BRIEFING

Winckworth Sherwood

Academy Trust Handbook 2026 – The updates your Trust needs to know

WHO IS THIS BRIEFING NOTE FOR

This briefing note is for all proprietors of academies and academy trusts ("**Trusts**") including Boards of Trustees, Accounting Officers, Chief Executive Officers, Chief Financial Officers, Chief Operating Officers, Governance Professionals, Executive Leaders and Business Managers.

PURPOSE AND SCOPE OF THIS BRIEFING NOTE

This briefing note provides a snapshot overview of the main changes introduced by the Department for Education (DfE) in the Academy Trust Handbook 2026 ("**the 2026 Handbook**") and to highlight any key actions Trusts should be taking, or consider taking, in preparation for the incoming changes. The briefing note is not intended to cover every change and Trusts and those responsible for compliance with the 2026 Handbook are expected to read the 2026 Handbook and understand its requirements.

OVERVIEW OF THE 2026 CHANGES EFFECTIVE 1 OCTOBER 2026

The 2026 Handbook, which takes effect from **1 October 2026**, does not materially change the existing regulatory framework. In the main, the changes made seek to strengthen expectations around the themes of governance, financial sustainability, procurement, inclusion, executive remuneration and transparency. The requirements and expectations point to a drive for greater accountability, stronger financial oversight and increased use of centrally approved procurement arrangements.

Below we detail the main changes and any steps that Trusts should be taking to prepare for the implementation of the 2026 Handbook.

THE 2026 CHANGES – WHAT TRUSTS NEED TO KNOW

PART 1: ROLES AND RESPONSIBILITIES

1.1 Inclusion and Collaboration (paragraphs 1.16 – 1.20)

The 2026 Handbook introduces new and expanded expectations regarding Trusts' responsibilities for inclusion, SEND and collaboration with external partners. These changes align with the government's wider education sector reforms.

Trust boards are expected to adopt a strategic Trust-wide approach to inclusion, ensuring that all pupils, but especially those with SEND, disadvantaged pupils and children known to social care, are identified early where they have additional needs, and can access high quality teaching and appropriate support. Trusts are also expected to work effectively with local authorities and other agencies to improve outcomes for pupils, through developing and adapting provision, working collaboratively to support local sufficiency and inclusion priorities, as part of a coherent local system. Further guidance is expected later this year through new Trust Standards, commissioning guidance and consultation on local trust governance arrangements.

Practical steps trusts should take:

- Review Trust inclusion strategies to ensure compliance with the new and updated requirements relating to inclusion and collaboration.
- Ensure procedures and reporting obligations are in place to deliver board oversight of SEND and inclusion outcomes for pupils across all academies in the Trust.
- Consider whether committee structures adequately support scrutiny of inclusion-related matters. The 2026 Handbook provides that "Trusts should designate a trustee, or establish a committee, to support oversight of inclusion, including SEND".

1.2 Digital and Technology Standards (paragraph 1.21)

The 2026 Handbook reiterates that Trusts should continue to work towards compliance with the DfE's digital and technology standards and meeting the core 6 standards by 2030.

Practical steps trusts should take:

- Assess status of progress towards the 2030 target and take appropriate steps where compliance is unlikely to be achieved.
- Review cyber security, filtering and monitoring arrangements to ensure compliance with KCSIE.
- Incorporate digital strategy within business planning.

1.3 Trustee Financial Expertise (paragraphs 1.31 – 1.32)

The DfE has strengthened expectations concerning financial capability at board level. Trusts should be able to demonstrate that trustees collectively possess sufficient financial knowledge and expertise, particularly in relation to the composition of board committees such as, audit, finance and risk committees, and local governing bodies/committees. The board **must** satisfy itself that all such committees are capable of providing effective challenge, scrutiny and oversight of Trust and academy finances.

Practical steps trusts should take:

- Conduct a governance skills audit to ensure that the board and its committees have the necessary range of skills and experience to fulfil the requirements of the 2026 Handbook. The 2026 Handbook states that new Trusts in their first year **must**, and established Trusts **should**, include in their governance statement, an assessment of their governance structure, including a review of the board's composition in terms of skills, effectiveness, leadership and impact.
- Satisfy itself that the Trust has in place, or take steps to put in place, a menu of appropriate financial training covering financial management, control, monitoring and reporting, for trustees and in particular, for finance, audit and risk committee members.
- Update board effectiveness reviews to include financial competency.

1.4 Strengthened Requirements for CFOs (paragraphs 1.45 – 1.47)

The 2026 Handbook introduces a significant change for larger Trusts.

Where Trusts educate more than 3,000 pupils, the 2026 Handbook requires that:

- any CFO recruitment exercise commencing on or after **1 October 2026 should** specify that the person **should** be a qualified accountant, and a member of the relevant professional accountancy body and/or hold the CIPFA level 7 qualification; and
- any CFO recruitment exercise commencing on or after **1 September 2027 must** specify that the person **should** be a qualified accountant, and a member of the relevant professional accountancy body, and/or hold the CIPFA level 7 qualification.

From **1 September 2027**, where a Trust is planning to appoint a new CFO, who is not a qualified accountant or who does not hold the CIPFA level 7 qualification, the DfE **must** be informed in advance including an explanation of why the Trust is not appointing a qualified accountant or holder of the CIPFA level 7 qualification.

Practical steps trusts should take:

- All Trusts must assess whether the CFO, and others holding key financial posts, are appropriately qualified and determine whether they should have qualifications in business or an accountancy qualification and hold membership of a relevant professional body.
- Larger Trusts should update CFO job descriptions and recruitment specifications.
- Consider compliance where existing CFOs are not professionally qualified in line with the 2026 Handbook requirements and take legal advice, where appropriate.
- Review succession planning and adjust as needed to ensure compliance.

PART 2: MAIN FINANCIAL REQUIREMENTS

2.1 Financial Sustainability and Going Concern Assessment (paragraph 2.21)

The 2026 Handbook includes a new obligation relating to assessment and reporting of going concern risks. The Accounting Officer **must** notify the board where it is identified that the Trust's ability to operate as a going concern is at risk and to enable the Trustees to take ownership and the necessary action, including notifying the DfE.

Practical steps trusts should take:

- Maintain robust three-year financial forecasts.
- Strengthen oversight of reserves and financial sustainability.
- Establish processes for escalation where concerns emerge relating to the Trust's ability to operate as a going concern.

2.2 Procurement Changes (paragraphs 2.27 – 2.30)

The DfE has moved beyond encouragement and introduced more prescriptive procurement requirements in various areas. Trusts must now:

- consider DfE procurement arrangements and, in certain areas, are required to use specified frameworks and must record their decision-making.
- use the Government Commercial Agency, Supply Teachers and Education Recruitment agreement for supply staffing requirements subject to certain caveats.
- at the point where energy contracts renew, use either DfE Energy for Schools or another DfE-approved energy arrangement subject to certain caveats.
- Subject to certain requirements, ensure that all Management Information Systems (MIS) contracts align with the DfE's MIS framework by **1 September 2027.**

Practical steps trusts should take:

- Review existing supplier contracts, particularly in respect of supply teaching, energy and management information systems, to ensure continued compliance with updated 2026 Handbook requirements.
- Diarise expiry dates for all relevant supplier contracts to ensure steps can be taken in good time to ensure compliance.
- Develop transition plans where current arrangements do not align with DfE requirements.
- Review and update, where necessary, Trust procurement policies to ensure they reflect the new obligations.

2.3 Executive Pay and Senior Pay Controls (paragraphs 2.31 – 2.34)

The 2026 Handbook provides greater detail on executive remuneration and senior pay controls, including circumstances in which DfE approval is required.

There is a new requirement that executive remuneration must not increase at a faster rate than that of the Trust's teachers, unless there is a clear justification for it to do so. Where the Trust considers there is a justification, it **must** seek approval in advance from the DfE

From **1 October 2026**, for new appointments within Trusts where remuneration exceeds £174,000, or the pro rata equivalent for part-time staff, or performance-related pay is above £25,000, approval from the DfE **must** be obtained before the post is advertised.

It is important to note that this change is not retrospective and will not impact existing executive pay.

Practical steps trusts should take:

- Review remuneration committee terms of reference and update accordingly to ensure updated 2026 Handbook requirements are included.
- Ensure the Trust's Pay Policy is up to date.
- Ensure robust evidence exists for executive pay decisions made in line with the Trust's Pay Policy.
- Review executive pay as against teacher pay to assess rates of increase and compile written evidence of justification for non-compliance, where appropriate.
- Build DfE approval requirements into recruitment timelines, where relevant, to ensure consent is obtained before advertising affected roles.

2.3 Pensions and Employee Benefits (paragraphs 2.37 and 2.40)

From 1 October 2026, Trusts **must** obtain prior DfE approval before offering alternative pension arrangements that are outside of the Teachers' Pension Scheme and the Local Government Pension Scheme.

The 2026 Handbook has also been updated to remove the requirement for DfE approval for electric vehicle salary sacrifice arrangements subject to certain controls.

Practical steps trusts should take:

- Review and update employee benefits policies as necessary.
- Ensure any proposed pension-related changes are approved early in the planning stages, and before notifying affected staff and implementing them.

PART 5: DELEGATED AUTHORITIES

3.1 Severance Payments (paragraph 5.7 – 5.14)

The 2026 Handbook expands guidance on staff severance payments and clarifies expectations regarding value for money and governance. It also further defines and expands the circumstances in which DfE approval may be required when making a special staff severance payment (defined as a payment made to employees outside of contractual or statutory requirements when leaving public employment). It also links to the relevant guidance and DfE forms required to be completed.

Practical steps trusts should take:

- Review settlement agreement processes and template Settlement Agreements and COT3 Agreements to ensure compliance with the 2026 Handbook.
- Ensure early legal and financial review of proposed severance arrangements to ensure 2026 Handbook compliance and relevant approvals are obtained, where required.
- Approach settlement agreements and special staff severance payments with caution as the DfE's focus on this area has increased significantly, particularly in the last 6-12 months.
- Maintain comprehensive documentation supporting decisions made about settlement and any payment being made to staff outside contractual or statutory requirements.

3.2 New Transparency Requirement for Multi-Academy Trusts (paragraph 5.32)

Starting in the 2026/27 academic year, multi-academy trusts must publish on their website an annual summary statement, no later than 31 January each year, explaining how funding is distributed across their schools.

Practical steps trusts should take:

- Develop a clear methodology for describing resource allocation.
- Consider how central services charges and school-level funding decisions are explained.
- Prepare website publication arrangements ahead of the reporting cycle.

PART 6: THE REGULATOR AND INTERVENTION

The 2026 Handbook provides additional clarification regarding action that the Secretary of State for Education may take where a Trust breaches obligations imposed through its Funding Agreement.

Practical steps trusts should take:

- Ensure compliance monitoring is regularly reported to trustees.
- Review assurance frameworks and risk registers.
- Strengthen internal controls around areas subject to DfE approval.

CONCLUSION

The 2026 Handbook reflects a continued DfE focus on stronger governance, financial sustainability, transparency and value for money. While many changes build on existing expectations rather than introducing entirely new duties, Trusts should treat the revised requirements as a priority compliance exercise before the 2026 Handbook comes into force on 1 October 2026.

FURTHER INFORMATION

1. Academy trust handbook 2026: effective from 1 October 2026 – https://www.gov.uk/government/publications/academy-trust-handbook/academy-trust-handbook-2026-effective-from-1-october-2026
2. Schedule of 2026 musts – https://assets.publishing.service.gov.uk/media/6a4e01aded5ddb5c8626f4a3/ATH_Schedule_of_Musts_2026.xlsx

This briefing is not intended to be a definitive statement of the law and is correct at the time of publication. It should not be taken as a substitute for professional legal advice. It does not represent the views of Winckworth Sherwood or any of the authors.

If you require further advice or assistance regarding the requirements of the 2026 Handbook or any other legal or regulatory issue facing your academy or Trust, or wish to discuss our retainer packages please contact our dedicated School Support Service helpdesk on schoolsupport@wslaw.co.uk.

This briefing note is not intended to be an exhaustive statement of the law and should not be relied on as legal advice to be applied to any particular set of circumstances. Instead, it is intended to act as a brief introductory view of some of the legal considerations relevant to the subject in question.