



CORPORATE PLAN 2018-2021

MARSHALL AID COMMEMORATION COMMISSION

(MACC)

FOREWORD

In 1953 the British Parliament enacted the Marshall Aid Commemoration Commission Act named in honour of General George C. Marshall, in appreciation of the assistance given in the aftermath of World War II through the European Recovery Programme - commonly known as the Marshall Plan.

This Act created the Marshall Scholarships and specified that the Marshall Aid Commemoration Commission, or Commission, be established to oversee and manage the scholarships. The Commission came into being that year, and the first twelve Marshall Scholars arrived in the UK in 1954. In his message to the scholars, General Marshall wrote *"A close accord between our two countries is essential to the good of mankind in this turbulent world of today, and that is not possible without an intimate understanding of each other."*

In the years since then, the MACC has overseen what has become a very successful and prestigious scholarship programme for young American students wishing to undertake postgraduate degrees at universities throughout the UK. Indeed the President of the United States of America recently recognised the Marshall Scholarships as one of the top academic honours anywhere in the world.

The programme's success can be demonstrated by the positions of significant influence held by many of the 1900 Marshall Scholars to date, including two Supreme Court Justices, a Nobel Laureate, the former White House Legislative Affairs Director, four Pulitzer Prize winning authors and journalists, an Oscar-nominated filmmaker, several founders of multi-billion dollar enterprises, and numerous innovators and leaders in all branches of science and education. The Marshall Scholarship Programme is perceived as one of the most prestigious scholarships currently on offer in the US and this is demonstrated in the intense competition for the Scholarships - the MACC receives around 1000 applications for the places on offer each year (currently around 40) allowing the Commission to maintain exceptionally high standards in its selection criteria of academic excellence, leadership and ambassadorial potential.

The Commission operates the only scholarships for American students created by an Act of Parliament and funded substantially by Her Majesty's Government, providing unique and valuable access to, and links with, the British Government, institutions and people. Marshall Scholars can attend any British University and study almost any subject. This range of choice enhances both the academic and social experience of the scholarship recipients. Marshall Scholars arriving in the UK are introduced to the work of government, to professional networks and to cultural bodies, enriching their experience and enabling them to form lifelong connections to the UK.

The public diplomacy / soft power aspect of the Commission's work is a unique part of our value. Our strong global alumni network, the Association of Marshall Scholars (AMS), enhances our reach and the influence of the British Government in the USA. The Commission actively engages with the British Government through the Foreign & Commonwealth Office (FCO) and the Embassy and Consulates in the United States to maintain the prestige of the Marshall programme and the investment in future influence which it represents.

ABOUT THE MARSHALL AID COMMEMORATION COMMISSION

The Commission is a statutory Non Departmental Public Body (NDPB) which operates under the sponsorship of the FCO. The Commission is usually comprised of a Chair who is also the Accounting Officer, and 9 other Commissioners, all British citizens, who serve on an

unremunerated basis. The Commissioners are selected on merit and have a varied background in business, academia, the professions and public life.

To manage the recruitment of Scholars, the Commission works with the British Ambassador in Washington DC and the Consuls General in Atlanta, Boston, Chicago, Houston, Los Angeles, New York and San Francisco. The Embassy and Consulates each support one of the eight Regional Selection Committees, all of which are comprised of US citizens who serve on an unremunerated basis, many of whom are alumni.

The Commission does not directly employ any staff. It subcontracts the administration of the Scholarship programme to the Association of Commonwealth Universities (ACU). That contract is periodically reviewed and put out to competitive tender; it has recently been renewed.

CURRENT CONTEXT

The current operating context for the Commission includes the following significant features:

- In 2017 the Commission signed a new administration contract with the ACU. This contract will cover the period of the Corporate Plan.
- In 2016, the FCO announced an increase in funding of one-third, building up over three years, for 8 new Scholars in 2017 which allowed the MACC to offer 40 Scholarships that year.
- In June 2017 the AMS organised a very successful alumni event at Harvard to mark the 70th Anniversary of the launch of the Marshall Plan.
- Against this strongly positive background, the key issue facing the Commission is the need to continue to ensure financial resources maintain the real purchasing power of the grant and stipend per scholar. The Commission works to augment its annual Grant-in-Aid through other funding sources to be able to maintain the Marshall Scholarship programme at a viable and sustainable level.
- The Commission currently generates additional funding from several sources. Its direct Scholarship resources include:
 - Most importantly, our Partnership Universities scheme whereby 56 UK institutions support the programme, usually through tuition fee waivers¹;
 - from the Annenberg Foundation endowment dating from 2007, the income from which largely funds one Scholar every two years;
 - from the National Institutes of Health in the US which supports certain doctoral Scholars beyond the term of their Scholarship award;
 - from individual members of the AMS, who are funding tuition fee waivers at Magdalene College, Cambridge, Lincoln College, Oxford, Emmanuel College, Cambridge and the University of Sussex
 - The AMS has also raised a \$1.2m endowment fund which will fully fund one Scholar every two years, the first of which will be in 2018.
 - The British School and Universities Foundation (BSUF) jointly funds, with the AMS, one Scholar who is studying Music, Creative writing or journalism. This is also every two years.

The value of this support has grown effectively to fund 11 of the awards made to the incoming class of 2018.

¹ See Appendix A for the full list of Marshall Partner Universities

Sustaining and further developing these kinds of support is critical for the Commission in the period ahead in the past MACC has had to reduce the number of new Scholarships on offer each year to remain within its means and recent fundraising efforts have helped the Commission maintain and most recently increase the numbers - see table below. As such, further fundraising activity forms another important strand of work activity for the MACC throughout the Corporate Plan 2018-21 timeframe.

Year(s)	1973-90	1991-2003	2004-07	2012	2013	2014	2015	2016	2017	2018
New Scholarship recipients per year	30	Up to 40	Up to 44	36	34	34	31	32	40	43

EXTERNAL ENVIRONMENT

Every institution needs to consider the risks, uncertainties and changing environment in which it operates. The cost pressure has already been cited above. Uncertain rises in tuition rates, and the potential for changing immigration policy and fees for students arriving, as well as exchange rates, all need to be watched as potential challenges. The 2016 devaluation of the pound against the dollar had an adverse impact on the sterling costs of the Programme.

To the extent Scholars choose to study at Oxford, Cambridge and London, where these Scholars are not covered by our partnership support the costs at these institutions tend to be higher than elsewhere.

The changing demographic profile of the United States (and of the United Kingdom) since the inception of the Marshall Scholarships means the Scholarship programme needs to find a way to adapt as well. Currently more than 50% of American university graduates each year are women, and on current trends by 2050 a majority of US citizens will be of an ethnic minority background. The Commission closely monitors the Scholarship application and selection process, including the composition of each Regional Selection Committee, with the aim that Scholars be broadly representative of America's talented graduate students. This is a clear priority for the Commission which is working closely with existing Scholars and the AMS to this end.

VISION AND AIMS

The Commission's mission is to strengthen UK-US relations and to promote British influence in the United States by providing Marshall Scholarships to young Americans who will become the leaders, opinion formers and decision makers of tomorrow. This was formally reaffirmed and restated in April 2015 as follows:

Our vision

To make a strong and lasting contribution to the shared ties between the United Kingdom and the United States and to recognise, with thanks, the Marshall Aid programme.

Our aims

1. Offer the most prestigious UK-wide Scholarship for the best US graduates
2. Attract the US graduates with the greatest potential as scholars, leaders, and contributors to strengthened UK / US ties – reflecting a diverse US society

3. Ensure Scholars select a diverse range of excellent universities and courses and have a UK experience that significantly enhances their lives
4. Help foster lifelong, mutually beneficial links between Scholars and the UK
5. Ensure that 40 students becomes a floor, not a ceiling, on the number of awards to be made annually.
6. Run a sustainably funded Scholarship programme
7. Remain well-governed and cost-effective, benefitting from substantial volunteer time in both the UK and US

PRIORITIES 2018 - 2021

To progress our Vision and Aims, the Commissioners have set out our priorities for the next three years, against which our success can be measured. The implementation and achievement of these priorities will form the core of the MACC's activity over the period of the Corporate Plan 2018-21. These activities are summarised here.

1. Offer the most prestigious UK-wide Scholarship for the best US graduates

The quality of the Scholarship is driven primarily by the excellence of our Scholars. For this reason, it is vital that we are able to attract and then select the best scholars who are able to both bring a wide range of experience to Marshall, as well as take advantage of all their Scholarship is able to offer. In order to attract the best, we will draw on all our resources, including the Embassy and Consulates, Alumni, Regional Selection Committees, Commissioners and Marshall Scholarship staff.

2. Attract the US graduates with the greatest potential as scholars, leaders, and contributors to strengthening UK / US ties – reflecting a diverse US society

- I. Continue to encourage applications from a broad range of US institutions
- II. Maintain and strengthen the work of the Consulate network and alumni in reaching out to institutions US colleges and universities.
- III. Continue to provide support to Regional Selection Committees, to ensure best practice on interviewing and selection

3. Ensure Scholars select a diverse range of excellent universities and courses and have a UK experience that significantly enhances their lives

The quality of the Marshall experience is in large part a function of the diverse range of excellent universities and courses chosen by the Scholars around the United Kingdom. It is important to continue to maintain this diversity of academic excellence and experience, including by ensuring the widest possible variety of Partnership institutions, and emphasising the value of these Partnerships to all concerned. We will also work to ensure the stipends avoid hardship and to enable Scholars to access a wide array of enrichment activities during their time in the United Kingdom.

4. Help foster lifelong, mutually beneficial links between Scholars and the UK

- i. Work with the Embassy, Consulates and the AMS to maintain a vibrant network of Scholars acting as “ambassadors” in the US – and consider whether more can be done to engage them over the next 3 years, for example an annual communication from the British Government to Marshall Alumni

- ii. Develop and implement a strategy to strengthen the opportunities for Marshall Alumni to “give something back”, for example participating on outreach panels to universities who have not submitted applicants recently.
- iii. Further strengthen the MACC’s communication to UK stakeholders of the dividends of this programme, include major donations and legacies to academic institutions in the UK from AMS members.

5. Ensure that 40 students becomes a floor, not a ceiling on the number of awards to be made annually.

Core costs for administration, but especially for the regional selection process, need to be in place regardless of the number of Scholars selected. Once in place, it is considerably more cost efficient to ensure a floor of 40 Scholars each year to best use the workflow, structures, governance and personnel needed for the maintenance of the programme at any level.

6. Run a sustainably funded Scholarship programme

The lack of synchronisation between the fiscal year and the academic year, together with the two year tenure for many Scholars means that it is critical to have an understanding of the on-going nature of the Marshall Scholarship programme, and comfort that the real resources will continue to match increases in real costs of higher education and ancillary expenses. Recognising government constraints, the Commissioners acknowledge the importance and contribution of the Partnership Agreements with UK universities and will work to develop and grow the number of these agreements.

7. Remain well-governed and cost-effective, benefitting from substantial volunteer time in both the UK and US

The MACC recognises the importance of good governance, continuous learning and good relations with all governmental bodies. As such we will continue to consider any insights from Cluster Reviews, Triennial Reviews, and opportunities to learn from other organisations. We will continuously look for opportunities to improve cost-effectiveness, improve data-driven decision-making and look at best practice in reporting and decision-making.

FINANCIAL PLAN

We welcomed the announcement in December 2016 from the then Parliamentary Under Secretary of State, Alok Sharma MP of an increase in the number of Scholarships:

“This increase in scholarships shows how resolute Britain is in its commitment to the special relationship. And, of course, our Marshall scholars retain a lifelong warmth for the UK.

Giving these talented people the opportunity to study at our best universities means we can build strong relationships with the next generation of influential American leaders in business, politics, and many other professions.”

It is important that the Government continues to fund the Commission so that the Marshall Scholarships maintain their prestige and reputation, that the number of new Scholarships awarded each year remains high, and that the level of activities and services offered to the scholars is maintained.

Each year since inception the Commission has been funded by a Grant-in-Aid from the FCO. About 90% of the scheme’s costs are direct costs linked to the Scholars and their studies in the

UK, including tuition, research costs, travel, and subsistence.

The 2018-2021 Triennium

Annual funding from the FCO is based on the Government's financial year, while the Commission's costs are incurred on the basis of the traditional academic year. Together with the dissonance between one-year annual funding increments, two-year Scholarship commitments extended over three financial years, careful management of the financial and cash flow risks faced by the Commission is imperative and why the Commission needs to develop visibility beyond 2021 and maintains reserves to mitigate these uncertainties.

The decision to make 40 awards in December 2016 was predicated on the grant from the FCO growing progressively over the next three financial years to cover the 8 extra places. To sustain the programme and fund 32 awards, the Commission has proposed that the Grant for the next three years should be as follows:

FY 2018-2019	£2,550,000
FY 2019-2020	£2,750,000
FY 2020-2021	£3,000,000

During FY 2018-2019, the Grant-in-Aid will be requested in tranches from the FCO as follows:

<u>Period of need</u>	<u>Amount to be requested</u>
April/May/June 2018	£500,000
July/August/September 2018	£500,000
October/November/December 2018	£875,000
January/February 2019	£425,000
March 2019	£250,000

The Commission will continue to identify efficiency savings wherever possible, consistent with sustaining the quality of the programme. Examples include: striving to maintain our already low administrative costs (both in the UK and the US) for operating the scheme, negotiating tuition waivers and reductions where possible, and negotiating the cheapest air fares for Scholars.

The Commission has been proactive in negotiating with UK universities and others to provide additional funding support. This additional resource is worth over £800,000 each year, and is generated from our 56 Partner universities (see Appendix A), from the Annenberg Foundation and the National Institutes of Health in the US, and from AMS donations. The Commission's target is that third party funding will rise to over £1 million during the triennium.

In 2018 the Commission intends to further increase third party support. We are also now directing more of the Commission's volunteer resource capability towards managing relationships and communications with partnership organisations, Marshall Alumni and other stakeholders, including the Regional Selection Committees, prospective Scholars and their advisers.

SCENARIOS

Any prudent organisation looks at sensitivities to unforeseen circumstances. The MACC is required to assess the implications of either an increase or decrease of 10% in its Grant-in-Aid in any given financial year as part of its obligations as NDPB under 'Managing Public Money.'

10% Increase

A sustained 10% increase in Grant-in-Aid will be required in 2020/21 to absorb the inflationary pressures the Commission will inevitably experience. The progression of the grant to this date makes no allowance for the underlying growth in our costs during this period. The visibility of a grant of £3 million in 2020/21 will be important to sustain award numbers in forthcoming years.

10% Decrease

A 10% reduction in funding would force the MACC to take immediately some or all of the following actions, all of which would damage the reputation of the programme and reverse all the recent messages confirming Her Majesty's Government's attitude toward the Programme:

- reduce the total number of Marshall Scholarships awarded. The reduction in numbers would be considerably more than a 10% cut since annual funding supports a two year Scholarship programme;
- end third-year extensions awarded where these are not paid for by our partner universities.

The implication of a reduction in funding would be to reduce the impact of the programme in both the US and the UK. In the longer term, this would harm the capacity of the Marshall Alumni network to engage with leaders, policy-makers and decision-makers in both the US and the UK. Any reduction in funding would also be counterproductive for the AMS' current campaign to raise funds to endow further scholarships and impact individual gifts by Marshall Alumni to their Alma Maters (in 2015 valued at over £52 million).

The MACC attaches the highest importance to securing sufficient funding from the Government to maintain a high quality Scholarship programme without further reducing the number of awards offered or limiting the opportunities available to the Scholars.

APPENDIX A - Marshall Partner Universities

The MACC has negotiated with the universities and Oxford and Cambridge colleges listed below to secure their agreement to waive or reduce tuition fees for Marshall Scholars.

Balliol College, Oxford
 University of Birmingham
 University of Bradford
 University of Bristol
 Cardiff University
 University of Dundee (School of Life Sciences)
 Durham University
 University of East Anglia
 University of Edinburgh
 Emmanuel College, Cambridge
 University of Exeter
 Exeter College, Oxford
 University of Glasgow
 Goldsmiths, University of London
 Gonville and Caius College Cambridge
 Guildhall School of Music and Drama
 Imperial College London
 Keele University
 University of Kent
 King's College, Cambridge
 King's College London
 University of Leeds
 Lincoln College, Oxford
 University of Liverpool
 London School of Economics and Political Science (LSE)
 London School of Hygiene and Tropical Medicine (LSHTM)
 University of Manchester
 Magdalen College, Oxford
 Magdalene College, Cambridge
 New College Oxford
 Newcastle University
 University of Nottingham
 Nuffield College, Oxford
 Oriel College, Oxford
 Pembroke College, Cambridge
 Peterhouse, Cambridge
 Queen Mary University London
 Queen's University Belfast
 University of Reading
 Royal Academy of Music
 Royal Holloway London
 Royal Northern College of Music
 St John's College Cambridge
 University of St Andrews
 School of Oriental and African Studies (SOAS)
 University of Sheffield
 Somerville College, Oxford
 University of Southampton
 University of Surrey

University of Sussex
Trinity College, Cambridge
Trinity College, Oxford
University College London (UCL)
University College, Oxford
University of Warwick
University of York

The Commission also has third year funding Scholarships with the University of Oxford.

APPENDIX B- Financial Year 2016-17

MACC received financial support from HM Government in the form of £2m Grant-in-Aid for the financial year 16/17, as indicated in the annual allocation letters. This sum, together with the donations from third party funders (see below), covered MACC's net expenditure in 16/17 of £1,965,646.

The Scheme has attracted two third party funders. The Annenberg Foundation donated £20,932 from an endowment held by the Association of Commonwealth Universities; and the US Environmental Protection Agency donated £103,460. These donations fund additional Marshall Scholarships. Funds remain from other donors in previous years

In the academic year 2016/2017 The Scholars were funded as follows:

33 Marshall Scholars were fully funded by the MACC.

Four Scholars, who were members of the US Military only received only received 50% of the stipend as agreed with the US Military academies.

32 Scholars were funded on Partnership Scholarships as follows:

- One Scholar was fully funded by an external body, the Annenberg Foundation.
- One Scholar was fully funded by a jointly funded Scholarship between two external bodies, the Association of Marshall Scholars and the British Schools and Universities Foundation (BSUF).
- Three Scholars at each of the following institutions: Imperial College London and Somerville College, Oxford (Janet Watson)
- Two Scholars at each of the following institutions: Universities of Edinburgh and Glasgow; and Nuffield College, Oxford
- One Scholar at each of the following institutions: Universities of Bristol; Durham; Manchester; Reading and East Anglia. Also at Gonville and Caius College, Cambridge; Corpus Christi College, Oxford; King's College, Cambridge; King's College London; London School of Economics and Political Science; London School of Hygiene and Tropical Medicine; Magdalene College, Cambridge; New College, Oxford; Oriel College, Oxford; Queen Mary, University of London; St John's College, Cambridge; Trinity College, Oxford and University College London.

Three of the partnership Scholars (Glasgow and New College, Oxford) were the military Scholars and so received 50% stipend.

All of these agreements, except the Caius Cambridge Marshall Scholarship, include the MACC paying for the Scholars' maintenance costs and the partner university/college waiving the tuition fees. The Caius Cambridge Marshall Scholarship pays for the maintenance costs and the MACC pays for the tuition fees.

Two of the above Scholars were jointly funded under the third year funding agreement with the University of Oxford and Oriel and Somerville Colleges and two further Scholars were fully funded under the third year funding agreement with the University of Oxford.

These partnership agreements contributions add up to the value of £660,000.

In addition, the Marshall Sherfield Fellow was supported by private funds from the Marshall Sherfield Fellowship Foundation.

A total of 67 Marshall Scholars were funded either by the MACC or under funding agreements in the UK.