The state of FE governance: emerging pressures across college boards

Executive summary

Further Education (FE) governance is entering a period of sustained structural pressure. Boards are being required to operate within an increasingly complex system shaped by financial constraint, policy reform, political influence, and heightened societal expectations.

Insights from ETF's Governance Roundtable indicate that the sector is not facing a single defining challenge. Instead, governance is characterised by a series of interdependent tensions, between financial sustainability and institutional purpose, collaboration and competition, local responsiveness and national alignment, and short-term pressures versus long-term strategy.

What has changed is not the existence of these tensions, but their scale, simultaneity, and intensity. Leaders described a system in which multiple high-stakes pressures are occurring concurrently, reducing the margin for error, and increasing the demand on governance capacity.

As a result, governance is evolving. Boards are no longer operating solely as oversight bodies but as active strategic navigators, required to interpret complex systems, respond to shifting conditions, and maintain alignment with institutional purpose.

This shift is placing new demands on boards themselves. The sustainability of governance models, the boundary between executive and non-executive roles, and the increasing expectations placed on governors are all now active concerns across the sector.

At the same time, emerging pressures, including artificial intelligence, social polarisation and the cost-of-living crisis, are expanding the scope of governance into areas of wellbeing, inclusion, and institutional culture.

The central challenge for the sector is not to resolve these pressures, but to navigate them deliberately and effectively, ensuring governance remains focused on delivering meaningful outcomes for learners and communities.

Introduction

This paper presents a synthesis of a Governance Roundtable comprising 12 chairs, governors, and sector leaders across 11 further education and skills organisations. For the purposes of this paper, all participants are referred to as ‘leaders,’ in line with Chatham House rules.

The discussion explored the strategic challenges boards are currently facing and how governance is evolving in response.

A clear picture emerged. FE governance is no longer operating within stable or predictable conditions. Instead, boards are navigating a dense and interconnected landscape, where financial, political, social, and operational dynamics intersect.

Many of these challenges are long-standing. However, leaders emphasised that they are now being experienced simultaneously, at pace, and with increased consequences.

As one leader reflected:

“It’s not that these issues are new, it’s that they are all happening at once, and faster than we’ve experienced before.”

This has fundamentally altered the nature of governance. Rather than addressing discrete issues, boards are required to hold multiple tensions in parallel, making continuous strategic judgements in conditions of uncertainty.

A system under strain

Leaders described a sector under significant and sustained pressure. The combination of increasingly complex funding arrangements, ongoing curriculum reform, expanding regulatory expectations and heightened social demand is stretching the capacity of institutions and those who govern them.

Funding emerged as a recurring theme throughout the discussion. While often discussed in the context of financial sustainability, leaders also reflected on the wider implications of funding constraints, including their impact on curriculum choices, capacity, workforce planning and the ability of colleges to respond to increasing learner demand.

Individually, these pressures are familiar. Collectively, however, they are producing a governance environment characterised by intensity and fluidity. Strategic decision-making no longer takes place against a stable backdrop. Instead, boards operate in a context where external conditions shift quickly, plans require frequent revisiting, and long-term thinking is constantly disrupted by short-term demands.

As a result, governance has become both strategic and reactive at the same time. Boards are required to oversee long-term direction while simultaneously responding to immediate challenges, often with incomplete information. This duality is now a defining feature of governance in the sector.

Collaboration and competition

One of the most prominent themes in the discussion was the tension between collaboration and competition.

Colleges are increasingly expected to operate within partnership models, whether through hub-and-spoke arrangements, regional groupings, or government-led initiatives such as CTEC and DTEC structures.

These models are designed to promote shared delivery, knowledge exchange and coordinated regional impact. In practice, however, leaders described a more complex reality. While collaboration is often structurally required, it is not always straightforward to implement. Institutions may still find themselves competing for learners, or funding even while being asked to work together.

There were also concerns about the pace and effectiveness of coordination. In some cases, national structures were seen as slow to mobilise, leaving local providers to drive collaboration without clear frameworks or shared expectations. As a result, progress can depend heavily on relationships between individual leaders rather than on system design.

At the same time, there were examples of strong regional collaboration, particularly where Chief Executives have actively prioritised partnership working. These examples suggest that collaboration is possible, but requires deliberate leadership, trust-building, and clarity of purpose.

Financial viability and institutional purpose

The most significant and recurring tension identified is between financial sustainability and institutional purpose.

Colleges are expected to deliver inclusive, accessible provision while operating within constrained and often misaligned funding models. This tension becomes most visible where demand exceeds capacity, especially in technical, vocational, and high-needs provision.

Boards are therefore required to make decisions that extend beyond operational prioritisation and into fundamental questions of identity and purpose.

What does it mean to be an inclusive college when resources are limited?

Funding constraints, significantly in adult provision and high-needs areas, further complicate this picture. Institutions are often faced with unmet demand, waiting lists and difficult choices about where to invest limited resources.

Several leaders also questioned whether current funding approaches adequately reflect the breadth of expectations placed on colleges. While institutions are increasingly expected to act as inclusive, community-focused anchor organisations, funding mechanisms were often seen as lagging behind these expectations, creating additional pressure on boards to reconcile ambition with affordability.

These decisions are not neutral. They reflect judgements about who the institution serves and how it defines success. As such, governance in this area is inherently strategic and value driven.

Strategy in a context of continuous reform

Maintaining strategic clarity is becoming increasingly challenging in a policy environment characterised by ongoing reform.

Leaders described strategies that are frequently revisited, sometimes within a year, as institutions respond to changes in funding, curriculum frameworks, and local priorities. This creates tension between long-term direction and short-term adaptability.

In this context, traditional approaches to strategic planning are being tested.

If the environment changes rapidly, what is the role of long-term strategy?

There is growing recognition that strategy must be more iterative and adaptive, enabling organisations to respond to change while maintaining a clear sense of purpose. This reinforces the role of governing boards as custodians of that purpose, ensuring that short-term decisions remain aligned with longer-term intent.

Political context and local system influence

The increasing influence of politics emerged as a significant theme. Leaders described operating in environments shaped by devolution, local authority decision-making and changing political landscapes.

For many colleges, relationships with mayoral authorities and local councils are now central to strategic planning. Policy decisions at a local level such as transport arrangements, funding allocations or skills priorities can have direct and immediate impacts on provision and learners.

At the same time, broader political shifts, including elections and changes in leadership, introduce additional uncertainty. Boards are required not only to understand these dynamics but also to engage with them, often acting as intermediaries between institutional priorities and public policy.

This adds a further layer of complexity to governance. Institutions must align with local systems and respond to political direction, while also maintaining independence and focusing on their core purpose. Navigating this balance is an increasingly important aspect of board leadership.

Structural futures: scale, sustainability, and identity

Questions about the long-term structure of the sector were also prominent. Leaders reflected on whether smaller colleges can remain sustainable and what role mergers or partnerships might play in future stability.

Experiences of merger highlighted the significant effort required to integrate organisations, not only financially but culturally. Even where mergers have been successful, they involve substantial work around identity, values and alignment.

At the same time, scale brings its own challenges. Larger organisations may benefit from greater resources and flexibility, but they can also become more complex and less agile. Smaller institutions may retain responsiveness and local identity but face greater financial constraints.

Boards are therefore confronted with strategic choices about organisational form. These decisions are shaped not only by financial considerations but also by questions of culture, purpose and community role.

Governance under pressure

The demands on governance are increasing in both scale and intensity.

Boards are required to process more information, make decisions more frequently, and engage more deeply with institutional activity. Expectations around visibility, understanding and engagement are also evolving.

A central challenge is maintaining the boundary between strategic oversight and operational involvement. In periods of pressure, boards are often drawn closer to operational details to provide assurance or support.

“You’re meant to be on the balcony, but you’re constantly pulled onto the dance floor.”

While this can improve understanding, it risks blurring accountability and reducing strategic focus.

At the same time, the sustainability of the governance model itself is becoming a concern. The role of governor is increasingly demanding, raising questions about capacity, recruitment, and long-term viability.

Risk, evidence and decision-making

Decision-making in this context is becoming more complex and time sensitive.

Leaders emphasised the importance of data and evidence in informing strategy but also acknowledged that decisions often need to be made quickly, without complete information. This creates a tension between assurance and agility. Boards are expected to be evidence-led, yet also responsive to emerging challenges. In some cases, there is a need to take calculated risks, to innovate or act ahead of clear data.

Risk appetite therefore becomes a critical factor in governance. Boards must define how much risk they are willing to take and where that risk should be concentrated. Striking the right balance is essential; excessive caution can limit opportunity, while overextension can threaten sustainability.

Emerging pressures: technology and society

Alongside these structural and strategic challenges, leaders identified a number of emerging pressures that are beginning to reshape governance.

Artificial intelligence (AI) is one such area. Colleges are already encountering its impact on teaching, assessment and recruitment, with implications for academic integrity and the nature of learning. There are also concerns about equity, with some learners benefiting more than others from access to advanced technologies.

For governance, this raises questions about capability and oversight. Boards may not yet have the expertise required to fully understand or respond to these developments, creating a potential gap in governance effectiveness.

At the same time, wider societal pressures are increasingly visible within colleges. Issues such as political polarisation, social division and the cost-of-living crisis are affecting learners directly, influencing their wellbeing, engagement and outcomes.

There is also increasing recognition of the prevalence of mental health challenges among learners, including anxiety and related conditions, and the implications this has for student engagement, retention and success. This places additional expectations on institutions to provide appropriate support and on boards to ensure adequate oversight of mental health provision alongside broader wellbeing.

This expands the role of colleges as institutions. They are not only providers of education but also key sources of support and stability within their communities. Boards must therefore engage with challenges that extend beyond traditional governance concerns.

Board composition and capability

In light of these pressures, the composition and capability of boards have become a strategic issue in itself. Leaders highlighted the importance of diversity, both in terms of lived experience and professional expertise. There is growing recognition that diverse boards are better equipped to understand the communities they serve and to make informed decisions. This includes demographic diversity as well as cognitive diversity, bringing different perspectives and ways of thinking into governance discussions.

Skills gaps were also identified, particularly in areas such as digital and AI, as well as in specialist areas such as mental health, where boards may require greater expertise to effectively oversee increasing student need. As the operating environment evolves, boards will need to ensure that they have the capability to provide effective oversight.

Leaders also reflected on the challenges of recruiting governors with the breadth of skills, experience and diversity of perspective needed to govern effectively in an increasingly complex environment. Recruitment, succession planning and board development were viewed as increasingly strategic considerations for governing boards.

This places increased importance on recruitment, succession planning and ongoing development, positioning board composition as a core element of governance strategy.

Conclusion

The roundtable discussion highlights a sector in transition. FE governance is no longer defined by stability, but by complexity, pace and interconnected pressures.

Boards are required to operate across multiple dimensions simultaneously: balancing financial sustainability with public purpose, responding to political and policy change, engaging with local systems, and addressing emerging technological and societal challenges.

In this environment, governance is evolving from a model of oversight to one of active strategic navigation. The ability to hold tension, exercise judgement and maintain clarity of purpose is becoming increasingly central to the role.

The defining challenge for the sector is not the resolution of any single issue, but the capacity to operate effectively within this complexity while continuing to deliver meaningful impact for learners and communities.

Using these insights in practice: from tensions to case studies

The discussion highlighted several recurring governance challenges. While not always explicitly articulated in these terms, they can be understood as operating across three broad areas of tension:

1. **Tactical vs strategic**

- Short-term, reactive decision-making versus long-term strategic direction.
- Decisions based on experience and judgement versus those grounded in data and evidence.
- Crisis management versus sustainable, strategic growth.

2. **Think small vs think big**

- Local institutional priorities versus wider system and global trends.
- Smaller-scale operations versus larger group structures and financial resilience.
- Institutional independence versus merger, group or partnership models.
- Inspection-driven priorities versus long-term quality improvement.
- Responding to past cycles versus future-proofing provision and strategy.

3. **Politics vs purpose**

- Financial viability versus inclusive, community-led provision.
- External constraints (regulation, funding, political direction) versus institutional values and leadership courage.
- Operating within public funding regimes versus enabling innovation and responsiveness.

Taken together, these tensions reflect the core governance dilemmas currently facing FE boards. They cut across many of the themes explored in this paper and provide a useful framework for understanding the complexity of decision-making at board level.

What happens next

The findings from this roundtable highlight the need for practical, coordinated action across the sector.

The clustered tensions outlined above provide a clear focus for governance development and support activity. ETF will build on these insights through a programme of targeted support, co-designed with leaders, focused on strengthening governance capability.

Two immediate areas of action have been identified:

1. First, ETF will work with sector leaders to translate these insights into practical governance tools, including anonymised case studies and scenarios based on real challenges. These case studies will be explicitly structured around the three clustered tensions, Tactical vs Strategic, Think Small vs Think Big, and Politics vs Purpose, to support boards in navigating complex and competing priorities in their own contexts.
2. ETF will strengthen its work on board capability and diversity, supporting institutions to address skills gaps, particularly in digital and AI and to build more representative and effective governance structures. This will include a stronger focus on board recruitment, succession planning and access to governance roles, ensuring that boards are equipped with the skills, perspectives and lived experience needed to navigate the tensions identified in this paper. Boards interested in strengthening recruitment, addressing skills gaps or widening participation in governance can access further information and support via the ETF Governor, Trustee, and NED recruitment page.

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