

Academy Trust Handbook 2025 Changes

Introduction

On 25 June 2025, the DfE published the Academy Trust Handbook 2025 (ATH 2025).

The provisions within it come into effect from 1 September 2025.

A full copy of the ATH 2025, along with the DfE's schedule of "musts" can be found at

<https://www.gov.uk/government/publications/academy-trust-handbook>

What has changed?

- ❑ The ATH is available in HTML format on the Gov.uk website (link above).
- ❑ There continues to be a schedule of "musts" abbreviated into one Excel list, referenced to the fuller guidance in the ATH.
- ❑ New guidance which sits alongside the ATH called '[Financial support and oversight for academy trusts](#)', has also been published, for use by anyone who governs or manages an academy trust.

Summary of main themes

Whilst there are no major policy changes, the list of all changes to this year's ATH is summarised below, and we would therefore advise that your CFO / Business Manager reviews the changes in detail when reading the new ATH and prepares a summary of the key changes most applicable to your Trust. Your Board of Trustees can then spend some time in their first meeting of the new 2025/26 academic year discussing these changes and assessing what areas the Trust ought to focus on.

Executive Pay Oversight

The DfE has reinforced expectations around how academy trusts determine and justify executive pay. Trusts are expected to demonstrate that pay decisions are proportionate, evidence-based, and aligned with public sector norms. Transparency and board-level scrutiny are essential.

- ❑ **CFO / Business Manager:**
 - Ensure all executive pay decisions are supported by benchmarking data and documented rationale.
 - Present clear remuneration reports to the board for approval.
- ❑ **Board of Trustees:**
 - Review and challenge executive pay proposals to ensure they represent value for money and meet public accountability standards.
 - Consider delegating to a remuneration committee, consisting of at least three appropriately skilled and experienced trustees.

Recovery of Funds

The DfE has clarified its right to recover funds in cases of fraud, irregularity, or misuse of public money. This places greater emphasis on internal controls and audit readiness.

- ❑ **CFO/ Business Manager:**
 - Review internal financial controls and ensure all transactions are properly authorised and recorded.
 - Respond promptly to audit findings and implement recommendations in a timely manner.

❑ Board of Trustees:

- Monitor progress on implementing recommendations from external auditors and internal scrutineers and ensure appropriate governance is in place to prevent financial mismanagement.

Digital and Technology Standards

Trusts are now expected to begin aligning with the DfE's six core digital and technology standards, with full implementation expected by 2030. These standards aim to improve digital resilience, cybersecurity, and value for money in IT investments.

❑ CFO / Business Manager:

- Evaluate current digital infrastructure and begin planning to meet the standards.
- Liaise with IT leads to ensure financial planning supports long-term digital goals.

❑ Board of Trustees:

- Provide strategic oversight of digital transformation and ensure it aligns with the trust's broader development and risk management plans.

Oversight, Support and Intervention

The Regions Group within the DfE (which replaces the regulatory role undertaken by the ESFA) will now take a more active role in monitoring financial health and intervening where necessary. Trusts are encouraged to engage early if financial risks emerge, with a focus on collaboration and sustainability.

❑ CFO / Business Manager:

- Maintain regular financial risk assessments and initiate early dialogue with the DfE when concerns arise.
- Ensure financial forecasts are realistic, including the assumptions used.

❑ Board of Trustees:

- Understand the DfE's intervention framework and support a culture of early risk identification and transparent reporting.

Supplementary Guidance

The ATH now provides additional guidance in key operational areas such as estates management, procurement, and sustainability. Trusts are expected to integrate this guidance into their strategic and operational planning.

❑ CFO / Business Manager:

- Review supplementary guidance and incorporate relevant recommendations into financial and operational plans.
- Ensure procurement and estates strategies reflect best practice and regulatory expectations.

❑ Board of Trustees:

- Oversee implementation of supplementary guidance and ensure it supports the trust's long-term goals and compliance obligations.

New guidance on financial support and oversight for academy trusts

This guidance is intended to help academy leaders understand how financial oversight of academy trusts will be managed going forward, and how the Regions Group will support trusts in maintaining financial health and complying with the ATH. The key changes are outlined below, along with the effects this has on your trust's CFOs/ Business Managers and Board of Trustees:

Oversight Update

The Regions Group within the DfE now oversees financial compliance for academy trusts, replacing the ESFA.

CF0 / Business Manager:

- Ensure all financial reporting and compliance processes are aligned with the Regions Group's expectations.
- Maintain up-to-date knowledge of DfE oversight changes and communicate implications to leadership.

Board of Trustees:

- Understand the shift in oversight and ensure the trust's governance framework reflects current DfE structures.

Compliance Expectations

Trusts must follow the ATH and maintain strong financial governance.

CF0 / Business Manager:

- Implement and monitor internal financial controls.
- Ensure timely submission of financial reports, budgets, and statutory returns.
- Maintain compliance with procurement rules and delegated authorities.
- Ensure the trust complies with the ATH, especially the schedule of musts.

Board of Trustees:

- Review and approve financial policies and budgets.
- Monitor financial performance and risk through regular reporting.

Governance Clarity

Clear roles for trust leaders and trustees to ensure accountability.

CF0 / Business Manager:

- Provide clear, accurate financial information to the board and senior leaders.
- Support effective decision-making through financial insight and risk analysis.

Board of Trustees:

- Understand their strategic role and avoid operational involvement.
- Use financial reports to make informed decisions and hold executive team to account.

Specific changes within the ATH

The changes within ATH have been summarised below, cross-referenced to the ATH.

Roles and responsibilities

1.16	Confirming that trusts should have an understanding of and be working towards meeting the 6 core digital and technology standards by 2030.
1.20	Providing trusts with further guidance on estates management.
1.32	Updating the accounting officer duties and the definitions of regularity, propriety, value for money and feasibility.
1.37	Providing further information including links to relevant sections of Managing Public Money regarding the accounting officer's duty to raise concerns.

Main financial requirements

2.24 to 2.26	Providing trusts with further guidance and support on procurement.
2.27 and 2.30	Clarifying the role of the board in setting executive pay.

Internal scrutiny

3.6 and 3.16	Clarifying that the income thresholds are based on the trust's last audited accounts.
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Delegated authorities

5.5	Explaining how cost could cause a transaction to be repercussive.
5.5	Providing a link to the relevant section on Novel, Contentious or Repercussive transactions.

The Regulator and intervention

6.15	Confirming that trusts must not pay any cyber ransomware demands.
6.16	Providing trusts with a link to further information on DfE oversight and support, including intervention.
6.17	Removing educational performance as an area where a Notice to Improve (NtI) may be issued.
6.21	Confirming that the department may recover funds where there is evidence of irregularity or fraud.

What else should you read?

The ATH added a link to guidance and support on sustainability to help trusts have a climate action plan in place by 2025.

This document has been prepared for information purposes only and does not constitute advice. All information correct as at June 2025.