

The Office of Fair Access has failed: University fees have been allowed to rise too high and are disproportionate to graduate incomes

More than one third of universities will charge students the maximum fees of £9,000 in 2012. [Tim Leunig](#) argues that the Office of Fair Access has proved itself to be toothless in its negotiations with universities who want to charge such figures and students will suffer – if not through an unquestioned increase in fees in 2013 then through institutions that risk bankruptcy



The facts speak for themselves. University fees will average £8,393 from 2012-3. Even after fee waivers for students from poorer backgrounds, the average will be £8,161. One in three universities will charge £9,000 for all courses.

As expected, the Office of Fair Access has proven completely toothless. It did not require a single university to cut its fees. OFFA rubberstamped everything that every university wanted to do.

Ministers believe competition will keep fees low. Middlesex University will prove to be the test case. It is charging £9,000 for all courses, and offering just £398 per student in bursaries. That makes it the [second most expensive university in Britain](#), excluding specialist art and drama colleges. In no shape or form is Middlesex one of the jewels in the British university system. [The Times puts it in the bottom ten universities](#) by student satisfaction, it has the fourth lowest entry standards, and scores badly on staff student ratios, graduation rates, graduate prospects and so on.

London Metropolitan University is similar. But its average fee will be £6,357 after financial support. If the market is genuinely competitive, then Middlesex University will go bankrupt within days, just as Ford would were they to try to charge 35% more than their closest rivals.

Yet Middlesex is protected by the government giving it a quota of about 94% of its previous level of students. 94% multiplied by much higher fee levels mean that Middlesex is laughing all the way to the bank.

Things will get worse next year. Middlesex have shown just how toothless OFFA can be. You only need to offer £398 in student support to be allowed to charge £9,000. Every university now knows that, and if they all follow Middlesex next year, fees after waivers will rise by another £857. Life is going to go from bad to worse for students, and for the government. The government deserves it, the students don't.

There is no need for any of this to have happened. Had government required universities to demonstrate value for money – in terms of future incomes – then universities like Middlesex whose students do not go on to earn stellar salaries, would not be allowed to charge fees disproportionate to their graduates incomes.

In the Ministerial Guidance to OFFA issued earlier this year, Vince Cable and David Willetts reserved the right to take further action if fees levels clustered at the top end of the £6,000-£9,000 bracket. Fees have clustered, and ministers need to take action.

Better that than to pretend that the system is working. It isn't.

Tim Leunig is author of [Universities Challenged](#), which sets out how to reform the new system of University fees so that neither students nor tax payers are ripped off.