

# COMMONWEALTH SCHOLARSHIP COMMISSION IN THE UNITED KINGDOM

## CORPORATE PLAN – MARCH 2014

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## **1. MISSION STATEMENT**

To deliver the UK contribution to the Commonwealth Scholarship and Fellowship Plan through the granting of academic and professional awards to able and motivated Commonwealth citizens, and the nomination of UK citizens for awards from other Commonwealth countries. Candidates are selected on the basis of merit, and particularly their potential to contribute to the needs of their home countries. We undertake these activities in order to (1) contribute to the UK's international development aims and wider overseas interests, (2) support excellence in UK higher education, and (3) sustain the principles of the Commonwealth.

## **2. BACKGROUND AND HISTORY**

The Commonwealth Scholarship Commission in the United Kingdom (the Commission) is the Non-Departmental Public Body (NDPB) responsible for managing the UK's contribution to the Commonwealth Scholarship and Fellowship Plan (CSFP), the international programme under which member governments of the Commonwealth offer Scholarships and Fellowships to citizens of other Commonwealth countries. The Commission's work plays a distinctive role in the UK's commitment to international development, the Commonwealth, excellence in higher education, and international relations.

The Commission was established by the Commonwealth Scholarships Act, 1959. The constitution and Responsibilities of the Commission are set out in Chapter 6 of that Act, and successor legislation, most notably the International Development Act, 2002. The practical operation of the Commission is guided by a Framework Document and associated Financial Memorandum, copies of which can be found on the Commission web site ([www.dfid.gov.uk/cscuk](http://www.dfid.gov.uk/cscuk)).

The Commonwealth Scholarship and Fellowship Plan are guided by five principles, which were originally established by Commonwealth Education Ministers at their first Conference in 1959, and have been reaffirmed at subsequent ministerial conferences. These assert that:

- The Plan should be additional to, and distinct from, any other plan in operation.
- The Plan should be based on mutual cooperation and the sharing of educational experience among the countries of the Commonwealth.
- The Plan should be sufficiently flexible to take account of the diverse and changing needs of the countries of the Commonwealth.
- While the Plan will be Commonwealth-wide, it is operated through a series of bilateral arrangements, to allow for the necessary flexibility.
- Awards should be designed to recognise and promote the highest standards of intellectual achievement as well as technical and professional performance, and have regard to any expressed human resource or development needs of nominating countries.

From the outset, the UK undertook to be the largest contributor to the CSFP, and has maintained this commitment ever since. Within the UK, the Commission's principal sources of funding remain the Department for International Development (DFID), which funds candidates from developing Commonwealth countries, and UK universities, which share the cost of its awards. The Department for Business, Innovation and Skills (BIS) and the Scottish Government support a small number of awards for people from developed countries, which until 2008 were funded by the Foreign and Commonwealth Office (FCO).

Over 30,000 individuals have now benefited from awards under the CSFP, of which more than 24,000 have been hosted by the UK. Award holders have come from every Commonwealth country. Recent alumni surveys confirm that the vast majority have returned to their home country following their awards, and that a significant number have risen to positions of high-level leadership. Its alumni include Ministers and Prime Ministers, Nobel Prize Winners, Heads of Central Banks, Permanent Secretaries, Central Court Judges and Vice-Chancellors.

### **3. CURRENT ENVIRONMENT**

Commonwealth Scholarships and Fellowships perform a unique role in Britain's aid to developing countries and its relations with the Commonwealth. They also play a distinctive role in policies to attract students of the highest quality to the UK, in an increasingly competitive market, to strengthen public diplomacy objectives by fostering relations and understanding with key individuals and governments in other Commonwealth countries, and in supporting government policy that British students should have more opportunities to study overseas.

The overwhelming majority of our awards go to recipients from developing countries, which currently experience shortages of highly-educated and highly skilled people, which their own higher education systems are not yet able to produce in sufficient numbers. There are not enough skilled professionals in key areas of government and other institutions which drive development, and there is insufficient capacity in higher education establishments to undertake top-quality research into effective solutions to development problems. Those skilled professionals that are available are insufficiently exposed to international networks in their areas of knowledge.

The limited pool of skilled professionals that does exist has a male bias, which hampers many countries commitment to greater gender balance in the labour force, and constrains their ability to devise and implement gender-inclusive policies. Historically, equity has also been undermined by the limited access of certain groups to international higher education and scholarships within it.

As a result of our work, a large proportion of awardees enhance their skills and knowledge; are employed in development relevant occupations, and are motivated to contribute to the development efforts of their countries. This, together with more balanced access between gender, helps these counties meet their skilled labour force requirements, address any medical, public health agricultural and other critical challenges. A further catalytic effect is in building domestic capacity for high level teaching and research; attracting international contracts and engaging effectively in international processes.

The Commission represents the main channel through which DFID offers international scholarships, and it is Britain's only significant scholarship programme led by development objectives. The programme is reviewed regularly, most recently as part of the Triennial Review process applicable to all Non-Departmental Public Bodies, whose report in 2013 confirmed the continuing relevance of the Commission's activities, and appropriateness for NDPB status.

The prestige and rigorous selection standards associated with Commonwealth Scholarships helps ensure that its programmes attract students of the highest academic quality, the vast majority of whom would not otherwise come to the UK. This is enhanced by its continuing willingness to offer doctoral as well as Master's level support. The distinctive public diplomacy objective is reinforced by the excellent record of alumni in rising to positions of influence, and by the distinctively bilateral element of the programme. This, together with our ability to offer awards to students of all Commonwealth countries also makes a strong statement about the coherence of the Commonwealth. Scholarships for nations not eligible for ODA assistance are supported by the Department for Business Innovation and Skills and the Scottish Government. The significant contribution made by national nominating agencies also ensures a high profile within the governments of other member states and helps align our awards with their national priorities. Although relatively modest at present, opportunities for UK students to study overseas through Commonwealth Scholarships are in many instances the only such scholarships available to UK citizens, and the range of countries in which such opportunities are available is rising.

Fundamental to its fulfilment of these roles is the Commission's capacity to offer a diversified range of awards, which (as anticipated in the third principle of the CSFP cited above) changes over time according to need. The Commission has a strong record of responding to the changing international context of university research and teaching, through the introduction of new types of award, developing new forms of networking, and taking the lead in evaluating the impact of scholarships. Seven different types of award are currently offered (Appendix 1), although we note that UK scholarships in general are less numerous than those of many other countries.

#### **4. SUMMARY OF AIMS**

During the first year of this Corporate Plan, the Commission will seek to:

- Ensure that awards are fully aligned with the objectives of DFID and other sponsoring organisations, whilst maintaining academic and professional integrity
- Maintain progress towards the targets agreed with DFID for the 2011-15 period which are set out below
- ensure that our provision of awards remains relevant, accessible, and good value for money
- provide evidence of the impact of its awards on recipients and their home countries
- encourage award holders and alumni to maintain closer links with the scheme, and thereby contribute more effectively to development
- introduce and consolidate new methods of governance, in line with the recommendations of the recent review of the Commission's Non Departmental Public Body (NDPB) status
- continue to review the proportion of our expenditure devoted to administration costs, thereby maximising the proportion of resources devoted to scholarships and fellowships, and other directly related activities
- contribute to the maintenance of a vibrant Commonwealth-wide CSFP
- develop new strategies for 2015 onwards

The Commission will pursue these aims through four distinct objectives, as follows:

- Enhancing of individual research and teaching capacity through Scholarships and academic Fellowships awarded to people from all Commonwealth countries
- Strengthening capacity development of non-academic professionals in Commonwealth countries
- Expanding the involvement of all award holders and alumni in development activities, and maintaining a coherent network that benefits international development, and UK and Commonwealth interests
- Maintaining an informed, efficient and transparent Commission that provides value for money in delivering its objectives

The detailed activities to be undertaken in pursuit of these objectives, and how the Commission will measure the extent to which they are achieved, are set out in the section below;

## **5. REVIEW OF RECENT ACTIVITIES**

2013-14 represented the third year of the four-year Strategic Plan, agreed by the Commission, in conjunction with DFID, in December 2010. Particular highlights since the start of the Plan in April 2011 include the following:

- Increase in numbers of Scholars and Fellows – from an intake of 737 in 2011-12 to approximately 950 in 2013-14;
- Reduced administration costs and efficiency savings – the proportion of Commission resources devoted to administration has declined from 9.4% in 2011-12 to an anticipated 6.2% in 2013-14 (both figures net of VAT);
- Emerging evaluation findings – our continuing programme of alumni and evaluation programme is now in contact with over 8,000 alumni, whilst regular surveys and reports continue to confirm high numbers of students returning to their home countries and rising to senior positions within their chosen professions;
- Continued high level of student satisfaction – annual surveys conducted in each year of the Plan confirm that between 92% and 95% of award holders consider the administration of their award to have been ‘excellent’ or ‘good’.

The Commission embarked on a broadly based strategic review in July 2013 to build on these achievements. The results of this review will be available in the summer of 2014, and are expected to impact on the direction of our work in the second and third years of this Corporate Plan.

## **6. PLANNED ACTIVITIES FOR 2014-15**

*In line with the four year plan agreed in 2010, the Commission's objectives for 2014-15 are detailed below. Each of the objectives is followed by specific activities that will be undertaken, and measures that will be used to assess their success. The majority of the measures were originally included in the log-frame that has been used by the Commission and DFID to monitor progress since 2011.*

### **Objective 1**

***To enhance individual research and teaching capacity through scholarships and academic fellowships to people from all Commonwealth countries***

Commonwealth Scholars enter a wide range of occupations. The Commission places particular emphasis on the development of higher education and research, which are important for development, good governance, and future economic competitiveness, as well as leadership. In this plan period, the Commission will demonstrate its contribution to higher education by:

1. Maintaining doctoral support at approximately the current proportion of its funding (some 36-39% of funding commitment). People with doctorates will continue to play a distinctive role in the development of their countries. This provision also helps to ensure that UK universities continue to attract candidates of the very highest quality, particularly in the fields of science and technology.
2. Continuing to support split-site doctoral awards, as part of its commitment to doctoral research, thus enabling more people to benefit from UK research facilities and expertise, and also helping to build closer linkages between UK and Commonwealth universities.
3. Continuing to provide a diversity of Master's awards, whilst keeping alternative methods of delivery under review to ensure that they provide maximum value for money and fitness for purpose.
4. Increasing accessibility to its awards, through developing new access routes, using electronic application methods, enhancing its policy towards historically disadvantaged groups, including women and those with disabilities, and considering how new and private universities might be more involved.
5. Encouraging and making more visible the availability of opportunities for UK citizens to study in other Commonwealth countries under the CSFP, and actively promoting such awards as invited by other CSFP agencies.
6. Strengthening the relationship between the Commission and UK universities – both as a means to ensure continuing academic excellence and also to involve UK universities as collaborative funding partners.
7. Maintaining the principle that all subject areas can qualify for support from the Commission, providing that applicants can justify their relevance to its objectives, and those of its funding bodies.

In pursuing **Objective 1** the Commission will undertake the following activities:

- a) Select candidates for Scholarships and Fellowships nominated to the Commission, based on the criteria of academic excellence, development potential (for those from developing Commonwealth countries), research and leadership potential (for those from developed Commonwealth countries), and the quality of their research or study plans.



- b) Review the balance of awards provided by the Commission, with reports being considered at the May or July meetings of the Commission, in time for any changes to be implemented in the following year.
- c) Review the current arrangement for a distinct strand of Fellowships for those working in the academic sector, to assess whether this is still appropriate and, if so, how it can most effectively be targeted
- d) Review nomination routes and processes, to ensure as far as possible that its awards are available to diverse groups and attract candidates of the highest standard.
- e) Continue to develop and enhance its electronic application systems, and promoting these to applicants, both directly and through nominating agencies.
- f) Rigorous monitoring the Commission's selection procedures, criteria and support to award holders, to ensure that these remain fair, open, transparent, and able to draw on independent, expert advice from the UK academic community.

The following **specific measures will** be used to assess the impact made by the Commission in the above areas:

- a) Selection of at least 124 recipients from developing Commonwealth countries to commence doctoral studies at UK institutions, completing the target set in 2010 of 481 selections over the four year period to 2015;
- b) Selection of at least 490 recipients from developing Commonwealth countries to commence Master's level studies at UK institutions, completing the target set in 2010 of 1857 selections over the four year period to 2015;
- c) A selection breakdown that comprises at least 45% of each gender;
- d) Confirmation that all applications are possible through electronic means, and that 95% of intended applications are received by the Electronic Application System;

Confirmation, through an anonymous survey open to all award holders, that at least 90% of Scholars who responded regard support from the Commission to be 'good' or 'very good' (the top two categories available).

## **Objective 2**

### ***To strengthen capacity development of non-academic professionals in Commonwealth countries***

Targeting awards on individual careers that match development needs has become an increasingly important part of the Commission's activities since 2000. Professional Fellowships – an innovation launched in 2003 – have provided specific mid-career development opportunities hosted by UK organisations. Many of its Distance Learning Master's awards are also focused on particular professions, and a high proportion of its Master's provision in the UK has a strong vocational base. Likewise, PhD research can also have specifically vocational impact, particularly in the higher education and research sectors.

Following positive results from evaluation of these initiatives, the Commission will develop its support in this area by:

1. Increasing the percentage of its awards for non-academic Professional Fellows, and introducing greater flexibility in their regulations, with stronger targeting towards professions that have specific international development objectives.

2. Prioritising Master's degrees that contribute effectively to professional development, including those in technical and vocational subjects, and considering the potential benefits of transnational programme delivery.
3. Paying increasing attention to Distance Learning Scholarships and Professional Fellowships in Commission evaluation activity, including the development of benchmarks against the performance of other distance learning and fellowship providers.
4. Increasing the involvement of Professional Fellows and Distance Learning Scholars in its networking activities, so that they feel integrated in the Commission's work and are more likely to participate in future alumni and evaluation activities.

In pursuing **Objective 2, the Commission will undertake the following activities:**

- a) Publicise (as permitted under HMG marketing restrictions) and make new awards of Professional Fellowships and appropriate Master's programmes to deliver on the commitment to support capacity development in non-academic professions.
- b) Review the balance of awards between Professional Fellowships and Master's awards (including distance learning) to take into account stated development priorities, national strategies of countries within the CSFP, and the objectives of its funding departments.
- c) Review nominating routes, working particularly to target priority areas identified in (b) above, and disseminating information thereon to appropriate stakeholders.
- d) Review the Commission's own selection procedures, to ensure that these remain fair, open, and transparent, and reflect the above objectives.
- e) Implement mechanisms to ensure that all award holders have opportunities to engage fully with the Commission's activities, paying particular attention to those on distance learning awards and those who are administered jointly with host universities.

The following **specific measures will** be used to assess the impact made by the Commission in the above areas:

- a) Selection of at least 172 recipients from developing Commonwealth countries taking up professional or academic fellowships at UK institutions, completing the target set in 2010 of 642 fellowships over the four year period to 2015;
- b) A selection breakdown that comprises at least 45% of each gender;
- c) Confirmation, through an anonymous survey open to all award holders, that at least 90% of Scholars responding regard support from the Commission to be 'good' or 'very good' (the top two categories available).

### **Objective 3**

***To expand the involvement of all award holders and alumni in the Commission's activities, and to maintain a coherent network that benefits international development, as well as UK and Commonwealth interests***

Enhanced research and professional capacity among individual scholars and alumni represent the main output of the Commission's work. The Commission will increase its support for these individuals through activities that help them to make the best use of their time on award, to retain affinity with its main purpose, and to increase their impact throughout later life. The Commission will develop closer relationships with award holders and alumni by:

1. Maintaining regular contact with award holders, to help ensure happy and involved scholars and fellows, who are aware of the scheme's objectives and who want to be engaged in subsequent alumni activities.
2. Facilitating the engagement of alumni proactively in the delivery of development objectives that respond to local needs and are aligned with UK strategic priorities.
3. Ensuring effective professional and national alumni networks that continue to build local capacity and develop international institutional partnerships in the strategic interest of the UK.
4. Increasing the engagement of alumni in support of the CSFP and wider Commonwealth values and initiatives.
5. Working, where possible, with other national and Commonwealth agencies to promote the further development of the CSFP as a Commonwealth-wide programme providing scholarships and fellowships in both developed and developing countries, and providing support for the UK government in such negotiations.

In pursuing **Objective 3**, the Commission will undertake the following **activities**:

- a) Regular communications with existing award holders, through written and electronic means, and meetings in the UK, whether organised by the Commission or jointly with others.
- b) Expand post-award activities (profile updates, events, annual receptions in High Commissions/British Council offices) to support the engagement of alumni in activities contributing to development, UK interests, and Commonwealth values.
- c) Increase the proportion of alumni with whom the Commission is in contact, in particular through increased tracing activity of the British Council in the countries where they are represented.
- d) Effective management and support of networks for the continued professional development of alumni and thereby enhancing the development impact of the Commission.
- e) Promote opportunities for alumni to become engaged in relevant development, Commonwealth and UK-related activities.
- f) Ensure that DFID offices and High Commissions in Commonwealth countries are made more aware of our schemes and the resource that its alumni can provide.
- g) Engage with Commonwealth organisations and other member states to promote and develop the CSFP as a Commonwealth-wide institution.

The following **specific measures will** be used to assess the impact made by the Commission in the above areas:

- (a) Addition of a further 500 alumni to the CSC alumni database, with contact details being maintained for at least 8,000 alumni in total;
- (b) A package of alumni activities including at least two hard copy magazines, participation of at least 1,000 alumni in LinkedIn networks and at least ten alumni events in different countries;
- (c) Evidence from alumni surveys that at least 90% of completing alumni from DFID sponsored countries completing awards living/working in developing countries, and/or development related organisations

- (d) Collection of at least 1350 examples of alumni who report a personal contribution to government policy or wider socio-economic impact in key development fields

**Objective 4**

***To maintain an informed, effective, efficient and transparent Commission that provides value for money in delivering its objectives***

The Commission is committed to demonstrating value for money in all of its activities. It will do this by:

1. Expanding its evaluation programme to deliver evidence on the value of the Commission's work which can determine future policy.
2. Ensuring that all of the Commission's initiatives are delivered to achieve the best value for money.
3. Ensuring that selection mechanisms for awards are transparent and fair throughout the nomination system.
4. Ensuring that good governance principles are adhered to.
5. Increasing awareness of the Commission's work and maximising transparency, with clear articulation of the benefits of scholarships to the UK and its partner Commonwealth countries.
6. Taking full opportunity to identify synergies with other relevant bodies, and exploring opportunities for complementary project funding.
7. Reviewing selection processes to ensure that potential disadvantage due to gender, disability, ethnic or social background is recognised in our decision-making.

In pursuing **Objective 4, the Commission will** undertake the following **activities**:

- a) Monitor procedures to ensure a robust value-for-money administration that is efficient, transparent, and accountable, so as to maximise funding available for awards. This activity will include the review and approval of all administrative fees and service-level agreements with providers.
- b) Regular monitoring to ensure that the Commission's governance and committee structures are fit for purpose, with provision for issues of sufficient strategic importance to be addressed between regular Commission meetings. In particular, to ensure implementation of the recommendations of the Commission's NDPB triennial review, on a timescale agreed with DFID.
- c) Expansion of the Commission's programme of evaluation and monitoring, reviewing the consequences of the Commission's activities to inform future policy and debate, and sharing information with UK funding departments and other agencies. This will also support the arrangements for a three-yearly review of the Commission's activities.
- d) Monitor regulations and procedures to ensure that these do not disadvantage any group of potential applicants, drawing, where possible, on comparison with good practice from other scholarship and fellowship programmes.
- e) Develop closer working relationships with UK government departments and relevant Commonwealth organisations to ensure that the Commission delivers on their intentions and values.

- f) Support DFID to ensure selection of an effective balance of Commissioners, necessary to ensure that appropriate expertise and skills are available to make future policy

The following **specific measures will** be used to assess the impact made by the Commission in the above areas:

- (a) Commission administrative costs should form less than 10% of total expenditure during the year, now including any applicable Value Added Tax
- (b) Generation of matching contributions of at least £3.5 million from UK universities or other donors to the cost of Commission awards
- (c) Completion of all recommendations for administrative reforms made by the NDPB review of the Commission, which reported in 2013.

### **Additional Sources of Information**

In addition to the detailed targets set out above, the Commission will draw information from the sources below in order to assess performance and formulate future strategy:

- i. *Breakdown of application and selection data* – Electronic Application System (EAS) and other CSC data; CSC objectives regarding gender, region, scheme, and qualification distribution; comparable rates from other scholarship programmes.
- ii. *Submission and completion rates* – qualification reports; comparable rates from Research Councils, UK universities, Higher Education Statistics Agency (HESA).
- iii. *Breakdown of nomination and application data* – nominating agency and institution reports; data from the EAS and Libra, our in-house database; numbers of nominations received disaggregated in terms of gender, social groups, etc.
- iv. *Percentage of satisfied award holders* – anonymous questionnaires; annual reports; comparable data relating to scholarship holders, international students, postgraduates/doctoral fellows in general.
- v. *Percentage of alumni reporting increased skills and capacity post-award* – alumni and employer surveys and interviews; evaluation surveys.
- vi. *Percentage of alumni who return home or to their region to work and who work on development issues* – data from alumni and employer surveys; evaluation surveys; comparable rates from other scholarship programmes where available.
- vii. *Members of alumni networks in relation to total numbers of alumni* – Libra data; comparable rates, where available, from university and other scholarship scheme alumni programmes.
- viii. *Evidence of activity in alumni programme*: numbers attending events, contributing to Commonwealth Scholarships News, etc. – data broken down by country, age, and nature of activity.
- ix. *Evidence of alumni working and collaborating with UK and Commonwealth institutions, and involved in policy-related activities in their home countries and regions* – quantitative data from alumni surveys; case studies and qualitative evidence from alumni activity and

supervisor reports; trends according to age, gender, location, area of study, and other relevant variables.

- x. *Percentage of alumni working in development-related fields* – alumni surveys; case studies and anecdotal evidence as described above
- xi. *Costs of administration of the overall awards programmes* – both in absolute terms and as a total of overall expenditure, and also relative to previous years and other scholarship programmes where meaningful comparisons are available.
- xii. *Number of applicants for awards* – EAS data; analyses of performance of nominating agencies, institutions and hosts; comparable rates, where available, from other scholarship bodies.
- xiii. *Evidence of synergy and links with other cognate bodies* – meetings and the sharing of philosophies, evidences, and good practices; identification of potential partner organisations who could be donors or partners in capacity development or project funding, including organisations hosting Professional Fellowships; and the establishment of mutually-relevant schemes with some of them.

## **7. ACTIVITIES AND OBJECTIVES POST 2014-2015**

The Commission has embarked on the development of a new strategy to guide its activities from the 2015-16 financial year. The outcome of this, together with the level of support from its sponsoring departments, will inevitably influence the activities and objectives for Years 2 and 3 of this Corporate Plan.

This is due to be completed in the Summer of 2014, at which time the Commission will also take into account the findings of the Higher Education Task Force set up by DFID, to look at the role of higher education in Development, and the cross government review of UK scholarships planned by the Cabinet Office and scheduled to take place in early 2014.

In view of the above, it is not possible to give a detailed breakdown of specific activities in Years 2 and Year 3 of this Corporate Plan, although the Commission anticipate that these will overlap with those planned for the current year. However, it is possible to make the following indicative points:

- (a) Any change to the provision in scholarship schemes requires a time line of at least a year in advance of scholars taking up their awards. Therefore, it is likely that the balance of awards offered in the 2015-16 academic year will bear a strong resemblance to that of 2014-15, given that many of the awards will need to be announced in the summer of 2014.
- (b) The Commission has confirmed its commitment to offer scholarships at both Master's and PhD level, and to maintain a strand of short fellowships aimed at professional development.
- (c) The Commission has regard for the recommendation of the House of Commons Select Committee on Science and Technology that more could be done to support talented academics in developing countries during the early stages of their careers.
- (d) The Commission's new strategy assumes that the constraints on administration will remain in place, and that there will be a continuing need to identify and maintain significant efficiency savings, building on those already made by the Commission in recent years.
- (e) The emphasis on the monitoring and evaluation of the impact of our work will continue, therefore, the maintenance of an active and vibrant alumni programme will remain critical to our work in this area.

## **8. FINANCIAL PLAN**

The budget for the Commission in 2014-15 was agreed at its meeting on 3 December 2013 and can be found at Appendix 2. The Programme budget is based on a firm commitment of support from sponsoring departments. Confirmation of the Commission's allocated Administration Resource is awaited; the figure shown in Appendix 2, Table 1 is the previously agreed maximum figure and is subject to change. The Commission Framework Document and Financial Memorandum outline the procedure and timetable for agreeing budgets for future years.

It should be noted that the budget refers only to direct income and expenditure. In addition, the Commission benefits from the in-kind support of UK universities, nominating agencies, Advisers, Commissioners and others which, in financial terms, we estimate to have a value of over £4 million per annum.

The Commission appreciates the increase in real terms funding that it has received from both present and past governments, particularly at a time of tight public expenditure controls. This trend will continue into the first year of the Plan, but allocations for the second and third years are not yet confirmed. As noted by recent reviews, funding for the scheme continues to be lower in real terms than it was twenty years ago and significantly less than similar schemes offered by other countries. The very small amount of funding now available to the Commission for scholarships to developed countries has resulted in the Commission not being able to offer awards this year to the full range of Commonwealth countries, for the first time since the CSFP was established in 1959. This gives rise to very serious concern.

Against this background, the main components of our financial planning will be as follows:

### *Annual Budgeting and Budget Review*

The *Framework Document and Financial Memorandum agreed by the Commission in December 2013* established a procedure for the formulation of a detailed expenditure budget in advance of each financial year, and follow a transparent process. Commission Committees will be asked to contribute ideas and priorities by mid-September. These will be incorporated into a draft budget, to be considered by the Finance Committee at its Autumn meeting; followed by a budget that will be presented to the full Commission at its December meeting. This budget will be reflected in recommendations for the number of selections to be made by Commission Selection Committees in the following February and March. The agreed budgets will run in financial years, from the 1<sup>st</sup> April to 31<sup>st</sup> March and will be reviewed by the Finance Committee at its meeting in June. In addition, the Chair of the Finance Committee and the Director of Operations meet on a monthly basis to review recent developments and propose any modifications necessary.

### *Supplementation with income from External Sources*

The Commission will seek to add value to HMG support where possible, by attracting contributions and support from third parties. Such support should, however, be consistent with the principle that candidates are selected on merit, and in accordance with the Commission's criteria. It will not normally be Commission policy to allocate awards to particular sponsors or candidates where these would not otherwise have been selected. It should also be noted that recent experiences indicate that transaction costs increase substantially when additional sponsors are involved.

It is expected that the main source of such contributions during the funding period will be UK universities, with whom agreement has been reached for tuition fee waivers of at least 20% on selections under the Commission's current Master's and doctoral competitions. In some areas of its work, it has been possible to arrange even higher university contributions. In particular for our doctoral awards to developed countries and shared scholarship programmes, UK universities typically meet between 30-40% of the total cost of scholarships. The Commission also seeks to negotiate advantageous tuition fee rates with suppliers of distance learning courses, reflecting the



fact that groups of students are normally being supported. The Commission also recognises that hosts of academic and professional fellowships make significant in kind contributions to these schemes. The Commission receives further substantial in-kind benefit from the work of members, academic advisers, nominating agencies and others, who provide their time without payment or at rates significantly below their market value.

#### *Matching Income with Expenditure in each Financial Year*

As a NDPB, the Commission seeks to spend its annual budget as exactly as possible in the year of allocation, and does not aim to accumulate reserves between financial years. Our target is for expenditure to come within 1% of budget in each financial year for the four-year period from 2011. It is recognised, however, that some safeguard is necessary against uncertainty and to maintain cash flow. In this regard its Framework Document and Financial Memorandum provide for the possibility of Cash balances being maintained. However, funds shall be kept at a minimum level consistent with the efficient operation of the Commission. We believe that the availability of such funds is critical to our ability to be a well governed organisation.

#### *Supporting Strategic Priorities*

The allocation of funds will reflect the priorities of the Commission as identified in the Corporate Plan, and, where appropriate, the financial objectives of funding bodies. During the current cycle, these will include:

- (a) The maintenance of doctoral support at roughly the 2010 level, as a proportion of Commission activity;
- (b) The maintenance of the number of Professional Fellowships;
- (c) The promotion of equity, to be achieved by increasing the proportion of nominations from disadvantaged groups and low income countries;
- (d) The restriction of administration costs to below 10% inc VAT, and keep these under regular review; and
- (e) The maintenance and expansion of activity in the areas of alumni and evaluation.

#### *Rigorous Control of Administration Costs*

Efficient and streamlined administration is a critical element in our current four year strategy, which committed the Commission to ensure that its administrative costs do not account for more than 10% of total expenditure. The Commission does, however, view this figure as a *maximum*, rather than a *target*, and has reduced the rate to significantly lower than this level, through successive reductions in each of the past three years. In 2014-15, the planned figure is in the range of 6.4 to 6.7% inc VAT.

The Commission's Financial Memorandum provides mechanisms through which it will continue to keep expenditure in this area under review by:

- (a) Ensuring that administration fees are approved annually as part of the budgeting process for the following financial year. This will involve detailed discussion of proposals by the Finance Committee at its October meeting, and the necessity for administrative fees to be approved explicitly (rather than simply as part of the overall budget) by the full Commission; and
- (b) Undertaking periodic comparison between the administrative costs of the Commission and those of other comparable scholarship schemes funded by HMG, and other international programmes.

## **9. RISK MANAGEMENT**

The Commission has an Audit and Risk Management Committee; in line with recommendations in the Cabinet Office document *Managing Public Money (MPM)*. This Committee, whose membership comprises at least three members of the Commission who do not sit on the Finance Committee, or serve as Chair or Deputy Chair, will report directly to the Commission at each of its meetings on any aspects that it considers to be of concern. The Committee shall also maintain (and present to the Commission for review at regular intervals) a Register of Risks with the potential to seriously impair the effective performance of the Commission, together with an assessment of the potential impact of each risk, and a list of mitigating measures in each case. In addition to the work of the Committee, the Framework Document of the Commission includes other measures to mitigate and ensure transparency in its policies towards risk. These can be found, in particular, in paragraphs 4.6, 4.7 and 5.1.

In 2012, in line with HMT Treasury *Clear Line of Sight* policy, the Commission established a bank account, under the auspices of the Government Banking Service. During the period of this Corporate Plan, it is expected that annual external audits will be conducted independently by the National Audit Office.

In addition to external financial audit, the Commission will benefit from reviews of its operation by a programme of Internal Audit, currently provided by the DFID Internal Audit Department. This programme will be managed by the Commission's Audit and Risk Management (ARM) committee. By agreement with the ACU, their internal reports which relate specifically to work undertaken for the Commission are also made available to the Commission Audit and Risk Management Committee.

## **Appendix 1: Description of Award Types offered by the Commission**

The Commission makes available the following types of award:

**Commonwealth Scholarships for PhD research** – available for postgraduate study at any UK university which has a funding agreement with the CSC. Candidates apply in the first instance to the national nominating agency of their resident country. Additional nominations are sought each year from developing country universities and other sources.

**Commonwealth Scholarships for Master's study** – available for postgraduate study at any UK university which has a funding agreement with the CSC. Candidates apply in the first instance to the national nominating agency of their resident country. Additional nominations are sought each year from developing country universities and other sources.

**Commonwealth Shared Scholarships** – for developing country students who would not otherwise be able to undertake Master's-level study in the UK, jointly supported by UK universities. Individual universities are invited each year to bid for such awards and the scholarships are only available for specific courses selected by the CSC on the basis of their quality and relevance to development. Candidates apply directly to the host institutions.

**Commonwealth Distance Learning Scholarships** – enabling developing country students to study UK Master's degree courses while living in their home countries. The scholarships are only available for specific courses selected by the CSC on the basis of their quality and relevance to development. UK universities are invited to register expressions of interest for the CSC to support their course(s) each year.

**Commonwealth Split-site Scholarships** – to support PhD candidates to spend up to one year in the UK as part of their doctoral studies. Nominations for awards are accepted from national nominating agencies and developing country universities

**Commonwealth Academic Fellowships** – aimed at mid-career staff in developing country universities, providing for three months' work at a UK institution. Nominations are invited directly from the universities and the countries concerned.

**Commonwealth Professional Fellowships** – offering mid-career professionals from developing countries the opportunity to spend a period (typically three months) with a UK host organisation working in a relevant field. Applications are invited each year from UK organisations that wish to host such awards – these can be from any sector, although the recipients of awards must not hold a full-time academic position.

## **Appendix 2: Commission Budget for 2014-15**

Table 1 shows the budget for 2014-15, approved in December 2013 and adjusted in March 2014. Detail of the Programme budgets is presented in Table 2.

**Table 1: All Costs 2014-15: Approved, March 2014**

<b>Year</b>	<b>Approximate Expenditure / 000s</b>
<b>Awards Programmes (DFID)</b>	22,380
<b>Awards Programmes (BIS)</b>	400
<b>Awards Programmes (Scotland)</b>	50
<b>Administration</b>	1,724
<b>Other Programmes</b>	1,000
<b>Total</b>	25,554

### **Award Expenditure 2014-15**

Table 2 shows the 2013 budget and the budget for 2014/15 approved in December 2013. The intake for 2013 is subject to confirmation.

**Table 2: DFID Programme (Awards) Budget 2014-15, approved March 2014**

<b>Programme</b>	<b>2013 Intake</b>	<b>Forecast Spend / 000's (all awards)</b>	<b>2014 Intake (Projected)</b>	<b>Allocation / 000's (all awards)</b>	<b>Allocation / % Programme</b>
<b>Agency Master's</b>	155	4,000	172	4,850	21.6
<b>Shared Scholarships</b>	218	3,680	235	3,900	17.4
<b>Distance Learning</b>	240	2,050	220	1,900	8.5
<b>PhDs</b>	122	8,770	108	9,500	42.4
<b>Split-site PhDs</b>	16	670	12	400	1.8
<b>Academic Fellows</b>	69	760	75	800	3.6
<b>Professional Fellows</b>	135	925	135	1,050	4.7
<b>Total</b>	955	20,855	957	22,400	100