to building and testing theories of change through contribution analysis, political economy analysis, power analysis, and participatory and reflective methodologies for individual and organisational learning. We will utilise our convening power to share these approaches more widely and challenge ineffective practices.

### **Working with partners to expand international research and mutual learning networks for development**

We will advocate for greater investment by funders, governments, civil society, academic institutions and others in equitable and sustainable partnerships that generate knowledge that is shaped by a greater range of perspectives. We will promote mutual learning, exchange and knowledge generation through the establishment of regional networks that challenge entrenched behaviours and attitudes about whose knowledge counts and that actively shape new development research and learning agendas.

We are committed to:

- **Ensuring inclusive and diverse research and teaching agendas.** We will engage actively with broader debates around how knowledge is prioritised and what this means for Development Studies. We will develop alliances with universities, social movements and others across the world to enable mutual learning between the UK

and countries globally. We will seek to bring theory and policy innovations from outside the UK into our national debates and policy processes.

- **Working with partners to establish international development research and mutual learning hubs.** These hubs will co-generate research, teaching and policy engagement activities in locations where we are already involved with a critical mass of projects and partners including Brazil, China, South Asia and West Africa initially. The hubs will facilitate the sharing of knowledge and experience and enhance mutual learning, with the aim of meeting both domestic development priorities and influencing development agendas internationally.
- **Enriching and extending our European engagements.** We will intensify interactions with our European partners and contribute actively to European networks related to Development Studies. In this way we will re-envisage IDS's UK base as part of a European international research and learning hub. We will also seek to shape the UK's future approaches to international research partnerships, promoting the value of maintaining existing European collaborations that can help transform the knowledge needed for development globally.

### **Creating a sustainable, resilient and equitable institution**

We seek to be excellent, inclusive, resourceful and respectful across all of our work, and to contribute to the change we want to see not just through our research, learning and teaching activities, but in the way our organisation operates and in which we support and nurture our people.

We are committed to:

- **Taking climate and environmental action.** We will reduce our carbon footprint and institutional environmental impacts through our Climate Action Taskforce and deepen understanding of the challenges and opportunities amongst all our staff and students.
- **Fostering equality, diversity and inclusion.** We will work to eliminate discrimination by implementing and embedding our equality, diversity and inclusion action plan. We will develop and deliver a reward, pay and benefits system that reflects our values and that enables us to deliver our strategic aims. We will continually develop our infrastructure, buildings and services to ensure they are inclusive and accessible to all.
- **Ensuring we are a resilient organisation.** We will maintain sustainable financial and operational models, which are adaptable and innovative and ensure we remain a vibrant going concern. We will strive for a diverse, robust and sustainable fundraising pipeline. This includes strengthening our partnership with the University of Sussex through new and existing collaborative initiatives and joint fundraising. We will continue to embrace regulatory, compliance and professional expectations and integrate these into our ways of working. We will do everything possible to maximise the value for money of our projects, so that they maximise the impact on people's lives. This means bringing together quality people, the most appropriate research methodologies, adaptive management systems, and embedded learning throughout all aspects of our work.

### **3.5 Quality, impact and public benefit**

Our research, as demonstrated elsewhere in this report, developed and undertaken in partnership continues to make a real contribution to tackling some of the world's most pressing global challenges, including the Covid-19 pandemic.

Our research activity is subject to formal peer review and scrutiny to test its quality and to

demonstrate its value and impact. This includes scrutiny via the work of the Fellowship Review and Promotion Board (FRPB), which reviews the performance of each researcher on a four-yearly cycle and which includes external senior peers; and also extensive and demanding scrutiny by funders. A significant proportion of the contracts IDS receives are awarded on the basis of open competition. Almost without exception, contracts include appropriately demanding expectations for reporting and engagement and requirements for accountability.

Part of the Monitoring, Evaluation and Learning (MEL) framework built to assess progress against our new strategy attends specifically to measuring the value and impact of our work. This framework sits alongside programme-specific monitoring and evaluation frameworks required by individual funders and an institutional quarterly profile report which measures the reach and engagement with our work from key audiences and beneficiaries. A MEL report is prepared for the Board on a yearly basis.

The breadth and quality of our research, teaching and learning was recognised in 2020 by IDS sustaining its position as top International Development Policy Think Tank in the Global Go To Think Tank Index. And together with the University of Sussex, we have retained our ranking as best in the world for Development Studies in the QS University Rankings 2020, now held for five years in a row.

Highlights from the past financial year include:

- #1 world ranking for Development Studies with the University of Sussex in the QS World University Rankings
- #1 world ranking in the International Development Policy Think Tank category in the Global Go To Think Tank Report
- 350 students joined us between September 2019 and September 2020, including 52 students on scholarships from across 31 countries.
- 377 contractual research, learning and funding partners
- 83 published journal articles authored by IDS staff
- 150 participants from 52 countries completed IDS professional development short courses
- 1,380 items in global print, online and broadcast media
- 354,793 engagements with IDS content including website, event registrations, newsletter subscriptions and social media, an 8 per cent increase on last year.

Awards, honours and appointments from the past year include:

- Atefeh Asfari, Gertrude Ashilley, and Dolapo Olaniyan were awarded IDS Graduate Scholarships to study master's courses at IDS commencing September 2020.
- Ian Scoones was recognised in the 2020 Highly Cited Researchers List compiled by Clarivate Analytics/Web of Science, ranking in the top one per cent by citations over the past decade across the social sciences.
- Jing Gu was appointed Academic Editor of Third World Quarterly journal.
- Katie Williams was awarded the CIPD Certificate in Human Resource Management Level 5.
- Katy Oswald and Colin Anderson were winners of the 2020 Sussex Education Awards: Katy for 'Teaching to Disrupt' & Colin for 'Sussex Spirit'. Lidia Cabral and Sohela Nazneen were also nominated for awards.
- Mick Moore was appointed as an (OBE) in the New Year 2021 Honours List, for services to international development.
- Sarah Stephens was awarded the SeNSS Phd scholarship to support her PhD research for two years starting in October 2021.

IDS continues to be committed to knowledge as a public good. Its flagship publication

the *IDS Bulletin* is an open access and peer-reviewed journal exploring emerging international development challenges which works hard to ensure that it has a high proportion of contributors to the journal from the global South. IDS also makes all of its publications, where possible and in line with funder requirements and compliance, available on OpenDocs its open access repository.

IDS has an extensive range of global networks and communications channels, including Facebook, Twitter, LinkedIn, YouTube, Soundcloud and Instagram. It now has over 186,000 Facebook followers and over 76,900 Twitter followers. IDS' podcast *between the lines*, launched in 2019, also continues to go from strength to strength, and reach new audiences.

IDS is committed to collaborating with partners to deliver world-class research, learning and teaching that transforms the knowledge, action and leadership needed for more equitable and sustainable development globally.

The Trustees have had due regard to the Charity Commission's general guidance on public benefit when considering IDS' objectives and planning its activities.

Specifically, IDS carries out its charitable objectives through:

- Research: Work with academic institutions, think-tanks, consultancies, non-governmental organisations and others - across disciplines, country borders and sectors – to build global research and learning networks that help understand people's lived experiences and the realities that shape these, in order to tackle global challenges and humanitarian crises.
- Learning: Providing world-class, tailored and supportive professional development learning opportunities for those working in non-governmental organisations, governments, multilateral agencies and research institutions to develop and put into practice the individual and organisational skills and expertise critical to realising transformative social change.
- Teaching: Building future generations of development champions through world-renowned postgraduate degrees and PhD research programme

By focusing on these areas IDS aims to contribute to a more equitable and sustainable world, where people everywhere can live their lives free from poverty and injustice.

To help ensure IDS' work is properly informed by the needs, experiences and views of the target beneficiaries and users of its work, IDS:

- Collaborates with its network of global partners on research and knowledge work, especially those based in the global South.
- Carries out regular assessments of our impact, including through the views of our stakeholders.
- Carries out regular teaching reviews to ensure the continued relevance and quality of the Teaching programmes.
- Draws on its alumni to sustain a global network of development professionals and practitioners who take a lifelong interest in the Institute and share their experience and expertise within the development community and wider world as well as the Institute.
- Ensures that its Board of Trustees reflects IDS' global remit.

Examples of IDS' contribution to public benefit in 2020-21 have been included throughout this report. Some of the key public benefit achievements are:

- Contributing vital research and knowledge to strengthen evidence-informed decision-making processes in policy fora such as UK parliament's International Development Select Committee and the World Health Organization in relation to Covid-19.
- Enabling access to its courses by offering scholarships for master's students.

- Strengthening our alumni network through our online platform and targeted events.
- Recognising and celebrating the achievements of our alumni who are working to improve the lives of communities in countries including India and Brazil.
- Continuing to support the publication of the *IDS Bulletin* as an open access publication and the IDS open access repository IDS OpenDocs, making critical development knowledge more readily accessible and available to all.
- Increasing the use of online technologies to make our events and training courses on important development issues more easily accessible by audiences irrespective of where they are based.
- Offering scholarships to attend our professional development short courses.

### 3.6 Financial report for the year

Despite the challenges IDS has had a successful year financially. IDS has reported a surplus of £3,293k before adjustments for the gains/losses on the pension liability compared to a surplus of £2,755k in 2019/20. Of this there is a surplus of £822k on unrestricted funds (2019/20 - £1,402k), which has again been achieved through effective cost control and budgeting. The restricted funds show a surplus in the year of £2,471k (2019/20 - £1,353k) arising from timing differences between recognition of income and actual expenditure.

Total income for the year was £31,422k, an increase of £3,862k from 2019/20. The increase can be broken down into a rise of £4,975k in commissioned studies and research income offset by a reduction of £847k in teaching income. Trading for the financial year 2020/21 was also severely reduced due to the restaurant and accommodation being closed for most of the year due to the pandemic. The increase in research income supported an increase in research expenditure of £3,373k. Despite the reduction in student numbers teaching expenditure rose by £256k driven, in part, by the need to invest in training and technology to allow remote teaching during the pandemic. Trading costs did reduce significantly but not as much as income due to the fixed costs of the restaurant. Support costs rose over the year by £889k. This was driven largely by an increase in the costs of VAT reverse charges of £659k. These are charged on any services procured from outside of the United Kingdom and have risen over the past couple of years. Overall, as a percentage of total costs, our support costs have remained at just under 16 per cent.

Under the charity's memorandum and articles of association no part of the income or property of the charity can be distributed to the members.

#### Balance sheet

Net current assets totalled £16,448k (2019/20 - £13,065k) with £13,109k (2019/20 - £9,697k) held as current asset investments. Total reserves were £13,132k (2019/20 - £9,795k) consisting of £5,710k (2019/20 - £5,041k) unrestricted (£10,000k before the pension liability) and £7,422k (2019/20 - £4,754k) restricted.

#### Financial reserves policy

The Board of Trustees reviews the level of reserves on an annual basis in line with its Reserves Policy.

The aim of IDS' Reserves Policy is to ensure that its ongoing and future activities are reasonably protected from unexpected short-term variances in income and expenditure. Total funds at 31 March 2021 were £13,132k which is made up of:

- Fixed assets £1,058k
- Investments and cash £17,917k
- Working capital (£1,553k)
- Less the pension liability £4,290k

The reserves are held under several different categories:

- Unrestricted funds – General funds (free reserves) £8,963k: These are available to be spent at the discretion of the trustees, to any of the Institute's charitable purposes.
- Unrestricted funds – Designated funds £1,037k: These funds have been designated by the Trustees to meet a specific purpose of the Charity in the future. See below for further detail.
- Pension reserve liability £4,290k: The pension liability represent the discounted value of the deficit funding requirements over six years for the USS pension and five years for USPAS and does not imply a significant constraint over the use of the reserves for the foreseeable future other than to ensure monthly contributions are met which are budgeted for accordingly.
- Restricted funds £7,422k – These funds are used in accordance with the specific restrictions imposed by the funders. These funds are set out in the notes to the financial statements.

The Institute has three designated funds which are held separately from the general funds. Each of these has a specific purpose as designated by the Trustees. An explanation of each reserve and when it would be expected to be spent:

- Capital fund £936k – This fund is used to reflect the purchase and depreciation of tangible fixed assets when they are purchased out of the general income of the Institute. The fund is equal to the net book value of the Institute's fixed assets (less the restricted deferred income reserve).
- Building development fund £100k – The building development fund exists to enable the Institute to complete any emergency or essential building works or repairs which may be necessary and cannot be funded from that year's capital budget.
- General donations fund £1k – The general donations fund holds the unrestricted donations that the Institute has received and the spend from the fund will be determined by the Institute.

The general funds of the Institute are held to meet the cash flow of the Institute should there be an unexpected fall in its income or funding.

The RARC and the Board of Trustees reviewed the level of reserves at their meetings in March 2021. It is their view that a minimum of £6,500k should be held in reserve to ensure the work of the organisation can continue without disruption in adverse circumstances. This amount has been calculated after reviewing the organisation's risk register and determining the greatest threats to income, expenditure and asset. Total general reserves (excluding the pension liability) at 31 March 2021 were £8,963k. The Trustees note the current difference between the minimum reserve and the general reserve held is significant. These reserves will be an important factor in the Institute's resilience and future sustainability when dealing with the impact of the pandemic, pension cost increases and UK Government Official Development Assistance (ODA) budget cuts. The Board have agreed to utilize some of the excess reserves in the coming year to mitigate the impact of the cuts and diversify funding sources.

### **Investment policy**

The overriding principle guiding the investment of surplus cash balances is the preservation of the capital value of the Institute's resources. The objective for investments is to achieve the best possible return whilst minimising risk. When returns are so low, this is challenging and means that capital growth is minimal.

Investment performance is regularly reviewed by the Trustees. The Trustees have continued in 2020/21 with the policy agreed in 2007/08 to use only fixed interest instruments for investment purposes.

Using agreed instruments a return of £2k (2019/20 - £48k) was achieved in 2020/21.

### **Fundraising**

All IDS fundraising activity is carried out by IDS staff. IDS does not use professional fundraisers or have any commercial participators. All fundraising activities are managed by the Head of Fundraising and Development with oversight by the Director of Research and the Board of Trustees. All who work in fundraising receive training on a regular basis from organisations such as British Overseas NGOs for Development (BOND), Council for Advancement and Support of Education (CASE) and Institute of Fundraising.

No complaints relating to fundraising activities have been received by the Institute during this financial period (2020/21). IDS does not currently subscribe to any specific fundraising standards or schemes for fundraising regulation but considers that it has set appropriate standards for the operation and management of its fundraising activities in line with the Code of Fundraising Practice. In respect of fundraising, the guidance on the implication of the Covid-19 pandemic suggests that charities ought to review how the pandemic has impacted on the charity's ability to fundraise. As such, our future plans are to continue to diversify our level of fundraising including looking at alternative on-line events. IDS would not approach any person that it had reasonable grounds to believe, in the course of its engagement with the individual, was a vulnerable person.

### **Accounting for pensions**

The charity SORP requires that charities make provision for the value of their pension fund liabilities on their balance sheet. IDS has two pension deficits to account for which have significant effect on the accounts. The USS pension was revalued again in 2018 and the total deficit of the scheme reduced from £7.5bn in 2017 to £3.6bn. The Institute has used the 2018 valuation to calculate its share of the pension deficit and it has resulted in a decrease in the pension provision of £62k (from £3,472k to £3,534k). This increases IDS' unrestricted reserve to £5,992k. The USS pension was revalued at March 2020 and is now under consultation. Once the valuation has been accepted it will be reflected in the IDS balance sheet and is likely to result in an increase in the pension provision.

The USPAS pension scheme recovery plan has been in place for several years. The scheme has been closed to new members since 2009. The liability reduced by £167k (from £923k to 756k).

More detail on pensions is provided in note 15 to the accounts.

### **Going concern**

The Institute is funded through income from charitable activities in relation to commissioned studies and research, together with teaching income.

The Trustees have assessed the Institute's ability to continue as a going concern. The Trustees considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. These factors have included the key risks and uncertainties in the context of the Institute's operations (including Covid-19 and ODA cuts), the current pipeline, a review of the budget and forecasts and the contingency plan. The contingency plan also considers the mitigating actions the Institute can deploy and considers both immediate liquidity and longer term solvency, together with the impact on reserves.

The three monetary risks to IDS are ODA cuts, reduced student numbers and increased pension costs.

The impact of the UK Government decision to cut ODA will be felt in 2021/22 and in future years. We have already had confirmation that budgets for several our projects have been cut by up to 70 per cent. ODA funding accounts for approximately 50 per cent of our funding and overall we are set to lose about 40 per cent of that. Activities and budgets for 2021/22 have

been re-profiled to lessen the impact. We are fortunate also to have started the year with our strongest ever contracted pipeline and even after the cuts, having approximately £26 million of research income contracted for 2021/22. The pandemic also provides opportunities for new projects, and we have secured funding from FCDO and others in this area.

The Institute's student numbers remain vulnerable, and we have not assumed an immediate bounce-back but a gradual increase over several years. We have been developing and implementing a substantial marketing campaign to maximise student recruitment.

Consultation with the USS pension trustees is taking place on future contributions and IDS is actively involved in those discussions.

IDS had a financially successful year in 2020/21 despite the disruption caused by the Covid-19 pandemic. The Institute increased its general reserve by £669k with total free reserves of £8,963k at the year end. This is more than the target free reserves level and provides a solid foundation for the Institute and headroom to implement any changes or restructuring required. The effect of the cuts to ODA, USS pension increases and possible continued reduced student numbers due to travel restrictions has been modelled and the Board have agreed to utilise up to £2 million of the excess reserves over the following two years to ensure IDS can continue to deliver impactful work despite the above financial challenges.

Having regard to the above, the Trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

### **3.7 Principal risks**

The Trustees are responsible for the effective management of risk including approving the overall risk management policy and ensuring that a sound system of internal financial controls is in place and operating as designed. This will safeguard the charity's assets including its reputation.

IDS has established an ongoing process for identifying, evaluating and managing the charity's key risks and systems that have been established to mitigate those risks. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

In particular there are clear procedures, roles and responsibilities for:

- Identifying and monitoring key strategic risks.
- Identifying, monitoring and managing key financial risks.
- Detailed appraisal and authorisation of proposals prior to submission for funding.
- Project management and post-completion research outputs.
- Financial accounting and management reporting.
- An annual review of the control environment.

The Resources, Audit and Risk Committee (RARC), on behalf of the Trustees, keeps under constant review the key strategic and operational risks IDS faces, the control environment and the systems and procedures in place to mitigate the risks. The Committee is supported in this work through access to expert advice and internal audit review from Crowe U.K. LLP. Internal audit findings are reported directly to the RARC and Trustees.

Financial risk management covers areas such as price risk, exchange risk, credit control risk, liquidity and interest rate cash flow risk. Each year, the RARC considers a report that details major areas of financial strategy and progress in addressing key financial issues.

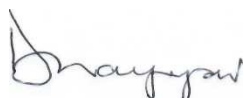
The RARC highlighted a range of risks at the Institute level in its report and discussion in March 2021. The most significant risks are actively managed in the following manner:

<p>UK Government ODA cuts.</p>	<p>We are working closely with FCDO and other ODA funders to ensure activities and budgets are re-profiled within the reduced budgets. We are actively seeking to secure new funds and diversify our funding base. We have a call to action for our research teams to seek additional funding. We have agreed with our Board we can use up to £2m of reserves to support researchers seeking new funds and to support our fundraising and development team.</p>
<p>Covid-19 crisis impacts our research and knowledge causing financial loss and reputational damage.</p>	<p>We monitor and forecast a five-year income pipeline which is regularly updated along with our annual finance forecast. We are monitoring all projects over £100k on a monthly basis to establish any changes to the projects. We have secured funding opportunities for research on the pandemic and its effects. As we start to come out of lock down activity will increase and we will work with funders to ensure that activity is pivoted to their required outputs and impact. Despite the constraints of not being able to undertake field work our monitoring and evaluation processes continue to ensure research is impactful.</p>
<p>Teaching and learning issues cause a reduction in student numbers and loss of income. The pandemic and travel restrictions continue to impact student numbers.</p>	<p>Student numbers will be known in September and we are assuming numbers will remain at their present low level. We have developed a marketing campaign and a plan for modest increases in numbers over the next few years.</p>
<p>Our exposure to the pension deficit increases costs and damages our balance sheet.</p>	<p>Forecasts are prepared on a prudent basis and we are building our reserves. The planned increases are included in our budgets and forecasts. Newly recruited professional staff are enrolled in a defined contribution scheme which will gradually reduce our exposure. Independent advice is sought and discussed in depth with both RARC and the Board with the experts present. There is a valuation on progress for March 2020 which will be significantly impact by the fallout of the Covid-19 crisis. Initial calculations are showing a large increase in the deficit calculation.</p>
<p>Our reputation is damaged especially in a volatile political and media environment often hostile to aid particularly around the issues of safeguarding and conduct</p>	<p>We are compliant with the Charity Commission Code of Governance following an internal review and have reviewed and updated our policy on Safeguarding and put in place a complaints procedure. We are</p>

	rolling out a programme of training on Safeguarding for our Trustees and employees and have appointed one Safeguarding lead Trustee.
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These risks are to a certain extent not new although the pandemic has brought them into sharp focus. We have been actively working to diversify our funding base for a few years now. The Risk Subcommittee, SLG and RARC keep them under close watch, attempting to combine an appropriate level of risk appetite with proportionate responses that do not restrict our work or academic freedom, and good communication with staff and partners which we have learned is so critical to maintaining IDS' culture and collegiality.

This Annual Report of the Trustees under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 15 July 2021, including approving in their capacity as company directors the Strategic Report contained therein, and is signed as authorised on its behalf by:



Deepak Nayyar  
Chair of the Board of Trustees  
Approved by the Trustees on: 15 July 2021

## **Independent auditor's report to the members of The Institute of Development Studies**

### **Opinion**

We have audited the financial statements of The Institute of Development Studies ('the charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, 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 Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of 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 Financial Reporting Council's (FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustee's 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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material mis-statements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 7, 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 mis-statement, 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. Mis-statements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations was the Office for Student Regulations, General Data Protection Regulations, health and safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

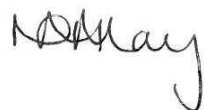
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant income, expenditure incurred with partners and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, Data Protection Officer, internal audit and the Resource, Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, reviewing due diligence assessment performed on partners and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material mis-statements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the

inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.



Nicola May  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
**London**

**Date 4 August 2021**

**Statement of financial activities: Year ended 31 March 2021**

	Notes	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
<b>Income from:</b>					
. Donations and legacies		-	67	67	102
. Investments	2	2	-	2	48
Charitable activities:					
. Commissioned studies and research	1	6,703	21,066	27,769	22,794
. Tuition fees		3,577	-	3,577	4,424
. Publications, catering and accommodation		7	-	7	192
<b>Total income</b>		<b>10,289</b>	<b>21,133</b>	<b>31,422</b>	<b>27,560</b>
<b>Expenditure on:</b>					
Raising funds		52	-	52	54
Charitable activities					
. Commissioned studies and research		5,422	18,604	24,026	20,653
. Teaching costs		3,749	58	3,807	3,551
. Publications, catering and accommodation		140	-	140	373
. Interest payable –re pension provision	15	104	-	104	174
<b>Total expenditure</b>	3	<b>9,467</b>	<b>18,662</b>	<b>28,129</b>	<b>24,805</b>
<b>Net income</b>		<b>822</b>	<b>2,471</b>	<b>3,293</b>	<b>2,755</b>
Transfers between funds	12	(197)	197	-	-
Actuarial gain on defined benefit pension schemes		44	-	44	2,930
<b>Net movement in funds</b>		<b>669</b>	<b>2,668</b>	<b>3,337</b>	<b>5,685</b>
<b>Fund balances at 1 April 2020</b>		<b>5,041</b>	<b>4,754</b>	<b>9,795</b>	<b>4,110</b>
<b>Balances carried forward at 31 March 2021</b>		<b>5,710</b>	<b>7,422</b>	<b>13,132</b>	<b>9,795</b>

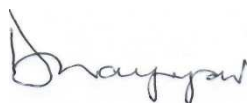
There is no difference between the net income stated above and the historical cost equivalent. All of the charity's activities derived from continuing operations during the above two financial periods.

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

## Balance sheet as at 31 March 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
<b>Fixed assets</b>					
Tangible assets	7		1,058		1,197
<b>Current assets</b>					
Debtors	8	7,833		8,800	
Current asset investments	9	13,109		9,697	
Cash at bank and in hand		4,808		2,168	
		<u>25,750</u>		<u>20,665</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(9,302)</u>		<u>(7,600)</u>	
<b>Net current assets</b>			16,448		13,065
<b>Creditors: amounts falling due after one year</b>	11		<u>(84)</u>		<u>(72)</u>
<b>Net assets excluding pension liabilities</b>			17,422		14,190
Defined benefit pension liability	15		(4,290)		(4,395)
<b>Total net assets</b>			<u>13,132</u>		<u>9,795</u>
<b>Represented by:</b>					
<b>funds</b>					
<i>Income funds:</i>					
Unrestricted funds					
• Designated funds		1,037		1,162	
• General reserve		8,963		8,274	
		<u>10,000</u>		<u>9,436</u>	
• Pension reserve		<u>(4,290)</u>		<u>(4,395)</u>	
Restricted funds			5,710		5,041
			<u>7,422</u>		<u>4,754</u>
			<u>13,132</u>		<u>9,795</u>

Approved by the Trustees  
and signed on their behalf by:



D Nayyar  
Trustee



N Clayton  
Trustee

Company registration number 877338 (England and Wales)

Approved on: 15 July 2021

## Cash flow statement: Year ended 31 March 2021

	Notes	2021 £'000	2020 £'000
<b>Net cash inflow from operating activities</b>	A	<b>6,257</b>	<b>3,831</b>
<b>Cash flows from investing activities:</b>			
Interest received		2	48
Interest paid		(104)	(174)
Purchase of tangible fixed assets		(104)	(219)
Purchase of investments		(3,411)	(3,048)
Proceeds from the sale of investments		-	1,000
		<b>(3,617)</b>	<b>(2,393)</b>
<b>Net increase in cash</b>	B	<b>2,640</b>	<b>1,438</b>
<b>Cash balances at 1 April 2020</b>	B	<b>2,168</b>	<b>730</b>
<b>Cash balances at 31 March 2021</b>	B	<b>4,808</b>	<b>2,168</b>

*Notes to the cash flow statement for the year to 31 March 2021*

**A** *Reconciliation of net movement in funds to net cash outflow from the Institute's activities*

	2021 £'000	2020 £'000
Net movement in funds	<b>3,337</b>	5,685
Investment income	(2)	(48)
Interest payable on pension liability	104	174
Loss on disposal of fixed assets	-	2
Depreciation	242	256
Decrease/(increase) in debtors	967	(1,702)
Increase in creditors	1,714	2,300
Decrease in pension liability provision	(105)	(2,836)
Net cash inflow from the Institute's activities	<b>6,257</b>	<b>3,831</b>

**B** Analysis of changes in cash

	At 1 April 2020 £'000	Cash flows £'000	At 31 March 2021 £'000
Cash at bank and in hand	2,168	2,640	<b>4,808</b>

## Notes to the financial statements: Year ended 31 March 2021

### Status of the company / charity

The company/charity was incorporated on 16 April 1966 in England and Wales as The Institute of Development Studies and is limited by the guarantee of its members. The guarantee of each member is restricted to £1 sterling. The address of the registered office is: Andrew Cohen Building, University of Sussex, Brighton BN1 9RE and its registration number is 877338.

### Basis of preparation

The financial statement have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of the current asset investments, and 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 (effective 1 January 2015) – (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 of Development Studies meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in pounds sterling which is also the functional currency of the charity.

### Going concern

The Institute is funded through income from charitable activities in relation to commissioned studies and research, together with teaching income.

The Trustees have assessed the Institute's ability to continue as a going concern. The Trustees considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. These factors have included the key risks and uncertainties in the context of the Institute's operations (including Covid-19 and ODA cuts), the current pipeline, a review of the budget and forecasts and the contingency plan. The contingency plan also considers the mitigating actions the Institute can deploy and considers both immediate liquidity and longer term solvency, together with the impact on reserves.

The three monetary risks to IDS are ODA cuts, reduced student numbers and increased pension costs.

The impact of the UK Government decision to cut ODA will be felt in 2021/22 and in future years. We have already had confirmation that budgets for several our projects have been cut by up to 70 per cent. ODA funding accounts for approximately 50 per cent of our funding and overall we are set to lose about 40 per cent of that. Activities and budgets for 2021/22 have been re-profiled to lessen the impact. We are fortunate also to have started the year with our strongest ever contracted pipeline and even after the cuts, having approximately £26 million of research income contracted for 2021/22. The pandemic also provides opportunities for new projects, and we have secured funding from FCDO and others in this area.

The Institute's student numbers remain vulnerable, and we have not assumed an immediate bounce-back but a gradual increase over several years. We have been developing and implementing a substantial marketing campaign to maximise student recruitment.

Consultation with the USS pension trustees is taking place on future contributions and IDS is actively involved in those discussions.

IDS had a financially successful year in 2020/21 despite the disruption caused by the Covid-19 pandemic. The Institute increased its general reserve by £669k with total free reserves of

£8,963k at the year end. This is more than the target free reserves level and provides a solid foundation for the Institute and headroom to implement any changes or restructuring required. The effect of the cuts to ODA, USS pension increases and possible continued reduced student numbers due to travel restrictions has been modelled and the Board have agreed to utilise up to £2 million of the excess reserves over the following two years to ensure IDS can continue to deliver impactful work despite the above financial challenges.

Having regard to the above, the Trustees believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

### **Income**

Incoming resources are recognised when the Institute becomes entitled to the income, the amount can be measured reliably and it is probable that the Institute will receive the funds.

Incoming resources receivable under contracts for services provided are recognised to the extent that the relevant work has been performed. Income received in advance of work performed is deferred.

Grant income is recognised in full when the Institute becomes entitled to the income, it is probable that the income will be received and the amount can be measured reliably.

Investment income is recognised when receivable.

### **Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Central overhead costs are allocated to operational functions on the basis of their use of central support services.

Support costs, which include the central office functions such as governance, general management, payroll administration, budgeting and accounting, information technology, human resources and financing are allocated across the categories of charitable expenditure. The basis of the cost allocation is explained in note 4 to the financial statements.

Redundancy and settlement payments are recognised once the member of staff has been informed. The cost is measured at the best estimate of expenditure required to settle the obligation at the reporting date.

### **Incentive scheme**

Any payments due to staff under incentive schemes are provided for as research costs in the financial year in which they are earned. The amounts are not disclosed as staff costs until the financial year in which they are paid.

### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction for income received and at the closing rate for the month in which other transactions take place. Exchange differences are taken into account in the net movement in funds.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are included at cost and only furniture and equipment greater than £500 are capitalised.

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their estimated useful lives.

The periods generally applicable are:

- Leasehold buildings - period to 2029
- Furniture and equipment - five years

### **Current asset investments**

Investments are included at closing bid value at the balance sheet date. Any gain or loss on revaluation is included in the statement of financial activities.

### **Basic financial instruments**

IDS 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

At the Balance Sheet date the charity held financial assets at amortised cost of £12,297k (2020 – £10,481k). Financial assets at fair value through income or expenditure of £13,109k (2020 - £9,698k) and financial liabilities at amortised cost of £5,034k (2020 - £1,357k).

### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities – the charity recognises its liability to its defined benefit pension schemes which involve a number of estimations as disclosed in note 15 to the accounts.

### **Contributions to pension funds**

The charity participates in four pension schemes: a National Employment Savings Trust Scheme (NEST), the IDS Pension and Savings Scheme (SPSS), the Universities Superannuation Scheme (USS) and the University of Sussex Pension and Assurance Scheme, (USPAS).

The IDS' casual workers are auto enrolled into a National Employment Savings Trust Scheme (NEST), this is a defined contribution scheme.

In November 2018 a new pension scheme was implemented for new professional services staff. All new professional service staff are auto enrolled into the IDS Pension and Savings Scheme (SPSS), this is a defined contribution scheme.

IDS participates in Universities Superannuation Scheme (USS). The scheme is a hybrid

pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. IDS is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", IDS therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since IDS has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, IDS recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The other scheme, the University of Sussex Pension and Assurance Scheme, (USPAS) is a multi-employer defined benefit pension scheme providing benefits based on final pensionable pay and career revalued benefits

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 or FRS 102. The trustees are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

IDS accounted for USS and USPAS by charging all contributions to the SOFA as incurred.

IDS' share of the deficit for USS has been calculated using a specific modeller. The discount rate used in the modeller was selected as it was representative of the return the Institute could expect on a high quality bond over the repayment period of the pension liability. The rate selected was 2.1 per cent. The rate chosen could make a material difference to the liability recognised in the financial statements.

The amounts payable in contributions to fund the deficit have been included as a charge in the statement of financial activities.

IDS' share of the deficit for USPAS is deemed to be the deficit contributions payable by the Institute. This deficit is recorded as a liability on the balance sheet.

### **Fund accounting**

Restricted funds are to be used for specific purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs where permitted by the fund.

Unrestricted funds are incoming resources received or generated for expenditure on the general objectives of the charity.

Designated funds are unrestricted funds, which have been designated for specific purposes by the Trustees.

1. *Commissioned studies and research*

Commissioned studies and research income was received in the following areas of activity:

	<b>2021</b>	2020
	<b>Total</b>	Total
	<b>£'000</b>	£'000
Business & Markets	526	467
Cities	565	1,008
Conflict & Violence	884	695
Digital	2,025	1,770
Gender & Sexuality	-	171
Governance	3,504	2,988
Green Transformation	194	272
Health & Nutrition	3,252	3,327
Knowledge, Impact & Policy	1,866	835
Participation	3,760	2,938
Power & Popular Politics	5,706	3,923
Resource Politics	2,958	1,257
Rural Futures	2,453	3,137
Other	76	6
<b>Total</b>	<b>27,769</b>	<b>22,794</b>

- a) Commissioned studies and research income includes the following values for accountable grants awarded by UK Aid – The UK Foreign Commonwealth and Development Office (FCDO)

PO 7195	Agricultural Policy Research in Africa (APRA) Commercialisation, Women's Empowerment and Poverty Reduction	£1,114,715
PO 7239	Empowerment and Accountability Research Programme	£996,551
PO 203174	China International Development Research Network (CIDRN)	£250,893
PO 300552	Tackling the Drivers of Child Labour and Modern Slavery a Child Centred Approach	£1,904,030
PO 300055-116	Freedom of Religious Belief (FORB) for Inclusive, Interdependent and Diverse Societies	£2,238,250
PO 300211-101	International Centre for Tax and Development	£1,609,292
PO 40125799	Evidence Fund - Covid-19 Social Science Research Evidence Platform	£1,263,055

- b) Commissioned studies and research income includes £133,630 for Challenges and Opportunities for Rural Youth Employment in Sub-Saharan Africa, awarded by the International Fund for Agricultural Development, £54,022 for Graduation Trajectories Research in Bangladesh, awarded by Concern Worldwide, £187,906 for Inclusion Works!, awarded by Sightsavers and £138,760 for the Disability Inclusive Development Programme, awarded by Sightsavers.

2. *Investment income*

	<b>2021 Total £'000</b>	2020 Total £'000
Interest receivable on certificates of deposit	<b>2</b>	48

3. *Analysis of total resources expended*

	Direct costs £'000	Support costs £,000	<b>2021 Total £'000</b>	2020 Total £'000
Expenditure on raising funds				
Costs of generating voluntary income	52	-	<b>52</b>	54
Expenditure on charitable activities				
Commissioned studies and research	21,244	2,782	<b>24,026</b>	20,653
Teaching costs	2,321	1,486	<b>3,807</b>	3,551
Publications, catering & accommodation	137	3	<b>140</b>	373
Interest payable	104	-	<b>104</b>	174
	<b>23,858</b>	<b>4,271</b>	<b>28,129</b>	<b>24,805</b>

4. *Support costs*

	<b>2021 Total £'000</b>	2020 Total £'000
Premises	<b>442</b>	430
Communications	<b>355</b>	328
Director's office	<b>362</b>	437
Finance, computer and technical support	<b>1,026</b>	869
Fundraising and partnerships	<b>181</b>	201
Human resources	<b>555</b>	470
Depreciation	<b>242</b>	256
Governance costs	<b>25</b>	23
Other costs	<b>1,083</b>	368
	<b>4,271</b>	<b>3,382</b>

Central support costs are all allocated by income generated by each activity.

Resources expended include:

	<b>2021 Total £'000</b>	2020 Total £'000
Auditor's remuneration		
Audit services		
Financial statements audit	<b>22</b>	21
Other audit services	<b>13</b>	19
Non audit services	<b>11</b>	5

## 5. Staff and Trustees

	<b>2021 Total £'000</b>	2020 Total £'000
Staff costs during the year:		
Wages and salaries	<b>9,574</b>	9,000
Social security	<b>924</b>	870
Apprenticeship Levy	<b>13</b>	42
Other pension costs	<b>1,839</b>	1,768
Redundancy costs	<b>-</b>	52
	<b>12,350</b>	11,732

There were no redundancy costs for the year ended 31 March 2021. (2020: £52k of which £28k was unpaid at 31 March). All redundancy costs are accounted for in the year in which the individual is notified of their redundancy.

The average number of employees of the charity, including the Trustees who are also paid employees, during the year was 255 (2020 – 251). The emoluments of higher paid employees (including those Trustees who are employees of IDS) fell within the following ranges:

	<b>2021 Number</b>	2020 Number
£60,000 to £70,000	<b>11</b>	13
£70,001 to £80,000	<b>6</b>	4
£80,001 to £90,000	<b>2</b>	2
£90,001 to £100,000	<b>3</b>	2
£100,001 to £110,000	<b>1</b>	-
£110,001 to £120,000	<b>1</b>	1
£120,001 to £130,000	<b>-</b>	-
£130,001 to £140,000	<b>1</b>	1
	<b>25</b>	23

The pension contributions of the higher paid employees, who were all members of a pension scheme to which the charity contributes, amounted to £375k (2020 - £337k).

The emoluments of the higher paid employees also includes any one-off sums on top of basic pay as part of the settlement of the Accumulated Individual Surplus (AIS).

Twelve members of staff are included in the table or appear in a higher band than their basic pay because of the AIS payments.

The Trustees received no remuneration for their services as Trustees. In accordance with Clause 4 of the Memorandum of Association, Trustees who are also employees received remuneration for their services as employees.

The aggregate emoluments of those Trustees who are also employees of the Institute were £248k (2020 - £264k) whilst they were Trustees. The Institute paid £42k (2020 - £43k) pension contributions on their behalf to one of the charity's defined benefit pension schemes.

The details of the emoluments and pension contributions for Trustees who are also employees of the Institute are shown below:

Employee	Emoluments	Pension
M Leach	£130k - £135k	£25k - £30k
A Joshi	£65k - £70k	£10k -£15k
M Roberts	£50k - £55k	£0 - £5k

The emoluments of the highest paid Trustee were £131k (2019 - £132k), and the accrued annual pension at 31 March 2021 was £42k (2020 - £41k); the maximum accrued lump sum was £127k (2020 - £124k).

The key management personnel of the Institute comprise the members of the Strategic Leadership Group: the Director, Director of Finance and Strategic Operations, Director of Teaching and Learning, Director of Research, Director of Communications and Directors of Human Resources. The total employee benefits of the key management personnel of the Institute were £729k (2020: £731k).

During the year ended 31 March 2021, two Trustees (2020 – seven Trustees) were reimbursed expenses amounting to a total of £0.3k (2020 - £3k) for travelling to attend Trustees' meetings.

#### 6. Taxation

The charity is a registered charity and therefore not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

#### 7. Tangible fixed assets

	Leasehold building £'000	Furniture and equipment £,000	Total £'000
<b>Cost</b>			
At 1 April 2020	<b>2,721</b>	<b>1,932</b>	<b>4,653</b>
Additions	<b>29</b>	<b>75</b>	<b>104</b>
Disposals	<b>-</b>	<b>(31)</b>	<b>(31)</b>
At 31 March 2021	<b>2,750</b>	<b>1,976</b>	<b>4,726</b>
<b>Depreciation</b>			
At 1 April 2020	<b>1,758</b>	<b>1,698</b>	<b>3,456</b>
Charge for the year	<b>138</b>	<b>104</b>	<b>242</b>
Eliminated on disposal	<b>-</b>	<b>(30)</b>	<b>(30)</b>
At 31 March 2021	<b>1,896</b>	<b>1,772</b>	<b>3,668</b>
<b>Net book values</b>			
At 31 March 2021	<b>854</b>	<b>204</b>	<b>1,058</b>
At 31 March 2020	<b>963</b>	<b>234</b>	<b>1,197</b>

The charity has an agreement with the University of Sussex for the occupation of the buildings until 2068. The charity is depreciating the buildings over the period until 2029 as this corresponds to the period covered by an agreement with the University of Sussex as regards certain occupancy rights.

8. Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Sales ledger balances	2,123	5,405
Amount due from University of Sussex	-	759
Prepayments and other debtors	5,710	2,636
	<b>7,833</b>	<b>8,800</b>

9. Current asset investments

	Total £'000
Balance at 1 April 2020	9,697
Additions	3,412
Balance at 31 March 2021	<b>13,109</b>

	2021 £'000	2020 £'000
Investments at market value comprised		
UK deposit fund	13,109	9,697
	<b>13,109</b>	<b>9,697</b>

10. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Amount due to University of Sussex	208	-
Commissioned studies – deferred income	3,802	4,474
Accruals and other creditors	4,743	2,742
Social security and other taxes	549	384
	<b>9,302</b>	<b>7,600</b>

*Reconciliation of movement deferred income*

	Total £'000
Balance at 1 April 2020	4,474
Released during the year	(1,141)
Additional deferral	469
Balance at 31 March 2021	<b>3,802</b>

11. Creditors: amounts falling due after one year

	2021 £'000	2020 £'000
Accruals and other creditors	84	72
	<b>84</b>	<b>72</b>

## 12. Funds

	At 1 April 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 March 2021 £'000
<b>Unrestricted funds</b>						
<i>Designated</i>						
Capital fund (represented by tangible fixed assets)	1,061	-	-	(125)	-	<b>936</b>
Building development fund	100	-	-	-	-	<b>100</b>
General donations fund	1	-	-	-	-	<b>1</b>
	<u>1,162</u>	<u>-</u>	<u>-</u>	<u>(125)</u>	<u>-</u>	<u><b>1,037</b></u>
General funds						
Income and expenditure account	8,274	10,289	(9,528)	(72)	-	<b>8,963</b>
Pension reserve	(4,395)	-	61	-	44	<b>(4,290)</b>
Total unrestricted funds	<u>5,041</u>	<u>10,289</u>	<u>(9,467)</u>	<u>(197)</u>	<u>44</u>	<u><b>5,710</b></u>
<b>Restricted funds</b>						
Other research projects	4,519	21,066	(18,604)	211	-	<b>7,192</b>
Deferred income (represented by tangible fixed assets)	136	-	-	(14)	-	<b>122</b>
Albertina Scholarship fund	58	52	(58)	-	-	<b>52</b>
Dudley Seers fund	41	-	-	-	-	<b>41</b>
Dr Purna Chander Kotagiri Scholarship	-	15	-	-	-	<b>15</b>
Total restricted funds	<u>4,754</u>	<u>21,133</u>	<u>(18,662)</u>	<u>197</u>	<u>-</u>	<u><b>7,422</b></u>
<b>Total funds</b>	<u><b>9,795</b></u>	<u><b>31,422</b></u>	<u><b>(28,129)</b></u>	<u><b>-</b></u>	<u><b>44</b></u>	<u><b>13,132</b></u>

## Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	2021 Total Funds £'000
Tangible fixed assets	936	122	<b>1,058</b>
Net current assets	9,148	7,300	<b>16,448</b>
Creditors due in more than 1 year	(84)	-	<b>(84)</b>
Pension liability provision	(4,290)	-	<b>(4,290)</b>
<b>Total net assets</b>	<u><b>5,710</b></u>	<u><b>7,422</b></u>	<u><b>13,132</b></u>

## Designated funds

The designated funds represent monies that have been set aside by the Trustees for specific purposes, as follows:

### Capital fund

This is used to account for the purchase and depreciation of tangible fixed assets when they are purchased out of general income of the Institute. Amounts are transferred to or from capital fund so that the balance of the capital fund plus the deferred income reserve is equal to the net book value of tangible fixed assets. During the year ended 31 March 2021 £23k was transferred to the income and expenditure account from the capital account in respect of the decrease in net book value of the fixed assets during the year (2020 - £23k decrease).

### Building development fund

This reserve has been set up to cover any repairs which may be required in 2021/22 which are unable to be covered from the budget that has been set. The reserve has been set at £100k (2020 - £100k).

### General donations fund

The amount held in the general donations fund represents unrestricted donations to the Institute.

### Restricted funds

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the relevant fund.

### Other research projects

All other restricted grants have for the purposes of these accounts been grouped under one heading. These balances represent restricted grants where all income is recognised in the year in which IDS is entitled to the grant even though the activity extends to future years.

### Deferred income fund

A government grant received to fund capital expenditure was credited to a restricted fund and was recognised in the SOFA in the year of entitlement. An amount equivalent to the depreciation on the assets acquired is released to the income and expenditure account for each period. During the year depreciation of £14k (2020 - £16k) was charged against assets which had been purchased using restricted grant funding. A corresponding amount was therefore transferred out of the deferred income reserve and into the income and expenditure account.

### Albertina Scholarship fund

This fund has been established by a donor who wishes to remain anonymous. It is to be used to provide scholarships to students from the Global South who wish to address poverty and social inequality in the Global South. The donation is £52k per year for five years. During the year, the fifth and final receipt of £52k was received and the fourth year of scholarships was awarded. The payments to the end of 2020/21 are reflected in the fund.

### Dudley Seers memorial fund

This fund has been established by a generous bequest from the Seers family. The funds will be used for educational purposes.

### Dr Purna Chander Kotagiri scholarship fund

Dr Purna Chander Kotagiri has donated \$20k to fund the IDS Graduate Scholarships programme. An award will be made from the fund in 2021/22 towards fees and essential living costs for a taught full-time masters degree. The award from the fund will be made to talented individuals with genuine and demonstrable financial need and preference given to a

woman from an African or Asian region.

### 13. Prior Year Funds

	At 1 April 2019 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 March 2020 £'000
<b>Unrestricted funds</b>						
<i>Designated</i>						
Capital fund (represented by tangible fixed assets)	1,084	-	-	(23)	-	1,061
Building development fund	100	-	-	-	-	100
General donations fund	1	-	-	-	-	1
	<u>1,185</u>	<u>-</u>	<u>-</u>	<u>(23)</u>	<u>-</u>	<u>1,162</u>
General funds						
Income and expenditure account	6,616	12,793	(11,297)	162	-	8,274
Pension reserve	<u>(7,231)</u>	<u>-</u>	<u>(94)</u>	<u>-</u>	<u>2,930</u>	<u>(4,395)</u>
Total unrestricted funds	<u>570</u>	<u>12,793</u>	<u>(11,391)</u>	<u>139</u>	<u>2,930</u>	<u>5,041</u>
<b>Restricted funds</b>						
Other research projects	3,257	14,665	(13,280)	(123)	-	4,519
Deferred income (represented by tangible fixed assets)	152	-	-	(16)	-	136
Albertina Scholarship	59	52	(53)	-	-	58
Dudley Seers fund	41	-	-	-	-	41
Ferguson Scholarship	2	50	(52)	-	-	-
Hans Singer fund	19	-	(19)	-	-	-
Alumni fund	<u>10</u>	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>3,540</u>	<u>14,767</u>	<u>(13,414)</u>	<u>(139)</u>	<u>-</u>	<u>4,754</u>
<b>Total funds</b>	<u>4,110</u>	<u>27,560</u>	<u>(24,805)</u>	<u>-</u>	<u>2,930</u>	<u>9,795</u>

Analysis of net assets between funds at 31 March 2020

	Unrestricted funds £'000	Restricted funds £'000	2020 Total Funds £'000
Tangible fixed assets	1,061	136	1,197
Net current assets	8,447	4,618	13,065
Creditors due in more than 1 year	(72)	-	(72)
Pension liability provision	(4,395)	-	(4,395)
<b>Total net assets</b>	<b>5,041</b>	<b>4,754</b>	<b>9,795</b>

14. Liability of members

Each of the 13 members (2020 – 13 members) has undertaken to contribute £1 in the event of the charity being wound up.

15. Pension schemes

The charity participates in four pension schemes summarised below.

Scheme	Type	Cost 2020/21 £'000	Deficit 31 March 2020 £'000	Movement (Decrease) £'000	Deficit 31 March 2021 £'000
USS	DB	1,570	3,472	62	3,534
USPAS	DB	204	923	(167)	756
NEST	DC	0	N/A	N/A	N/A
SPSS	DC	65	N/A	N/A	N/A
Total		1,839	4,395	(105)	4,290

IDS participates in two defined benefit pension schemes, the Universities Superannuation Scheme (USS) and the University of Sussex Pension and Assurance Scheme (USPAS). Both schemes include contributory multi-employer defined benefit arrangements with assets being held in separate trustee-administered funds and are subject to formal valuations every three years by actuaries using the projected unit method.

Due to insufficient information being available to enable the Institute to use defined benefit accounting for these schemes, in accordance with the provisions of FRS 102 both schemes are accounted for as if they were defined contribution schemes. However, in addition to the current benefit contributions being paid, both schemes have put in place agreements for additional contributions to fund their past service deficits. In accordance with the provisions of FRS 102 the Institute has recognised a liability for the future contributions that it estimates will be payable as a result of these deficit funding agreements.

At the end of the financial year the liabilities under these deficit funding agreements are valued. The valuations are based on the amounts that IDS estimates will be paid discounted to reflect the time value of money. The discount rate selected reflects the opportunity cost of the investment income forgone. The rates selected by the Institute reflect the return that would be available from a high quality (low risk) corporate bond and this is compared to similar organisations to check it is reasonable. The rate for 2020/21 deficit valuation was 2.1 per cent (2020 – 2.4 per cent).

In addition to the pension cost charges, the interest on the pension deficit amounted to £104k (2020 - £174k).

### **The Universities Superannuation Scheme (USS)**

The pension charge for the year in the Statement of Financial Activities includes a debit of £1,673k (2020 – credit of £1,138k) in relation to the USS. This represents normal contributions of £1,735k (2020 - £1,537k) payable to the USS together with the credit from the decrease in the deficit funding liability between the opening and closing balance sheet dates of £62k (2020 – decrease £2,675k).

Following changes to the USS, this scheme now comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement. The latest formal actuarial valuation of the USS defined benefit liabilities was carried out as at 31 March 2018. The 2018 valuation showed a shortfall of £3.6bn in the USS with the scheme assets being sufficient to cover 95 per cent of its liabilities. This is compared to the 2017 valuation which showed a shortfall of £7.5bn in the USS with the scheme assets being sufficient to cover 89 per cent of its ‘technical provisions’ liabilities.

Based on the 2018 valuation the actuary has determined that USS funding rates will need to increase to 34.7 per cent compared to the 35.6 per cent required from the 2017 valuation.

These contribution rates include:

- provisions for the employer cost of future accruals of DB benefits,
- contributions of 6 per cent towards the correction of the DB past service deficit,
- contributions of 0.4 per cent to cover certain administrative expenses and PPF levies, and
- the employer contributions towards DC benefits.

The past service deficit contributions are expected to correct the deficit by 31 March 2028 if experience is borne out in line with the assumptions made for the recovery plan. To reflect the liability for these contributions the Institute has used a financial modeller to calculate the provision it needs to recognise in the financial statements. The calculated amount is recognised in the balance sheet and any changes in the value of the deficit liability each year are shown on the Statement of Financial Activities. For the year ended 31 March 2021 the Institute provision for the USS liability was £3,534k (2020 – £3,472k).

There was a valuation of the USS scheme in March 2020 and this valuation and the changes to the USS pension contributions are currently in consultation.

### **The USPAS scheme**

Until 1 April 2009, when the scheme was closed to new members, IDS’ staff were eligible to participate in USPAS, a defined benefit scheme operated by the University of Sussex, whose members are predominantly University employees. It is not possible to identify the IDS share of the scheme’s underlying assets and liabilities, on a reasonably and consistent basis and so the Institute’s contributions are accounted for as defined contribution scheme. The cost recognised in the statement of financial activities is equal to the contribution payable for the year to 31 March 2021.

The latest formal triennial actuarial valuation of this scheme was at 31 March 2018. In preparing the valuation the main assumptions made by the actuary were:

- an investment return of 3.35% per annum pre-retirement for the first three years and 4.20% per annum thereafter and 3.35% per annum post retirement for the first three years and 2.50% thereafter,
- salary scale increases of 2% for 2018 and 1.25% per annum for 2019 and in line with CPI thereafter,
- a pension increase assumption of 2.10% per annum for pension increasing in line with inflation up to a maximum of 6% for service before 6 April 2009 and a pension increase assumption of 1.85% per annum for pension increasing in line with inflation

up to a maximum of 3% for service post 6 April 2009.

At the date of the valuation there was a shortfall in the assets when measured against the Scheme's technical provisions of £28.3m. (This is a reduction from the shortfall of the previous valuation which estimated a shortfall of £36.7m).

The next formal triennial actuarial valuation due at 31 March 2021 is currently underway.

The contribution rate required for future service benefits alone at the date of the 2018 valuation is to increase to 32.5% from the current 28.1%. The employer contribution will increase to 23.5% from 19.1%.

In 2009 a recovery plan was agreed by the Trustees of the pension scheme to fund a £47 million deficit over a 20 year period (with additional contributions of £2,375k per annum increasing at 3.2% per year from 1 August 2013 until 30 May 2030).

As a result of both the 2012 and 2015 valuation, the Trustees agreed to reduce the period of the recovery plan so that the deficit would be recovered earlier. The 2018 valuation reduced the deficit recovery period even further. The valuation deficit (£28.3m) should be eliminated by 28 February 2025.

The additional contributions required from both employers to recover the deficit under the 2012 recovery plan from 1 April 2016 are as set out below:

£250,281 per month from 1 April 2016 until 31 March 2025 increasing at 3.2% each year from 1 August with the first such increase being applied on 1 August 2016.

It is agreed that IDS would pay a proportion of these deficit contributions based on the active number of members at 31 March 2009.

The IDS proportion of the payments to eliminate the pension liability have been accrued and appear as a liability on the balance sheet. Any gains or losses are recognised in the Statement of Financial Activities. For the year ended 31 March 2020 the USPAS liability was £756k (2020 – £923k).

The total pension cost to the charity for the year ended 31 March 2021 was £204k (2020 - £198k); this included the additional contributions but not the amounts relating to the revaluation of the pension liabilities.

The closure of the scheme to new members left open the possibility of S75 of the Pensions Act 1995 being triggered. The enrolment of a new member to the scheme has reduced this risk.

It is not certain what specific amounts will be payable in the future or what the timing of the payments will be, although in the short term it is envisaged that the Institute will continue to adhere to the recovery plan described above.

### **NEST Pension**

The NEST pension has been offered to qualifying casual staff since 2013. It is a defined contribution pension scheme. The qualifying limit to auto-enrol into this pension for 2020 was for casual workers earning over £10,000 per annum or £833 per month. Other casual workers also have the option to join the NEST scheme as well. IDS contributes 2 per cent to the NEST scheme on qualifying earnings (earnings over £490 per month). The costs of the pension are charged to the statement of financial activities in the year in which they are incurred. The assets of the scheme are held separately from the Institute in an independent and separately administered fund. The Institute has no further payment obligations once the contributions have been paid. From April 2019 the minimum employer contribution was 3 per cent.

The total pension cost to the charity for the year ended 31 March 2021 was £nil (2020-£200).

### **Institute of Development Studies Pension & Savings Scheme**

The Institute of Development Studies Pension & Savings Scheme (IDSPSS) was introduced to professional staff joining the Institute from November 2018. The scheme is a defined contribution scheme which is available to professional staff who are aged 22 or over and earning at least £10,000 per annum in 2019/20. IDS will contribute 10% towards the pension for all employees enrolled in the scheme and it will pay 12% for employees who contribute 6% or more of their salary. The minimum employee contribution is 3%. The costs of the pension are charged to the statement of financial activities in the year in which they are incurred. The assets of the scheme are held separately from the Institute in an independent and separately administered fund. The Institute has no further payment obligations once the contributions have been paid.

The total pension cost to the charity for the year ended 31 March 2021 was £65k (2020 - £32k).

### *16. Related party transactions*

University of Sussex

Professor A Tickell, Vice Chancellor of the University of Sussex is an ex-officio member of the Board of Trustees. In the past year, IDS paid £875K (2020 - £1,171k) to the University of Sussex for services provided to the Institute, and received £3,712k (2020 - £4,357k) from the University in respect of tuition fees and other income. The balance outstanding is nil (2020 - £0).

Dr A Cheema, Senior Research Fellow at Institute of Development and Economic Alternatives ("IDEAS"). During the year the Institute paid £146k (2020 – £113k) in respect of two subcontracts which were awarded to IDEAS and related expenses. The balance outstanding is nil (2020 - £0).

Professor T Manuh is Director of the Institute of African Studies at the University of Ghana. During the year the Institute paid £6k (2020 - £18k) in respect of one subcontract which was awarded to the University of Ghana.

Professor D Nayyar received £750 to deliver a session at the Institute's summer school course.

All amounts paid and received were in the normal course of the Institute's activities.

### *17. Post balance sheet events*

Since the year end the Institute has been receiving notifications about the level of funding cuts that are being implemented by UK Aid funding. Notifications have now been received for most of our UK Aid funded programmes and the Institute has revised its budget to assess how to manage the reduced funding over the forthcoming year. Further details are provided in the going concern section in accounting policies. In addition, as set out in the reserves policy, the Institute is planning to use up to £2m of its reserves to mitigate the impacts of these cuts and diversify funding sources.

*18. Comparative SOFA for year ended 31 March 2020*

The detailed SOFA for the previous financial year is set out below.

	Notes	Unrestricted funds £'000	Restricted funds £'000	<b>2020 Total funds £'000</b>
<b>Income and expenditure</b>				
<b>Incoming Resources</b>				
Incoming resources from generated funds				
. Donations and legacies		-	102	<b>102</b>
. Income from investments	2	48	-	<b>48</b>
Income from charitable activities				
. Commissioned studies and research	1	8,129	14,665	<b>22,794</b>
. Tuition fees		4,424	-	<b>4,424</b>
. Publications, catering and accommodation		192	-	<b>192</b>
<b>Total income and endowments</b>		<b>12,793</b>	<b>14,767</b>	<b>27,560</b>
<b>Resources expended</b>				
Expenditure on raising funds		54	-	<b>54</b>
Expenditure on charitable activities				
. Commissioned studies and research		7,373	13,280	<b>20,653</b>
. Teaching costs		3,417	134	<b>3,551</b>
. Publications, catering and accommodation		373	-	<b>373</b>
. Interest payable –re pension provision		174	-	<b>174</b>
<b>Total expenditure</b>	3	<b>11,391</b>	<b>13,414</b>	<b>24,805</b>
<b>Net income</b>		<b>1,402</b>	<b>1,353</b>	<b>2,755</b>
Transfers between funds	12	139	(139)	-
Actuarial gain/(loss) on defined benefit pension schemes		2,930	-	<b>2,930</b>
<b>Net movement in funds</b>		<b>4,471</b>	<b>1,214</b>	<b>5,685</b>
<b>Fund balances at 1 April 2019</b>		<b>570</b>	<b>3,540</b>	<b>4,110</b>
<b>Balances carried forward at 31 March 2020</b>		<b>5,041</b>	<b>4,754</b>	<b>9,795</b>



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