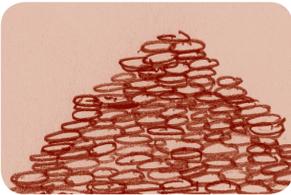


nef Review of the Year 2010–2011



nef is an independent think-and-do tank that inspires and demonstrates real economic well-being.

We aim to improve quality of life by promoting innovative solutions that challenge mainstream thinking on economic, environmental and social issues. We work in partnership and put people and the planet first.

nef programme areas:



Climate Change and Energy



Connected Economies



Democracy and Participation



Finance and Business



Natural Economies



Social Policy



Valuing What Matters



Well-being

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Foreword

Sam Clarke Chair of Trustees



In the last year we have seen things we took as certainties disappearing and important societal tectonic plates shifting noisily. It's almost too hard to list where **nef**'s work fits into this changing world – much easier would be to identify those few places where it doesn't have something to say.

The financial crises of 2008 rumble on, most recently with both the US and the Eurozone shaking under the pressure of debt and living beyond our means financially and ecologically. In the UK, the struggle for the future of banking much influenced by our work is playing out.

In times of austerity in many parts of the world, **nef**'s approach to the empowering of human resources that are already available looks ever more relevant to finding new ways to balance our social and welfare spending without throwing people onto the scrap heap.

One of the most significant opportunities **nef** has for policy impact right now is the Government's interest in well-being. We are advising the UK Chief Statistician's team on measuring well-being and helping to create opportunities to begin to predict the impacts on well-being of particular policies in addition to their cost and benefit. And this is a huge credit to the work we've been doing for over ten years on this issue.

It is at times of change and uncertainty that the power of new ideas (and sometimes old ones) is most influential. **nef** has an unparalleled track record of innovation in the world of economics and is poised to be ever more successful. A Great Transition to a place where we are not plundering the planet's resources for our own excess but securing more sustainable ways of life for everyone looks like the only way forward.

My thanks and those of the trustees go to our funders without whose help and vision we would not be able to make change happen and to all the staff and fellows of **nef**, current and past, who continue to make this organisation special.

Foreword

Stewart Wallis Chief Executive



This was the year when **nef** started on the journey towards a Great Transition in earnest. We need an economy that creates enough good jobs and public goods, that is much fairer, that is focussed on improving our well-being, and that achieves all this within planetary limits. This is perfectly possible, but requires a transformation of our economy and economics – a Great Transition.

So this year we launched our high-profile banking campaign, we held a major event on London's South Bank on transition, we orientated all our programmes toward the Great Transition and commenced work on an economic model of the UK economy which will show how the transformation can be achieved.

As can be seen in this review, **nef** is continuing to strengthen both its profile and its impact across a range of urgent issues. The banking campaign has had considerable profile and, we believe, impact in stiffening the resolve of the Vickers Commission on banking. Our work on the 'Big Society' and continuing work on co-production and public services has influenced Government at all levels. Our work on EU fishing policy has been widely reported across Europe and we've played a big role in bringing together a powerful coalition tackling unsustainable fishing.

Notwithstanding our successes, it has not been the easiest year financially. The funding terrain remains uncertain and more competitive. But, by acting prudently, we have ended the year in a position where we look ahead with confidence knowing that there has never been a time when **nef**'s ideas and actions were more relevant. And we have been heartened by the generous support we have received this year from all our supporters and funders.

As the year ended we celebrated our 25th birthday. Since its founding **nef** has achieved amazing things. We face the massive challenges of the next 25 years and beyond in good heart, with a clear vision of what is needed and steely determination to help bring about a Great Transition. I hope you will join us on this inspiring journey.

July

We published the final report, *Right Here, Right Now*, in our ground-breaking series with NESTA on **co-production**, showing how we can get from where we are to the more human and effective services we need.

Our research finds that the Government's planned National Insurance waiver will do little to help private **enterprises in deprived areas of England**. The report *Filling the Jobs Gap* urges the Government to look at why new enterprises fail faster in the most deprived areas, and to single out sectors which can produce large numbers of jobs there quickly – like the emerging green industries.

International Enterprise

Two years after our project in the Waterloo area of Durban, South Africa, 17 new business have started trading, 16 existing enterprises have formally registered and nine local businesses have won contracts on one of the nearby construction sites in the area.

All this enterprise activity is in a community where 42 per cent of households earn less than a seventh of the South African average wage. More evidence that there are enterprising people in every community who can put their ideas into effect when they get local support to do so.



August



Sustainable Fishing

The fourth of August marks the day when the UK exceeds the annual capacity of UK waters to produce fish, according to our calculations. We rely on fish from elsewhere for the rest of the year. Our report *Fish Dependence* was launched a few weeks before, with media coverage across Europe, including the front page of the Italian daily *La Repubblica*. UK Fish Dependence Day is also covered by the national press, and is used by a range of organisations around the European Union to raise awareness about the need for a fairer and more sustainable fisheries model. We present the evidence at the European Parliament, and at the House of Commons, and among those who get in touch afterwards are the big sea food companies Findus, Young's and SeaFish, and film-makers like

Rupert Murray, the director of *The End of the Line*. We are now active in our new role as UK co-ordinator of the OCEAN2012 coalition which aims to transform Europe's Common Fisheries Policy, leading up to a visit to Brussels to hand a petition signed by more than 28,000 people to the EU Commissioner Maria Damanaki, urging reform. The team at **nef** has now built up unprecedented experience campaigning in Europe and translated the Eco-debt day press release for the Spanish media. This is 21 August, the day that Spain stops using its own resources and starts relying on those from other countries. The story is covered by more than 20 national and regional media, including Catalan TV.

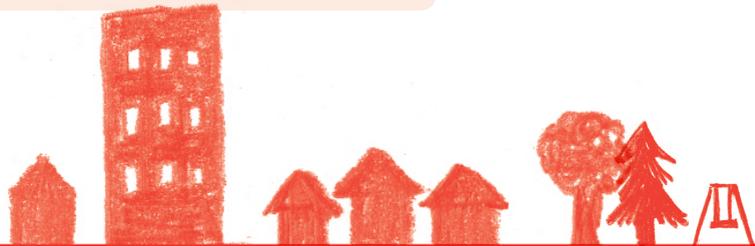
Clone Towns

Our clone town campaign publishes the widest ever clone town survey, and finds that 41 per cent of UK towns surveyed fall into that category – with another 23 per cent on the verge of ‘clonedom’. Our report *Re-imagining the High Street* also brands the multiple chains as ‘fair weather friends’ who have either abandoned the high streets entirely or given up so-called secondary locations. There is controversy around the top clone spot, which this time goes to Cambridge with only nine varieties of shops on their main high street. Whitstable in Kent is the best performing ‘home town’, scoring an impressive 92.1 out of 100 on the diversity scale. Most importantly this report identifies a number of actions for individuals, local authorities and government to revitalize our high streets and re-imagine their future.

We have a chapter in the new book *Low Carbon Communities: Imaginative Approaches to Combating Climate Change Locally*.

Canterbury City Council issues independent shops in our top ‘home town’, Whitstable, with special home town stickers.

Launch of *CrowdWise*, our **participation tool** that lets everyone contribute their ideas, and helps them find the broadest consensus. It has since been tried by everyone from football supporters associations and an arts festival, to a national coalition of charities.

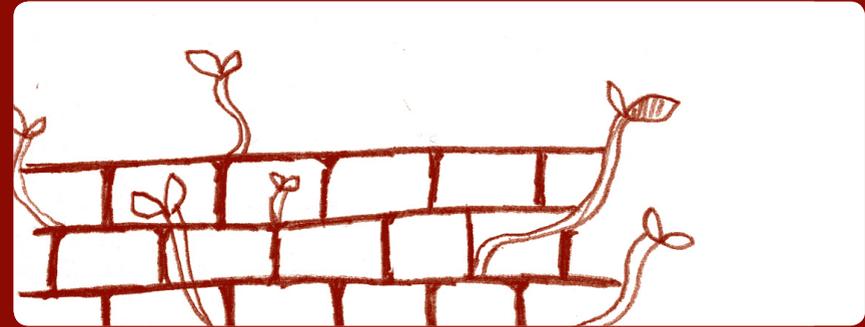
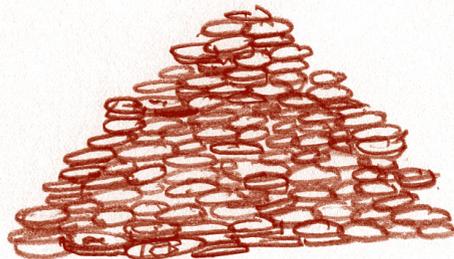


We warn of a potential £25 billion monthly shortfall in bank funding by 2012, prompting fears of new bail-outs in the year to come. Our report *Where Did Our Money Go?* launches the Great Transition **banking campaign** and is covered widely in the media. The question at the heart of the report is posed to the Chancellor of the Exchequer live on Sky News on the morning of his speech to the Conservative Party Conference.

At each of the three major political party conferences we hold fringe meetings on banking reform, leading to successful meetings with Business Secretary Vince Cable and to the appearance by **nef**'s finance and business head Tony Greenham to give evidence to the **Independent Commission on Banking** (Vickers Commission).

A New Economic Model

We launch our bid to build a new sustainable model of the economy with a conference of international experts in London. All current models of the economy assume infinite growth, which we know is impossible. We want to show that a sustainable model works, but it is an ambitious goal and the experts start work with enthusiasm, including leading American and Canadian new economists Peter Victor, Richard Norgaard and Neva Goodwin. Susan Witt is also there from the New Economics Institute in the USA, marking the beginning of a long-term transatlantic partnership with them to build the new economics.



The Great Transition

A packed public event at London's South Bank showcases the Great Transition project, our bid to knit the new economics together as a vision of a possible future. The event quickly sells out. Fashion queen Dame Vivienne Westwood, Green MP Caroline Lucas and new economists Jayati Ghosh and Tim Jackson lead the debates. The Great Transition project was launched by **nef** as a new kind of campaign, beginning with our report *The Great Transition* in 2009 and intending to be a decades long project. We must re-engineer our economies to tackle debt fuelled over-consumption, accelerating climate instability and volatile energy prices underpinned by the approaching peak

in global oil production. It means re-thinking how we bank, generate energy, travel, and grow the food we depend on. It is a massive task that needs lots of organisations and people working together. A big part of the campaign is helping to make that happen. Part of that shift means taking the new economics into cultural events – like the South Bank and Hay-on-Wye festival – breaking out of the economics ghetto. The Great Transition is a catalyst for a growing movement of individuals and organisations that recognise that a different world is possible if we work together to make it happen, because there is no Planet B.

nef director Stewart Wallis addresses the New Economics Institute in New York City, at the first Schumacher Lecture held in that city.

David Cameron announces that the UK will start to measure well-being from 2011, a major campaign win for **nef**.

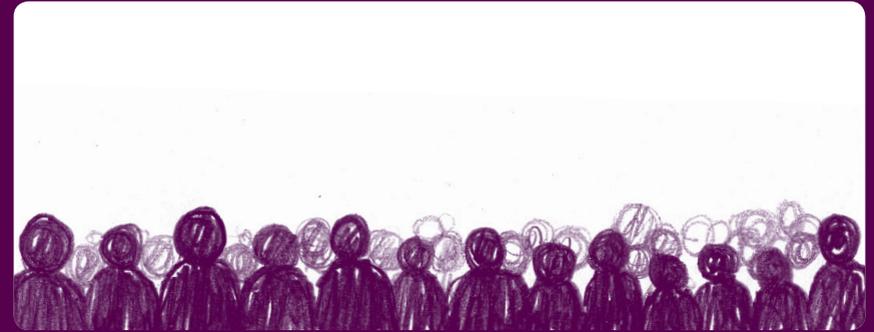


Our report *21 hours*, urging a radically shorter working week, is translated into Spanish, and then into Portuguese too.

Our report *Why the Cap Won't Fit* warns that the Government's approach to **immigration** is dangerously short-sighted because it will mean that our ageing population may become acutely difficult to support by 2040. **nef** predicts that the combined effects of the immigration cap, a decline in global migration and increased international competition for talent mean migration to the UK will start dropping off after 2030, falling dramatically by 2050.



Our new housing project sets out a radical plan to create **a million affordable homes** in five years while still reducing government spending. This depends on strategies to reduce the cost of building land and the interest rates paid by social landlords as outlined in our new report *One Million Homes*.



The Big Society and the New Austerity

Our report *Cutting It: the Big Society and the new austerity*, is launched at the Royal Society of Arts with a debate involving **nef** social policy head Anna Coote. It is the first major debate on the Government's Big Society, explaining that everything depends on how the vision is translated into policy and practice, urging the Government to make social justice the main goal and to build a broader economy to underpin it. The report concludes that the Big Society is the social policy that makes the Government's radical cuts possible,

the cuts make the Big Society impossible. "This means changing how we live and work, relate to each other, organise our economy and society, and safeguard our environment," says Anna. "It's a route towards good lives for all, now and in the future."

December

nef finance and business head Tony Greenham attends his first meeting of the Regional Growth Fund panel, sitting alongside Deputy Prime Minister Nick Clegg and Michael Heseltine.

Surrey County Council's Cabinet approves our plan to transform youth services through co-production and outcomes-based commissioning.



The Banking Campaign

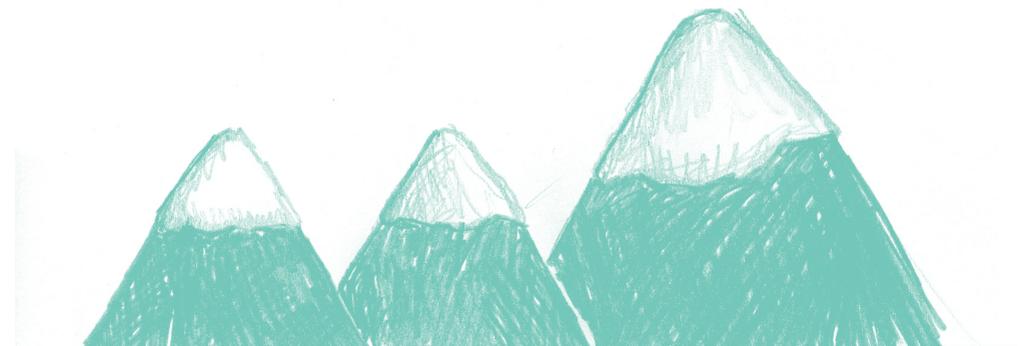
We launch a viral video of a Giant Vampire Squid, borrowing from a metaphor describing the investment banks that first appeared in Rolling Stone magazine – all part of our campaign to increase pressure on the Government to tackle the big banks, arguing that they are net wealth extractors not wealth creators. The one minute animation is backed by a wide range of influential pressure groups.

January

nef social policy head Anna Coote is guest editor of the BBC World Tonight programme about **a shorter working week**.

Our new programme of work, looking at innovative kinds of **criminal justice**, begins to look at how the justice system can get to the heart of the crime problem.

nef director Stewart Wallis tells global business, political and academic leaders at the Davos World Economic Forum in Switzerland that the time for the new economics has now arrived.



We summarise a decade of work on **democracy and participation** with the launch of our *Connected Conversations* pamphlet, arguing that tackling the biggest issues, from climate change to social inequality, needs to start with small conversations between friends and neighbours. By linking these small groups together, we can sow the seeds for new social movements.

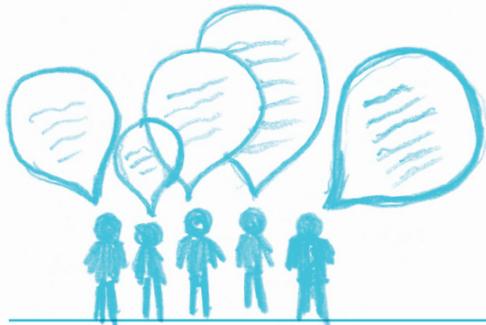
Bank Subsidies

We reveal that UK banks are getting an effective subsidy of £32 billion a year from taxpayers, and the figure is widely reported. Our briefing, *Feather-Bedding Financial Services*, set out to calculate how much the big banks are benefitting from hidden subsidies, as well as from public support since the crash, drawing together research from the Bank of England, the Office of Fair Trading, the Institutional Investors Council and Moneyfacts. From the limited information in the public domain, analysts are able to identify a range of hidden subsidies that dwarf the Chancellor of the Exchequer's bank levy – and it may still be the tip of the iceberg.

Measuring Well-being

We launch our new report on how to measure well-being at a packed meeting at the House of Commons with the National Statistician Jil Matheson and Cabinet Minister Oliver Letwin. The report is a response to David Cameron's request to the Office of National Statistics to launch a debate on national well-being and to start to measure it. Our experience of measuring well-being suggests that, if it is done well, the result will make a real difference to people's lives. **nef** researchers have developed a method that draws on contemporary psychological research and ancient philosophy, understanding well-being as a dynamic process. The model uses the idea of flourishing: people are 'flourishing' when they are functioning well in their interactions with the world and experience positive feelings as a result. A flourishing life involves good relationships, autonomy, competence and a sense of purpose, as well as feelings of happiness and satisfaction.

Cambridge news announce City MP to fight 'clone town' tag after he was appointed an ambassador for small business.



March

We deliver the first stage of our ground-breaking work, funded by the Department for International Development, to explore the relationship between **climate change and conflict**. The Ministry of Defence, the Foreign Office, and other international development agencies like USAID are also interested in what we find.

Our new economic model is shortlisted for a Buckminster Fuller Challenge award.



We reveal that the UK is a soft touch for the financial sector, trailing the rest of the world in regulatory progress. Our report *Subverting Safer Finance*, shows that lax UK regulations are getting in the way of reform, including damaging commodity speculation, the Alternative Investment Market, naked short-selling and the operations of British tax havens.

nef social policy head Anna Coote gives the keynote presentation at the Brussels launch of the draft charter for shared social responsibility, produced by the Council of Europe and the European Commission.

The first in a series of joint **nef**, NESTA and the co-production practitioners' network events is held in Cardiff to take the ideas of **co-production across the country**.

We start a major new case study into the Government's decision-making process on **high speed rail**, and for the way the Government makes key decisions.



Anna Coote sets out **nef**'s analysis of the Big Society in the Channel 4 Dispatches programme on 'Britain's Secret Fat Cats', about the outsourcing companies which will benefit.

Our *Good Jobs Plan* revives the idea of an 'industrial strategy', arguing that the Government needs a long-term plan to stimulate private sector growth in industries that meet social and environmental objectives. The Chancellor's 'Plan for Growth' includes almost nothing that is likely to transform and rebalance the economy as he says he wants – our plan will.

April

A sell-out Fink Club, **nef**'s trademark debate forum, jointly hosted in London with the Robin Hood Tax Campaign, on how we can make our banking system serve society.



nef overtakes Demos to become the top UK think-tank on Twitter.

Electoral Power

At the height of the Alternative Vote referendum campaign, we publish analysis which shows that AV would increase the power of the average voter – but not enough to get rid of the inequalities in the UK voting system. Our *Voter Power Index* finds that moving to AV would mean the average power of people's votes would rise by about a quarter, and increase the number of marginal seats by 44. A fairer voting system is possible, says the report, but only if the UK moves towards larger constituencies, where voters elect more than one MP for their area, as they do in various ways for the London Assembly, the Scottish Parliament, Welsh Assembly and the UK members of the European Parliament.

May

Our expertise in well-being is drawn on to co-author a national *Toolkit for Well-being*. The toolkit enables people and organisations to assess and improve a policy, programme, service or project to ensure it has a maximum equitable impact on people's mental well-being and to identify ways to measure those impacts. It references **nef**'s earlier *National Accounts of Well-being*.

A report praises **nef**'s BizFizz enterprise coaching schemes, running now in 35 places, because they cut worklessness, increase well-being and keep money circulating in the local economy. Over ten years, BizFizz has worked with over 6,000 clients and helped create more than 800 small businesses. Of the 222 business starts BizFizz has supported a 92 per cent survival rate is reported, demonstrating the power of community-based support.



Another sell-out Fink Club Special, this time on what we can do instead of the cuts?

Valuing Universities

We publish *Degrees of Value* that attempts to quantify the public value of universities in a way previously not thought possible. Universities deliver enormous social benefits to the UK above and beyond the value they add to the economy. We calculate they create £1.31 billion of social value. We look at how universities are building the Big Society locally and nationally, and call for a rethink in the way that governments appraise their worth.

We publish commissioned reports that help organisations assess the value that their activities produce by using the Social Return on Investment (SROI) methodology: looking at a sustainable approach to commissioning advice services with Advice UK and at the value that local contracts for school meal ingredients have for local economies and wider society.

Happy Birthday nef!

June marks **nef's** 25th birthday. To celebrate we open our doors to supporters with a special open day event to share our achievements and look ahead to **nef's** role in tackling the most urgent challenges of our time.



nef consulting

nef consulting is our consultancy arm, using our cutting edge research to help organisations in sustainable performance management, well-being measurement and impact evaluation. Over the last three years, **nef consulting** has made some of our best work available to the public, private and voluntary sector. During 2010–11, we have trained over 450 people to use our Social Return on Investment techniques, some of them as far afield as Australia, Japan and Canada. We've worked with major international charities including the Prince's Trust, Scope and Care

International. We've helped private sector companies like the John Lewis Partnership and the Barclays Foundation and supported a series of public sector bodies such as the Department for International Development, the National Audit Office, the National Health Service and a number of local authorities.

www.nef-consulting.co.uk

Thank you

Thank you to **nef's** Just Bond holders and to all the individuals whose regular support we could not do without.

We are grateful for the support of many organisations during 2010–11, including:

Action for Children
AIM Foundation
Ashden Trust
Aviva Investors
Barclays Bank plc
Barrow Cadbury Trust
Berkshire Association of Clubs for Young People
Boehringer-Ingelheim
Boulton plc
Bridgend County Borough Council
Brighton & Hove Council
Bromley by Bow Centre
Calouste Gulbenkian Foundation
Care Denmark
Catch 22
Charities Evaluation Service
City Bridge Trust
City of Bradford Metropolitan District Council

CLES European Research Network Ltd
Community Development Foundation
Community Sector Council
Consumer Focus Scotland
Council of Europe
Counterpoint
Crossroads Association
Department for International Development
Department of Health
East Midlands Development Agency
Esmée Fairbairn Foundation
European Commission
Food for Life Partnership
Freshfield Foundation
Gingerbread
Grant Thornton UK
Groundwork UK
Guy's & St Thomas' Charity

Halloran Foundation
Heritage Lottery Fund
Housing Association Charitable Trust
IDEA Consult
Improvement & Development Agency
John Lewis Partnership
Joseph Rowntree Reform Trust Ltd
LankellyChase Foundation
Local Government Improvement and Development
London Borough of Croydon
MacIntyre Charity
NESTA
Net Balance Australia
Network for Social Change
NHS Confederation
NHS Lambeth
NHS Lewisham

North Staffordshire YMCA
Open Society
Oxfam GB
Pew Environment Group
RH Southern Trust
Roddick Foundation
Scope
Serus
Social Care Institute for Excellence
South London and the Maudsley NHS Trust
Stamp Out Poverty
Surrey County Council
The Hadley Trust
The Oak Foundation
The Pew Charitable Trusts
The Prince's Trust
The Royal Academy of Engineering
The SROI Network

The Tudor Trust
The Waterloo Foundation
Thistle Foundation
Tower Hamlets Council
Universities UK
V
Voluntary Action Kirklees
Voluntary Services Overseas
Walcot Foundation
Walsall Housing Group
Wellcome Trust
Women's Resource Centre
World Health Organisation
Youthnet

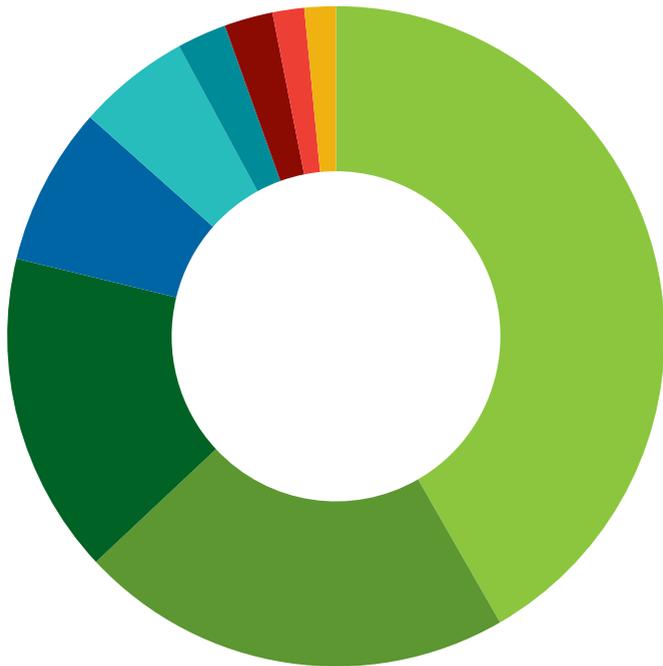
Board of trustees

Sam Clarke (Chair)
Martin Gillie (Treasurer)
Sue Gillie
Margaret Hyde
Jules Peck
Howard Reed
Simon Retallick
James Skinner
Trustees serving in 2010–11, now resigned:
Amanda Horton-Mastin (resigned Feb 2011)
Robert Phillips (resigned July 2012)

Financial summary

The summary income and expenditure information provided here is from the full audited financial accounts. Copies of our most recent full statutory Report and Accounts are available at www.neweconomics.org

Income by donor or client type 2010 – 11 (total £2,505,069)



- Trusts and Foundations
- Not for profits and charities
- Local Authorities and Government departments
- Commerce and enterprise
- Individuals
- Health sector organisations
- European institutions
- Education sector organisations
- International agencies

Expenditure for 2010 – 11 (total £2,652,116)



- nef consulting - trading
- Well-being
- Local Economies
- Social Policy
- Finance and Business
- External Affairs
- Environmental Economics
- Strategic fundraising
- Governance costs
- Climate Change and Energy
- Valuing What Matters
- Great Transition initiatives



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