UHY

Academy Trust Handbook 2026

Our summary of the key changes

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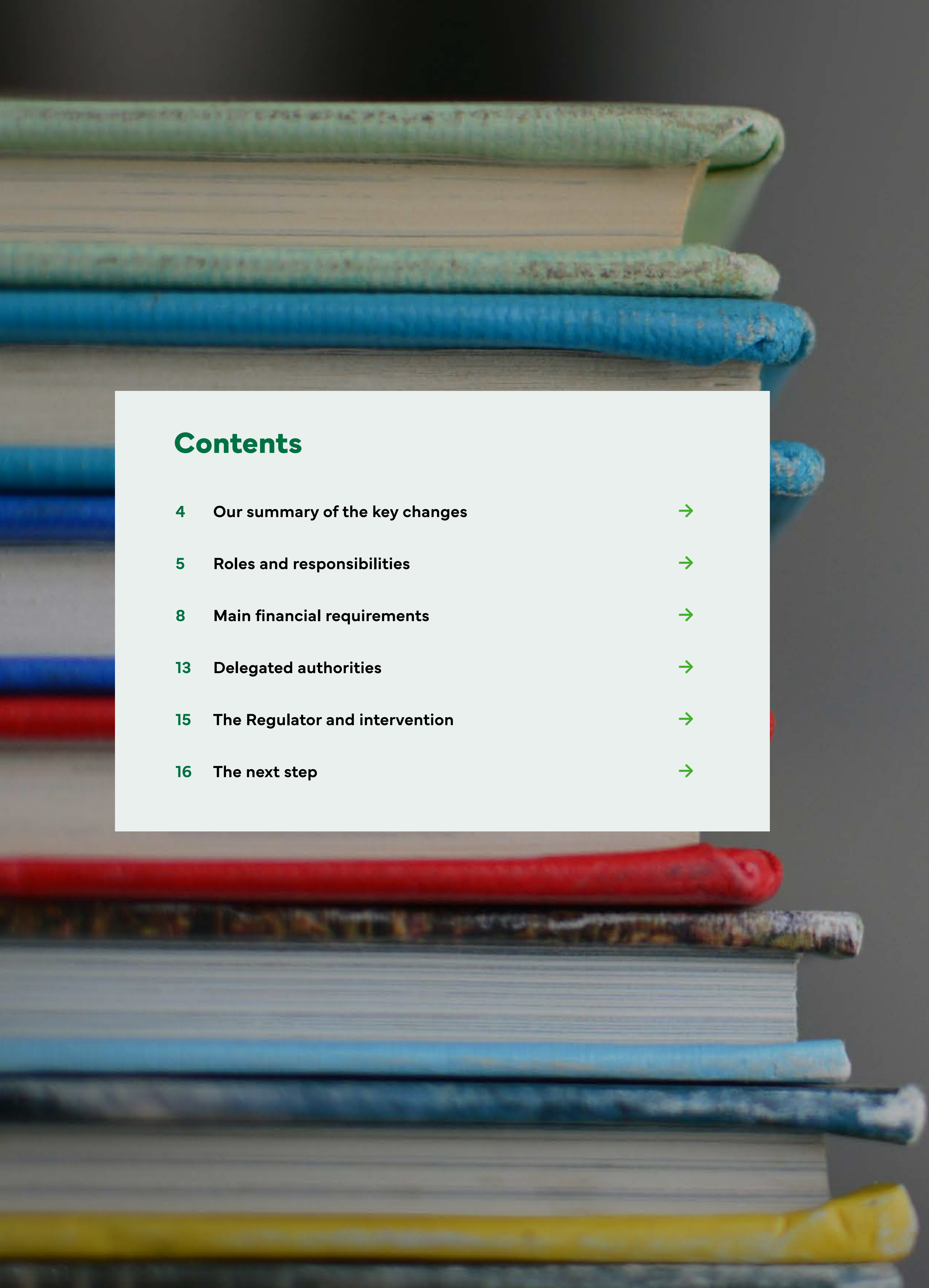

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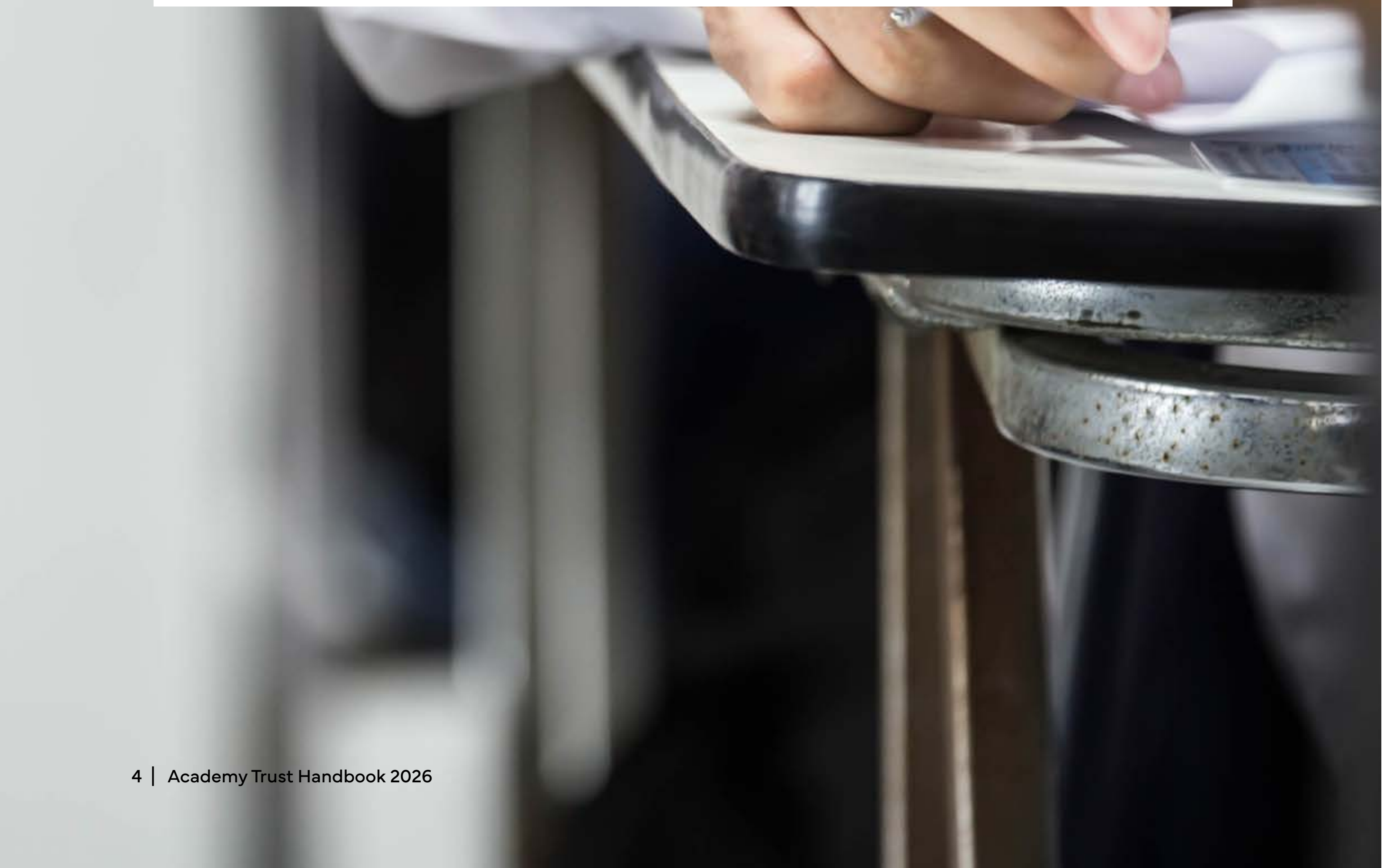
The Department for Education have published the Academy Trust Handbook 2026.



Our summary of the key changes

The Department for Education (DfE) have published the [Academy Trust Handbook 2026], which will be effective from 1 October 2026.

It had been expected that the Handbook would apply from 1 September, as is normally the case, but the DfE seem to have recognised that with a number of changes, publishing the Handbook so late in the academic year did not provide trusts with much time to consider the impact and plan any necessary changes.

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So, what has changed?

The Handbook has remained relatively stable in recent years, but the 2026 edition does reflect quite a number of amendments.

In this summary we detail the changes, but also take the opportunity to provide clarification in the areas affected:

Roles and responsibilities

Change 1

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

UHY commentary: These paragraphs are completely new, and include two musts:

1.16. Trusts must comply with their legal duties, including those relating to safeguarding, SEND, admissions and place planning

and

1.20 Trusts must comply with their legal duties to cooperate with local authorities and other agencies where relevant.

Beyond this statutory duty, trusts are expected to work proactively with local authorities and wider partners to support local inclusion priorities, engage constructively in developing provision, take account of local needs and place planning, and contribute to collaborative local arrangements that improve outcomes for pupils.

The remainder of these new paragraphs focus on emphasising trust-wide inclusion, and expanding governance expectations beyond compliance with SEND requirements.

Trusts are now expected to adopt a consistent approach to identifying and supporting pupils with additional needs (particularly those with SEND, disadvantaged pupils and children known to social care), ensure effective deployment of expertise and resources across their schools, monitor participation and outcomes, and regularly evaluate the impact of their provision. In addition, boards are expected to strengthen governance oversight by designating a trustee or committee with responsibility for inclusion, including SEND, to provide assurance that inclusive practice is effective and consistent across the trust.

Change 2

1.21 reminds trusts about working towards meeting the digital and technology standards by 2030.

UHY commentary: Last year's Handbook make it clear that trusts should have an understanding of and be working towards the six core digital and technology standards by 2030.

The 2026 Handbook now explicitly lists the six core standards (broadband internet, network switching, wireless network, cyber security, filtering and monitoring, and digital leadership and governance.

It then makes it clear that the DfE expect trusts to already be meeting the filtering and monitoring standards as set out in the statutory guidance Keeping children safe in education (KCSIE).

Do take advantage of the DfE's self-assessment via Plan Technology for your School which can help to get recommendations about how to support the schools in their trust and track their progress towards meeting the digital and technology standards.

Change 3

1.31 strengthens the position of trustees' financial knowledge and expertise.

UHY commentary: Last year's Handbook made it clear that trusts should have an understanding of and be working towards the six core digital and technology standards by 2030.

The underlying expectation in the 2026 Handbook is unchanged - that boards should have the skills and experience needed to provide effective oversight, including sufficient financial expertise to hold executive leaders to account. However, the 2026 Handbook strengthens the requirement by emphasising effective financial knowledge and expertise, requiring boards to ensure (rather than simply identify) that these skills are in place. It also introduces a new expectation that trustees receive appropriate financial training covering financial management, control, monitoring and reporting, with particular emphasis on members of finance committees and audit and risk committees.

"The 2026 Handbook significantly strengthens the expectations around CFO qualifications, particularly for larger trusts."

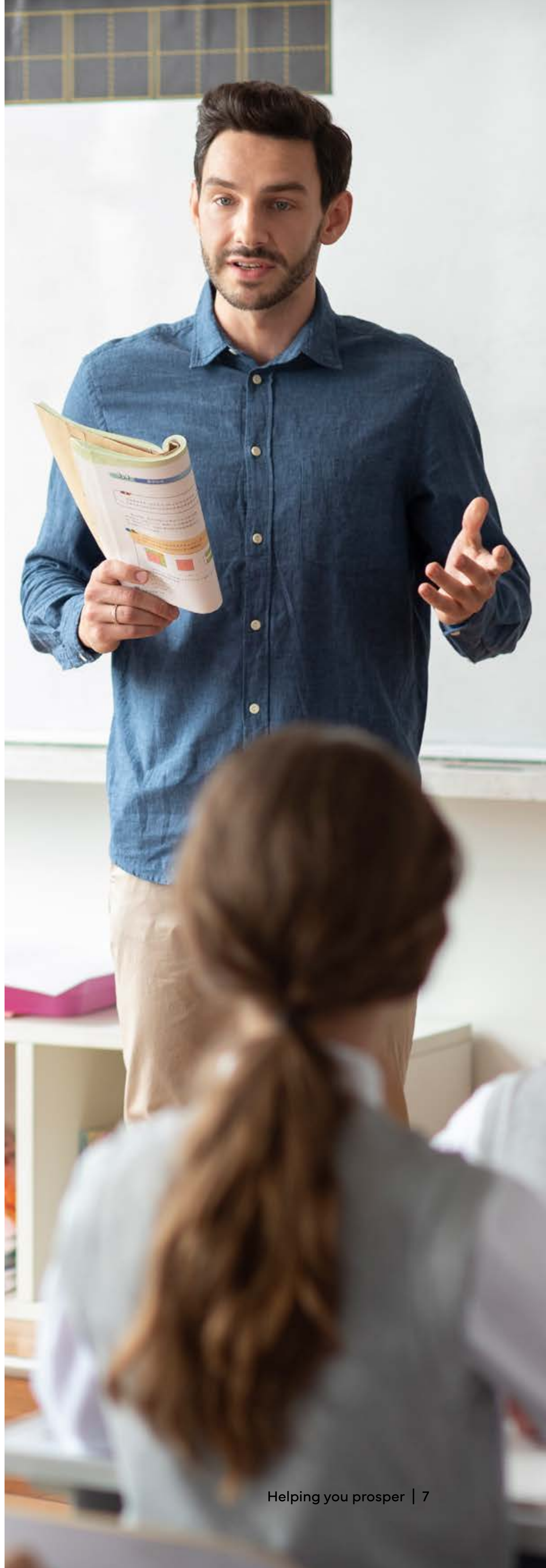
Change 4

1.46 strengthens the DfE's stance on the position of CFOs in larger trusts holding a relevant accountancy qualification.

UHY commentary: The 2026 Handbook significantly strengthens the expectations around CFO qualifications, particularly for larger trusts. While the 2025 Handbook required trusts to consider whether the CFO should hold a professional business or accountancy qualification, and merely encouraged larger trusts to take accountancy qualifications into account when recruiting, the 2026 Handbook goes much further. It states that, for trusts with over 3,000 pupils, the CFO should hold a recognised professional accountancy qualification (or equivalent), meaning this is now the expected standard unless an alternative approach can be justified.

It also introduces new recruitment expectations, with vacancies advertised from 1 October 2026 expected to specify a qualified accountant or CIPFA Level 7 qualification, becoming a must from 1 September 2027. Where a larger trust intends to appoint someone who does not meet these qualifications, it must notify the DfE in advance and explain its rationale.

This change is likely intended to strengthen financial governance in larger, more complex academy trusts, where the scale of operations, public funding and regulatory responsibilities demand a higher level of technical financial expertise. It also reflects the increasing professionalisation of the academy sector and is likely to improve consistency in financial leadership, reduce financial management risks and provide greater assurance to trustees, the DfE and other stakeholders that trusts have appropriately qualified individuals overseeing significant public funds.



Main financial requirements

Change 1

Strengthening the position on using integrated curriculum and financial planning in schools (2.13).

UHY commentary: The last Handbook merely encourages to boards to take an integrated approach to curriculum and financial planning. The 2026 Handbook states that Boards should take such an approach in their schools.

It is important to note that is a 'should' rather than a 'must'. The Handbook defines a should as "minimum good practice which trusts should apply unless they can demonstrate that an alternative approach better suits their circumstances."

Whilst curriculum and financial planning should often be considered together (ensuring educational priorities are supported by sustainable financial decisions), there can be circumstances where a trust can justify an alternative approach. For example, some trusts may deliberately separate strategic curriculum planning from financial planning in the early stages to allow educational priorities to be developed without immediate budgetary constraints, before testing affordability at a later stage.

> Accounting officers now have a specific obligation that they must notify the trust board where it is identified that the trust's ability to operate as a going concern is at risk.

Others may have governance structures in which curriculum strategy and financial planning are led through separate committees or planning cycles, with integration occurring through the executive team and final board approval rather than throughout the process. Where such approaches achieve effective educational and financial outcomes, a trust may be able to demonstrate that its alternative arrangements are appropriate for its particular circumstances.

Change 2

Strengthening the trust's obligation for reporting the position on its ability to operate as a going concern (2.21).

UHY commentary: The accounting officer now has a specific obligation that they must notify the trust board where it is identified that the trust's ability to operate as a going concern is at risk. The trustees are then required to take ownership and the necessary action, including notifying DfE.

This change means it is an apt time to include a reminder about the DfE best practice guide, Operating an academy trust as a going concern.

This requirement is likely to have been introduced to ensure that financial difficulties are identified and escalated at the earliest possible stage, rather than only becoming apparent through the annual accounts or audit process. In recent years, increasing financial pressures across the academy sector have increased the risk of trusts experiencing financial distress.

By placing this explicit obligation on the Accounting Officer, the Handbook reinforces the respective responsibilities of executive leaders and trustees. It makes clear that the board must take ownership of the issue, rather than treating it solely as an operational or finance matter, and ensures the DfE is informed early enough to provide support, monitor the trust's position and, where necessary, intervene before financial difficulties become critical. The change also aligns with wider governance principles of timely risk escalation, transparency and accountability for the stewardship of public funds.

Change 3

Explaining that trusts must consider DfE opportunities when making purchasing decisions (2.27).

UHY commentary: This was previously a 'should' but now trusts must be able to demonstrate how they have considered opportunities available through Get help buying for schools, which sets out various DfE-approved buying options, covering categories such as banking and finance, catering, energy, facilities management and IT.

The change from should to must is likely intended to drive more consistent use of DfE-supported procurement arrangements and to strengthen evidence that trusts are achieving value for money from public funds. By requiring trusts to consider DfE procurement opportunities and record their decision-making, the DfE is seeking to increase transparency and provide an audit trail demonstrating that procurement options have been properly evaluated, even where a trust ultimately decides that an alternative route offers better value.

The change also reflects the growing emphasis on efficient use of resources across the academy sector. With financial pressures continuing to increase, the DfE has invested significantly in national procurement frameworks, approved deals and procurement support. Making consideration of these opportunities mandatory is likely intended to encourage wider uptake, deliver economies of scale, improve procurement capability and reduce the risk of trusts entering into poor-value or insufficiently evidenced purchasing arrangements. It also gives the DfE greater assurance that trusts have actively considered government-supported procurement solutions before committing public funds elsewhere.

Change 4

Confirming that 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 (2.28 and 2.29).

UHY commentary: These new requirements introduce specific mandatory expectations for two significant areas of expenditure. Trusts must use the Government Commercial Agency's supply teacher framework for agency staffing, unless they have secured a compliant alternative offering rates no higher than those available through the framework. Similarly, when renewing energy contracts, trusts must use the DfE's Energy for Schools service or an approved DfE energy deal, unless they can demonstrate they have obtained comparable pricing through another arrangement. Together, these provisions are intended to secure better value for money through centrally negotiated procurement arrangements while still allowing trusts flexibility where they can evidence an equivalent or better outcome.

> ....trusts must use the Government Commercial Agency agreement for supply staffing requirements.

Change 5

Trusts must ensure that all Management Information System (MIS) contracts are aligned with DfE's MIS framework by September 2027 (2.30)

UHY commentary: This means that:

- where a contract expires before 1 September 2027, any contract extension or replacement must be for no more than 12 months, and act as a transitional arrangement ahead of framework procurement
- where a contract extends beyond 1 September 2027, trusts must not use extension options that delay transition
- trusts must use the DfE MIS framework when awarding their next full-term MIS contract
- if a trust cannot reasonably award a contract of 12 months or less, it may proceed only where the supplier agrees to the DfE's latest MIS contractual principles, available in Get help buying for schools.

In practice, it means trusts should review the expiry dates of their existing MIS contracts now and plan their procurement strategy accordingly. Where a contract expires before September 2027, any extension or replacement should generally be limited to a maximum of 12 months to bridge the gap until the trust can procure through the DfE framework. Conversely, trusts should not exercise extension options on existing contracts if doing so would postpone moving onto the framework beyond September 2027.

Once again, the requirement is closely linked to the DfE's wider drive towards standardised procurement, better value for money and greater interoperability across the academy sector.

The new framework is intended to address historic issues which had led to many schools finding it difficult or expensive to change MIS provider due to concerns over long contract terms, high exit charges or difficulties with data migration. Suppliers will be required to adopt standard contractual principles, making it easier for trusts to switch providers, integrate other software, and achieve better value for money.

Change 6

Confirming arrangements for executive pay and senior pay controls (2.31 to 2.34).

UHY commentary: The core principles governing executive remuneration remain unchanged. Boards must continue to ensure that executive pay is determined through a robust, evidence-based process, is transparent, proportionate and defensible, and is supported by an agreed pay policy with appropriate board scrutiny and documented decision-making.

However, the 2026 Handbook introduces two significant strengthening measures:

- Teacher pay linkage becomes mandatory. The 2025 Handbook included a basic presumption that executive pay should not increase faster than teachers' pay, both annually and over the longer term.

  The 2026 Handbook replaces this with a must requirement: executive remuneration must not increase at a faster rate than teachers' pay unless there is a clear justification, and any such increase requires prior DfE approval. This represents a much tighter control over executive pay progression.
- New DfE approval for high-paid appointments. From 1 October 2026, trusts must obtain DfE approval before advertising any new post with remuneration exceeding £174,000 (or the pro rata equivalent for part-time roles), or where performance-related pay exceeds £25,000. This is an entirely new requirement and gives the DfE direct oversight of the highest-paid executive appointments before recruitment begins.

These changes reflect the DfE's increasing focus on ensuring that executive pay represents appropriate stewardship of public funds. In recent years, executive remuneration in a small number of trusts has attracted scrutiny from Parliament, the media and the public, particularly where pay awards have significantly exceeded those for teaching staff. The new requirements are intended to strengthen consistency, improve public confidence, reinforce value-for-money considerations and enable earlier DfE intervention where proposed remuneration packages are unusually high or out of line with wider public sector pay expectations.

Change 7

Updating the permissive position for electric vehicle salary sacrifice schemes, which are now allowed (2.37).

UHY commentary: Trusts no longer require prior DfE approval for Electric Vehicle (EV) salary-sacrifice schemes, provided that:

- the trust has comprehensive mitigations in place to ensure no cost or liability falls on the trust if an employee does not fulfil their contractual obligations with the scheme provider
- the trust is not under a Notice to improve (NtI)

Trusts choosing to offer an EVSS scheme must clearly document their comprehensive mitigations.

Academy trusts considering offering an EVSS scheme to their staff must follow the Electric vehicle salary sacrifice guidance.

Change 8

Explaining that prior DfE approval is needed before offering an alternative pension scheme (2.40).

UHY commentary: With effect from 1 October 2026, if a trust is proposing to offer any alternative to the TPS or LGPS, it must approach DfE to seek approval early in the planning stage and before any proposed changes are communicated to staff. Alternatives must be approved by DfE before changes are made.

This requirement is likely intended to give the DfE greater oversight of any proposals to move away from the Teachers' Pension Scheme (TPS) or Local Government Pension Scheme (LGPS). As pension arrangements are a key part of staff terms and conditions, early DfE approval helps ensure that any changes are justified, legally compliant and consistent with government policy, while reducing the risk of inappropriate cost-cutting measures, workforce disputes or inconsistent approaches across the academy sector.

Delegated authorities

Change 1

Explaining further what trusts need to consider and do when dealing with severance payments (5.7 to 5.14).

UHY commentary: The overall framework for special staff severance payments remains largely unchanged, but the 2026 Handbook introduces a number of clarifications and strengthens expectations around governance, evidence and value for money. The principal changes are:

- Clearer legal threshold. The previous Handbook referred to there being a "significant prospect" of losing an employment tribunal. The 2026 Handbook replaces this with a more objective test of greater than a 50% prospect of losing the case. Equally, where the trust has at least a 50% chance of successfully defending the claim, a settlement should not normally be offered.
- Greater emphasis on value for money. While all severance payments were previously expected to represent good use of public funds, the new Handbook explicitly states that trusts should apply the same level of scrutiny to payments below £50,000 as those requiring DfE approval and ensure there is a justified business case.
- Enhanced documentation requirements. The 2026 Handbook introduces a new requirement for trusts to retain clear evidence of the decision-making process, including legal advice, the rationale for the settlement, supporting evidence and how value for money was demonstrated. This provides a clearer audit trail.
- Stronger reference to DfE and HM Treasury guidance. Rather than simply referring to the guidance, the Handbook now explicitly requires trusts to follow both the DfE's special severance payments guidance and HM Treasury's guidance where special severance payments are being considered.
- Clarification of DfE approval requirements. The circumstances requiring prior DfE approval are broadly unchanged, but the Handbook now makes clearer that approval is also required where a payment is considered novel, contentious or repercussive and the trust's legal advice indicates it has more than a 50% chance of successfully defending the claim, reinforcing that settlements should not be used where the trust is likely to succeed.

Overall, the changes do not represent a major shift in policy but place greater emphasis on robust governance, objective legal assessment, comprehensive documentation and demonstrating value for money when public funds are used to make severance payments.

The changes are therefore likely to impact on how trusts reach and document the decisions they reach when entering into severance payments. In our view this means that trust will need to:

1. prepare better-documented papers setting out the legal advice received, why the payment is in the trust's interests, and how it represents value for money.
2. seek clearer legal opinions on the prospects of successfully defending an employment claim before deciding whether to settle.

3. retain more detailed records of the rationale, approvals and supporting evidence, making it easier to demonstrate compliance for audit purposes and to the DfE.

Change 2

Confirming that multi-academy trusts must publish on their website how funds are distributed across their schools (5.32).

UHY commentary: Multi-academy trusts will need to publish a summary statement, by 31 January to accompanying the trust's annual accounts, outlining how funds are distributed across their schools. Information should match that set out in the annual accounts notes (Disclosure of central services and Funds) and include a summary overview of the themes listed in this DfE guidance, published on 15 July 2026.

The statement is intended to improve transparency for parents, carers and other stakeholders by explaining how funding is distributed across the trust. At a high level, MATs will need to publish:

- An overview of the trust's financial operating model, including whether income and/or reserves are pooled, and how this supports the trust's strategy.
- How central services are funded, including the services provided centrally (such as finance, HR, procurement and legal) and how their costs are recovered, for example through top-slicing or recharges.
- Financial information for each academy, showing the DfE funding received, the amount spent on each academy and, where applicable, the amount charged for central services.
- A clear explanation of funding flows across the trust, ensuring the information is consistent with the audited financial statements and presented in an accessible format.

Whilst there is no prescribed format, the DfE have published the example here to provide trusts with an indication of what they are expecting.

Finance teams will need to ensure there is a clear reconciliation between the figures in the summary statement and the audited accounts, while also working with governance and communications colleagues to present the information in a way that is understandable to parents and the wider public.

There is no requirement for the statement to be audited or reported on by the external auditor, likely because it is intended as a high-level explanatory summary rather than a primary financial statement. Nevertheless the DfE will expect that the published information is consistent with the audited accounts. Responsibility for the accuracy of the summary will therefore rest with the trustees.

> MATs will need to publish a summary statement, by 31 January, to accompanying the trust's annual accounts, outlining how funds are distributed across their schools.

The Regulator and intervention

Change 1

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

UHY commentary: Where a trust is in breach of any duty imposed under its funding agreement, the Secretary of State may issue a direction to the trust specifying the required action to rectify the situation and the required timeframe. The trust must comply with the direction. If a trust does not comply with the direction, the Secretary of State may seek enforcement by a court order.

This requirement is likely intended to strengthen the DfE's enforcement powers and make the consequences of non-compliance with funding agreements more explicit. While the Secretary of State already had powers to intervene where trusts failed to meet their obligations, the new wording sets out a clearer escalation process - from issuing a formal direction, to requiring remedial action within a specified timeframe, and ultimately to seeking enforcement through the courts if necessary.

The change also reflects the DfE's increasing focus on accountability and governance, providing greater clarity to trusts about the importance of complying with funding agreement requirements and reinforcing that persistent non-compliance may lead to formal legal action, rather than solely regulatory intervention.

The next step

You can read the full 2026 Handbook here.

Alongside the main Handbook, the DfE have again published a separate list of 'musts' as in an interactive Excel document which trusts can download and self-complete. This is an entirely optional resource, with no requirement to submit it to the DfE. It does need to be remembered that the list of musts abbreviates the requirements and so cannot be used as a substitute for the full Handbook.

We always recommend that the publication of the new Handbook each year is an opportune moment for Accounting Officers, Chief Financial Officers and trustees to read the list of 'musts' as a minimum, to remind themselves of the key requirements of the Handbook. It would be good practice to work through the Excel tool or, if you've not had such a review recently, to engage your internal auditors to complete a full review of compliance with the Handbook as part of a wider governance review.

Reminders

The Handbook uses two key words throughout:

Must – this is an explicit requirement of the Handbook and failure to comply is a breach that would be classed as a regularity issue, reportable in the audit findings report and possibly the financial statements.

Should – this identifies minimum good practice which trusts should apply unless they can demonstrate that an alternative approach better suits their circumstances.

Get in touch

If you have any questions after reading our summary, the Handbook itself, or indeed in respect of reporting requirements for academies more generally, please contact your usual UHY adviser or find your local academy expert on our website.

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