



Response to the Independent Review of FCDO Funded Scholarship Schemes

Presented to Parliament
by the Secretary of State for Foreign, Commonwealth and
Development Affairs
by Command of His Majesty

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Introduction

In 2022, the Government launched a Public Bodies Review Programme to ensure public bodies were accountable, effective, efficient and aligned to the Government's priorities. Departments were requested to nominate the arm's-length-bodies (ALBs) they fund for independent review to assess whether their function remained useful and necessary, and to assess whether there were more efficient and effective alternatives. The Foreign, Commonwealth and Development Office (FCDO) nominated the ALBs they fund to deliver scholarship schemes on their behalf: the Commonwealth Scholarship Commission and the Marshall Aid Commemoration Commission. The FCDO added to this their internal scholarship programme (Chevening). The review was led by independent Lead Reviewer John C Hughes and undertaken between 20 February and 28 April 2023. It concluded there was value in maintaining all the scholarships schemes in their current form.

The Commonwealth Scholarship Commission (CSC) was established in 1959. It is an arm's-length-body set up to deliver Commonwealth scholarships to low- and middle-income Commonwealth countries through Grant-in-Aid provided by the FCDO. A demonstration of the UK's enduring commitment to the Commonwealth, CSC supports future innovators and leaders from across the Commonwealth and attracts outstanding talent to study development-focused topics at UK universities. Scholars are selected on merit and on their potential to contribute to the development needs of their home countries. CSC has funded 30,500 Commonwealth scholars to date. In 2022-23 FCDO grant-in-aid was just over £28m (vast majority ODA), supporting 700 new scholars.

The Marshall Aid Commemoration Commission (MACC) delivers the Marshall scholarships programme for academically gifted US graduates with leadership potential to study in the UK. The Marshall programme was established in 1953 as a gift of thanks to the US for the post-World War II Marshall Plan. It funds postgraduate studies in Britain for US scholars. In 2022 the programme awarded 44 new scholarships, delivered through an FCDO-sponsored non-departmental public body, the Marshall Aid Commemoration Commission (MACC) with a budget of £2.7m (non-ODA) in FCDO grant-in-aid and around £1.6m in partnership funding.

Chevening, established in 1983, is an internal FCDO programme, which covers around 140 countries, is mainly ODA-funded and is for graduates who have leadership ambitions. HMG's global scholarship programme for future leaders, providing fully funded Master's awards at top UK universities. Many of Chevening's 55,000 alumni are in positions of influence, and they form a valuable network for furthering HMG's objectives. In 2022-23 the FCDO allocated £59.4m (of which 96% is ODA) to Chevening, which provided 1400 scholarships across 160 countries and territories. Through corporate partner income and university partnerships, Chevening receives between £6-7 million annually, funding 22% of scholars.

All three schemes support eligible scholars to access a British graduate education; exposing scholars to our values of democracy, openness, and equality; building a strong foundation of shared understanding between the UK and other nations;

enabling international future leaders to reach their potential; and delivering solutions to global development challenges.

The review of FCDO's international scholarships schemes was conducted in line with Cabinet Office guidelines and covered: efficiency (including finance); efficacy; governance; accountability; and alignment.

This document responds to the independent review undertaken by John C Hughes and confirms the Government's continued support of and confidence in the Commonwealth Scholarship Commission, the Marshall Aid Commemoration Commission and Chevening. The Foreign, Commonwealth and Development Office accepts all recommendations made by the Lead Reviewer, noting that some require additional funding, and the feasibility of new funding will be explored in the next Spending Review. The Government also accepts that further detailed work done in collaboration with the ALBs and Chevening will be required before implementation of all recommendations can be completed.

The programme of work contained in this response to the recommendations will support the Commonwealth Scholarships Commission, the Marshall Aid Commemoration Commission and Chevening to continue to perform at a high level whilst seeking greater and closer alignment to ensure a mutually supportive portfolio of FCDO funded scholarship schemes that are greater than the sum of their parts. FCDO aims to implement those recommendations that do not require additional funds by April 2024.

Recommendations and the Foreign, Commonwealth and Development Office's Response

The Review sets out six main recommendations, ranging from additional investment for all schemes to create a new aligned focus on alumni engagement, to delineating between schemes' management and governance, and pursuing a single delivery partner for all schemes.

1. Recommendation One: Efficiency: Back-office (Chevening, CSC and MACC)

To realise cost efficiencies and improved back-office functionality for the three schemes, the FCDO Scholarship Unit, MACC and CSC should seek to use a single delivery partner for all three scholarship schemes at the next tender exercise.

FCDO Response: AGREE. The creation of the Foreign, Commonwealth and Development Office means that three international scholarship schemes are now sponsored by one Department. The FCDO is committed to ensuring the schemes fit alongside each other, and align with FCDO strategic objectives. A single delivery partner should realise efficiency savings as well as support cross fertilisation of Secretariats, with the ability for joint working/events to support closer alignment.

2. Recommendation Two: Efficacy: Double Impact for 1% extra cost (Chevening, CSC and MACC)

Significantly improve the post-scholarship experience for the benefit of the scholars, the UK and the 'sending' country with a step change focus on creating more opportunities for educational development and leadership over the next decades. The FCDO Scholarships Unit (which covers Chevening), in close liaison with both ALBs, should rejuvenate their current alumni strategies to reflect this new level of ambition and create some common themes across all three. Create an uplift to existing alumni budgets. This would be for the FCDO's Scholarships Unit (TSU), in discussion with all three schemes, to allocate in order to bolster alumni engagement work.

FCDO Response: AGREE IN PRINCIPLE. Given the soft power benefits of the schemes, FCDO is keen to extract maximum benefits from alumni networks and is therefore supportive of an uplift to enable the scholarship schemes to support and further engage alumni. We will explore options as part of the next Spending Review process, and the Scholarships Unit will support Posts to develop further our alumni offer.

Recommendation Three: Governance: Delineation between Governance and Management (Chevening, CSC and MACC)

To improve strategic governance and effective operational management in line with Cabinet Office and HM Treasury (HMT) best practice, MACC, CSC and Chevening (with their current delivery partners ACU and British Council) should create clear delineation between their scheme's management and governance, including reviewing delegations and split of tasks between stakeholders. This includes creation of a CEO role in CSC and MACC, the creation of an SRO for Chevening, and in due course recruiting new Commissioners with broader skill-sets.

FCDO Response: AGREE. This recommendation is in line with best practice. While there is no evidence that the current arrangements have resulted in bad practice, clear separation of governance and management reduces any potential future risk.

Recommendation Four: Efficacy: Alignment to HMG strategy (FCDO with Chevening, CSC and MACC)

In order to ensure schemes are providing best strategic as well as pedagogical educational value, clearer linkage is needed with FCDO's strategy so that the full support of HMG can be used in promotion and sustainability of the schemes, particularly via alumni engagement and so that the programmes practically support wider FCDO and HMG objectives. This includes the FCDO hosting quarterly meetings of the three schemes, and further exploring ways the schemes can support all FCDO strategies.

FCDO Response: AGREE. FCDO is supportive of this recommendation. Meetings with Chairs/CEOs would be an opportunity to share best practice, discuss FCDO

strategies and policy and identify opportunities to work together more. We will continue to work with the ALBs and geopolitical teams to ensure the scholarship schemes more strongly support FCDO strategies and strategic objectives.

Recommendation Five: Accountability/Efficacy: Create greater impact via cross HMG alignment (FCDO)

In order to create the best overall impact at Posts and in the UK, FCDO should meet cross Whitehall partners twice a year to exchange information and ideas on international scholarship and mobility schemes. This includes FCDO working with Partners Across Government to understand the suite of scholarships managed in the UK, and create on FCDO's gov.uk page one common 'portal' to signpost and access the internet sites of the three schemes.

FCDO Response: AGREE. The FCDO is supportive of this recommendation, and welcomes the drive to increase visibility of the FCDO funded scholarship schemes across Whitehall. The first x-HMG meeting will involve working level contacts at the DfE and we will engage FCDO colleagues to identify other suitable stakeholders. Additionally and as recommended, the FCDO has created a common 'portal' on the FCDO gov.uk page to better signpost stakeholders to the scholarship schemes. This can be found at: <https://www.gov.uk/guidance/foreign-commonwealth-development-office-international-scholarship-programmes>.

Recommendation Six: Finance/ Efficiency and innovation (FCDO with Chevening, CSC and MACC)

In order to keep the three scholarship schemes as (financially) competitive, dynamic and ambitious as possible, FCDO in conjunction with HMT and the three schemes to continue to review annually their use of stipends, endowments and partnerships. The FCDO Scholarships Unit should seek to create a new contractor role for two years to generate additional industry and external partner support.

FCDO Response: AGREE IN PRINCIPLE. The FCDO is supportive of this recommendation in principle subject to securing additional funding for the partnerships officer to generate partner interest. We will work with HMT colleagues and use the Office for Investment to explore the feasibility of endowments (using Marshall as a model) and if promising, will bid for additional funds to support this work through the next Spending Review process. We will also take learning from Chevening (where we already have officers supporting partnership work).

Conclusion

The Foreign, Commonwealth and Development Office is very grateful to Lead Reviewer, John C Hughes for the leadership he provided for this review of the Commonwealth Scholarship Commission, the Marshall Aid Commemoration

Commission, and the internal FCDO Chevening programme Chevening. The recommendations in the review are well-founded and clear, and will enable us to build on the important work of the FCDO funded scholarship schemes.

The FCDO is also grateful the Commonwealth Scholarship Commission and the Marshall Aid Commemoration Commission for engaging positively with this review. The FCDO is committed to continue to work collaboratively and collegiately with CSC and MACC to implement these recommendations as soon as possible. Several recommendations require additional funding and whilst the FCDO is supportive, these may necessarily need to wait until the next Spending Review, where the feasibility of additional funding will be explored.

The comprehensive recommendations support the FCDO, in conjunction with CSC, MACC and Chevening, to undertake a programme of reform which will build on the existing strengths of the scholarship schemes and which will lead to an FCDO funded portfolio of scholarship schemes which support the FCDO's international diplomacy and development objectives.

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