

**million+ Guide to the OFFA figures**  
**12 July 2011**

- Much will be made of the estimates provided by the Office of Fair Access (OFFA) of the average tuition fees which are likely to be charged by universities in England for new entrants to university in 2012.
- OFFA has estimated the average tuition fee in 2012/13 once fee waivers have been taken into account. This is the figure which is of interest to Government Ministers because it gives a very clear indication of how much more students will have to borrow from the Government to pay their fees. BIS has consistently estimated that the average tuition fee for the sector would be £7,500. According to OFFA's calculations, 106 out of 129 universities and university colleges are likely to have an average tuition fee of over £7,500 in 2012. The average tuition fee across these 129 institutions once estimates about fee waivers are taken into account is £8,161. These fees reflect the impact of the Coalition Government's policy of cutting the public investment in teaching by 80%.
- The OFFA estimates throw up some interesting anomalies including a number of universities who have chosen not to use fee waivers at all. For example, the average estimated fee for the University of Bradford and the University of Durham is £9000. Similarly the University of the Creative Arts appears not to be offering any fee waivers because its maximum fee and estimated average fee remains a constant £8,500. Meanwhile, the estimated average fee at Cambridge and Oxford are £8,748 and £8,355 respectively. These universities have deployed fee waivers as part of their access strategies but they can also draw on very large endowment funds to help fund large fee waivers for a relatively small number of students. In spite of these large endowment funds, Cambridge and Oxford will also benefit from government funding for the National Scholarship Programme.
- The actual average fee across the sector and for individual universities will not be known until December 2012 at the earliest. The 'estimates' published by OFFA are just that – they are based on assumptions about how many students will be recruited to each institution from different household incomes. Universities recruit students on a needs-blind basis and pay no regard to household income. Neither universities nor OFFA will know what the average tuition fee is until students have enrolled on courses and confirmed their household income. Only then will universities be able to calculate how many students are actually entitled to fee waivers and / or bursary support. Some universities also recruit students on more than one semester i.e. some students may commence courses in January and this will further delay calculations of an average fee.
- OFFA has also published figures on what it says will be the estimated average 'costs' to students once bursary support is taken into account. This is potentially misleading. Bursary support covers a wide variety of support for students, often to cover living costs and other costs associated with studying at university. The provision of bursaries will not reduce the fees charged and it is very unlikely to reduce what students borrow from the Government in terms of fee loans and maintenance loans and grants. (Maintenance is means-tested according to household income).
- Bursaries are known to be highly valued by students and universities provide bursaries to try and ensure that students have the support they need while they are studying. This is a particular concern for universities which provide opportunities for students from lower income backgrounds whose families are simply unable to provide additional financial support however much they might like to do so. The OFFA figures confirm that universities which teach the majority of students from lower income backgrounds have clearly sought to ensure that their students are supported with living costs in addition to any maintenance loans and grants to which they may be entitled. These universities are investing heavily in university bursaries precisely because they understand that

support for students while they are studying is much more crucial than a fee waiver because graduates can pay back fee loans over 30 years.

- Where does this all take universities and students? It is clear that when universities set fees they were mindful of the loss of public funding which is much wider than simply the loss of teaching funding per subject which is often quoted by Ministers. University governing bodies and councils also took account of the need to provide for a quality student experience, bursary and fee waiver support and a sustainable and long-term investment strategy to ensure institutional stability. It is therefore entirely unsurprising that once estimates about fee waivers are taken into account, the estimated average fee across the sector is £8,161 and that in many universities it will be higher.
- In spite of this, Ministers published a Higher Education White Paper on 28 June which will create further uncertainty and potential instability by making one in four student places for the 2012 entry 'contestable'. Although the consultation period for this White Paper runs until 20 September, Ministers also issued a letter to Hefce on 28 June requiring the funding council to implement this market in student numbers in 2012. In addition to contestability based on high A-level grades or their equivalent, the Government proposes that 20,000 student places be redistributed to providers charging less than £7,500. It is clear that Ministers want Hefce to take numbers away from universities after their governing boards and councils have taken strategic decisions about fee levels. The figures issued by OFFA confirm that the overwhelming majority of universities will be unable to bid for these student numbers because they are highly unlikely to have an average fee of less than £7,500 in 2012.
- Ministers have also made it clear that they want to increase the number of places reallocated to providers charging less than £7,500 in future years.
- Having failed to create a highly differentiated market in fees, Ministers are now seeking to create a market in student numbers by imposing conditions retrospectively and without proper consultation. The primary objective seems to be to cut the costs of the student loan book for the Government by transferring numbers to low-cost providers even though OFFA has approved the strategies which universities have set out to invest in fee waivers and bursary support. This will undermine student choice and the quality of the student experience. Going to university is still the best career move that people can make. The transfer of numbers to low-cost providers makes no sense for students who will pay back each month according to what they earn as graduates and not according to what they have borrowed in fees.