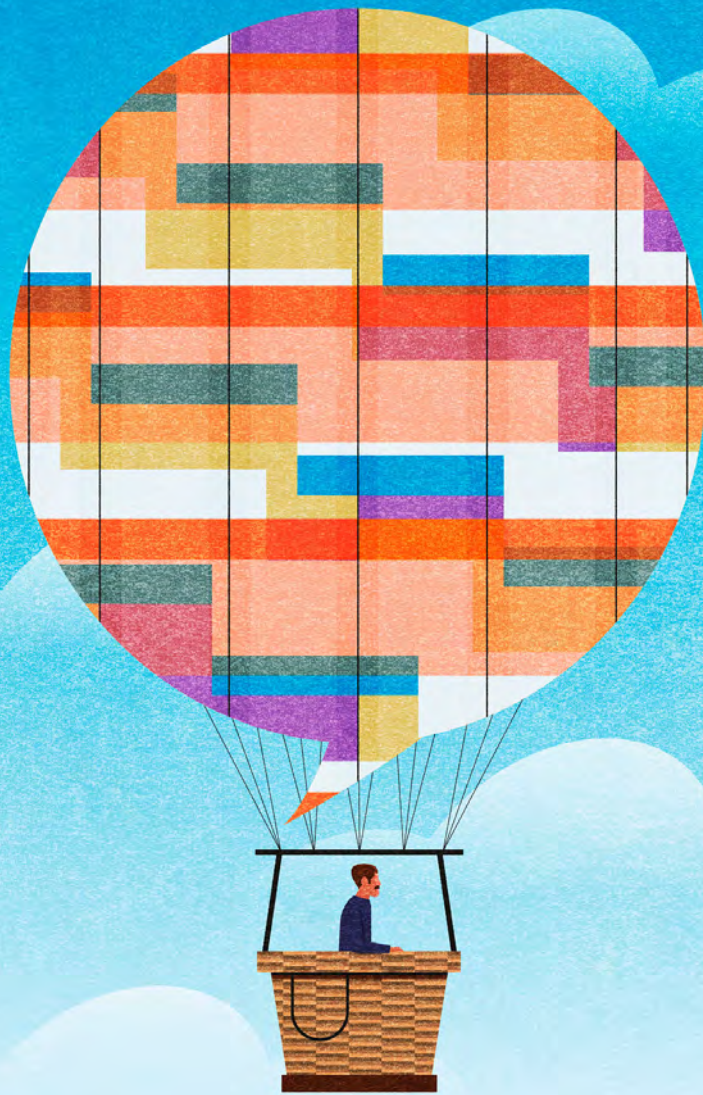




LOREM IPSUM

EARNING THE LICENSE: *HOW TO REFORM UNIVERSITY GOVERNANCE IN THE UK*

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THE POST18 PROJECT

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About The Post-18 Project

The Post-18 Project is an initiative to shape the policy environment around universities and colleges and provide practical solutions for anyone with a stake in the success of post-18 education in the UK. We bring new thinking, ideas and analysis from experts around education to drive reform of post-18 education in the UK.

An initiative from the team behind Wonkhe – the home of the UK higher education debate – The Post-18 Project has been initially set up to offer a new Labour government in Westminster policy and ideas and solutions, and develop the most exciting original thinking around the sector.

We seek to help shape the policy environment with practical ideas, helpful research, big thoughts and new ways to think about how post-18 education can be funded, the system configured, and how institutions relate to the outside world as well as their own staff and students. Our recommendations always aim to be practical and achievable, not pie in the sky, and could depend on institutional staff and leaders, regulators, policymakers or politicians to make a reality.

The system needs reform. Our aim is to provide the foundations for change, and capacity within the sector itself to have the conversation about the how, what, when and why of it all.

CONTENTS

INTRODUCTION	4
RECENT GOVERNANCE CHALLENGES	6
THE VIEW FROM INSIDE GOVERNING BODIES	8
THE ORTHODOX POLICY RESPONSE	10
WHY SKILLS AREN'T ENOUGH: THE PROBLEM OF PERSPECTIVE.....	12
LESSONS FROM ACROSS THE NORTH SEA	15
AN ALTERNATIVE APPROACH	18
PARTICIPATIVE PRINCIPLES.....	21
TOWARD AN EDUCATION GOVERNANCE FRAMEWORK	23
A CHOICE, NOT A CRISIS.....	25
BIBLIOGRAPHY	27

“The government is clear that there needs to be a focus on and improvement in providers' governance. Planning and strategy development within higher education providers, including financial planning, should be supported by the highest standards of governance to ensure realistic planning, robust challenge and the development of sustainable business models.”

– Secretary of State for Education Bridget Phillipson in her letter to the chair of the Commons Education Committee in May 2025

“Nothing will be solved if government continues to do things for people, rather than with people.”

–Secretary of State for the Ministry of Housing, Communities and Local Government Steve Reed in his introduction to the government's Pride in Place strategy

INTRODUCTION

University governance in the UK has never been under so much pressure. Institutional leaders and their boards face unprecedented challenges – between financial volatility, regulatory complexity, and intense public scrutiny, the volunteer role of governor has become exponentially more demanding. Most governing bodies navigate these pressures admirably. But the structural vulnerabilities exposed by recent high-profile cases suggest that even capable, well-intentioned boards lack the institutional architecture to prevent being blindsided by events.

Meanwhile, policy pressure is pulling the system to greater state interference and pressure. In England, the Westminster government's [post-16 education and skills white paper](#) calls for "stronger governance" and backs the Office for Students' (OfS) [plans to strengthen its management and governance conditions](#). In Scotland, the Scottish Funding Council (SFC) has published [detailed expectations](#) on governance. It is against this backdrop that the Committee of University Chairs (CUC) has launched a [review of its governance code](#).

Across the UK policy system, university governance has moved from technical concern to strategic priority. This attention is unsurprising. High-profile governance issues at some institutions have raised questions about board effectiveness. Franchising partnerships have exposed weak oversight of high-risk arrangements. OfS identifies financial sustainability as a "significant and urgent risk to the sector," with multiple institutions requiring scrutiny interventions. Student recruitment challenges, inflation pressures, and over-dependence on international student fees have all contributed to creating a volatile operating environment for our current system of governance.

Yet the policy response follows a familiar pattern. The white paper argues that "governing bodies must ensure they have the diverse skills and capability to oversee strategy, plan prudently, understand and manage risk." OfS proposes stricter regulatory tests, enhanced monitoring, and expanded data audits. The SFC mandates external reviews and systematic breach reporting. All three focus on skills, compliance, and professional expertise – the traditional reform playbook.

But this orthodox approach risks misdiagnosing the problem. Recent governance breakdowns suggest things went wrong not because boards lacked commercially skilled members, but because boards were systematically "managed" by executives, were not provided complete information, and lacked structural mechanisms to access independent perspectives on institutional realities. The real challenge may not be technical capability but structural vulnerability to capture.

This raises more fundamental questions. Much debate on governance concerns what governors are accountable for, but there is much less discussion and reflection about who governors are accountable to. Higher education institutions are neither solely commercial enterprises requiring corporate governance, nor are they public institutions needing bureaucratic oversight. Instead, they are something distinctive: quasi-public organisations serving multiple constituencies with complex accountability relationships. There will rightly continue to be a lively debate about the public or private nature of all forms of higher education provision. We take as axiomatic the principle that where organisations receive public funding or subsidy and exercise public powers they require public legitimacy in which autonomy is appropriately balanced with accountability.

Autonomous higher education institutions' quasi-public character requires governance approaches distinct from traditional bureaucratic oversight or commercial structures. This paper draws on comparative analysis, particularly governance reform in similar quasi-public institutions in the Netherlands, alongside research on nonprofit governance and UK universities' own internal dynamics. The evidence suggests that embedding further stakeholder participation within governance arrangements – not as consultation but as structural elements creating countervailing power – may strengthen rather than compromise governance effectiveness.

With governance prominent on policy agendas and all major regulatory bodies publishing new strategies, there is space for serious thinking and the articulation of alternatives to orthodox approaches. The following analysis seeks to contribute to that debate and expand the space for discussion about what the sector can achieve on its own before the march of greater external regulatory pressure gathers additional pace.

RECENT GOVERNANCE CHALLENGES

Understanding governance reform requires examining recent institutional difficulties. This is not to paint a picture of a sector in crisis – most universities remain well run and governed – but it is also true that, in the cases of recent challenges that have made it to the public domain, patterns emerge that illuminate broader structural issues that could cause problems for any shape or size of university.

The University of Dundee provides the clearest example of governance breakdown in recent times. Despite multiple warning signs – including banking covenant breaches, unrealistic budget assumptions, and systematic misreporting – an independent report found that the institution's senior management and governing body failed to take corrective action until the crisis became unavoidable. The subsequent [Gillies investigation](#) found that “the Principal either was aware or should have been aware” of the deteriorating position from March 2024 onwards – yet continued to provide reassuring public statements, while being privately aware of an £8 million budget deficit.

Particularly problematic was the cultural dimension. Staff reported that challenge and dissent were actively discouraged, with few daring to “speak truth to power” in an environment described as exhibiting senior leadership “hubris.” The pattern – defensive cultures and weak challenge – appears across multiple recent governance issues.

De Montfort University faced [significant governance questions](#) around financial management and strategic direction. The University of Buckingham [experienced leadership instability and questions about board oversight of institutional direction](#). Franchising arrangements have exposed particularly acute governance weaknesses across a number of other universities, prompting Universities UK, Guild HE and the Committee of University Chairs to publish a [framework specifically addressing governance of franchise relationships](#). Years of inadequate board oversight of high-risk partnerships with private colleges have led to detailed OfS interventions, the possibility of new legislation, new reporting regimes, and tighter restrictions that erode institutional discretion.

The cases reveal boards that failed to understand or adequately scrutinise complex commercial arrangements with significant reputational and financial risks. These are not isolated incidents suggesting universal dysfunction. Many institutions govern themselves effectively. But neither are these outliers easily dismissed as uniquely problematic contexts. They represent structural vulnerabilities in current governance arrangements.

Common threads across these cases include boards being "managed" by executives rather than effectively overseeing them. This management takes multiple forms: control of information flows, discouraging of challenge through cultural pressure, and warning signs missed or dismissed. It is enabled by governing body members lacking independent sources of insight about institutional realities. The current model "works" when vice chancellors are confident, transparent, and competent, and boards are empowered and informed. It falters when executives are weak, insecure, incompetent, or occasionally dishonest – and when boards lack structural mechanisms to recognise they're being given the runaround.

THE VIEW FROM INSIDE GOVERNING BODIES

Recent survey evidence suggests governance challenges extend beyond high-profile cases. Most governors, understandably, feel loyalty to their institutions and may be reluctant to voice public criticism. Student governors, however, tend to be more candid about their experiences.

In mid-2025, Wonkhe [surveyed student governors](#) across 41 UK universities. The findings revealed patterns that illuminate broader governance dynamics. When asked about leadership that “routinely dominates discussions, controls narratives, or makes it difficult for governors to raise concerns,” 95 per cent reported experiencing this to some degree – 68 per cent “a lot” and 27 per cent “a little.” One governor noted: “You are told your job is to manage the VC and SMT but they manage the governors.”

The survey found systematic suppression of dissent, with over half reporting being “shut down, spoken over, or dismissed as obstructive” when challenging decisions. Information control proved critical – 54 per cent frequently experienced late papers or missing documentation, while 37 per cent received unclear financial reports.

Multiple respondents described a disconnect between meetings and reality: “The university that gets presented isn’t the university I was at as a student.” Crucially, only 32 per cent felt confident their governing body could identify serious institutional risks. One captured the dysfunction: “We’re not governors. We’re an audience.”

Further evidence comes from [research by Steven Jones and Diane Harris](#) for the Council for the Defence of British Universities. Interviewing governors across more than forty institutions, they found recurring cultural patterns: decision-making concentrated in the hands of a small inner circle of lay chairs and senior executives, information filtered or withheld, and formal meetings stage-managed around pre-determined outcomes.

While governing bodies are formally charged with holding leaders to account and ensuring compliance with regulatory requirements, in practice, their cultures can reinforce hierarchy and maximise compliance rather than enable robust scrutiny. Interviewees described being overwhelmed with paperwork and regulatory obligations that crowded out discussion of academic purpose, community engagement, and values. The result was not robust scrutiny but performative governance in which dissent was marginalised and executive control reinforced.

Composition emerged as a concern. Despite progress on diversity, positions of real influence were most often held by wealthy, retired men from corporate backgrounds. Recruitment to boards was frequently informal – the “tap on the shoulder” rather than open competition – raising questions about transparency, independence, and accountability. As one interviewee put it, appointments were often “convenient for the executive” rather than for the wider university community. Jones’ research suggests that even well-intentioned governors often find themselves sidelined, frustrated by opaque protocols and disempowering cultures.

These findings don’t suggest every institution experiences severe dysfunction. But they reveal how current structures create vulnerability to executive capture of governance processes. When boards depend entirely on management-filtered information, when challenge can be informally discouraged, when those experiencing institutional realities have limited voice, the conditions exist for governance breakdown even where individual governors possess relevant skills and good intentions.

THE ORTHODOX POLICY RESPONSE

The policy response to governance challenges follows a predictable pattern.

The post-16 education and skills white paper states that “governing bodies must ensure they have the diverse skills and capability to oversee strategy, plan prudently, understand and manage risk, challenge, deliver change and put in place sustainable business models.” It suggests governors should be “actively involved in financial management” and “challenge plans robustly where needed.” It adds that “all governing bodies should be “clear on their statutory and fiduciary responsibilities” with “focus on balancing teaching, research and civic activity.”

[OfS’ draft strategy](#) proposes ensuring “initial and ongoing regulatory tests are appropriately calibrated,” working with the sector to support “stronger understanding of our management and governance requirements,” and adopting “focused approach to monitoring and compliance where management and governance risks are most acute.” OfS will “increase regulatory requirements placed on institutions engaged in significant partnership activity” and “expand our data audit programme.”

The [SFC’s expectations](#) require mandatory external governance effectiveness reviews at least every five years, institutions must self-refer Financial Memorandum breaches, and the SFC will “increase engagement with both internal and external auditors to surface concerns early.” The framework emphasises Audit Committee independence, clear whistleblowing policies, and board training that may become mandatory.

Yet none of this would have been unfamiliar to readers of the [Jarratt Report of 1985](#), which documented structural weaknesses that correspond closely to contemporary governance challenges – fragmented resource allocation, weak strategic planning, passive oversight bodies, and governing body authority eclipsed by executive dominance.

The emphasis on “robust challenge” is crucial – effective governance requires boards capable of challenging executive proposals rather than merely endorsing them.

This orthodox approach rests on three assumptions. First, that governance failures stem primarily from **insufficient commercial expertise or financial management capability**. Second, that **enhanced monitoring and compliance systems** can prevent future breakdowns. Third, that **sector-led improvement** through better training, clearer guidance, and professional development can strengthen governance culture.

These aren't unreasonable responses. Skills matter. Monitoring serves purposes. Training has value. The Committee of University Chairs' governance code review may generate useful recommendations. Supporting institutions to "assess and improve their own capabilities" addresses real needs.

Yet this approach has significant limitations. Most fundamentally, it misdiagnoses the core problem. Governance failures haven't occurred because boards lacked commercially skilled members. The failures occurred because boards were systematically managed by executives, provided with incomplete or misleading information, and lacked structural mechanisms to access independent perspectives on institutional realities.

The emphasis on skills also reflects conceptual confusion about higher education institutions' character. If they are fundamentally commercial enterprises requiring corporate governance the skills agenda makes sense. But if, as this paper argues, they are quasi-public institutions serving multiple constituencies with complex accountability relationships, commercial expertise may be insufficient or even inappropriate for governance work.

The regulatory intensification that accompanies skills-focused reform creates further problems. Each governance failure triggers more detailed reporting requirements, enhanced monitoring frameworks, and increasingly prescriptive guidance. In England, OfS has evolved from the light-touch market regulator envisioned in 2017 to an increasingly interventionist overseer. OfS strategy's proposals for stricter regulatory tests, focused monitoring "where risks are most acute," and expanded data audits continue this trajectory.

This regulatory ratchet reflects a fundamental policy dilemma. Higher education institutions can either develop genuine accountability through governance that commands public trust, or face escalating bureaucratic control as regulators respond to each crisis with expanded oversight powers. The current path leads toward greater direct state management of higher education – precisely the outcome that university autonomy was designed to prevent.

The persistence of governance challenges also creates acute political problems around future sector funding. Ministers facing pressure to support struggling universities confront a classic moral hazard dilemma – without governance reforms that command public confidence, securing additional investment becomes politically challenging.

Universities must make a fresh case for governing themselves responsibly if arguments for increased public investment are to be heard. Governance reform thus becomes a necessary condition for any future funding settlements, not merely an administrative improvement.

WHY SKILLS AREN'T ENOUGH: THE PROBLEM OF PERSPECTIVE

The traditional emphasis on recruiting governors with better skills and commercial expertise rests on a flawed theory of governance failure. It assumes the problem is technical capability, and so the solution follows logically – recruit more skilled governors, provide better training, ensure boards include members with “necessary business background.”

Evidence from recent governance breakdowns tells a different story. Dundee's governing body included financially literate members. They had access to financial reports and risk assessments. Yet the board failed to prevent the crisis because executive management controlled information flows, discouraging challenge through cultural pressure, and board members lacked independent sources of insight about institutional realities. This reveals the actual mechanism of governance failure. Boards can be “managed” through several interconnected dynamics:

- **Information asymmetry:** Governing bodies depend almost entirely on management-provided information. External governors typically visit campus for quarterly meetings, receiving papers prepared by executives. They have limited capacity to verify whether reports accurately reflect institutional conditions or independently assess strategic proposals. When management systematically presents optimistic scenarios or filters negative information, boards lack mechanisms to identify this.
- **Cultural capture:** Effective governance requires active challenge of executive proposals. Yet board cultures often discourage dissent, framing questions as disloyal or obstructive. Executives can reinforce this through subtle signals – responding defensively to questions, praising “constructive” governors who support proposals, creating meeting dynamics where challenge feels uncomfortable. Over time, board culture shifts from robust scrutiny to executive deference.
- **Agenda control:** Management typically sets board agendas, decides which issues warrant papers, and frames strategic choices. This procedural power enables executives to direct governing body attention toward preferred topics while limiting discussion of areas where scrutiny might prove uncomfortable. Governors may not even realise significant issues aren't reaching the agenda.
- **Social dynamics:** University governing bodies typically include 20+ members meeting 4-6 times annually. This creates dynamics favouring cohesion over challenge. Dissenting voices can be isolated or marginalised. Individual governors may hesitate to question proposals

when other board members appear supportive, particularly if they lack independent information suggesting problems.

The problem isn't that governing bodies need better skills – it's that they need different perspectives and independent information sources. Someone who has recently experienced the institution as a student or staff member brings fundamentally different knowledge than someone reviewing financial reports. They know when management presentations don't match operational realities. They have networks providing information independent of executive channels. They experience different social pressures and incentives.

Recent polling reveals universities' deepening disconnect from the communities they claim to serve. [Public First research](#) shows higher education ranking among the lowest public spending priorities, with only six per cent supporting increased university funding compared to 68 per cent prioritising the NHS. The UPP Foundation's [study of public attitudes to higher education](#) exposes the underlying cause – 34 per cent of people have never visited a university, rising to 53 per cent among working-class communities.

This isn't a failure of communication that can be remedied by better marketing. When a majority of the DE social group has never set foot on a higher education institution's campus, the problem reflects a fundamental isolation from ordinary people's lives and priorities. If higher education institutions expect to enjoy public legitimacy, they must embed genuine community participation within governance structures, creating institutional accountability mechanisms that give local voices real power over decisions affecting their areas.

Current governance arrangements create perverse incentives that deepen this disconnect. As documented in our paper [Tooling Up](#), the sector rewards growth in numbers rather than alignment with national or local priorities – pushing institutions toward cheap-to-teach popular degrees over costly but strategically vital subjects, privileging full-time undergraduates over flexible or technical routes, and creating competition that destabilises regional providers without delivering the skills employers need.

This has been the natural consequence of what previous governments had asked for, but governing bodies now dominated by commercial expertise are likely to reinforce these market-driven behaviours, rather than challenging whether institutional strategies serve public purposes.

The post-16 white paper articulates a vision for higher education as “anchors for place, responding to local priorities and needs, working with partners locally.” Yet governing bodies dominated by external experts with limited connection to local communities or institutional realities are likely to struggle to achieve this. If higher education institutions are to function as genuine civic

anchors, their governance must reflect that public character through structural participation of students, staff, and community members.

Traditional university governance operates on a fiction – that governors are objective independent figures serving only the institution's interests. New governors are told they don't represent students, staff, or their profession, but should exercise independent judgment. This sounds principled, but it obscures a crucial reality: different legitimate interests cannot be wished away.

Students have interests in educational quality and career prospects. Staff have interests in working conditions and academic freedom. Local communities have interests in graduate skills and institutional behaviour. These interests are real, legitimate, and sometimes conflicting.

The current model doesn't eliminate these interests – it arguably privileges some while excluding others. When boards consist primarily of business leaders, their corporate assumptions about good governance and strategic thinking naturally shape decisions. These aren't neutral judgments but reflect particular worldviews.

By insisting that governors don't "represent" anyone, current arrangements prevent open recognition and reconciliation of different legitimate interests. Conflicts get suppressed rather than addressed. Executives can more easily claim proposals serve the institution when no structural voices articulate alternative perspectives. Higher education institutions are not for-profit companies with clear shareholder interests – they're quasi-public institutions serving multiple constituencies. The traditional induction process actually captures new governors into existing power structures. "You're not here to represent X" can really mean "accept management's framing as the only legitimate one."

If we set the annual turnover of all of Liverpool's universities alongside that of Liverpool City Council, the scales are strikingly similar. Yet, while city residents have the vote, scrutiny committees, and multiple ways to hold the council to account, students and staff at universities have no comparable stake in their institutions. That asymmetry matters. If universities expect to enjoy public legitimacy, they must walk the talk – renewing their social licence not just through glossy strategies but by embedding meaningful participative accountability.

A governance model that recognises, articulates, and creates processes to reconcile different legitimate interests would be more honest about what governance actually involves. It would enable boards to make genuinely informed decisions, balancing competing considerations, rather than pretending conflicts don't exist until they erupt into crises that governing bodies failed to anticipate.

LESSONS FROM ACROSS THE NORTH SEA

The Dutch experience offers instructive parallels. Before comprehensive governance reforms, Dutch educational institutions faced similar patterns – governance crises exposing weak oversight, executive dominance, and boards struggling to provide effective challenge.

The Netherlands' quasi-public sector emerged from the country's “pillarised” society, where religious groups built schools and hospitals serving public functions while remaining formally private. After 1945, the Netherlands expanded its welfare state through these hybrid institutions – operating with public money but with formal independence. Over time, that independence proved problematic.

In 2012, a massive Christian education conglomerate called [Amarantis](#) serving 30,000 students went bankrupt, requiring an €18 million government bailout. The parallels to recent UK cases are striking. Chairman Bert Molenkamp created an “angstcultuur” (fear culture), suppressing challenge. Multiple oversight bodies failed simultaneously. Financial mismanagement followed familiar patterns – unrealistic projections, inadequate board scrutiny, warning signs dismissed or ignored.

Dutch academic Rienk Goodijk's [analysis of such failures](#) revealed the core problem. Private sector governance models were “blindly copied” to organisations operating in entirely different contexts. Unlike private companies with clear ownership and market disciplines, quasi-public organisations lacked ultimate accountability structures.

Goodijk identified four interconnected structural weaknesses. **Information asymmetry** left governing bodies dependent on management-filtered reports. A systematic **lack of checks and balances** enabled dominant management to operate without effective constraint. Uncertainty about **governance purpose** led to a narrow financial focus rather than a broader assessment of public value. An **accountability vacuum** meant governing bodies themselves faced little scrutiny of their performance.

Crucially, Goodijk argued that orthodox solutions alone couldn't address these failures. The problems lay fundamentally in human behaviour and organisational culture rather than technical deficiency. Effective governance requires “courage, time, and practical wisdom rather than just professional knowledge” – a fundamental shift from traditional emphasis on commercial expertise toward capabilities suited to quasi-public contexts.

The Netherlands' Scientific Council [reinforced this analysis](#). Governance failures weren't caused by lack of commercial skill, but absence of meaningful

internal challenge. The remedy wasn't more commercial expertise – it was more countervailing power.

The 2016 [Amendment of Education Laws to Strengthen Governance Power of Educational Institutions](#) represented the Dutch government's systematic response to failures like Amarantis. Rather than simply tightening regulatory oversight or demanding better skills, the legislation embedded stakeholder participation and transparency requirements directly into institutional governance structures.

The law introduced several key reforms reflecting stakeholder governance principles. Board appointments must now occur “based on publicly announced appointment profiles” with “involved participation bodies having an advisory voice in establishing those profiles and in appointment and dismissal of board members.” A “reporting obligation for internal governors to the Education Inspectorate when there is reasonable suspicion of mismanagement” created formal whistleblower protections.

Most significantly, the legislation strengthened student and staff participation rights beyond mere consultation. Education councils (similar to UK academic boards) became formal participation bodies with real decision-making power. Student representation councils gained consent rights over key budget lines. These changes reflected recognition that effective governance requires genuine stakeholder engagement rather than tokenistic representation.

The [2021 evaluations of this legislation](#) provide crucial evidence about stakeholder governance potential. The evaluations found that “since implementation... a positive influence on the quality of governance culture could be observed.” Specific improvements were documented across multiple areas, with “consent rights on budget main lines” developing “positively in recent years,” giving students and staff genuine influence over institutional financial decisions – precisely the kind of early intervention mechanism that might have prevented disasters like Amarantis.

The Dutch experience demonstrates that embedding stakeholder participation doesn't paralyse decision-making or compromise institutional effectiveness. Rather, it creates structural mechanisms for challenge that don't depend on executive good faith, diversifies information sources beyond management channels, and grounds governance in operational realities rather than abstracted financial models.

The UK's international commitments through the Bologna Process provide an additional lens on reform. Despite Brexit, the UK remains a member of the European Higher Education Area alongside 48 other countries, committed to shared fundamental values. These [explicitly link institutional autonomy to democratic participation](#), committing member states to ensure staff and

student representation as full partners in the governance of autonomous higher education institutions. Rather than leading European thinking on governance, the UK risks becoming a non-compliant outlier, undermining commitments it has formally endorsed while other nations embrace and embed the democratic principles that give institutional autonomy its legitimacy.

AN ALTERNATIVE APPROACH

The Dutch experience offers principles for governance reform that differ fundamentally from orthodox approaches. Rather than adapting private sector templates or intensifying regulatory compliance, this alternative recognises distinctive requirements of organisations serving public purposes while maintaining operational autonomy.

Central to this approach is understanding that effective governance of quasi-public institutions requires **countervailing power**, not just better skills. When boards depend entirely on executive-filtered information and lack structural mechanisms for independent challenge, adding more commercially skilled governors doesn't solve the problem. What's needed are governance arrangements that create multiple information sources, diverse perspectives that resist executive capture, and stakeholder voices that ground decisions in institutional and community realities.

Strategic partnership between governing bodies and senior management differs from traditional arm's-length oversight. It involves substantive engagement with policy development while maintaining independence through diverse information sources and stakeholder connections. Governors function as partners in developing organisational strategy rather than distant monitors of management performance. But this partnership works only when boards have the structural capacity to challenge executive proposals through access to independent information and perspectives.

Triangular governance systematically incorporates stakeholder voices as structural elements rather than consultative additions. Students, staff, and community representatives have genuine influence over governance processes, not tokenistic representation. This creates the countervailing power necessary for effective oversight. When executive management knows their proposals will face scrutiny from representatives who experience institutional realities firsthand and have independent information networks, the dynamic shifts from board management toward genuine accountability.

Societal anchoring recognises that quasi-public organisations derive legitimacy from public trust and social value creation rather than purely financial performance. Governing bodies must assess whether institutions serve public purposes and respond to community needs, not merely whether they generate operating surpluses. Community representatives chosen for understanding of local needs and public service commitment ground governance in this broader accountability.

In this model, governing bodies would include substantial student and staff representation with real influence over key decisions. Community

representatives would be chosen for understanding of local needs and public service commitment. Academic staff would have stronger voices in governance processes affecting educational and research activities. Information flows would be diversified beyond management-provided reports.

[Polling data from Power to Change](#) provides compelling context. Involvement in participatory organisations increases trust in government by 16-17 points, with the effect strengthening through multiple memberships. This demonstrates why governance reform isn't just an internal university matter but connects to broader issues of legitimacy and trust.

The case for stakeholder participation is strengthened by governance research challenging conventional assumptions about board effectiveness. Academic work on nonprofit governance identifies three distinct modes boards must perform: **fiduciary** (oversight, compliance, financial stewardship), **strategic** (setting priorities, deploying resources), and what scholars term “**generative**” governance.

[Generative governance](#) involves critical thinking, questioning assumptions, and framing problems in insightful ways. It asks probing foundational questions: “What is our fundamental purpose?” and “How does this decision align with our core values?” Rather than addressing symptoms, this mode delves into root causes to find more effective, long-term solutions. It involves scenario planning, ethical reflection, and active consideration of how decisions affect employees, students, and communities.

The concept is introduced in [Governance as leadership: reframing the work of nonprofit boards](#), which explores the dangers of preferring harmony and congeniality over productivity and candour, and the way that inhibits the type of meaningful discussions necessary for addressing complex issues. It looks at exploring sensitive subjects, probing, testing, and debating propositions and maintaining civility – all while avoiding dysfunctional politeness and groupthink: “As the board becomes more experienced and comfortable with the generative mode, there will be less need for such ‘contrivances,’ and robust discussions will occur more naturally.”

Crucially, the Dutch research suggests that governors whose experience centres on being students, staff, or community members are particularly suited for generative governance because it requires creativity, deeper engagement, and ability to see beyond apparent metrics in dashboards or risk registers. Their lived experience of institutional realities provides exactly the grounded perspective enabling boards to move beyond superficial monitoring toward genuine understanding of organisational purpose and challenges.

The financial and regulatory pressures facing universities make generative governance more essential, not less. When institutions face unprecedented challenges, boards need fundamental questioning and root-cause analysis that stakeholder governors are uniquely positioned to provide. Systematically including student and staff voices in governance processes improves rather than compromises board effectiveness by bringing exactly this generative capacity to institutional decision-making.

Participation at the University of Twente

The University of Twente is a technical university located in Enschede, Netherlands, serving approximately 12,000 students. Founded in 1961, UT positions itself as an entrepreneurial university focusing on technology, engineering, and applied sciences, with strong emphasis on innovation and practical application.

UT operates a [comprehensive multi-level participation system](#) with extensive institutional support. Students and staff democratically elect representatives to bodies ranging from programme committees in each degree course through faculty councils to the institution-wide university council.

Each participation body holds three fundamental rights: **consent** (some proposals cannot proceed without approval), **advice** (bodies can provide binding recommendations on some issues), and **initiative** (they can propose new policies independently on some issues). The university provides substantial infrastructure to make participation effective:

- **Training and development:** Open enrollment courses cover meeting techniques, participation legislation and regulations, and effective council operation. Tailored courses are available for specific councils, with central funding for open programs and council-funded customised training.
- **Resources and support:** Each participation body receives dedicated budgets, independent secretariat support, and statutory information rights. The university provides facilities and administrative backing to enable councils to function effectively.
- **Annual participation events:** UT hosts yearly conferences bringing together management, council members, and support staff for workshops on participation themes, networking, and idea-sharing.
- **Communications:** A dedicated participation magazine showcases stories of student and staff representatives, explains how participation works, and profiles council activities.

Among students, elections generate substantive policy debate between two student parties. UReka campaigns on detailed education policy positions including study requirements, mental health services, and entrepreneurial identity. DAS (De Ambitieuze Student) represents “ambitious students” seeking development beyond studies, emphasising flexible pathways and campus community culture.

This participatory infrastructure creates institutional capacity for what governance scholars identify as generative governance – representatives who understand operational realities while bringing external perspectives and accountability.

PARTICIPATIVE PRINCIPLES

Enhanced participation would accelerate sound governance – while initial debates might extend meeting times, representatives' forensic budget analysis would prevent expensive reversals and legal challenges that plague top-down decisions. Student and staff oversight would regularly identify financial discrepancies, procurement irregularities, and compliance breaches early in the decision-making process, enabling swift corrections rather than expensive regulatory interventions later.

When participation councils deployed impact assessments for strategic decisions, they would engage directly with external stakeholders – local communities, employers, and civic organisations – ensuring **decisions reflected genuine public needs rather than internal institutional assumptions**. The external engagement would create robust accountability mechanisms that strengthened public trust and prevented the reputational damage that comes from decisions made in isolation from community concerns.

Participation would streamline academic governance by **incorporating diverse expertise** from the outset, reducing the need for costly policy reversals when implementation revealed unforeseen problems. Participative scrutiny would enhance decision quality – students' evidence-based challenges to curriculum decisions would often identify pedagogical improvements and accessibility issues that saved resources later, while staff oversight would prevent discriminatory practices that trigger expensive legal challenges.

The participatory process would mandate **regular engagement with external professional bodies, employers, and community groups**, ensuring academic programmes responded to real-world needs and maintained professional accreditation standards. This external accountability would create ongoing public value debates about university priorities, with participation councils regularly hosting public forums where community members directly questioned institutional decisions about local impact, environmental commitments, and social responsibility.

Participatory oversight would create proactive compliance systems – student and staff representatives' systematic auditing would catch problems early, avoiding the massive costs of formal investigations, funding clawbacks, and reputational damage that resulted from hidden misconduct. Research governance through participation would dramatically improve institutional efficiency by preventing research misconduct, ethical breaches, and funding misuse before they escalated into regulatory sanctions.

These bodies would stage **regular public engagement sessions** where research priorities faced direct community scrutiny, ensuring academic work addressed

genuine social challenges and maintained public support for university funding. Local residents, patient groups, environmental activists, and industry representatives would participate directly in research strategy discussions, creating dynamic public value debates about institutional priorities.

This community engagement would transform universities from ivory towers into responsive public institutions, with participation strategies providing statutory mechanisms for citizens to challenge research directions, demand transparency about commercial partnerships, and ensure academic resources served broader social goods rather than narrow institutional interests.

TOWARD AN EDUCATION GOVERNANCE FRAMEWORK

Such an approach could be phased in with a draft **higher education governance framework** that would allow for learning and improvement along the way to a new model. A pilot programme of 5-10 volunteer universities could trial different models over three years, backed by capacity-building funding.

The framework would apply to all **degree-awarding providers** – including private institutions, alternative providers, and overseas campuses – on the principle that public powers require public accountability.

Then a roadmap to implementing a new framework across the sector could look like the one below.

Rather than legislating, government could publish clear expectations covering representation, transparency, and accountability. Higher education institutions would be encouraged – and supported – to adopt the framework voluntarily, and the success or otherwise of this approach will inform government about whether further legislation would be needed in the future.

Under a central new model, allowing for some variation in different types of providers, **governing bodies** would remain legally responsible for institutional strategy, finances, and compliance, but would be slimmed to no more than 16 members. Membership would be rebalanced to include around 20 per cent student representatives elected democratically, 20 per cent staff representatives spanning academic, professional, and support staff, and 20 per cent community representatives chosen for local knowledge and public service commitment. Remaining members would be appointed for expertise but required to demonstrate understanding of educational purposes. All governors would serve staggered four-year terms with mandatory training on governance, stakeholder engagement, and public value creation.

Education councils would replace senates and academic boards, shifting from advisory forums to bodies with genuine decision-making power over academic matters. Their composition would be one-third students (UG, PGT, PGR), one-third academic staff, and one-third professional staff, all democratically elected. Councils would hold consent powers over academic regulations, degree standards, curriculum frameworks, academic appointments and promotions, and key policies affecting teaching and research. They would hold statutory rights to information.

Alongside this, institutions would be expected to adopt **transparency and accountability** practices, including publishing governing body papers, decisions and minutes (only narrowly redacted), conducting annual culture audits through independent stakeholder surveys, producing detailed executive pay disclosures, and publishing regular community impact assessments.

To deepen **participative accountability**, the framework would require annual public meetings where governing bodies report to local communities, student and staff assemblies with direct questioning rights for senior management, and statutory consultation processes on major local decisions. Some of this already happens in the sector, but far from consistently across institutions and issues. These participatory mechanisms would bring universities into line with wider quasi-public bodies where direct accountability is already embedded.

Implementation would be phased, beginning with the largest universities (25,000+ students) where failures have the most systemic impact, and extending to all providers within three years. Universities would submit **governance transition plans** showing how they intend to adopt the standards in ways that fit their traditions and contexts. To support this, around £10 million in capacity-building funding should be provided for training new governors, building participation systems, resourcing independent secretariats, and strengthening governance culture.

Enforcement would be gradual and proportionate. Initially, non-compliance would trigger support and enhanced monitoring. Over time, persistent failure could escalate to public censure, financial penalties, or – ultimately – suspension of degree-awarding powers. To protect those exercising oversight, stakeholder governors would have legal immunity for good-faith performance of duties, alongside whistleblower protections for reporting governance failures.

The overall aim is to balance autonomy with accountability. By starting with a voluntary standards framework, the reforms create the conditions for institutions to strengthen governance themselves. But the threat of mandation ensures this isn't optional window dressing – if progress stalls, governments will legislate. The framework therefore preserves institutional diversity while embedding the principles of stakeholder governance, transparency, and public value that are essential to renewing universities' social licence.

A CHOICE, NOT A CRISIS

Neither the sector nor its governance is experiencing a universal crisis. Many institutions govern themselves effectively, navigate financial pressures competently, and maintain strong relationships with their communities. But recent challenges at several high-profile institutions, combined with broader financial pressures and changing public expectations, have brought governance to the centre of policy attention.

This creates an opportunity for serious thinking about the fundamental questions that orthodox reform avoids, about who higher education serves, to whom it should be accountable, and how governance structures can create genuine rather than performative oversight while balancing operational autonomy with public accountability.

These proposals may seem radical in the higher education context but they align with changes in the wider public realm.

The Westminster government's [Football Governance Act](#) hardwires fan participation into club governance in a way long absent from English football. It mandates the creation of “shadow boards” of supporters at every club, gives them formal consultation rights over key decisions such as stadium moves or changes to club identity, and ensures ownership and governance structures cannot bypass the communities whose loyalty sustains the sport. The legislation reframes supporters not as passive consumers but as legitimate stakeholders with rights to be heard and respected. The government's willingness to mandate stakeholder participation in football demonstrates this isn't a radical idea - it's becoming mainstream in how we govern institutions with public functions.

The [Pride in Place strategy](#) goes further. “This is about local people calling the shots,” the Secretary of State writes. The strategy requires all local authorities to establish effective neighbourhood governance, with decision-making sitting with neighbourhood boards that include residents, local businesses, and community organisations. “Policies are too often done 'to' communities, rather than 'with' them,” the document states. The solution is structural participation with genuine power.

Higher education institutions are quasi-public bodies. Integrating balance into their funding models, accountability systems and corporate governance structures shouldn't be something we wait for think tanks to funnel through into Labour policy in a second term. It should be something the sector accelerates now, to prove it has the imagination and courage to embody public service delivery.

The choice facing higher education is whether to seize this moment for serious thinking about governance, or to continue the familiar cycle that has characterised the sector for decades. The latter path is well-worn and leads toward de facto state control disguised as regulatory compliance. The former requires imagination and political will, but it's the only path that preserves what makes higher education institutions valuable – their capacity to serve public purposes while maintaining the independence that enables them to challenge, question, and advance understanding.

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