KEYSTONE

ACADEMY TRUST HANDBOOK 2026

The changes behind the changes

A practical briefing for academy trust boards and executive leaders

Effective 1 October 2026

Published July 2026

EXECUTIVE READ

Our verdict: this is an operating model reset

The 2026 Handbook is more than a financial controls update. It brings educational inclusion, digital resilience, workforce choices, procurement and public accountability into one connected board agenda.

THE KEYSTONE VIEW

The 2026 Handbook makes the DfE's expectations much clearer. Boards are now expected not only to have appropriate controls, but to understand them, challenge them and demonstrate how decisions support pupils across the trust.

What demands attention now

01 Inclusion becomes board business

A trust-wide approach, clearer assurance and constructive partnership with local authorities and other agencies.

02 Earlier DfE approval for pension changes

Changes to pension arrangements now require DfE engagement much earlier in the process. Trusts considering workforce redesign or alternative pension provision will need to build approval into planning from the outset.

03 Financial competence is tested

Boards need stronger financial expertise; larger trusts face a staged move towards qualified CFO appointments.

04 Sustainability escalation sharpens

The accounting officer now has an explicit duty to alert the board when going concern is at risk.

05 Executive pay is constrained

Pay increases above teachers' rates and specified senior appointments now trigger prior DfE approval.

06 Transparency extends to GAG

MATs must publish how funding is distributed across schools, aligned to the annual accounts.

Priority judgement

Most trusts do not need a wholesale governance redesign. They do need a controlled implementation programme with named owners, board-approved evidence and clear approval gates before 1 October 2026. The greatest implementation risk is not missing a policy update, but treating these changes as administrative rather than strategic.

SEVEN SIGNALS

What the Handbook is really telling the sector

Read as a whole, the changes point to a broader model of public stewardship. These are the strategic signals beneath the individual clauses.

1	**The board's field of vision is widening** Educational inclusion and digital maturity are now explicitly positioned alongside finance, safeguarding and estates as matters requiring strategic oversight.
2	**"Should" now carries more weight** The Handbook describes "should" as minimum good practice unless a trust can demonstrate that an alternative better suits its circumstances. That makes exceptions an evidence question.
3	**Professional competence is becoming visible** Financial expertise cannot sit solely with the CFO. Trustee training, committee capability, succession and challenge all need to be demonstrable.
4	**Autonomy increasingly requires an audit trail** Trusts retain choices, but in procurement, pay, severance and pensions the expected evidence and approval points are much clearer.
5	**Financial sustainability is an active duty** Going concern is not an annual accounts conclusion. The 2026 wording creates a live escalation expectation for accounting officers and boards.
6	**Trust-wide decisions need a public explanation** The new GAG distribution statement asks MATs to articulate how resources move across schools and why. The narrative must withstand local and public scrutiny.
7	**The regulator's hand is more explicit** A new direction power makes the consequences of funding agreement breaches more direct: specified remedial action, a timeframe and potential court enforcement.

CHANGE IN DEPTH

Governance, inclusion and professional competence

01 Trust-wide inclusion and collaboration 1.16–1.20

WHAT CHANGED	New text expects inclusion to be embedded across provision; a clear trust-wide approach; board assurance over quality and consistency; and constructive work with local authorities and system partners. A trustee or committee should support oversight, including SEND.
WHY IT MATTERS	This moves inclusion beyond school-level practice. Boards need evidence across access, participation, resource deployment and outcomes - not a single annual SEND report.
ACTION	Define the trust inclusion strategy; assign board oversight; specify an assurance dashboard; map partnership responsibilities and escalation routes.

02 Digital and technology standards 1.21

WHAT CHANGED	Trusts should be working towards six core DfE standards by 2030. Filtering and monitoring standards are already expected under KCSIE.
WHY IT MATTERS	A 2030 destination now needs a funded, sequenced route. Digital resilience should connect to risk, estates, safeguarding, procurement and business continuity.
ACTION	Complete the DfE self-assessment; agree a multi-year roadmap; identify funding, ownership, dependencies and assurance measures.

03 Trustee financial knowledge and training 1.31

WHAT CHANGED	The wording is strengthened: boards should ensure sufficient and effective financial knowledge across the board, committees and local tier, with appropriate training, especially for finance and audit and risk committee members.
WHY IT MATTERS	Generic trustee induction alone is unlikely to provide the level of financial challenge now expected.
ACTION	Refresh the skills audit; provide role-specific training; record completion and board challenge.

04 CFO role and qualifications 1.44–1.47

WHAT CHANGED	CFO attendance at finance and audit and risk committees is encouraged. Trusts over 3,000 pupils should specify a qualified accountant/CIPFA Level 7 from 1 October 2026; this becomes mandatory from 1 September 2027. DfE must be informed before appointing a CFO without the specified qualification.
WHY IT MATTERS	This strengthens expectations for the CFO role and is likely to have the greatest impact on larger trusts planning succession.
ACTION	Review the incumbent role, succession risk and recruitment template now. Do not wait for a vacancy to expose a capability gap.

CHANGE IN DEPTH

Planning, sustainability and procurement

01 Integrated curriculum and financial planning 2.13

WHAT CHANGED	The 2025 wording said boards were “encouraged” to take an integrated approach. In 2026, boards “should” do so.
WHY IT MATTERS	Workforce, curriculum, pupil numbers, educational priorities and affordability should be considered as one plan. A finance-only three-year forecast will not demonstrate this.
ACTION	Build ICFP evidence into budget papers and board challenge: staffing deployment, curriculum choices, pupil assumptions, scenarios and educational impact.

02 Going concern escalation 2.21

WHAT CHANGED	The accounting officer must notify the board when the trust’s ability to operate as a going concern is at risk. Trustees must take ownership and necessary action, including notifying DfE.
WHY IT MATTERS	This moves going concern beyond a year-end reporting exercise. Trusts need agreed indicators and an escalation route before pressure becomes crisis.
ACTION	Agree leading indicators, thresholds, reporting frequency, decision rights and the record required when the trigger is reached.

03 DfE purchasing opportunities 2.27

WHAT CHANGED	“Should consider” becomes “must consider”, with a new requirement to record the decision-making.
WHY IT MATTERS	Trusts will now need to demonstrate how procurement decisions were reached, not simply that they complied with the rules.
ACTION	Add a DfE opportunity check and recorded rationale to procurement templates, business cases and contract registers.

04 Directed routes: supply, energy and MIS 2.28–2.30

WHAT CHANGED	Supply staffing must use the Government Commercial Agency agreement unless an alternative compliant agreement has rates no higher. Energy must use DfE Energy for Schools/an approved deal unless comparable pricing is sourced. MIS contracts must align with the DfE framework by September 2027, with transition rules for existing contracts.
WHY IT MATTERS	This affects contract pipelines immediately. Procurement teams need evidence on compliance, rates, comparability, renewal dates and permitted transition periods.
ACTION	Review the contract register now; identify renewals; document benchmarks; build an MIS transition plan with procurement, IT and operational owners.

CHANGE IN DEPTH

People decisions, delegated authority and transparency

01 Executive and senior pay controls 2.31–2.34

WHAT CHANGED	Executive remuneration must not rise faster than teachers' pay without clear justification and prior DfE approval. For new appointments above £174,000, or performance-related pay above £25,000, approval is required before advertising.
WHY IT MATTERS	Pay policy, benchmarking, board rationale and the timing of recruitment decisions now carry direct compliance risk.
ACTION	Update the executive pay policy; insert approval gates into recruitment and remuneration committee processes; retain a defensible evidence pack.

02 Electric vehicle salary sacrifice 2.37

WHAT CHANGED	Prior DfE approval is no longer required if comprehensive mitigations prevent cost or liability falling on the trust and the trust is not under a Notice to Improve. Mitigations must be documented.
WHY IT MATTERS	This gives trusts greater flexibility, but only where the associated risks are properly managed.
ACTION	Use the DfE guidance; document leaver/default scenarios, provider protections and approval before launch.

03 Alternative pension arrangements 2.40

WHAT CHANGED	From 1 October 2026, trusts proposing an alternative to TPS or LGPS must seek DfE approval early and before communicating proposed changes to staff.
WHY IT MATTERS	The key change is timing. DfE approval must now be built into planning before proposals are communicated to staff. Trusts planning workforce redesign should not underestimate this change.
ACTION	Add a DfE approval gate to any workforce or restructuring project that could affect pension provision.

04 Severance and confidentiality 5.7–5.14

WHAT CHANGED	The Handbook makes the legal assessment test explicit, requires clear records and evidence, and treats confidentiality clauses in special severance payments as always novel, contentious or repercussive, requiring prior DfE approval.
WHY IT MATTERS	Settlement design and wording cannot be left to the final drafting stage. Approval requirements arise before an offer or binding commitment.
ACTION	Use a standard decision record covering legal prospects, affordability, value for money, approval thresholds and any confidentiality provision.

CHANGE IN DEPTH

Public accountability and the regulator

01 Publication of funding distribution 5.32

WHAT CHANGED	Every MAT must publish by 31 January a summary statement, accompanying the annual accounts, explaining how funds are distributed across its schools. It should match the annual accounts notes and cover DfE's example themes.
WHY IT MATTERS	This is not only a disclosure task. It exposes the trust's operating model, including central services, pooling, cross-subsidy and improvement priorities, to local and public scrutiny.
ACTION	Draft the narrative alongside the accounts; test consistency; explain principles in plain English; ensure local leaders understand the story.

02 Secretary of State directions 6.17

WHAT CHANGED	Where a funding agreement duty is breached, the Secretary of State may direct the trust to take specified remedial action within a set timeframe. Non-compliance may be enforced through a court order.
WHY IT MATTERS	The DfE has introduced a much clearer route for intervention where trusts fail to meet their funding agreement obligations.
ACTION	Maintain a single compliance register; escalate breaches promptly; document remediation ownership, evidence and completion.

Easy-to-miss changes

A Savings discipline

Boards must explore the feasibility of high-interest savings accounts while keeping security ahead of return (2.23).

B Ransom and extortion

The prohibition now expressly covers any ransom or extortion demand, including cyber ransomware (6.15).

C Benchmarking

Boards should take advantage of benchmarking tools and DfE material on maximising value for pupils (2.14).

D CFO in the room

The Handbook now says the CFO should attend finance and audit and risk committee meetings to support oversight (1.44).

A NOTE OF CAUTION

"Must" and "should" are not interchangeable. This briefing highlights both. Trusts should use the official Schedule of Musts for their formal compliance check and record the rationale for any alternative approach to a "should".

IMPLEMENTATION ROADMAP

What a well-led trust should do next

The effective date is 1 October 2026. The best response is a short, owned implementation programme, not a last-minute policy sweep. Begin by identifying the decisions that now require additional evidence or earlier DfE approval. Once ownership is clear, governance changes and policy updates follow more naturally.

TIMING	WHAT TO DO
NOW	**Mobilise and diagnose** • Name an executive sponsor and governance lead. • Complete a clause-by-clause gap assessment against the 2026 Handbook and Schedule of Musts. • Identify urgent decisions already in flight: appointments, pay, severance, pensions and contracts. • Map owners across governance, finance, HR, procurement, IT, inclusion and communications.
BY 1 OCTOBER	**Approve and embed** • Board approves the action plan, residual risks and evidence owners. • Update pay, procurement, severance, pension and EV salary-sacrifice controls. • Agree going concern triggers and accounting officer escalation. • Confirm inclusion oversight, trustee finance training and CFO succession arrangements.
BY 31 JANUARY	**Publish and explain** • Publish the MAT funding distribution statement alongside the annual accounts. • Reconcile the narrative to the notes on central services and funds. • Brief local leaders so the allocation model can be explained consistently.
TO 2027 / 2030	**Deliver the longer runway** • Align MIS contracts to the DfE framework by September 2027. • Apply the mandatory CFO recruitment wording from September 2027 for trusts over 3,000 pupils. • Deliver a funded roadmap to the six digital and technology standards by 2030

BOARD AGENDA

Ten questions trustees should ask

A good implementation paper should enable trustees to test substance, not merely receive assurance that policies have been updated.

01 **If Ofsted or the ESFA asked us tomorrow how we know inclusion is working consistently across the trust, what evidence would we show them?**	02 **Do we have a funded plan to reach the six digital standards by 2030, or just an aspiration?**
03 **Can every trustee provide effective financial challenge, or are we relying on one or two people around the table?**	04 **If our CFO left tomorrow, would our succession and recruitment approach meet the new expectations?**
05 **Where have curriculum decisions genuinely changed because of financial planning or vice versa?**	06 **What precise indicators would trigger the accounting officer's going concern notification?**
07 **Which contracts need action before renewal, and are we leaving enough time to comply with the new procurement expectations?**	08 **Do our executive pay and appointment processes pause at the right point to obtain DfE approval?**
09 **Would our evidence pack for a severance decision withstand external scrutiny?**	10 **If parents challenged our GAG distribution model publicly, could every trustee explain why resources are allocated as they are?**

THE ASSURANCE TEST

For each answer, ask: what is the evidence, who owns it, when was it last tested, and what happens if it fails?

ROLE CHECKLIST

Where accountability sits

OWNER	CRITICAL ACCOUNTABILITY
Board / Chair	Approve implementation, test evidence and hold the executive to account for delivery.
Accounting officer	Lead compliance, stewardship and regulatory engagement, including escalation where required.
Chief Financial Officer	Lead financial implementation, procurement, sustainability, GAG transparency and CFO succession planning.
Audit & risk committee	Test whether new controls are operating effectively and commission assurance over the highest-risk changes.
Governance professional	Embed the changes into governance processes, board papers, policies and the annual assurance cycle
Executive Leads	Deliver the changes within their areas of responsibility and provide evidence to support board assurance.

Internal scrutiny priorities

Internal scrutiny should focus on whether the new requirements are operating effectively in practice, not simply whether policies have been updated. Sample recent procurement decisions, executive pay approvals, GAG distribution arrangements and going concern processes to assess whether governance and evidence support effective implementation.

The Keystone View

The Academy Trust Handbook does not ask boards to create more policies. It asks them to demonstrate better governance. The strongest assurance comes from evidence that new expectations are influencing real decisions across the trust.

SOURCE & SUPPORT

Use this briefing to start the conversation—not end it

SCOPE OF THIS BRIEFING

This publication focuses on the material changes and their leadership implications. It does not reproduce every continuing requirement in the Handbook and is not a substitute for a trust's own compliance review or professional legal advice.

How Keystone can help

Keystone helps academy trusts turn regulatory change into practical governance, stronger assurance and confident decision-making. Working alongside boards and executive leaders, we help implement change in a way that is proportionate, evidence-based and sustainable.

01 Board-ready gap assessment

A proportionate review against the 2026 Handbook, with clear owners, evidence and priorities.

02 Governance and policy implementation

Targeted updates to schemes of delegation, committee terms, calendars, policies and decision records.

03 Financial sustainability and ICFP

Independent challenge of forecasts, assumptions, scenarios, going concern triggers and board reporting.

04 Risk-led internal scrutiny

Independent assurance that new controls are operating effectively, supported by evidence from live decisions rather than policy review alone.

ABOUT KEYSTONE KNOWLEDGE

We exist to make education better—driven by passion, built on trust and grounded in knowledge.

www.keystoneknowledge.com