Centre for Economic Performance
London School of Economics and Political Science
Houghton Street, London, WC2A 2AE
tel +44 (0)20 7955 7673
email cep_info@lse.ac.uk
web cep.lse.ac.uk

PLANNED PROGRAMME OF WORK 2025-2030

Vision

The ESRC CEP Institute studies the drivers of economic performance. Our next phase will research how to bring about the economic and social change needed to escape from over 15 years of economic stagnation and political polarisation, while tackling high inequality and addressing climate concerns. We have developed an integrated, compelling research programme drawing on what is already known and aiming to generate evidence on what now needs to be understood. Analysis will further scientific knowledge and inform policy through a focus on People (individuals, families, communities), Organisations (firms, industries) and Places (local, national, international) in a rich portfolio of 85 projects in eight linked research programmes.

Institute status is crucial to plan for the longer term and to maintain a critical mass of academic and non-academic expertise. Bringing together top researchers from various disciplines with a worldwide network of associates, greatly enhances our research capacity, output and influence. This collaborative research environment has been a hallmark of our past success, and we will build on this with new partnerships for research and impact.

The Institute will continue to play a crucial role in shaping national discourse by identifying the causes of slow and unequal economic growth and setting out long-term, structural policies that could improve economic performance and generate inclusive prosperity. Engagement with policymakers, practitioners and other stakeholders is a critical component of our work, enabling a two-way process of interaction and dialogue that informs our research and increase its relevance for policy.

We operate as a national resource, building research and impact capacity within and beyond the Institute. We spread best practice in methods and in approaches to tackling economic questions. We do this in part by publishing our research in top journals, as well as through impactful partnerships, such as the high-profile Economy 2030 Inquiry with the Resolution Foundation.

The Institute will expand our capacity to adapt quickly to changing research challenges and shifts in the economic environment. Future challenges are already embedded in our research programme. Questions of technological change and the impact of artificial intelligence cut across projects considering the impact on growth, businesses and public services. Research on international trade will inform debates around protectionism and de-globalisation. Work on industrial policy and green transition speaks to issues around security and the climate crisis. The UK will be better placed to confront the challenges of populism and polarisation if the government develops evidence-informed policies to tackle inequality, real wage stagnation and spatial disparities, and to improve community wellbeing.

Other challenges will arise, and the Institute is designed to be agile and responsive to changing circumstances, reflecting these changes in our research and engagement, ensuring that we remain at the forefront of impactful research.

We aspire to build on and extend the Institute's influence and advocacy for social sciences through sustained research excellence, research- based thought leadership and broad impact and engagement, informed by EDI considerations, and in close collaboration with the ESRC.

Overall, we propose a new phase of the Institute aimed at ameliorating the economic stagnation of the past 15 years. Our proposal builds on our track record and expertise, and will use new data, methods and theories to inform policy recommendations to improve economic performance for people, organisations and places. We are confident that our work programme can deliver on this agenda.

Approach

Leadership

The Institute is led by Stephen Machin (Director, project lead), Henry Overman (Research Director, project co-lead), eight Programme Directors and an Institute Manager.
Academic leadership comprises nine LSE faculty and one external: Economics - five Professors, one Associate Professor; Economic Geography – one Professor; CEP - one Distinguished Policy Fellow; Management - one Associate Professor; University of Surrey - one Professor.

The leadership group is committed to the inclusion and diversity goals in our EDI strategy, with three pillars of Community, Research and Events shaping the Institute's overall work culture.

Advisory Structure

The Institute has an independent policy committee, a distinguished group of decision-makers and public/private sector stakeholders chaired by Lord Nicholas Macpherson, who offer a wealth of experience and advise on strategic direction. The Institute is governed by LSE's Research Committee, is subject to the LSE code of practice/regulations and School review every five years.

Delivering and monitoring progress

Our past performance demonstrates the effectiveness of our leadership and management structures. The logic model, below, formalises the ways that the Institute works to achieve its objectives.

AIMS	**RESEARCH:** produce long-term, world-class, nationally strategic, policy-relevant research **CAPACITY BUILDING:** build capability and train the next generation of social scientists in an inclusive research culture **IMPACT:** advocacy in and beyond the academy of positive economic and social change through informed policymaking

	Academic community	Non-academic partnerships	Support, data and infrastructure	Investment	Governance and leadership
INPUTS	– leadership team and co-investigators – research staff, ECR and PhDs – national and international associates – visitors – existing knowledge and expertise	User communities, including – policymakers – practitioners – other users of research – think tanks – corporate partners	– non-academic staff – in-house IT and data support – bespoke surveys – external eg SDS, ONS, ADR – facilities including office and event space	– ESRC Institute core funding – co-funding (academic, policy, knowledge transfer) – in kind contributions – LSE contribution	– Institute management – Strategic Advisory Board (Policy Committee) – LSE research committee – LSE ethics committee – EDI committee
ACTIVITIES	Identify evidence gaps, undertake research and develop research agenda	Work with and advise policy makers eg co-develop research projects	Support for day-to-day activities including hiring, events, comms, IT, data	Support additional research and KEI from leveraged funds	Monitor and evaluate activities, outputs and outcomes in line with aims; ensure responsive and flexible research
	Training and career development for ECR and PhD students	Engage with policymakers, practitioners and other research users in economic analysis, data and methods	Analyse secondary data, matched administrative data Collect primary data	Identify new funding opportunities and support bids	Develop strategies and activities to promote positive and inclusive work culture
	Run academic seminars, workshops and conferences	Inform and engage through events, briefings, content	Identify new sources of data, new partnerships	Funding generation for research groups eg economics of crime, wellbeing	Advocate for social sciences, Inform ESRC decision-making
OUTPUTS	Research findings, published in open access discussion papers and in academic outlets (journals, books)	Outputs tailored to non-academic audiences eg blogs, social media, CentrePiece REF impact case studies	New methods (theory, empirical, data collection, survey design, research design, field experiments)	Complementary funded projects, including led by ECR and PhDs	Directors reports; Log performance indicators
	Skilled researchers, develop wider research capacity	Engagement between researchers and policymakers, practitioners, and wider community	Open Access data, replication and shared code, and datasets	Develop new fields of applied economics research	Code of conduct

	Scientific advancements	Enhanced research capacity	Uptake and use of research
SHORT-TERM OUTCOMES (<5 years)	Improved understanding of key economic performance topics	Improved research and impact in the wider academic research community	Increased understanding, confidence and capacity in use of evidence by policymakers, practitioners and research users eg to analyse data or use new methods
	Inform future research	Mutually beneficial relationships between research community and stakeholders	Institute research and evidence used in policy-making decisions; citation of evidence in policy, impact and practice
	Methodological advances	Increase in academic research addressing stakeholder issues/needs	Influencing and shaping current research agendas
MEDIUM-TERM OUTCOMES (5-10 years)	Evidence informed public debate and evidence based public policy	More demand for research evidence in local, regional and central government	Better stakeholder understanding of applied economics research
	UK has world leading reputation in studying inclusive economic performance	"Spin-off" research hubs created, such as economics of wellbeing; economics of crime	Bringing together large bodies of connected research to offer wide-ranging conclusions of use to policymakers, practitioners and research users

	Use of evidence-based research on economic performance in policy and practice			
IMPACT/ LONG-TERM OUTCOMES (~10-25 years)	Investment in structural change	Introducing policies of sufficient scale to make a difference	Understanding path-dependencies and trade offs for policymaking	Informed rationale for long-term policy decisions
	Better economic performance	**Improved, inclusive prosperity**	**Resilient, low-carbon economy**	**Effective policy decision-making**

Research Programme

The leadership group worked with researchers to develop the new research programme aiming to advance the research frontier and respond to existing, emerging and future challenges including: global trends, AI, transition to net zero, cost of living concerns, community fractures, Brexit and deglobalisation. The aim is to study big picture questions that make significant contributions to knowledge, while individual projects aim to make advances relying on new data, methods or theory and building on existing research. Theoretically informed, policy relevant, causal analysis that passes the scrutiny of our peers remains central to our research and is the foundation on which all our other activities are built. Our research emphasises path- dependencies and trade-offs and aims to provide the rationale for long-term policies of sufficient scale to make a meaningful difference to economic performance, while generating inclusive prosperity.

The new Institute structure for 2025-30, shown in the figure below, reflects changing research content and lessons learned from the current phase. It has three overarching themes - People, Organisations and Places - featuring different foci and levels of analysis. Each theme has multiple connected programmes, eight in total (including two new ones - Green Transition, Neighbourhoods).

Programme structure 2025-2030

Assigning projects and researchers to programmes is administratively convenient for research strategy, monitoring, and daily functioning. However, programmes inform each other and cross-cut. Researchers share expertise and interests across programmes and projects, with findings and approaches discussed in the seminars, workshops and conferences that are the life blood of the Institute.

The full work programme is shown in the following table. Within the eight programmes, projects are grouped into topics: some existing (e.g. measuring wellbeing, housing supply) aiming to deepen our understanding and expertise; some new (e.g. industrial strategy, diversity) aiming to apply our understanding and expertise to emerging issues.

CEP Programmes, Topics and Project Areas	
PEOPLE	
LABOUR	**(MANNING, Bell, Machin, Petrongolo, Szerman)**
PL1 Rewarding Work	(a) Managerial pay setting and monopsony; (b) Institutions and long run wages; (c) Self-employment; (d) Earnings data; (e) Trends in non-wage benefits.
PL2 Mental Health and Work	(a) Inactivity and mental health; (b) Labour market impacts of mental health disorders; (c) Work dynamics and mental health.
PL3 Diversity and Inclusion	(a) Mixed ethnicities; (b) Gender and childcare; (c) Firm accreditation; (d) Cities and gender wage gaps.
EDUCATION	**(MCNALLY, Sevilla, Silva, Terrier)**
PE1 School	(a) Teacher compensation; (b) Pupil performance; (c) AI and education technology.
PE2 Further and Higher Education	(a) Further education budget cuts; (b) Forced exam resits; (c) Learning and study methods in college; (d) Universities and living costs.
PE3 Social Mobility	(a) Young people, firms and social mobility; (b) Education and social capital.
WELLBEING	**(LAYARD, Clark, Krekel)**
PW1 Mental Health	(a) Firms and mental health; (b) Volunteering and mental health; (c) Mental health interventions.
PW2 Measuring Wellbeing	(a) Wellbeing value for money; (b) Suicide and subjective wellbeing; (c) Intergenerational mobility.
ORGANISATIONS	
GROWTH	**(VALERO, Dittmar, Van Reenen)**
OG1 Trends and Dynamism	(a) State of British business; (b) Macro policy and firms.
OG2 Industrial Strategy	(a) Industrial policy for sustainable growth; (b) Financing growth.
OG3 Technology and Skills	(a) Skills, technology and firm productivity; (b) Learning from history's waves of technical change.
GREEN TRANSITION	**(DHINGRA, Aghion, Dugoua)**
OGT1 Innovation Drivers	(a) New measures of green innovation; (b) Human capital in clean energy innovation.
OGT2 Technology Adoption	(a) Low carbon technology adoption; (b) Waste management across borders; (c) Green innovation diffusion in production networks.
OGT3 Financing	(a) Barriers to green investment; (b) Financial constraints and clean innovation; (c) Prices and monetary policy.
PLACES	
NEIGHBOURHOODS	**(MICHAELS, Carozzi, Kirchmaier)**
PN1 Amenities	(a) School locations; (b) Police organisation and local crime; (c) Night city; (d) Slum externalities.
PN2 Housing Supply	(a) Geographic determinants of housing consumption; (b) Empty houses; (c) Corporate landlords; (d) Real estate, environment and long-term discounting.
PN3 Developing countries	(a) Informal transport markets; (b) Empty housing plots; (c) Moving poor people.
URBAN	**(STURM, Redding, Venables)**
PU1 Transport	(a) Road infrastructure; (b) Road protests; (c) Land-acquisition and transport development.
PU2 Geography and History	(a) City size and location; (b) Urban path dependence; (c) Firm location and spatial dynamics.
PU3 Inequality Across Cities	(a) Cities, income and wealth; (b) Cross-border shopping; (c) Political economy of urban development.
TRADE	**(THOMAS, Manelici, Ottaviano, Sampson)**
PT1 Production Networks	(a) Buyer seller networks in trade; (b) EU enlargement and value chains; c) Trade and shocks propagation; (d) Trade costs of customs cyberattack.
PT2 Industrial Policy	(a) Markup distortions; (b) Comparative advantage and industrial policy.
PT3 UK Post-Brexit	(a) UK Services and the trade and cooperation agreement; (b) Brexit and UK firm performance; (c) Economic disintegration and multinational production.

Notes:
1). Named individuals are the project lead, project co-leads (UK and international) and visiting researchers, with programme directors in capitals.
2). In the text, projects are referred to by theme, programme, topic and a letter (eg **Labour** project *PL1a* Managerial pay setting and monopsony).

The **People** theme groups the interconnected **Labour**, **Education**, and **Wellbeing** programmes where individuals are the focus.

CEP has long been at the forefront of researching changes in wages and wage inequality. New research in the **Labour** programme (*PL1*) will explore work rewards in detail. As unions have declined, management increasingly sets wages unilaterally in private sector firms. Projects in *PL1a* will use linked data on workers and firms to study impacts on wages and how employer monopsony power affects labour's share of GDP and productivity. Taking an economic history angle to place the current real wage stagnation into longer run context, *PL1b* will digitise old data to look at the growth of trade unions and labour market regulation in explaining the shift from low to high wage growth that occurred over the 1800s.

Research usually focuses on employee wages, however solo self- employed workers typically earn less than employees, and this gap has widened. *PL1c* will use HMRC data to investigate how factors like minimum wages and immigration impact the self-employed and contribute to income stagnation. In partnership with the Migration Advisory Committee, one *PL1d* project will analyse linked visa and tax data on migrant earnings, to study the role of immigration in persistent wage stagnation. Quality of earnings data will feature in a second *PL1d* project using Real Time Income data to investigate factors (like zero-hours contracts) that may cause increased income volatility.

The role of non-wage benefits such as pensions, supplemental pay and paid leave are less studied than wages. Project *PL1e* will use new data to study their importance in the structure of overall compensation, and for recruitment, retention, job stability and worker wellbeing for employees and the self-employed. The trade-offs between pecuniary and non-pecuniary benefits also feature in the public sector and will be studied for teachers in **Education** project *PE1a*.

Working-age inactivity is increasing, often due to mental health issues. Mental health diiculties can affect entry to jobs or performance on the job. Projects in *PL2a* and *PL2b* will explore both empirically, and *PL2c* will investigate the consequences for both workers and firms. This cross-cuts with **Wellbeing**, where *PW1a* will use matched worker-firm data to investigate whether 'toxic' workplaces affect mental health.

A new topic will look at diversity. PL3a will explore differences in educational and labour market outcomes for the fast-growing mixed ethnicity group in Britain, how this intersects with gender and socio- economic status, and whether growth of this group is due to more inter-ethnic partnerships or self-reporting.

A large share of total work (paid and unpaid) provides childcare. The productivity of the childcare sector is important, for the overall economy, women's careers and life chances, and gender disparities. *PL3b* will examine how childcare's share of total work hours (paid and unpaid) has changed over the last 60 years and evaluate the impact on productivity in the sector, and on gender inequalities and economy- wide productivity.

One way of improving working conditions is thought to be workplace accreditation schemes (e.g. living wages, Athena-Swan) which aim to signal employer quality, yet their effectiveness is unclear. *PL3c* will use vacancies and application data to study their impact.

The final diversity project, *PL3d*, cross-cuts with the **Urban** programme, and will explore how gender pay gaps vary across cities using high-quality administrative datasets in five countries (France, Germany, Italy, Spain and the UK).

The **Education** programme looks at schools (PE1), further and higher education (*PE2*) and social mobility (*PE3*). One project in *PE1a* will look at what makes schools attractive to teachers, another (mentioned above) will study pecuniary and non-pecuniary benefits for teachers. Multiple projects on pupil achievement (*PE1b*) will look at consequences of attending different school types (e.g. academies, private), and

behavioural impacts including school attendance and discipline. A key feature of *PE1* projects is use of detailed administrative data on pupils and teachers from the Department for Education, building on our pioneering work in the economics of education. *PE1c* will explore how AI can help reduce educational inequalities and determine the most effective 'ed-tech' interventions to enhance learning for diverse student groups.

A first project on further education *PE2a* will look at the impact on young people's outcomes of underfunding the sector in the austerity years, by studying spatial variations in budget cuts. Recognising the critical role of literacy and numeracy, *PE2b* will evaluate how FE college funding affects students' mandatory GCSE re-sits in English and maths, and educational and job prospects. On HE, amid debates on student numbers and the value of degrees, *PE2c* will investigate how economic disadvantage affects university admissions, *PE2d* will examine teaching methods, and *PE2e* will explore how living costs affect university applications and attendance and drive educational inequalities.

The education system should equip individuals with relevant skills, enhance equality and social mobility, and diversify the workforce of top firms. *PE3a* will explore how employer characteristics influence inequality and social mobility. *PE3b* will examine how educational institutions contribute to inclusive growth by fostering social connections and participation.

Pioneering work by Layard firmly placed wellbeing into public policy decisions. In the **Wellbeing** programme *PW1a* (linked to **Labour**) will study mental health issues in firms, *PW1b* will investigate pro-social behaviour using data from NHS volunteers and *PW1c* will evaluate longer-term effects of the NHS's Improving Access to Psychological Therapies programme on mental health and employment. Crucial to policymaking are projects in PW2 which will develop models to show how wellbeing initiatives generate value for money and improve longer-run personal wellbeing (PW2a), analyse factors influencing suicide (PW2b), and explore intergenerational mobility by studying how parents' wellbeing, as well as their wealth, affects children's wellbeing (PW2c).

Our **Organisations** theme includes inter-related programmes on **Growth** and **Green Transition**. Improving economic performance of organisations is crucial to overcoming the UK's economic stagnation. This means removing barriers to investment in both public and private sectors that hinder growth and sustainability.

Growth projects in *OG1a* will consider productivity trends, business dynamism and regional pass through of macroeconomic shocks using business microdata and newly linked LEO-IDBR data. *OG1b* will develop a model of growth and business cycles to account for firm heterogeneity and assess implications for monetary and fiscal policies.

Industrial policy, largely abandoned since the 1980s, is seeing a global revival. Politicians talk of industrial and 'securonomics' strategies. Research will fill gaps in two areas. *OG2a* will analyse comparative advantages through trade, patenting, academic publications, and supply chains, in partnership with the IFC at the World Bank and OECD. This will look at strengths in clean technologies to inform 'green' industrial policies. A related project will address UK regional disparities, using growth diagnostics to evaluate local barriers and policy solutions in different regions and industries. Building on the Economy 2030 Inquiry, *OG2b* will explore how reforms to pension funding could unlock finance for productive and sustainable investments and increase pension returns.

Skills and technology adoption, particularly AI and other digital innovations, and their impact form a third focus. The Institute aims to take a deeper dive into current and historical data. *OG3a* will analyse how firms use AI and its implications for skills demand, using job advertisements and business surveys on technology adoption. *OG3b* will investigate the historical interplay between technology and skills using 19th century British data on employment and pay at job and job- by-firm level. It will also examine the effects of labour

market institutions on technological change and jobs, offering insights for today's challenges.

Achieving a resilient, net zero economy and broader environmental sustainability goals cuts across growth projects to form the specific focus of the new **Green Transition** programme. Two projects will measure and understand green innovation: *OGT1a* focuses on the invention of new technologies and *OGT1b* on the role of human capital in clean energy innovation.

Decarbonising homes is key to achieving net zero and project *OGT2a* will analyse the rollout of solar installations and heat pumps, looking at key determinants and the role of skill supply. An inter-disciplinary project, *OGT2b*, will use DEFRA data to examine the economic and environmental impacts of the UK's waste management policies, for example looking at impacts of sewage dumped in rivers, and reviewing regulatory compliance and suggesting reforms. A third project (*OGT2c*) will explore how green innovation spreads through supply chains and production networks.

We will also examine policies for increasing public and private sector investment in sustainability, by recognising market failures and emphasising the government's role in funding net zero transition and attracting private capital. *OGT3a* will assess the necessary fiscal and policy frameworks for this investment. *OGT3b* will investigate the private sector, specifically whether financial constraints more severely limit clean, rather than dirty, innovation investments. Finally, *OGT3c* will examine how climate change and geopolitics impact prices and assess implications for monetary policy.

The **Places** theme has programmes on **Neighbourhoods**, **Urban** and **Trade** – three key spatial levels at which people and organisations interact. A common thread across all three programmes is application of structural quantitative models combined with micro-spatial data to study causes and consequences of uneven development.

The new **Neighbourhoods** programme builds on current phase Urban and Community wellbeing programmes, emphasising the importance of within-city neighbourhoods in affecting economic performance and inequality.

Amenities shape neighbourhoods and affect location choices. *PN1a* will study the placement of schools and nurseries, examining chained commuting patterns of working parents and gender gaps in career outcomes. *PN1b* will analyse police organisation and funding in collaboration with the Metropolitan Police, focusing on how changes in administrative structures and boundaries impact local crime rates, response times, and reporting. Interactions of different groups endogenously create amenities. *PN1c* will study spatial and temporal interactions, using mobile phone locations to analyse the UK nighttime economy. *PN1d* will also consider interactions, learning from history about the negative externalities of urban slums in Victorian England.

PN2, Housing Supply, addresses the need for more affordable homes in growing areas, requiring a planning system that balances development with existing residents' concerns and market pressures. *PN2a* will extend understanding of planning's effect on overall housing supply – a long-term focus at CEP – by considering housing size. *PN2b* turns to another dimension – the impact of vacant homes on housing supply.
While most research focuses on home ownership, *PN2c* will look at the growth of corporate landlords offering rental properties. Finally, *PN2d* will study how housing markets price catastrophic risk using the distinction between freehold and leasehold properties – an important question given increased climate uncertainty.

Much cutting-edge research on neighbourhoods currently focuses on developing countries. Projects in *PN3* will contribute to this agenda to advance our understanding of methodological issues and ensure we can attract world leading researchers to associate with our neighbourhood and urban programmes. Individual projects will address challenges intensified by fast-growing populations, limited economic resources and

state capacity. Key concerns include safe local travel (*PN3a*), currently a major risk; reducing the amount of informal housing in high-risk flood areas (*PN3b*); and managing the distribution and use of limited formal housing (*PN3c*) to enhance neighbourhood liveability through improved access and protected property rights.

The **Urban** programme examines why uneven economic activity across cities and regions. The first topic is transport infrastructure, cross- cutting with **Neighbourhoods**. *PU1a* will study the health impacts of new road construction, PU1b will revisit historical protests against US highway construction and *PU1c* will analyse the effect of increasing land acquisition costs on transport investment.

The second topic explores the enduring impact of historical factors on uneven urban economic performance and the lessons we can learn from history for understanding spatial disparities in the UK. *PU2a* will build on influential CEP economic geography approaches to analyse predictors of urban growth in Africa. *PU2b* will use a spatial model to evaluate the costs of urban development based on outdated historical advantages. *PU2c* will investigate the decline of manufacturing areas.

In the inequality across cities topic, *PU3a* will investigate how the European grain trade affected urban development in Europe from the 1500s on. *PU3b* will link to the **Trade** programme, by exploring how exchange rate changes affect regional exposure to cross-border shopping. *PU3c* will study the income composition and wealth distribution of UK cities, examining how inequalities influence urban characteristics, and vice-versa.

In the **Trade** programme, the first topic studies production networks of buyer-supplier relationships. Our researchers are leaders of characterising trading relationships in networks that span country borders (offshoring) and firm boundaries (outsourcing) and the work will focus on understanding how firms are interconnected and how technology, policy or trade shocks spread through networks. *PT1a* will develop methods to characterise connections in trade models, testing with exporter-importer data. The remaining three projects focus on consequences. *PT1b* will use EU enlargement to assess whether global and domestic value chains are complements or substitutes and assess the implications for firm performance. *PT1c* will look at a different shock – serious disruption caused by a cyber-attack that shut down customs systems - assessing short and long-term increases in trade costs and the impact on buyers and sellers, and buyer-seller interactions.

Although industrial policy can significantly influence firm decisions, few studies integrate it into standard trade models. Understanding the differential impact and effectiveness of industrial policy in different trade contexts is crucial. Two theoretical projects will address this gap: *PT2a* will explore how market structures in supply chains affect policy efficiency, linking to the value chain work in *PT1*, and *PT2b* will analyse how a country's comparative advantage should inform UK sector- specific policies.

Our researchers will continue to inform and influence Brexit debates. The third set of projects will research longer-term implications for the UK economy and use the Brexit shock to evaluate trade models. One key area is services, vital to the UK economy, where we will investigate the effects of the Trade and Cooperation Agreement (TCA) (*PT3a*). A related project will explore the overall effects of the TCA on UK firm performance (*PT3b*) and a third will examine Brexit's impact on innovation and foreign investment (*PT3c*).

Building engagement and impact

Generating societal impact remains core to the Institute's mission. We will build on our success and lessons learned, while maintaining our aims and broad approach. Details, including on effectiveness, are in the 'Impact and engagement: current phase' sections.

The Institute aims to change thinking on fundamental questions that do not go away, while also aiming to

be responsive to public debate and policy challenges where our research can inform responses. Our advantage lies in the depth and rigour of our research and its relevance.

The impact strategy, regularly updated, builds on academically excellent, relevant research. We expect all researchers to actively consider impact and engagement. We support making complex research more easily accessible; help target audiences and publicise findings via traditional and social media, collaborate with partners and directly engage with policymakers, practitioners and other research users.

The Research Director leads on impact and engagement, supported by our public affairs unit. The current phase has shown benefits of employing policy officers who prioritise impact and engagement. These officers are research-active and develop specialist knowledge, concentrating on user-focused, policy-designed work that delivers impact. This includes building connections to business, policymakers, and the media and translating research into non-technical outputs to engage wider audiences and respond to emerging issues. We will more than double our commitment with at least 7.5 FTE years (part supported by LSE).

The Institute has highly impactful directors, investigators and researchers, combined with policy officers, impact support posts, and targeted KE activities. We expect to increase the proportion of spend on impact to at least 20 percent of the overall budget.

We will further develop impact and engagement in several directions. First, by developing across our EDI priorities. On Community, we will further diversify researchers involved in impact and engagement. On Research we have a new topic area on diversity and EDI issues cut- across programmes. On Events, we will diversify speakers at impact events (following similar efforts for seminars), and ensure we reach diverse audiences. Existing EDI activities – described in the 'capacity building: current phase' will continue. Our EDI strategy will be continually developed to underpin our approach, set targets and monitor progress.

Second, as described in the impact and engagement section, much of our success builds on our accumulated research and expertise. Better strategic planning of 'legacy' activities will aim to continue impact and engagement once research is completed, learning from our post- Economy 2030 Inquiry work.

Third, while we already collaborate widely through our academic network, we will develop long term partnerships on data access and availability. This is to respond to opportunities from AI and big data, and also address threats to national data infrastructure, including challenges with accessing microdata.

Fourth, we plan to engage more with business – building on positive experiences such as collaborating with the CBI on surveying business technology adoption. We aim to develop new corporate partners.
A common theme will be adaptation to changing needs, through individual researchers' responsiveness, our funding plans, effective ongoing engagement and attention to emerging research challenges.