



National Audit Office

**Department for Business, Innovation and Skills
Higher Education Funding Council for England**

Regulating financial sustainability
in higher education

Conclusions of the Burslem Review

MARCH 2011

Conclusions of the Burslem Review

In 2009, the Higher Education Funding Council for England established a review group, chaired by Dame Sandra Burslem, to oversee a review of its effectiveness and efficiency. The group commissioned Oakleigh Consulting Ltd to carry out this work (known as *the Burslem Review*), which was published in March 2010.

Overall the Review found that the Funding Council was a high performing organisation, providing good value for money, and generally effective in delivering its core functions. It evaluated the Funding Council's performance in its four core functions and its efficiency as follows.

Financial/data assurance and regulation

The Review expressed some concern whether the Funding Council's assurance service had sufficient resources to cope with an expected increase in workload, due to a forecast rise in institutions being rated At Higher Risk. It also reported concerns from a minority of the institutions consulted that the Funding Council's system of risk classifications was too simplistic.

Funding

The Review concluded that the Funding Council administered the funding of the sector effectively and efficiently and with a high degree of accuracy. On funding for teaching, it found that while its formula-based method of allocating funds was cost-effective, the model had become increasingly complex and increasingly less well understood by institutions. It also concluded that the Funding Council had done well in managing consultation on changing the basis of its research funding.

Policy development

The Review reported that the Funding Council's work in helping to develop and refine government policy through consultation with the sector had been positively cited by both the sector and government.

Good practice

The Review concluded that the Funding Council's work in promoting good practice – in areas such as leadership, governance, procurement, estates and human resource management – were generally perceived as being valuable contributions to sector-wide performance improvement.

Efficiency

The Review concluded that the Funding Council was efficient in its use of resources. The Review found that since 2004-05 the Funding Council had taken on additional activities equating to an increased workload of some 10 per cent (by reference to staff time), whilst reducing its year-on-year running costs from £17.2 million in 2004-05 to £16.7 million in 2007-08.