

<p>Institution: University of Exeter</p>
<p>Unit of Assessment: Economics and Econometrics</p>
<p>a. Context</p> <p>Economists at Exeter have a long-standing tradition, going back to before the assessment period, of carrying out research that has impact. For example, in 2006, the Conservative Party cited the work of (then-members of the Unit) Kirsanova, Leith and Wren-Lewis as being one of the major sources for their proposal to establish the Office for Budget Responsibility (OBR), which was inaugurated in 2010. Since 2008, the Unit's impact has been both national and international.</p> <p>Reach and Significance of Our Impact within the UK</p> <p>Since 2008, the Unit's research has been directed at informing economic policy-making and at improving the management of environment risk. The Unit's research has facilitated the policy advice we have delivered to central government financial organisations such as the Bank of England (BoE), Her Majesty's Revenue and Customs (HMRC), Her Majesty's Treasury (HMT) and the OBR. Drawing on his research in public economics, Myles played a substantial role in the Mirrlees Review of UK tax policy, which is of immediate benefit to HMRC and HMT, and it is expected that the benefits of a fairer and more efficient tax system will be felt in the wider economy and society. Kaplan's research on the interpretation of risk was taken into account by the Met Office when they revised the way that the risks of rainfall are presented in weather forecasts. (Impact case study 1.) McCorrison's research, in conjunction with Davidson's development of econometric forecasting software, has informed the development for Defra of a bespoke tool to forecast food price inflation in the UK. (Impact case study 3.)</p> <p>Reach and Significance of Our Impact Internationally</p> <p>At an international level, the Unit's research has been directed at informing both domestic economic policy reform in other countries as well as policymaking in international institutions. Kotsogiannis' research has identified inefficiencies in the implementation of intergovernmental transfers, which influenced the way that German and Italian policymakers reformed federal tax policy. (Impact case study 2.) Following on from this, the International Monetary Fund (IMF) invited Kotsogiannis to work on the fiscal implications of climate change and on the interplay between climate and trade policies. And he is currently acting as a consultant for the World Bank investigating environmental and energy policies in developing countries. Another indicative example is McCorrison's research on state trading which lead to direct involvement with high-ranking policy-makers and senior government officials at the Organisation for Economic Cooperation and Development (OECD). Following up on this, he was invited to advise High Level Expert Groups at the United Nations Food and Agriculture Organization on the 'Doha round' of world trade talks. Drawing on insights from the same project, he presented an invited address at the OECD Forum for Competition on competition issues arising from the 2007-08 food crisis.</p>
<p>b. Approach to impact</p> <p>The Unit's approach to impact has two main features.</p> <p>1. Building Strategic Corporate Partnerships and Research Collaborations</p> <p>A major way that the Unit engages with non-academic beneficiaries is to involve stakeholders directly from the initial stages of research planning and to keep them involved throughout the evolution of our research projects. This occurs most readily with long-term strategic partners and collaborators. For example, Kaplan's work with Met Office (Impact Case Study 1; see section d) originated in research contracts gained jointly with the Met Office—a strategic partner of both the University and the Business School. (The Met Office is also one of the corporate partners involved in the Centre for the Study of Risk and Ambiguity: see section c.) McCorrison's work with Defra (Impact Case Study 3) is the product of a partnership with Defra over several years, complemented by other projects between the Business School and Defra. The impact of Kotsogiannis' research (Impact Case Study 2) is based, in part, on a partnership built with the IMF (via a senior member of its staff) over a 12-year period. Beyond the impact case studies, Myles' work with the HMRC is a further example of strategic partner formation, and has led to establishment in 2012 of the</p>

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ESRC/HMRC Tax Administration Research Centre (**TARC**), funded by a grant of £2.4m from the ESRC and HMRC.

2. Facilitating Impact through Supporting Mechanisms

Institutional level mechanisms operate through the Research and Knowledge Transfer Office (RKT), which provides access to funding sources for collaboration with practitioners. For example, the University's Open Innovation fund provided crucial financial support to the launch of TARC. LINK funding promoted collaborations with external bodies. The University's Research and Knowledge Transfer (RKT) office supports development of research proposals including pathways to impact. RKT has a dedicated Impact Manager who assists academics in the Unit in realising the potential benefits of their research and identifying potential beneficiary groups. The University also provides 'impact training' workshops throughout the academic year, and the Unit encourages all PhD students and early career researchers to attend.

The Business School has its own research funds that help to support impact. Grants of up to £5,000 are available to develop research proposals and activities which both identify and embed impact within the development of the project itself. For example, funding has been used to support the development of the InsTED network, jointly funding the initial workshop in 2013 (in conjunction with the University's Humanities and Social Science strategy). The Finance and Economics Experimental Laboratory at Exeter (FEELE), funded by the Business School, has been a valuable tool in interaction with users. It has been used to do experiments by Myles in his research on the Mirrlees Review for HMRC and HMT; and by Kaplan in his research on the interpretation of risk for the Met Office. As a feature of the long-standing relationship between the Unit and the Met Office first initiated in 2007, the Unit, with support from the Business School, hosted the Environmental Protection and Sustainability Forum in 2011. This was a high profile conference involving academics and stakeholders, where keynote addresses were delivered by leading stake holders such as John Hirst (CEO Met Office) and Ottmar Edenhofer, (Chair, International Panel on Climate Change, Working Group III) as well as leading academics such as James Markusen (University of Colorado at Boulder) and Alistair Ulph (University of Manchester). Also, the Unit draws on the Business School's marketing department and full-time Communications Officer to facilitate impact. And through School-provided resources, the Unit works with an external PR company to increase research exposure. Through these resources, McCorriston's work on food pricing (Impact Case Study 3) attracted considerable press attention (for example, on the BBC website) as a result of a concerted PR push to national press.

c. Strategy and plans

Our strategy and future plans for impact have a number of components.

Improved Support Structure

The School and the Unit recognise the importance of tailor-made infrastructure support and dedicated resources (see section b above). As part of the Unit's on-going strategy of investment for support for academic research and its wider impact and potential for engagement, the Business School has recently appointed a full time Head of Research, Engagement and Impact. This post will head up a dedicated team supporting academics in the Unit to embed impact in their thinking, and their research, and to share best practice.

Reach and Significance of Impact Through Major Research Centres

Two major research centres have recently been established within the Unit: the TARC, mentioned above, and the Centre for the Study of Risk and Ambiguity (**CSRA**), which is in the final stages of consideration for ESRC funding. **Both centres are committed to shape their research agendas with non-academic beneficiaries in mind** and to report their academic research findings in ways that are accessible to non-academic users. TARC's role is to **deliver an improved understanding for policymakers and practitioners in tax authorities**, in the UK and in other countries, of how to enhance tax policies and administrative practices. CSRA will study theoretical, experimental and applied research in the area of risk and ambiguity, in areas of stakeholder interest including

Impact template (REF3a)

financial markets, health economics, insurance and law. In terms of impact, the advice of non-academic board members will be sought as to how CSRA research can have impact beyond the academic sphere. Members of CSRA's Management and Advisory boards include several high-ranking executives at user organizations such as the Bank of England, National Health Service (NHS) Trust, the Environment Agency, Lloyd's of London, Willis International, Chartered Insurance Institute, the Met Office and South West Water.

Strengthening and Expanding Strategic Partnerships

In particular through the establishment of the major research centres, the Unit will further strengthen and expand strategic corporate partnerships. These key strategic partners include: the HMRC, the Bank of England, the Royal Devon & Exeter NHS Trust, the Environment Agency, Lloyd's of London, Willis International, the Chartered Insurance Institute, the Met Office and South West Water.

Impact Through Smaller-Scale Projects

Impact will occur through smaller-scale projects as well. For example, Davidson, Halunga, McCorrison and Poen have formed a Food Policy Group with researchers at the University of Nottingham. This group is funded by Defra and an EU FP7 grant worth £800k, Exeter's share being £139k, with the rest being shared between 13 partner universities. A key requirement of this project is to engage with stakeholders and policy makers. It will involve direct contact and interaction with the EU Commission (including the High Level Group on Food Prices in Brussels) and the delegate governments at the OECD. The project has produced a forecasting tool in order to predict retail food prices. It is used by Defra to advise ministers and also relates to broader macro-forecasting activity with Defra using the model and its output to inform economists from the BoE, HMT and the OBR. This is relevant to a number of policy issues such as whether obesity can be reduced by a so-called "Fat Tax".

d. Relationship to case studies

Our case studies represent examples of how our research has impact outside of academia:

Case study 1: "Helping Government and Industry to Communicate Risk," led by Kaplan.

Case study 2: "Fiscal Inefficiencies in Federal Economies" led by Kotsogiannis.

Case study 3: "Forecasting Food Price Inflation" led by McCorrison.

Impact case study 1 shows how the Unit's research has had impact within the UK, and in the area of improving the management of environment risk. It also shows the value of collaborating with strategic corporate partners (in particular, the Met Office); and the effect of the Unit's and Business School's investment in impact activities: for example, by funding FEELE, the experimental facility used during the project. The resources that the Business School made available for initiating new projects, together with the professional services provided by RKT for making formal contractual arrangements with institutions in the private, public and third sectors, were all instrumental in helping the Unit to forge the fruitful relationship with the Met Office.

Impact case study 2 shows the international policy impact of the Unit's research. The impact of the research arose as a result of the partnership with the IMF mentioned in section b. The Unit's support of 'protected research time' in members' workloads, together with the School's seed corn research and internationalisation funds, enabled Kotsogiannis to spend time at the IMF exploring practical applications of his theoretical research findings and communicating them to policymakers.

Impact case study 3 showcases other aspects of the national and international policy impact of the Unit's research. The partnership with Defra, involving both McCorrison and other members of the Business School, enabled the development of a state-of-the-art tool to forecast food price inflation and its application to a live policy problem. The School's investment in PR to raise the profile of the Unit's research led to national coverage of the research findings.