

Joint Statement

The prime concern of HEFCE and the Board of Governors at London Metropolitan University is for the current students and the continued provision of their education. Both parties are equally concerned to ensure that there are effective governance and management arrangements in place, providing confidence in the University's ability to ensure the proper stewardship and use of public funds.

HEFCE and the University Board of Governors have agreed the following course of action:

HEFCE has accepted all of the recommendations of the KPMG report published in July 2009. HEFCE will:

- Continue to implement these recommendations – the HEFCE Chief Executive will be accountable for this, reporting through the Audit Committee to the main Board of HEFCE on a regular basis.

The Board of Governors of London Metropolitan University has accepted that immediate action is necessary to deal with the findings set out in the reports prepared by Sir David Melville and Deloitte, including those relating to HEFCE funding rules, internal control and risk management systems and the student record system. Immediate steps will be taken to renew the Board and the Audit Committee. In particular the Board will take the following action:

- The Governance Committee will be reconstituted by mid-January 2010 and will comprise two new lay members and the new Vice-Chancellor. The new Governance Committee will have responsibility for identifying a new Chair of the Board of Governors and reviewing the membership of the Board and its Committees
- A new Chair will be appointed to lead the Board of Governors by 1 April 2010. The appointee will be someone who is completely new to the University or someone recently appointed to the existing Board who played absolutely no part in the events covered by the Melville and Deloitte Reports. The existing Chair will stand down as Chair and from the Board of Governors by 31 March 2010.
- The Audit Committee will be renewed by 1 April 2010.
- All Governors who were members of the Board during the period covered by the Melville and Deloitte Reports ie up to 31 August 2008, will stand down from the Board by 31 August 2010.

- The analysis provided by the Melville and Deloitte reports will provide a framework for tackling the governance, management and systems issues at the University. The new Vice-Chancellor will be accountable for developing this framework further and overseeing the necessary changes to the existing arrangements. He will report progress on a quarterly basis to the Board of Governors and to HEFCE. The first report covering the period to 31 March 2010 should reach HEFCE by 16 April 2010.
- The Board on the advice of the new Vice Chancellor and utilising the required legal and professional advice will institute an investigation into the role of the senior staff mentioned in the Melville and Deloitte reports. Following such an investigation the Board together with the new Vice Chancellor will decide what action, if any, to take.

Finally, HEFCE and the Board of Governors are committed to ensuring that the University moves through this difficult phase as quickly as possible. The wellbeing of students, the motivation of staff and the establishment of an effective system of governance and management will be our focus in moving forward.

Alan Langlands
Chief Executive
HEFCE

Peter Anwyl
Chair, Board of Governors
London Metropolitan University

17 December 2009