

Academy Trust Handbook 2023 Changes

Introduction

On 6 July 2023, the ESFA published the Academy Trust Handbook 2023 (ATH 2023) its provisions come into effect from 1 September 2023.

A full copy of the ATH 2023 can be found at www.gov.uk/guidance/academy-trust-handbook/academy-trust-handbook-2023

What has changed?

- The ATH has been made a shorter and sharper document, reduced from 78 pages in the ATH 2022 to 62 pages in the ATH 2023. More discretion has been provided to trusts in certain areas.
- There is now a separate schedule of “musts” abbreviated into one list, referenced to the fuller guidance in the handbook.
- Several key changes listed below.

Roles and Responsibilities

Part 1 (page 9)	Section 1 has been refined, including the Board of Trustees purpose in section 1.10.
Part 1 (page 11)	As part of an emphasis to promote good estate safety and management, section 1.19 (previously 1.20 in ATH 2020) has been expanded to refer trusts to additional available guidance. We are all aware of the ESFA’s drive for trusts to take estates management seriously and this has already been emphasised in this year’s Academies Accounts Direction (AAD).
Part 1 (page 13)	Additional wording included that requires the Board of Trustees to have sufficient financial knowledge to be able to hold the executive to account.
Part 1 (page 14)	Section 1.28 now includes additional explanation that the same individual should not occupy the roles of Accounting Officer and Chief Financial Officer.

Suggested Action:

The Board of Trustees should regularly review their duties and roles, as set out in section 1 of the ATH and consider if they have the required knowledge and expertise to be able to exercise financial oversight.

Main Financial Requirements

Part 2 (page 18)	Wording removed that where a Board of Trustees meets less than six times a year, it must describe in its governance statement accompanying the accounts, how it maintained effective oversight of funds with fewer meetings.
Part 2 (page 20)	Trusts will have a further month to submit their Academies Budget Forecast Return (BFR) to the ESFA, moving the deadline from July to August.
Part 2 (page 20)	More discretion given to the sharing of management accounts with trustees. Previously the ATH stated at least six times a year. The ATH 2023 does not state this but requires that the Board of Trustees be assured that it has appropriate and timely oversight of the trusts financial position. It is still a "must" that management accounts should be shared with the Chair of Trustees every month.
Part 2 (page 23)	Additional section at 2.31, describing when ESFA approval should be sought for Electric Vehicle salary sacrifice schemes. No ESFA approval is required if no liability falls on the trust if an employee does not fulfill their contractual obligations with the scheme provider.

Suggested Action:

The Board of Trustees should continue to ensure that they meet regularly to ensure appropriate oversight of the trust's financial position.

Review any Electric Vehicle salary sacrifice schemes to ensure that no liability could fall on the trust.

Delegated Authorities

Part 5 (page 39)	Sections 5.30 and 5.31 have been refined, with an emphasis on how GAG pooling can be integral to a multi-academy trusts successful financial operating model and the allocation of resources.
Part 5 (page 41)	For any supply of goods or services to the trust by a related party, agreed on or after 1 September 2023, the threshold beyond which ESFA's approval is required, has been raised from £20,000 to £40,000. Further guidance provided in circumstances where the approval requirement does not apply.

Suggested Action:

Be clear on that date that related party agreements have been entered in to, to ensure the trust applies the correct threshold for reporting.

The Regulator and Intervention

Part 6 (page 51)	Section 6.16 now includes six examples of financial management issues and three examples of governance issues which may lead to a Notice to Improve.
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Suggested Action:

The trust should review these examples and look to address any shortcomings in its own operations.