Larking Gowen
Chartered Accountants & Business Advisors

Academy Trust Handbook 2026

Detailed change analysis against ATH 2025

Executive summary

- ATH 2026 is a more substantive update than recent editions. Themes include inclusion and collaboration, stronger professional expectations for financial leadership and trustees, tighter controls over senior pay and severance payments, and more directed procurement requirements.
- Several areas move from guidance or expectation into "musts": procurement decisions must record consideration of DfE opportunities; supply staffing, energy and MIS procurement have specific routes or transition requirements; executive pay above specified thresholds needs prior DfE approval.
- The 15 July 2026 Dear Accounting Officer letter gives policy context. It highlights the later implementation date of 1 October 2026, draws attention to CFO qualifications, EV salary sacrifice, executive pay, financial reporting/transparency, procurement and trustee training, and asks accounting officers to share the letter with boards, CFOs and executives and arrange board discussion.
- For auditors and advisers, there will be focus on audit trail: board minutes, committee terms of reference, procurement records, pay committee papers, severance approval papers and published website material.

1. Trusts' responsibilities for inclusion and collaboration, including strategic approach, oversight and partnership with other agencies (1.16 to 1.20)

Sources: ATH 2026 What has changed and 1.16-1.20; Dear Accounting Officer letter 15 July 2026; Schools Week sector commentary.

ATH 2025 position	ATH 2026 position
No direct equivalent in ATH 2025. The 2025 handbook included digital standards at paragraph 1.16 and moved on to other governance matters; it did not contain a dedicated "Inclusion and community" subsection.	ATH 2026 introduces a new "Inclusion and community" subsection. It states that trusts must comply with legal duties including safeguarding, SEND, admissions and place planning; should embed inclusion across all aspects of provision; should have a clear trust-wide approach to inclusion; should ensure governance oversight by designating a trustee or committee for inclusion, including SEND; and must comply with duties to co-operate with local authorities and other agencies where relevant.

Analysis of additions and deletions

- This is new content rather than a rewording of an existing ATH 2025 requirement.
- There are two clear "must" elements: compliance with legal duties and compliance with duties to co-operate with local authorities and other agencies where relevant.
- The remaining wording is mostly "should", but the practical expectation is stronger than a passing reference to SEND compliance. It expects an explicit trust-wide inclusion approach and governance oversight.

Commentary

This is the clearest broadening of the handbook beyond traditional finance and regularity. Trusts will need to evidence not only that they comply with existing legal duties, but also that inclusion is being governed at trust level.

For trustees, a question is where inclusion oversight sits. If a trustee is designated, the board should document that. If a committee is used, the terms of reference should be updated. Either way, the board should be able to show how inclusion, SEND, disadvantage and pupils known to social care are monitored across the trust.

For auditors and advisers, this will influence governance reviews, risk registers, internal scrutiny planning and board minutes. It may also affect regularity discussions where non-compliance with statutory duties has financial or regulatory consequences.

Sector commentary
Schools Week described this as part of a wider set of possible further changes, noting that trusts should embed inclusion across provision and that boards should designate a trustee or committee to support oversight of inclusion, including SEND.

2. Digital and technology standards by 2030 (1.21)

Sources: ATH 2025 1.16; ATH 2026 1.21.

ATH 2025 position	ATH 2026 position
ATH 2025 paragraph 1.16 said trusts should have an understanding of the extent to which they are meeting DfE's digital and technology standards and be working towards meeting the six core standards by 2030.	ATH 2026 paragraph 1.21 says trusts should be working towards meeting DfE's digital and technology standards and meeting the six core standards by 2030: broadband internet, network switching, wireless network, cyber security, filtering and monitoring, and digital leadership and governance. ATH 2026 adds that DfE expects trusts already to be meeting the filtering and monitoring standards as set out in Keeping children safe in education.

Analysis of additions and deletions

- The 2030 direction of travel is not new, but ATH 2026 restates it after the new inclusion section and explicitly lists the six core standards.
- The important addition is the express expectation that filtering and monitoring standards are already being met through KCSIE.
- This converts what could otherwise be read as a long-term technology programme into a more immediate safeguarding-linked expectation for filtering and monitoring.

Commentary

Trusts should not treat 2030 as a single future deadline. The filtering and monitoring aspect is effectively "now", because the handbook links it to statutory safeguarding guidance.

For internal scrutiny and risk planning, digital standards remain a sensible review area. A trust that cannot evidence its current position against the six standards may struggle to demonstrate progress or prioritisation.

For auditors, deficiencies in filtering and monitoring are more likely to be governance/safeguarding findings than conventional financial irregularities, but they may still be relevant to the regularity conversation if there is evidence of non-compliance with statutory or funding agreement obligations.

3. Trustees' financial knowledge and expertise (1.31)

Sources: ATH 2025 1.26; ATH 2026 1.31; Dear Accounting Officer letter 15 July 2026.

Context from the 15 July 2026 Dear Accounting Officer letter
The Dear Accounting Officer letter specifically draws attention to "strengthening the expectations of trustees' financial knowledge and training".

ATH 2025 position	ATH 2026 position
ATH 2025 paragraph 1.26 said the board should identify the skills and experience it needs, including sufficient financial knowledge to hold the executive to account. It also said this should be addressed for committees, local committees and local governing bodies.	ATH 2026 paragraph 1.31 says the board should identify and ensure it has the skills and experience it needs, including sufficient and effective financial knowledge and expertise to hold the executive to account. It adds that this should include appropriate financial training covering financial management, control, monitoring and reporting, for trustees and particularly for finance committee and audit and risk committee members.

Analysis of additions and deletions

- The wording moves from identifying skills to identifying and ensuring the skills are in place.

- “Sufficient financial knowledge” becomes “sufficient and effective financial knowledge and expertise”.
- A new training expectation is added, with particular focus on finance committee and audit and risk committee members.

Commentary

This is a practical governance change. Trusts should have a live skills audit and should be able to evidence how financial training is provided, especially to trustees on finance and audit/risk committees.

The board must be able to challenge financial planning, management accounts, reserves, capital decisions, executive pay and going concern judgments.

For auditors and advisers, the evidence points are skills matrices, induction records, training logs, committee minutes and the governance statement.

4. CFOs in larger trusts holding a relevant accountancy qualification (1.46)

Sources: ATH 2025 CFO skills and experience; ATH 2026 1.46; Dear Accounting Officer letter 15 July 2026; Schools Week sector commentary.

Context from the 15 July 2026 Dear Accounting Officer letter
The Dear Accounting Officer letter highlights “strengthening the expectation that Chief Financial Officers who are recruited in larger trusts are qualified accountants and a member of the relevant professional accountancy body and/or hold the CIPFA level 7 qualification”.

ATH 2025 position	ATH 2026 position
ATH 2025 required the CFO and finance staff to be appropriately qualified and/or experienced and required trusts to assess whether the CFO and key finance posts should have business or accountancy qualifications, depending on risk, scale and complexity. DfE encouraged larger trusts to take relevant qualifications into account when recruiting.	ATH 2026 keeps the general requirement and strengthens paragraph 1.46 for larger trusts. For trusts with over 3,000 pupils, the CFO should hold a professional accountancy qualification from a professional body such as ICAEW, ACCA, CIMA, CIPFA or equivalent. The 2026 commentary also sets staged recruitment expectations: from 1 October 2026 larger trusts recruiting CFOs should specify a qualified accountant or CIPFA Level 7 qualification; from September 2027 this becomes a “must”, with advance DfE notification if the trust intends to recruit someone who does not meet the criteria.

Analysis of additions and deletions

- The largest shift is to a default expected standard for larger trusts.
- The change introduces a threshold: larger trusts means over 3,000 pupils.
- The staged recruitment expectation means trusts have a transition period.

Commentary

For larger trusts, CFO recruitment packs, person specifications and succession planning should be reviewed now rather than when a vacancy arises.

For existing CFOs, the wording is framed around recruitment and expectations. Boards should assess whether existing finance leadership is suitably supported and whether CPD, deputy capacity or external technical support is needed.

For auditors, this may affect risk assessment. A large trust without appropriately qualified finance leadership is not automatically non-compliant, but it may increase financial management and reporting risk and should prompt closer consideration of controls, capacity and board challenge.

Sector commentary
Schools Week described this as a “CFO crackdown” and reported the staged approach: “should” from October 2026 and “must” from September 2027, with DfE notification where the trust appoints someone outside the criteria.

5. Integrated curriculum and financial planning in schools (2.13)

Sources: ATH 2025 2.13; ATH 2026 2.13.

ATH 2025 position	ATH 2026 position
ATH 2025 referred boards to DfE material on an integrated approach to curriculum and financial planning as part of the setting a budget section.	ATH 2026 strengthens this to say that boards should take an integrated approach to curriculum and financial planning in their schools.

Analysis of additions and deletions

- The movement is from signposting to an expectation of use.
- The word remains “should”, not “must”, so this is minimum good practice unless the trust can demonstrate that another approach better suits its circumstances.
- The change places ICFP more directly into board financial planning responsibilities.

Commentary

In practice, boards should be able to show that educational priorities and financial planning are connected. Affordability and educational strategy should be considered before key decisions are finalised.

Trusts may still justify a different approach. For example, some may develop educational priorities first and then test affordability through executive and committee processes. The key is to evidence that the final plan is coherent and financially sustainable.

For auditors and advisers, the main evidence points are budget papers, pupil number assumptions, staffing models, curriculum planning, management accounts and board minutes.

6. Reporting the trust’s ability to operate as a going concern (2.21)

Sources: ATH 2025 2.8; ATH 2026 2.21; Dear Accounting Officer letter 15 July 2026; Schools Week sector commentary.

Context from the 15 July 2026 Dear Accounting Officer letter
The Dear Accounting Officer letter refers to “strengthening trust reporting on going concern status”.

ATH 2025 position	ATH 2026 position
ATH 2025 required the board to ensure financial plans are prepared and monitored, satisfying itself that the trust remains a going concern and financially sustainable. The CFO role and finance committee references also supported financial oversight.	ATH 2026 strengthens the obligation by requiring the accounting officer to notify the board where it is identified that the trust’s ability to operate as a going concern is at risk. The board is then expected to take ownership and necessary action, including notifying DfE. ATH 2026 also refers to candour and transparency in discussions with the board relating to financial assurance, financial management, financial reporting and irregularity.

Analysis of additions and deletions

- The board’s existing responsibility for going concern remains, but ATH 2026 adds a specific escalation obligation for the accounting officer.
- The wording makes going concern a board ownership issue rather than simply a finance team or year-end accounts issue.
- The change links financial distress to timely DfE notification, not only to audit disclosure.

Commentary

This is one of the more important changes for accounting officers. If going concern risk is identified, the board must know and must act.

For trustees, this increases the importance of receiving meaningful management accounts, cashflow forecasts and reserves information. A board cannot take ownership of a risk it has not been given in a clear form.

For auditors, this may sharpen enquiries around going concern and post-year-end events. If a trust has financial stress, auditors should expect to see board notification, action planning and, where relevant, DfE engagement.

Sector commentary
Schools Week reported that accounting officers have been told to apply candour and transparency and must notify the board where going concern is at risk, helping trustees take ownership and necessary action, including notifying DfE.

7. Trusts must consider DfE opportunities when making purchasing decisions (2.27)

Sources: ATH 2025 procurement changes; ATH 2026 2.27; Dear Accounting Officer letter 15 July 2026.

Context from the 15 July 2026 Dear Accounting Officer letter
The Dear Accounting Officer letter draws attention to "strengthening the expectations of trusts to use DfE designated procurement frameworks" for specified areas and the MIS alignment requirement.

ATH 2025 position	ATH 2026 position
ATH 2025 provided further guidance and support on procurement and signposted DfE procurement support. The requirement was framed as guidance/support rather than a specific "must consider and record" requirement.	ATH 2026 paragraph 2.27 states that trusts must consider DfE opportunities when making purchasing decisions for goods and services and record their decision-making.

Analysis of additions and deletions

- The change from guidance to a "must" is significant.
- The requirement is not that trusts must always buy through DfE routes. It is that they must consider DfE opportunities and record the decision-making.
- The audit trail becomes central: a trust choosing another route should be able to show why.

Commentary

Trusts can still decide that an alternative route gives better value or better fit, but an undocumented decision-making process is unlikely to be sufficient.

Finance teams should update procurement templates so the DfE opportunity check is captured routinely.

For auditors and internal reviewers, sample testing of procurement should include whether DfE opportunities were considered and documented, particularly for higher value or recurring spend.

8. Supply staffing and energy procurement routes (2.28 and 2.29)

Sources: ATH 2026 2.28 and 2.29; Dear Accounting Officer letter 15 July 2026; Schools Week sector commentary.

Context from the 15 July 2026 Dear Accounting Officer letter
The Dear Accounting Officer letter highlights DfE designated procurement frameworks covering education supply staff and energy, including approved energy partners.

ATH 2025 position	ATH 2026 position
ATH 2025 contained general procurement guidance and support. It did not contain the specific mandatory supply staffing and energy requirements now set out in ATH 2026.	ATH 2026 requires trusts to use the Government Commercial Agency Supply Teachers and Education Recruitment framework for supply staffing unless they have an alternative compliant agreement with rates not exceeding those available through the framework. It also requires trusts, when energy contracts are renewed, to use DfE Energy for Schools or a DfE approved energy deal unless an alternative agreement with comparable pricing has been sourced.

Analysis of additions and deletions

- These are new, specific procurement requirements for two common areas of significant spend.
- Both requirements retain an alternative route, but only where the trust can evidence comparable or better value within the stated parameters.
- The energy requirement applies on renewal of energy contracts, so contract end dates are important.

Commentary

Trusts should map current supply agency arrangements and energy contract renewal dates.

For supply staffing, the trust should evidence either use of the framework or that its alternative compliant agreement does not exceed framework rates. For energy, it should evidence use of the DfE route or comparable pricing elsewhere.

For auditors and advisers, these provisions create clear regularity testing points. Expect procurement files, benchmarking and contract renewal records to receive more attention.

Sector commentary
Schools Week reported that trusts must use DfE's energy service or an approved deal unless comparable pricing is sourced, and must use the supply teachers framework unless an alternative compliant agreement has rates that do not exceed the framework.

9. DfE Management Information System framework and existing contracts (2.30)

Sources: ATH 2026 2.30; Dear Accounting Officer letter 15 July 2026; Schools Week sector commentary.

Context from the 15 July 2026 Dear Accounting Officer letter
The Dear Accounting Officer letter specifically says all MIS contracts must be aligned with the DfE MIS framework by September 2027.

ATH 2025 position	ATH 2026 position
ATH 2025 did not contain a specific requirement for MIS contracts to align with a DfE MIS framework.	ATH 2026 paragraph 2.30 requires trusts to ensure all MIS contracts are aligned with DfE's MIS framework by September 2027. Where contracts expire before September 2027, extensions or replacements should act as transitional arrangements and should not frustrate transition to the framework. Trusts must use the DfE MIS framework when awarding their next full-term MIS contract.

Analysis of additions and deletions

- This is a new procurement and contract management requirement with a fixed future date.
- Existing contracts matter. Trusts need to review expiry dates, extension options and whether current arrangements extend beyond the transition point.
- The requirement affects contract strategy now, even though the final date is September 2027.

Commentary

Trusts should compile a MIS contract schedule: supplier, start date, expiry date, extension options, notice period and any break clauses.

The practical issue will be avoiding long extensions that delay transition.

For auditors and advisers, the September 2027 date gives a clear benchmark, but the review should start earlier. Contract decisions made in 2026/27 may determine whether the trust can comply on time.

Sector commentary
Schools Week reported that if an MIS contract expires before September 2027, any extension or replacement must be for no more than 12 months and act as a transitional arrangement ahead of framework procurement.

10. Executive pay and senior pay controls (2.31 to 2.34)

Sources: ATH 2025 2.27-2.30; ATH 2026 2.31-2.34; Dear Accounting Officer letter 15 July 2026; Schools Week sector commentary.

Context from the 15 July 2026 Dear Accounting Officer letter
The Dear Accounting Officer letter draws attention to introducing approval requirements for senior pay and strengthening the requirement that executive pay must not rise faster than teachers' pay.

ATH 2025 position	ATH 2026 position
ATH 2025 required executive pay decisions to follow a robust evidence-based process and to be transparent, proportionate and defensible. Decisions could be challenged by DfE. ATH 2025 included an expectation that executive pay should not increase faster than teachers' pay unless clearly justified.	ATH 2026 retains the robust evidence-based process and pay policy requirements. It strengthens the teacher pay linkage: executive remuneration must not increase faster than teachers' pay unless clearly justified and approved in advance by DfE. It also introduces senior pay controls: from 1 October 2026, DfE approval must be obtained before advertising a new appointment where remuneration exceeds £174,000, or the pro rata equivalent for part-time staff, or where performance-related pay exceeds £25,000.

Analysis of additions and deletions

- The general principles remain, but the control environment tightens substantially.
- The teacher pay comparison moves from a presumption/expectation to a "must not" unless justified and approved by DfE.
- High-paid appointments become subject to DfE approval before advertisement, not after selection or appointment.

Commentary

Trusts need to update pay policies, remuneration committee terms of reference and recruitment approval processes. The approval trigger arises before advertising, so a late check will be too late.

The teacher pay linkage means trusts need to document comparative pay increases across teachers and executives. If executive pay rises faster, the board needs a clear justification and prior DfE approval.

For auditors, this is likely to become a regularity focus: pay committee papers, board approval, DfE approval evidence and payroll records should align.

Sector commentary
Schools Week reported the £174,000 and £25,000 performance-related pay thresholds and the requirement for DfE approval where a trust believes executive pay should increase faster than teachers' pay.

11. Electric vehicle salary sacrifice schemes are now allowed, subject to conditions (2.37)

Sources: ATH 2025 2.31; ATH 2026 2.37; DfE EV salary sacrifice guidance updated 15 July 2026; Dear Accounting Officer letter 15 July 2026.

Context from the 15 July 2026 Dear Accounting Officer letter
The Dear Accounting Officer letter highlights that prior DfE approval is not needed for EV salary sacrifice schemes where comprehensive mitigations ensure no cost or liability falls on the trust if an employee does not fulfil contractual obligations.

ATH 2025 position	ATH 2026 position
ATH 2025 paragraph 2.31 required academy trusts to approach DfE for approval before entering into a new electric vehicle salary sacrifice scheme or accepting further employees onto an existing scheme. Trusts had to contact DfE early in the planning stage.	ATH 2026 updates the permissive position. Prior DfE approval is not required for EV salary sacrifice schemes that present no cost or liability to the trust if an employee does not fulfil their contractual obligations with the scheme provider, or where any liability has been comprehensively mitigated. Schemes that do not meet this condition require DfE approval. Trusts under a Notice to Improve must obtain prior DfE approval.

Analysis of additions and deletions

- This reverses the 2025 approval-first position for compliant EVSS schemes.
- The key test is not whether the scheme is labelled low risk, but whether no cost or liability falls on the trust, or any liability is comprehensively mitigated.
- The separate DfE EV guidance adds practical requirements: procurement, resources to administer, HMRC compliance, legal/HR/audit advice, documented mitigations and employee information.

Commentary

This is a relaxation, but it does not remove the need for risk assessment and approval. Trusts need a risk paper before launch, covering early termination, damage, employee departure, payroll, pension/tax implications and administrative capacity.

The requirement to seek legal, HR and audit advice means auditors may be asked about design and controls before implementation. Any such advice should be carefully scoped.

Sector commentary
DfE EV guidance says trusts must follow procurement procedures, ensure adequate resources, comply with HMRC requirements, seek legal, HR and audit advice, document decision-making and financial risk mitigations, and advise employees to seek independent advice on tax and pension implications.

12. Prior DfE approval before offering an alternative pension scheme (2.40)

Sources: ATH 2026 2.39-2.40; Dear Accounting Officer letter 15 July 2026; Schools Week sector commentary.

Context from the 15 July 2026 Dear Accounting Officer letter
The Dear Accounting Officer letter lists this as part of the handbook's financial and workforce-related changes and the Schools Week article linked the provision to wider concerns about alternative pension proposals in the sector.

ATH 2025 position	ATH 2026 position
ATH 2025 required trusts to comply with TPS and LGPS regulations and relevant pension guidance. It did not contain the new explicit approval process before offering alternatives to TPS or LGPS.	ATH 2026 paragraph 2.40 states that, with effect from 1 October 2026, if a trust proposes to offer any alternative to TPS or LGPS, it must approach DfE to seek approval early in the planning stage and before proposed changes are communicated to staff. Alternatives must be approved by DfE before changes are made.

Analysis of additions and deletions

- This is a new explicit approval gateway for alternative pension proposals.
- The approval point is early in planning and before communication to staff, not merely before implementation.
- The requirement applies to any alternative to TPS or LGPS.

Commentary

Trusts should not review pension alternatives through staff consultation before DfE has been approached.

For trustees and executives, the change should be built into any workforce reward or affordability discussions.

For auditors and advisers, the key evidence is whether any proposal existed, when DfE was approached, whether staff communications were made before approval and whether any changes were actually implemented.

Sector commentary
Schools Week reported that trusts proposing an alternative to TPS or LGPS must approach DfE early in the planning stage and before communicating proposed changes to staff, and must obtain approval before changes are made.

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13. Severance payments (5.7 to 5.14)

Sources: ATH 2025 severance provisions; ATH 2026 5.7-5.14; DfE academy severance guidance updated 17 February 2026; Browne Jacobson sector commentary.

ATH 2025 position	ATH 2026 position
ATH 2025 already controlled special staff severance payments. It referred to settlement being justified where there was a “significant prospect” of losing an employment tribunal claim and stated that a settlement should not be offered where legal assessment suggested the trust was likely to be successful. It also restricted confidentiality clauses so they could not prevent whistleblowing or DfE scrutiny.	ATH 2026 gives more detailed rules. It says staff severance payments should not reward failure; for gross misconduct, the only acceptable rationale is legal advice that the claimant is likely to succeed, defined as greater than 50%, because of employment law procedural errors. It requires the same scrutiny for payments under £50,000 as over that limit, requires trusts to follow DfE and HM Treasury guidance, introduces a greater-than-50% litigation assessment, requires evidence to be retained, and states that confidentiality clauses in special severance payments are always novel, contentious or repercussive and require prior DfE approval.

Analysis of additions and deletions

- The vague “significant prospect” test is replaced by a numerical threshold.
- The wording “additionally, and exceptionally” reinforces that special severance payments should not be routine people-management tools.
- Documentation requirements are much stronger: legal advice, reasons, supporting evidence and value-for-money assessment must be retained.
- Confidentiality clauses in special severance payments are expressly treated as novel, contentious or repercussive and require prior DfE approval.

Commentary

This is a practical change for HR and finance teams. Before any offer is made, the trust should have legal advice and a business case explaining why the payment is in the trust’s interests and represents value for money.

The £50,000 threshold does not remove the need for scrutiny. Smaller payments still need the same discipline and may still require DfE approval if they are novel, contentious or repercussive.

For auditors, severance testing should focus on the decision trail before the offer: legal advice, approval route, DfE approval where required, confidentiality clauses, disclosure in the accounts and whether the payment was contractual/statutory or special.

Sector commentary
Browne Jacobson described this as one of the most significant changes to staff severance rules in years, highlighting the numerical prospects threshold, stricter DfE approval for novel/contentious/repercussive payments, mandatory record-keeping and the point that payments under £50,000 are not a safe harbour.

14. Multi-academy trusts must publish how funds are distributed across their schools (5.32)

Sources: ATH 2026 5.32; DfE trust summary statement guidance published 15 July 2026; Dear Accounting Officer letter 15 July 2026.

Context from the 15 July 2026 Dear Accounting Officer letter
The Dear Accounting Officer letter highlights strengthened reporting on how MATs distribute funds across schools.

ATH 2025 position	ATH 2026 position
ATH 2025 required publication of annual accounts on the trust website by 31 January, but did not include a separate requirement for MATs to publish a summary statement explaining how funds are distributed across schools.	ATH 2026 paragraph 5.32 requires multi-academy trusts to publish on their website how funds are distributed across their schools. DfE guidance published 15 July 2026 says that, from October 2026, MATs must publish a summary statement of financial arrangements annually alongside their audited accounts. The statement should explain how funds are distributed across schools and show how much is spent on each school.

Analysis of additions and deletions

- This is a new transparency requirement for MATs only.
- The statement must explain funding flows, including whether income or reserves are pooled, how central services are funded and how much is spent on each academy.
- The statement should align with the audited accounts, including notes relating to central services and funding, and be clear and accessible to parents, carers and the local community.

Commentary

This will be more work than simply uploading the accounts. Finance teams will need to prepare a public-facing explanation of the trust financial model and reconcile it to the accounts.

Trustees should review the narrative carefully. Pooling, top-slicing and central services must be explained clearly in the statement. Trustees should bear in mind that the audience includes parents, carers and the local community, not only finance professionals.

DfE guidance does not say the summary statement is audited. However, inconsistency between the statement and the audited accounts may raise questions for auditors and could indicate weaknesses in reporting controls.

Sector commentary
DfE trust summary statement guidance says the example statement is organised into four themes: trust overview, financial operating model, central services and academy expenditure.

15. Secretary of State action where a trust breaches duties imposed under its funding agreement (6.17)

Sources: ATH 2025 part 6; ATH 2026 6.17.

ATH 2025 position	ATH 2026 position
ATH 2025 part 6 already set out DfE oversight and intervention powers, including access rights, investigations, financial management reviews, Notices to Improve and related regulatory intervention. Its 2025 “What has changed” section referred to removing educational performance as an area where a Notice to Improve may be issued and confirming recovery of funds where there is evidence of irregularity or fraud.	ATH 2026 adds an explanation of action the Secretary of State may take where a trust is in breach of duties imposed under its funding agreement. Where a trust is in breach, the Secretary of State may issue a direction specifying the action required to rectify the situation and the timeframe. The trust must comply. If it does not, the Secretary of State may seek enforcement by a court order.

Analysis of additions and deletions

- This makes the escalation route for breach of funding agreement duties more explicit.
- It is framed around a direction requiring remedial action within a specified timeframe, with potential court enforcement if the trust does not comply.
- The provision sits alongside, rather than replaces, other DfE intervention tools.

Commentary

This does not mean that every breach will result in court action. The handbook now spells out a formal direction-and-enforcement mechanism.

Boards should treat funding agreement duties as contractual and regulatory obligations. Where non-compliance is identified, there should be a documented action plan and, where necessary, early engagement with DfE.

For auditors and advisers, this reinforces the importance of identifying breaches promptly and considering whether they have regularity, governance or reporting implications.

Practical implementation checklist

Area	Immediate action
Board/governance	Allocate inclusion oversight; update committee terms of reference; refresh trustee skills audit; document financial training for trustees, finance committee and audit/risk committee members.
Finance leadership	For trusts over 3,000 pupils, review CFO qualification position, succession plans and future recruitment materials.
Financial planning	Embed ICFP into budget timetable; strengthen cashflow, reserves and going concern reporting; clarify escalation routes from accounting officer to board.
Procurement	Update procurement templates to evidence consideration of DfE opportunities; review supply staffing, energy and MIS contracts; map MIS transition to September 2027.
Pay and workforce	Update executive pay policy; build in DfE approval checks before advertising high-paid posts; track teacher/executive pay comparisons; add controls before alternative pension proposals are discussed with staff.
EV salary sacrifice	Prepare board paper covering procurement, HMRC, legal/HR/audit advice, risk mitigations, employee information and annual review.
Severance	Require written legal advice with percentage prospects, business case, DfE approval where required, confidentiality clause check and retained decision evidence before any offer is made.
Transparency	For MATs, design the summary statement process alongside annual accounts preparation and ensure reconciliation to accounts notes.

Overall conclusion

The 2026 handbook pushes academy trusts towards stronger documented governance: financial expertise on boards, qualified financial leadership in larger trusts, clear escalation of going concern risk, demonstrable procurement decisions, tighter pay and severance controls, and greater public transparency over MAT funding flows. The Dear Accounting Officer letter confirms the DfE's intended emphasis and makes clear that these changes should be discussed at board level.

Source appendix

- Academy Trust Handbook 2026: effective from 1 October 2026.
- Academy Trust Handbook 2025: effective from 1 September 2025.
- Letter to accounting officers in academy trusts: 15 July 2026.
- DfE: Publish a summary of your academy trust's financial arrangements: guidance, published 15 July 2026.
- DfE: Electric vehicle salary sacrifice guidance for academy trusts and colleges, updated 15 July 2026.
- DfE: Guide to academy trust severance payments, updated 17 February 2026.
- Schools Week: Academy trust handbook 2026: 10 changes schools need to know, 15 July 2026 / 11 August 2026 page date.
- Browne Jacobson: The Academy Trust Handbook 2026 brings tighter controls on staff exits, 15 July 2026.