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HIGHER EDUCATION  
FUNDING COUNCIL

**hefce**  
FOR ENGLAND

27 March 2009

Rt. Hon. Tessa Jowell MP  
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*Dear Ms Jowell,*

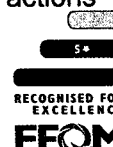
**London Metropolitan University**

I am responding to your letter dated 27 February 2009 in which you raised the concerns of your constituents about the future of London Metropolitan University.

As you will be aware we imposed a reduction in recurrent funding of £15 million for the academic year 2008-09. This reduction in funding followed data audit work we carried out over recent years, in which it was found that the University was overclaiming funding. The revised current level of funding means that the University is now funded on the same basis as all other higher education institutions. In addition, we will be recovering funding of £36.5 million that has been overpaid to the University for the 3-year period 2005-06 to 2007-08. We are currently discussing with the University the timescale over which this funding is to be repaid.

The issue with the University's data was picked up through our routine audit processes and demonstrates the effectiveness of those processes. Given the scale of the changes it was important that we and the University fully understood the data. The outcome of the audit work only returns the University back to the funding position it should have been in.

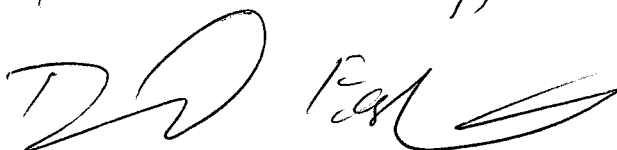
We are committed to maintaining and developing for the benefit of London the provision offered by London Metropolitan University. The University can continue to operate, and will continue to receive recurrent HEFCE funding, but given the changes to grant that are necessary, it will need to restructure its operations. We have been in close contact with the University over a number of years but it is an autonomous organisation and we and others with an interest look to the Board of Governors to ensure that the University is well managed, sustainable and properly accountable. Following the recent announcement of the retirement of the current Vice Chancellor, we will continue to ensure that the actions taken by the University Board are appropriate and satisfy the concerns raised.



As with any other organisation we would expect the University to follow due process with regards to any redundancies being considered. It is not the remit of the Council to become involved in disputes between students or staff and the institutions that we fund. The Council's powers of intervention in higher education institutions are limited so as not to encroach on the proper autonomy of institutions, and the responsibility lies with individuals to pursue their complaints with institutions. Complainants should go through the institution's internal complaints procedure.

Although we do not have any remit in disputes between students or staff and the institutions that we fund we do, of course, need to ensure the proper use of public funds. With London Metropolitan University we are ensuring that they are being treated equitably with other institutions we provide public funding to.

I agree that higher education institutions can play a significant role in helping the country recover from the current economic position. Therefore we remain committed to sustaining the affordable provision offered by London Metropolitan University. The level of funding that we are able to provide to all higher education institutions, including London Metropolitan is, of course, subject to the level of resources made available to us from government.

Yours sincerely,  


Professor David Eastwood  
Chief Executive