

A photograph of the Statue of Liberty in New York City, viewed from a low angle. The statue is the central focus, holding a torch in her right hand and a tablet in her left. The background shows the New York City skyline with several skyscrapers under a blue sky with light clouds. A dark blue diagonal banner is on the left side of the image.

# Tailored Review of the Marshall Aid Commemoration Commission

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Foreign &  
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# Tailored Review of the Marshall Aid Commemoration Commission (MACC)

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## Executive Summary

1. The Marshall Aid Commemoration Commission (MACC) was created by an Act of Parliament in 1953 to provide scholarships to American citizens, enabling intellectually distinguished young Americans, their country's future leaders, to study in the UK. 65 years later and the MACC is still running a high quality, well respected and well managed scholarship programme. Although this review looks at the programme as a whole, it is the Commission, as the arm's-length body, that is the subject of this Tailored Review.
2. We judge that the function of the Marshall Scholarship Programme is still needed. Proportionate to its size, it plays a small but important part in maintaining and strengthening the UK's relationship with the US, which is of vital importance to the UK's national interest. The programme is not only important from a political perspective. It also builds people-to-people links and collaborative endeavour which spans a broad range of issues and sectors, which are often well aligned with HMG priorities. It is a valuable soft power asset, from which the UK extracts a disproportionately good return on its relatively small financial investment. Beyond the immediate political prism of bilateral relationships, the Marshall Programme also fits into the broader strategic context of HMG's Global Britain agenda and its fledgling International Education Strategy.
3. The MACC holds the status of a Non-Departmental Public Body (NDPB). This enables the programme to work at sufficient arm's-length from Government with operational autonomy but aligned to the FCO's strategic priorities. Its position as a Government scholarship programme is one of its unique selling points and confers on it status and reach which it would be difficult to attain if it were outside Government. Having carefully considered other possible delivery models for the programme, the Review Team concluded that NDPB status remains the right classification for the Commission.
4. The MACC has an impressive alumni which suggests the programme is and remains effective at attracting and identifying the right calibre of scholars for the programme, particularly given the highly competitive market in which it operates. But the MACC and FCO could do better in articulating a stronger narrative around its value and impact. Embedding a more robust monitoring and evaluation system with clearer metrics for success will enable the programme to further leverage its prestige and brand as well as its value to HMG.
5. The Association of Commonwealth Universities (ACU) provides the Secretariat function for the MACC programme. It has done so since the programme's inception. It is resourced by a small but conscientious and dedicated team of staff. But the concentration of work on and through the Assistant Secretary carries risks for the sustainability of the programme. Given the ACU's experience in managing a portfolio of scholarship programmes, it should look to see how it can draw on this corporate expertise to support delivery of the MACC programme e.g. on monitoring and evaluation.

6. The MACC is financially well managed and is compliant with best practice in corporate governance. The Commission is now experiencing a rise in the number of scholarships they are able to award annually, following a period where numbers were falling (between 2012 and 2016). This has followed a three-year funding settlement from the FCO that has seen a growth in the programme's Grant-in-Aid allocation. The increase in awards has also benefited from the Commission's work in expanding its base of partner organisations (i.e. UK academic institutions) who provide fee waivers for Marshall Scholars. This provides a strong foundation from which the MACC can now build.
7. The FCO and its diplomatic network in the US play a unique and dual role in having to both oversee and support operational delivery of the programme. As the Sponsor Department, we judge that the FCO's Communication Directorate provides the right amount of support, scrutiny and oversight. We believe there is scope for SPEAD (in Communications Directorate) and the FCO's geographical department (USCCAD) to work more closely together in providing a more coherent strategic context to the MACC's work, which effectively brings together the FCO's soft power and bilateral policy objectives.
8. The UK's diplomatic network in the US plays a vital role in supporting the programme through its promotion and outreach activity and its active engagement in the application and recruitment process. For the most part, it does this very well, although there is some inconsistency in its engagement across the consular network. We believe the Embassy has an important co-ordinating function to play in ensuring a more consistent, active and coherent approach by all the Consulates General.
9. The ambition of achieving greater diversity in the MACC programme is both multi-faceted and complex. It relates not only to the applicants and scholars of the programme but in the composition of its selection committees, the Commissioners and the breadth of both sending and receiving institutions. The MACC has made good progress in addressing each of these areas. Notwithstanding some of the challenges around data collection, the MACC should continue its work in this area to ensure the programme continues to attract the widest and best pool of people and institutions.
10. A key component of the MACC's activity is rightly focussed on its communications and outreach work. While there were some excellent examples of comms engagement across the US network, we found that it was often ad-hoc and fragmented. We recommend that all key partners involved in the programme develop a shared communications strategy, which best maximises the pooled resource of the FCO, the Commission and the diplomatic network in the US. This should enable the programme to be more strategic and have greater impact in its communications work.

## Summary of Recommendations

The recommendations below reflect all the formal recommendations made in this report. In some areas of the report, we have made some suggestions for further action or consideration. These are not formal recommendations but can be taken up by the Commission or the FCO should they choose to incorporate them into any future implementation plan.

The recommendations below are listed in the order in which they appear in the report. It is for the Commission, FCO and other relevant stakeholders to determine if and how these should be taken forward (see paragraph 1.9).

The Review Team recommends that:

### Efficiency

1. The Commission works with the ACU to reassess the Secretariat function, to ensure that in house expertise and experience is drawn upon to best support the Commission and ensure sustainability of the ACU's administration of the programme. (paragraph 5.4.5)

### Effectiveness

2. The British Embassy establishes a monitoring and reporting mechanism to ensure more consistent active outreach activity by the US network. (paragraph 6.2.5)
3. The Commission (supported by the ACU) reviews and updates communication materials for outreach activities and that these are shared with the British Embassy Washington for distribution to the US Consular network. (paragraph 6.2.8).
4. The British Embassy and the ACU agree a standard recording system to oversee the work of the Regional Selection Committees, including the development of standardised data sets for diversity and to ensure adherence to committee term limits. (paragraph 6.3.14)
5. The Commission (supported by the ACU), in consultation with the British Embassy, develops more detailed guidance on the recruitment and appointment process for Regional Selection Committees, which ensures transparency and equal opportunity. (paragraph 6.3.17)
6. The British Embassy and the Commission (supported by the ACU) ensure bespoke induction to the Marshall Scholarship Programme for both new consular staff and Regional Selection Committee members. (paragraph 6.3.19)
7. The British Embassy, in consultation with the FCO and the Commission (supported by the ACU), review the purpose and format of the annual Ambassador's Advisory Council (AAC) meeting to ensure it continues to add

value and best serves the needs of the Marshall Programme. (paragraph 6.3.22)

8. The Commission review the Administrative Regulations, in consultation with the FCO, to ensure they remain fit for purpose. (paragraph 6.3.23)
9. The Commission, in consultation with the British Embassy and the FCO, develop a shared communications strategy, and that the FCO ensures communications around the Marshall Programme are incorporated into the FCO's communication work, including the effective use of digital platforms. (paragraph 6.4.6)
10. The Commission (supported by the ACU) work with the FCO to explore what other opportunities could be made available to scholars while in the UK, which enhances their experience and development and supports HMG objectives. (paragraph 6.5.3)
11. The Commission (supported by the ACU), in consultation with the AMS, explore the viability of undertaking a mid-career follow-up with Marshall Alumni to track career progression and impact on HMG objectives. (paragraph 6.6.3)
12. The Commission and the FCO, with support of delivery partners, develop a clear set of metrics with which to evaluate the impact of the Marshall Programme, which builds on existing work. (paragraph 6.7.8)
13. The Commission and FCO (supported by the ACU) work to identify proposals on how to enhance the profile and understanding of the scholarship programme across UK Government to build relationships between Departments and scholars working in a shared policy or thematic area. (paragraph 6.7.12)

### **Economic Model and Sustainability**

14. The FCO secures a three-year funding settlement for the MACC for 2020-21 to 2022-23, subject to the timing of the next UK Government Spending Round. (paragraph 7.2.5)
15. The Commission continues to increase the number of UK organisations partnering with the Marshall Scholarship Programme and ensure that, where possible, these placements are taken up by scholars. (paragraph 7.3.2)
16. The Commission considers allocating a higher proportion of their budget to administrative activities, which would support strengthening of the monitoring and evaluation function and additional in-country activities for scholars. (paragraph 7.7.2)
17. The Head of the FCO's IAD holds consultations with the Chair of the Commission on the value of including the MACC in IAD's audit planning process. (paragraph 7.9.3)

## **Governance**

18. The FCO establishes an internal steering group, comprised of representatives from SPEAD, USCCAD and the US network, to meet periodically (at least biannually) to ensure a co-ordinated and coherent approach to the MACC and ensure the FCO is meeting its obligations under the Framework Document. (paragraph 8.1.1.9)
19. The FCO's Data Protection Officer and the Chair of the Commission (supported by the ACU) meet to discuss how the FCO can best support the MACC in meeting its data protection obligations. (paragraph 8.1.3.3)
20. The FCO and the Commission update the Framework Document in line with Cabinet Office guidance to better reflect the unique relationship between the MACC and the FCO and which includes details of the roles and responsibilities of delivery partners. (paragraph 8.2.4)
21. The Commission and Sponsor Department agree a more formalised but proportionate process for performance review of the Commission Chair and Commissioners. (paragraph 8.3.7)
22. The Secretariat improves the quality of reporting it provides for Commission meetings by ensuring all documentation is succinct and clearly presents analysis, trends and key issues to be considered by the Commission. (paragraph 8.3.10)
23. SPEAD holds consultations with the FCO's Data Protection Officer and other relevant parties (i.e. the MACC and the AMS) to find a mutually agreeable solution for the sharing of data relating to Marshall Alumni. (paragraph 8.4.2)

## **Scholarship Model**

24. The Commission (supported by the ACU) presents to the FCO a comparative analysis with recommendations on the value of the current two-year scholarship format and the potential merits of replacing it with, or expanding the one-year scholarship offer. (paragraph 10.3)

# 1. Introduction

## Aims of the Review

- 1.1. Good government requires public bodies that are efficient, effective and accountable. The Government's approach to public bodies' reform for 2015 to 2020 builds on the principles of the 2010 to 2015 Public Bodies Reform Programme. This approach is based on a two-tier approach to transformation: a programme of cross-departmental, functional reviews coordinated by the Cabinet Office, coupled with ongoing, robust 'tailored reviews' led by departments with Cabinet Office oversight and challenge. For the first time, these reviews will now include executive agencies and non-ministerial departments. The aim of all such reviews is to provide a robust challenge to and assurance of the continuing need for the organisation in question – both in function and form.
- 1.2. This review assesses in particular:
  - Whether the function of the Marshall Aid Commemoration Commission (MACC) continues to be relevant and necessary in terms of delivering the Government's objectives, and whether the functions are delivered effectively and efficiently.
  - Whether the MACC is governed effectively and how the Sponsor Department is fulfilling its responsibilities in this regard.
- 1.3. Due to the relatively limited size and complexity of the MACC, this has been categorised by the Cabinet Office as a Tier 2 review (and at the lower end of complexity and scale for a Tier 2 Tailored Review). The tier is identified and agreed by the Cabinet Office in discussion with departments when drafting the tailored review programmes, based on criteria including spend, size of organisation and sensitivity.
- 1.4. The Tailored Review was carried out in accordance with Cabinet Office guidelines stipulated in 'Tailored Reviews: guidance on reviews of public bodies'.
- 1.5. The Terms of Reference for this Review can be found at Annex A.

## Process and Methodology

- 1.6. The review was conducted by two full-time FCO members of staff independent of the FCO sponsor team over the period October 2018 to March 2019. An additional FCO colleague supported the review from October to December, and an additional FCO colleague led the review through its final stages. Throughout the period of the review, the Review Team maintained contact with the Cabinet Office Public Bodies Reform Team.
- 1.7. As a part of the 2010 to 2015 Public Bodies Reform Programme, a Triennial Review of the MACC was completed in July 2013 (a summary of the main findings of the Triennial Review and follow-up action is included at Annex B). Subsequent to the 2013 review, there was a 2015 Cluster Review which looked collectively at three HMG Scholarship Programmes – Marshall, Chevening and Commonwealth. The Review Team considered the recommendations of these

reviews as part of their work, but also recognised that the organisation had evolved considerably since then. In line with the Terms of Reference, and the Cabinet Office guidelines on the principle of proportionality, the team avoided duplicating previous assessments, including the work of the National Audit Office, unless there had been substantive changes in circumstances or context.

#### 1.8. The methodology included:

- Stakeholder mapping with input from the MACC (Commission and Secretariat at the ACU) and the FCO (SPEAD and the US network). Over 90 stakeholders were subsequently interviewed (listed in Annex D);
- A desk-based review of key internal and external documentation (including the Framework Document, the MACC's annual reports, MACC policies, Corporate and Business Plans and minutes of Commission meetings and subcommittee meetings). A list of documentation reviewed is provided in Annex E;
- Field visits to review the Marshall Scholar selection process in Boston and San Francisco, as well as a field visit to Washington to review the annual Ambassador's Advisory Council. Additional stakeholder engagement and engagement with beneficiaries of the MACC's activities was carried out during all field visits;
- Contact with relevant policy and corporate service departments in the FCO who work closely with the MACC to help the Review Team with specific enquiries about the NDPB's work e.g. on financial and governance issues;
- The Review Team worked closely with the MACC and the relevant teams within the FCO, giving Commissioners and FCO staff the opportunity to comment on both the emerging findings and the draft report.

#### **Follow-up**

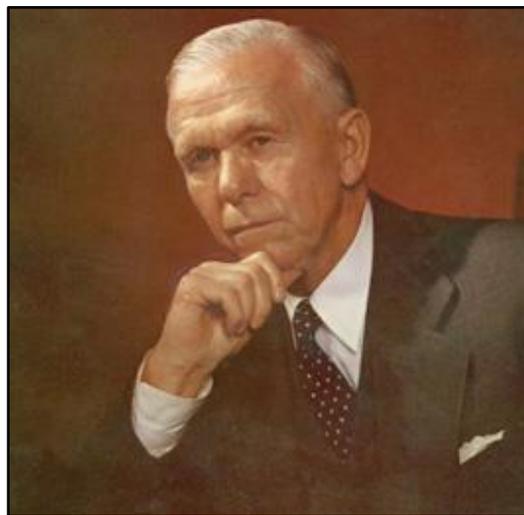
1.9. The conclusions and recommendations in this review are based on an assessment of the above evidence base. This review does not include a plan for implementation, or timelines for delivery of the recommendations. Subsequent discussion between the MACC and the Sponsor Department should agree a clear timeline for delivery in the second quarter of 2019, aiming to complete implementation by the first quarter of 2020.

#### **Acknowledgements**

1.10. The Review Team would like to thank all those who took time to contribute to the review. Throughout the process, the team worked closely with the Commission, the ACU, the Association of Marshall Scholars (AMS), FCO Communications Directorate and the US network, and was grateful for their full and active engagement. The team were also grateful to members of the Challenge Panel (composition at Annex C) for their time and guidance.

## 2. The MACC – an overview

2.1. The Marshall Aid Commemoration Act 1953, an Act of Parliament, established the Marshall Aid Commemoration Commission (MACC). The Act expressed gratitude to the American people for the post-war support and assistance conceived by Secretary of State George C Marshall (pictured below) through the offering of postgraduate scholarships in the UK for American students with the potential to excel in their chosen fields of study and future careers. As future leaders, with a lasting understanding of British society, Marshall Scholars will strengthen the enduring relationship between the British and American peoples, their governments and their institutions.



George C Marshall, former US Secretary of State (1947–49)

2.2. A subsequent Marshall Scholarships Act in 1959 allowed the number of Scholarships to be increased to “such greater number as Her Majesty may by Order in Council from time to time determine”.<sup>1</sup> This was in part a response to the passing of George Marshall in 1959 but also a political aspiration from both UK and US Governments to expand the programme. The Marshall Scholarship Order 2017 further increased the maximum number of scholarships from 40 to 50. This was partly driven by a renewed commitment to the Marshall Programme (e.g. though increased funding) and also to mark the 70<sup>th</sup> anniversary of the Marshall Plan.<sup>2</sup> Thus, the number of scholarships awarded by the MACC has increased from the original 12 stated in the Act to 48 for the academic year 2019-2020.

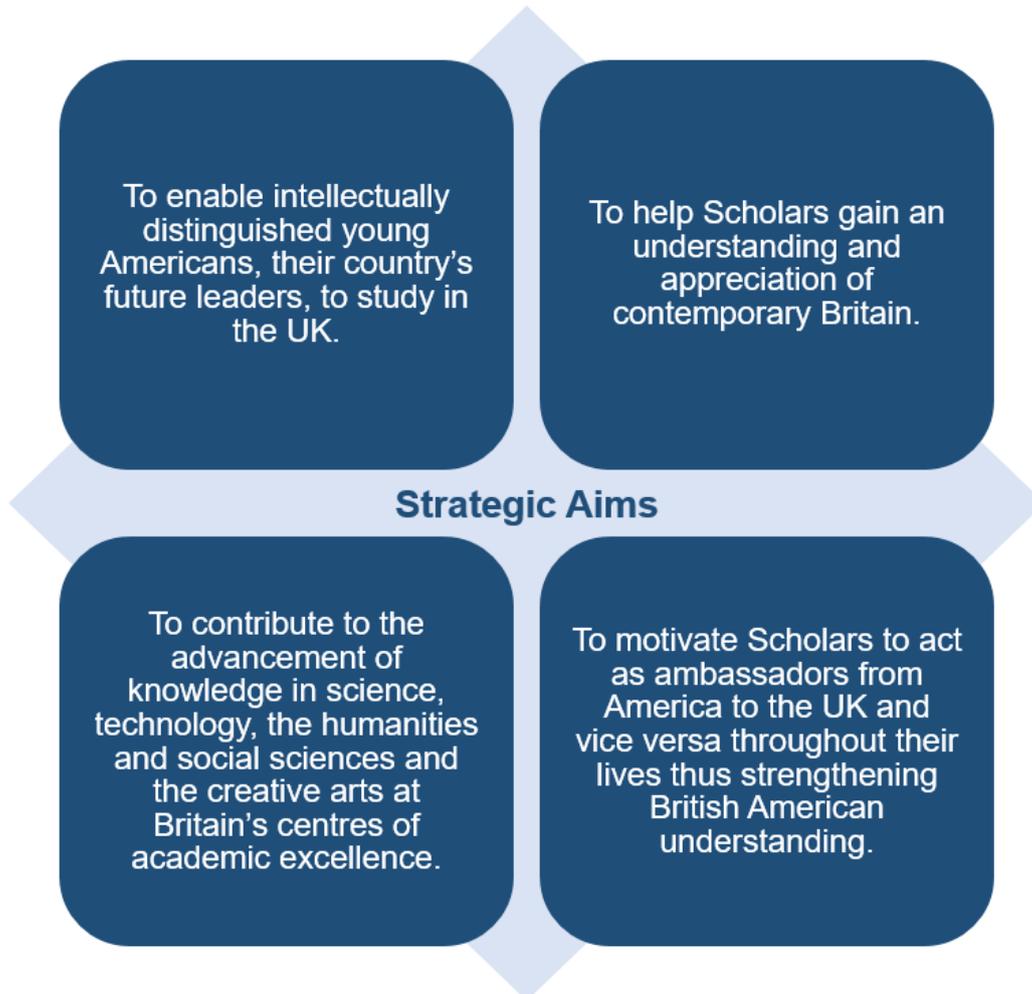
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<sup>1</sup> Marshall Scholarships Act 1959

<sup>2</sup> Formally known as the European Recovery Program

## The Marshall Aid Commemoration Commission Mission Statement

As future leaders, with a lasting understanding of British society, Marshall Scholars will strengthen the enduring relationship between the British and American peoples, their governments and their institutions.



2.3. The Marshall Programme is funded by the FCO through a Grant-in-Aid to the Commission, with additional partnership support (in the form of fee waivers) from UK academic institutions and other sponsorship. In 2016 the FCO provided an increase in funding for the programme over three years, instead of providing the traditional annual Grant-in-Aid. This arrangement was for £2.25 million in 2017-18, £2.55 million in 2018-19 and £2.65 million in 2019-20. The funding increase halted the previous steady decline in scholarships between 2012 and 2016 caused by inflation and enabled the Commission to gradually expand the number of scholarships it has been able to award (see Table 2 in the chapter seven).

2.4. Since the 2013 Triennial Review, the number of partnership agreements with British universities and colleges has increased from 40 to 56. The financial value of which has increased from £500,000 to £1.2 million in 2018-19. This, combined with military stipends for US service scholars, the BSUF/AMS Scholarship and the funding from the Association of Marshall Scholars (AMS) for one scholar, allowed for 43 scholarships to be awarded in 2018 – eleven more than would have been possible with Grant-in-Aid alone.

### Snapshot: The Marshall Scholarship

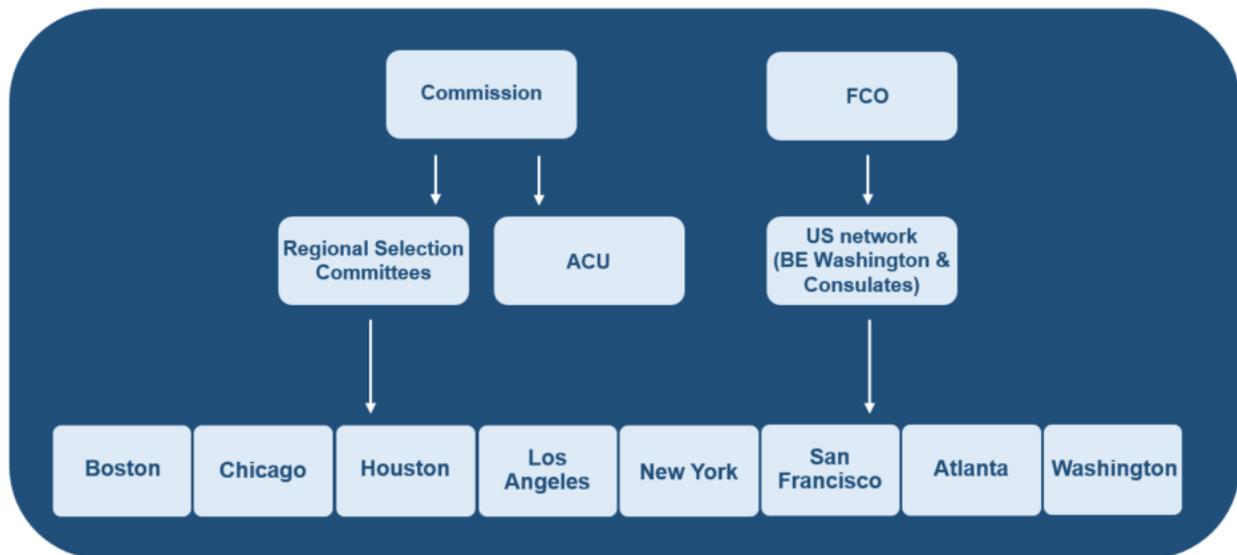
**Table 1. Comparison of figures (2017-18 v 2012-13 Triennial Review)**

	<b>2017-18</b>	<b>2012-13</b>
<b>Cost of Marshall Scholarships to HMG</b>	£2.25 million	£2 million
<b>Total value of Scholarships</b>	£3.19 million (including £937,000 partner funding)	£2.5 million a year (including £500,000 partner funding)
<b>Cost of administration (ACU)</b>	£226,129 (7.1% of scholarship's total value, including partner funding)	£205,000 (8.2% of scholarship's total value, including partner funding)
<b>Commission and other central costs</b>	£21,179 (<1% of scholarship's total value)	£25,000 (1% of total value of scholarships)
<b>Number of scholars</b>	69*	74
<b>Number of partner organisations</b>	46 (56 currently)	40

\*Note: this refers to the total number of scholars studying in the UK for the given year (including first and second year scholars, not the number of scholarships awarded annually). The increase in tuition fees in the UK and the impact of inflation on tuition fees and stipends have increased the unit cost of a scholarship.

2.5. The current operational structure of key stakeholders involved in the delivery of the Marshall Scholarship Programme is summarised in Diagram 1.

**Diagram 1. The Marshall Scholarship Programme's operational structure**



2.6. Because NDPB guidance is non-prescriptive on form, the MACC has evolved in a way that suits the FCO and the programme. Consequently, different parts of the scholarship programme relate to one another in different ways; who sets direction and who holds who to account varies depending on the stakeholder in question. Annex G provides a more detailed explanation of key stakeholders and these inter-relationships.

2.7. However, it is important to establish from the outset that the MACC (i.e. the Commission) is the arm's-length body, which is the subject of this review and not the scholarship programme as a whole. The Commission is comprised of ten Commissioners, who effectively work as a board to oversee the delivery of the Marshall Scholarship Programme. It is in essence a virtual organisation with a non-executive board. While its form is well suited to its function, the tasking of the Commission needs to take sufficient account of and be proportionate to its nature, size and structure. In reviewing the Commission, it is also necessary to understand how the programme operates and the key partners from whom the Commission receives support in order to deliver the programme.

2.8. As set out in the diagram above, there are a number of entities involved in administering and managing the scholarship programme. Collectively, these partners are responsible for the operational delivery. The Association of Commonwealth Universities (ACU) is formally contracted to provide the Secretariat for the Commission. It has a small scholarships team which acts as the administrative and operational hub for the programme. It has day-to-day responsibility for liaison with scholars and their host institutions, including necessary administration for the scholars' stay in the UK.

2.9. The Scholarship Unit in the FCO's Soft Power and External Relations Department (SPEAD) (part of Communication Directorate) acts as the Sponsor Department for the MACC and provides the body's funding through Grant-in-Aid. The FCO's network of diplomatic posts in the United States (i.e. the

Embassy in Washington and the seven Consulates General) are engaged in promotion of and recruitment to the scholarship programme, including through the co-ordination and membership of the Regional Selection Committees.

2.10. The Regional Selection Committees are staffed by volunteers, largely drawn from Marshall Alumni, who are responsible for the application, interview and selection process.

2.11. While this review is primarily concerned with the form, function and effectiveness of the Commission, we have also looked at broader aspects of the programme, as set out in the Terms of Reference (Annex A).

### 3. Function: Is there still a need for the MACC?

#### 3.1 The importance of scholarships as a soft power tool

3.1.1 Scholarship programmes, such as Marshall, serve to foster and strengthen people-to-people connections, and mutual understanding, as well as building concrete and sustainable cooperation. The specific ways in which the Marshall Programme achieves this is covered in chapter six.

3.1.2 Recent work by the FCO in developing a soft power strategy highlights the importance of government-funded scholarships and the desire to increase funding for such programmes in Europe and Africa.

“The ability of a country to attract foreign students, or facilitate exchanges, is a powerful tool of public diplomacy, even between countries with a history of animosity. **Prior research on educational exchanges gives empirical evidence for the reputational gains that accrue to a host country when foreign students return home.** Foreign student exchanges have also been shown to have positive indirect ‘ripple effects’ when returning students advocate on behalf of their host country of study.”

*Portland Soft Power 30, 2018*

#### 3.2 The importance of the UK-US bilateral relationship

3.2.1 The United States remains the UK’s most important international ally. It is a bilateral relationship that is unparalleled. It is deep rooted in shared values, such as democracy, liberty and the rule of law.

3.2.2 During his visit to the UK in July 2018, President Trump reaffirmed the importance of the bilateral relationship. When he nominated Marshall Alumnus Neil Gorsuch to the Supreme Court in 2017, he described the scholarship programme as “one of the top academic honors anywhere in the world”. The British Prime Minister has similarly highlighted the continued significance that HMG attaches to the relationship. She has set out how transatlantic unity “...has been fundamental to the protection and projection of our [shared] interests and values for generations.”

3.2.3 The significance of this relationship is unlikely to diminish in the near future, particularly as the UK prepares for its withdrawal from the EU.

#### 3.3 Foreign Policy

3.3.1 The UK’s ability to achieve its own international objectives is also immeasurably greater if those objectives are shared with the US. Thus, the maintenance of a strong transatlantic relationship has been one of the cornerstones of British foreign policy since the

Second World War. The partnership, both bilaterally and in international organisations (such as the UN and NATO), has made an immense contribution to global security – throughout the Cold War and through participation in international peacekeeping, stabilisation and enforcement operations in the Balkans, the Middle East, Afghanistan and elsewhere.

### **3.4 Trade**

- 3.4.1 The US is the UK's largest single trading partner and top export destination. UK exports to the US continue to grow, increasing by almost 20% between 2010 and 2015. Total trade in goods and services (exports plus imports) between the UK and the US reached £184 billion in the 12 months ending September 2018. Exports to the US are more than double those to the UK's next biggest market, Germany, and five times those to China.
- 3.4.2 The US is also the top destination for UK investment. In 2016, the US accounted for nearly a fifth of all UK foreign direct investment (FDI). This is almost twice as much as the next most popular destination (Netherlands, £141.7bn).
- 3.4.3 The US is the single biggest source of inward investment to the UK, accounting for 25% of all foreign direct investment projects. Together there is around \$1 trillion invested in both countries' economies, supporting over one million jobs in the UK and US.

### **3.5 Defence and security cooperation**

- 3.5.1 The UK's national security depends on its uniquely close partnership with the US, in NATO and bilaterally. For example, through nuclear deterrence, intelligence and technology sharing and joint military training and operations.

### **3.6 Research and innovation**

- 3.6.1 The UK and US have two of the strongest research systems in the world. The US is the first choice partner for many of the UK's best researchers and vice versa. This collaboration spans a multitude of sectors, including in health, science and technology.

### **3.7 People-to-people links**

- 3.7.1 The people-to-people links are also unmatched. An estimated 678,000 British citizens live in the US and around 177,185 US citizens live in the UK. The UK is also the most popular study abroad destination for US students.
- 3.7.2 These strengths and this interconnectedness are augmented by historical ties; many years of collaboration and cooperation, aided by an understanding of one another's cultures, heritage and people. However, these strong ties are not enough to ensure the unquestioned continuance of this unparalleled bilateral relationship. Changes in demographics point to the United States' population

becoming more diverse. The growth is amongst Americans of Hispanic and Asian origin – the former of which may have less commonality with the UK.

- 3.7.3 The Marshall Programme can enable the UK to retain the strength of these people-to-people links by reaching into these communities and tacitly conveying the continued strategic importance of the relationship.

***Sir Kim Darroch, British Ambassador to the United States of America (2019)***

“For decades, the Marshall Scholarship has been one of our most important programmes for cementing friendship between the United Kingdom and the United States. Almost two thousand young Americans have completed postgraduate studies at British universities under this programme. And they have proved to be the most extraordinary group of people. Marshall Scholars have gone on to exceptional achievements. Two of the current Supreme Court Justices are Marshall Scholars. Some have gone into politics. Others have won Nobels, Pulitzers and Grammys. One has even made it into space as a NASA astronaut. And **all show great loyalty to the Marshall heritage, so providing us with a network of advocates that stretches across all of American society – in a way that years of ‘traditional’ diplomacy often cannot.**

The British Government’s decision to increase support for the programme two years ago has had a transformational impact. It has prompted more UK universities to develop partnerships with the Marshall Commission to support more scholarships. And it has also inspired more than 200 Marshall Scholar alumni to donate towards the creation of a \$1 million endowment fund that will pay for one scholarship in perpetuity every other year. The result has been the largest and most diverse class in the scholarship’s 65-year history heading to the UK in September.

**After we have left the European Union, we want to build on our already strong and unique UK-US relationship. Continued government support for this exceptionally successful programme will be an integral part of our efforts.”**

- 3.7.4 The regional and devolved nature of the programme across the US makes the Marshall Programme well placed to support the UK’s engagement beyond the Beltway. The UK’s network of consulates and the Commission’s outreach across the regions enables the UK to maintain and build its network with institutions and individuals in states that are strategically important to the UK across a range of

policy areas e.g. climate change, energy security, scientific research, technology and innovation.

- 3.7.5 Mainstream media and commentary point to a diminishing understanding within the UK of the level of interdependence between the UK and the US (e.g. in terms of security and prosperity). The Marshall Programme and the breadth of study undertaken by its scholars can play a useful role in amplifying public diplomacy efforts to ensure that present and successive generations of British and American people understand the depth and strategic importance of the relationship.

### **3.8 Conclusion**

- 3.8.1 Stakeholder feedback points to a strong belief that the Marshall Programme adds value and plays a contributing role in support of the UK-US bilateral relationship. The FCO judges the MACC to be a worthwhile investment and good value for money (see the chapter on efficiency).
- 3.8.2 On the basis that the programme should continue, it follows that it requires a board (or similar governing structure) to oversee and provide direction to the programme. We therefore conclude that the Commission is still required to fulfil that purpose, as was envisaged in the original Act of Parliament. We assess the impact of the Marshal Scholarship Programme in more detail in the chapter on effectiveness.

## 4. Form

The MACC currently takes the form of a Non-Departmental Public Body (NDPB). This means that it operates separately from its sponsoring department, but the strategic framework and Grant-in-Aid is provided by the FCO.

To remain a NDPB, an organisation must pass at least one of ‘three tests’ set by the Cabinet Office, these being:

- Is this a technical function, which needs external expertise to deliver?
- Is this a function which needs to be, and be seen to be, delivered with absolute political impartiality?
- Is this a function that needs to be delivered independently of ministers to establish facts and/or figures with integrity?<sup>3</sup>

### 4.1 The Three Tests

4.1.1 The MACC meets the first test of needing external expertise to deliver. Administering an academic scholarship programme requires skills and expertise that are not held within the FCO. This includes a comprehensive understanding of postgraduate education, running an academic selection process, and advising students on their choices of course and institution. The 1953 Marshall Aid Commemoration Commission Act recognised this requirement for expertise, stating that at least two Commissioners must be persons of eminence in academic matters.<sup>4</sup> The Marshall Programme also benefits from the expertise and time given by the Commissioners in nurturing relationships of key importance to the delivery of the programme, and which could not readily be replicated by the FCO.

4.1.2 The 1953 Act requires a separate body to administer the scholarship programme. Any changes to the fundamental structure or primary functions of this body, or its abolition, would require the amending of, or repealing of this primary legislation.

### 4.2 Other Delivery Models

4.2.1 In accordance with Cabinet Office guidance, the review considered alternative delivery models, including bringing the MACC in house, moving it out of central Government, delivering the scholarship scheme through an Executive Agency or abolition.

### 4.3 Bringing in house

4.3.1 The review considered the case for bringing management of Marshall Scholarships in house. The administration of the programme could be undertaken on a contractual basis directly between the FCO and an external provider, much as the ACU runs the Chevening Programme on behalf of the FCO. This could potentially achieve efficiencies as both programmes are administered by the ACU (Chevening under direct contract to the FCO, Marshall under contract to the Commission). However, the Review Team

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<sup>3</sup> Tailored Reviews: Guidance on Reviews of Public Bodies

<sup>4</sup> Marshall Aid Commemoration Act 1953

concluded that the option of bringing the Marshall Scholarships in house is not appropriate for the Marshall Programme for the reasons set out below.

- 4.3.2 The MACC brings additional skills and functions through the expertise of the Commissioners. The programme benefits from their experience of higher education in both the UK and US, their academic expertise and reach, and their work to nurture relationships with key universities. The MACC Commissioners put significant effort into promoting Marshall Scholarships in the United States through their network of contacts within the US education system. This helps the scheme to attract students of the highest calibre. Commissioners are also able to help foster new alliances between British and American universities through personal academic connections and to promote the Marshall Programme's academic opportunities for students. This contribution is vital to the prestige and success of the Marshall Programme and could not easily be replicated by the FCO.
- 4.3.3 The MACC Commissioners also draw on their academic connections in the UK to develop partnerships with UK universities. The Commission's success in achieving cost savings through the negotiation of fee waivers with partnership organisations would likely be significantly constrained by a more direct relationship between the Marshall Programme and the FCO. Under the current Chair, the Commission has increased the number of partnerships with UK universities, from 40 at the time of the Triennial Review (2013) to 56. Consequently, the monetary value of these partnerships (which is realised if successful scholars take up places at these particular institutions) increased from £500,000 to £1.2 million in 2018.
- 4.3.4 The Review Team judge that these partnerships would be more difficult for the FCO to negotiate, and the programme would risk losing some of these significant cost benefits. This is partly because the Commission and the ACU already have longstanding relationships with many of these institutions which would take a significantly long time for the FCO to replicate, particularly as there is little prospect of the FCO having additional resources to invest in building and maintaining those relationships. There was also a view among some stakeholders that a more direct relationship between academia and government would fundamentally change the dynamic of the relationship. This could make some institutions less likely to engage or potentially make the relationship more transactional e.g. universities seeking something in return from HMG for their (financial) support to the programme.
- 4.3.5 Commissioners undertake this work on a voluntary basis. They are unpaid and receive only expenses that have fallen in real terms since 2012 (see chapter on economic model). HMG is thus effectively getting expertise, and the promotion costs of the Marshall Programme, in a highly competitive market, at limited cost.
- 4.3.6 In addition to this, the day-to-day running costs of the programme would likely increase if Marshall Scholarships were to be brought in house. The Commission fulfils the oversight and accountability function that the FCO

performs for the Chevening Programme. Bringing Marshall Scholarships in house would require additional FCO resource to fulfil those functions. Moreover, if the programme were brought in house the FCO would no longer benefit from the promotional work of the Commission, meaning that the Embassy in Washington and the Consulates would need to spend more time on this. This would add further costs both in time and in travel for the FCO.

4.3.7 The use of volunteer Regional Selection Committees allows the Marshall Programme to benefit from the rigour, academic expertise, and regional insight provided by committee members (many of whom are Marshall Alumni themselves). These strengths, which contribute to the prestige and high regard in which the programme is held in the US, could not be replicated by the FCO's own overseas network. While the FCO could potentially enlist volunteers directly, possibly through a partnership arrangement with the Association of Marshall Scholars, it would fundamentally change the nature of that function. The FCO would unlikely have the network or relationships with the individuals concerned to sustain the cadre of volunteers, which it would need to support the programme. Without volunteers, the FCO would need to retain and most probably remunerate a cadre of committee personnel, which would have significant resource implications (both in time and in money) for the FCO. Furthermore, the commitment, enthusiasm, and first-hand experience of these volunteers would be very difficult to replicate on a contractual basis.

#### **4.4 Removing from central Government**

4.4.1 As a publicly funded scholarship programme, it is essential that the management of Marshall Scholarships is overseen in a way that ensures the integrity of the selection process, sound financial management (including value for money) and good administration. Oversight of the MACC by the FCO ensures that this happens.

4.4.2 Association with HMG adds to the prestige of the programme, enabling the FCO to appoint Commissioners of an appropriate standing, to build partnerships with academic institutions, and to attract the highest calibre of students. This link to UK Government is a unique selling point (USP). While the Rhodes and Gates scholarships funding offer is more generous, the Marshall Scholarship offers government visits and contacts that would otherwise be difficult to access. The relationship between the MACC and the FCO serves as an indication of the political importance that the UK attaches to the bilateral relationship. To remove the MACC from within the sphere of central Government would compromise these benefits and provide no clear compensating advantages.

#### **4.5 Managing through an Executive Agency**

4.5.1 There is no existing FCO Executive Agency (EA) that could take on the MACC's functions and no compelling rationale for creating one. It would be more expensive than the current arrangement and there is no indication that it would improve the running of the Marshall Scholarship Programme. Furthermore, Executive Agency status would formally make the MACC part

of the FCO and so the arguments about bringing the body “in house” would similarly apply here.

4.5.2 The 2015 Cluster Review of HMG Scholarships (Marshall, Chevening and Commonwealth) recommended that the three scholarship programmes be combined in a single NDPB. However, upon further examination it was decided that combining the scholarships would not be an appropriate approach. Each has different origins and purposes, targets different talent pools and has different criteria for awarding scholarships. It was felt that the combined management would dilute the distinct identity and profile of each. Some stakeholders felt there was a risk that this model might disproportionately impact on the Marshall Programme and could potentially reduce the willingness of partner universities in the UK to co-fund Marshall Scholars at the current level (the Chevening Programme receives significantly less support). While the Review Team understands the rationale behind this position, we judge this to be unlikely given the value and importance that the universities attach to the programme. Nevertheless, merging the MACC with larger schemes would be seen as downgrading HMG’s investment in the programme and the bilateral relationship, a political signal that runs counter to HMG’s foreign policy priorities.

4.5.3 Against this background, the Review Team could identify no benefit in return for bringing the Marshall Programme in house.

#### **4.6 Charitable status**

4.6.1 The Review Team considered if there would be merit in establishing the MACC as a charity, either independently or in addition to its NDPB status. We therefore assessed the criteria and benefits against information provided by the Charity Commission for England and Wales. Sole charitable status would give the Commission independence from Government. While there may be operational benefits to this (e.g. it would be able to chart its own strategic direction), our findings (above) clearly show that the MACC’s arm’s-length relationship from the FCO works to the mutual benefit of both parties.

4.6.2 As a charitable body, the MACC would be exempt from tax (e.g. income and corporation tax). However, the Commission are not employed and the ACU, which provides the Secretariat function, is a registered charity and is therefore covered by these exemptions. From a funding perspective, a move to charitable status would change the financing relationship. While the FCO are unlikely to cease their funding (at least in the short term), it could make funding more volatile, which could have implications on the viability of the programme. While the MACC does receive some additional funding, this is not sufficient to replace the Grant-in-Aid. There is, at least in principle, the opportunity to raise funds through third parties (e.g. philanthropy, including possibly through the alumni, as well as the private sector) but it is not immediately apparent to the Review Team where the programme would be able to secure those additional sources of funding. We therefore see no financial advantage in attaining charitable status.

- 4.6.3 In order to become a charity, the MACC would need to demonstrate to the Charity Commission that it met all relevant criteria. While it clearly meets many of these, there are some, including those listed below, which could prove problematic. There is therefore no guarantee that any application to become a charity would be successful.
- 4.6.4 Some “political purpose” activity is not permitted by the Charity. It is unclear if international relations and the maintenance/strengthening of bilateral relationships would fall within scope of this requirement;
- The “public benefit” test; and
  - Whether the mandate of the organisation has “exclusively charitable purposes”.
- 4.6.5 Finally, the addition of another classification would add an additional set of regulatory obligations and reporting requirements on the organisation, which we see as being disproportionate to the size of the body. Not least as the MACC would need additional resources to meet the increase in administrative burden. Also, we note from Cabinet Office guidance on Public Bodies that multiple classification of arm’s-length bodies is to be avoided unless there are clear advantages and we do not see any here.

#### **4.7 Abolition**

- 4.7.1 The previous chapter concluded that the function of the MACC was still needed. The consideration in this chapter of alternate delivery models has demonstrated that there are no grounds to abolish the MACC in its current form or deliver it through a different entity, either inside or outside of Government. The concluding observations below set out further argumentation on why abolition is not in the FCO or HMG’s interest.

#### **4.8 Conclusions**

- 4.8.1 The Marshall Scholarship scheme is an example of effective soft power. It has a continuing, and valued, role to play in Britain’s bilateral relationship with the United States (see chapter on function). The FCO deems that it offers good value for money (see chapter on efficiency).
- 4.8.2 The MACC, through the voluntary commitment of the Commissioners, enhances the reach, the monetary value and the reputation of Marshall Scholarships. Through their academic, business and political links in the US, the Commissioners promote not just the Marshall Scholarship scheme but also the wider United Kingdom higher education sector, forging new academic and research partnerships across the sector and increasing awareness of the strengths of the UK higher education across the US. The Commissioners provide their time on a pro-bono basis, which if not there, HMG would have to pay for to ensure the continued success of the programme. The MACC’s status as an NDPB allows effective oversight of the scholarships by the FCO at minimal cost and brings rigour to its governance. This argues for the MACC to continue in its current form to fulfil the function allocated to it under the Marshall Aid Commemoration Act 1953.

## 5. Efficiencies

Efficiency is important to ensure value for money for the UK taxpayer. The chapter on function concluded that there is still need for the MACC. This chapter goes further to assess the value for money brought from the Commission's use of the Grant-in-Aid and the additional support from volunteers and partner organisations, as well as the role of the ACU Secretariat.

### 5.1 Value for money

5.1.1 The programme constitutes a relatively small amount of money from HMG (£2.55 million in 2018-19 compared to £57.35 million for Chevening Scholarships).<sup>5</sup> Despite this relatively small resource, in some areas, the Marshall Programme delivers a disproportionate impact in relation to cost. For example, the programme is able to offer more scholarships than would otherwise be possible if the Commission was solely reliant on the Grant-in-Aid. Value for money brought by the stretching of the programme's funding is made possible by the work of dedicated volunteers and the Commission's efforts to increase the number of partner organisations.

5.1.2 In the absence of a clear evidence base that links the outputs of the programme to the contribution to the UK's soft power and bilateral relationship with the US, it is not possible to make an unqualified assessment of the value for money that the Commission or the scholarship programme as a whole offers to HMG. However, given the expertise and relatively small cost of the Commission, scale and complexity but relatively low operational costs, number of scholarships the programme is able to award and the evidence from stakeholders on the value of the Commission and the programme, we conclude that the MACC is worthwhile when set against these criteria and the relatively modest outlay through Grant-in-Aid.

### 5.2 Value for money from volunteer support

5.2.1 The support of unpaid volunteers is a key component of the delivery of the Marshall Scholarship Programme and, in that sense, provides good value for money for the UK Government. The Commissioners, responsible for delivering the programme, are not remunerated for their work and receive only expenses. The Regional Committees staffed by volunteers, including members of the AMS, are vital for the selection process; these individuals are also unpaid and receive only travel expenses.

5.2.2 Feedback from staff across the US network suggests that, when recruiting for new volunteers for the Regional Selection Committees, there is ample interest. They have not reported any difficulties in filling vacancies and do not expect a lack of volunteers to be an issue in future. Similarly, previous appointment rounds for Commissioners have received an acceptable number of well-qualified applicants.

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<sup>5</sup> These scholarship schemes are of a very different size and scale. Chevening awards go to future leaders and decision-makers from all over the world, while the MACC offers a one-way scholarship that supports the UK-US bilateral relationship.

5.2.3 Even if unlikely, the risk of a lack of volunteers needs to be taken into consideration, particularly as they make up such a vital component for the successful delivery of the programme. The FCO's US network should also continue to find innovative ways to recognise the work of volunteers.

### **5.3 Value for money from partner organisations**

5.3.1 In addition to the value for money brought by volunteers, partnerships with UK universities allow for efficiencies in the form of fee waivers for Marshall Scholars. The enthusiasm with which UK academic institutions choose to partner with the MACC demonstrates the high regard in which the Marshall Scholarship Programme is held. Interviews with stakeholders from some of these partner organisations cited a range of motivations; from raising the profile of their university in the US, to the calibre of the students and their contribution to the university's community. Furthermore, as outlined in the chapter on effectiveness, several institutions have received endowments and charitable donations from previous Marshall Alumni. The AMS has calculated over \$500,000 of endowments and charitable donations from Marshall Scholars to their alma mater, over the last two years.

### **5.4 Potential for greater efficiency in the Secretariat function**

5.4.1 While reviewing the ACU remains out of scope for this report, the effectiveness of the Marshall Scholarships Team at the ACU is inextricably linked to how well the Commission is able to fulfil its function. This includes ensuring the quality and timeliness of the selection process, placement of students in UK institutions, advice and practical support to scholars while in the UK, and the managing of finances. A small team dedicated to the Marshall Programme, with a particular reliance on the Assistant Secretary, manages the majority of these responsibilities. We found the team to be very committed to the delivery of the Marshall Programme, to upholding its reputation and brand and having a clear understanding of how the programme contributes to HMG's broader policy objectives.

5.4.2 The Commission itself does not own or hire any premises and additional value for money is achieved through using the ACU's premises to hold the meetings of the Commission, Audit and Risk Management Committee and Education Committee. As the Commission and subcommittees hold 10 meetings annually, the financing of a separate office space would be unnecessary and there is no additional cost beyond that of the ACU's contract fee for the administration of the scholarship programme.

**Diagram 2. Organisational structure of the ACU's Marshall Secretariat**



- 5.4.3 The ACU also administers Commonwealth Scholarships on behalf of the Commonwealth Scholarships Commission (a DFID-sponsored NDPB) and Chevening Scholarships on behalf of the FCO. Therefore, the Review Team was able to gain a greater insight into skills held by the ACU and considered whether there were potential efficiencies that could be made across the programmes. The Commonwealth and Chevening Programmes are significantly larger than the Marshall Scholarship Programme. They have dedicated resource and expertise working on monitoring and evaluation and communications. In addition to the centralised finance team, the ACU also has a communications team.
- 5.4.4 The Review Team judge that efficiencies could be made and greater impact achieved for the Marshall Scholarship Programme if some administration tasks were to be undertaken in a more centralised manner, drawing on the expertise and experience that already exists within the ACU. Specific areas of work would include monitoring and evaluation and communications (covered in more detail in chapter six). This approach would provide additional support to (the ACU's) small Marshall Scholarship Team and it would also assist the ACU in providing assurance on the continuity and resilience in the programme's administration, to both the Commission and the FCO.
- 5.4.5 **The Review Team recommends that the Commission works with the ACU to reassess the Secretariat function, to ensure that in house expertise and experience is drawn upon to best support the Commission and ensure sustainability of the ACU's administration of the programme.**

## 6. Effectiveness

As the scholarship programme is delivered by a matrix of stakeholders, it is difficult to consider the effectiveness of the ALB in isolation. Therefore, the Commission's effectiveness is assessed through consideration of the programme as a whole, including the roles and responsibilities of fellow stakeholders. This chapter assesses the effectiveness of stakeholders in the areas of outreach, the selection process, the Regional Selection Committees, alumni relations, measuring impact and the degree of diversity.

### 6.1 Devolved delivery of outreach and the selection process in the US

6.1.1 In the US, the Commission devolves programme delivery (outreach and selection) to its eight Regional Selection Committees (Atlanta, Boston, Chicago, Houston, Los Angeles, New York, San Francisco, and Washington). The duality of the FCO's role in sponsoring and delivering is actualised in the US, with the FCO's US network of diplomatic posts (British Embassy in Washington and Consulates General in the seven other regions) playing an active role in outreach and selection of Marshall Scholars.

6.1.2 Responsibilities for programme delivery in the US are clearly delineated. However, the guidance is spread across several documents and interviews showed that not all stakeholders had ready access to them. The Administrative Regulations of the Parliamentary Act designates responsibility for the selection process to the Commission through its Regional Selection Committees. The Commission, supported by the ACU, and funded through the Grant-in-Aid produces and annually updates the "Regional Handbook" to direct the appointment of Regional Selection Committee members and the selection process. This is complemented by the British Embassy's "Marshall Scholarship Induction Packet and Selection Process Guide" that directs on outreach, designating responsibility to the Embassy and the US network. In practice, there is some confusion over who leads on outreach and who appoints Regional Selection Committee members. These issues are further explored in paragraph 6.3 on Regional Selection Committees and paragraph 8.2 on the Framework Document.

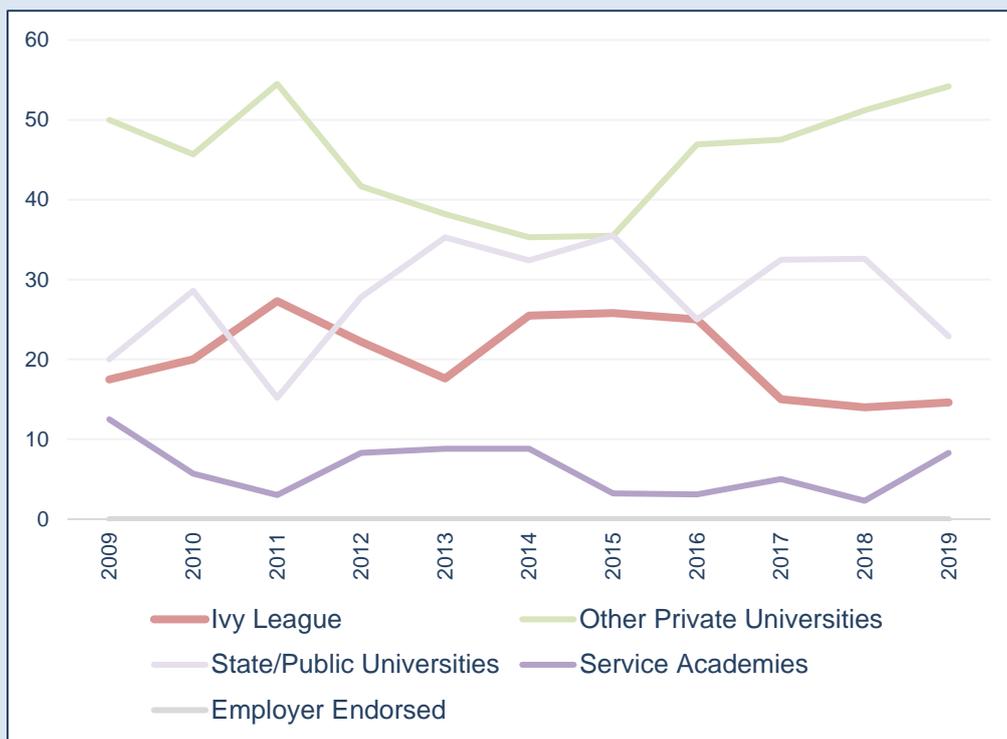
6.1.3 Overall, the Review Team judges the devolved delivery of the programme in the US to be beneficial and recommends that this is retained for the following reasons:

- Regional insight and expertise supports the increased diversity of applicants and sending institutions through both targeted outreach and well-judged selection.
- Interviews are more accessible if held regionally, encouraging a truly national spread of applicants and successful scholars.
- A regional model makes the programme more manageable for volunteers to run the selection process.
- The regional approach provides soft power opportunities for the network of consulates in terms of youth engagement and academic links, and builds a network of alumni and professional contacts upon which they can draw on in pursuit of their objectives.

### Snapshot: US universities presenting candidates

While being a prestigious scholarship programme, there is a risk that the Marshall Scholarship acquires an elitist reputation. Ensuring the diversity of US universities presenting candidates is one way to mitigate this reputational risk and helps identify areas for outreach. The list of presenting universities is divided into five categories: Ivy League, Other Private Universities, State/Public Universities, Service Academies and Employer Endorsed. Graph 1 shows that the diversity of presenting universities fluctuates. However, **the percentage of scholarships awarded to applicants from Ivy League institutions has fallen from 17.5% in 2009 to 14.6% in 2019**, while awards to Other Private Universities (50% to 54.2%) and State/Public Universities (20% to 22.9%) has increased over the same ten-year period.

**Graph 1. US universities presenting selected scholars 2009-2019**



In 2018, the Commission introduced an additional question in the application process, which will enable them to build an evidence base around the programme's socio-economic diversity. The question seeks to elicit the number of students who have received or are eligible for a Pell Grant. This is a standard question asked in the US to identify financial need. 92% of applicants answered this question and the Commission intends to publish the statistics once it has collated three years' worth of data.

## 6.2 Outreach

### The US network

- 6.2.1 The FCO's US network is responsible for the promotion of the Marshall Scholarship in the US. The British Embassy in Washington is tasked with setting strategic direction and the British Consulates General promote the programme to US academic institutions in their region. The Review Team judges that the strategic direction is effective. However, further monitoring of the Consulates General should seek to ensure a more consistent approach.
- 6.2.2 The Embassy sets direction through an overarching strategy for university and digital outreach, and alumni engagement; identifying key audiences and crucial periods for outreach (Late January – Late April). Since the development of the broader youth engagement strategy (2016) and the specific Marshall outreach strategy (2018), the diversity of applicants and US presenting universities has improved (see Graphs 1, 2 and 3).
- 6.2.3 However, the Review Team found that the nature and extent, and therefore effectiveness, of the Consulates' outreach varies considerably. For example, one Consulate General reported that no outreach work was undertaken for the 2019 selection process due to tighter resourcing, while the Embassy worked closely with another to promote the Marshall Scholarship Programme. Interviews revealed that the degree of outreach varies for a number of reasons:
- The selection process is mandatory and relies on Consulate General resource in October/November, with temporary staff hired as support. Consequently, the less immediate outreach work earlier in the year can be deprioritised by some regions.
  - Regions perceive varying degrees of return on their investment in the programme. For example, not all scholars return to the region from which they are selected and the Consulate loses contact; or, because the rewards from such a programme are self-perpetuating and often reflect the amount of time and resource devoted to them.
  - Induction to the Marshall Programme for FCO staff posted to the Consulates General is inconsistent and the level of initial contact between locally engaged (consulate) staff in the US and the MACC (Commission and ACU) varies. Consequently, not all are aware of their outreach responsibilities.
  - The team overseeing Consulate General resources in the Embassy is different to that setting strategic direction for the Marshall Scholarship, which complicates the monitoring of outreach across the network.
- 6.2.4 The number and quality of applications does not so far appear to be affected by the discrepancies in outreach. However, it is important that in such a highly competitive scholarship environment there is a risk of losing the highest calibre candidates if there is not sufficient levels of engagement and outreach. Moreover, the Commission's ambition to attract a more diverse

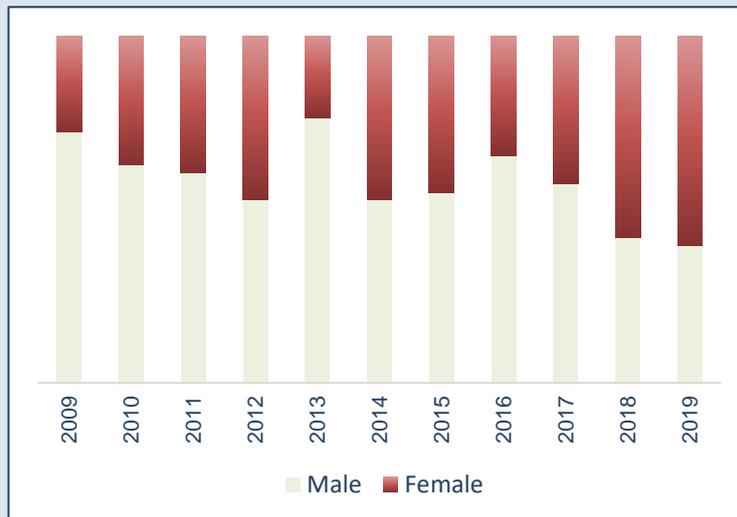
and representative range of applicants is less likely to be met if outreach to non-traditional academic institutions is inconsistent.

**6.2.5 The Review Team recommends that the British Embassy establishes a monitoring and reporting mechanism to ensure more active and consistent outreach activity by the US network.**

**Snapshot: Gender diversity of Marshall Scholars**

Historically, MACC scholarships have suffered from a gender imbalance. More women applied for the scholarship programme, while more men were awarded the scholarship. **For the first time in 2018, the number of women awarded the scholarship overtook the number of men.**

**Graph 2. Gender comparison of scholars selected 2009-2019**



2018 was also the first year in which the percentage of women endorsed correlated with the number selected (within a 1.1% range). Between 2015 and 2017, 55.1% of those endorsed were women, but an average 14.4% fallout meant only 40.7% were ultimately awarded the scholarship in this three year period. Moreover, of the 2019 cohort, 29 women were selected (60%) representing the largest number of women ever selected in a single class. The Commission is to be commended for its progress on this issue.

**The MACC**

**6.2.6 The MACC (Commission and ACU) supports the US network's outreach activities through production of communication materials. These materials could be more effective if up-to-date and shared. Current leaflets are outdated and some regions duplicate efforts (for example, producing their own materials if they are unaware of those already available).**

6.2.7 Under the auspices of the Commission, the Assistant Secretary at the ACU undertakes outreach in the US. Such outreach is not mandatory nor laid out in guidance. However, this approach effectively garners goodwill for the Marshall Scholarship and the UK higher education market. One particular area is through the engagement with the National Association of Fellowships Advisors (NAFA). The Assistant Secretary has built a network of Fellowship Advisors at US academic institutions to increase their understanding of the Marshall Scholarship and UK higher education market. This better enables Fellowship Advisors to identify and direct students eligible for the Marshall Scholarship. The Review Team received universally positive feedback from Fellowship Advisors about the benefits of drawing on the UK higher education expertise held by the Assistant Secretary. Examples of other benefits included use of the Marshall application as a tool to coach students (generating goodwill for the UK's investment in the programme), and advising students on other postgraduate schemes in the UK if they were ineligible or unsuccessful for the Marshall Programme. This helps contribute to the significant number of US students studying in the UK, irrespective of whether they applied through the Marshall Programme. The decision taken by the AAC in 2018 to ask Fellowship Advisors to track the number of students that go on to study in the UK potentially provides a useful mechanism to evaluate the impact of this outreach.

**6.2.8 The Review Team recommends that the Commission (supported by the ACU) reviews and updates communication materials for outreach activities and that these are shared with the British Embassy Washington for distribution to the US Consulate network.**

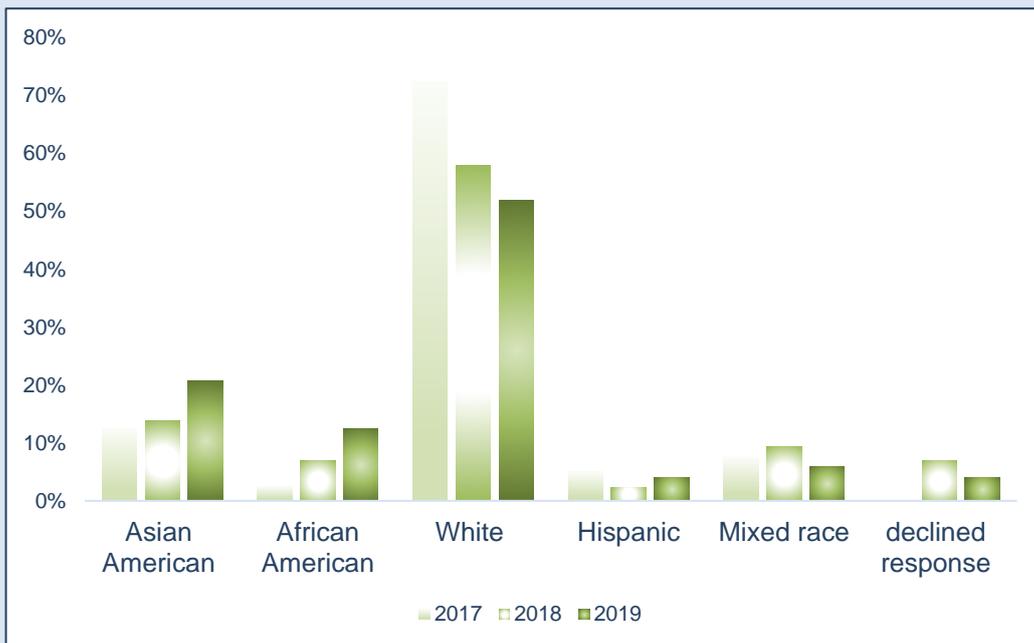
### **6.3 Selection**

6.3.1 Acting under the auspices of the Commission, the Regional Selection Committees are responsible for selecting Marshall Scholars for the next academic year. The Commission effectively directs its committees and the US network provides on-the-ground support in the US. In assessing this component of the programme, we reviewed the direction given by the Commission, the extent of the network's support, the composition, induction and activities of the Regional Selection Committees. In addition to desk-based research, the Review Team interviewed each Regional Chair, observed the selection process in Boston and San Francisco, and observed the Ambassador's Advisory Council in December 2018.

### Snapshot: Ethnic diversity of Marshall Scholars

The ethnicity data collected since 2017 reveals an improvement in the diversity of those awarded the Marshall Scholarship. There has been a **steady decline in those identifying as White**, while those awarded the scholarship who identify as Asian American and African American has steadily increased.

**Graph 3. Ethnicity comparison of scholars selected 2017-2019**



The figures for Hispanic and Mixed Race individuals show a decline from 2017 to 2019 and not all applicants have elected to share their ethnicity. Nonetheless, the percentage of those awarded the scholarship from a minority background has increased from 27.5% in 2017 to 47.9% in 2019. As previously mentioned and in line with Cabinet Office guidance, there is a need for the MACC to continue capturing the socio-economic diversity of Marshall applicants, which will also be publicly available once three years' worth of data has been collected.

### Direction from the Commission

6.3.2 The Commission works to ensure consistency of the selection process across the eight Regional Selection Committees through the “Regional Handbook”. The ACU produces the handbook under direction of the Commission, with the costs subsumed in the Grant-in-Aid/ACU contract. This is updated annually and contains comprehensive guidance and policies for the upcoming year’s selection process. Regional Chairs consider the “Regional Handbook” to be an adequate guide, including the information on

scoring candidates based on Academic Merit, Leadership Potential and Ambassadorial Potential as part of the selection process. Observation of the selection process, key meetings, and stakeholder interviews provided assurance to the Review Team that the process is rigorous and robust across the regions, and that the collective cohort each year comprises a very strong pool of candidates.

- 6.3.3 As well as the provision of comprehensive guidance prior to the selection process, the At-Large Committee (re-introduced in 2017 and comprised of three Commissioners), enables the Commission to moderate the overall quality and diversity of scholars for the next academic year. Once Regional Selection Committees have selected scholars and the offers accepted, the committees nominate reserves that are presented to the At-Large Committee. The Commission then allocates the remaining scholarships, the number of which is decided by the Commission and circulated via the “Regional Handbook” in advance. The meeting of the At-Large Committee in London saves time and expenses as only one or two Commissioners are needed to oversee a sample of the Regional Selection Committee interview panels in the US. The Review Team judges this to be an effective, economical and proportionate level of oversight.
- 6.3.4 The Commission allocates annually the number of scholars each Regional Selection Committee can select. This is effective because the Commission is clear and transparent about the allocation process, and the number for each region is circulated well in advance (at the end of the previous year’s selection process). The number of awards is based on an aggregated average of applications for the last three years for the region in question.

#### **Support from the US network**

- 6.3.5 The Consulates General provide administrative support and premises for Regional Selection Committees to use during the selection process. This provides value for money because the Regional Selection Committees only meet twice a year (to sift applications and to hold interviews), so the hiring of office space would not be economical. The Consulates act as the central point of contact for Regional Selection Committee members, particularly when scheduling sifting meetings and interview panels for upcoming selection processes.
- 6.3.6 The Regional Selection Committees also benefit from the FCO’s dual role in sponsoring and delivering the programme, as the Consul General for the respective Regional Selection Committee is automatically a committee member. In addition to the direction provided by the Commission, the FCO can moderate the scholars selected, which also provides assurance to the Commission.
- 6.3.7 This efficient use of resources (i.e. the use of HMG’s estate) and the way in which the Regional Selection Committees and US network complement each other’s work is an effective component of the programme’s operation in the US.

### **Regional Selection Committees**

- 6.3.8 The appointment of Regional Selection Committee members is reliant on both the Commission and the US network. The Consulates General identify potential candidates, sending information on the candidate and the committee's composition to the Commission. If the Commission approves, following review by the Embassy, a letter of appointment is sent by the Embassy or through the Consulate General. This effectively draws upon the geographical advantage of the Consulates, while the Commission has ultimate oversight over those who represent it.
- 6.3.9 The committees are responsible for reading applications, shortlisting, interviewing and making the final selection of successful candidates. Reading Committees (formed of additional volunteers) sometimes support Selection Committees, particularly in regions with the highest volume of applicants, by completing the first read of applications. The effective direction and support given by the Commission and the US network (paragraphs 6.3.2 – 6.3.7) means that the work of these unpaid volunteers is now integral to the success of the Marshall Programme. The Review Team acknowledges the time and energy dedicated by the volunteers on the Regional Selection Committees and Reading Committees.
- 6.3.10 Interviews and assessment of the Regional Selection Committees' composition reveal that the Commission, through the "Regional Handbook", provides adequate guidance on their make-up. All eight committees have the requisite number of volunteers and they include at least one Marshall Alumni and include a balance of expertise across the arts, social and hard sciences. All of the committees also meet the requirement that at least 40% of the members should be women. Although in one Regional Committee men make up only a fifth of the membership.
- 6.3.11 In 2009, the Commission reintroduced the two four-year terms limit to ensure regular turnover of Regional Selection Committee members. The aim of turnover is to ensure fresh perspective in the selection process and limiting the possibility of any unconscious bias becoming embedded. However, there is some inconsistency in length of service, with some volunteers serving more than two four-year terms, notably when a member completes two terms and then steps up to the role of Chair.
- 6.3.12 The majority of Regional Chairs and committee members are Marshall Alumni, with alumni averaging 77.5% across the eight committees, with some committees formed of 100% alumni. This reflects the commitment and enthusiasm amongst Marshall Alumni to "give something back" to the programme. However, this limits the committees' diversity as all alumni have had the same postgraduate opportunity.
- 6.3.13 The Review Team found a lack of consistency between the records kept by the Embassy and the Commission (managed by the ACU) on Regional Selection Committees, including the type of information held. Both hold name, term dates and gender, while the ACU holds information on professional background, but neither record geographical diversity within

regions nor ethnic or socio-economic diversity. There is no record holding the full range of data that would allow for effective monitoring of committees' adherence to composition criteria (notably diversity), or providing an overview of composition that would aid succession planning.

**6.3.14 The Review Team recommends that the British Embassy and the ACU agree a standard recording system to oversee the work of the Regional Selection Committees, including the development of standardised data sets for diversity and to ensure adherence to committee term limits.**

6.3.15 Each committee member is obliged to complete a register of interests. However, the Commission (through the ACU) only holds up-to-date registers for just over half of the Regional Selection Committee members (57.5%). The Secretariat at the ACU receives these completed forms from the Consulates General. In this area, the relationship between the MACC (Commission and ACU) and the US network could be more effective.

6.3.16 Interviews with Regional Chairs highlighted different approaches to the recruitment of committee members and Chairs across the regions. Some Chairs reported being approached by previous incumbents, others by Consulate General staff. None appeared to be aware of other candidates considered, or of a specific procedure for their appointment. While there are checks and balances in place for the appointment of committee members – with the Consulate General, the Commission, and the Embassy reviewing potential candidates (paragraph 6.3.8) – the Review Team found that improvements to the way prospective candidates are identified and the way information is recorded would provide greater transparency. Given the importance of proportionality in administering the programme and the expertise and diversity criteria required of committee members, an open competition is unlikely to be the most appropriate approach. Nonetheless, the Consulates General and the MACC (Commission and ACU) should work to ensure consistency and transparency in the appointment process.

**6.3.17 The Review Team recommends that the Commission (supported by the ACU), in consultation with the British Embassy, develop more detailed guidance on the recruitment and appointment process for Regional Selection Committees, which ensures transparency and equal opportunity.**

6.3.18 Upon induction, the ACU, acting on behalf of the Commission, provides new committee members with the “Regional Handbook”, and the Assistant Secretary briefs all new starters. However, interviews with Regional Chairs highlighted inconsistencies in the induction and training provided to new volunteers, with some feeling that they would have benefitted from more information. Moreover, the records held on Regional Selection Committee composition show that a number of members still need to complete unconscious bias training, with completion rates varying from 100% in some regions to 40% in others. This appears to be a result of a turnover of volunteers, but also suggests an ad-hoc approach to induction training. This

may also be exacerbated by turnover of Consulate General staff in some regions, who would otherwise provide guidance and support to the volunteers.

- 6.3.19 The Review Team recommends that the British Embassy and the Commission (supported by the ACU) ensure bespoke induction to the Marshall Scholarship Programme for both new consulate staff and Regional Selection Committee members.**

**The Ambassador’s Advisory Council (AAC)**

- 6.3.20 The annual two-day meeting of the Ambassador’s Advisory Council (AAC) is provided for in the Administrative Regulations of the Act of Parliament. Participation of the Commission, ACU and Regional Committee Chairs is funded through the Grant-in-Aid (i.e. to meet travel and accommodation costs). There is also the cost of Embassy staff time for their participation, which falls to the FCO. The forum brings together the Commission Chair, the Assistant Secretary, Regional Chairs, British Embassy staff and representatives from the AMS. The 2018 AAC also included a representative from the North American Association of Fellowship Advisors (NAFA). Led by the Assistant Secretary, the AAC is an opportunity to review the concluding selection process, to share lessons-learnt, to agree any amendments or improvements to the process for the following year, and to undertake training in key areas such as unconscious bias.

- 6.3.21 Having observed the AAC, the Review Team found that, while it was beneficial to all attendees, there is scope to increase the value and impact of the meeting. We would encourage the FCO, the Commission and the ACU to take a critical look at how a “re-refresh” of the AAC could better serve their needs and help to get them onto a more strategic and agile footing. The traditional structure of a pre-meeting on day one, followed by the actual meeting on day two does not seem to be an effective use of time. A more dynamic structure on the first day would better draw upon the diversity and expertise around the table. The Embassy should also look to take a more proactive role, using the meeting as an opportunity to present the strategic context of the Marshall Programme. The Review Team also sees benefit in drawing together other FCO stakeholders, such as Consulate General staff, USCAAD and SPEAD, into these discussions, potentially aligning a steering Committee meeting (as recommended the chapter on governance) with the AAC.

- 6.3.22 The Review Team recommends that the British Embassy, in consultation with the FCO and the Commission (supported by the ACU), review the purpose and format of the annual AAC meeting to ensure it continues to add value and best serves the needs of the Marshall Programme.**

- 6.3.23 The Administrative Regulations, which are attached to the Act of Parliament, were last amended in 2011. **The Review Team recommends that the Commission review the Administrative Regulations, in consultation with the FCO, to ensure they remain fit for purpose.**



### Snapshot: Twitter

**@UKinUSA** is the Embassy's twitter account and is used, amongst other things, to promote Marshall Scholarships. Consulates are encouraged to tweet about Marshall Scholars or retweet as appropriate. The Embassy leads key campaigns such as 'Meet the Marshalls', "Marshalls are..." and "UK University Profiles", and makes announcements about the selection process and successful scholars.

#MeettheMarshalls has run for four years and profiles two Marshall Scholars from the current class each Friday. Consulates are encouraged to retweet and to encourage local universities relevant organisations and alumni to do so as well.

#MeettheMarshalls tweets for 2018 increased on the previous year, being seen 173,144 times, with tweet impressions averaging 4,223. Tweet engagement peaked at 8.8% and the most successful individual tweet had 10,194 impressions and 899 engagements.

**@MarshallScholar** is the MACC's Twitter account managed by the ACU. They produce content on current Marshall Scholars under #MarshallMonday and tweet advice during the application process, as well as retweeting the Embassy, the AMS, and other Marshall related stories. December's top tweet had 12,943 impressions, 551 engagements and 4.3% engagement.

**@MarshallAlums** is the Association of Marshall Scholars Twitter account. #ImAMarshall features snapshots of Marshall Alumni in the news and complements Embassy and MACC outputs. The AMS monitor their social media and summarise the results in a report to the Commission.

## 6.4 Communications

6.4.1 Aside from the outreach strategy targeting specific US academic institutions, Marshall communications are undertaken by all key stakeholders: the British Embassy Washington, the US network, the MACC (through the ACU), and the AMS.

6.4.2 For example, the AMS produced a series of three short films in 2018 – the Marshalls Digital Portraits. These films featured Marshall Alumni Doug Melton (Harvard Stem Cell Institute), Danielle Allen (Safra Center for Ethics, Professor at Harvard University), and Anne McClain (NASA Astronaut). In December 2018, two of the films were posted on the Facebook page of

former CBS News correspondent Dan Rather, and received over 380,000 views.

- 6.4.3 In addition to multiplying each others' efforts on social media, the Embassy, the ACU and the AMS coordinate their communications, particularly around the annual announcement of new Marshall Scholars each December. However, while this was well co-ordinated it appeared ad-hoc and it was not clear how it fitted into a more strategic communications approach. The British Embassy provides some direction to the US network through its outreach strategies (paragraph 6.2.2), but no shared communications strategy across the whole of the Marshall Programme exists. The Review Team considers an overarching communications strategy with clear objectives, target audiences and planned communications activity would be more effective.
- 6.4.4 Similarly, evaluating the impact of existing communications is currently inconsistent and complicated by communications efforts being spread across multiple channels and managed by different stakeholders. A combined communications effort across key stakeholders would make analysing impact more straightforward through the development of clear and complementary objectives and actions. The impact on wider HMG communication objectives could also be taken into consideration.
- 6.4.5 The Review Team also found that existing communications could achieve greater impact if they were multiplied by the FCO's digital media in the UK. The US network multiplies Marshall communications shared by the British Embassy Washington, but this is seldom replicated by London.
- 6.4.6 **The Commission should develop, in consultation with the British Embassy and the FCO, a shared communications strategy, and that the FCO ensures communications around the Marshall Programme are incorporated into the FCO's communication work, including the effective use of digital platforms.**

## 6.5 In-country scholar experience

- 6.5.1 One of the MACC's strategic aims is "to help Scholars gain an understanding and appreciation of contemporary Britain". In support of this, a series of extra-curricular activities are organised for scholars in addition to their studies. This includes a welcome reception at the FCO, an annual Thanksgiving dinner, social events hosted by Commissioners, and an annual trip to one of the UK's regions. Responsibility for planning and funding for these events is dependent on the extra-curricular activity in question. For example, the regional trip is planned by the Commission and the ACU, funded by the Grant-in-Aid and subsidised by local councils and local universities, if involved. The Thanksgiving dinner is arranged by second year Marshall Scholars and funded by the AMS. The Commission also runs the Marshall Plus programme. This is a series of lectures and visits aimed at enhancing scholars' experience by providing them with insights into British history, culture and society; a recent example being the visit to the Churchill War Rooms. Given that the programme seeks to give scholars

a broad understanding and appreciation of the UK and motivate them to become ambassadors for UK-US relations, the Review Team judges this to be a reasonable use of the Grant-in-Aid.

**Image 1. Marshall Scholar visit to Blenheim Palace (2017)**



6.5.2 The quality of the scholars' experience in the UK and the depth of the relationships they build are very important to the UK's objectives of building mutual understanding and lasting and impactful relationships. Given the international nature of many postgraduate programmes in the UK, opportunities to engage with UK society can sometimes be hard to access. Feedback from interviews with current and recent scholars highlighted an appetite for further facilitated opportunities during their time in the UK, such as volunteer placements and professional networking events. In addition to this, the breadth and depth of scholars' studies, on subjects that are often highly relevant to HMG priorities, offers a good opportunity to build sustainable professional relationships. This could include for example, the development of a "buddying" scheme between the Marshall cohort and civil service fast streamers.

**6.5.3 The Review Team recommends that the Commission (supported by the ACU) work with the FCO to explore what other opportunities could be made available to scholars while in the UK, which enhances their experience and development and supports HMG objectives.**

## **6.6 Alumni Relations**

6.6.1 Given that the aim of the Marshall Programme is to develop mutual understanding between the UK and the US, and to develop a network of intellectually distinguished Americans that are well disposed to the UK, the effectiveness of the programme's alumni relations is intrinsic to its potential impact.

- 6.6.2 Unlike Chevening, which attracts scholars in the early years of their career, Marshall targets scholars who have yet to transition from education to their chosen profession. Thus, following graduation from the scholarship, there is a period of development and career progression before Marshall Alumni reach a point in their career at which they have most interest, capacity, and influence to impact HMG objectives. Feedback from alumni also pointed to an interest and appetite for a structured mid-career opportunity to reconnect with the UK and to build further professional networks between the two countries.

### Snapshot: 2017 Harvard Marshall Forum

The Harvard Marshall Forum, held 3 June 2017 at Harvard University, celebrated the 70<sup>th</sup> anniversary of the Marshall Plan. The daylong event saw high-profile speakers commemorate the Marshall Plan and the Marshall Scholarship, including Marshall Alumni and now Supreme Court Justices, Neil Gorsuch and Stephen Breyer (pictured). The event saw the first public remarks of Justice Gorsuch following his Supreme Court Confirmation, including the admission that

**“I have to attribute [mostly] everything good in my life to the Marshall Scholarship.”**



Other high-profile speakers included **Baroness Valerie Amos, CH** (former British Minister and UN Humanitarian Co-ordinator), **Benn Steil** (Council on Foreign Affairs), **Bert Koenders** (Dutch Minister of Foreign Affairs), **Daniel Baer** (former US Ambassador to OSCE and Marshall Alumnus), **Danielle Allen** (Harvard University and Marshall Alumnus), **Jane Harman** (Woodrow Wilson Center), **Karen Donfried** (German Marshall Fund of the US), **Madeleine Albright** (former US Secretary of State), **Sewell Chan** (The New York Times and Marshall Alumnus), **Sir Kim Darroch** (British Ambassador to the US), **Sir Malcolm Rifkind** (former British Foreign Secretary) and **William Burns** (former US Deputy Secretary of State and Marshall Alumnus).

- 6.6.3 **The Review Team recommends that the Commission (supported by the ACU), in consultation with the AMS, explore the viability of undertaking a mid-career follow-up with Marshall Alumni to track career progression and impact on HMG objectives.**
- 6.6.4 In the last few years, the AMS has become more dynamic and engaged. This is partly due to the employment of a full time Executive Director. They liaise closely with the MACC (through the ACU) on their activities.
- 6.6.5 As outlined in paragraph 6.2 on Outreach, the Review Team found a lack of consistency across the US network with regard to their engagement with alumni. Some Consulates reported significant collaboration and regular contact, others reported very little. The US network is encouraged to maintain contact with Marshall Alumni, building in regular engagement and contact through events such as receptions and visiting delegations. The chapter on governance highlights some challenges with alumni engagement and makes a recommendation around the sharing of alumni data.
- 6.6.6 The following section goes into more detail on how alumni relations links to the measurement of impact and highlights specific examples of where alumni have contributed to HMG objectives.

## **6.7 Effectiveness of Measuring Impact**

- 6.7.1 Throughout this review, interview feedback has pointed to a strong sense of the Marshall Programme adding value and making a valuable contribution to the UK's objectives in the US.
- 6.7.2 The British Embassy and Consulate General staff have offered a wealth of examples where Marshall Alumni have contributed directly to specific HMG policy objectives; to facilitating access to valuable networks and decision-makers; offering high-profile endorsement of the UK; investing in the UK; and direct UK-US partnerships or collaboration.
- 6.7.3 The Embassy has also spoken about examples of where investment in relations built with US and UK institutions on Marshall-related business has brought benefit elsewhere, most obviously on behalf of the UK's higher education market and on Research and Innovation, but equally across a breadth of sectors. However, these examples are largely anecdotal, are not contextualised through any specific metrics and are not collated systematically or analysed regularly.

### Snapshot: Measuring impact

DFID and NAO's approach to measuring value for money interprets effectiveness as the link between 'outputs' and 'outcomes'.

An **output** is a tangible or intangible product resulting from project or programme activities (e.g. high-calibre Marshall Scholars placed in UK institutions).

An **outcome** is the benefit that the output is designed to achieve (e.g. high calibre Marshall Scholars, graduating from UK institutions, returning to the US with a strong understanding of and goodwill towards the UK).

**Impact** is the higher level goal the delivery team hope the project or programme activity will contribute towards achieving (e.g. the contribution Marshall Alumni make towards strengthening the UK/US bilateral relationship; deepening mutual understanding between the two countries; or advancing specific HMG priorities in the US).

6.7.4 The Commission, supported by the Secretariat, has a good track record of selecting high calibre US students that often go on to undertake senior or influential positions in their chosen field. The efforts by the Commission to assess the value of the programme are useful at the output and outcome level, for example, Marshall Alumni are surveyed every five years in an attempt to gauge the impact that the programme has had on their careers. The survey collects data on profession, location, publications, prizes and accolades, ongoing links with the UK, and any return investment to the UK. Research has also been carried out to quantify the financial investment into the UK made by Marshall Alumni. These efforts provide a valuable insight and serve as a useful proxy to measure the goodwill of Marshall Alumni towards the UK and contribution to UK inward investment objectives. However, more work needs to be done to demonstrate, at impact level, the value of the programme to the UK-US relationship and HMG's wider objectives. The Review Team recognises that measuring such impact of soft power is challenging, but the development of a clearer set of metrics will enable the Commission and the FCO to provide more robust evidence of the programme's value (see recommendation 6.8.8).

6.7.5 The **Association of Marshall Alumni (AMS)** has also made efforts to measure impact of the programme. In late 2018 they commissioned a poll of Marshall Alumni and a sample of other American citizens to look at, amongst other things, the extent to which Marshall Alumni may be better disposed towards, have a greater understanding of, and more regular connections with the UK. At the time of publishing this report, the findings of the survey were yet to be collated.

6.7.6 The AMS has also done some work to demonstrate the reach and influence of Marshall Alumni across US society.

**Diagram 3. Marshall Alumni – a sectoral snapshot**

<b>Journalism, media, creative</b>	<b>Technology, engineering, entrepreneurship, social impact</b>	<b>Service, law, national security</b>
MacArthur Fellows (13), Pulitzer Prizes (6), Oscars (2), National Book Critic Awards (2), Grammy (1), Emmy Nomination (1)	Co-founder of LinkedIn (500 million users worldwide and 5,700 full time employees), Crisis Text Line (72 million mental health messages, one of the world's largest health data sets, partnership services in UK & Canada), Dolby Labs (over 50 patents, \$6.8 billion market cap, 2,122 full time employees, \$2 million in philanthropy, 75 full time employees in the UK)	Military Service (50+), Public Service (80+), NASA Astronaut (1), Congressmen (2), Governor & Secretary of Interior (1), Ambassadors (5), Supreme Court Justices (2), Director OMB (1)
<b>Science &amp; discovery</b>	<b>Higher education</b>	<b>UK impact</b>
Nobel Prize in Chemistry, Clark Medal in Economics, IEEE Edison Medal (Engineering), Kavli Prize in Neuroscience, Lemelson – MIT Prize, discovery of 12+ new species of vertebrate fossils, Development of HIV vaccine in human trials (2018)	American Academy of Arts & Sciences members (38), University & College Presidents, Provosts & Deans (10+)	CBEs (4), OBEs (9), UK Residents (170+), UK University Professors, Lecturers & Other High Profile Roles (20+), Co-Chair of \$1.2 billion capital campaign for Cambridge University (2012), \$205 million in gifts to Cambridge & other alma mater donations first woman to conduct BBC Proms, Director Scottish National Ballet, Chairman Almeida Theater
<b>Finance &amp; investment</b>		
Golub Capital, Canyon Partners, Leeds Equity, Kennet Partners		

The above infographic illustrates a number of notable high profile success stories and achievements of American citizens who have passed through the Marshall Scholarship Programme.

6.7.7 This work serves to provide a partial picture of the impact of the programme but it is not sufficiently comprehensive, nor aligned with a HMG definition of what success looks like. Indeed, interviews conducted throughout this review pointed to a lack of shared understanding across the various stakeholder groups as to the specific impact that HMG requires the programme to demonstrate or the metrics by which this could be measured. Ultimately, the impact of the programme should be most closely felt, and observed, by the British Embassy and the US network. A light-touch approach to collecting, and regularly reporting evaluation, could be for each Consulate General to produce an annual dashboard, outlining key metrics and data such as outreach, diversity and recruitment data, alumni engagement and examples of how Marshall has contributed to HMG objectives in any given year.

6.7.8 **The Review Team recommends that the Commission and the FCO, with support of delivery partners, develop a clear set of metrics with which to evaluate the impact of the Marshall Programme, which builds on existing work.**

6.7.9 There is growing expertise across the FCO's ALB's in measuring their impact on HMG objectives, as well as specific experience around measuring the impact of scholarship programmes. For example the recent Tailored

Review of the Westminster Foundation for Democracy encouraged the ALB to consider “influence for the UK” when measuring impact. Similarly, the Commonwealth Scholarship Commission is specifically tasked within its Framework Agreement to “Effectively evaluate the impact of its awards, and maintain such contact with alumni as may be necessary to help ensure that such evaluation can take place.” They also have an Evaluation and Monitoring Subcommittee and resource within their Secretariat. The Chevening Scholarship Programme also takes a structured and rigorous approach to monitoring and evaluation. Given that both Chevening and Commonwealth Scholarships are also administered by the ACU, the MACC is well positioned to benefit from their experience and expertise.

6.7.10 Notwithstanding the difference in scale between these programmes and the importance of proportionality, the Chair of the Commission may wish to consider designating a Commissioner with responsibility for oversight of the monitoring and evaluation function.

6.7.11 Opportunities for stronger connections between Marshall Scholars, professional and government networks in the UK have been highlighted (paragraph 6.5 on in-country scholar experience). Given the breadth of expertise, interest, and subsequent career paths of Marshall Scholars, there is also an opportunity for the FCO and the MACC (Commission and ACU) to better demonstrate the ways in which the Marshall Programme contributes to the objectives of other government departments (OGDs).

**6.7.12 The Commission and FCO (supported by the ACU) work to identify proposals on how to enhance the profile and understanding of the scholarship programme across UK Government to build relationships between Departments and scholars working in a shared policy or thematic area.**

6.7.13 The Marshall Programme constitutes a relatively small amount of money from HMG. Nevertheless, it has the potential to, and in some ways already does, deliver a disproportionate impact in relation to its cost. Improvements in defining success, measuring impact and coordinating communications could bring about a step change in the return on HMG’s investment.

## **7. Economic Model and Sustainability**

Assessment of the Marshall Scholarship's funding is important to highlight any concerns surrounding the long-term financial sustainability of the Commission to deliver its objectives. The Review Team examined the current funding arrangement, support from partner organisations and alumni, costs incurred and the suitability of financial controls. Overall, the measures and oversight mechanisms put in place by the Commission are appropriate given the NDPB's relatively small size. However, four recommendations have been made to mitigate the uncertainty surrounding the Grant-in-Aid, to fund implementation of other recommendations made by this report and to enable the programme to maintain its scale and ambition.

### **7.1. Funding Arrangements**

7.1.1. The MACC receives a single Grant-in-Aid from the FCO to fund all aspects of the scholarship programme. The Commission is responsible for allocating the monies as necessary to fulfil its strategic aims and balance the number of scholarships awarded with the overall quality of the programme. Aside from the funding of the scholarships (tuition fees and living allowance), the Grant-in-Aid covers the cost of contracting the Association of Commonwealth Universities to carry out the programme's administration and where appropriate, expenses of the Commissioners, Regional Selection Committees and candidates attending interviews. Additional financial support is received through partnerships with UK universities waiving tuition fees for Marshall Scholars (paragraph 7.3), and donations from the Association of Marshall Scholars (paragraph 7.4). The programme also benefits from paying a reduced stipend for any Military Academy Scholars. However, the programme's delivery is reliant on the Grant-in-Aid, thus reducing or withholding the Grant-in-Aid would either significantly limit the number of scholarships awarded or, at worst, make the programme unviable.

### **7.2. Three year settlement**

7.2.1. Between 2012 and 2016, the Grant-in-Aid remained static at £2 million. Given inflation costs of higher education fees, this meant that, in practice, the Marshall Scholarship Programme saw a decline in the number of scholarships it could afford to offer. In an effort to reverse that trend, a three-year settlement was agreed. This resulted in an increase in the Grant-in-Aid from £2 million in 2016-17, to £2.25 million in 2017-2018, £2.55 million in 2018-19 and £2.65 million in 2019-20 (see Table 2).

7.2.2. The introduction of the three-year settlement allowed the Commission to plan their recruitment more effectively. The incremental uplift each year has allowed them to absorb the inflation costs associated with higher education fees and increase the number of awards made. This has been a contributing factor to the increase in scholarships awarded, rising from 32 places in 2016 to 43 in 2018.

7.2.3. Over the same period that the FCO's grant increased, the Commission was successful in increasing the number of partnership institutions who committed to offering fee waivers for Marshall Scholars. This has also

played a contributing factor in elevating the number of scholarships awarded.

7.2.4. From a political perspective, the three-year settlement underlined HMGs ongoing commitment to the Marshall Scholarship Programme, and served as a mobilising factor for the AMS, who increased their fundraising and support to the programme. In 2017-18, the AMS provided a bursary of £1000 to every current scholar, and since 2018-19 have committed to funding one full scholarship every other year, in perpetuity. The increase in the FCO’s Grant-in-Aid has proved a catalyst for unlocking additional third party funding for the programme.

7.2.5. **The Review Team recommends that the FCO secures a three-year funding settlement for the MACC for 2020-21 to 2022-23, subject to the timing of the next UK Government Spending Round**, with built-in annual increments. If secured by September 2019, this timing will allow the Commission to effectively plan scholarship numbers for the academic year 2020-21 (the selection for which begins in October 2019). If this is not possible, the FCO should, at the very least seek such a three-year settlement as part of the upcoming Spending Round.

**Table 2. MACC Grant-in-Aid 2011-2018**

Year	Grant-in-Aid (£ in millions)	Number of scholars
2019	2.65	48
2018	2.55	43
2017	2.25	40
2016	2	32
2015	2	31
2014	2	32
2013	2	34
2012	2	36
2011	1.9	33

### 7.3. Partnership organisations

7.3.1. The Review Team commends the work of the Commission Chair and other Commissioners in targeting and expanding the number of partner organisations that offer fee waivers to Marshall Scholars. Since the 2013 Triennial Review, the number of partnership agreements with British universities and colleges has increased from 40 to 56 (see Annex F). The Commission ensures that the Regional Selection Committees are aware of these partner organisations and that they look to make best use of these partnerships; and that scholars avail themselves of the breadth of opportunities on offer. These efforts have enabled the Commission to increase the number of scholarships on offer in recent years. For example, of the 48 scholarships awarded for the 2019-20 cohort, 16 are funded by third parties. This support has helped ensure greater financial sustainability of the programme.

**7.3.2. The Review Team recommends that the Commission continues to increase the number of UK organisations partnering with the Marshall Scholarship Programme and ensure that, where possible, these placements are taken up by scholars.**

7.3.3. The Review Team would encourage the FCO to acknowledge the support of partnership institutions and identify suitable opportunities to communicate HMG's recognition of the contribution these institutions make to the success of the Marshall Programme.

#### **7.4. Alumni support**

7.4.1. The AMS has calculated over \$500,000 worth of endowments and charitable donations from Marshall Alumni to their alma mater over the last 18 months. In addition to this, the AMS directly supports the Marshall Programme by committing to provide one scholarship every other year in perpetuity. This is funded through an endowment of \$1.2 million dollars raised through donations from 200 alumni, including Reid Hoffman CBE (co-founder of LinkedIn) who match-funded the contributions from other alumni. As noted above, the AMS has also provided a £1000 bursary to all current scholars in the UK for the academic year 2018-19. Marshall Alumni also make direct financial contributions to the UK higher education sector independent of the AMS. For example, the Estate of Ray Dolby (sound pioneer and founder of Dolby Laboratories) donated £85 million to the University of Cambridge in 2017, which followed an earlier gift of £35 million to Pembroke College, Cambridge in 2015.

7.4.2. The Marshall Programme is not intended to generate return investment into the UK's higher education system, nor prompt donations from alumni to fund future scholarships in place of HMG funds. Therefore, the Review Team judges that these donations reflect the impact and goodwill that the Marshall Programme has generated amongst its alumni over the years.

#### **7.5. Sustainability**

7.5.1. The three-year settlement is particularly significant in enabling more effective planning by the Commission and the ACU because, as a predominantly two-year scholarship, the programme makes a two-year financial commitment to each scholar. In awarding 48 scholarships for 2019-20, scholars on the two-year model continuing their studies in 2020-21 must be budgeted for. Budgeting is further complicated by the academic year starting in September and the financial year starting in April. This means that the financial commitment for a two-year scholarship spans three financial years. Moreover, for those scholars studying a second Masters degree, the Commission cannot confirm costs (or potential savings from partnership places) until scholars have been accepted onto their second course which occurs partway through the financial year.

7.5.2. The Commission is aware of these financial considerations and associated risks. Two top risks identified in their risk register are related to their financial position:

- Budget harmfully constrained by external factors, potentially suddenly; and
- Budget overrun or inadequate control.<sup>6</sup>

7.5.3. These risks are mitigated through the actions outlined in the risk register. The former is managed through increased dialogue with funding parties and close monitoring of relationships with partner organisations, as well as developing additional funding sources and the implementation of a reserves policy. The latter is managed through the setting of realistic annual budgets well in advance and close monitoring of expenditure against budget. The Secretariat is required to report to the ARM Committee and full Commission quarterly.

7.5.4. The Commission is permitted to carry forward a surplus across financial years and this appears as part of its general reserve, which is apportioned between core and discretionary reserves. These stand at £618,031 and £156,092 respectively for 2017-18. The discretionary reserve is intended to fund future scholarship awards, while the core reserve is intended for emergencies.<sup>7</sup> The rules around the programme's reserves are set out in the Commission's reserves policy document,<sup>8</sup> which they have developed. The Commission is operating in compliance with this policy.

## 7.6. Scholarship costs

7.6.1. As with most scholarship programmes, Marshall Scholars receive an annual stipend. This is intended to cover accommodation and other living expenses. The stipend rates are set by DFID, in line with two other government scholarship programmes (Chevening and Commonwealth Scholarships), which are also administered by the ACU. The stipends are increased according to a formula (using the annual inflation indicator), which is managed by the ACU. Marshall rates and allowances are approved by the Commission each year. The current annual rates are £15,960 for London and £13,008 outside London. We note that it has been four years since a review of the stipend rates was undertaken and we would suggest that DFID and the FCO agree a timeframe for the next review.

7.6.2. The Commission pays full international tuition fees. However, only 50% or less of the total number of tuition fees are paid as the rest are covered by tuition fee waivers with partner organisations. University tuition fees rise on average around 6% per year and can range from between £15,000 to £35,000, depending on the university and the course. Unlike undergraduate tuition fees, the UK Government does not regulate postgraduate tuition fees, therefore the paying of national tuition fees instead of international tuition fees would require negotiation between the Commission and the university in question. The Commission effectively

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<sup>6</sup> Marshall Aid Commemoration Commission Risk Register

<sup>7</sup> Marshall Aid Commemoration Commission Accounts 2017-18

<sup>8</sup> Reserves Policy for 2018 (MACC 1802)

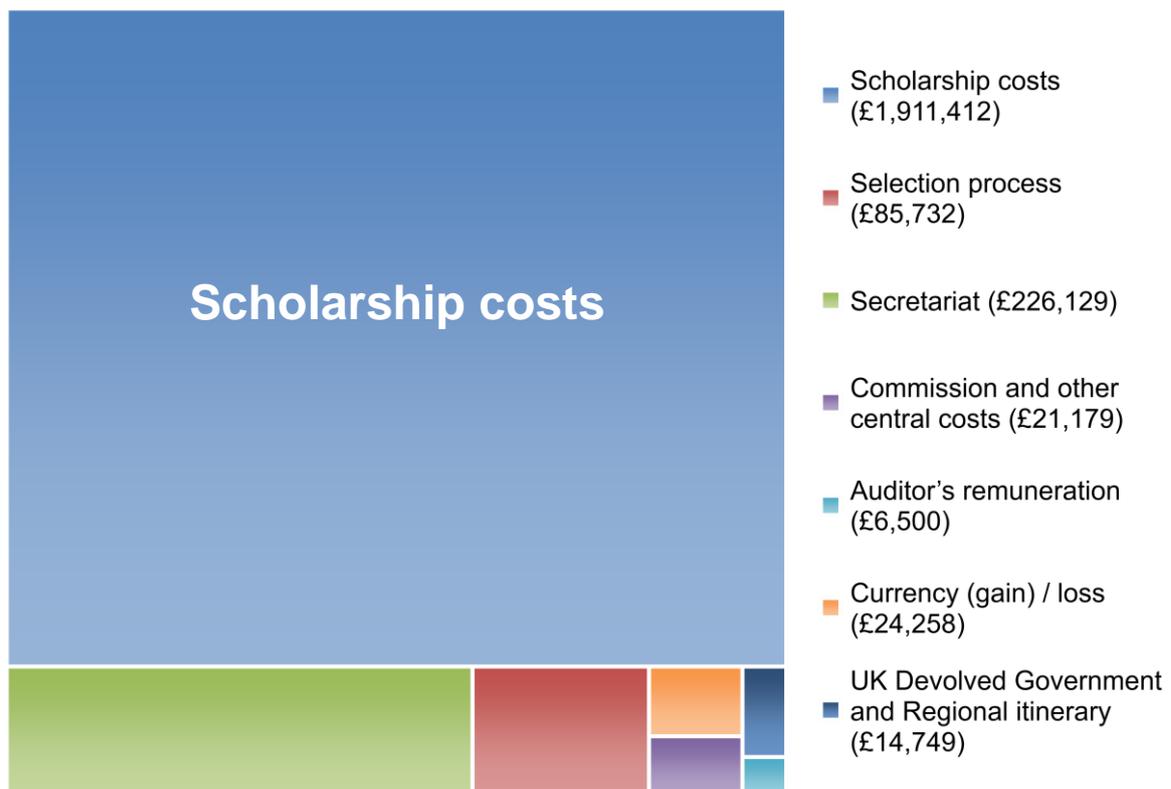
does this but to another level by negotiating the fee waivers with UK academic institutions.

### 7.7. Administration costs

7.7.1. The Review Team judges that the Commission and the ACU's non-scholarship spending, which maximises the number of scholarships awarded, demonstrates good financial management. We recommend that spend on non-scholarship activities could be increased to fund areas such as monitoring and evaluation (paragraph 7.7.2). 9.87% of total operating expenditure (not including partner funding) was spent on the Secretariat's administration efforts for the year 2017-18. Moreover, the central costs of the Commission have fallen, in real terms, since the Triennial Review (2012-13). The MACC's spending for 2017-18 is further broken down in Diagram 4, showing the Commission's expenses (which form part of the budget line for "Commission and other central costs") to be one of the smallest expenditures in comparison to other areas of the scholarship programme funded by the Grant-in-Aid.

7.7.2. **The Review Team recommends that the Commission considers allocating a higher proportion of their budget to administrative activities, which would support strengthening of the monitoring and evaluation function and additional in-country activities for scholars.**

Diagram 4. MACC Expenditure 2017-18



7.7.3. The ACU provides the Secretariat function for the MACC, which includes the provision of administration services. The terms of this are set out in a

five-year contract that is periodically re-tendered in line with UK Government commercial procurement policy. The costs of the service are set in out in the contract, with costs rising from approximately £186,000 in year one to around £207,000 in year five, exclusive of VAT. These costs are met using the Grant-in-Aid. Where the ACU provides Secretariat services outside of those provided for in the contract, these are chargeable.

7.7.4. UK Devolved Government and Regional Itinerary costs refer to the annual visit to one of the UK's regions of Northern Ireland, Scotland or Wales (although, this can vary as seen by the 2018 visit to Manchester and Liverpool). The Commission pays for scholars' transport, accommodation and other visit-related costs minus subsistence. In addition, local governments and universities involved with the trip often subsidise costs. Given that these visits introduce scholars to the UK's Devolved Administrations, as well as local politicians and other senior figures, this fits well with scholarship's aim for scholars to gain an understanding and appreciation of contemporary Britain. Outside of these visit programmes, the MACC has limited interaction with the Devolved Administrations of the UK. The Review Team judges these programmes to be an appropriate use of the Grant-in-Aid and paragraph 6.5 on in-country scholar experience considers the effectiveness of such activities in greater depth.

7.7.5. In addition to the expenditure illustrated in Diagram 4, the Marshall Scholarship also carries costs for the Sponsor Department, British Embassy Washington and Consulate General staff in terms of their time. However, the scholarship programme forms a relatively small percentage of the work undertaken by the Consulates and for the Embassy staff member leading on the Marshall Scholarship, the programme still forms less than 50% of their role. These costs, which are borne by the FCO, are in addition to Grant-in-Aid. More details on the FCO's resourcing of the MACC can be found in paragraph 9.1.

## **7.8. Suitability of financial controls**

7.8.1. In line with good corporate governance arrangements, the Commission has an Audit and Risk Management Committee (see the chapter on governance). The committee's role is to support the work of the Commission by ensuring there are effective arrangements for governance, risk management and internal control. The current Commission Chair has ensured that the composition of the Commission and the Audit and Risk Management Committee contain the right mix of skills and expertise. There is also external scrutiny through the ACU finance director and the NAO, who sit on the Audit and Risk Management Committee.

7.8.2. The Commission Chair has also restructured components of the programme's governance structure and financial management to ensure its policy and practices are in line with central Government guidance and are better able to meet the needs of the programme. These changes include:

- Refreshing the presentation of the annual accounts and associated commentary, in line with HMT guidance;
- A review of the reserves policy;
- A review of the cash and foreign exchange exposure risk and associated procedures;
- Discontinuance of the Finance Committee (a recommendation from the 2017 governance review).

7.8.3. The Chair of the Commission has a strong background in finance and corporate governance and is familiar with HMT's guidance on Managing Public Money. Upon appointment, the present Chair received an extensive induction from the previous Chair, fellow Commissioners and the ACU. In supporting the Chair, the Commissioners have responsibility for ensuring effective scrutiny of the programme's finances. Similarly, the FCO through the Sponsor Department discharges its oversight role by maintaining regular contact with the Commission and the ACU, and by attending Commission meetings in an ex-officio capacity.

7.8.4. The ACU, on behalf of the Commission, administers and recovers the costs of the Marshall Scholarship from the FCO. Both the Chair and the Assistant Secretary sign off expenditure paid to the ACU by the Commission. Normal day-to-day expenditure is approved by the Assistant Secretary and the ACU finance team; above a certain spend threshold, the Chair's signature is also required. Given the relatively small size of the Marshall Scholarship Programme (£2.55 million 2018-19), the Review Team judges this process, and number of signatories, to be adequate.

7.8.5. The National Audit Office (NAO) audits the Commission annually. The certificate and report of the Comptroller and Auditor General (CandAG) is also contained within the Commission's annual report. The CandAG's responsibility is to audit, certify and report on the financial accounts of the scholarship programme to provide assurance that the Commission's management is in accordance with the Government Resources and Accounts Act 2000. Each audit selects a random sample of transactions to test for material misstatement, through either fraud or error. Additionally, the audit obtains evidence to give reasonable assurance that the income and expenditure stated has been used for the purposes intended by Parliament and that those transactions have been carried out in compliance with government accounting regulations.

## **7.9. Internal Audit**

7.9.1. Given the relatively small size of the programme, the Commission does not retain the services of an internal audit function. The ACU, on the other hand, does employ an external audit service, although this does not cover the Marshall Scholarship Programme. Paragraph 6.1.1 of the Framework Document erroneously states that the FCO provides the programme's internal audit services, and should therefore be rectified when the Framework Document is updated (paragraph 8.2.4). It is within the right of the FCO Internal Audit Department (IAD) to carry out an audit of the Commission and the programme as part of its own assurance processes,

but the Commission is also at liberty to use an external provider (so long as it complies with HM Treasury guidelines).

7.9.2. In 2014, the Marshall Scholarship Programme became consolidated into the FCO's accounts. Since this time, we note that IAD has not undertaken any audits of the programme. Nor has the Commission deemed it necessary to request their services, which it is entitled to do under the Framework Document. The Review Team judges this to be reasonable given the scholarship programme's relatively small operation, that the programme undergoes external audit by the NAO and that the Commission has an active and effective Audit and Risk Management Committee. Though it is worth underlining that IAD's function and audit product is materially different to those of these two other audit bodies.

7.9.3. The Marshall Scholarship's position under the FCO's accounts has accountability implications for the Department's Permanent Under-Secretary, as the FCO's Principal Accounting Officer. As a result, the FCO Sponsor Department (SPEAD) and IAD may judge it necessary to provide additional assurance to the PUS on the programme's finances and internal control environment. To this end, **the Review Team recommends that the Head of the FCO's IAD holds consultations with the Chair of the Commission on the value of including the MACC in IAD's audit planning process.**

## 8. Governance

### 8.1 Good Corporate Governance

Good corporate governance is central to the effective operation of all public bodies. In line with the Terms of Reference, the Review Team considered MACC's governance arrangements, assessing the existing controls, processes and safeguards against the principles and approach set out in 'Corporate Governance in Central Government Departments: Code of Practice'.

The Review Team also considered a number of governance areas in relation to the PAVE Principles, a set of common standards that arm's-length bodies are expected to meet. These are set out in Cabinet Office guidance on 'Partnerships between departments and arm's-length bodies: Code of Good Practice', the PAVE principles stand for Purpose, Assurance, Value and Engagement.

#### 8.1.1 Principle of Purpose

*"Partnerships work well when the purpose, objectives and roles of arm's-length bodies are mutually understood; reviewed on a regular basis; and clearly set out in relevant documents. There is absolute clarity about lines of accountability between departments and arm's-length bodies. In exercising statutory functions arm's-length bodies have clarity about how their purpose and objectives align with those of departments."*<sup>9</sup>

- 8.1.1.1 The MACC's overarching purpose is set out in the Act of Parliament of 1953, which established the Commission. A more detailed articulation of the programme's purpose, mission statement and strategic aims (objectives) are detailed in the Framework Document.
- 8.1.1.2 The annual Business Plan also sets out a number of priorities that are aligned to the priorities in the three-year Corporate Plan. The Corporate Plan demonstrates how the MACC contributes to FCO objectives of strengthening UK-US relations and promoting British influence in the US through the provision of scholarships to Americans who will become the leaders, opinion formers and decision makers of tomorrow. The Business Plan details key performance targets and actions necessary to meet these.
- 8.1.1.3 The Framework Document was last signed off in January 2018. It is therefore current and sets out in some detail the formal delegations between the FCO and the MACC, although we have identified some areas that could be further clarified or amended to further strengthen the document. Periodic Commission meetings and consultations between FCO and the Commission on amendment or submission of new business and corporate plans provide an opportunity to regularly review progress.
- 8.1.1.4 The Review Team found that there is **clarity** between the FCO (SPEAD) as Sponsor Department, and the MACC with regard to the lines of

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<sup>9</sup> Partnerships between departments and arm's-length bodies: Code of Good Practice

**accountability** between the two organisations. This was particularly evident in the following areas: financial authority, reporting back to the FCO Board and presenting the annual reports to Parliament, the development of partnership relations with UK institutions, liaison with successful candidates and delivery of the scholarship programme in-country.

- 8.1.1.5 The Review Team found that the roles and responsibilities were less clear in how activities were undertaken in the US by the different MACC programme delivery partners. This is partly because the FCO has a dual function in the programme. As the Sponsor Department, it is responsible for oversight and setting strategic direction of the scholarship programme. While operating through its US diplomatic network, it has a more operational role in delivering a core function of the programme. For example, in undertaking outreach as well as a formal role in the selection process. The Marshall Act and Administrative Regulations specifies the MACC's role in the selection process. In practice, the MACC and the ACU are very active in the outreach space and the Consulate Generals are deeply engaged in the administration and decision-making around the selection process. For the most part, this arrangement appears to work well. Although the Review Team did receive feedback from some stakeholders who cited instances where there had been confusion or duplication of effort and where not all relevant partners were sighted on particular activities.
- 8.1.1.6 Stakeholder interviews highlighted varying degrees of resource available and differing levels of engagement in the delivery of outreach and recruitment functions across the US network, as well as an inconsistent understanding of the obligations on the network as a result of the Marshall Act. In practice, this has meant that some Posts engage extensively on behalf of the Marshall Programme, while others are less proactive. We believe the Embassy in Washington could potentially play a larger oversight role here in ensuring that the Consulates General are fulfilling the roles expected of them. Further detail on these issues can be found in paragraph 6.2 on outreach.
- 8.1.1.7 It is apparent from stakeholder interviews, that the MACC's purpose and its alignment with HMG objectives to support a strengthening and deepening of the bilateral relationship, is generally understood by all stakeholders. The alignment is visible not only in the governance documents referred to above but also in some of the programme's working documents e.g. the 2019 Marshall Scholarship Induction Packet and Selection Process Guide.
- 8.1.1.8 However, we believe there is some scope for improvement in the way in which the FCO sets strategic direction and shares the wider context of its objectives in relation to the bilateral relationship. The FCO's geographical department (US, Canada and Caribbean Department, USCCAD) is responsible for managing the bilateral relationship and SPEAD manages the FCO's relationship with the MACC. A more

integrated approach between these two departments, which also brought in the US network, would allow a stronger strategic alignment between the programme and the breadth of FCO equities, including assurance on whether it is maximising the return on its investment.

- 8.1.1.9 We understand that USCCAD has recently acquired some additional resource as a result of a funding uplift for the Department's Global Britain agenda. This could potentially allow the department to enhance further its engagement in the MACC. Furthermore, we believe there is merit in formalising how these respective parts of the FCO work together in the context of the MACC. **We recommend that the FCO establishes an internal steering group, comprised of representatives from SPEAD, USCCAD and the US network, to meet periodically (at least biannually) to ensure a co-ordinated and coherent approach to the MACC and ensure the FCO is meeting its obligations under the Framework Document.**

### 8.1.2 Principle of Assurance

*“Partnerships work well when departments adopt a proportionate approach to assurance, based on arm’s-length bodies’ purpose and a mutual understanding of risk. Arm’s-length bodies have robust governance arrangements in place; departments give arm’s-length bodies the autonomy to deliver effectively. Management information exists to enable departments and arm’s-length bodies to assess performance.”<sup>10</sup>*

- 8.1.2.1 Taking into account the size, budget and complexity of the programme, we judge that the Sponsor Department takes a proportionate approach to assurance. A member of the Sponsor Department participates as an observer at Commission meetings and at the Audit and Risk Management Committee (ARMC). In looking at risk and the internal control environment, the MACC has a risk register that is actively reviewed by the ARMC. Under the provisions of the 1953 Act, the Commission produces an annual report of their work in addition to the report of annual accounts, with both reports being laid before Parliament. In 2018, the Chair of the Commission and an official from the FCO Sponsor Department jointly presented the MACC's Annual Report to the FCO's Management Board. This is a good example of how both organisations are embedding PAVE principles in the working relationship and we would encourage them to continue this practice.
- 8.1.2.2 Notwithstanding the operational role which the FCO plays in the scholarship application and recruitment process (e.g. through its participation in Regional Selection Committees and the Ambassador's Advisory Council), we judge that the FCO enables the Commission to operate with sufficient arm's-length from central Government. For example, it is responsible for formulating its strategy, and the disbursement of the Grant-in-Aid, the administration contract for the scheme, the number of scholarships awarded and the selection process. However, as noted in the chapter on effectiveness, greater clarity of the

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<sup>10</sup> Partnerships between departments and arm's-length bodies: Code of Good Practice

roles and responsibilities across the Marshall Programme's matrix model of delivering in partnership with the FCO (where the FCO has a dual – oversight and operational – function) would improve its effectiveness.

8.1.2.3 From our review of the reporting against key governance and strategic documents (e.g. the annual and business plans) and the papers provided by the ACU for Commission meetings (e.g. on financial management), we judge that there is adequate management information to assess the MACC's performance. This includes data on the number of scholarships awarded, the diversity of scholars, subjects chosen as well as partner organisations in the UK, longitudinal data on progress of alumni and financial information, which was all underpinned by good record keeping.

8.1.2.4 We identified two areas where further improvements could be made. The Commission, supported by the ACU, could develop a more robust narrative and evidence base around the impact of the programme. And some feedback suggested that the volume and quality of the information being provided to Commissioners could be improved further (e.g. more analysis, less information). We note that this issue was picked up in the Light-Touch Governance Review, which one of the Commissioners carried out in March 2017. We understand there has been some progress since then but there was scope to go further and faster.

### 8.1.3 Principle of Value

*“Partnerships work well when departments and arm’s-length bodies share skills and experience in order to enhance their impact and deliver more effectively. Arm’s-length bodies are able to contribute to policy making and broader departmental priorities. There is a focus on innovation, and on how departments and arm’s-length bodies work together to deliver value for money.”<sup>11</sup>*

8.1.3.1 Overall, the Review Team found that day-to-day collaboration between the MACC, the FCO and US network to be working well. One of the key strengths of the partnership between the FCO and the Commission lies in its ability to draw on its respective networks across a wide range of sectors and geography to bring together a high calibre of scholars each year. To this end, the work of the alumni, through the Association of Marshall Scholars, plays a valuable and welcome role in amplifying the work of FCO in expanding the reach and profile of the MACC. Regular and ongoing collaboration between the Youth Engagement Team at the British Embassy in Washington and the Assistant Secretary to the MACC allows for exchange of expertise and knowledge – particularly in sharing expertise in the US and UK higher education space.

8.1.3.2 The ACU and SPEAD's experience in managing a portfolio of scholarship programmes enables and develops expertise which can be drawn on to improve programme delivery. Consultations with stakeholders suggested there remained scope to draw on the respective

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<sup>11</sup> Partnerships between departments and arm’s-length bodies: Code of Good Practice

skills and expertise of both parties. For example, the ACU could bring its monitoring and evaluation experience to the MACC and the FCO could bring a broader and deeper policy context to the programme. The FCO, and HMG more broadly, could make greater use of the alumni network in drawing on the breadth of expertise to contribute to policy thinking and departmental priorities across a broad range of priority sectors and policy areas. The ability of the UK to maximise the value of these partners and their networks is critical to the success of HMG's "academic diplomacy".

- 8.1.3.3 The review also highlighted gaps around data protection, where the MACC might benefit from more guidance and support from the FCO, particularly in light of the new data protection legislation that came into force in 2018. We understand that the ACU has participated in an FCO-hosted workshop for arm's-length bodies on GDPR, but such support has been ad-hoc. As this work carries with it legal obligations for both the FCO and MACC, **the Review Team recommends that the FCO's Data Protection Officer and the Chair of the Commission (supported by the ACU) meet to discuss how the FCO can best support the MACC in meeting its data protection obligations.**

#### 8.1.4 Principle of Engagement

*"Partnerships work well when relationships between departments and arm's-length bodies are open, honest, constructive and based on trust. There is mutual understanding about each other's objectives and clear expectations about the terms of engagement."*<sup>12</sup>

- 8.1.4.1 Having consulted extensively with key stakeholders, the Review Team assess that there is a constructive working relationship between the FCO and the MACC, the terms of which are clearly outlined in the Framework Document. As noted above, this includes regular, structured engagement, with SPEAD attendance at the four Commission meetings throughout the year, as well as at the Audit and Risk Management Committee (ARMC) meetings. There is also regular informal contact between the Assistant Secretary to the MACC, SPEAD and the British Embassy in Washington.
- 8.1.4.2 Quality and rigour of induction process is one of the criteria in assessing good corporate governance. We found that induction for those new to the MACC was inconsistent. All new Commissioners are briefed by the Chair of the Commission, the Assistant Secretary to the MACC and a member of the Scholarships Unit from SPEAD in the FCO. They do not meet representatives from USCCAD (the policy team responsible for the UK's bilateral relationship with the US). Consul Generals are usually briefed before their posting by the Assistant Secretary to the MACC (either in person or on the telephone), but this is not systematic and it was clear that this had not been done in all cases with the current team of FCO personnel in the US network. Consulate-General staff (Consul Generals and PPAOs) are ordinarily briefed by the Head of Youth

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<sup>12</sup> Partnerships between departments and arm's-length bodies: Code of Good Practice

Engagement at the British Embassy Washington. Regional Chairs are usually inducted by staff at the Consulate-General as well as the Assistant Secretary to the MACC. However, we found this was not always carried out and there is currently no formal induction/briefing in place on the Marshall Scholarship Programme for staff joining the US Team in USCCAD.

- 8.1.4.3 Both the MACC and SPEAD are satisfied that they keep each other informed about public announcements around the Marshall Scholarship Programme. However, the MACC would like to see greater support and coordination from the FCO in amplifying their communication efforts (e.g. retweeting comms messaging).
- 8.1.4.4 Some feedback suggested that the MACC (including the ACU) were not always informed in a timely fashion of announcements, policy changes or new requirements (like GDPR) which had implications for their work. It is incumbent on all the individuals concerned to think about these issues through the lens of the relationship with the arm's-length body and ensure that all relevant changes are brought to their attention either in writing or as part of the formal rhythm of meetings. The FCO's Communication Directorate may wish to consider how they might do this in a more coherent and collective way for all the ALBs that fall within their remit.
- 8.1.4.5 The Framework Document does not appear to provide a clear and formal mechanism or process for dispute resolution between FCO and the MACC. As part of the revision to the Framework Document (paragraph 8.2.4), we would suggest that this issue also be addressed.
- 8.1.4.6 Outside of the Tailored Review process, there is no systematic way in which the MACC and the FCO assess the effectiveness of their working relationship. The Chair and the Assistant Secretary to the MACC are consulted on the performance of individual FCO staff, through the annual appraisal system. The Review Team recommends that the MACC and the FCO introduce a more systematic and regular method (at least annually) of assessing the effectiveness of their working relationship. This could potentially be undertaken around the time of the publication of the annual report or the laying of the accounts.

## **8.2 The Framework Document**

A specific requirement of the PAVE Principles is that arm's-length bodies have a guiding document produced by the sponsoring department to outline the roles and responsibilities of stakeholders involved.

- 8.2.1 There is a Framework Document (Management Statement and Financial Memorandum) between the FCO and the MACC that is, for the most part, up-to-date and includes the necessary information as directed by the Cabinet Office. However, this document is not as comprehensive as it could be and has not been significantly adapted to suit the specific nature of the MACC and its relationship with the FCO.

8.2.2 Central Government guidance recommends that Framework Documents are reviewed at least once every three years and sooner if agreed by mutual consent of both parties. The MACC Framework Document was last reviewed in 2017 and signed off in January 2018. Prior to that, it was reviewed in 2013.

8.2.3 While we acknowledge that the primary purpose of the Framework Document is to set out the relationship and lines of accountability between the FCO and the MACC (as the arm's-length body), we believe there is merit in setting out more clearly the role and responsibilities of other partners who are responsible for the operational delivery of the programme as a whole. For example, this could usefully include the key roles undertaken by the British Embassy in Washington, the US network and Regional Selection Committees.

**8.2.4 The Review Team recommends that FCO and the Commission update the Framework Document in line with Cabinet Office guidance to better reflect the unique relationship between the MACC and the FCO and which includes details of the roles and responsibilities of all delivery partners.**

### **8.3 The Commission**

8.3.1 The Commission comprises a Chair, the Deputy Chair and a maximum of an additional eight Commissioners, of which at least “two shall be chosen as persons of eminence in academic matters”.<sup>13</sup> The Commission functions as a board for the programme. It does not directly employ any staff. The current Chairman is Mr Christopher Fisher who was appointed from 1 March 2016 through the public appointment process. There is no evidence to suggest that this is problematic or disproportionate for the MACC and we therefore conclude that this appointment practice should continue. The Chair of the Commission is designated the Accounting Officer for the MACC by the FCO's Principal Accounting Officer, the Permanent Under-Secretary.

#### **Committees**

8.3.2 To support the work of the Commission, the MACC has two committees: one for Education and the other for Audit and Risk Management (ARMC). Until 2017, there was also a Finance Committee but this was disbanded as part of the recommendations following the light-touch governance review. The remaining two committees are proportionate to the size and complexity of the programme and stakeholders viewed them as useful and added value to the work of the Commission, particularly in enabling the efficient running of Commission meetings.

#### **Reporting**

8.3.3 Under the requirements of the Act, the Commission is obliged to produce two annual reports – the Commission's Annual Report which is submitted to the Foreign Secretary and the Annual Accounts which is submitted through

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<sup>13</sup> Marshall Aid Commemoration Act 1953

the NAO. Both are laid before Parliament. The Commission's Annual Report is largely descriptive and provides several lists on receiving academic institutions, partner organisations, placement of scholars and some individual testimonies from scholars. We feel this report would benefit from a deeper analysis of the raw data and statistical comparison with previous years that would better evidence the MACC's efforts in growing the number of partner organisations and provide a fuller strategic picture of the Commission's direction of travel.

### **Diversity**

- 8.3.4 The diversity of the Commission has improved since the last review. There is now a good gender balance (currently five women to four men) with better regional representation across the UK and a better balance of skills and expertise, which allows for a broader set of contributions and thinking. There are no persons currently on the Commission who self-identify as being disabled or from a minority background. From our discussions with the Commission, it was clear that the Chair and Commissioners were aware of and committed to improving further the board's diversity. Appointments to the Commission are made by Ministers in a process led by the FCO in accordance with normal public appointment processes, in which the Commission participates. In recruiting new Commissioners, the FCO advertises positions as widely as possible, including using organisations such as Stonewall, Women on Boards and BAME<sup>14</sup> agencies. The FCO ensures that the interview panel for Commission appointments is diverse and the Sponsor Department reports to Ministers on the diversity of the applicants. The current exercise to appoint four new Commissioners provides an ideal opportunity to expand further the diversity of the Commission.
- 8.3.5 Some stakeholders commented that the senior academic world continued to be dominated by men from a relatively narrow demographic group. This was cited as an inhibiting factor in recruiting a more diverse pool of candidates. While this may hold true for specific sectors of academia, the Review Team did not think this material for the MACC as it does not require participation from specific branches of academia. Some Commissioners pointed to the fact that the voluntary nature of the role and the requirement to attend Commission meetings in London also had a restrictive bearing on potential applicants. Although we note that the ACU provides tele- and video-conference facilities for meetings.
- 8.3.6 From reviewing the minutes of Commission meetings and interviews with Commissioners, the Commission convenes at least three times per year, with at least four Commissioners in attendance as required by the Act. The number of Commission meetings has increased from three pre-2017 to four annually thereafter, all of which are attended by the FCO Head of Scholarships Team in an ex-officio capacity (as provided for in the Act). This increase was in response to the light-touch governance review that was undertaken in 2017. The additional meeting is intended to allow for more

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<sup>14</sup> Black, Asian and Minority Ethnic.

strategic discussions about the direction of the MACC, rather than the purely operational focus of the other MACC meetings.

- 8.3.7 In line with the obligations set out in the Framework Document and the Principles of Good Corporate Governance, the Chair undertakes an annual review of the performance of the Commissioners. This currently takes the form of an informal one-to-one conversation. The Chair's performance should also be subject to annual review by the Sponsor Department. We understand this is not currently in place. On both points, **the Review Team recommends that Commission and Sponsor Department agree a more formalised but proportionate process for performance review of the Commission Chair and Commissioners.** This would provide assurance that corporate governance best practice is being followed and that there is a transparent process in place for such reviews.

### **Skills**

- 8.3.8 For the Commission to operate effectively and efficiently, its needs to retain a good mix of relevant skills, knowledge and expertise among its Commissioners. We note that for the appointment of the six most recent Commissioners in 2016, the skills mix of the (incoming) Chair and the two existing Commissioners were taken into consideration. However, we understand that there is no document detailing the skills mix of the current Commission. We suggest that the Chair considers undertaking a light-touch skills audit. This would be particularly beneficial and timely as the Commission seeks to replace four Commissioners in 2019, including some who are currently serving on the Education and Audit and Risk Management Committee. The Commission may also wish to consider what other skills sets in might need to support its working going forward. Monitoring and evaluation is one specific area that has come up in the course of this review.
- 8.3.9 In line with corporate governance best practice, all Commissioners are obliged to complete a declaration of interests form. With the exception of one Commissioner, the register for declarations was up to date although we note that some were completed in January 2019 after this review had begun.
- 8.3.10 The Commission still focuses heavily on the day-to-day business of the scholarship programme and this is, in part, perpetuated by the way information is presented to Commissioners, with a level of detail that tends to focus more on process than outcome, including the level of procedural detail that is presented at meetings. Stakeholders felt that the Commission would be able to work more effectively and efficiently if the documentation for Commission meetings was shorter and more clearly set out analysis and any key trends or issues that the Commission needs to consider and discuss. It is also incumbent on the Commission to ensure that they provide clear guidance to the Secretariat on what is required so that the agenda and documentation for meetings is well targeted and best meets their needs. Therefore, **the Review Team recommends that the Secretariat improves the quality of reporting it provides for Commission meetings by ensuring all documentation is succinct and clearly presents analysis, trends and key issues to be considered by the Commission.**

8.3.11 Taking a more strategic approach would enable the Commission to take a longer term view of the programme. The additional meeting in the annual cycle has gone some way in addressing that need. The ACU manages effectively the administration for the scholarship programme. But the expansion in the number of scholars and the requirements attached to providing the administrative and operational hub for the programme, mean that the ACU's small Marshall Scholarship Team is already stretched. As noted earlier in the report, we speculated whether the ACU could provide some additional expertise from within the organisation to support discrete areas of work within the scholarship team e.g. in monitoring and evaluation and comms.

8.3.12 The Commission has been proactive in increasing the diversity of those awarded the scholarship through outreach and the selection process. While the chapter on effectiveness goes into greater detail on the improved diversity of the programme, the Review Team commends and encourages the Commission to continue recording, where possible, the socio-economic background of applicants as part of its broader ambition to measure the reach and diversity of the programme.

#### 8.4 Transparency and Data

8.4.1 We are satisfied that the MACC operates in a transparent way on its business and operations. In addition to the reports that it is legally obliged to provide and make public, the MACC provides a significant amount of other information on its website. This includes information around the application process and recruitment of scholars, details about the Commissioners and the Secretariat, its policies (including about complaints), publication of their Corporate and Business Plans and Freedom of Information request along with annual disclosure of transparency spend.

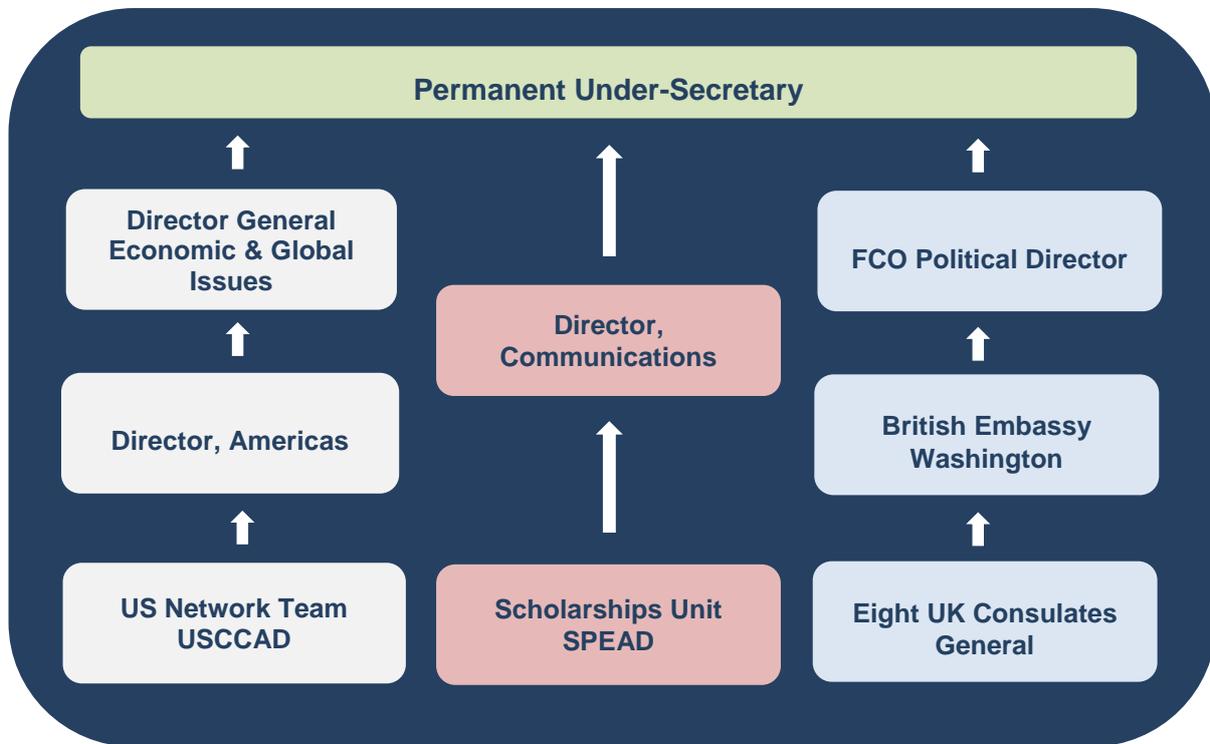
8.4.2 On the issue of data sharing, we were surprised to learn that neither the FCO nor the Embassy in Washington had direct access to Marshall Alumni data. Although this is not a reflection on the functioning of the MACC, it is an issue for the FCO. If HMG is able to realise a return on its investment in this programme, it needs to be able to track progress of its alumni (as part of HMGs impact narrative) and be able to engage them directly (where consent is given) in events and activities that might be mutually beneficial. The current arrangements, where the FCO is reliant on the ACU or the AMS for this information, is neither efficient nor satisfactory. **The Review Team recommends that SPEAD holds consultations with the FCO's Data Protection Officer and other relevant parties (i.e. the ACU and the AMS) to find a mutually agreeable solution for the sharing of data relating to Marshall Alumni.**

## **9. Relations between the MACC and the Sponsor Department**

- 9.1 The Soft Power and External Affairs Department (SPEAD) in the FCO's Communication Directorate is responsible for overseeing and managing the FCO's relationship with the MACC. The Director of Communication Directorate has been designated the Senior Departmental Officer (SDO) for the institutional relationship with the MACC. The SDO has the responsibility of ensuring that the FCO and MACC have a clear understanding of each other's objectives, methods of working and that there is effective collaboration between the two. The Scholarship Unit in SPEAD reports to the SDO through their Head of Department. The unit consists of a Senior Desk Officer (C5/SEO level), who manages day-to-day engagement with the MACC, which is overseen by the Head of the FCO Scholarships Unit (at D6/Grade 7 level). Although it should be noted that for both staff, the MACC makes up a relatively small part of their portfolio. We estimate in total this would account for approximately 0.4% of one FTE. However, given the recommendations and findings in this report, the Department may wish to consider whether its current staffing level is sufficient to discharge its management and oversight responsibilities.
- 9.2 As part of our review we interviewed a number of staff in the MACC, the ACU and the FCO to seek their views on the relationship between the programme and the Sponsor Department. Based on that consultation and the Review Team's own observational assessment, our judgement is that the sponsor team provides appropriate oversight and scrutiny of, and support and assistance to, the MACC. We observed a constructive and mutually supportive dynamic between the sponsor team and the MACC, which is underpinned by regular and ongoing dialogue.
- 9.3 The MACC and the FCO demonstrate a clear understanding of their respective roles and responsibilities, as laid out in the Framework Document. As part of its governance obligations, the FCO attends meetings of the Commission as an observer and does the same for the Audit and Risk Management Committee. The joint presentation of the Annual Report by SPEAD and the MACC to the FCO's Management Board in 2018 further underlines the productive working relationship between the two entities.
- 9.4 In the preceding chapter (on governance), we highlighted the benefits in making USCCAD more integrated and engaged in the programme. This has the potential to enhance the effectiveness of the FCO's strategic direction by bringing together in a more coherent way the soft power and harder-edged foreign policy dimension of the programme.
- 9.5 Outside of FCO headquarters, the UK's diplomatic network in the US plays a constructive role in supporting the Commission's work on recruitment and outreach to scholars and alumni alike.
- 9.6 While this chapter focuses exclusively on the relationship between the FCO and the MACC, it is also worth noting that this relationship is supported by a broader set of interactions between, for example, the Embassy in Washington's

Youth Engagement Team and the ACU, as well as the partnership which the FCO (and Posts) enjoys with the Association of Marshall Scholars.

**Diagram 5. FCO Governance of the MACC Programme**



### 9.7 Strategic Fit

9.7.1 As policy “owners” of the bilateral relationship with the US, an argument could be made for USSCAD to be the Sponsor Department for the MACC. The MACC exists to deliver soft power outcomes in support of the UK’s bilateral relationship with the US. There is a precedent in the location of the Great Britain China Centre, which sits under the remit of the FCO’s China Department and the MACC has previously been sponsored from North America Directorate.

9.7.2 However, in addition to managing the relationship with MACC, Communication Directorate has a number of other arm’s-length bodies (but not all) with which the FCO has formal responsibility e.g. British Council and Wilton Park. Keeping these ALBs under one Directorate could help ensure a coherent FCO approach to its ALBs and also provide an institutional repository of knowledge on central policy on public bodies, from which other Directorates could also benefit.

9.7.3 Given the soft power expertise within SPEAD, and their experience of managing the relationship with three other NDPBs, the Review Team conclude that SPEAD should remain the Sponsor Department.

## **9.8 Proportionality**

9.8.1 MACC is the smallest ALB in SPEAD's portfolio in terms of budget and operational complexity. It is also significantly smaller in scale to the Chevening Scholarship Programme. There is a feeling among some stakeholders that, as a result of that, the MACC can be overlooked with engagement being routinely devolved to desk level managers. Although the programme is small, the Review Team assesses that, as a purely bilateral UK-US tool, Marshall offers a potentially disproportionate opportunity for impact in support of HMG objectives.

9.8.2 The new Head of Scholarships Unit is to be commended for his efforts in improving understanding within the FCO of the work of the Commission. There has been a discernible step-change in internal communications about the MACC.

## **9.9 Development**

9.9.1 Although the overall relationship between MACC and the Sponsor Department is in good shape, previous chapters in this report have pointed to areas that could be improved further. One area is around the availability and accessibility of FCO expertise e.g. on data protection, monitoring and evaluation and internal audit. We understand the need for SPEAD to act as a gateway between the MACC and other FCO departments and services, but this must not introduce a barrier or undue delays to the Commission receiving a response to its enquiries and/or requests.

9.9.2 As noted in the preceding chapter, some feedback suggested that the MACC (including the ACU) were not always informed in a timely of fashion of announcements, policy changes or new requirements (like GDPR) which had implications for their work. SPEAD will need to work closely with the MACC in addressing both these issues going forward.

## **9.10 The UK's Departure from the European Union**

9.10.1 Under the terms of reference, the Review Team was asked to assess any potential impact of the UK exiting the EU on the Marshall Aid Commemoration Commission. No issues were identified during the consultation process with stakeholders and we do not see any specific implications for the Commission itself. In broader political terms, the programme, as whole, does constitute a small but tangible component of HMG's Global Britain agenda, which UK Ministers have said will be an increasingly important facet of our foreign policy when the UK leaves the EU<sup>15</sup>. In that sense, the Marshall Scholarship programme will continue to be a demonstrable symbol of that global engagement.

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<sup>15</sup> An Invisible Chain: Speech by the Foreign Secretary, 31 October 2018

## 10. The Scholarship Model

10.1 While not in the scope of a Tailored Review to look at policy and operational matters, it is clear that the scholarship model is of interest to the Commission and the FCO. Some stakeholders questioned whether the current two-year scholarship model, or whether a one-year scholarship model, is the best way to achieve the MACC's strategic aims.

10.2 The Review Team considered whether replacing the two-year scholarship with a one-year scholarship would jeopardise scholars' depth and breadth of experience, and motivation to act as lifelong ambassadors; or, whether a one-year model offered to more American citizens would have more impact in strengthening British American understanding. This was assessed by looking at the current two-year scholarship model and the impact that the length of scholarship has on each of the MACC's strategic aims.

10.3 Stakeholder interviews found diverging opinions of the current scholarship offer. Anecdotal evidence suggests the second year is needed so that scholars can build depth and breadth of ties to the UK. However, interviews also revealed that scholars would have applied for the Marshall Scholarship even if it was only a one-year offer and there is uptake of the one-year option which is currently available (paragraphs 10.4.3-10.4.5). Therefore, further investigation is needed and building upon the findings in this report, **the Review Team recommends that the Commission (supported by the ACU) presents to the FCO a comparative analysis with recommendations on the value of the current two-year scholarship format and the potential merits of replacing it with, or expanding the one-year scholarship offer.** The three year format might also be usefully included as part of this analysis.

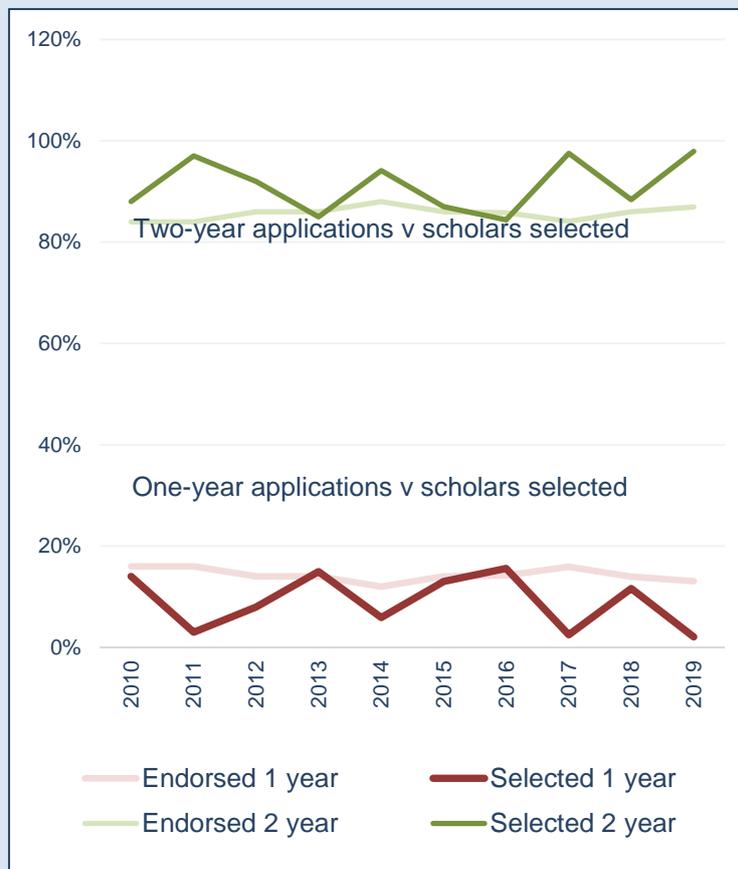
### 10.4 The current two-year scholarship model

10.4.1 The Marshall Scholarship offers successful candidates funding for two years' study in the UK. This is predominantly taken as two one-year Masters programmes, usually at two different UK institutions. The programme also accepts PhD applications on the grounds that the Commission will fund the first two years of study but the third year funding cannot be guaranteed (the third year is often funded by the relevant institution). Masters degrees of two years in length are also accepted.

10.4.2 The selection process thoroughly interrogates applicants' rationale for their proposed courses and institutions; including combinations of two single year degree programmes, reasoning for a particular course and specific institution(s), and why the UK would be the best place to achieve this. Combinations of two one-year degrees undertaken by current Marshall Scholars range from Sociology at Cambridge and Theatre Studies at the Royal Central School of Speech and Drama to Islamic Studies at Edinburgh and Counterterrorism at King's College London.

10.4.3 In 2010, the MACC introduced a one-year scholarship in an effort to expand the Marshall Scholarship's appeal to a more diverse range of candidates. So far, applications for these one-year scholarships have been low (consistently between 12-16% of total applications), and the success rate of these candidates has also been low (2-16% of scholars selected). The statistics show that on average more one-year applicants are endorsed (14%) than selected (9%), and the number selected has been particularly low since 2017 (an average of 5%).

**Graph 4. % endorsed applicants and selected applicants for one-year versus two-year scholarship 2010-2019**



10.4.4 It is difficult to determine the reasons for this low level of interest in the current one-year scholarship offer and the even lower success rate of one-year applicants. This could be a reflection of a reduced appeal of a one-year scholarship; this option may be less understood than the well-established two-year scholarship; these candidates may be less persuasive in interview when discussing their rationale for a single degree programme; or, perhaps the candidates are not as high calibre. However, the fluctuation in one-year scholars selected and the fact that the percentage selected was higher than those endorsed in 2013 and 2016 suggests that these candidates are

not necessarily less persuasive nor as high calibre if they have formed a larger portion of the Marshall cohort historically (see Graph 4).

10.4.5 Given that there have been 31 successful one-year Marshall Scholars, the value of a one-year model cannot be overlooked.

**10.5 Impact on strategic aim 1: To enable intellectually distinguished young Americans, their country's future leaders, to study in the UK.**

10.5.1 The Marshall Scholarship relies on the programme's perception and its ability to attract high calibre American citizens. Remodelling the scholarship from two years to one risks jeopardising the programme's reputation and reducing the programme's competitiveness in the scholarship market. However, if the change to a one-year offer was complemented by an increase in the number of scholarships awarded, this would effectively increase the number of intellectually distinguished young Americans able to study in the UK.

10.5.2 Interviews raised the concern that two-year Masters degrees are the norm in the US. Therefore, a one-year degree in the UK could disadvantage scholars on their return to the US job market and discourage American citizens from applying in the first place. Current scholars have stated that they still would have applied for a one-year Marshall Scholarship; however, they may have prioritised an alternative two-year scholarship in place of the Marshall. Further investigations comparing the paths of one-year and two-year Marshall Scholars following the completion of their studies in the UK could be used to reveal any potential trends in the relationship between ease of career progression and length of postgraduate study.

10.5.3 The Commission and the ACU raised concerns that only offering a one-year Marshall Scholarship would reduce the programme's competitiveness compared to other prestigious scholarships, particularly Rhodes, Gates, Mitchell and Schwarzman, which all offer two-year scholarships. However, stakeholder interviews (scholars, alumni, and both UK and US academics) also revealed that the commitment to academic excellence and depth of knowledge, as well as the flexibility afforded by the programme to study almost any subject at almost any UK institution is a differentiating factor that attracts applicants. Moving to a one-year model that maintains the current flexibility would somewhat mitigate against any loss of competitiveness from changing the two-year model.

10.5.4 Reducing the length of scholarships from two years to one year would free funding to award more scholarships. To increase the number of scholars would effectively secure goodwill and influence for the UK amongst more of America's future leaders. However, the Commission believes that the Marshall Scholarship is about quality rather than quantity, and increasing the number of scholars above 50 would considerably alter the nature of the programme. A larger cohort would take away the small, well-connected experience and the high quality, bespoke, hands-on support currently

offered. This also risks the scholarship's prestige and appeal to high calibre American citizens in a competitive scholarship market.

#### **10.6 Impact on strategic aim 2: To help Scholars gain an understanding and appreciation of contemporary Britain.**

10.6.1 The understanding and appreciation of British culture gained by Marshall Scholars depends on the time and experiences afforded them while studying in the UK. Doubling the period that a scholar spends in the country undoubtedly increases their opportunity to develop depth and breadth of ties to the UK. However, questions surround the extent that the additional year deepens such ties and feedback remains positive from Marshall Scholars that have completed the one-year programme.

10.6.2 Two years study in the UK (rather than one) provides for a deeper insight into British culture as scholars have an additional year to explore the country. The most common Marshall Scholarship model, studying two one-year degrees at two different UK universities, also broadens understanding and diversifies experience of the UK. However, the Marshall Plus programme, through its organised events, enables both one- and two-year scholars to gain understanding of the UK. The suggestion to develop additional opportunities to engage scholars during their time in the UK (paragraph 6.5) would also counter concerns around fewer opportunities for one-year scholars. In addition, the Golden Triangle (Oxbridge and London universities) remains the most popular choice amongst Marshall Scholars meaning less diversification of experience as these UK academic institutions are less geographically diverse.

10.6.3 Consultation with stakeholders also raised concern about the difference between the UK and US academic calendar (US runs August – July, UK runs September – August). If returning to the US for further postgraduate study after completing the scholarship (as most do, for example law, medicine or a PhD), scholars would need to be back in the US before August. Thus, if completing a one-year scholarship, scholars would spend approximately 10 months in the UK (September – July), and evidence shows that since 2010, 46% of one-year scholars have departed from the UK in July or early August. This considerably reduces the time to build depth and breadth of ties as opportunities to travel around the UK during the summer holidays are lost.

#### **10.7 Impact on strategic aim 3: To contribute to the advancement of knowledge in science, technology, the humanities and social sciences and the creative arts at Britain's centres of academic excellence.**

10.7.1 If flexibility continues to be afforded, in that scholars can choose to study almost any subject at almost any UK institution, the current breadth of subjects should continue. Therefore, the aim to advance knowledge in science, technology, the humanities and social sciences and the creative arts is least likely to be impacted by any change to the scholarship model.

However, a one-year scholarship may limit the range of British centres of academic excellence chosen by Marshall Scholars.

10.7.2 Studying two one-year degrees at two different UK universities increases the diversity of institution attended by Marshall Scholars. Most scholars gravitate towards the Golden Triangle; however, the Commission and the ACU encourage scholars to consider spending their second year at a lesser well known university in the UK that still offers an excellent education (and which is sometimes better aligned with the scholar's area of interest). This also helps counter previous concerns that the programme was too Oxbridge and London-centric.

**10.8 Impact on strategic aim 4: To motivate Scholars to act as ambassadors from America to the UK and vice versa throughout their lives thus strengthening British American understanding.**

10.8.1 To be motivated to act as ambassadors between the two countries, American citizens need to develop a familiarity and fondness for the UK and its people. Similarly to the aim of gaining an understanding and appreciation of contemporary Britain, doubling the period that a scholar spends in the UK undoubtedly increases their opportunity to build people-to-people links. However, further investigation is needed into whether one year would be sufficient to establish long-lasting relationships and the sense of gratitude needed to act as a motivating factor when it comes to acting as an ambassador from America to the UK and vice versa.

10.8.2 The additional year enables stronger and longer-lasting personal, academic, and professional bonds; leading to stronger goodwill and understanding of the UK amongst a group of future US leaders. While time spent in the UK in these formative years is important, it does not necessarily indicate what level of contact a scholar may go on to have with the UK throughout their career.

10.8.3 Offering the current number of scholarships but only the one-year model would effectively save money by theoretically halving the programme's budget (48 x one-year scholars instead of 48 two-year scholars). However, this would be seen as a downgrading of HMG's investment in the programme, and bring into question the UK's commitment to nurturing the people-to-people ties between the UK and US.

10.9 Given the arguments set out above, the Review Team concluded that further evidence is required to support these assertions and to demonstrate whether the current structure of the programme is the most appropriate, best value, and impactful way of achieving the MACC's and the FCO's objectives (see paragraph 10.3 for the recommendation made).

## Annex A. Terms of Reference

### Marshall Aid Commemoration Commission Tailored Review

#### 1. Objective of the Review

Good corporate governance requires that public bodies are efficient, effective and accountable, and provide value for money. The Government's approach to public bodies' reform for 2015 to 2020 builds on the successes of the 2010 to 2015 Public Bodies Reform Programme. This new approach is based on a two-tier approach to transformation: a programme of cross-departmental, functional reviews coordinated by the Cabinet Office, coupled with ongoing, robust 'tailored reviews' led by departments with Cabinet Office oversight and challenge. For the first time, these reviews will now include executive agencies and non-ministerial departments. The aim of all such reviews is to provide a robust challenge to, and assurance on, the continuing need for the organisation in question – both in function and form.

The Review will assess in particular:

- The effectiveness of **the organisation** in its function and form in delivering its objectives, supporting FCO priorities and UK/US relations.
- The effectiveness of **the programme** in its function and form in delivering the organisations objectives, supporting FCO priorities and UK/US relations.
- The **control and governance arrangements** in place to ensure that the organisation and its sponsor are complying with the Cabinet Office's code of good practice on partnerships with arm's-length bodies and that they are optimal for the organisation's effectiveness.

#### 2. The scope of the Review - Tailored Review

A Tailored Review of the Marshall Aid Commemoration Commission (MACC) is planned to start in the third quarter of the 2018/19 financial year. The Review will cover the contribution by the MACC to FCO priorities and to the Government as a whole and the Devolved Administrations.

The Review will look both at the current performance of the MACC and at how it is able to respond and adapt to those factors which are most likely to affect its position as a prestigious scholarship provider and effective public diplomacy tool for the UK.

Due to the relatively limited size and complexity of the organisation this will be a Tier 2 TR (and at the lower end of complexity and scale for a Tier 2 TR).

#### 3. The focus for the Review

##### 3.1 Form and function

- The TR should determine whether the form and function of the MACC is still required and aligned to wider departmental and government objectives.

- It should look at the current classification of the MACC as a NDPB (a change in classification could have an impact on the controls which apply to the organization, albeit this is not solely determined by classification).
- It should look at the diversity of the Commission and the programme (scholars), and the steps taken by the MACC to, where necessary, improve this. This will include consideration of socio-economic background as well as formal protected characteristics.

### **3.2. Efficiency**

- The TR will examine the MACC's current operational structure, the role of the administrator (the Association of Commonwealth Universities), and of the FCO.
- The potential for efficiency in internal administration between multiple contracts given the ACU's contractual role in administering HMG's other scholarship programmes, Chevening and Commonwealth. The review's scope will not, however, extend to the management of the other scholarship programmes.
- It should also evaluate value for money of the programme.

### **3.3. Effectiveness**

- The TR should consider the overall effectiveness of the MACC in delivering against the objectives of its Mission Statement
- The contribution of the MACC to the priorities of HMG, the FCO and the Devolved Administrations, including Global Britain, Brexit, soft power, and UK/US relations (including a focus on future proofing, and adaptability to changing requirements)
- The extent to which the MACC's functions are directly or indirectly delivered in a devolved context
- The potential impact of exiting the European Union on the MACC.

### **3.4 Economic model and sustainability**

- The TR should examine the long term sustainability of the MACC's finances to deliver its objectives.
- The model of financial liability incurred over multiple financial years and implications for funding settlements from the FCO.
- Its effectiveness in leveraging funding and support through other income sources.
- The impact of increasing costs due to inflation (primarily university fees)
- The suitability of existing financial controls and accountability

### **3.5 Governance**

- The TR should consider any governance and status issues, including a Review of the Management Statement and Financial Memoranda.
- It should examine the effectiveness of the MACC Commissioners and sub committees (including the Audit and Finance), including:
  - The role of the Commission in setting and monitoring the strategy of the MACC, how this is assessed and how the FCO inputs to this process;
  - The role and effectiveness of the MACC's sub committees in supporting the effective management of the MACC.

- Whether governance controls in place follow principles of good corporate governance set out in the 'Partnerships with arm's-length bodies code of good practice';
  - The relationship between the MACC and the FCO (covering accountability and effective and productive working relationships, including those in a devolved context);
- It should examine the controls and oversight which are appropriate to the status of the MACC to ensure the balance between risk management, strategic direction and independence.
  - It should include a review of the current governance documents in place between the FCO and the MACC, and examine the MACC's engagement with HMG and any wider policy or strategic reviews that are being conducted.

### **3.6 The MACC's relationship with the FCO**

- The TR should ensure that the relationship between MACC and the FCO is being managed in compliance with good corporate governance as described in the Cabinet Office code of good practice for partnerships with arm's-length bodies and including accountability, sponsorship and working relations at all levels.
- It should review the governance / framework documents and more clearly define the FCO's Government sponsorship role and updating of the Management Statement and Framework Document memorandum to reflect the degree of oversight.
- It should consider the FCO's role in delivering outreach, marketing, recruitment and engagement for the Marshall programme in the US (through the Embassy and Consul Generals)

**4. Scoping pack to include:** The 2014 Cluster Review report; Framework Document; Management Statement; Annual Report; Business Plan, 2018-21 Corporate Plan; Organograms; key Stakeholder list; other governance papers.

### **5. Review Team and Challenge Group**

The independent review team consists of FCO officials from outside the sponsor team. The team will formally take up their role in October 2018. The Review Team is responsible for launching the review by Written Ministerial Statement, consulting stakeholders, gathering evidence, analysing results, writing the report and disseminating its results. The Review Team must maintain strong relations with the review oversight group (Challenge Group) whom they consult throughout the process. The Tailored Review will include a Challenge Group to test and challenge the assumptions of the Review Team. The exact make up is yet to be determined but will include a Cabinet Office Representative (Elliott Brinkworth, Strategic Assurance Lead, Public Bodies Team), 1 SMS FCO member of staff, and an external representative with experience of scholarship programmes.

## **6. Methodology**

The Review will begin in October 2018 and is scheduled to end by February 2019. The Challenge Group will have regular oversight of the interim findings to ensure the review is robust and rigorous. The Review Team will consult the Group throughout the process and will maintain regular discussions with the Cabinet Office Public Bodies Reform Team. Interim findings will be shared with key stakeholders including MACC Commissioners and the Association of Commonwealth Universities.

The methodology will include:

- Desk based research of key documents.
- Targeted call for evidence with relevant stakeholders followed by meetings to explore some of the issues in more detail.
- Site visits to the Association of Commonwealth Universities to gain an in-depth understanding of how the organisation operates and its effectiveness.
- Consultations with FCO policy colleagues, Whitehall and Devolved Administration partners.
- Work with relevant FCO policy/financial leads to provide advice on analytical, financial, legal and policy aspects to make sure any recommendations are robust and achievable.
- Engagement with the Embassy and Consul Generals in the US, MACC recruitment committees, partner academic institutions, and alumni.

## **7. Ministerial Approval**

The Minister for the Constitution will sign off the Terms of Reference. As a Tier 2 Tailored Review, the final report and recommendations will be signed off, on behalf of the Minister for the Constitution, by officials from the Public Bodies Review Team. FCO Ministers will have the opportunity to comment on the scope of the review and will sign off the final report and recommendations.

## Annex B. Previous Review Recommendations

Recommendations from 2013-14 Triennial Review	Status / implemented?
<b>The Alumni Association</b>	
<p>That the MACC recognises the efforts made by the Association of Marshall Scholars to expand the Scholarship programme and encourages them to continue their work through the proposed endowment fund.</p>	<p>Yes – MACC regularly recognises the impact of the AMS as an ‘enabler’ to the expansion of the Marshall scholarship programme – through fundraising and establishment of an endowment fund which now provides for one scholarship every two years in perpetuity.</p>
<p>That the MACC works with the AMS to use the 60th anniversary in 2014 of the arrival of the first Marshall Scholars in the United Kingdom to promote the Scholarships.</p>	<p>Yes – the 60<sup>th</sup> anniversary event was attended by several notable alumni and high-profile guests which has helped promote the scheme.</p>
<b>The Financial Memorandum</b>	
<p>That the Management Statement and Financial Memorandum are laid in the House of Commons Library by the FCO, as required in paragraph 1.1.8 of the Memorandum. That this is done at the same time as this Review is laid in the Libraries of the House of Commons and House of Lords.</p>	<p>Yes – this has been implemented.</p>
<b>Conduct</b>	
<p>That MACC consider whether it would be appropriate to extend the Code of Conduct to Secretariat staff in the interests of requiring common standards of behaviour for all those involved in the management of the scholarship programme.</p>	<p>Yes - this has been extended to all Secretariat staff.</p>

## Transparency

That the MACC give further thought to whether there is scope for public access to one MACC board meeting a year, and how this might work in respect of data protection concerns.

No – public access once a year not implemented. *Public Bodies guidance stipulated having open access to the public once a year.*

## British Embassy Washington's role

That the Embassy, supported by the Consulates General, continues to devote resources to promoting the smooth administration of the Scholarship programme, including its prestige and the fairness and the integrity of the selection process.

The Embassy and Consulates General devote time and resource to the administration of the programme (outreach, regional selection and PR).

## Diversity

That the MACC considers whether, in the interests of ensuring that Regional Committees are regularly exposed to fresh thinking, the term of appointment of the Regional Committee members should be brought in line with that for Commissioners and be reduced to three years with an option of a second three year term.

There are term limits for Regional Chairs (two four-year terms). Chair term limits are adhered to, although there is a question surrounding term limits for Regional Selection Committee members that progress on to be Chair for their region.

That to ensure that the MACC is not vulnerable to charges of gender bias; steps are taken over time to move towards a more equitable gender balance in those committees where women constitute less than 40% of the membership.

The Regional Selection Committees have a good gender balance and meet the requirement that a minimum of 40% are female. On the gender balance of scholars, 2018-19 was the first time more females than males were awarded the scholarship. Regional chairs have undertaken unconscious bias training.

That to ensure that the MACC is attracting Scholars which reflect the ethnic diversity of the United States.

The MACC, Embassy and Consulates have made efforts to widen the diversity pool of scholars through outreach to a wider range of academic institutions and representative organisations.

Thought is given to how to obtain a voluntary record of the ethnicity of Scholars.

A voluntary record of scholars' ethnic backgrounds has been built following a change in the Marshall Scholarship's application form. As of the 2019 selection process, the MACC now has three years of data on ethnic diversity and intends to publish these statistics going forward.

The work continues on outreach activities to encourage a representative selection of students to apply for scholarships

Yes – through outreach efforts of the US network.

The MACC has also introduced the At-Large Committee, which considers the overall profile of each cohort and allocates reserve candidates.

### Cluster Review 2014-15

- The last Tailored Review took place in 2014 and was unique in considering the three major HMG scholarship programmes in a 'cluster review'. This included the Chevening programme, which is not a NDPB and does not require a Tailored Review.
- This Cluster Review made recommendations in March 2015 on how to maximise the synergies and improve HMG delivery of scholarships. FCO and DfID Ministers agreed the main recommendation that the three schemes should continue as they were, with separate objectives and individual brands. An initial recommendation suggested that the three programmes should be combined in a single NDPB, however, this was reviewed and a final agreement was reached that the three programmes should continue in their current form and not be combined.
- There was also discussion of moving the Commonwealth Scholarship Commission from DfID to the FCO. However, after further discussion between the two departments at Official and Ministerial level, it was agreed to keep the programmes with their respective Departments.
- In order to take forward the recommendations on maximising the synergies of the three programmes, a cross-government scholarships group was formed to improve collaboration and join-up across the programmes. This met regularly between 2015 and 2017 and provided an effective forum for greater synergy.

## Annex C. Membership of the Review Team and Challenge Panel

### The Review Team

**Jaime Turner**

Lead Reviewer, Projects Task Force, FCO (October – February 2019)

**Mark Rush MBE,**

Lead Reviewer, Projects Task Force, FCO (February – March 2019)

**Philippa Stroud**

Project Officer, Projects Task Force, FCO

**Emmi Ilic**

Project Officer, Projects Task Force, FCO

**Naomi Osborne-Wood**

Project Officer, Projects Task Force, FCO

### The Challenge Panel

**Gaenor Bagley** (Chairperson)

FCO Non-Executive Board Member

**Penny Egan CBE**

Executive Director, US-UK Fulbright Commission

**Elliot Brinkworth**

Strategic Assurance Lead, Public Bodies Reform, Cabinet Office

**Susannah Goshko**

Head of Intelligence Policy Department, FCO

## Annex D. Stakeholder Interviews

### Marshall Aid Commemoration Commission

Christopher Fisher, Chair of the Commission  
Janet Legrand QC (Hon), Deputy Chair  
Alan Bookbinder  
Alice Prochaska  
Brian Cantor  
Suzanne McCarthy  
Simon Newman  
Barbara Ridpath  
Xenia Wickett

### The Association of Commonwealth Universities

Joanna Newman, Executive Secretary  
Mary Denyer, Assistant Secretary  
Keith Stephenson, Chief Finance Officer

### Foreign and Commonwealth Office

Soft Power & External Relations Department, Communication Directorate (4)  
US, Canada and Caribbean Department, Americas Directorate (4)  
British Embassy, Washington (4)  
Consulates General in the US network (6)

### Marshall Scholars

Current Scholars (15)  
Marshall Alumni (11)

### Marshall Regional Selection Committees

Chairs of the eight Regional Selection Committees

### Association of Marshall Scholars

Nell Breyer, Executive Director  
Bill Coquilette, Treasurer  
Shannon Felton Spence, Director of Communications

### Scholarship Sector

Chevening Scholarship Programme  
Commonwealth Scholarship Commission  
Fulbright Commission  
Department for Education

### UK Academic Institutions

Cardiff University  
Courtauld Institute of Art  
Cranfield University  
Durham University  
Exeter College, Oxford  
Kings College London  
London School of Economics  
Queen's University Belfast  
Trinity College, Cambridge  
University of Birmingham  
University of Glasgow  
University of Manchester  
University of Sussex  
University of Westminster

### **US Academic Institutions**

Boston University  
Duke University  
Howard University  
North Eastern University  
Stanford University  
State University of Florida  
University of California, Berkeley  
University of Massachusetts  
University of Portland, Oregon  
American University, Washington D.C.

Note: the numbers in brackets represent the number of people interviewed

## **Annex E. Documentation Reviewed**

### **MACC Documents**

- 2017 Framework Document (Management Statement and Financial Memorandum) (December 2017)
- 2013 Management Statement (February 2013)
- Marshall Aid Commemoration Act 1953
- Marshalls Scholarships Act 1959
- 1953 Administrative Regulations
- 2011 Administrative Regulations
- MACC Corporate Plan 2018-2021
- MACC Business Plan 2018 (March 2018)
- MACC Handbook for Regional Committees: 2019 Competition
- Marshall Scholarship Handbook (for applicants) (April 2018)
- Annual Report 2017
- Annual Account 2017-2018
- Commission meeting minutes 2014-2018
- Audit and Risk Management Committee meeting minutes 2013-2018
- Education Committee meetings minutes 2013-2018
- Commissioner Registers of Interests
- Regional Selection Committee Registers of Interests
- Commission Light-Touch Governance Review (March 2017)
- Code of Conduct
- Anti-Fraud Policy
- Complaints Policy
- Conflicts of Interest
- Gifts and Hospitality
- Information Management Agreement
- Travel Policy
- Competition statistics 2013 – 2019
- FOI Publication Report
- FOI Guide to Information

### **Previous Reviews**

- HMG scholarships cluster review (March 2015)
- Triennial Review Report: Marshall Aid Commemoration Commission (July 2013)

## Other Scholarship Programmes

- KPMG and Foreign and Commonwealth Office: Chevening Evaluation (July 2016)
- Contract for the Provision of Administration Services for the Chevening Programme (2016)
- Commonwealth Scholarship Commission Framework Document (April 2018)
- Commonwealth Scholarship Corporate Plan 2018-2019
- Commonwealth Scholarship Business Plan 2018-2019

## UK Government Guidance

- Cabinet Office Code of Conduct for Board Members for Public Bodies (June 2011)
- Civil Service: Introduction to Sponsorship: An Induction Pack for New Sponsors of Arms-Length Bodies (April 2014)
- Cabinet Office: Partnerships Between Departments and Arms-Length Bodies: Code of Good Practice (February 2017)
- HM Treasury: Managing Public Money (July 2013, March 2018)
- HM Treasury/Cabinet Office: Corporate Governance in central government departments: Code of Good Practice (April 2017)
- HM Treasury: The Green Book: Central Government Guidance on Appraisal and Evaluation (2018)
- HM Treasury: Managing the Risk of Fraud: Guidance for Managers (May 2003)
- HM Treasury: The Government Financial Reporting Manual 2017-18 (December 2017)
- Cabinet Office: Tailored Review: Guidance on Reviews of Public Bodies (July 2017)
- Public Sector Internal Audit Standards: Applying the IIA International Standards to the UK Public Sector (March 2017)
- Cabinet Office: A Guide for Managing Public Bodies (June 2006)
- Cabinet Office Governance Code on Public Appointments (December 2016)

## Annex F. Partner Organisations

The MACC has entered into partnership agreements with 56 British universities and colleges, 29 of which are new or have been renewed under the current Chair of the Commission. Unless otherwise specified in the 'Additional comments' column, under these agreements, the MACC meets the Scholars' maintenance costs and the partner university or college waives tuition fees.

Universities	Agreement signed/renewed	Number of tuition fee waivers p/y	Number of scholars benefitted	Additional comments	
1	University of Bath	2018	1	0	
2	University of Birmingham	2006, 2013	2	5	
3	University of Bradford	2017	1	0	
4	University of Bristol	2008, 2017	3	5	£10,000 Scholarship for Marshall applicant interviewed but unsuccessful who listed Bristol as first choice
5	Cardiff University	2006, 2018	1	2	
6	College of Life Sciences, University of Dundee	2012, 2017	1	0	PhD candidates
7	Durham University	2008, 2013, 2017	1	2	
8	University of East Anglia	2011, 2017	1	4	
9	University of Edinburgh	2008, 2015	3	14	Increased to 3 tuition fee waivers as of 2018
10	University of Exeter	2017	1	0	
11	University of Glasgow	2009, 2015	1	4	
12	Goldsmiths University	2017	1	1	
13	Guildhall School of Music and Drama	2006	1	4	
14	Imperial College London	2004	3	24	
15	King's College London	2011, 2017	3	9	Increased to 3 tuition fee waivers as of 2018
16	University of Kent	2011	1	0	

17	University of Leeds	2008, 2013, 2018	1	2	
18	University of Liverpool	2008, 2017	2	2	Originally offered 1 waiver
19	London School of Economics	2015	3	6	Increased to 3 tuition fee waivers as of 2019
20	London School of Hygiene & Tropical Medicine	2015	2	4	Originally offered 1 waiver
21	University of Manchester	2015	2	2	Originally offered 1 waiver
22	Newcastle University	2006, 2011, 2017	1	1	
23	University of Nottingham	2008, 2013, 2017	1	2	
24	Queen Mary, University of London	2005, 2013, 2018	2	8	Increased to 2 tuition fee waivers as of 2018
25	Queen's University Belfast	2006	1	4	
26	University of Reading	2008, 2015	2	2	Increased to 2 tuition fee waivers as of 2017
27	Royal Academy of Music	2009	1	2	
28	Royal Holloway	2005, 2011, 2017	1	3	
29	Royal Northern College of Music	2013	1	0	PhD candidates
30	University of St Andrews	2017	1	0	
31	University of Sheffield	2008, 2015	2	4	
32	SOAS University of London	2017	1	2	
33	University of Southampton	2010, 2015	1	1	
34	University of Surrey	2008, 2013	1	0	
35	University of Sussex	2010, 2015	1	3	Donation from a Marshall Alumnus in 2017 means half the stipend is also covered
36	University College London	2008, 2017, 2019	3	12	
37	University of Warwick	2007	2	2	
38	University of York	2008, 2014	1	2	
<b>Oxford Colleges</b>					
39	Balliol College, Oxford	2017	1	1	+ waives all College fees

40	Christ Church, Oxford	2018	1	0	+ waives all College fees
41	Exeter College, Oxford	2017	1	1	+ waives all College fees
42	Magdalen College, Oxford	2017	1	1	1 waiver at a time; + waives all College fees
43	New College, Oxford	2008	2	14	MPhil/DPhil; + waives all College fees
44	Nuffield College, Oxford	2008	1	7	MPhil/DPhil; 50% split tuition and College fees with the MACC
45	Oriel College, Oxford	2005	1	4	MPhil/DPhil; 1 part waiver at a time; £15,000 towards tuition and college fees
46	Somerville College, Oxford	2012	1		MPhil/DPhil
47	Trinity College, Oxford	2011	1	5	£10,000 towards College and Tuition; 1 part waiver at a time
48	University College, Oxford	2018	1	1	+ waives all College fees
<b>Cambridge Colleges</b>					
49	Christ's College, Cambridge	2018	1	0	+ waives all College fees
50	Gonville and Caius College, Cambridge	2008, 2015	1	7	1 waiver at a time; stipend paid by College, tuition fees paid by MACC
51	King's College, Cambridge	2018, 2017	1	8	1 waiver at a time; 50% split tuition and College fees with the MACC
52	Newnham, Cambridge	2018	1	0	+ waives all College fees
53	Pembroke College, Cambridge	2017	1	2	1 waiver at a time; + waives all College fees
54	Peterhouse, Cambridge	2017	1	1	+ waives all College fees
55	St John's College, Cambridge	2008, 2015	1	10	+ waives all College fees
56	Trinity College, Cambridge	2018	1	0	+ waives all College fees

## Annex G. Role of the Commission and Key Operational Partners

<b>The Marshall Aid Commemoration Commission</b>
<p>The Commission is responsible for administering the British Marshall Scholarships Programme. It is an executive Non-Departmental Public Body, which is sponsored by the Foreign and Commonwealth Office. It is formed of ten persons, one of whom is appointed the Chair. These are non-remunerated posts. The Commission meets four times year and is supported in its work by an Audit and Risk Management Committee and an Education Committee. The Commission is responsible for developing a three-year Corporate Plan and one-year Business Plan, which provides strategic direction to the programme and provides an accountability framework for its work. The Commission also produces the Annual Account and Annual Report, both of which are laid before Parliament through the FCO.</p>
<b>The Association of Commonwealth Universities (ACU)</b>
<p>The Commission appoint, and pay, an Executive Secretary for the operational delivery and administration of the scholarship programme on their behalf. The Association of Commonwealth Universities (ACU) has always undertaken this secretariat role and a new contract was signed in March 2017 permitting the ACU to continue providing the MACC's secretariat. The Secretariat reports to the Commission through the four annual Commission meetings, as well as through ad-hoc requests made by the Chair of the Commission. It has day-to-day responsibility for liaison with scholars and their host institutions, including administration for the scholars' stay in the UK.</p>
<b>The Foreign and Commonwealth Office</b>
<p>The FCO funds the MACC through a Grant-in-Aid and is responsible for setting the body's strategic direction as well as the appointment of its Commissioners. The FCO monitors MACC activity through the Scholarships Unit (in the Soft Power and External Relations Department), whose officials attend Commission meetings, as well as the Audit and Risk Management Committee meetings. It monitors the performance of the MACC in relation to its agreed objectives and keeps Parliament informed of the MACC's work through laying of the Annual Report and Accounts.</p>
<b>The US network</b>
<p>The <b>British Consulates</b> in the seven regions and the British Embassy are responsible for the promotion of the Marshall Scholarship across their region through outreach to US academic institutions. They also provide the administration for the selection process and are responsible for the appointment of Regional Selection Committee members and identifying potential candidates. The Consul-General in each of these regions represents the FCO on their local Regional Selection Committee.</p>

The **British Embassy** in Washington coordinates the efforts of the Consulate-Generals, providing support and guidance to their staff. The Embassy also provides direction on outreach work, with a particular focus on increasing the reach of the Marshall Programme and the diversity of applicants.

#### **Ambassador's Advisory Council (AAC)**

The Ambassador's Advisory Council (AAC) meets annually in December, bringing together Regional Chairs, the MACC Chair and Secretariat, British Embassy staff, and alumni representatives from the Association of Marshall Scholars (AMS). The 2018 AAC also included a representative from the National Association of Fellowship Advisors (NAFA). This meeting offers an opportunity to share lessons-learned from that year's selection process, to agree any amendments or improvements to the process for the following year. It is also an opportunity for the different stakeholders to share their activities for the past year and plans going forward.

#### **Regional Selection Committees**

There are eight Regional Selection Committees (Atlanta, Boston, Chicago, Houston, Los Angeles, New York, San Francisco, and Washington). Each Regional Selection Committee is made up of four to five unpaid volunteers appointed by the Commission in consultation with the Embassy. In 2009 the Commission reinstated the rule that Committee members may serve a maximum of two four year terms. The committee is chaired by a volunteer, must include one Marshall alumni and must also include expertise in a diverse range of academic fields. The committees are responsible for reading applications, shortlisting, interviewing, and then making the final selection of successful candidates. These Regional Selection Committees are sometimes supported by separate Reading Committees – additional volunteers who assist the selection committee on the first read of applications and shortlisting for interview.

#### **Association of Marshall Scholars (AMS)**

The Association of Marshall Scholars (AMS) is an independent alumni body, based in the United States with charitable status. They appointed their first full time, paid Executive Director in February 2016 who has focussed efforts on fundraising and building the profile of the Marshall Scholarship Programme in the US. The AMS directly supports the Marshall Programme through the funding of one scholarship in perpetuity every other year. The AMS also provided a £1000 bursary to all current scholars in the UK for the academic year 2018-19. Many members of the alumni association also volunteer to work on Regional Selection Committees.

#### **National Association of Fellowship Advisors (NAFA)**

The National Association of Fellowship Advisors (NAFA) is a membership body in the US consisting of fellowships advisors in American higher education or non-profit

organisations. To apply for the Marshall scholarship candidates must be endorsed by their undergraduate institutions, of which, the endorsement letter comes from the fellowship advisor, if the university has one.

### **UK partner organisations**

UK partner organisations are UK higher education institutions that agree to tuition fee-waivers for a certain number of scholars per year.

## **Annex H. List of acronyms and abbreviations**

AAC	Ambassador's Advisory Council
ACU	Association of Commonwealth Universities
ALB	Arm's-length body
AMS	Association of Marshall Scholars
ARMC	Audit and Risk Management Committee
BAME	Black, Asian and Minority Ethnic
BSUF	British Schools and Universities Foundation
CandAG	Comptroller and Auditor General
CGs	Consulate-Generals
CSC	Commonwealth Scholarship Commission
EA	Executive Agency
EU	European Union
FCO	Foreign and Commonwealth Office
FDI	Foreign Direct Investment
GDPR	General Data Protection Regulation
GIA	Grant-in-Aid
HMG	Her Majesty's Government
HMT	Her Majesty's Treasury
IAD	Internal Audit Department
KPI	Key Performance Indicator
MACC	Marshall Aid Commemoration Commission
NAFA	National Association of Fellowship Advisors
NAO	National Audit Office
NATO	North Atlantic Treaty Organisation
NDPB	Non-Departmental Public Body
OGDs	Other Government Departments
PPAO	Press and Public Affairs Officer
PUS	Permanent Under-Secretary
SDO	Senior Departmental Officer
SEO	Senior Executive Officer
SPEAD	Soft Power and External Affairs Department
UN	United Nations
USCCAD	US, Canada and Caribbean Department
USP	Unique Selling Point



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