Understanding the costs of Foundation Years study

Research report

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1. Executive Summary

Introduction

The purpose of this study is to help the Department for Education (DfE) obtain a better understanding of the drivers of Foundation Year (FY) costs.

In April 2019, the DfE commissioned a study to help understand the costs of undergraduate (UG) and FY provision at Higher Education providers (HEPs) in England. Very little information was returned by HEPs specifically on FYs, so the 2019 study could not draw any meaningful conclusions on these costs. The findings from this research help fill the existing cost information gaps, with a focus on understanding the difference in costs within and across HEPs of FY provision and compared to full-time first-degree courses. The research will also lead to a better understanding of the value for money of FY provision for students and explore the future shape and size of FY provision.

This study is predominantly qualitative in nature and is not a comprehensive financial audit of the cost of FYs. As such, some findings, particularly regarding costs of delivering FY provision should be treated with caution. Additionally, the study does not:

- Include recommendations on funding decisions
- Assess or judge quality of provision based on the cost information provided
- Comment on spending decisions taken by HEPs

Purpose of this study

The specific aims of this study are to answer the following questions:

1. Whether the cost of Foundation Year study differs from the cost of a first year of an undergraduate degree; what are the differences, and what drives them?
2. How and why the cost of Foundation Year study varies by subject-group
3. How and why the cost of Foundation Year study differs between HEPs

Methodology

To answer these questions, IFF Research conducted a total of 34 interviews; 16 with Chief Financial Officers (CFOs) or equivalent roles and 18 with Foundation Year professionals from 23 publicly funded English HEPs offering FY provision.
These conversations were supplemented with a costs template completed by CFOs which detailed the relative costs of FY delivery across different subject areas and how these costs compared with the 1st year of UG in the same subject areas.

**Key findings**

**Reasons for offering Foundation Year provision and learner profiles**

Most commonly, HE Providers offer FYs to support their widening participation strategy, although total enrolment numbers on FY programmes tend to be driven by student demand rather than by a need to meet HEPs’ targets.

Some HEPs utilise FYs as a guarantee of student numbers and financial sustainability particularly on courses where UG numbers are low, or enrolment figures fluctuate from one year to the next.

Across all HEPs, FY enrolment or provision growth was not considered a priority relative to UG, in fact in most cases FY recruitment is subsumed into UG targets. The majority had no set targets related to FY student recruitment with the focus being on stability of numbers.

FY students can broadly be categorised into 3 distinct groups: 18-year-olds not meeting course entry requirements (which makes up the predominant learner group for FY enrolment); mature students, who may have had limited or no prior qualifications; and international students enrolling on HEPs’ distinct international foundation year programmes.

**Relative cost of Foundation Year provision by subject and HEP and drivers of costs**

HEPs reported Biological, Mathematical & Physical Sciences; Engineering and Technology; and Medicine Dentistry & Health as the three most expensive general subject areas in which to run FY programmes.

FY costs were highest among high tariff HEPs and lowest among low tariff HEPs.

The drivers of FY costs are consistent across the HEPs participating in this research and are closely associated with the level of specialist equipment and facilities required to deliver teaching. Any FY subject requiring studios, lab equipment and physical infrastructure are among the most expensive to run.
Most HEPs noted that class size had a direct impact on the cost of programme delivery – the larger the class, the less expensive it is to run per head because of economies of scale. Similarly, subjects with a lower staff to student ratio are most cost effective to run.

**Relative cost of Foundation Year versus Undergraduate**

Overall, the cost of delivering FY and the first year of a UG degree in the same subject area was found to be broadly similar (although it should be caveated that Transparent Approach to Costing (TRAC) data does not differentiate between FY and UG costs and, as such, these findings are based upon staff experience and perception, as opposed to reference to data on FY specific delivery costs)¹.

While there is little difference in overall costs delivering FY and 1st year UG provision, there are innate differences between the two levels of study which necessarily means differences in the relative distribution of costs. For example, some HEPs assign more in-class contact time to FY students than to UG students to help cement core learning and technical study skills. Linked to this, FY classes tend to be smaller in size than UG classes to maintain higher staff to student ratios and allow for additional in-class contact time. Meanwhile, UG courses tend to include more expensive aspects such as field trips or work placements that are generally not offered at the FY level.

**Foundation Year value for money and outcomes**

FY provision is regarded by HEPs as invaluable. Without it, many students from underrepresented backgrounds, as well as those with the potential to succeed in HE but had underperformed in school, would not be able to access higher education.

FYs are generally seen to help students achieve good outcomes, specifically increasing knowledge and skills, overall confidence, and the ability to settle into HE life. These findings are not based on formal progression and performance data (e.g., institutional data or Graduate Outcomes data).

¹ Full details on TRAC costing can be found here: [TRAC data - Office for Students](#)
2. Introduction

Background and Research Aims

As part of its review of Post-18 Education and Funding, the Independent Panel chaired by Sir Philip Augar, looked at Foundation Year (FY) provision and considered whether it offered good value for money to students. Among other key recommendations, the review recommended the withdrawal of funding for FYs, with certain proposed exemptions. This led to growing concerns within the sector that removing this funding could adversely impact access to higher education for those from disadvantaged backgrounds.

In April 2019, the DfE commissioned a study to help understand the costs of undergraduate and FY courses being delivered by Higher Education Providers (HEPs) across England. The aim of the report was to support the wider evidence base for Higher Education funding policy. However, findings from the study were not substantial enough to draw any meaningful conclusions on the specific costs of FY provision.

Given that FY provision has been increasing in recent years, rising from 8.7k entrants in 2010/11 to 26.5k entrants in 2017/18, the Department for Education (DfE) has been keen to learn more about the trends and costs in FY provision. The DfE commissioned IFF Research to conduct an explorative study to further understand the difference in FY costs between HEPs and subject groups within HEPs. More specifically, the research aimed to contribute to the evidence base supporting a better understanding of the following:

- Whether the cost of a FY differs from the cost of the first year of a UG degree; what are the differences, and what drives them?
- How and why the cost of Foundation Year study varies by subject-group
- How and why the cost of Foundation Year study differs between HEPs

Methodology

A total of 94 publicly funded Higher Education Providers in England were identified within scope for this research study. A sample was selected based on a stratified random sampling approach, taking into account tariff group (low, medium, and high), size (based on number of FY entrants), and number of FY subjects and region. Of these, 24 HEPs and 24 reserve list HEPs were invited to participate in interviews.

Interviews for this study were conducted with Chief Financial Officers (CFOs) or equivalent roles, and (FY) professionals in these HEPs. Whilst the initial approach was to

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2 Year 0: A foundation for widening participation? | HESA
conduct 24 interviews with CFOs and 10 with FY professionals in the same HEPs, following initial CFO interviews it was decided that interviewing relatively more FY professionals would better support the objectives for this study. Halfway through this research the quotas were amended to allow for 16 CFO and 18 FY professional interviews, without the requirement for all FY professional interviews to be conducted at the same HEP as those conducted with CFOs. Interviews with CFOs and equivalent roles helped gather information on FY costs, while FY professionals provided a holistic picture on reasons why FYs are offered and the expected shape and size of FY growth in the future. In total 23 HEPs took part in the study, representing approximately a quarter of all publicly funded HEPs in England offering FY provision.

The interviews involved in-depth 45-minute discussions around reasons for offering FYs, costs of delivering FY subjects, drivers of differences in cost across FY subject areas and between FY and 1st year UG in the same subject area, value for money, and outcomes. In addition to this, CFOs were asked to complete a template prior to the interview based on a review of their 18/19 TRAC data. The template asked for relative costings of FY subject delivery and a comparison with the 1st year of UG in the same subject area.

**Terminology**

This section details the acronyms and clarifies some of the terminologies used throughout the report.

**Foundation Year (FY):** refers to the one-year programme integrated with an undergraduate (UG) degree programme, commonly taken by learners prior to the first year of Level 6 study.

**FY Pathways:** Foundation year programmes that are offered in more general subject areas e.g., Humanities or STEM, which commonly lead on to a wide range of potential UG degrees.

**Subject:** refers to the specific subject area in which an FY programme is offered e.g., Law.

**Course:** refers to the individual programme of study within a subject area e.g., 'Management and Finance with a Foundation Year', under the general subject area of 'Business'.

**Cost:** refers to the ‘cost per full-time equivalent (FTE) student’. This aligns with the way in which subject-level costs in TRAC data are calculated. Subject related costs in each HESA academic cost centre are divided by the OfS / Funding Council-fundable FTEs to calculate ‘Subject-related full annual cost of teaching a student’ (SubjectFACTS).
**TRAC data:** refers to a standard method for costing in higher education in the UK, used by HEPs to report on their cost of teaching, research, and other activities\(^3\).

**Cost Centres:** Given that HEPs’ categorisation of subject areas differed greatly in template responses, for the purpose of this research, they have been ‘re-categorised’ into HESA cost centres, aligning with the method employed by HEPs when calculating their TRAC data. The different HESA cost centres and the subjects that relate to them have been noted in the next section of this report.

**Limitations of the research**

This is a qualitative study and is not a comprehensive audit of the cost of FY provision.

The use of TRAC data has some limitations when assessing the cost of FY provision across subject areas, and when comparing with the 1st year of UG study in the same subject area. Firstly, HEPs do not differentiate between FY and UG study when collecting TRAC data (costs of FY study in a subject area are subsumed into the UG cost). For example, whilst TRAC data does ask HEPs to collect data on teacher salary cost across HESA cost centres, it does not require HEPs to separate this data by FY and UG teaching staff. The costs provided therefore are based on TRAC data for UG subject areas where FY is also offered in this area.

The timeframe of the data collected also acts as a point of limitation as the 18/19 TRAC data provides costs are not the most up to date. While the cost of delivering FY across subject areas in 19/20 and 20/21 academic years would have been different (e.g., due to lower levels of FY enrolment or changes in delivery method), to some extent focussing on 18/19 data does reflect a more ‘typical year’ for FY enrolments amongst HEPs (where FY delivery reflected pre-pandemic conditions), and as such can be seen to give a more accurate representation of costs of delivering FY provision. Participants were asked to refer to 18/19 TRAC data in discussion of FY costs for consistency, as the OfS did not mandate HEPs to collect TRAC data in the academic years 19/20 and 20/21. As such, 18/19 represented the last academic year where TRAC data was collected and reported to the OfS by all publicly funded HEPs.

**Structure of this report**

This report contains the following key sections:

- Reasons for offering Foundation Year provision and expectations of enrolment

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\(^3\) TRAC data - Office for Students
• Cost of Foundation Year courses
• Drivers behind cost of Foundation Year provision
• Value for money and Foundation Year outcomes
• Conclusions
• Appendices
3. Reasons for offering Foundation Year provision and expectations for enrolment

This section covers reasons why Higher Education Providers (HEPs) offer Foundation Year (FY) provision and highlights the subject areas most offered by HEPs involved in this research. It also breaks down the different learner profiles for FY study and covers prioritisation of FY enrolment in comparison to undergraduate enrolment and expectations of enrolment figures.

Reasons why HE Providers offer Foundation Year provision

Across all HEPs, the most common reason for offering FY provision is to support their widening participation strategy. This is followed by financial incentives for HEPs to increase student enrolment numbers and in some cases, mitigate Year 1 UG dropout rates.

To support the widening participation strategy

Contribution to a widening participation strategy is the main reason HEPs offer FY provision. Foundation years are considered important in supporting widening participation, both in the more formal sense of ensuring that enrolment targets for underrepresented groups are met as part of their institutional access and participation plans4 (as mandated by the Office for Students), and more generally in supporting the institutional ideology that there should be accessibility for underrepresented groups to succeed in and progress from higher education.

The main reason is down to the fact that we are a comprehensive university and very keen on being accessible to all sorts of students. We believe we have a big role to play in overcoming the participation challenges of higher education. – Medium Tariff, East Midlands

Generally, FYs have lower entry requirements, and therefore HEPs felt it is an attractive option for students who have limited academic qualifications following school or have strong experience of work in industry but do not have the required qualifications. However, HEPs were careful to note that they did not seek to push students onto FYs through recruitment, but rather ensured students had the agency to choose for themselves whether the FY route or the direct-entry UG route was more appropriate for their circumstances. For example, if a student did not meet entry requirements for entry at Year 1 of an undergraduate course, they would rarely be directed to the FY route, except in a minority of borderline cases. Whilst HEPs noted that they were not proactively

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4 Access and participation plans - Office for Students
targeting underrepresented groups for Foundation Year enrolment, it was felt nonetheless that Foundation Years were commonly more attractive to students from these groups, who for a number of different reasons (e.g. first member in their family attending university, low confidence in academic abilities, limited experience of more general academic skills required at HE) would benefit from a Foundation Year course rather than enter higher education at year one of an undergraduate degree.

The increase of foundation year enrolment is not commonly formally noted as a strategic aim in terms of increasing the number of certain groups, for example, students from low participation neighbourhoods (e.g. POLAR 4 Q1) in institutional access and participation plans. It is nonetheless viewed by HEPs as a key means of driving access and attainment amongst underrepresented groups.
Case Study 1: High tariff, London-based HEP. Medium to small number of FY entrants and subject areas.

Reasons for offering FY

The HEP decided to launch FYs in September 2019 based primarily on the opportunity to bring in students from underrepresented backgrounds, alongside the acknowledgement that they (the HEP) deliver a distinct provision that is not widely offered by other HEPs. As such the HEP viewed FYs as an important means to widen the student profile accessing this unique provision. While widening participation is the main reason for offering FYs, it also plays a role in supporting the financial sustainability of degree programmes that may have lower numbers of students enrolling in Year 1.

It’s (FYs) for people who have the potential, but who haven’t had the opportunity to shine.

Model of FY offered

Two FY pathways are offered: one in Social Sciences and Arts & Humanities and the other in Business Management and Economics & Law. FY Pathway study can lead onto any undergraduate degree programme offered by the HEP, although commonly students go on to study Law, Economics, Politics, and International Studies.

Drivers for costs of FY

There are no tangible differences between pathways in terms of cost per student. Whilst two-thirds of learners are on the Business Management and Economics and Law Pathway and one-third on the Social Sciences and Arts & Humanities, the number of learners is reflected in the overall budget allocation. Teaching staff commonly teach across both pathways (delivering the same number of contact hours), and the blended learning delivery model and welfare needs are likewise identical on both pathways. The HEP has one administrative team working across both pathways, so no separate administrative costs are incurred.

FY & 1st Year UG degree programmes are generally considered approximately equal in terms of cost per student:
The reason we don't have that difference in cost is because the same investment is primary for us in those students, and that investment is primary in staff time, and assessment and feedback, detailed teaching time. Because the main resource is deployed in the same way, the costings have been largely the same.

However, two key drivers of cost (contact time and pastoral well-being support) are slightly higher at the FY level than the UG level. A higher level of academic staff contact time out of the classroom is used to support those with lower prior attainment to build confidence in academic ability. There is also anecdotal evidence to suggest FY students make greater use of wellbeing services (although no specific data is available from the HEP to validate this). Overall, however, the difference in cost per student between FY and 1st Year UG delivery in the same subject areas was considered negligible.

For other key drivers of FY costs, including teacher salary (the same staff teach at UG and FY level), capital expenditure on estates, and delivery method, there is no difference between FY and UG at this HEP.

**Value for money and outcomes**

The HEP was positive that FYs strongly support good outcomes, and that the value for money was clearly evident and transparent to students. Fundamentally, the fact that FYs offer an opportunity to students who otherwise may not have access to HE was considered to be the most important outcome of FY provision.

> It’s vital and fundamentally important for them to achieve good outcomes. Without a foundation year programme, we would be much less able to deliver good outcomes for students who have not thrived in their pre-18 education”

> The student perception is that it’s a cost worth bearing, given what it gives them access to.

**High demand amongst lower level attainers**

In line with the widening participation strategy, many HEPs saw FY provision as a pathway for students to access HE, even after falling short of meeting the course entry requirements for Year 1 UG study (regardless of their background). There was some acknowledgement that academic attainment at school should not act as a permanent barrier to those who have a clear ambition to enter higher education. There are a wide
range of reasons why some may not obtain the required tariff points unrelated to academic ability and commitment.

There were several drivers, in particular a recognition that we were getting applications through from students who didn't meet our entry requirements, but we have a real commitment as a university to increase participation and work with local schools and colleges to see that throughput into HE programmes. This (FY) provided a way in which we could bridge that gap, to ensure that students could work through 4 years of a programme and successfully enter the workforce. – *High Tariff, North West*

**Foundation Years as a way to support student enrolment figures**

Some HEPs felt that FYs provide a ‘sense of security’ both in terms of supporting the financial sustainability of running UG degree courses with low student numbers, and for mitigating fluctuating enrolment in other areas of the HEP.

These HEPs highlighted the importance of FY provision in supporting overall institutional student enrolment figures in the context of a drop in international student numbers following travel restrictions during the pandemic:

Due to the change in Foundation Year and the massification of HE, it is a primary source of income generation with a secondary aspect of widening participation. Also seen as an essential pipeline to increase student numbers. – *Medium Tariff, East Midlands*

2-3 years ago, Sociology numbers were in decline and whilst the UG course might have only attracted 10 students, the following year when FY was added they might get another 10 which makes it a very viable cohort. *Low Tariff Group, North East*

A minority view was that FY provision supported the increase in student numbers without incurring a dip in overall average entry tariffs. For instance, HEPs were able to increase their overall enrolment via their FY provision in subject areas where UG enrolment numbers were capped. This enabled them to keep the undergraduate tariff entry requirements at a high level, whilst increasing the total number of students on a programme.

There was limited or no evidence to suggest that FY provision is offered for other reasons such as aligning with teaching expertise / specialisms, diversification of the ‘traditional student profile’ e.g., specifically targeting mature students, or any other specific student groups.
To overcome Year 1 dropout

A few HEPs felt that FY provision helped to mitigate against potential first year dropout rates among borderline entry tariff students who would potentially struggle with the academic rigour of the programme. HEPs offered FY as stepping-stone to such students with the aim of enhancing their learner outcomes and securing high levels of progression through the full undergraduate programme. This view relates to the minority of cases where ‘borderline entry tariff students’ were directed to FY study by the HEP, as opposed to the majority of instances where FY enrolment was learner led.

Because students had barriers to learning they were leaving [the first year] or failing and struggling with academic skills required for the programme. They either lacked sufficient background or the underpinning knowledge for study at Year 1 UG, which is why they benefitted from the additional support at FY year. – Medium Tariff, North West

These HEPs acknowledged the difficulties that borderline entry tariff students faced when entering Year One of an UG degree. For such students, the HEPs found that FYs ensured future students did not face similar difficulties. It should be noted that that this did not involve identifying students struggling in Year One and suggesting they move to FY study, this occurred earlier, during the recruitment phase. Students who did not quite make their entry requirements were not accepted directly on to Year One of UG programmes.

Breakdown of commonly offered FY subjects

The breakdown below comes from the information provided by the CFOs or equivalent roles that were interviewed as part of this research. Due to the differences in categorisation of subject areas by the different HEPs, they have been ‘re-categorised’ into HESA cost centres, aligning with the method employed by HEPs when calculating their TRAC data. For reference, the HESA cost centres and the subjects that relate to them are noted in the following table:
Table 1: HESA cost centres and corresponding subject areas

<table>
<thead>
<tr>
<th>HESA Cost centre</th>
<th>Subject area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicine, dentistry &amp; health</td>
<td>Clinical medicine, Clinical dentistry, Nursing &amp; allied health professions, Psychology &amp; behavioural sciences, Health &amp; community studies, Anatomy &amp; physiology, Pharmacy &amp; pharmacology</td>
</tr>
<tr>
<td>Agriculture, forestry &amp; veterinary science</td>
<td>Veterinary science, Agriculture, forestry &amp; food science.</td>
</tr>
<tr>
<td>Biological, mathematical &amp; physical sciences</td>
<td>Earth, marine &amp; environmental sciences, Biosciences, Chemistry, Physics, Mathematics</td>
</tr>
<tr>
<td>Engineering &amp; technology</td>
<td>General engineering, Chemical engineering, Mineral, metallurgy &amp; materials engineering, Civil engineering, Electrical, electronic &amp; computer engineering, Mechanical, aero &amp; production engineering</td>
</tr>
<tr>
<td>Architecture &amp; planning</td>
<td>Architecture, built environment &amp; planning, IT, systems sciences &amp; computer software engineering</td>
</tr>
<tr>
<td>Administrative &amp; business studies</td>
<td>Business &amp; management studies, Catering &amp; hospitality management</td>
</tr>
<tr>
<td>Social studies</td>
<td>Geography &amp; environmental studies, Anthropology &amp; development studies, Politics &amp; international studies, Economics &amp; econometrics, Law, Social work &amp; social policy, Sociology, Media studies</td>
</tr>
<tr>
<td>Humanities &amp; language-based studies &amp; archaeology</td>
<td>Area studies, Archaeology, Modern languages, English language &amp; literature, History, Classics, Philosophy, Theology &amp; religious studies</td>
</tr>
<tr>
<td>Design, creative &amp; performing arts</td>
<td>Art &amp; design, Music, dance, drama &amp; performing arts</td>
</tr>
<tr>
<td>Education</td>
<td>Education, Continuing education, Sports science &amp; leisure studies</td>
</tr>
</tbody>
</table>

The most commonly offered FY subjects amongst HEPs participating in this study were in Engineering and Technology followed by Biological, Mathematical & Physical Sciences, Social Studies, and Medicine Dentistry & Health.

HEPs were asked why FYs were offered in some subjects more than others. While there was some uncertainty around the historical reasons for the range of subjects offered at the FY level, anecdotal views suggested that the FY subject was commonly linked to entry requirements and course popularity. For example, one HEP gave the example of
Architecture being an often-oversubscribed programme at their HEP, whilst also having high entry tariff requirements. As such it received a high number of applications from students who ultimately did not meet the tariff requirements. The respondent acknowledged that there was a significant number of applicants who ‘needed to go down the foundation route,’ if they still wanted to access the programme.

Since this is a high tariff school, the FY course bridges the gap and allows students to access the course they wouldn’t have been able to from a traditional route. – High Tariff, North East

CFO template responses showed that the subject areas less commonly offered were in Design Creative & Performing Arts, and Humanities & Language Based Studies & Archaeology, which generally include subjects with lower entry tariff requirements.

One HEI also felt that subjects that were ‘there to stay’ due to large capital spend on facilities (e.g., lab-based subjects) were more likely to have a FY offer, as the university was certain they would continue to be offered at UG level in the future.

There was a fairly even split amongst HEPs that offered general FY pathways (e.g. Liberal Arts, Humanities and STEM) alongside FYs in individual subject areas, and those that only offered FY in individual subject areas. FYs in individual subject areas tended to lead to a narrow range of UG programmes within one department / faculty which created more scope for specialisation in FY content, whilst general FY pathways led to a much broader range of UG programmes (up to 30 in some cases) allowing students to undertake a multidisciplinary programme before choosing a specific UG pathway.

Decisions around whether to offer FYs as a more general pathway programme tended to be based on the individual structures of HEPs, and the relationships between different schools / departments which subsequently determined the different subject areas that were on offer for FY and UG students at Year 1. HEPs acknowledged a tension between offering students ‘wide-reaching’ pathways, providing a broad range of choice for undergraduate study (which is viewed positively by FY applicants), and the requirement to effectively plan for the number of students they would take onto a specific undergraduate degree.

We get this quite a lot with [the] Social Sciences and Law [pathway]...they get hit with some hard Law stuff and decide they want to do Policing instead. It’s very easy for them to change in that first year. We call it musical degrees. – Low Tariff, North East

Whilst FY pathway students often have the option of a number of UG programmes, one HEP noted that some cohorts tend to ‘move together’ and the majority choose to progress onto the same degree programme. As noted, this can result in planning
difficulties for departments which have a large influx of students coming from FYs (as the choice of UG course for FY students is made relatively near to the beginning of Year 1 delivery). In general, pathways were more commonly offered as distinct programmes for international students as opposed to home students.

**Foundation Year learner profiles**

There were three main learner types that entered FY study. The most predominant are 18-year-olds who did not meet their required course entry requirements), followed by mature students who may have had limited or no prior education qualifications. The final group are international students enrolling on distinct international foundation year programmes; such programmes are out of scope of this research.

**Students who did not meet required course entry requirements**

As mentioned previously, in line with high demand amongst learners with lower levels of attainment, the largest learner profile for FYs are 18-year-old students who have not achieved the required qualifications to undertake their choice of Year 1 UG programme.

> Foundation Year is seen as a route to allow access to people who wouldn’t traditionally have been able to access education because they didn’t have the prior academic attainment in order to start a 3-year programme. – *High Tariff, Yorkshire and the Humber*

A few HEPs stressed that whilst FYs are a route for students who have not received requisite grades, they are not viewed as a mid-way point between school / FE study and HE. For all HEPs in this research, FYs are an option for students who have the desire and potential for HE study, and not simply an alternative ‘natural progression’ route for students from FE / School to FY to UG study. It is therefore seen as distinct from HEPs’ other outreach work with schools and FE colleges, which is aimed towards encouraging and supporting student ambition toward HE study.

**Mature students**

The second most common profile of FY students are mature students who want to engage with HE. FY professionals mentioned that while the provision did not specifically target mature students, the provision is seen as a chance to enable mature learners to join or re-join education outside a school or vocational environment. This tended to include students who had previous negative experiences in education, or those who were older and returning after long absences.
Mature students need tailored support before they’re thrown into the deep end at Year 1, which is why FY is a great way of slowly reintegrating them into HE. – *High Tariff, South West*

**Conversion students**

A minority of HEPs mentioned offering FY as a way for learners to upskill in subject areas that deviated from their A-level or equivalent qualifications. For example, FYs could be useful routes for students who took A-levels in Humanities subjects but then decide to study a Science based subject for their degree. In a couple of instances this was the sole reason for an HEP offering FY provision.

75% of foundation year students are there because of a missed Maths A Level. – *High Tariff, South West*

**Foundation Year enrolment levels compared to Undergraduate**

Across all HEPs, FY enrolment or provision growth is not considered a priority relative to UG, with the majority of HEPs having no set targets relating to FY student recruitment. Most HEPs felt that stability was their key focus, not growth, in light of relatively low enrolment figures compared with their UG intake. Equally, uncertainties caused by the pandemic and the perceived need to assess the impact of potential upcoming policy changes strengthened the desire for stability over growth.

There is no plan to grow foundation [year] levels but rather to maintain them at the current level in proportion to other programs. We see the FY as a valuable route in and one we want to maintain but not necessarily one we want to grow. – *High Tariff, North East*

When asked about reasons for lack of prioritisation, most HEPs mentioned the following two reasons:

**No distinction between Foundation Year and Undergraduate enrolment levels**

Conceptually, when thinking about recruitment targets, HEPs viewed FY recruitment alongside UG recruitment targets, as it is thought of as ‘Year 0’ in what is effectively a four-year UG degree programme. As a result, HEPs had no specific FY recruitment targets, as all FY enrolment merged with Year 1 UG enrolment figures.

It’s not a priority because our priority is on undergraduate degrees and degree apprenticeships. [The] Foundation Year is a means to widen participation and making sure students from all variety of backgrounds have a chance to get to where their subject area might
be, but it can’t be an overwhelming majority of it; that’s not what we want to [aim for].’ – Low Tariff, South West

Limited tie in with broader university strategy

Whilst FY is seen as important for widening participation strategy and for meeting access and participation targets, its value can be isolated from other broader aims of HEPs. For example, one HEP prioritised increasing the overall entry tariff, and thus was actively moving away from FY delivery.

Our UG recruitment has been quite high, and we’ve been doing a lot of outsourcing with partners in China to increase our international portfolio. By extension, home campus and FY provision is less of a focus for us. – Low Tariff, South East
4. Cost of Foundation Year courses

This section sets out information on the costs of delivering Foundation Year (FY) provision in different subjects from data given by Chief Financial Officers (CFOs) or equivalent roles. Overall, the analysis presented here comes from information provided by 14 of the 16 HEPs where CFOs were interviewed. CFOs also completed a template prior to the interview. The template asked for:

- Information on which foundation year subject areas were most expensive, least expensive, and of middling expense to run. CFOs were asked to record this information with regard to ‘relative costs of delivering FYs in subject areas with no specific numeric boundaries e.g. they were not told that the ‘most expensive courses’ should cost more than X amount to deliver.

- The cost of the three most expensive FY subject areas and the costs of the three least expensive FY subject areas.

- Any differences in costs between delivering the same subject area in a FY year and the 1st year of an undergraduate degree.

- Where applicable, any differences in cost between delivering the same subject area in FY and an Access to HE course in the same subject area.

HEPs were asked to refer to their 18/19 Transparent Approach to Costing (TRAC) data, which is used to record the full economic costs of activities including: direct costs (e.g. staff costs and equipment), support costs (IT, library and central costs), and an adjustment (the margin for sustainability and investment) to reflect the full economic cost of sustaining activities. The academic year 18/19 was chosen because it is the last year that HEPs were required to collect TRAC data by the Office for Students. Although several HEPs did collect TRAC data throughout the pandemic all HEPs were asked to refer to their 18/19 data when completing the template.

Limitations of 18/19 TRAC data

As discussed briefly in the introduction of this report, there are some limitations around the use of TRAC data when considering the cost of FY provision. This is predominantly because HEPs do not differentiate between FY and UG study when collecting TRAC data (costs of FY study in a subject area are subsumed into the UG cost). For example, whilst TRAC data does ask HEPs to collect data on teacher salary cost across HESA cost centres, it does not require HEPs to separate this data by FY and UG teaching staff.

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Therefore, the costs provided are based on TRAC data for UG subject areas where FY is also offered in this area\(^6\).

The timeframe of the data collected also acts as a point of limitation, as the 18/19 TRAC data provides costs are not the most up to date. While the cost of delivering FY across subject areas in 19/20 and 20/21 academic years would have been different due to lower levels of FY enrolment or changes in delivery method, focusing on 18/19 data does reflect a more ‘typical year’ for FY enrolments amongst HEPs, and can be seen to give a more accurate representation of costs of delivering FY provision.

**Terminology**

It is important to note that in this section and the following section, drivers of cost refer to ‘cost per full-time equivalent (FTE) student’. This aligns with the way in which subject-level costs in TRAC data are calculated. Subject related costs in each HESA academic cost centre are divided by the OfS / Funding Council-fundable FTEs to calculate ‘Subject-related full annual cost of teaching a student’ (SubjectFACTS).

Therefore, whilst the overall costs of a FY subject area may remain consistent from one year to the next if the use of facilities, teaching salaries, and other costs are the same, the cost per FTE student may be more or less expensive depending on enrolment figures.

For example, if the total TRAC cost of delivering FYs in the Engineering and Technology HESA cost centre bracket is £100,000, the cost per FTE student would be £10,000 if there were 10 students enrolled on the course or £5,000 if there were 20 students enrolled on the course. Accounting for the fact that FY student numbers vary by HEP, we have not made direct comparisons across HEPs when it comes to costs but looked for patterns and trends by subject across the sector.

As the calculation of ‘SubjectFACTS’ also excludes costs associated with overseas students, international FY costs were not in scope for this research.

Finally, as noted in the previous section, HEPs’ categorisation of subject areas differed in template responses. Some HEPs reported the relative costs of FYs in very specific course areas e.g., ‘Chemistry with Forensic Investigation,’ and others categorised FYs in more generic pathways such as ‘Liberal Arts’ or ‘Humanities.’ To provide consistency in

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analysis, we ‘re-categorised’ subject areas into HESA cost centres, aligning with the method employed by HEPs when calculating their TRAC data.

**Relative expense of subject areas**

Across the 14 HEPs who submitted template data, Biological, Mathematical & Physical Sciences; Engineering and Technology, and Medicine Dentistry & Health were the three most commonly reported as most expensive to run. Half of the HEPs who reported these cost centres to be most expensive to deliver FYs were from high tariff Providers.

This analysis is not representative of all HEPs offering FY provision and findings should be considered a snapshot of the range of FY provision offered by some participating HEPs. For example, where HEPs offered lower numbers of FY subject areas, there may be less actual range in cost between ‘most expensive’ or ‘least expensive’ subject areas.

**Cost of subject area delivery**

Below we have presented the range of costs given for all subject areas that were provided, recategorized into HESA cost centres. Subject areas are ordered according to cost (highest first).
Table 2: Costs of FY provision by subject area (HESA cost centre)

<table>
<thead>
<tr>
<th>Subject / HESA Cost Centre</th>
<th>Maximum cost per FTE student</th>
<th>Minimum cost per FTE student</th>
<th>Range</th>
<th>Number of HEPs having provided cost information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biological mathematical &amp; physical sciences</td>
<td>£16,400</td>
<td>£7,452</td>
<td>£8,948</td>
<td>11</td>
</tr>
<tr>
<td>Engineering &amp; technology</td>
<td>£15,800</td>
<td>£7,239</td>
<td>£8,561</td>
<td>9</td>
</tr>
<tr>
<td>Medicine, dentistry &amp; health</td>
<td>£15,600</td>
<td>£7,744</td>
<td>£7,856</td>
<td>6</td>
</tr>
<tr>
<td>Design, creative &amp; performing arts</td>
<td>£13,200</td>
<td>£9,419</td>
<td>£3,781</td>
<td>4</td>
</tr>
<tr>
<td>Administrative &amp; business studies</td>
<td>£12,800</td>
<td>£5,186</td>
<td>£7,614</td>
<td>8</td>
</tr>
<tr>
<td>Social studies</td>
<td>£12,300</td>
<td>£6,486</td>
<td>£5,814</td>
<td>7</td>
</tr>
<tr>
<td>Humanities &amp; language-based studies &amp; archaeology</td>
<td>£12,407</td>
<td>£6,526</td>
<td>£5,881</td>
<td>4</td>
</tr>
<tr>
<td>Architecture &amp; planning</td>
<td>£12,047</td>
<td>£8,199</td>
<td>£3,848</td>
<td>3</td>
</tr>
<tr>
<td>Education</td>
<td>£11,600</td>
<td>£9,032</td>
<td>£2,568</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Institutional templates

The cost centre with the single most expensive maximum cost per FTE student was Biological, Mathematical & Physical Sciences followed by Engineering and Technology. The cost centre with the least expensive maximum cost per FTE student was Education. As well as being the least expensive cost centre, Education is the most consistent, with costs ranging by £2,568.

It is worthwhile to note that when considering these findings HESA cost centres incorporate a wide variety of subject areas. These quantitative figures should be set in the context of the low numbers of HEPs involved in this study, alongside the broadly qualitative nature of the research.
For example, whilst Architecture & Planning had the second lowest maximum cost per FTE student, there were only three HEPs offering FY provision in this cost centre area.

The largest range in cost per FTE range in cost centre groupings was in Biological, Mathematical & Physical Sciences and Engineering and Technology, potentially reflecting the wider variety of subject area types that are categorised in these cost centres.

When analysing the template data by HEP tariff, the cost per FTE student correlated with average entry requirements of students. As shown below, high tariff HEPs had both the highest maximum cost per FTE student and the highest minimum cost, whilst low tariff HEPs had the lowest costs per FTE student. There was little variation in terms of the range of costs for FY/1st Year of UG study.

Table 3: Costs of FY provision by tariff

<table>
<thead>
<tr>
<th>Tariff</th>
<th>Maximum cost per FTE student</th>
<th>Minimum cost per FTE student</th>
<th>Range</th>
<th>Number of HEPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>£16,400</td>
<td>£8,717</td>
<td>£7,683</td>
<td>3</td>
</tr>
<tr>
<td>Medium</td>
<td>£15,600</td>
<td>£6,486</td>
<td>£9,114</td>
<td>4</td>
</tr>
<tr>
<td>Low</td>
<td>£14,489</td>
<td>£5,186</td>
<td>£9,303</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Institutional templates

7 Whilst 14 HEPs completed the template, one only provided FY subjects offered and not related costings.
5. Drivers of Foundation Years costs

This section will cover the factors that drive the differences in the cost of delivering Foundation Years (FYs) in different subject areas, and the cost of delivering FY and Undergraduate (UG) provision in the same subjects.

It should be noted that whilst HEPs were also asked what drove any similarities or differences between the cost of delivering FY and Access to HE courses, the small number of HEPs offering Access to HE courses involved in this research meant that no analysis could be given around this.

Drivers of costs in different subject areas

During interviews, HEPs were asked to discuss the different drivers that impact the cost per student of delivering FY provision across different subject areas. Participants initially gave spontaneous responses, before being prompted specifically on the following drivers:

- Course content
- Contact time (both lesson and non-lesson time)
- Teaching methods
- Class size
- Student characteristics, including prior attainment
- Student outcomes (whether provision with higher learning and market labour outcomes cost more to deliver)
- Pastoral support
- Facilities and equipment
- Staff salaries
- Departmental administrative costs
- Any other student support (aside from pastoral support)
- Any other factors

As mentioned in the previous section, given that TRAC data does not differentiate in costs between FY and UG in a subject area, HEPs did not generally refer to specific data when discussing drivers of costs. Rather, their responses were based on institutional knowledge regarding what factors tend to drive costs between subject areas. Across all factors noted above, the only key drivers of cost per student at a subject area level were use of lab facilities and estates, class size and contact hours. HEPs were asked
specifically what drove FY subject area cost per student and the same three factors were also considered to be key drivers for cost at UG subject level.

**Lab facilities and estates**

A key driver for variation in the cost per student at subject level is the requirement for (specialised) equipment and laboratories. Practical and lab-based subjects tend to require a greater use of facilities like studios, lab equipment and physical infrastructure which incurs a greater cost per student. Whilst the total cost of such facilities and maintenance of estates may be a fixed sum each year and does not differ based on the enrolment figures of students, the total cost per student for practical and lab-based subjects was higher than general classroom-based subjects because of the capital expenditure on facilities and estates.

…our Art & Design programmes offer state of the art equipment which are ordinarily cheap to buy in bulk but because it has to be replaced very often; it adds to the overall costs. – Low tariff, South West

However, looking across all lab-based subjects specifically, there were no identifiable differences found in costs based on the use of facilities or estates. For example, the cost of equipment for Civil Engineering FY and UG programmes was not considered to be noticeably more expensive than studio / labs for Art & Design subjects.

While in general, HEPs reported that higher costs on estate and facilities resulted in higher overall cost per student in delivering an FY/ 1st Year UG, a few noted that the difference in costs between lab and classroom-based subjects was sometimes marginal, due to other drivers of cost. For example, one HEP noted that their Business School costs per student for delivery at the FY level was higher than the cost of delivering Civil Engineering, due to increased staff salary costs, and increased academic support time:

Business School costs are generally high. This is due to high costs of salaries and the support costs generally. I mean, logically, civil engineering should be the higher one because of the course being more equipment and space intensive. But apportion costs per student, and there’s a lot of other expenses associated with business and management – Medium tariff, Greater London

However, again there was no consistency found here with regards to which subject areas tended to incur higher or lower staff salaries or academic support costs. This was largely because where differences occurred between staff salary, this tended to be due to whether a staff member was teaching Foundation Year or Undergraduate study (or both), rather than the subject area
they were teaching (discussed in more detail in the following section of this report). Equally, academic support time cost or cost-in-kind is not something that HEPs captured with TRAC data, and so it is difficult for HEPs to have clarity around which subjects across their full portfolio require more academic support time than others.
Case Study 2: Medium tariff, West Midlands-based, small number of FY entrants and medium number of subject areas

Reasons for offering FY

The HEP offers FY to two distinct groups of students: international students that do not have an A-level qualification (and might need support to improve their language skills), and home students, who might have just missed the necessary grades for an undergraduate course or might have met the criteria for Widening Participation Access students. The number of domestic students doing FYs is very small (less than 1% of all UG), and the places are offered to few individuals that are just “near misses” and are committed to joining the HEP.

Foundation study is not seen as an alternate, but [for] a student who definitely wants to be in HE but hasn’t got the grades yet for whatever reason.

Model of FY offered

The provision for international students is managed separately - students are commonly under 18, so they use separate facilities for safeguarding. International FYs are structured in three general pathways (Business, Arts and Science). Home students on the other hand, are offered subject-specific FY courses, strictly designed to help them build the skills to enrol onto a specific undergraduate programme. This latter group is small, and numbers have been tapering off over the last couple of years.

Drivers for costs of FY

There is some variation in the cost for students, depending on the subject. Looking at the drivers of those costs, they indicated that it is not imputable to contact time, class size or cost of staff, which tend to be the same across all subjects, rather it is the use of estates and facilities, which makes Science subjects most expensive.

It’s really just your lab vs non-lab
With regards to fees for FY and UG, those are usually the same, as the drivers of cost tend to be similar. The one difference that was pointed out by the HEP is that FY students tend to require broader academic support (e.g., writing essays, self-directed study, how to do research).

The students from better schools and with better outcomes have usually done that as part of an extra course or project, or they’ve done the International Baccalaureate. They’ve had that opportunity to learn that way of learning, so we don't have to teach it to them, but in FY we do.

**Value for money and outcomes**

The HEP indicated that value for money might depend on the path each individual takes, and how it will translate in terms of future earnings. Similarly, with regards to the outcomes, given the very small cohort, they were not able to confirm whether there is any significant difference in performance between those that do a FY, and those that enrol directly into undergraduate courses. What they stressed, rather, was that the value of FY lies in its ability to support access to higher education.

The point of the foundation year is access! The alternative is they don't come to HE, so don't achieve any outcomes.

**Class size and in-class contact time**

Most HEPs noted that class size had a direct impact on the cost of programme delivery. For instance, one HEP noted that Mathematics is an expensive course due to a lower student to staff ratio, which results in an increase in cost per student. In the same vein, the HEP’s Architecture programme, which is a leading programme in the country, was found to be less expensive because of the volume of student applications and the subsequent intake. Due to economies of scale, cost per student tends to reduce with a larger class size.

In general, the issues that determined class size for a subject area was the overall popularity of the course (as in the case with Architecture above), and the class size required to optimise pedagogy. Lab-based subject areas most commonly had smaller
class sizes, as a lower staff to student ratio was required for technical teaching on specialist equipment. Equally these subjects commonly had greater hours of in-class contact time, again due to the need for students to spend more time using and developing skills on technical equipment, alongside in-class study of more theory-based concepts.

As shown in the previous section, subject areas in the cost centres of Biological, Mathematical & Physical Sciences; Engineering & Technology; Medicine, Dentistry & Health; Design, Creative & Performing Arts were commonly most expensive to deliver at FY and UG level. This is predominately due to their high usage of facilities and estates, coupled with smaller class sizes and higher contact hours due to the requirement for more one-to-one or smaller group teaching on technical equipment.

Relative costs of delivering Foundation Year and Undergraduate provision in the same subject areas

Overall, the cost of delivering FYs and UG courses in the same subject area was found to be broadly similar. Again, given that the TRAC data does not differentiate between FY and UG costs, HEPs were unable to give substantive feedback based on recorded figures. However, any differences mentioned were based on staff’s wider knowledge of the costs involved in FY and 1st Year of UG delivery. HEPs again were asked whether the same factors noted in the previous section were considered to drive any differences in costs between FY and the first year of UG delivery in the same subject area.

They key drivers of cost differences between FY and 1st Year UG are staff salaries, contact time and class size, and course content (e.g., placements and field trips).

Teaching staff

A few HEPs mentioned that some cost differences can arise between FY and UG courses in the same subject area based on the use of teaching staff and their associated costs. For instance, one HEP mentioned teaching fellows with lower salary costs were used to deliver FY courses compared to more senior teaching staff used for UG courses.

UG study has ‘full-time teachers’ whereas in FY they are not all full-time and are often either part-time or paid at an hourly rate so while the overall contact hours might be the same, teachers are paid less at FY study. – Low tariff, Northwest

However, the majority of HEPs have the same staff members teaching FY and UG courses, and therefore there is no variation in salary between UG and FY teaching. Generally, the reasoning for this is because HEPs want to deliver the same quality of
teaching at FY and UG and are keen to emphasise that FY study is viewed institutionally as similar to the first year of a four year HE degree programme. As such, students should benefit from the same teaching expertise:

> We treat them no differently from our degree level students, so we don't refer to them as Foundation [Year] students... so there is no sort of stigma attached to it... they are given everything the same as a normal Year 1 students... The difference is that their course is a 4-year programme, not 3.- Low tariff, Northwest

### In-class contact time and class size

Some HEPs allocated more contact time to FY students for additional academic support. To contextualise, academic support here refers to tutor time required to teach general concepts required at HE such as structured essay writing, effective researching, and correct referencing, in addition to more content-based concepts (e.g., technical: use of equipment that students may not have had access to at schools) or more theoretical concepts (e.g., how to analyse and report on data in an HE / academic environment).

The lower prior attainment levels of FY students are generally considered to require greater levels of academic time to cement core and technical study skills required for HE study, but also to build confidence in their academic ability:

> Those with low prior attainment require a higher level of contact time in order to educate, but also to help build up confidence in ability. This would include working in smaller groups than at undergraduate level – High tariff, Greater London

The requirement for greater contact time also affected decisions about class size (which directly impacts cost per student calculations). Whilst class sizes for FY are generally smaller than UG due to demand (which depending on other drivers can result in a higher cost per student) some HEPs also felt that it was necessary for class sizes to remain low at the FY level to support greater levels of one-to-one and smaller group teaching. Whilst this was particularly the case for lab-based subjects, overall, HEPs felt that smaller cohorts were pedagogically more appropriate for all FY students given the higher level of academic support they require:

> If I add more students, I make us more efficient economically, [but] I do not make us more efficient in terms of actually helping students to learn, and that's where the big balance comes in. It costs more to do what we do, because what we do is very very different from what the academic departments do. – High tariff, North West
Greater need for pastoral support

Alongside a greater need for academic support via in-class contact time and smaller class sizes, there was some consideration that FY students may require greater levels of pastoral support than those entering at 1st Year UG level. This is because FY students may enter a HEP with lower levels of confidence, wellbeing, and support networks available to them than those entering Year 1 of UG. For clarity, pastoral support here refers to the time given by academic staff, personal tutors, and student wellbeing services staff outside of classroom hours to support students’ mental health and wellbeing.

Generally, most HEPs felt that FY and 1st Year UG students require similar staff resource for pastoral support, including but not limited to, support with mental health and wellbeing, signposting to organisational and planning skills and resources, and additional support with COVID guidelines and protocols.

…The world has become a harder place and all young people tend to require the same support for their mental health. – Low tariff, East Midlands

However, some HEPs felt that pastoral needs were higher among FY students. More specifically, they felt that FY students needed more support to help build the necessary skills and confidence to undertake HE qualifications, particularly students from disadvantaged backgrounds. It is worth noting that there is some natural overlap between academic support and pastoral support, given that struggling with academic content often has an effect on a students’ confidence. However, in most instances any additional costs related to pastoral support tended to be absorbed into overall administration costs for the HEP, rather than at a subject area or degree year level. This is because wellbeing services are part of an HEP-wide offer to all students and not offered as part of a specific programme/department.

There is a sort of hidden cost which we are exposed to because the [FY] students inevitably need more informal and formal support. – Medium tariff, Greater London

There is more support on how to be successful as a student than what there may be for students in first year UG because we assume that they will already have that. – Low tariff, North West

As such, any additional pastoral support provided at the FY level was not considered to drive a higher cost per student delivery.
Course features

Whilst overall, different course content at FY and Year 1 of UG was not considered to have an impact on cost per student differences at FY or UG level, a few HEPs mentioned that certain programmes such as Business and Management studies, Nursing and Medicine tended to offer placements and field trips as part of their UG programme, which directly feed into the overall department costs. Conversely field trips and placements were not offered in the same subject areas at the FY year level, resulting in lower costs per student at FY.
Case Study 3: Low tariff HEP Northwest-based. High number of FY entrants across many subject areas

Reasons for offering FY

The HEP offers FY for two reasons: to meet student demand and to widen participation. The HEP found that a large number of students are commuters from the Northwest of England who specifically want to go to this university (this is either because they want to stay local or because they cannot afford to leave home for university). At the same time, the level of deprivation in the region means that some schools struggle to equip students with skills and knowledge to join undergraduate degrees. The HEP viewed FYs as an important tool to respond to these dynamics, as well as help adult learners return to higher education. Overall, they found that FY students are often more successful at completing the degree compared to students who go straight to undergraduate.

"We found with many students that they have a lack of experience about the kind of study they will do."

Model of FY offered

FYs are offered across a large number of subjects (16) spanning the undergraduate offer, but in terms of numbers it is still considered an add-on to the normal route to university. The institution pointed out that science subjects more often require a FY route, likely due to the lack of facilities in schools to aid subject learning. Despite the relatively large current cohort, the HEP believed that the FY programme will be reduced as the university is proving increasingly popular (receiving higher quality of applicants) and there is no scope to expand student numbers.

Drivers for costs of FY

The cost of FY per student varies considerably between subjects (roughly between £12,000 - £8,700 per year) but is roughly the same compared the cost of delivery for the 1st Year of Undergraduate programmes, for each of the subjects.
With regards to the difference in cost between subjects, facilities/equipment are clearly seen as the major driver (e.g., labs for engineering, or studios/workshop for art subjects). Strictly related factors are also class size and contact time: the use of specific facilities requires smaller classes and often more direct support, while subjects taught in lecture theatres to a large class can have better economies of scale and less contact time.

With regards to the uniform price between FY and 1st Year undergraduate courses, different interviewees had different points of view. While on the one hand, it was said that the facilities and the structure of the courses are relatively similar, it was also pointed out that more senior "full-time teachers" are employed for undergraduate courses, whereas less experienced teachers are often employed part-time or paid at an hourly rate for FY.

The contact hours are the same, but the teachers are paid less at FY study.

Value for money and outcomes

The HEP believed that FY programmes provide good value for money. They are often key to the academic success of students, as they help them "learn how to learn" and boosts their confidence in approaching the journey, which might have otherwise resulted in continued struggles and potentially drop out. In particular, the HEP pointed out that at Level 6, FY students often have higher progression rates and higher grades than students who did not do FY (biggest difference in computer science and biomedical science), and they are more likely to enrol into Masters and PhD programmes and get good jobs quickly.
6. Foundation Year value for money and outcomes

This section explores HEPs’ views on the value for money of Foundation Year (FY) provision for students, and their outcomes. The majority of staff believed that FY courses offer good value for money and good outcomes for students.

FY value for money

The three reasons why FYs are seen to provide good value for money are accessibility to Higher Education (HE) and good career outcomes, and the level of support offered to FY students.

Enabling access to Higher Education and good career outcomes

Linking the earlier discussion on reasons for offering FYs, accessibility was the key reason HEPs perceived FYs offered good value for money. Many staff stated that the FY was invaluable. Without it, many of the students from underrepresented backgrounds, as well as those with the potential to succeed in HE but without the required qualifications, would not be able to access higher education.

It is giving people that opportunity to get to where other people are, that may be in that place not because of their own shortcomings but because of the inequality, I suppose, across the school sector. – Low tariff, North West

It is an access pathway for students who otherwise wouldn’t be able to come to [the HEP]. It’s a really important route in and means of widening our participation fundamentally. – High tariff, South East

Ultimately, HEPs in this study felt that access to HE alone was a strong enough factor to determine good value for money, with several highlighting that without FYs, students would not be able to attend HE at all and thus would not have been able to achieve any outcomes associated with HE e.g., degree completion / graduate employment.

… the point of the foundation year is for those people who would not quite have been able to access [HE]. So, the alternative is they do not come at all. So, then there isn't an outcome – High tariff, West Midlands

Whilst accessibility to HE was felt to be the main factor determining good value for money across all HEPs, several higher tariff HEPs also highlighted that FYs enabled students not only access to study higher education, but importantly, access to a high tariff
university with a strong reputation amongst employers, which again would not have been possible without a FY route. To some extent for these high tariff HEPs, the value of FY therefore correlated with the enhanced job opportunities that attending a high-ranking and well-known HEP can provide.

It’s not access to HE, it’s access to Russell Group HE – *High tariff, West Midlands*

**Accessibility to positive career outcomes**

Whilst highlighted particularly by high tariff HEPs, most felt that FYs granted students access to certain career opportunities, which would not have been available to them without this alternative pathway to obtaining a degree.

One HEP drew attention to the fact that increasingly, employers are requesting that candidates have a degree qualification as a basic requirement. Therefore, without the FY course enabling aspiring students to access HE, their job opportunities would be much more limited.

By not having Foundation [Years] as an option... how many people wouldn't succeed in the employment area... because they've not got what's now seen as the benchmark for a job? – *Low tariff, North West*

Several HEPs however felt that the value for money of FYs was to some extent tied to the employment outcomes of students entering FYs, which differed based on student career aspirations, area of study, and the employment market in general. For students who go onto employment where it would not have been possible without a university degree, e.g. a graduate scheme or a job where a degree is a pre-requisite, such as an engineer, good value for money of FY was considered to be clear, and could be analysed in relation the job roles and salaries of those who have a university degree and those who do not. However, where employment outcomes could have been achieved without access to higher education, the value is less tangible.

If you are a student paying an extra year of £9,250, that could be 5-6 years on your repayment plan if you are earning £30,000, so it really depends on where you are sitting. It also depends on what you go on to do...if the job you are going to get would be the same if you went to FE rather than going to HE then no, it is not good value for money. But if you go on to do something you would not have had access to e.g., a graduate scheme, it is good value – *High tariff, West Midlands*
Case Study 4: Low tariff, East Midlands-based HEP. Medium number of FY entrants and large number of subject areas

Reasons for offering FY

This HEP offers FYs to support social mobility and its widening participation policy. They want to give access to university to the broadest group of applicants possible, including those coming from deprived areas. While the HEP has a strategy to improve the average tariff, FYs offer a chance to students that would not otherwise have a chance to access HE. FYs give students the opportunity to do a course if they did not meet the UCAS points for an UG three-year degree.

Model of FY offered

A large number of FY subjects are offered, but the HEP stresses that this it is not seen as the main path of entry to undergraduate courses, in line with their strategy to improve their average tariffs. Nevertheless, they tend to find that students are not as qualified for entry onto certain subjects (e.g., business and law), while for others, are much more prepared (e.g., sports and sciences). In addition, there is an underlying idea to incentivise enrolment into courses that lead to professions that are sought after in the job market, like health and social care.

Drivers for costs of FY

The HEP gave no precise information about different costs of FY courses depending on subject but suggested there is some variance. They indicated that the cost of FYs and the 1st Year of undergraduate courses are equivalent.

With regards to the differences in cost across subject, the HEP noted that courses requiring the use of specific materials and structures (e.g., sciences and architecture) have higher costs, while those that can be taught statically are less expensive. They suggested the main drivers of cost are technology and staff/student ratios, in conjunction with the estate required.
With regards to the differences in costs between FY and UG, the HEP mentioned that FY students tend to receive more lesson time to really ensure they progress in a way that is helpful to them and the university. While this point of view was shared by all staff, there was some disagreement over the effect that this difference might have on costs. There were contrasting views on the cost of academics involved in the teaching: on the one hand, it was suggested that the same academics are involved in both FY and undergraduate courses, which would suggest FYs being more costly; on the other hand, it was pointed out that academics teaching FYs are paid at a lower rate, which would result in a similar overall cost between FY and UG (given FY requires more teaching time).

**Value for money and outcomes**

The HEP stressed that there is value in the opportunity (and guarantee) of progression that FYs give, and in the access they provide to the full university experience. They also pointed out that there is only anecdotal evidence to suggest that foundation year students have better retention rates across undergraduate years. They suggested that an option where students do their GCSEs and then enrol into their Access to HE courses (which the HEP offers) might be a better one, because it incurs a lower debt. At the same time, they understand that other universities would have to refer students to local colleges (and lose out on the FY income), so it might not be their preference. Some students might prefer to get a loan and choose FY over Access to HE for the opportunities afforded to them in a university environment.
Skills development

Another key theme was the level of support that is offered to students undertaking a FY. Many felt that the value of FYs went beyond enabling positive job-related outcomes, it was also essential for students to gain the knowledge and skills required to prepare successfully for undergraduate level study (the types of skills gained is discussed in more detail in the ‘helping students gain knowledge and skill’ section of this report). In this sense, FYs were considered to be good value for money as the level of academic support received reduced the potential for dropout in Year 1 of undergraduate study, by setting students up to succeed in their degree.

Contact hours and support is much higher. So, it has value in a different way compared to level 4. (The teaching is) a different product being offered. It is an additional, supportive and important route for those who otherwise would not be able to fulfil their dreams.
– Medium tariff, West Midlands

Equal access

HEPs were also keen to emphasise that FY students have equal access to all the same opportunities as UG students entering at Year 1. FY students have access to the same facilities such as the library and online journals, university societies, events, university residences. Equally, FY students are frequently taught by the same lecturers who teach at the UG level and have access to the same specialist equipment such as labs and studios. Effectively, from an institutional perspective, FY students are considered equal to UG students in terms of their experience.

It is excellent value because they are having the full HE experience and learning the subject at A-level or level 3 but learning it at HE and it is delivered as HE teaching. ... they have senior lecturers and experts in their field. Some get world leading researchers and lecturers teaching them. – Medium tariff, North West

Fees and debt

Despite generally positive perceptions of the value for money of FY, there was a minority view that the fee level of FY exceeded what students should be expected to pay. These participants felt that an additional year of study at £9,250 represented a significant increase in student debt post-degree. One HEP that offered Access to HE courses felt that Access to HE Diplomas offered better value for money compared with FYs due to the lower fee level, similar content, and progress prospects for progression to undergraduate study and a
lower potential for inhibitive student debt (given the lack of maintenance loan availability for Access to HE courses as opposed to FY):

I would say it is not (good value for money). My best advice if they have their GCSEs then [an] Access [to HE qualification] is better because their debt is lower. Given that some want the loan, they tend to go for the Foundation [Year]. – Low tariff, East Midlands

It should be noted however only one HEP who took part in this study offered Access to HE courses. As such, it was not possible to conduct a comparative analysis of the value of Access to HE courses against FYs, or indeed a comparison regarding drivers of costs.

The role of Foundation Years supporting students to achieve good outcomes

Most said that FY study played a key role in helping students to achieve good outcomes. Whilst some participants discussed the collection of FY student data to better compare progression, retention, performance (grade of final degree), and employment (via Graduate Outcomes data) with those who enter higher education at Year 1 of an undergraduate degree, the method and results of these data collection exercises are not publicly available and are not included within this analysis.

As such the following section discusses ‘good outcomes’ as separate from associated HE metrics, but in relation to students’ increasing knowledge and skills, overall confidence, and ability to settle in to HE life.

Helping students gain knowledge and skills

Ensuring that students gained the necessary knowledge and skills required for undergraduate study was considered vital for students to achieve the outcome of completing their degree.

Some expressed that if students who did not meet the prerequisites for a course were to enter directly into the 1st Year of an UG course instead of doing the FY, they would most likely struggle to cope with the academic challenges of the UG course. The overarching view was that FYs enabled students with low or no academic qualifications, and/or students who have been out of education for a long period of time, to gain more experience in how to study at a higher level and make the transition from school to university easier.
Study skills, they go on to their UG degree with confidence to do their own research, to know appropriate sources, to know how to reference correctly, time management and content knowledge – *Low tariff, South East*

Again, this was seen as particularly important for students from more disadvantaged backgrounds, as they were felt to be less likely to have previous experience of the academic skills and ‘ways of learning’ required for HE, such as structuring writing essays, research methods and undertaking self-directed study. The FY was seen as an effective way to level the playing field and equip these students with skills to help them catch up to their peers ahead of beginning the UG course.

The students from better schools and with better outcomes have usually done that as part of an extra course or project, or they have done the baccalaureate. They've had that opportunity to learn that way of learning, so we don't have to teach it to them, but in FY we do – *High tariff, West Midlands*

Whist HEPs often reported that more general ‘study skills’ (e.g. independent study, time management, referencing, note-taking) were most valuable to FY students ultimately going on to succeed in undergraduate study, others did note the importance of FYs in ensuring that students gained the grounding in the technical skills and subject content required for Year 1 of an undergraduate degree.

"The content is different to an A Level and it's also different to a First Year... [The content] will be course specific so in Chemistry... they may or may not have an A Level or BTec in Chemistry when they come to the FY and I know when they get to First Year, there's a certain level of requirement and knowledge that they will need... so we try to prepare [FY students] as best as we can for that First Year."
– *Medium tariff, West Midlands*

**Confidence**

Several HEPs also noted that a key outcome of the FY was that it helped students to build self-confidence in their ability to succeed in HE. This was seen as especially beneficial to students from disadvantaged backgrounds or students who were the first person in their family to attend HE, who may have had initial doubts about applying to university. The FY helps these students transition into this unfamiliar environment and provide them with the encouragement and support to realise their full academic and social potential.
We have a great deal of student testimonies and written feedback where they have said at various points throughout the degree that they didn’t know university was for them before they started the programme. – Low Tariff, Yorkshire and the Humber

**Building relationships**

FYs were also instrumental in helping students to build relationships which are beneficial to their experience of HE. A key advantage of FYs is that they allow students to develop peer relationships which provide a strong support network throughout the rest of their years at the HEP. FYs also help to build relationships with academic staff, who in many cases, would also be teaching them in their 1st Year of UG study.

It has hidden things that you cannot put a price on. If you spoke to any of our students from last year, they would all say the same thing. The recurring theme is the level of support they have had. – High tariff, North East

**Experience of university**

It was also suggested that the additional year of study via FYs helped students to familiarise themselves with the way things work at HEPs and become more comfortable before beginning their UG degree. This included becoming more familiar with HE systems such as how to submit assessments online through ‘Turnitin’ or other platforms and becoming more familiar with their surroundings (such as knowing where the library is located, and how to access services such as wellbeing support).

I mean, to some extent, [FY students] have an advantage because they know how stuff works because they’ve been here for an extra year. And so they are not scrambling around, perhaps to find wellbeing support or financial support because they’ve already accessed it for a year. – High tariff, West Midlands

[FYs] give them familiarity. It helps them find their feet and become comfortable, both in terms of the academic challenges that are going to be presented [with], but also in terms of generally living independently. – High tariff, South East

**Attrition**

In a couple of cases, HEPs had some concerns that the desire to take on FY students to increase revenue and meet access and participation plan targets was the primary motive for some HEPs, as opposed to ensuring that these students received good outcomes. In
these instances, there was a feeling that limited entry requirements had an impact on low progression rates from FY to UG study, because despite the support given, students enrolled onto FYs were not at the academic level required for HE.

We are taking students in that we shouldn't to prop up finances. We need to make sure we are only taking in students that are ready to go to university. – *Medium tariff, East Midlands*

It should be noted however, that this was a minority view held amongst HEPs involved in this research. More commonly, HEPs noted strong progression rate from FY to UG study.

**Progression rates**

Whilst institutional analysis of progression and performance data has not been included within this report, several participants mentioned that their experience had been that FY students often had equal or better outcomes than direct entrants to UG, in terms of completion of the UG degree, final grades and post university outcomes.
7. Conclusions

HEPs do not generally set specific targets on Foundation Year (FY) recruitment and enrolment is driven by student demand. While FY provision may not be considered a priority in relation to UG recruitment, it plays an important role in guaranteeing student numbers and the financial sustainability of certain UG courses.

While HEPs do not overtly push FYs to meet widening participation targets, the provision nonetheless makes an important contribution to HEP’s widening participation strategy, opening up opportunities to access Higher Education for students who might not otherwise have the opportunity.

The costs of FY vary considerably according to subject area (HESA Cost Centres) and are contingent on the resources needed to deliver them. Subjects requiring the use of more (specialist) equipment or facilities incur greater costs. This study found Biological, Mathematical & Physical Sciences; Engineering and Technology; and Medicine Dentistry & Health to be the three most expensive subjects in which to deliver FYs. Drivers of costs are generally consistent across HEP profiles, including by size, tariff, and region.

FY costs are not generally split from UG costs and so hard data on the standalone costs of FY is difficult to ascertain. The perception is that the overall costs of FYs and UG do not vary, however, the breakdown of costs between FY and UG provision is different. Typically, FY provision involves comparatively more in-class contact time and study skills development (and sometimes pastoral support), whereas greater expenditure goes to field trips and work placements at the UG level. There are no apparent differences in the costs of teaching staff.

Views on whether greater pastoral support is required for students at FY level compared with the first year of UG was mixed. However, pastoral support was commonly subsumed into overall institutional administration costs rather than separated by departmental / faculty or FY, UG or PG costs. Therefore, any need for increased pastoral support for FY students was not considered to drive a higher cost per student at FY level (compared with 1st Year of UG).

FY provision is considered by HEPs to offer good value for money to students, allowing students to access HE, develop key study and life skills, as well as longer-term career opportunities that would otherwise be closed to them.