Academy Trust Handbook 2026 Changes

Introduction

On 15 July 2026, the Department for Education (DfE) published the Academy Trust Handbook 2026 (ATH 2026).

Unlike previous editions, which have typically become effective from 1 September, the ATH 2026 does not become effective until 1 October 2026. The DfE has confirmed that this change was made to provide trusts with additional time to review and implement the new requirements before they take effect, recognising the challenges associated with publication shortly before the end of the academic year.

A full copy of the ATH 2026, together with the Schedule of Musts, can be found on Gov.uk. The DfE has also issued an accompanying Accounting Officer letter highlighting the key areas trustees, accounting officers and chief financial officers should consider during the forthcoming academic year.

What has changed?

- The handbook becomes effective from 1 October 2026, rather than the traditional 1 September implementation date.
- New content has been introduced covering inclusion and collaboration, reflecting the Government's wider education reform programme and proposed SEND reforms.
- Financial governance requirements have been strengthened in several areas, including CFO qualifications, trustee financial competency, executive pay, procurement and financial sustainability.
- Additional transparency requirements have been introduced for multi-academy trusts, including disclosures around how funds are distributed across constituent schools.
- The DfE has announced that new Trust Standards, including a pillar focused on community, will be published later in the year. Consultation on local trust governance arrangements is also expected, and the ATH may be updated following these developments.

Summary of main themes

The main changes are highlighted above, set out in more detail below in line with the main themes per the DfE's Accounting Officer letter dated 15 July 2026.

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 at their first meeting of the new 2026/27 academic year discussing these changes and assessing what areas the Trust ought to focus on.

Inclusion and Collaboration

The ATH introduces a completely new section covering inclusion, SEND and partnership working. Trusts **must** comply with the legal duties in relation to safeguarding, SEND, admissions and place planning. Trusts are also expected to establish a trust-wide approach to inclusion, ensure effective oversight of SEND provision, and work constructively with local authorities and other agencies to support local sufficiency and inclusion priorities.

Suggested Action:

CFO/ Business Manager:

- Review whether current budgets adequately support inclusion priorities and SEND provision.
- Consider how resources and specialist expertise can be deployed effectively across schools.
- Ensure management reporting supports trustee oversight of inclusion outcomes.

Board of Trustees:

- Consider whether inclusion is sufficiently embedded within the Trust's strategic objectives.
- Review arrangements for monitoring SEND performance and outcomes.
- Review how the Trust is engaging with local authorities and the wider system.

Chief Financial Officer (CFO)

The DfE has strengthened expectations regarding financial leadership within academy trusts. Larger trusts (those with more than 3,000 pupils) will increasingly be expected to appoint professionally qualified CFOs and provide clear justification where this expectation is not met.

Professional accountancy qualifications include ICAEW, ACCA, CIMA, CIPFA or equivalent.

- From 1 October 2026: Any CFO recruitment exercise **should** specify that the person **should** be appropriately qualified.
- From 1 September 2027: Any CFO recruitment exercise **must** specify that the person **should** be appropriately qualified. Furthermore, the DfE **must** be informed in advance if the Trust is planning to appoint a CFO without the appropriate qualification.

Suggested Action:

CFO / Business Manager:

- Review professional development and succession plans within the finance team.
- Consider future recruitment implications where the Trust exceeds 3,000 pupils.
- Ensure finance staff remain appropriately qualified and trained.

Board of Trustees:

- Review the skills and qualifications of the current finance leadership team.
- Consider future recruitment requirements and succession planning.
- Ensure appropriate support and challenge is provided to the CFO function.

Electric Vehicle Salary Sacrifice (EVSS) Schemes

The ATH adopts a more permissive approach to electric vehicle salary sacrifice schemes. Prior DfE approval is no longer required provided the Trust has robust arrangements in place to ensure no liability falls upon the Trust if employees fail to meet their contractual obligations under the scheme, and that the Trust is not under a Notice to Improve (NtI). However, Trusts choosing to offer an EVSS **must** clearly document their comprehensive mitigations.

Suggested Action:

CFO/ Business Manager:

- Review contractual protections with scheme providers.
- Document risk mitigation arrangements appropriately.
- Ensure no financial exposure arises to the Trust.

Board of Trustees:

- Review the business case before implementation.
- Obtain assurance that risks have been appropriately managed.

Executive Pay

The DfE has continued its focus on executive remuneration and has introduced additional approval requirements for certain senior appointments.
Executive remuneration **must** not increase faster than teacher pay unless there is clear justification for it to do so. Where this is the case DfE prior approval **must** be obtained.
From 1 October 2026: New appointments within Trusts where remuneration exceeds £174,000, or performance related pay above £25,000, **must** have DfE prior approval before the post is advertised.

Suggested Action:

CFO / Business Manager:

- Review executive pay policies and benchmarking arrangements.
- Identify circumstances where DfE approval may be required.
- Ensure remuneration decisions are fully documented and supported.

Board of Trustees:

- Challenge executive remuneration proposals robustly.
- Ensure executive pay remains proportionate and defensible.
- Consider value for money and public accountability when making decisions.

Financial Reporting and Transparency

The DfE has strengthened expectations regarding financial sustainability, going concern assessments and transparency over funding allocations. Accounting Officers **must** now formally notify trustees if the Trust's ability to operate as a going concern is at risk. In addition, multi-academy trusts **must** publish information explaining how funds are distributed across constituent schools on their websites by 31 January following the end of the academic year.

Suggested Action:

CFO / Business Manager:

- Review going concern assessment processes.
- Ensure trustees receive timely information regarding financial sustainability risks.
- Review annual reporting arrangements and disclosure requirements.
- Prepare for the new requirement to publish funding allocation summaries, in line with the DfE's example.

Board of Trustees:

- Take ownership of financial sustainability and going concern considerations.
- Challenge long-term financial assumptions and budget forecasts.
- Review reserves and cashflow management arrangements.
- Understand and scrutinise how resources are allocated across constituent schools.

Procurement

The ATH includes some of the most significant procurement changes seen in recent years. Trusts **must** now utilise specific DfE frameworks for certain services (i.e. supply teachers and energy) and are expected to document procurement decisions more thoroughly. Requirements have also been introduced regarding Management Information System (MIS) contracts and that they **must** be aligned with the DfE's framework by September 2027.

Suggested Action:

CFO / Business Manager:

- Review all supply staffing arrangements.
- Review energy procurement arrangements when contracts are next renewed.
- Identify existing MIS contracts requiring transition before September 2027.
- Update procurement policies and decision-making documentation.

Board of Trustees:

- Obtain assurance that procurement requirements are being complied with.
- Understand any cost implications arising from procurement framework changes.
- Monitor value-for-money outcomes from procurement decisions.

Trustees and Governors

The ATH places greater emphasis on trustee financial literacy and strengthens expectations regarding financial training and expertise across boards and committees. Additional expectations have also been introduced regarding audit and risk committees.

Suggested Action:

CFO / Business Manager:

- Support trustee financial training programmes.
- Identify areas where additional finance training may be beneficial.
- Assist finance and audit committees with appropriate reporting.

Board of Trustees:

- Review the board's collective financial expertise.
- Consider training requirements for trustees and committee members.
- Ensure audit and risk committees have appropriate financial and assurance experience.
- Review board skills matrices as part of annual governance reviews.

Specific changes within the ATH

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

Roles and responsibilities

1.16 to 1.20	trusts' responsibilities for inclusion and collaboration including their strategic approach, oversight and partnership with other agencies
1.21	reminding trusts about working towards meeting the digital and technology standards by 2030
1.31	strengthening the position of trustee's financial knowledge and expertise
1.46	strengthening the position of CFOs in larger trusts holding a relevant accountancy qualification

Main financial requirements

2.13	strengthening the position on using integrated curriculum and financial planning in schools
2.21	strengthening the trust's obligation for reporting the position on its ability to operate as a going concern
2.27	trusts must consider DfE opportunities when making purchasing decisions
2.28 and 2.29	trusts must use the Government Commercial Agency agreement for supply staffing requirements and for energy, trusts must use either DfE Energy for Schools or a DfE approved energy deal
2.30	trusts must use the DfE Management Information System framework and action to take with existing contracts
2.31 to 2.34	confirming arrangements for executive pay and senior pay controls
2.37	updating the permissive position for electric vehicle salary sacrifice schemes
2.40	prior DfE approval is needed before offering an alternative pension scheme

Internal Scrutiny

3.10	At least one member of the audit and risk committee should have recent or relevant accountancy, or audit assurance, experience. Other members should have appropriate financial training as detailed in section 1.31

Delegated authorities

5.7 to 5.14	explaining further what trusts need to consider and do when dealing with severance payments
5.32	confirming that multi-academy trusts must publish on their website how funds are distributed across their schools

The Regulator and intervention

6.17	explaining what action the Secretary of State may take where a trust is in breach of duties imposed under its funding agreement

What else should you read?

The ATH 2026 highlights several pieces of supplementary guidance which trusts should consider alongside the handbook, including:

- Academies accounts direction and auditor framework
- Academies: compliance, funding and payments
- Academy Finance Professionals 'Power Hours' (videos and webinars)
- Academy trust financial management good practice guides
- Academy trust governance guide
- Charity Commission guidance publications
- Commissioning high-quality trusts
- What academies and further education colleges must or should publish online
- Sustainability leadership and climate action plans in education
- School estate management standards